

## IMPORTANT NOTICE

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

**IMPORTANT:** This electronic transmission is intended for the named recipient(s) only. If you are not an intended recipient, please delete this electronic transmission from your system immediately. You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering circular dated 2 January 2020 (“Offering Circular”). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached. In accessing the attached, 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 OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.**

**Confirmation of Your Representation:** You have accessed the attached document on the basis that you have confirmed your representation to PT Mandiri Sekuritas (the “Lead Underwriter”) that:

- (1) you are an institutional investor and you and any account you represent are (x) located outside the United States within the meaning of Regulation S under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or (y) you are a dealer or other professional fiduciary holding a discretionary account or similar account (other than an estate or trust) for the benefit and account of a person who is not, and each person on whose behalf you are viewing this transmission is not, a U.S. person as defined in Regulation S under the U.S. Securities Act (“Regulation S”); and
- (2) you consent to delivery of the attached Offering Circular and any amendments or supplements thereto by electronic transmission.

The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently none of (i) PT Ashmore Asset Management Indonesia Tbk (the “Company”), (ii) the Lead Underwriter and (iii) any of their respective employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version or any difference between the Offering Circular distributed to you in electronic format and the hard copy version available on request from the Lead Underwriter. Anyone wishing to acquire securities referred to herein should read the Offering Circular before deciding whether to acquire the securities. You are reminded that the attached Offering Circular has been delivered to you on the basis that you are a person into whose possession the Offering Circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver or forward this document, electronically or otherwise, to any other person.

**NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE SHARES OF THE COMPANY TO OCCUR IN ANY JURISDICTION OTHER THAN INDONESIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS OFFERING CIRCULAR OR ANY OTHER MATERIAL RELATING TO THE COMPANY OR THE SHARES OF THE COMPANY IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SHARES OF THE COMPANY HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OR SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION (OTHER THAN INDONESIA), AND MAY ONLY BE OFFERED AND SOLD OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S.**

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of any of the Company or the Lead Underwriter to subscribe for or purchase any of the securities described herein, and access has been limited so that it shall not constitute “directed selling efforts” (within the meaning of Regulation S) in the United States. If a jurisdiction requires that the offering be made by a licenced broker or dealer and the Lead Underwriter or any of their affiliates is a licenced broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Lead Underwriter or its eligible affiliates (as the case may be) on behalf of the Company in such jurisdiction.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

**YOU ARE NOT AUTHORISED AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED OFFERING CIRCULAR, IN WHOLE OR IN PART AND ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH OFFERING CIRCULAR IN ANY MANNER WHATSOEVER, AND, IN PARTICULAR, IT MAY NOT BE FORWARDED TO ANY U.S. ADDRESS (UNLESS PURSUANT TO AN APPLICABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT) OR INDONESIAN ADDRESS. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.**

If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described herein.

# Ashmore

## PT Ashmore Asset Management Indonesia Tbk

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

### 111,111,200 Offer Shares

This Offering Circular (“**Offering Circular**”) has been prepared by PT Ashmore Asset Management Indonesia Tbk (the “**Company**”) in connection with the offering of 111,111,200 of the Company’s common shares of par value Rp25 each (the “**Offer Shares**”). The Offer Shares are being offered (i) in connection with a public offer of Shares in the Republic of Indonesia (the “**Indonesian Offering**”); and (ii) to eligible investors resident outside of the Republic of Indonesia and outside of the United States in reliance on Regulation S under the U.S. Securities Act of 1933, as amended (the “**U.S. Securities Act**”) (the “**International Offering**” and together with the Indonesian Offering, the “**Combined Offering**”).

This Offering Circular is being made available to potential investors with respect to the International Offering only. The Indonesian Offering will be conducted by PT Mandiri Sekuritas (the “**Lead Underwriter**”) in Indonesia. This Offering Circular may only be distributed outside of Indonesia to persons who are neither citizens of Indonesia (wherever located) nor residents of Indonesia.

The Offer Shares being offered in the Indonesian Offering are being offered in Indonesia pursuant to an Indonesian language prospectus dated 2 January 2020, prepared for use in the Indonesian Offering (the “**Indonesian Language Prospectus**”). As a courtesy, an unofficial English translation of the Indonesian Language Prospectus is attached (the “**Prospectus**”). As used in this international supplement, the term “Offering Circular” means this international supplement in combination with the Prospectus. This international supplement and the Prospectus should be read together prior to making an investment decision to buy the Offer Shares offered under the International Offering. For further details, see “*Plan of Distribution*” in this international supplement. The Offer Shares offered in the Combined Offering may be reallocated between these two offerings.

We have applied to have our Shares (including the Offer Shares) listed on the Indonesia Stock Exchange (“**IDX**”) upon completion of the Indonesian Offering. The Combined Offering is our initial public offering, and no public market currently exists for our Shares. The offering price may not reflect the market price of our Shares after the closing of the Combined Offering.

**This 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 a high degree of risk. Before purchasing any of our Shares, prospective investors should carefully read the section entitled “*Risk Factors*” in the Prospectus and “*Additional Risk Factors for International Investors*” in this international supplement.

### Offering Price: Rp1,900 per Share

**Indonesian regulations only permit the cancellation of the Combined Offering in limited circumstances, and you may be required to complete your acquisition of the Offer Shares if the Combined Offering is required to proceed despite the occurrence of a material adverse change in conditions. See “*Plan of Distribution*” and “*Additional Risk Factors for International Investors – Risks relating to an Investment in our Shares – Investors may be required to complete their acquisition of the Offer Shares if the Indonesian Offering is required to proceed and complete despite the occurrence of a material adverse change, including in our business or financial condition*” in this international supplement.**

The Offer Shares are expected to be delivered on or about 13 January 2020 and will begin trading on the IDX on the listing date, which is expected to be on or about 14 January 2020.

**The Offer Shares have not been and will not be registered under the U.S. Securities Act, any state securities laws of the United States, or the securities laws of any other jurisdiction other than Indonesia. The Offer Shares are being offered and sold only outside the United States, to non-U.S. persons, in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Regulation S under the U.S. Securities Act (“**Regulation S**”). The Offer Shares are not transferable except in accordance with certain restrictions described under “*Plan of Distribution*” in this international supplement. Neither the U.S. Securities and Exchange Commission nor any U.S. state securities regulators has approved or disapproved of the Offer Shares, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Offer Shares or the truthfulness, accuracy or adequacy of this Offering Circular. Any representation to the contrary is a criminal offence in the United States.**

Lead Underwriter



PT Mandiri Sekuritas

Offering Circular dated 2 January 2020

## TABLE OF CONTENTS

NOTICE TO INVESTORS.....	1
CONVENTIONS WHICH APPLY TO THIS OFFERING CIRCULAR .....	3
FORWARD-LOOKING STATEMENTS .....	4
ENFORCEABILITY OF CIVIL LIABILITIES .....	5
SUMMARY .....	6
SUMMARY OF THE TERMS OF THE COMBINED OFFERING .....	8
SUMMARY FINANCIAL INFORMATION .....	10
ADDITIONAL RISK FACTORS FOR INTERNATIONAL INVESTORS.....	12
EXCHANGE RATES AND EXCHANGE CONTROLS .....	24
DILUTION .....	28
REGULATIONS.....	29
INDONESIAN CAPITAL MARKETS .....	34
TAXATION.....	49
PLAN OF DISTRIBUTION .....	51
INDEPENDENT AUDITORS.....	59

**AS USED IN THIS INTERNATIONAL SUPPLEMENT, THE TERM “OFFERING CIRCULAR” MEANS THIS INTERNATIONAL SUPPLEMENT AND THE ATTACHED UNOFFICIAL ENGLISH TRANSLATION OF THE INDONESIAN LANGUAGE PROSPECTUS. AS A COURTESY, WE HAVE PREPARED THE UNOFFICIAL ENGLISH TRANSLATION OF THE INDONESIAN LANGUAGE PROSPECTUS FOR PROSPECTIVE INVESTORS IN THE INTERNATIONAL OFFERING. NEITHER OUR COMPANY NOR THE UNDERWRITER MAKES ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OR COMPLETENESS OF THE UNOFFICIAL ENGLISH TRANSLATION. PROSPECTIVE INVESTORS SHOULD READ THIS INTERNATIONAL SUPPLEMENT AND THE PROSPECTUS TOGETHER PRIOR TO MAKING AN INVESTMENT DECISION TO BUY THE OFFER SHARES.**

**THE PROSPECTUS CONTAINED HEREIN IS AN UNOFFICIAL TRANSLATION OF THE INDONESIAN LANGUAGE PROSPECTUS PREPARED FOR THE INDONESIAN OFFERING BASED ON STATUTORY REQUIREMENTS AND DISCLOSURE PRACTICES IN INDONESIA. EACH PERSON RECEIVING THIS OFFERING CIRCULAR ACKNOWLEDGES THAT THE DISCLOSURE REQUIREMENTS AND PRACTICES IN INDONESIA DIFFER SIGNIFICANTLY FROM THE DISCLOSURE REQUIREMENTS AND PRACTICES IN OTHER JURISDICTIONS AND ACCORDINGLY ACKNOWLEDGES THAT THIS OFFERING CIRCULAR DOES NOT PROVIDE THE LEVEL OR TYPE OF DISCLOSURE THAT A PROSPECTIVE INVESTOR MAY REQUIRE IN CONNECTION WITH ITS INVESTIGATION OF US OR PRIOR TO MAKING AN INVESTMENT DECISION.**

## NOTICE TO INVESTORS

The Indonesian Financial Services Authority (*Otoritas Jasa Keuangan* or “**OJK**”) does not declare its approval or disapproval of the Offer Shares, nor does it declare the accuracy or adequacy of this Offering Circular. Any statement to the contrary is a violation of Indonesian law. For the purposes of the Indonesian Offering, the formal offering document is the Indonesian Language Prospectus.

This Offering Circular is strictly confidential and has been prepared by us solely for use in connection with the proposed International Offering. This Offering Circular is personal to you and does not constitute an offer to any person or to the public generally to purchase, or otherwise acquire, the Offer Shares. Distribution of this Offering Circular to any person other than you and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents without our prior written consent is prohibited. Each prospective investor, by accepting delivery of this Offering Circular, agrees to the foregoing and to make no photocopies of this Offering Circular and, if you do not purchase the Offer Shares or if the International Offering is terminated, to return this Offering Circular to the Lead Underwriter.

We have prepared this Offering Circular and are solely responsible for its contents. In making an investment decision, you must rely on your own examination of the Company and the terms of the International Offering, including the merits and risks involved. By receiving this Offering Circular, you acknowledge that (i) you have been afforded an opportunity to request from us and to review, and have received, all information that you consider necessary to verify the accuracy of, or to supplement, the information contained in this Offering Circular, (ii) you have not relied on either the Lead Underwriter or any person affiliated with the Lead Underwriter in connection with your investigation of the accuracy of any information in this Offering Circular or your investment decision, and (iii) no person has been authorised to give any information or to make any representation concerning the Company or the Offer Shares other than as contained in this Offering Circular and, if given or made, any such other information or representation should not be relied upon as having been authorised by us or the Lead Underwriter.

No representation or warranty, express or implied, is made by the Lead Underwriter or any of its affiliates as to the accuracy or completeness of the information contained in this Offering Circular. Neither the delivery of this Offering Circular nor the offer of the Offer 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 Offering Circular or that any information contained herein is correct as at any date subsequent to the date hereof.

None of us, the Lead Underwriter and any of our or its affiliates and representatives, is making any representation to any potential investor regarding the legality of an investment by such investor under applicable laws. In addition, you should not construe the contents of this 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 Offer 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 Offer Shares.

By receiving this Offering Circular, prospective investors acknowledge that the financial statements included in this Offering Circular have been prepared in accordance with the Indonesian Financial Accounting Standards (“**Indonesian FAS**” or “**IFAS**”), which differ in certain respects from International Financial Reporting Standards (“**IFRS**”), and are subject to auditing standards established by the Indonesian Institute of Certified Public Accountants and are not comparable to the financial statements of a company prepared under IFRS.

This Offering Circular does not constitute an offer to sell, or an invitation by or on behalf of us or the Lead Underwriter, or any affiliate or representative of any of the foregoing persons to purchase any of the Offer 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 authorised or is unlawful. There are restrictions on the distribution of this Offering Circular and the making of solicitations pursuant thereto in certain jurisdictions, further details of which are set out under “*Plan of Distribution*” in this international supplement. Recipients of this Offering Circular are required to inform themselves about and observe any applicable restrictions. By purchasing the Offer Shares, you will be deemed to have made the acknowledgements representations, warranties and agreements defined under “*Plan of Distribution*” and “*Selling Restrictions*” in this international supplement.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and, unless so registered, 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 U.S. Securities Act and applicable U.S. state securities laws. In making its purchase, each investor of the Offer Shares 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 the Offer Shares and distribution of this Offering Circular, see “*Plan of Distribution*” in this international supplement.

Each potential investor in the Offer Shares must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such Offer Shares or possesses this Offering Circular and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of such Offer 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 neither we, nor the Lead Underwriter or any of its affiliates shall have any responsibility therefor.

This Offering Circular has not been and will not be registered with OJK. Accordingly, this Offering Circular has not been and will not be registered as a prospectus in Indonesia and may not be distributed or circulated, whether directly or indirectly, in Indonesia. The Indonesian Offering is being made pursuant to a separate prospectus in the Indonesian language.

## CONVENTIONS WHICH APPLY TO THIS OFFERING CIRCULAR

In this international supplement, unless otherwise specified or the context otherwise requires, all references to “Indonesia” are references to the Republic of Indonesia. All references to the “Government” herein are references to the Government of the Republic of Indonesia. All references to the “United States” or “U.S.” herein are to the United States of America. All references to “Rupiah” and “Rp” herein are to the lawful currency of Indonesia and all references to “U.S. dollars” or “US\$” herein are to the lawful currency of the United States.

Capitalised terms used in this international supplement that are not defined herein shall have the same meaning ascribed to them in the Prospectus.

Certain amounts in this Offering Circular are in U.S. dollar amounts. See “*Exchange Rates and Exchange Controls*” in this international supplement for information regarding rates of exchange between Rupiah and U.S. dollars.

In this Offering Circular, unless otherwise specified or the context otherwise requires, all references to “we”, “us”, “our”, “Company”, “our Company” and “the Company” refer to PT Ashmore Asset Management Indonesia Tbk.

In this Offering Circular and in connection with our financial information or data, references to “2017”, “2018” and “2019” refer to the fiscal year ended 30 June 2017, 30 June 2018 and 30 June 2019, respectively. Our fiscal year starts on 1 July and ends on 30 June of each calendar year.

Siddharta Widjaja & Rekan (a member firm of KPMG International) has audited and rendered an unqualified audit opinion on our financial statements for the three years ended 2017, 2018 and 2019.

In this Offering Circular, all operational data and financial data are presented as at the dates indicated herein.

Unless otherwise stated, all financial information relating to our Company is stated in accordance with Indonesian FAS. Any discrepancies in the tables or in the narrative summary of financial information included in this Offering Circular between the listed amounts and their totals are due to rounding. In addition, unless we indicate otherwise, all percentage figures included in this Offering Circular are rounded.

## FORWARD-LOOKING STATEMENTS

This Offering Circular contains “forward-looking” statements that relate to future events, which are, by their nature, subject to significant risks and uncertainties. All statements other than statements of historical fact contained in this Offering Circular including, without limitation, those regarding our future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words “believe”, “expect”, “aim”, “intend”, “will”, “may”, “project”, “estimate”, “anticipate”, “predict”, “seek”, “should” or similar words or expressions are forward-looking statements. The future events referred to in these forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause the actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future and are not a guarantee of future performance. Important factors that could cause the actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the following:

- (i) risks relating to the revocation of licences, permits and authorisations;
- (ii) regulatory risks;
- (iii) risks associated with competition and our inability to grow our assets under management;
- (iv) risks related to product concentration;
- (v) risks relating to losses of key personnel and our ability to source skilled employees;
- (vi) credit risk, liquidity risk, risk associated with fluctuations of interest rates;
- (vii) operational and technological risks;
- (viii) political, macroeconomic and environmental risks;
- (ix) litigation risk; and
- (x) other risks, uncertainties and factors set forth under the section entitled “*Risk Factors*” in the Prospectus and “*Additional Risk Factors for International Investors*” in this international supplement.

When relying on forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. Such forward-looking statements speak only as at the date on which they are made. We do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. We make no representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Accordingly, you should not place undue reliance on any forward-looking statements.



## **ENFORCEABILITY OF CIVIL LIABILITIES**

We are a limited liability company incorporated under the laws of Republic of Indonesia. Substantially all of our directors and executive officers, and one of our commissioners reside in Indonesia. Substantially all of our assets and we expect substantially all of the assets of the Indonesian-citizen/resident commissioner, directors and executive officers of our Company are located in Indonesia. As a result, it may not be possible for investors to effect service of process upon such persons, or to enforce against our Company or any of them any court judgments in whole or in part obtained in courts outside of Indonesia.

We have been advised by our Indonesian legal counsel, Hadiputranto, Hadinoto & Partners, that judgments of non-Indonesian courts based on the civil liability provision of non-Indonesian securities laws are not recognised or directly enforceable in Indonesian courts. However, such judgements could be admissible as evidence in a proceeding on the underlying claim in an Indonesian court and may be given such evidentiary weight as the Indonesian court may deem appropriate, in its sole discretion. Accordingly, 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 on the basis of Indonesian law and reargue the matter on its merits. There is a no assurance that Indonesian courts will enter judgements on original actions brought in Indonesian courts based solely upon the civil liability provisions of non-Indonesian securities laws. Re-examination of underlying remedies available under Indonesian law will be the same, or as extensive as those available in other jurisdictions. For further details on enforceability of civil liabilities in Indonesia, see *“Additional Risk Factors for International Investors – Risks Relating to Indonesia – Judgments of a foreign court may not be enforceable against us”* in this international supplement.

## SUMMARY

*This summary highlights information contained elsewhere in this Offering Circular and does not contain all the information that may be important to prospective investors in deciding to invest in the Offer Shares. This summary is qualified in its entirety by more detailed information and the financial statements, including the notes thereto, appearing elsewhere in this Offering Circular. For a discussion of certain risks that should be considered in evaluating an investment in the Offer Shares, see the section entitled "Risk Factors" in the Prospectus. Investors are advised to read this entire Offering Circular carefully, including the financial statements and related notes contained herein, before making an investment decision.*

### Overview

The Company was first established under the name of PT Buana Megah Abadi, in 2010 and changed its name to PT Ashmore Asset Management Indonesia in 2012. Its ultimate parent company, Ashmore Group Plc, is a global specialist emerging markets investment manager headquartered in London and listed on the London Stock Exchange with long-established track record of investments in emerging markets.

The Company is engaged in investment management services, particularly management of equity, bond (denominated in Rupiah and other currencies), balanced, and money market mutual funds investments offered to retail and institutional investors. The Company distributes its mutual funds through selling agents (banks), institutions, and insurance companies. In carrying out its business, the Company relies on integrated departments or divisions, staffed by employees with deep knowledge of Indonesian capital markets, which enables the Company to achieve optimal performance in providing high standards of services to its clients.

The Company is one of the investment managers with the fastest assets under management growth in Indonesia according to data of the Indonesian Financial Services Authority for the period from 2013 to 2019. The Company started its business in 2013 with assets under management worth USD 45 million to become one of the largest investment managers in Indonesia based on the value of its assets under management. As at the date hereof, as much as 90% of the Company's assets under management is allocated to securities trading on the Indonesian stock market. The Company has more than 30,000 investors across its investment segments. Institutional investors, including insurance companies, pension funds, and sovereign wealth funds, continue to dominate the Company's assets under management.

The Company's vision is to become one of the largest asset management companies in Indonesia that is capable of offering high investment returns to customers through effective and efficient distribution. To achieve this goal, the Company relies on the following strengths and will seek to implement the following strategies:

### Our Competitive Strengths

We believe our competitive strengths include the following:

- affiliation with the Ashmore Group;
- professional, experienced investment manager with deep knowledge of Indonesian companies and a strong network;
- strong relationships with a local network and frequent visits to companies;
- solid investment process and system;
- product differentiation;
- experience in and exposure to emerging markets;
- strong investment approach;
- active risk management; and
- corporate culture that embraces integrity and intellectual freedom.

See the sections entitled “*Summary – Company Overview*” and “*Description of the Company, the Company’s Business Activities, Trends and Prospects – Business Activities and Prospects – Competitive Advantages*” in the Prospectus for further details.

### **Business Strategies**

Our key business strategies include the following:

- prepare new products such as sharia investment products to increase the variety of the Company’s mutual fund products;
- increase the Company's market share in Indonesia through selling agents and its institutional customers;
- strengthen the Company’s brand;
- invest in IT systems; and
- in the long term, provide return on investment in mutual funds that is higher than benchmark.

See the section entitled “*Description of the Company, the Company’s Business Activities, Trends and Prospects – Business Activities and Prospects – The Company’s Business Strategies*” in the Prospectus for further details.

### **Corporate Information**

Our head office is located at Pacific Century Place Lt. 18 SCBD Lot 10, Jl. Jenderal Sudirman Kav. 52-32, Kebayoran Baru, Jakarta Selatan DKI Jakarta, Indonesia. Our telephone number at this address is +(62) 21 2953 9000. Our main website is [www.ashmoregroup.com](http://www.ashmoregroup.com). The information contained in our website or any other website referred to herein and in the Prospectus does not form part of this Offering Circular.

## SUMMARY OF THE TERMS OF THE COMBINED OFFERING

The following summary contains basic information about the Offer Shares and is not intended to be complete. It does not contain all the information that may be important to prospective investors. For a more complete understanding of the Offer Shares, please refer to the section entitled “Share Initial Public Offering” in the Prospectus and “Plan of Distribution” and “Indonesian Capital Markets” in this international supplement.

<b>The Issuer</b> .....	PT Ashmore Asset Management Indonesia Tbk
<b>Combined Offering</b> .....	The Combined Offering consists of a concurrent International Offering and an Indonesian Offering of 111,111,200 Offer Shares. The closing of the International Offering is conditional upon the closing of the Indonesian Offering. For more information, see “ <i>Plan of Distribution</i> ” in this international supplement.
<b>Indonesian Offering</b> .....	The Offer Shares are being offered in Indonesia through the Lead Underwriter by way of a public offering, pursuant to Indonesian capital markets laws.
<b>International Offering</b> .....	Concurrently with the Indonesian Offering, some of the Offer Shares are being offered to eligible investors reside outside Indonesia through the Lead Underwriter. The International Offering is being made outside the United States in reliance on the exemption from registration under Regulation S. The closing of the International Offering is conditional upon the closing of the Indonesian Offering. For more information, see “ <i>Plan of Distribution</i> ” in this international supplement.
<b>Offering Price</b> .....	Rp1,900 per Offer Share.
<b>Offer Shares</b> .....	111,111,200 Shares of par value Rp25, the subject of the Combined Offering.
<b>Lock-ups</b> .....	We have agreed that, for a period of 12 months after the effective date of our registration statement with OJK, we will not issue and offer any Shares, other than the Offer Shares, without the prior written consent of the Lead Underwriter.
<b>Employee Stock Allocation</b> .....	In conjunction with the Combined Offering, we will allocate 1.66% of the Offer Shares, or 1,842,000 Offer Shares, to eligible employees through the ESA Program. See “ <i>Plan of Distribution</i> ” in this international supplement for more details.
<b>Listing and trading</b> .....	We have applied to have our Shares (including the Offer Shares) approved for listing and quotation on the IDX. If listing approval is granted, trading in our Shares on the IDX would be expected to commence on or about 14 January 2020.
<b>Use of Proceeds</b> .....	The net proceeds from the Combined Offering, after deducting underwriting fees and commissions and other estimated transaction expenses, are expected to be approximately Rp205,000,000,000. We intend to use the proceeds as set forth in the section entitled “ <i>Use of Proceeds from the Share Initial Public Offering</i> ” in the Prospectus.
<b>Voting Rights</b> .....	Investors of the Offer Shares offered in this Combined Offering will be entitled to the same voting rights as all other holders of our Shares.  The declaration, amount and any payment of future dividends on the Shares, if any, is discretionary and will be subject to the approval at a

general meeting of our shareholders. For more information, see the section entitled “*Dividend Policy*” in the Prospectus.

Dividends in respect of our Shares are generally subject to Indonesian withholding tax at a rate of 20% when paid to either non-resident corporate investors or to non-resident individual investors. For more details on tax matters, see the section entitled “*Taxation*” in the Prospectus and “*Taxation – Indonesian Taxation – Taxation of Dividends*” in this international supplement. Cash dividends will be paid in Rupiah.

Payment to us for the Offer Shares is expected to be made on or about 13 January 2020 in immediately available funds.

<b>Delivery .....</b>	Delivery of the Offer Shares to successful applicants will be made in electronic (scripless) form in the Collective Depository of the Indonesian Central Securities Depository, PT Kustodian Sentral Efek Indonesia (“ <b>KSEI</b> ”). See “ <i>Indonesian Capital Markets</i> ” and “ <i>Plan of Distribution – Registration of the Offer Shares in KSEI</i> ” in this international supplement. The Offer Shares are expected to be delivered to investors on or about 13 January 2020.
<b>Subscription of Offer Shares ..</b>	The Lead Underwriter and/or any of its affiliates may subscribe for the Offer Shares in the Combined Offering for their own account.
<b>Selling Restrictions.....</b>	The Offer Shares will be subject to certain selling restrictions as described in the “ <i>Plan of Distribution – Selling Restrictions</i> ” in this international supplement.
<b>Timetable .....</b>	For information about the timetable of the Combined Offering, see “ <i>Plan of Distribution – Important Dates</i> ” in this international supplement.
<b>Risk Factors .....</b>	Prior to making an investment in the Offer Shares, prospective investors should carefully consider the risks described under the section entitled “ <i>Risk Factors</i> ” in the Prospectus and “ <i>Additional Risk Factors for International Investors</i> ” in this international supplement.
<b>Shares.....</b>	Our authorised share capital is Rp100,000,000,000 consisting of 4,000,000,000 Shares of par value Rp25 each, of which 1,000,000,000 Shares were issued and outstanding prior to the closing of the Combined Offering and 1,111,111,200 Shares will be issued and outstanding immediately following the closing of the Combined Offering.

## SUMMARY FINANCIAL INFORMATION

*You should read our summary financial information and other data presented below in conjunction with our financial statements and the related notes to the financial statements included elsewhere in this Offering Circular. You should also read the section entitled “Management’s Discussion and Analysis” in the Prospectus.*

The following tables present the Company’s summary financial information as at the dates or for each of the periods indicated. The statements of financial position, the statements of profit or loss and other comprehensive income and the statements of cash flows as at and for the years ended 30 June 2017, 2018 and 2019 in the tables below have been derived from the audited financial statements of the Company included elsewhere in this Offering Circular.

Our Company was established on January 29, 2010. For more details of the group structure and history of the Company, see the section entitled “Description of the Company, the Company’s Business Activities, Trends and Prospects – Brief History of the Company” in the Prospectus.

The audited financial statements of the Company as at and for the year ended 30 June 2017, 2018 and 2019 included elsewhere in this Offering Circular, have been audited by Siddharta Widjaja & Rekan (a member firm of KPMG International), independent public accountants, in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountant (“**IICPA**”), as stated in their audit report appearing in this Offering Circular.

Our financial statements are reported in Rupiah, and our functional currency is the Rupiah. We have prepared and presented our financial statements in accordance with Indonesian FAS, which differ in certain material respects from IFRS.

### Statements of Financial Position

	<i>(In full Rupiah amount)</i>		
Description	June 30,		
	2019	2018	2017
<b>ASSETS</b>			
Cash and Cash Equivalents.....	68,204,688,239	41,949,404,540	43,830,357,269
Receivables from investment management activities ...			
Related parties .....	32,322,163,223	43,392,668,479	17,623,970,410
Third parties.....	1,107,453,711	110,110,610	57,966,787
Investments in mutual funds - Related Parties.....	-	-	5,417,235,816
Interest Receivables.....	100,259,008	58,005,275	113,387,626
Other receivables.....			
Related Parties.....	944,357,805	4,250,511,917	2,977,201,342
Third parties.....	16,807,623	86,949	18,620
Prepaid expenses .....	233,542,914	858,930,193	792,525,157
Fixed assets - net of accumulated depreciation.....	5,821,045,507	582,597,551	264,564,529
Deferred tax assets.....	789,779,750	553,800,000	363,135,500
Other assets.....	1,164,587,900	4,900,652,420	545,566,023
<b>TOTAL ASSETS .....</b>	<b>110,704,685,680</b>	<b>96,656,767,934</b>	<b>71,985,929,079</b>
<b>LIABILITIES</b>			
Income Taxes Payable .....	11,249,280,576	9,564,021,288	1,340,791,268
Other payables			
Related parties .....	19,886,620,706	11,623,203,034	8,350,599,575
Third parties.....	37,242,142,376	35,004,391,813	18,794,012,798
Trade Payables - third parties .....	210,833,932	319,930,896	-
Post-employment benefit liabilities .....	3,159,119,000	2,215,200,000	1,452,542,000
<b>TOTAL LIABILITIES.....</b>	<b>71,747,996,590</b>	<b>58,726,747,031</b>	<b>29,937,945,641</b>
<b>EQUITY</b>			
Capital stock - per value of Rp1,000 per share			
Authorized capital - 100,000,000 shares			
Issued and paid-up capital			
(2019: 25,000,000 shares) (2018: 25,000,000 shares) (2017: 35,000,000 shares).....	25,000,000,000	25,000,000,000	35,000,000,000

*(In full Rupiah amount)*

Description	June 30,		
	2019	2018	2017
Re-measurement of employee benefits liabilities, net of taxes.....	567,035,250	543,313,500	505,941,000
Retained Earnings:			
Appropriated.....	5,000,000,000	5,000,000,000	5,000,000,000
Unappropriated .....	8,389,653,840	7,386,707,403	1,542,042,438
<b>TOTAL EQUITY .....</b>	<b>38,956,689,090</b>	<b>37,930,020,903</b>	<b>42,047,983,438</b>
<b>TOTAL LIABILITIES AND EQUITY .....</b>	<b>110,704,685,680</b>	<b>96,656,767,934</b>	<b>71,985,929,079</b>

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

*(In full Rupiah amount)*

Description	June 30,		
	2019	2018	2017
<b>Revenue from Operations</b>			
Revenue from investment manager activities.....	308,887,226,797	244,142,065,963	153,995,965,984
<b>Operating Expenses</b>			
Mutual fund selling agent commission.....	(110,722,608,553)	(92,880,291,647)	(60,812,802,001)
Personnel.....	(58,233,436,266)	(48,377,666,709)	(37,720,474,630)
Regulatory Levy .....	(7,556,844,233)	(5,210,304,029)	(2,893,903,260)
System maintenance expense .....	(6,253,189,972)	(3,129,071,738)	(2,642,873,842)
Advertising and promotions .....	(3,758,389,240)	(3,273,116,551)	(2,628,655,498)
Office lease .....	(2,957,839,955)	(2,465,753,847)	(2,296,219,062)
Professional fees.....	(1,377,807,838)	(730,151,328)	(715,955,644)
General and administrative.....	(1,103,602,319)	(730,219,500)	(720,030,443)
Data and information.....	(1,101,647,427)	(1,012,133,735)	(980,566,898)
Depreciation .....	(818,973,331)	(117,066,977)	(677,820,914)
Telecommunication .....	(537,603,343)	(399,055,092)	(414,798,905)
Other .....	(1,540,697,024)	(1,460,147,368)	(1,192,597,626)
<b>Total Operating Expenses .....</b>	<b>(195,962,639,501)</b>	<b>(159,784,978,521)</b>	<b>(113,696,698,723)</b>
<b>Income from Operations.....</b>	<b>112,924,587,296</b>	<b>84,357,087,442</b>	<b>40,299,267,261</b>
<b>Other Income (Expense) .....</b>			
Realized and unrealized gains from investments in mutual funds.....	-	9,459,723	417,235,817
Finance income .....	2,034,789,641	3,830,142,050	1,936,281,630
<b>Total other income, net .....</b>	<b>2,034,789,641</b>	<b>3,839,601,773</b>	<b>2,353,517,447</b>
<b>Profit Before Tax.....</b>	<b>114,959,376,937</b>	<b>88,196,689,215</b>	<b>42,652,784,708</b>
<b>Tax Expense.....</b>	<b>(28,456,430,500)</b>	<b>(21,352,024,250)</b>	<b>(10,268,934,750)</b>
<b>Profit for the year.....</b>	<b>86,502,946,437</b>	<b>66,844,664,965</b>	<b>32,383,849,958</b>
<b>Total Other Comprehensive Income .....</b>	<b>23,721,750</b>	<b>37,372,500</b>	<b>(8,602,500)</b>
<b>Total Comprehensive Income .....</b>	<b>86,526,668,187</b>	<b>66,882,037,465</b>	<b>32,375,247,458</b>
Earnings per share.....	3,460	2,588	925

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

*An investment in the Offer Shares involves a number of risks. You should carefully consider all the information contained in this Offering Circular, including the risks described below and the factors set forth under the section entitled "Risk Factors" in the Prospectus, before making an investment decision. The risks set forth below do not purport to be complete or comprehensive in terms of all the risk factors that may arise in connection with our business or any decision to purchase, own or dispose of the Offer Shares. The risks and risk factors set forth below are not an exhaustive list of the challenges currently facing us or that may develop in the future. Additional risks, whether known or unknown, may in the future have a material adverse effect on our business, financial condition and results of operations. The market price of our Shares, including the Offer Shares, could decline due to such risks and you may lose all or part of your investment.*

### **Limitation of this Offering Circular**

The Prospectus contained herein is an unofficial English translation of the Indonesian Language Prospectus, which we have prepared as a courtesy for prospective investors in the International Offering. Neither us nor the Lead Underwriter or any of our or its affiliates makes any representation or warranty as to the accuracy or completeness of the unofficial English translation of the Indonesian Language Prospectus. The Indonesian Language Prospectus has been prepared for the Indonesian Offering based on statutory requirements and disclosure practices in Indonesia. The disclosure requirements and practices in Indonesia differ significantly from the disclosure requirements and practices in other jurisdictions and accordingly, this Offering Circular does not provide the level or type of disclosure that a prospective investor may require in connection with its investigation of us or prior to making an investment decision.

### **Risks relating to Indonesia**

Our Company is incorporated in Indonesia and substantially all of our operations and assets are located in Indonesia. As a result, future political, economic, legal, regulatory, and social conditions in Indonesia, as well as natural disasters, international developments in or affecting Indonesia, and certain actions or policies which the Government may, or may not, take or adopt may have a material adverse effect on our business, financial condition, results of operations and prospects.

*Emerging markets such as Indonesia are subject to greater risks than more developed markets, and if those risks were to materialise, their consequences could disrupt our business and you could suffer a significant loss to your investment.*

We have historically derived most of our revenue from operations in Indonesia and we anticipate that we will continue to do so. Emerging markets such as Indonesia have historically been characterised by significant volatility, and their political, social and economic conditions can differ significantly from those in more developed economies. Specific risks that could have a material impact on our business, results of operations, cash flows and financial condition include:

- political, social and economic instability;
- exchange rate volatility;
- acts of warfare, terrorism and civil conflicts;
- state intervention, including tariffs, protectionism and subsidies;
- regulatory, taxation and legal structure changes;
- liability for remedial actions under health and safety regulations;
- the cost and availability of adequate insurance coverage;
- difficulties and delays in obtaining or renewing licenses, permits and authorisations;
- arbitrary or inconsistent governmental action;



- deficiencies in transportation, energy and other infrastructure; and
- expropriation of assets.

Generally, investing in emerging markets is only suitable for sophisticated investors who fully appreciate the significant of the risks involved with investing in such markets. Furthermore, political and related social developments in Indonesia have been unpredictable in the past and are subject to rapid change. Consequently, the information set out in this Offering Circular may become outdated relatively quickly.

If any of the risks associated with investing in emerging markets, and in Indonesia in particular, were to materialise, our business, results of operations and financial condition could be materially adversely affected, and the value of your investment could decline significantly.

***Our operations could be adversely affected by disruptions to Indonesia’s infrastructure.***

Our business operations rely on the effectiveness of Indonesia’s infrastructure in respect of telecommunications, transportation networks and electricity. Any disruptions to these critical infrastructures could adversely affect our business operations and financial condition. We depend on our real-time information technology systems to effectively manage our business operations and a disruption to Indonesia’s telecommunications system could hinder our ability to process our business data, sales data and order fulfilment systems. We cannot assure you that any of the foregoing will not cause reputational, operational and financial risk to our business.

***Depreciation in the value of the Rupiah may adversely affect our business, financial condition, results of operations and prospects.***

During the period between 3 January 2017 and 12 December 2019, the Rupiah/U.S. dollar exchange rate ranged from a low of Rp13,156 per U.S. dollar to a high of Rp15,238 per U.S. dollar. We cannot assure you that further depreciation of the Rupiah against other currencies, including the U.S. dollar, will not occur.

In addition, while the Rupiah has generally been freely convertible and transferable (except that Indonesian banks may not transfer Rupiah to persons outside of Indonesia without a *bona fide* trade or investment purpose), 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 current floating exchange rate policy of Bank Indonesia will not be modified 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 usage of our subscribers, and as a result, we may also face difficulties in implementing our business strategy.

***We may be exposed to uncertainty in the application of the Currency Law on the use of Rupiah for Indonesian domestic transactions.***

On June 28, 2011, the Indonesian House of Representatives passed Law No. 7 of 2011 on the National Currency (the “**Currency Law**”) and subsequently, 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**”) and Circular Letter of Bank Indonesia No. 17/11/DKSP dated 1 June 2015 as the implementation regulation to Currency Laws, which require that an Indonesian party must use Rupiah for any cash or non-cash transactions conducted within the territory of Indonesia. This mandatory use of Rupiah includes an obligation to denominate the contract price in Rupiah and receive payment in Rupiah, subject to certain exceptions. See “*Exchange Rates and Exchange Controls – Indonesian Law on Currency and Obligation to Use Rupiah in Indonesian Territory*” in this international supplement for further details. Failure to comply with the obligation to use Rupiah in cash transactions, under PBI 17/3/ 2015 and other prevailing currency regulations, may result in criminal sanctions such as fines and confinement. Failure to comply with the obligation to use Rupiah in non-cash transactions will result in administrative sanctions in the form of written warnings, fines and/or restrictions from undertaking further payment activities.

As a majority of our revenues are in Rupiah and our functional currency is Rupiah, we do not expect this regulation will have a material adverse effect on our business and financial condition. Nevertheless, we cannot assure that

the prevailing currency regulations will not impact our future business or that any such application will not result in significant changes in economic facts and circumstances in turn affecting our business.

***Labour activism and strikes, or failure to maintain satisfactory labour relations may adversely affect our business.***

Laws and regulations which facilitate the forming of labor unions, combined with weak economic conditions, have resulted and may continue to result in labor unrest and activism in Indonesia. In 2000, the Government issued Law No. 21 of 2000 regarding Labor Union (the “**Labor Union Law**”). The Labor Union Law permits employees to form unions without intervention from an employer, the government, a political party or any other party. On 25 February 2003, a committee of the Indonesian parliament, the House of Representatives, *Dewan Perwakilan Rakyat* passed Law No. 13 of 2003 on Employment (the “**Labor Law**”) which, among other things, increased the amount of severance, service and compensation payments payable to employees upon termination of employment. The Labor Law took effect on 25 March 2003 and requires further implementation of regulations that may substantively affect labor relations in Indonesia. Under the Labor Law, employees who voluntarily resign are also entitled to payments for, among other things, (i) unclaimed annual leave, (ii) relocation expenses (if any), (iii) separation pay (if any), severance pay, and (iv) certain other expenses (if any). The Labor Law requires companies with 50 or more employees establish bipartite forums with participation from employers and employees and the participation of more than half of the employees of a company in order for a collective labor agreement to be negotiated. Following the enactment, several labor unions urged the Indonesian Constitutional Court to declare certain provisions of the Labor Law unconstitutional and order the Government to revoke those provisions. The Indonesian Constitutional Court declared the Labor Law valid except for certain provisions, including (i) the procedures for termination of employment of an employee who commits a serious mistake, (ii) criminal sanctions against an employee who instigates or participates in an illegal labor strike whether in the form of imprisonment or monetary penalty, (iii) for labor unions in companies which have more than one labor union, the need for more than 50% employee representation before such labor unions are eligible to conduct negotiations with the employer, and (iv) the ability to have outsourcing arrangements with fixed term employment contracts that do not contain provisions that protect outsourced employees upon the replacement of the outsourcing company, in which case we may not be able to rely on certain provisions of the Labor Law.

In addition, the Labor Law prohibits an employer from paying an employee below the minimum wage stipulated annually by the provincial or regional/city government. The minimum wage is generally determined according to the need for a decent living standard and taking into consideration the productivity and growth of economy. For example, in January 2015, the provincial government of DKI Jakarta, through the Governor of DKI Jakarta Province Regulation No. 176 of 2014, increased the minimum wage of DKI Jakarta province for 2015 from Rp2,441,000 per month to Rp2,700,000 per month, which was increased to Rp3,100,000 per month starting from January 1, 2016 as regulated under the Governor of DKI Jakarta Province Regulation No. 230 of 2015. The minimum wage in Jakarta was further increased to Rp3,335,000 per month in 2017, Rp3,648,000 per month in 2018 and Rp3,940,973 per month in 2019.

Labor unrest and activism in Indonesia could disrupt our operations, our suppliers or contractors and could affect the financial condition of Indonesian companies in general, depressing the prices of Indonesian securities on the Jakarta or other stock exchanges and the value of the Rupiah relative to other currencies. Such events could materially and adversely affect our business, financial condition, results of operations and prospects.

***Political and social instability in Indonesia may adversely affect us.***

Since the collapse of President Suharto’s regime in 1998, Indonesia has experienced a process of democratic change, resulting in political and social events that have highlighted the unpredictable nature of Indonesia’s changing political landscape. In 1999, Indonesia successfully conducted its first free elections for parliament and president. As a newly democratic country, Indonesia continues to face various socio-political issues and has, from time to time, experienced political instability and social and civil unrest. Such instances of unrest have highlighted the unpredictable nature of Indonesia’s changing political landscape. Indonesia also has many political parties, without any one party winning a clear majority to date. These events have resulted in political instability, as well as general social and civil unrest on certain occasions in recent years.

Since 2000, thousands of Indonesians have participated in demonstrations in Jakarta and other Indonesian cities both for and against former President Wahid, former President Megawati, and former President Yudhoyono as well as in response to specific issues, including fuel subsidy reductions, privatization of state assets, anticorruption measures, decentralization and provincial autonomy and the American-led military campaigns in Afghanistan and

Iraq. Although these demonstrations were generally peaceful, some turned violent. Other protests regarding elections occurred when Indonesia's Electoral Commission (KPU) formally announced the results of the 2019 presidential election and it was confirmed that the incumbent President Joko Widodo won the presidential polls with 55.5% of the total votes. The result triggered allegations of electoral fraud. Thousands of supporters of the opposing party, Prabowo Subianto, then held a rally in front of the Elections Supervisory Agency's (Bawaslu) headquarters on Jl. Thamrin in Central Jakarta on 21 May 2019, calling for the disqualification of Joko Widodo from the presidential election. The rally ended with a riot on 22 May 2019 in Central Jakarta. Further, the opposing party has challenged the election result to the Constitutional Court with regard to such fraud allegation, resulting in political uncertainty and instability in Indonesia. The appeal for the presidential election result has been decided by the Constitutional Court on 27 July 2019. The Constitutional Court decided to reject the appeal. There can be no assurance that this situation or future sources of discontent will not lead to further political and social instability.

Separatist movements and clashes between religious and ethnic groups have resulted in social and civil unrest in parts of Indonesia. In the provinces of Aceh and Papua (formerly Irian Jaya), there have been numerous clashes between supporters of those separatist movements and the Indonesian military. In Papua, continued activity by separatist rebels has led to violent incidents. In the provinces of Maluku and West Kalimantan, clashes between religious groups and ethnic groups have produced thousands of casualties and refugees over the past several years. The Government has attempted to resolve problems in these troubled regions with limited success except in the province of Aceh in which an agreement between the Government and the Aceh separatists was reached in 2005 and peaceful local elections were held with some former separatists as candidates, but there can be no assurance that the terms of any agreement reached between the Government and the separatists will be upheld.

Political and related social developments in Indonesia have been unpredictable in the past. Social and civil disturbances could directly or indirectly, materially and adversely affect our business, financial condition, results of operations and prospects.

***Indonesia is located in an earthquake zone and is subject to significant geological risk that could lead to economic loss.***

The Indonesian archipelago is one of the most volcanically active regions in the world. Because Indonesia is located in the convergence zone of three major lithospheric plates, it is subject to significant seismic activity that can lead to destructive earthquakes and tsunamis, or tidal waves. On 26 December 2004, an underwater earthquake off the coast of the northern part of Sumatra caused a tsunami that devastated coastal communities in Indonesia, Thailand, India and Sri Lanka. In 14 countries, including Indonesia, around 230,000 people died or were recorded as missing in the disaster and caused billions of U.S. dollars in damages. Aftershocks from the December 2004 tsunami also claimed further casualties, leaving tens of thousands homeless and hundreds more dead. There have been further earthquakes, including those in Yogyakarta, Java, Sulawesi, Manokwari and Padang, from 2006 to 2009, many of them leaving people dead or homeless.

In September 2017, Mount Agung, located in Denpasar, erupted with a magnitude of approximately 4.3 and struck off the coast of Indonesia. On August 5, 2018, a 7.0 magnitude earthquake struck the island of Lombok, killing at least 555 people. On October 28, 2018, a 7.7 magnitude earthquake struck Central Sulawesi, causing a tsunami to strike the provincial capital of Palu. The combined effects of the earthquake and tsunami led to the deaths of approximately 2,073 people. On 22 December 2018, the partial collapse of Anak Krakatau Volcano in Indonesia caused an undersea landslide, triggering a significant tsunami which affected the provinces of Banten and Lampung. The tsunami led to extensive damage along the coastal areas, killing at least 373 people, damaging approximately 681 homes and resulting in 128 individuals missing. These earthquakes, tsunamis and volcanic eruptions resulted in significant loss of life and injury and widespread destruction of property.

In addition to these geological events, heavy rains in December 2006 resulted in floods that killed more than 100 people and displaced over 100,000 people on the northwestern Sumatra island. More flooding in January and February 2007 around Jakarta killed at least 80 people and displaced at least 320,000 from their homes. In July 2007, at least 57 people were killed and at least 300 people were forced to flee their homes because of floods and landslides caused by torrential rains on the island of Sulawesi. In January 2009, torrential rain caused a colonial-era dam to burst outside Jakarta, sending a wall of muddy water crashing into a densely packed neighborhood and killing at least 100 people. The flood also left scores missing and submerged hundreds of homes. In October 2010, at least 158 people died and 148 people were declared missing in a flash flood in Wasior district, West Papua. In the early parts of 2013 and 2014, floods in Jakarta resulted in disruptions to businesses and extensive evacuations in the city.

While these events did not have a significant economic impact on Indonesian capital markets, the Government has had to expend significant amounts of resources on emergency aid and resettlement efforts. Most of these costs have been underwritten by foreign governments and international aid agencies. However, such aid may not continue to be forthcoming, and may not be delivered to recipients on a timely basis. If the Government is unable to timely deliver foreign aid to affected communities, political and social unrest could result.

Additionally, recovery and relief efforts are likely to continue to strain the Government's finances and may affect its ability to meet its obligations on its sovereign debt. Any such failure on the part of the Government, or declaration by it of a moratorium on its sovereign debt, could trigger an event of default under numerous private sector borrowings, including ours, thereby materially and adversely affecting our businesses, financial condition, results of operations and prospects.

Future geological occurrences could significantly impact the Indonesian economy. A significant earthquake or other geological disturbance in any of Indonesia's more populated cities could severely disrupt the Indonesian economy and undermine investor confidence, thereby materially and adversely affecting our businesses, financial condition, results of operations and prospects.

***Terrorist attacks and terrorist activities and certain destabilizing events have led to substantial and continuing economic and social volatility in Indonesia, which may materially and adversely affect our businesses.***

Terrorist attacks, including those on the United States on 11 September 2001, the United Kingdom on 7 July 2005, in Jakarta on 17 July 2009 and Paris on 13 November 2015, together with the military response to the September 11 attacks have resulted in substantial and continuing economic volatility and social unrest in the world. Terrorist attacks in Southeast Asia have exacerbated this volatility. In Indonesia, during the last several years and as recently as May 2018, there have been various bombing incidents directed towards the Government, foreign governments and public and commercial buildings frequented by foreigners, including the Jakarta Stock Exchange Building, hotels in Jakarta and tourist districts in Bali, which have killed and injured a significant number of people. For example, on 17 July 2009, two separate bomb explosions occurred at the JW Marriott Hotel and the Ritz Carlton Hotel in Jakarta, killing at least nine people and injuring 50 others. On 14 January 2016, two suicide bombers and two gunmen exchanged gunfire with police before bombing a police post and café in central Jakarta, killing at least four people and injuring more than 20 people. Indonesian, Australian and US government officials have indicated that these bombings may be linked to an international terrorist organization. The Islamic State of Iraq and the Levant claimed responsibility. On 14 May 2017, two explosions occurred at a bus terminal in Eastern Jakarta, resulting in three deaths and injuring 11 people. In May 2018, three churches were bombed in Surabaya, killing at least 28 people and injuring at least 50 others. Indonesian, Australian and US government officials have indicated that these bombings may be linked to an international terrorist organization. Further developments stemming from these events or other similar events could cause further volatility. Any additional significant military or other response or any further terrorist activities could also materially and adversely affect international financial markets and the Indonesian economy.

There can be no assurance that further terrorist acts will not occur in the future. Such terrorist acts could destabilise Indonesia and increase pressures on 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, and in turn our businesses. In addition, future terrorist acts may target our facilities and our insurance policies generally do not cover terrorist attacks.

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

The Company is a limited liability company incorporated under the laws of Indonesia. Substantially all of our directors and executive officers, and one of our commissioners reside in Indonesia. Substantially all of our assets and we expect substantially all of the assets of our Indonesian-citizen/resident commissioner, directors and executive officers are located in Indonesia. As a result, it may not be possible for investors to effect service of process upon such persons, or to enforce against the Company or any of them any court judgments obtained in courts outside of Indonesia.

We have been advised by our Indonesian legal counsel that decisions issued by courts outside Indonesia are not enforceable in Indonesian courts, except for the foreign arbitral awards which meet the requirements set out in Law No. 30 of 1999 on Arbitrations and Alternative Dispute Resolutions, the execution of which may be requested

and certain procedures including getting exequatur should be sought. However, a foreign court judgment could be admissible as non-conclusive evidence in a proceeding on the underlying claim in an Indonesian court. The Indonesian court, however, will determine whether such evidence has strong evidentiary weight in adjudicating the case, as it deems appropriate under such circumstances. A claimant may be required to pursue claims in Indonesian courts under Indonesian law. Re-examination of the underlying claim de novo would be required before the Indonesian court. 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. See “*Risks relating to Indonesia – The Indonesian legal system is subject to considerable discretion and uncertainty*” below.

***The Indonesian legal system is subject to considerable discretion and uncertainty.***

Indonesian legal principles or their practical implementation by Indonesian courts differ materially from those that would apply within the United States, the European Union and other countries. Indonesia’s legal system is a civil law system based on written statutes as well as judicial and administrative decisions that do not constitute binding precedent and are not systematically published. Indonesia’s commercial and civil laws were historically based on Dutch law, as in effect prior to Indonesia’s independence in 1945, and some have not been revised to reflect the complexities of modern financial transactions and instruments. Indonesian courts may be unfamiliar with sophisticated commercial or financial transactions, leading in practice to uncertainty in the interpretation and application of Indonesian legal principles.

The application of Indonesian law depends upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy, the practical effect of which is difficult or impossible to predict. Indonesian judges operate in an inquisitorial system; have very broad fact-finding powers; and a high level of discretion in relation to the manner in which those powers are exercised. In practice, Indonesian court decisions may omit a clear articulation of the legal and factual analysis of the issues presented in a case.

As a result, the administration and enforcement of laws and regulations by Indonesian courts and Indonesian governmental 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 investors to obtain swift and equitable enforcement of their legal rights.

Additionally, court services in Indonesia may not be reliable as to the assistance of material disputes, the filing of winding-up or insolvency petitions or any creditors’ claims or claims with respect to the enforcement of legal awards.

***The interpretation and implementation of legislation on regional governance in Indonesia is uncertain and may adversely affect our business, financial condition, results of operations and prospects.***

Indonesia is a large and diverse nation covering a multitude of ethnicities, languages, traditions and customs. During the administration of the former President Suharto, the Government controlled and exercised decision-making authorities on almost all aspects of national and regional administration, including the allocation of revenues generated from extraction of national resources in the various regions. This control led to a demand for greater regional autonomy, in particular with respect to the management of local economic and financial resources. In response to such demand, the Indonesian Parliament in 1999 passed Law No. 22 of 1999 on Regional Autonomy (“**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 by Law No 23 of 2014, which was further amended by the Law No. 2 of 2015 and Law No. 9 of 2015 on Regional Autonomy. 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, respectively. Under these regional autonomy laws, regional autonomy was expected to give the regional governments greater powers and responsibilities over the use of “national assets” and to create a balanced and equitable financial relationship between central and regional governments.

Regional autonomy laws and regulations have changed the regulatory environment for companies in Indonesia by decentralizing certain regulatory, taxing and other power from the Government to regional governments, and

this creates uncertainty. 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 and any judicial review/decision from the courts relating to such regional laws and regulations. In addition, pursuant to the regional autonomy laws, regional governments are given the authority to adopt their own regulations and under the pretext of regional autonomy, certain regional governments have put in place various restrictions, taxes and levies which may differ from restrictions, taxes and levies put in place by other regional governments and/or are in addition to restrictions, taxes and levies stipulated by the central Government. Currently, there is uncertainty in respect of the balance between the local and the central Government. Our business and operations are located throughout Indonesia and may be adversely affected by conflicting or additional restrictions, taxes and levies that may be imposed by the applicable regional authorities.

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

Our financial statements have been prepared and presented in accordance with Indonesian FAS, which differ in certain respects from IFRS and other reporting standards investors might be familiar with, such as U.S. GAAP for instance. As a result, our financial statements and reported earnings could be significantly different from those which would be reported under IFRS. This Offering Circular does not contain a reconciliation of our financial statements to IFRS and there is no assurance that such reconciliation would not reveal material differences. Because differences exist between Indonesian FAS and IFRS, the financial information in respect of us contained in this Offering Circular may not be an effective means to compare us with other companies that prepare their financial information in accordance with IFRS. In making an investment decision, investors must rely upon their own examination of us, the terms of the Combined Offering and the financial information contained in this 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.

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

Certain recognised statistical rating organisations, including Moody's Investors Service Inc. ("**Moody's**") and Fitch Ratings ("**Fitch**"), have in the past downgraded Indonesia's sovereign rating and the credit ratings of various credit instruments of the Government, as well as a large number of Indonesian banks and other companies. On 8 February 2018, Indonesia's sovereign foreign currency long-term debt rating was raised to Baa3 (positive) by Moody's and BBB (stable) 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. However, there is no assurance as to future performance and ratings. Any future ratings 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. Interest rates on any floating rate Rupiah-denominated debt we may have in the future would also likely increase. Such events could have material adverse effects on our business, financial condition, results of operations and prospects.

***The outbreak of any severe communicable disease in Indonesia or elsewhere may have an adverse effect on the economies of certain Asian countries and may adversely affect our results of operations.***

The outbreak of an infectious disease in Asia (including Indonesia) and elsewhere, together with any resulting travel restrictions or quarantines, could have a negative impact on the economy and business activity in Indonesia and thereby adversely affect our financial performance. Examples include the outbreak in 2003 of Severe Acute Respiratory Syndrome ("**SARS**"), the outbreak in 2004 and 2005 of Avian influenza, or "bird flu", in Asia and, in April 2009, an outbreak of the Influenza A (H1N1) virus which originated in Mexico but spread globally including confirmed reports in Indonesia, Hong Kong, Japan, Malaysia, Singapore, and elsewhere in Asia, and the outbreak of the H7N9 flu virus in certain parts of the People's Republic of China. As of May 31, 2014, the Government reported 197 confirmed human cases of avian influenza in Indonesia, including 165 deaths. In spite of the implementation of avian influenza prevention and control measures, outbreaks in animals, particularly in birds, and in humans are expected to occur from time to time, as long as avian influenza remains endemic in many provinces in Indonesia. Human cases have been decreasing every year, with the exception of 2011, from 55 cases in 2006, 42 cases in 2007, 24 cases in 2008, 21 cases in 2009, nine cases in 2010, 12 cases in 2011, nine cases in 2012, three cases in 2013 and one case in the first quarter of 2014. As of June 5, 2014, there have been no confirmed reports of MERS in Indonesia. Out of 129 suspected cases occurring across 19 provinces in Indonesia, laboratory testing confirmed 126 negative results with three further cases awaiting results. Worldwide, the WHO

has indicated that MERS has been identified in as many as 19 countries with a total of 681 cases. No fully effective avian flu or MERS vaccines have been developed and effective vaccines may not be discovered in time to protect against a potential pandemic. A future outbreak of these or another contagious or infectious diseases or any other serious public health concern in Indonesia may adversely affect our business, financial condition, results of operations and prospects. The perception is that an outbreak of avian flu, SARS, the Influenza A (H1N1) virus or another contagious disease that may occur may also have an adverse effect on the economic conditions of countries in Asia, including Indonesia.

***Regional or global economic challenges may materially and adversely affect the Indonesian economy and our business.***

The Asian economic crisis, which began in 1997, had a significant adverse impact on Indonesia causing significant depreciation in the value of the Rupiah and depletion of Indonesia's currency reserves, among other adverse changes. The economic crisis resulted in the failure of many Indonesian companies to repay their debts when due. These conditions had a material adverse effect on Indonesian business, including our business and financial condition. Indonesia entered a recessionary phase with relatively low levels of growth between 1999 and 2002, although rate of growth has increased in recent years.

There can be no assurance that improved economic conditions will continue or the previous adverse economic condition in Indonesia and the rest of the Asia Pacific region will not occur in the future. In particular, a loss of investor confidence in the financial systems of emerging and other markets, or other factors, may cause increased volatility in the international and Indonesian financial markets and inhibit or reverse the growth of the global economy and the Indonesian economy. Any such increased volatility, slowdown or negative growth could materially and adversely affect our business, financial condition, results of operations and prospects. In addition, the absence of funding from the IMF, World Bank or similar agencies or creditor support for debt rescheduling, the Government may not be able to secure alternative funding and may default on its payment obligations, which may result in an economic crisis. Funding restrictions may also result in the Government being unable to fund subsidies for staples such as food and fuel which, in turn, could have serious social, economic and political consequences. These may in turn have a material adverse impact on our business and the market price of our Shares. The Government may, in connection with future agreements with the World Bank or other lenders, undertake additional economic or structural initiatives the effects of which are presently unknown. Indonesia's economy was significantly affected by the global economic crisis that began in 2008. The current global economic situation could further deteriorate or have a greater impact on Indonesia and our business. Any of the foregoing could materially and adversely affect our business, financial condition, results of operations and prospects.

#### **Risks relating to an Investment in our Shares**

***Conditions in the Indonesian securities market may affect the price or liquidity of our Shares and the absence of a prior market in the Shares may contribute to a lack of liquidity.***

We have applied to list the Shares on the IDX. There is currently no market for the Shares. There can be no assurance that a market will develop for the Shares, or if a market does develop, that the Shares will be liquid. The Indonesian capital markets are less liquid, may be more volatile, and have different reporting standards than capital markets in developed countries. Also, prices in the Indonesian capital markets are typically more volatile than in such other markets. Therefore, we cannot predict whether a trading market for the Shares will develop or how liquid that market will be.

The ability to sell and settle trades on the IDX may be subject to delays. In light of the foregoing, there can be no assurance that a holder of the Shares will be able to dispose of the Shares at prices or at times at which such holder would be able to do so in more liquid securities markets or at all.

The Shares will not be listed on the IDX for a maximum of three working days after the end of the allocation period for the Global Offering. During that period, investors will be exposed to movements in the price of the Shares without the ability to dispose of the purchased Shares.

***Fluctuations in the exchange rate of the Rupiah with respect to the U.S. dollar or other currencies will affect the foreign currency equivalent of the value of the Shares and any dividends.***

Fluctuations in the exchange rates between the Rupiah and other currencies will affect the foreign currency equivalent of the Rupiah price of the Shares on the IDX. Such fluctuations will also affect the amount that holders

of the Shares will receive in foreign currency upon conversion of: (i) any cash dividends or other distributions we pay in Rupiah on the Shares; and (ii) any proceeds paid in Rupiah from any sale of the Shares in a secondary trading market.

***Future sales of the Shares could adversely affect the market price of the Shares.***

Future sales of substantial amounts of the Shares in a public market, or the perception that such sales may occur, could adversely affect the prevailing market price of the Shares or our ability to raise capital through a public offering or rights issue of additional equity or equity-linked securities. Immediately following the Combined Offering, approximately 60.04% of the total outstanding Shares are expected to be held directly or indirectly by our Controlling Shareholder.

***The net asset value of the Offer Shares issued in the Combined Offering is significantly less than the Offering Price and investors will incur immediate and substantial dilution.***

The Offering Price is substantially higher than the net asset value per share of the outstanding Shares issued to our existing shareholders. Therefore, investors of the Offer Shares will experience immediate and substantial dilution and our existing shareholders will experience a material increase in the net asset value per share of the Shares they own. For more information, see “*Dilution*” in this international supplement.

***Failure to comply with disclosure and internal control and financial reporting requirements, and other risk management and related practices, appropriate for a publicly listed company could harm our operations and our ability to comply with our periodic reporting obligations.***

After the completion of the Combined Offering, we will become a public company subject to the reporting requirements of the IDX, the stock exchange on which our Shares will be listed, and OJK rules. OJK and the IDX rules and regulations require, among other things, that we maintain effective disclosure controls and procedures and relevant internal controls over financial reporting to provide regular financial and other material business updates to IDX and our investors. After completion of the Combined Offering, we will need to comply with the public company requirements, listing requirements and implement risk management and related practices which will require that we incur substantial additional professional fees and internal costs to expand our accounting and finance functions and that we expend significant management efforts.

We would also need to employ sufficient personnel with an appropriate level of accounting knowledge, experience, and training commensurate with our financial reporting requirements, and a segregation of duties in our finance and accounting functions. We would also be required to comply with investment management company requirements, including the individual requirements for key employees, such as specific licencing. We have not had to comply with these types of obligations in the past and they may place a significant strain on us. If we are not able to comply with OJK rules and the listing requirements of the IDX, or if we are unable to maintain proper and effective internal controls, and otherwise implement other relevant risk management and related practices, we could be required to incur additional costs, our business and financial condition and operating results could be harmed and we could be prevented from meeting our reporting obligations. Ineffective disclosure and internal controls and risk management and related practices also could cause our shareholders and potential investors to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our Shares. In addition, investors relying upon any misinformation could make an uninformed investment decision, and we could be subject to sanctions or investigations by the IDX, OJK, or other regulatory authorities.

***Investors 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 developed countries. Consequently, minority shareholders may not be able to protect their interests under current Indonesian law to the same extent as in other developed 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 Shareholder, and the rights of our minority shareholders are governed by Law No. 40 of 2007 on Limited Liability Company (the “**Company Law**”) and its accompanying regulations, OJK and the IDX rules, as well as our Articles of Association. Such principles of law may 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 conduct was actionable under Indonesian law, the absence of judicial precedent could make prosecution of such civil proceeding 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, as well as internal and external reporting standards. As a result of these differences in corporate governance standards, the directors and commissioners of Indonesian companies may be more likely to have interests that conflict with the interests of minority 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 IDX are responsible for improving disclosure and other regulatory standards for the Indonesian securities markets. OJK has issued regulations and guidelines on disclosure requirements, including the type of information that must be disclosed on our Company's website, 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 practice may not be as strict, including with regards to the independence of boards of directors, and audit and other committees.

***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 its 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 invitation 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 (a day before the invitation to a general meeting of shareholders) 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.

***Investors may be required to complete their acquisition of the Offer Shares if the Indonesian Offering is required to proceed and complete despite the occurrence of a material adverse change, including in our business or financial condition.***

Indonesian regulations permit the cancellation of the Indonesian Offering only in limited circumstances. See "Plan of Distribution" in this international supplement for a discussion of these circumstances. If a material adverse change in international or national monetary, financial, political or economic conditions or certain 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 OJK effectiveness of the registration statement and prior to the completion of the Indonesian Offering and the listing of our Shares, the Company may request permission from

OJK to postpone or cancel the Indonesian Offering. There can be no assurance that the Company will submit such request to OJK or that OJK will grant the cancellation. As such, OJK may require the Indonesian 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 Shares even if such events limit their ability to sell the shares after the Combined Offering or cause the trading price of the shares after the Combined Offering to be at prices significantly below the Offering Price.

***Investors' rights to participate in any rights offerings by us could be limited, which would cause dilution to an investor's shareholding.***

Under OJK Rule No. 32/POJK.04/2015 on Capital Increases in Public Company with Pre-emptive Rights which came into effect on 22 December 2015 as amended by OJK Rule No. 14/POJK.04/2019, a publicly listed company must offer its shareholders who are registered on the record date 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 shareholders, our foreign shareholders may be unable to exercise such rights, or we may be unable to extend to such rights to shareholders unless securities laws in their jurisdiction are complied with. For example, shareholders from certain jurisdictions may require an effective registration statement complying with the relevant securities laws of their jurisdiction, or an exemption from registration if available, before such rights as described above are exercisable by, or extendable to, such shareholders.

Whenever we make a rights or similar offering of Shares, we will evaluate the costs and potential liabilities associated with, and our ability 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 certain jurisdictions and, if so, and if no exemption from registration or filing requirements are available, then holders of the Offer 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 investors that they will be able to maintain their proportional equity interests in our Shares. 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 contains provisions that could discourage a takeover of our Company.

Under OJK Rule No. 9/POJK.04/2018 dated 27 July 2018 regarding Takeovers of Publicly Listed Companies ("**OJK Rule No. 9/2018**"), if there is any change of control of an Indonesian equity issuer or public company, the new controlling party must carry out a mandatory tender offer of the remaining Shares (public Shares, not including Shares of the substantial shareholder and other controlling shareholders, if any).

OJK Rule No. 9/2018 defines a change of control of a public company as an action which directly or indirectly changes the controlling party of that public company. A controlling party of a public company is defined as a person who owns more than 50% of the public company's total paid-in capital or can determine by any means, directly or indirectly, the management or policy of a public company.

The new controlling shareholder will have to conduct a mandatory tender offer for all the other shares in the public company, except for:

- shares owned by shareholders which conducted the acquisition in conjunction with the new controlling shareholders;
- shares owned by other parties which received an offer on the same terms and conditions with the new controlling shareholder;
- shares owned by other parties which are conducting a tender offer at the same time on the same public company's shares;
- shares owned by the substantial shareholder; and
- shares owned by the other controlling shareholders in the public company.

Further, in order to ensure that the public continues to hold at least 20% of the equity of the equity issuer or public company and that the public company is owned by at least 300 parties, the rule requires the new controlling party to divest its shareholding in the equity issuer or public company within two years after completion of the mandatory tender offer if, as the result of the mandatory tender offer, the new controlling party holds more than 80% of the equity in the equity issuer or public company's total paid-up capital.

If, as a result of the takeover, the new controlling party already holds more than 80% of the equity issuer or public company's total paid-up capital, it must still carry out a mandatory tender offer, even though it will later have to divest a portion of the Shares it acquires in the mandatory tender offer to ensure that the public company is owned by at least 300 parties within two years after completion of the mandatory tender offer.

Although such takeover provisions are intended to protect the interests of shareholders by requiring any acquisitions of the Shares that may involve or threaten a change in control of our Company to also be extended to all shareholders on the same terms, these provisions may discourage or prevent such transactions from taking place at all. Some of our shareholders, which may include you, may therefore be disadvantaged as a transaction of that kind might have allowed the sale of Shares at a price above the prevailing market price.

***The projections we have provided to the IDX should not be relied upon.***

As part of our listing application, we are required under IDX regulations to submit certain financial projections to the IDX and have been advised that the IDX may publish such projections. The IDX has informed us that they do not consider the projections as a part of the prospectus that will be circulated to investors for the purposes of the Indonesian Offering. You should note that the projections that we have provided to the IDX were prepared solely for the purpose of satisfying IDX requirements and do not form a part of this Offering Circular, which is the only document you should refer to in making your investment decision. Neither we, nor any of our affiliates, nor our or their respective directors, officers, employees or agents make any representation or warranty, express or implied, in relation to the accuracy nor completeness of the information contained in the projections that we have provided to the IDX and accept no responsibility, obligation or liability in relation to such information.

The projections, which have been prepared by our management, necessarily are based upon estimates and forecasts that are inherently subject to many factors including, but not limited to, business, economic and competitive uncertainties and contingencies, many of which are beyond our control, and assumptions with respect to future business decisions, which are subject to change. These factors and assumptions include, among others, those set out in "*Forward-Looking Statements*" in this international supplement, and other risks and uncertainties disclosed elsewhere in the Offering Circular. The projections also assume the success of our business strategy, which is subject to uncertainties and contingencies beyond our control. No assurance can be given that our strategy will be effective or that the anticipated benefits from our strategy will be realised in the periods for which the projections have been prepared.

The projections were not prepared under IFAS or any other accounting standards or with a view towards compliance with any published guidelines regarding forecasts or the preparation and presentation of prospective financial information. The projections have also not been audited, reviewed, examined or prepared with the advice of our auditors. The reports of our auditors included in the Offering Circular relate only to our historical financial information and do not extend to the projections and should not be read to do so.

You should also note that any views or terms contained in the projections that we have provided to the IDX are preliminary only and are based on assumptions and factors prevailing as at the date when we provided the projections to the IDX. The projections are therefore subject to change. However, we undertake no obligation or responsibility and do not intend to update such projections for future changes or events after the listing of our Shares. Furthermore, we do not intend to prepare or issue to the public any future projections or earnings guidance except as required under relevant laws and regulations.

For the reasons mentioned above, you should not rely in any way on any of our projections that are made available to or by the IDX.

## EXCHANGE RATES AND EXCHANGE CONTROLS

From 1978 to 1997, Indonesia maintained a managed floating exchange rate system under which the Rupiah was linked to a basket of currencies, the composition of which was based on Indonesia's main trading partners. Indonesia has adopted a free floating exchange rate system since August 1997, under which market forces determine the exchange rate for the Rupiah.

The following table sets forth information on the exchange rates between the Rupiah and U.S. dollars based on the middle exchange rate on the last day of each month during the year indicated. The Rupiah middle exchange rate is calculated based on Bank Indonesia's buying and selling rates.

	Exchange rates			
	Low	High	Average	Period End
	(Rp per US\$)			
2014 .....	11,271	12,900	11,878	12,440
2015 .....	12,444	14,728	13,392	13,795
2016 .....	12,926	13,946	13,307	13,436
2017 .....	13,154	13,630	13,384	13,548
2018 .....	13,290	15,253	14,246	14,481
January 2019 .....	14,031	14,474	14,163	14,072
February 2019 .....	13,947	14,119	14,035	14,062
March 2019 .....	14,102	14,324	14,211	14,244
April 2019 .....	14,016	14,237	14,143	14,215
May 2019 .....	14,245	14,513	14,393	14,385
June 2019 .....	14,116	14,346	14,227	14,141
July 2019 .....	13,913	14,160	14,044	14,026
August 2019 .....	14,098	14,344	14,242	14,237
September 2019 .....	13,950	14,218	14,111	14,174
October 2019 .....	13,996	14,207	14,118	14,008
November 2019 .....	13,992	14,112	14,069	14,102
December 2019 (from 1 December through 12 December) .....	14,004	14,130	14,067	14,042

*Source: Statistik Ekonomi dan Keuangan Indonesia (Indonesian Financial Statistics) published monthly by Bank Indonesia; Internet website of Bank Indonesia.*

The middle exchange rate between the Rupiah and the U.S. dollar on 12 December 2019 was Rp14,042 = US\$1.00. The Federal Reserve Bank of New York does not certify for customs purposes a noon buying rate for cable transfers in Rupiah.

### Exchange Controls

Law No. 24 of 1999, dated 17 May 1999 on the Flow of the Foreign Exchange System and Exchange Rate System provides that a person may hold and use foreign currency freely in the Republic of Indonesia. The transfer of foreign exchange to and from abroad and the status of the offshore asset or liability of an Indonesian company that falls under certain criteria, however, are subject to disclosure and reporting obligations to Bank Indonesia. To maintain the stability of the Rupiah and to prevent the utilization of the Rupiah for speculative purposes by non-residents, Bank Indonesia has introduced regulations to restrict the movement of Rupiah from banks within Indonesia to offshore banks, an offshore branch of an Indonesian bank, or any investment denominated in Rupiah by foreign parties and/or Indonesian parties domiciled or permanently residing outside 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 people and legal entities that are domiciled, or who plan to be domiciled, in Indonesia for at least one year.

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

On June 28, 2011, the Government of Indonesia passed the Currency Law, on March 31, 2015, Bank Indonesia issued PBI 17/3/2015 and on 1 June 2015 Bank Indonesia issued Circular Letter No. 17/11/DKSP (“SEBI 17/11”). Under the Currency Law and PBI 17/3/2015, all parties are required to use Rupiah for cash and non-cash transactions conducted within Indonesia, including (i) each transaction which has 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 of Rupiah denomination from customers to banks).

Subject to further requirements under PBI 17/3/2015, the obligation to use Rupiah does not apply to (i) certain transactions relating to the implementation of state revenue and expenditure; (ii) the receipt or provision of grants either from or to overseas; (iii) international trade transactions, which includes (a) export and/ or import of goods to or from outside Indonesian territory and (b) activities relating to cross border trade in services; (iv) bank deposits denominated in foreign currencies; (v) international financing transactions; or (vi) transactions in foreign currency which are conducted in accordance with applicable laws and regulations, including, among others; (a) a bank's business activities in foreign currency which is conducted based on applicable laws regarding conventional and sharia banks, (b) securities in foreign currency issued by the Indonesian government in primary or secondary markets based on applicable laws, and (c) other transactions in foreign currency conducted based on applicable laws, including the law regarding Bank Indonesia, the law regarding investment and the law regarding Lembaga Pembiayaan Ekspor Indonesia (Indonesia Eximbank).

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

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

According to SEBI 17/11, 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 others, (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 in a receipt.

Further, SEBI 17/11 stipulates that conditional exemptions may apply to certain infrastructure projects, among others, (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 wastewater 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) natural oil and gas infrastructure, including transmission and/or distribution of natural oil and gas. These exemptions apply if (a) the project has 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.

A failure to comply with the obligation to use Rupiah in cash transactions will result in criminal sanctions in the form of fines and confinement. A failure to comply with the obligation to use Rupiah in non-cash transactions will be subjected to administrative sanctions in the form of (i) written warning, (ii) fines, and/or (iii) prohibition from undertaking payment activities. Bank Indonesia may also recommend the relevant authorities and institutions to conduct certain actions 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 of Foreign Currencies Against Rupiah through Banks

On 5 September 2016, Bank Indonesia issued Bank Indonesia Regulation No. 18/18/PBI/2016 on Foreign Exchange Transaction to Rupiah between Banks and Domestic Parties (“**PBI 18/18/2016**”), as implemented by Member of Bank Indonesia Board of Governor Regulation No. 20/16/PADG/2018 dated 15 August 2018 (“**PADG 20/2018**”). Under PBI 18/18/2016, any conversion of Rupiah into foreign currency for spot and standard derivative (plain vanilla) transactions that exceed a specific threshold is required to have an underlying transaction and be supported by underlying transaction documents. These thresholds are: (i) the purchase of foreign currency against Rupiah of more than US\$25,000 or its equivalent per month per customer for spot transactions; (ii) the purchase of foreign currency against Rupiah of more than US\$100,000 or its equivalent per month per customer for derivative transactions; (iii) the sales of foreign currency against Rupiah of more than US\$5,000,000 or its equivalent per transaction per customer for forward transactions; and (iv) the sales of foreign currency against Rupiah of more than US\$1,000,000 or its equivalent per transaction per customer for options transaction. According to Bank Indonesia’s policy, the underlying transaction and supporting transaction documents are also required for transactions of foreign exchange structured product in the form of a Call Spread Option, in any amount. Further, the maximum amount of such foreign exchange conversion cannot exceed the value of the underlying transaction.

Under PBI 18/18/2016, the underlying transaction may consist of: (i) domestic and international trade of goods and services; (ii) investment in the form of direct investment, portfolio investment, loans, capital and other investment inside and outside Indonesia; and/or (iii) the granting of facility or financing from a bank in foreign currencies and/or Rupiah for trade and investment activities. Furthermore, PADG 20/2018 extends the scope of underlying transactions of point (iii) above to include sharia principle facilities or financing. The underlying transaction may not include: (i) a placement of funds in banks in the form of, among others, saving account, demand deposit account, time deposit, or Negotiable Certificate Deposit (“NCD”); (ii) money transfers by a remittance company; (iii) undrawn credit facilities, including standby loans and undisbursed loans; or (iv) usage of Bank Indonesia securities in foreign currencies.

Indonesian parties entering into: (i) a foreign exchange spot transaction against Rupiah in an amount exceeding US\$25,000 or its equivalent per month per customer for a spot transaction or US\$100,000 or its equivalent per month per customer for a standard derivative (plain vanilla) transaction, or (ii) a call spread option against Rupiah in any amount, will be required to submit supporting documents to the transacting bank. These documents include a duly stamped or authenticated written statement confirming that: (i) the underlying transaction document is valid and correct, (ii) the amount of foreign currency purchased is or will not exceed the amount stated in the underlying transaction document, and (iii) in case the underlying transaction document is only an estimation, the total needs, purpose of utilization, and date of foreign currencies utilization. For the purchase of foreign currencies not exceeding such thresholds, the Indonesian parties must declare in a duly stamped letter or authenticated written statement that its aggregate foreign currency purchases do not exceed each threshold (as applicable) per month in the Indonesian banking system.

Bank Indonesia also issued Bank Indonesia Regulation No. 18/19/PBI/2016 dated September 5, 2016 on Foreign Exchange Transaction to Rupiah between Banks and Foreign Parties (“**PBI 18/19/2016**”), as implemented by Member of Bank Indonesia Board of Governor Regulation No. 20/17/PADG/2018 dated 15 August 2018. Similar to PBI 18/18/2016, PBI 18/19/2016 is intended to comprehensively govern foreign exchange transactions against Rupiah in Indonesia. However, unlike PBI 18/18/2016, which targets Indonesian bank customers, PBI 18/19/2016 governs foreign exchange transactions by banks and foreign parties.

PBI 18/19/2016 also requires an underlying transaction if a foreign exchange transaction exceeds certain threshold amounts. The thresholds set forth by PBI 18/19/2016, which are similar to the threshold amounts under PBI 18/18/2016, are: (i) for spot transactions, a purchase of foreign exchange against the Rupiah equivalent of US\$25,000 per month per foreign party, or its equivalent; (ii) for standard derivative transactions (plain vanilla), the sale and purchase of foreign exchange against the Rupiah equivalent of US\$1,000,000 per transaction per foreign party or per outstanding amount of each derivative transaction per bank, or its equivalent and; (iii) for forward transaction, the sales of foreign currency against Rupiah of more than US\$5,000,000 or its equivalent per transaction per foreign party; and (iv) for option transactions, the sales of foreign currency against Rupiah of more than US\$1,000,000 or its equivalent per transaction per foreign party.

The underlying transaction under PBI 18/19/2016 may consist of: (i) domestic and international trade of goods and services; and/or (ii) investment in the form of direct investment, portfolio investment, loans, capital and other investment inside and outside Indonesia. The following transactions are not considered as underlying transactions: (i) Bank Indonesia Certificates for derivative transactions, (ii) a placement of funds in banks (vostro account) in the form of saving account, demand deposit account, time deposit, or NCD; (iii) the granting of facility which has not been withdrawn, such as standby loan and disbursed loan; and (iv) the usage of Bank Indonesia securities in foreign currencies.

Similar to PBI 18/18/2016, PBI 18/19/2016 also requires foreign parties entering into: (i) a foreign exchange spot transaction against Rupiah in an amount exceeding US\$25,000 (or its equivalent) per month per foreign party for a spot transaction and US\$1,000,000 (or its equivalent) per transaction per foreign party or outstanding per bank for a standard derivative (plain vanilla) transaction, or (ii) a call spread option against the Rupiah in any amount, will be required to submit certain supporting documents to the transacting bank. These documents include a duly stamped or authenticated written statement confirming that: (a) the underlying transaction document is valid and correct, (b) the amount of foreign currency purchased is or will not exceed the amount stated in the underlying transaction document, (c) for a call spread option, in case the underlying transaction document is only an estimation of the purchase of foreign currencies against Rupiah, the total needs, purpose of utilization, and date of foreign currencies utilization, and (d) for forward/option transactions, in case the underlying transaction document is only an estimation of the sale of foreign currencies against Rupiah, the source of funds, amount, and availability date of the foreign currencies, in the event that the underlying transaction document is only an estimation. For the purchase of foreign currencies not exceeding such thresholds, the foreign parties must declare in a duly stamped letter or authenticated written statement that its aggregate foreign currency purchases do not exceed each threshold (as applicable) per month per foreign party in the Indonesian banking system. Such written statement may be in the form of e-mail, SWIFT message, negative confirmation or business internet banking.

## DILUTION

Dilution created by the Combined Offering represents the amount by which the Offering Price paid by the investors of the Shares in the Combined Offering exceeds the book value of net assets per Share after the Combined Offering. We have determined the book value of net assets per Share by subtracting our total liabilities from the total book value of our assets and dividing the difference by the number of Shares outstanding as at 30 June 2019.

As at 30 June 2019, our net book value was Rp1,558 per Share, based on 25,000,000 issued and outstanding Shares as at that date with par value per Share of Rp1,000. After giving effect to the sale of the Offer Shares at the Offering Price of Rp1,900 per Share and after deduction of estimated selling, underwriting and management commissions and estimated expenses related to the Combined Offering payable by our Company, our net book value per Share as at 30 June 2019 would increase to Rp1,837 per Share. This represents an immediate increase in net book value per Share of Rp63 to our existing shareholders and an immediate dilution of Rp279 per Share to investors of Offer Shares.

The following table illustrates dilution on a per share basis based on the Offering Price of Rp1,900 per Share:

Offering Price per Share.....	Rp1,900
Net book value per Share as at 30 June 2019 .....	Rp1,558
Pro forma net book value per Share as at 30 June 2019, assuming that the Combined Offering had taken effect as at that date.....	Rp250,067,969,090
Increase in net book value per Share attributable to the sale of Shares in the Combined Offering .....	Rp279
Dilution per Share to new investors of Shares in the Combined Offering .....	Rp63



## REGULATIONS

*The regulatory overview provided below is limited to the core business of our Company, which includes business activities in relation to the sharia commercial banking activities. Aside from the specific regulations on the core business of our Company, there also are various laws and regulations applicable to the business of our Company.*

### **Investment Management Company Regulations**

In Indonesia, an asset or investment management company is a securities company called an "investment manager" with a specific license granted by OJK.

Investment management companies in Indonesia are mainly regulated under Bapepam-LK Rule No. V.A.3, Attachment of Decision of the Chairperson of Bapepam-LK No. Kep-479/BL/2009 dated 31 December 2009, regarding Licensing of Securities Companies that Undertake Business Activities as an Investment Manager, as amended by Attachment of Decision of the Chairperson of Bapepam-LK No. Kep-26/BL/2010, dated 18 February 2010 ("**Rule V.A.3**").

Under Rule V.A.3, the permitted business activities of an investment management company are as follows:

- (i) managing securities portfolios in the interest of certain customers based on an individual fund management agreement;
- (ii) managing collective investment portfolios in the interests of a group of customers through an instrument or products regulated in OJK regulations (*e.g.*, mutual funds); and
- (iii) other activities in accordance with the provisions set by OJK

### *Capital Requirements*

Under Decree of the Minister of Finance No. 153/PMK.010/2010 dated 31 August 2010 on Share Ownership and Capitalization of a Securities Company ("**MOF Decree 153/2003**"), investment management companies must have paid-up capital of at least Rp25 billion.

Foreign shareholders that are engaged in financial services may hold up to 85% of an investment management company's paid-up capital. However, if the investment management company is a public company, foreign parties may hold 100% of its paid-up capital. The foreign shareholders of a listed investment management company can be individuals or entities that are not engaged in the financial sector.

### *Shareholders' Requirements*

The shareholders that have 20% or more shares in an investment management company that is a public company, must be approved by OJK and comply with the integrity and financial requirements as set out under Rule V.A.3. The controlling shareholders of an investment management company must also pass the fit and proper test delivered by OJK.

### *Governance*

An investment management company must have at least two persons as members of its board of directors and two persons as members of its board of commissioners. An investment management company must also have independent commissioners, the number of which must be at least 30% of the total number of commissioners. The total number of members of the board of commissioners must not exceed that of the board of directors.

The members of the board of directors and the board of commissioners must pass the fit and proper test delivered by OJK. Further, all members of the board of directors must have individual licenses as a Securities Company

Representatives and at least one member of the board of directors must have an individual license as an investment manager representative.

An investment management company must also have work units to execute the following functions of an investment management company:

- (i) investment and research;
- (ii) trading;
- (iii) securities transaction settlement;
- (iv) marketing and customer complaints;
- (v) information technology;
- (vi) accounting and finance; and
- (vii) human resources development.

Each function must be led by experienced employees or employees who have individual licenses (*e.g.*, as investment management representatives or securities company representative, for instance), as applicable.

#### *Reporting Obligations*

Investment management companies are required to submit (i) periodical financial reports, (ii) monthly activity reports, (iii) auditors' reports on annual net adjusted working capital, (iv) a business plan, and (v) governance implementation reports.

Further, investment management companies are also required to submit incidental reports at the latest seven days after the date of occurrence if there is any change in any of the following facts and information:

- (i) identity of the investment management company including, among others, the name, address and logo;
- (ii) articles of association;
- (iii) tax registration number;
- (iv) work permits for expatriates;
- (v) stay permits for expatriates for investment management companies that employ expatriates as directors;
- (vi) joint venture agreement for joint venture companies;
- (vii) information on business location and internal control system of the investment management company;
- (viii) organization structure and job description of employees' positions;
- (ix) hiring and/or resignation of a securities company representative;
- (x) procedures and standard operations; and
- (xi) strategy for compliance and risk management.

#### **Investment Advisor Regulations**

The Capital Market Law defines the investment advisor as a party that gives advice to another party on securities sales and purchases for a commission fee in return. OJK grants investment advisor licenses.

Investment advisors are mainly regulated under Bapepam Regulation No. V.C.1 on the Licensing of Investment Advisors, as attached to Decision of the Chairman of Bapepam No. Kep-26/PM/1996, dated 17 January 1996 (“**Rule No. V.C.1**”).

### *Capital Requirements*

Government Regulation No. 45 of 1995 on Capital Market Activities, as amended by Government Regulation No. 12 of 2004 on Capital Market Activities, specifies that the minimum paid-up capital for an investment advisor company is Rp500 million.

### *Shareholders Requirements*

There is no regulation prohibiting a foreign shareholder from holding shares in an investment advisor company. Further, there is no regulation governing the maximum number of shares that a foreign shareholder can hold.

### *Governance*

An investment advisor company must employ a director and one officer who have licenses as Investment Manager Representatives.

In conducting investment advisory activities, investment advisor OJK Regulation No. 5/POJK.04/2019, dated 11 February 2019 on Activities that are Prohibited for Investment Advisor specifies that an investment advisor is prohibited from doing the following:

- (i) charging a client an unusually high fee compared to that charged by other investment advisors providing similar services, without disclosing to the client the availability of such other services;
- (ii) disclosing the identity of its client to any third party, unless such disclosure is mandatory under applicable laws and regulations;
- (iii) misrepresenting to any client or prospective client the qualifications of the investment advisor, misrepresenting the nature of the services provided, or omitting to disclose any material fact required in order to ensure that such statements made regarding the qualifications of the investment advisor, in light of the services provided, are not misleading;
- (iv) providing a report or advice to any client prepared by a party other than the investment advisor, without disclosing the identity of the party who prepared the report or recommendation;
- (v) guaranteeing a client a specific result from the advice given;
- (vi) providing a recommendation to a client with respect to the purchase, sale or exchange of any securities without reasonable grounds;
- (vii) failing to disclose explicitly to clients, in writing, prior to rendering any advice, any conflict of interest relating to the investment advisor that may affect the objectivity of the advice;
- (viii) entering into, changing, extending, shortening, or renewing any investment advisor contract without approval from the client;
- (ix) managing client's funds; and
- (x) issuing a credit rating, if the investment advisor is not a rating company.

### *Reporting Obligation*

Investment advisors must submit semi-annual activity reports and annual reports.

Failure to comply with these obligations subjects the investment advisor to administrative sanctions in the form of written warnings, fines, restrictions on business activities, suspension of business activities, revocation of business licenses, cancellation of approvals, cancellation of registration and/or certain actions by OJK.

## **Labour Regulations**

### *Term of Employment in Indonesia*

Based on Law 13/2003, an employment contract may be entered into for a specified or unspecified time. A specified time employment contract is based on a fixed term or the completion of a specific job, and cannot be entered into for jobs that are permanent in nature. Furthermore, a specified time employment contract cannot exceed a term of two years, and can only be extended once, for no more than one year. An unspecified time employment contract can stipulate a probation period, which cannot exceed three months. When offering permanent employment, Law 13/2003 requires an employer to issue the permanent employee with a letter of appointment.

Employment contracts can be terminated by: (i) the employee's death; (ii) the expiry of a specified time contract; (iii) a court decision; or (iv) the occurrence of certain events as prescribed in the work agreement, the company's regulations or the collective labour agreement.

### *Minimum Salary Requirement*

An employee is entitled to a salary at least equal to the minimum wage as stipulated by the relevant competent authority of the location where they are employed. Law 13/2003 provides that an employer is not allowed to pay an employee wages below the minimum wage stipulated annually by the provincial, regency or municipal government. The minimum wage is set in accordance with the need for a decent standard of living, taking into consideration the productivity and growth of the economy.

The 2019 minimum wage for the Province of Jakarta is set out in the Governor of DKI Jakarta Regulation No. 114 of 2018, which came into force on 1 January 2019. Governor of DKI Jakarta Regulation No. 114 of 2018 stipulates that the minimum wage for Jakarta for 2019 is Rp3,940,973.96 per month. This provision is applicable to our head office as it is located in Central Jakarta.

### *Employee Social Protection in Indonesia*

Indonesia has implemented regulations concerning social protection and social welfare programmes for employees who are working in Indonesia under Law No. 24 of 2011 on the Social Security Agency (*Badan Penyelenggara Jaminan Sosial –“BPJS”*) (“**Law 24/2011**”). Previously, the social welfare programme for Indonesian labour was regulated under Law No. 3 of 1992 on *Jamsostek*. Law 24/2011 establishes two social welfare programmes namely, Health BPJS and Employment BPJS. The Employment BPJS covers workers compensation, pensions and life insurance. Under Law 24/2011, an employer is required to register its company and its employees as Employment BPJS participants. If an employer fails to comply with this obligation, the company will be subject to a written warning, fines and/or exclusion from several public services. Law 24/2011 further stipulates that an employer who violates the obligation to provide financial contribution to BPJS will be subject to eight years of imprisonment and fines of Rp1,000 million. Pursuant to Law 24/2011, every person, including foreign nationals, who are employed for at least six months in Indonesia, must be participants in the social security programme.

## **Labour Union**

According to the Labour Union Law, a labour union may be established with a minimum of 10 members. The Labour Union Law also stipulates that no party is allowed to prevent or prohibit the formation of labour unions, or force the establishment of unions. Similarly, no party is permitted to prevent workers from becoming union organisers or members, or obstruct unions from either carrying out their activities.

## **Employment Disputes**

Employment disputes are regulated under Law No. 2 of 2004 on Industrial Relations Disputes Settlement, as amended by few constitutional court decisions, such as constitutional court decision (i) No. 68-PUU-XIII/2015; (ii) No. 114/PUU-XIII/2015; (iii) 49/PUU-XIV/2016 (“**Law 2/2004**”). Under Law 2/2004, industrial relations disputes refer to a difference in opinion leading to conflict between the employer and the employee or labour union, emerging from a dispute of rights, conflicts of interest, termination of employment or disputes between labour unions within one company. Law 2/2004 adopts a tripartite labour courts system. Settlement of industrial disputes should first be sought through bipartite negotiation between the employer and the employee or labour

union within 30 days. If no resolution is reached at this level, a conciliator or an arbitrator can be brought in. If that too fails, the dispute can be brought before the Industrial Relations Court and a verdict should be issued within 50 business days of the first hearing of the case. The decision of the Industrial Relation Court in relation to a conflict of interest or a dispute among labour unions within one company is final and binding. Where the dispute relates to rights or a disagreement over termination of employment, the disputing party is entitled to file an appeal (cassation) to the Supreme Court within 14 business days of the court decision or the notification of the court decision. The Supreme Court must then render its judgment within 30 business days of the acceptance date of the appeal application.

## INDONESIAN CAPITAL MARKETS

*The following information has been derived from publicly available information and has not been independently verified by us, the Lead Underwriter or any of our or the Lead Underwriter's advisors.*

### Background and Development

In 1976, the Government established the Capital Market Executive Agency (*Badan Pengawas 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.

Later, the Capital Market Executive Agency and the Capital Market Development Agency became the Capital Market Supervisory Board (*Badan Pengawas Pasar Modal* or "**Bapepam**").

On 16 April 1992, the operation of the Jakarta Stock Exchange (the "**JSX**") was transferred from Bapepam to PT Bursa Efek Jakarta with the principal goal of ensuring an orderly and fair operation of the securities exchanges. Over the next 12 years, a number of reform measures affecting the Indonesian capital markets have been introduced. These have led to the privatisation of the JSX and its establishment in December 1991 as a limited liability company, PT Bursa Efek Jakarta incorporating 221 securities trading companies as its shareholders.

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

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

Other reforms were also introduced to provide increased protection for minority shareholders, to improve disclosure requirements and clarify listing procedures. As at 31 December 2009, there were 398 firms listed on the IDX with a total market capitalisation of Rp2 trillion as compared to 24 listed companies with a capitalisation of approximately Rp100 billion in December 1987, just prior to the introduction of the capital market reform measures.

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

On 22 November 2011, the Government enacted Law No. 21 of 2011 on the Financial Services Authority (*Otoritas Jasa Keuangan*) ("**Law No. 21/2011**") taking on certain functions, tasks and authorities from Bank Indonesia relating to the supervision and regulation of financial service activities in the banking sector, effective 31 December 2013. Additionally, the supervision and regulation of financial service activities in capital markets, insurance, pension funds, finance companies and other financial service institutions were assumed from the Bapepam-LK, effective 31 December 2012. Law No. 21/2011 further stipulates that all existing licences, 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.

OJK is an independent body, which is free from intervention by any other party, and has functions, tasks, and authorities to oversee the supervision, examination and investigation of financial service activities in banking, capital markets, insurance, pension funds, financial institutions, and other financial service institutions, led by a Board of Commissioners (*Dewan Komisioner*) consisting of nine members inaugurated by a Presidential Decree. Among the members, there is one ex-officio member from each of Bank Indonesia and the Ministry of Finance.

Law No. 21/2011 further requires that OJK provide annual activity reports to the President of the Republic of Indonesia and the House of Representatives. OJK budget for operational and administrative activities shall come from the state budget and fees collected from practitioners in financial services.

## Overview of the Indonesia Stock Exchange or the IDX

The first share issuance listed on the JSX or PT *Bursa Efek Jakarta* took place in August 1977. Up until the end of 1988, the shares of 24 companies were listed on the JSX and the volume of shares traded was relatively low. The operational transfer of the exchange from Bapepam to PT Bursa Efek Jakarta was effectively commenced on 13 July 1992. During the period from 1988 to 2000, a number of reform measures affecting the Indonesian capital markets were announced. These led to the privatisation of JSX and its establishment as a limited liability company, *PT Bursa Efek Jakarta*, incorporating 221 securities trading companies as its shareholders.

The various reforms 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 (*Bursa Paralel*) and private stock exchanges outside Jakarta, the first of which was established in Surabaya (the SSX or PT *Bursa Efek Surabaya*). In July 1995, the Bursa Paralel and the SSX were merged to form a single exchange intended to focus on small- and medium- sized companies. A company could elect to list shares on the JSX, the SSX or both.

On 30 November 2007, the JSX and SSX were merged to form a single exchange, which took the name PT Bursa Efek Indonesia, or the IDX. In the terms of regulations, the IDX has issued various regulations related to shares listing, share trading and IDX membership. IDX is expected to change its regulations, especially to review certain conditions, among others, related to the implementation of Good Corporate Governance principles in listed companies.

Other reforms were also introduced to provide increased protection for minority shareholders, to improve disclosure requirements and to clarify listing procedures. As of 31 December 2017, the IDX comprised 107 members. Of these 107 members, the top 20 most active members in total trading volume handled transactions totaling 3,196,423 million shares, approximately 56.18% of total shares traded on the IDX during the year. In terms of trading value, the top 20 most active members accounted for Rp2,299 trillion in trading, or approximately 63.52% of the overall value of buying and selling transactions on the IDX in 2017.

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	Negotiated	Monday – Thursday, 13:30:00 – 16:15:00 Friday, 14:00:00 – 16:15:00

The trading of securities is divided into three market segments: regular market, negotiated market and cash market with the exception of 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. Trading on the regular market and cash market trading must be carried out in unit lots of 100 shares. The price movements:

- for shares with a previous price of less than Rp200, in multiples of Rp1, and each price movement should be no more than Rp10;
- for shares with a previous price ranging from Rp200 to (but less than) Rp500, in multiples of Rp2, and each price movement should be no more than Rp20;
- for shares with a previous price ranging from Rp500 to (but less than) Rp2,000, in multiples of Rp5, and each price movement should be no more than Rp50;

- for shares with a previous price ranging from Rp2,000 to (but less than) Rp5,000, in multiples of Rp10, and each price movement should be no more than Rp100; and
- for shares with a previous price of Rp5,000 or more, in multiples of Rp25, and each price movement should be no more than Rp250.

Auctioning takes place according to price priority and time priority. Price priority gives 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 in time (i.e. time priority).

Negotiated market trading is carried out by (i) direct negotiation between members of the IDX, (ii) between clients through one member of the IDX, (iii) between a client and a member of the IDX, or (iv) between a member of the IDX and the Indonesian Stock Clearing and Guarantee (*PT Kliring dan Penjaminan Efek Indonesia* or the “**KPEI**”). Negotiated market trading does not use round lots.

Transactions on the IDX regular market are required to be settled no later than the second trading day after the transaction, except for cross trading. Transactions on the IDX negotiated market is settled based on agreement of the parties involved, or not later than the third trading day after the transaction if the parties have not agreed on the timing of settlement. Transactions on the IDX cash market are required to be settled on the trading day of the transaction. In case of a default by an exchange member on settlement, cash market trading takes place, under 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 is obliged to pay a transaction cost as regulated by the IDX and in the event of a delay in payment of the transaction cost a fine of 1.0% of the outstanding amount will be imposed for each day of delay. For any violation of the IDX rules, the IDX may impose on an exchange member any of the following sanctions namely, (a) a fine up to Rp500 million, (b) a written warning, (c) a temporary suspension from trading activities, or (d) a revocation of the license of exchange member.

All transactions involving shares listed only on the IDX 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 and margin trading are allowed, subject to the fulfilment of certain requirements such as namely, (a) the maintenance of a regular securities account that shows the transaction records of the trader, (b) the maintenance of a margin trading or short selling financing securities account and (c) an initial deposit of at least Rp200 million into the margin trading or short selling financing securities account. Under the prevailing Indonesian laws, only a member of the IDX that has obtained approval from the IDX may enter into a short selling transaction or margin transaction. Furthermore, the IDX may cancel a transaction if proof exists of fraud, market manipulation or insider trading. The IDX may also suspend trading if there are indications of fraudulent transactions or artificial inflation of share prices, misleading information, insider trading, counterfeit securities or securities blocked from trading, or any other material event. The 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 client, 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 cost equal to 0.03% of the transaction value (for transactions in the regular and cash markets) and a transaction cost based on the IDX policy (for transactions in the negotiated markets). Exchange members generally pass on these costs to their clients. The transaction cost is a minimum of Rp2 million per month as contribution for the provision of the IDX's facilities (which continues to apply for members of the IDX in suspension or with frozen membership). The clients are also responsible for paying a 10.0% value added tax on the amount of brokerage fee and transaction cost. Indonesian sellers are further required to pay a withholding tax of 0.1% (plus an additional 0.5% for founder shares) of the total transaction value.

Additionally, a stamp duty of Rp3,000 is payable on any transaction with a value between Rp250,000 and Rp1 million and stamp duty of Rp6,000 is payable on every transaction with a value of more than Rp1 million. See “*Taxation*” in this international supplement for further detail.

Shareholders or their appointees may request at any time during working hours that an issuer, or a securities administration bureau appointed by the issuer, register their shares in the issuer's registry of shareholders.



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

	<b>As of and for the year ended 31 December</b>		
	2016	2017	2018
<b>Equities data</b>			
Market capitalisation (Rp billion) .....	5,753,613	7,052,389	7,023,497
Stock trading volume (million shares) .....	1,925,420	2,844,846	2,536,279
Average daily trading volume (million shares) .....	7,827	11,953	10,568
Stock trading value (Rp billion) .....	1,844,588	1,809,592	2,040,086
Average daily stock trading value (Rp billion) .....	7,498	7,603	8,500
Number of listed companies.....	537	566	619

Source: *IDX statistics*

### Foreign Equity Ownership Restrictions

Direct investment by foreigners in the shares of a company is generally regulated by Law No. 25 of 2007 on Capital Investment and its implementing regulations under the rulings and policies of Indonesia Investment Coordinating Board (*Badan Koordinasi Penanaman Modal* or “**BKPM**”), the regulatory authority for foreign investment. The restriction on foreign ownership of listed equity securities which was regulated by the Minister of Finance’s Decree No. 1055/KMK.013/1989 was revoked by the Minister of Finance’s Decree No. 455/KMK.01/1997 dated 4 September 1997. Under Bapepam Letter No. S-2105/PM/1997 dated 8 September 1997, Notice of Jakarta Stock Exchange No. Peng 1176/BEJ/1.1/1997 dated 9 September 1997 and Decision Letter of the Board of Directors of Bank Indonesia No. 32/50/KEP/DIR dated 14 May 1999, foreigners are now permitted to purchase up to 100% of the shares offered in a public offering and up to 100% of the listed shares of all Indonesian listed companies, except for certain industries such as banking, broadcasting and tower telecommunications.

### IDX Auto Rejection Regulations

Pursuant to Stock Exchange Trading Regulation No. II-A, Attachment to the Decree of the Board of Directors of PT Bursa Efek Indonesia No. Kep-00168/BEI/II-2018 dated 26 November 2018 (“**IDX Rule II-A**”), the IDX securities trading system (“**JATS**”) will automatically reject a sale offer and/or purchase demand for equity type securities if:

- (i) the sale offer or purchase demand price is less than Rp50;
- (ii) the sale offer or purchase demand price is:
  - more than 35% below or above the Reference Price (as defined below) within the range of Rp50 to Rp200;
  - more than 25% below or above the Reference Price within the range of Rp200 to Rp5,000; or
  - more than 20% below or above the Reference Price over Rp5,000.
- (iii) the volume of the sale offer or purchase demand in regular market or cash market is more than 50,000 lots or 5% out of the total number of the company’s shares listed on the IDX (whichever is smaller).

The term “**Reference Price**” means: (a) the opening price (*harga pembukaan*) in the regular market (the “**Opening Price**”); (b) the closing price (*harga penutupan*) on the previous trading day, if the opening price is not available (the “**Previous Price**”); or (c) the theoretical price as a result of a corporate action (*harga teoritis hasil tindakan korporasi*) for the shares if the company is conducting a corporate action.

The above restrictions only apply to the regular market and cash market and not the negotiated market of the IDX. After taking into account trading conditions, the IDX may amend the above provisions upon a decision of the IDX board of directors with prior approval from OJK. Such amendment shall be announced by the IDX and shall be effective, at the earliest, after three trading days from such announcement.

## Offering, Listing and Reporting Regulations

OJK regulates and monitors issues of securities which 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 which are set out respectively in the Rule No. I-A Attachment of Decision of the Board of Directors of IDX No. Kep-00183/BEI/12-2018 dated 26 December 2018 regarding Listing of Offering Shares and Equity-Linked Securities other than Offering Shares Issued by Listed Company (the “**IDX Listing Regulation**”).

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

- (i) an annual report to be submitted not later than four months after the end of the financial year of the company;
- (ii) audited financial statements for the last three years consisting of:
  - (1) 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 unless it has been submitted together with the annual report;
  - (2) 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
  - (3) quarterly reports, the preparation of which is required by the rules of the IDX, to be submitted to the IDX not later than one month after the date of such report for a non-audited report, two months after the date of such report for a limited audit report, and three months after the date of such report for a fully audited report;
- (iii) material information that is important and relevant according to 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, obtainment or loss of material contracts, 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 information is revealed;
- (iv) a copy of any amendment to the company’s articles of association;
- (v) the purpose of the utilisation of net proceeds from the initial public offering;
- (vi) a notice of any change in the composition of the company’s board of directors or board of commissioners;
- (vii) a report on shareholding and any change in shareholding which applies only to a shareholder that owns 5.0% or more of the paid-up capital of the company;
- (viii) a report on shareholding and any change in shareholding of the director or commissioner of a public company in such public company;
- (ix) a notice of appointment and replacement of corporate secretary; and
- (x) a notice of any material deviation from projections published by such companies.

Based on OJK Rule No. 7/POJK.04/2017 dated 14 March 2017 on the Registration Statement Documents in the framework of Public Offering of Equity Securities, Debt Securities, and/or *Sukuk*, a company that wishes to submit a registration statement to OJK in relation to a public offering is also required to submit the structure describing the company position vertically from individual shareholders to its subsidiaries at the very bottom and the company position horizontally.

Insider trading, fraud 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 and/or OJK may suspend or revoke the licence 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 may face a fine of up to Rp15 billion and imprisonment of up to ten years.

### **Scripless Trading**

On 23 December 1997, a private limited company, the Indonesian Central Securities Depository or KSEI, was established to serve as the central securities clearing house. On 11 November 1998, KSEI obtained a licence from Bapepam to act as an approved central securities depository and settlement institution. The shareholders of KSEI are currently comprised of 26 securities firms, holding 31.5% of KSEI's shares, eight custodian banks, holding 35% of KSEI's shares, three Share Registrars (*Biro Administrasi Efek*), holding 3% of KSEI's shares, the IDX and KPEI holding 30.5% of KSEI's shares. In 2000, KSEI introduced the Central Depository and Book Entry Settlement System ("**C-Best**"), a computerised system for the registration and settlement of securities. For more information, see "KSEI" below.

In 2000, Bapepam implemented regulations to provide for a scripless trading system. Under the scripless system, a member broker, sub-broker or local custodian ("**KSEI Participant**") may deposit with KSEI certificates evidencing ownership of securities in an account kept for such purpose, making KSEI the registered holder of those securities. After acceptance, KSEI will hold such securities on behalf of the KSEI Participant or the clients of the KSEI Participant, and through this system, investors in securities will become beneficial owners of the securities rather than direct owners. Thus, to establish ownership, 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 its 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 customers' securities and funds must also open sub-accounts for the deposit of securities and funds on behalf of their customers.

In accordance with the KSEI rules on Central Depository Services, C-Best is the central computerised 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.

Since June 2002, listed companies must register their shares in a central depository. On 22 December 2017, OJK issued OJK Rule No. 74/POJK.04/2017 on Securities Sub-account in Central Securities Depository, which requires each KSEI Participant holding securities on behalf of a client to:

- (i) establish a securities sub-account on behalf of each client and record each client's securities account in such sub-account;

- (ii) ensure that the balance in the customer's security account in the KSEI Participant's books is always equivalent with the balance in the sub-account with KSEI;
- (iii) ensure that the identity of each client is properly recorded by the KSEI Participant; and
- (iv) ensure that the securities sub-account balance of each client is and remains correct.

### **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.

Transfer of scripless shares are made by way of appropriate instructions to the relevant brokers, sub-brokers or custodians with whom the transferor and the transferee involved maintain securities accounts in accordance with the individual arrangements with such brokers, sub-brokers or custodians. Upon receipt of such instructions, the relevant brokers, sub-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.

Effective as at 30 June 2002, only shares held through KSEI (and which have not been pledged or 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 provided for the fulfilment of the rights and obligations as the result of 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 both a selling Clearing Member (defined as a member of a stock exchange registered as the KSEI Clearing Member) and a buying Clearing Member. Alternatively, KSEI may settle over-the-counter transactions based on transfer instructions from a selling KSEI Account Holder and acceptance from a buying KSEI Account Holder and the availability of sufficient securities in the sub-account.

Over-the-counter transfer instructions must also state whether the transaction requires a payment or not. When a transfer of securities and/or funds is completed and settled, KSEI submits a report to KPEI or the Clearing Member on the settlement of a stock exchange transaction or provides a confirmation to the relevant KSEI Account Holder for an over-the-counter transaction.

Under OJK Rule No. 9/2018, a transfer 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 an acquisition of a public company and thus trigger a mandatory 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 conduct 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 principal shareholders, and (v) shares owned by the other controlling shareholders in the public company. If the mandatory 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. 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 mandatory tender offer within two years after the completion of the mandatory tender offer.

### **KSEI**

KSEI is a self-regulating organisation and is licenced and regulated by OJK. Under KSEI's rules, securities companies or custodian banks fulfilling certain criteria and authorised by OJK may become KSEI Participants, the principal shareholders of KSEI are large custodian banks, broker, dealers, share registrars (*Biro Administrasi*

*Efek*), IDX and KSEI. In the scripless system, the role of KSEI is to settle the transfer and receipt of securities and to act as the central securities depository. KSEI's role is to conduct fund settlement.

KSEI is managed by a Board of Directors and 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 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, the 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 and the right 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 reputation and to include 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 the annual report.

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

- (i) access to data processing functions, record-keeping functions and customer account service areas at KSEI must be restricted;
- (ii) KSEI must have a primary computer and back-up computer at different locations that allow continued processing within two hours of a breakdown of the primary computer;
- (iii) duplicate electronic records must be maintained in repositories that are at least 30 kilometres away from each other;
- (iv) software development and maintenance are required to be segregated from data processing operations; and
- (v) 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 the records of KSEI. With daily reconciliation of key records, strong internal control supervision by major banks, special security measures and legal safeguard, recovery is possible if there is a catastrophic occurrence.

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

The IDX listing rules for equity securities and regulations 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. 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 who do not qualify to list on the Main Board yet, as well as companies in the recovery phase, to be listed on the IDX.

Under the listing rules, all companies listed on the IDX must satisfy the following general listing requirements ("**General Listing Requirements**"):

- (i) be a legal entity formed as a limited liability company (*Perseroan Terbatas* or “**PT**”);
- (ii) have a registration statement, which has been declared effective by OJK;
- (iii) the offer shares price of at least Rp100;
- (iv) if the company is a subsidiary or a holding company of another listed company, the company shall submit the documents on the fulfillment of the following conditions:
  - (1) in the event of termination of an affiliation between the company and the listed company, each company must obtain an appraisal or evaluation by an independent party registered in OJK, stating that upon the termination, each company can continue to sufficiently perform its operational activities; and
  - (2) the pro forma financial statement of the listed company that has been audited by the public accountant registered in the OJK, independent of and without consolidation with the financial statement of the company, can satisfy the listing requirement.
- (v) have full underwriting commitment from the underwriters.
- (vi) shall register the shares in KSEI.

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

Under the IDX Listing Regulation, a company is deemed qualified to undertake an initial listing on the Main Board if it fulfils certain requirements, including:

- (i) satisfying the General Listing Requirements;
- (ii) net tangible assets of at least Rp100 billion based on the latest audited financial reports of the company;
- (iii) audited financial reports covering at least the last three years and an unmodified opinion from the auditor covering the financial reports for the last two years and the last audited interim report;
- (iv) commercial operating history of at least 36 consecutive months in the same core business is required, which shall be proven by the prospective listed company having been recording revenue for the last three financial years and profit for the latest financial year;
- (v) at least 1,000 shareholders, each holding a securities account with the stock exchange members; and
- (vi) at least 300 million shares owned by minority shareholders immediately after the initial listing with the following requirements:
  - (1) representing at least 20% of the total paid-in capital for the company having equity value of, prior to the public offering, less than Rp500 billion;
  - (2) representing at least 15% of the total paid-in capital for the company having equity value in, prior to the public offering, the range between Rp500 billion and Rp2 trillion; and
  - (3) representing at least 10% of the total paid-in capital for the company having equity value of, prior to the public offering, more than Rp2 trillion.

Under the IDX Listing Regulation, a company is deemed qualified to undertake an initial listing on the Development Board if it fulfils certain requirements, including:

- (i) satisfying the General Listing Requirements;
- (ii) satisfying one of the following requirements:

- (1) net tangible assets of at least IDR 5 billion; or
- (2) having both of the following:
  - (1) operating profit (*laba usaha*) for the most recent financial year of at least IDR 1 billion; and
  - (2) share capitalization prior to the listing date of at least IDR 100 billion; or
- (3) having both of the following:
  - a. operating revenue (*pendapatan usaha*) for the most recent financial year of at least IDR 40 billion; and
  - b. share capitalization prior to the listing date of at least IDR 200 billion.
- (iii) the company or its subsidiary having operated for at least the past 12 consecutive months in the same core area of business activity which shall be proven by the company having been recording profit for the latest financial year;
- (iv) audited financial reports for at least 12 months and unmodified audit opinion from the auditor covering the last audited interim report (if any);
- (v) for a company which has experienced losses or has not booked any profit or has been operating for less than two years, (1) based on its financial forecast to be announced on the stock exchange at the latest at the end of the second financial year as at 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 at 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 break-even point (such as infrastructure, plantation, forestry concession right, or industrial forest concession right or other business related to public service);
- (vi) at least 500 shareholders, each holding a securities account with the stock exchange members;
- (vii) shares owned by minority shareholders immediately after the initial listing within five stock exchange days before the listing application which are at least 150 million shares, with the following requirements:
  - (1) representing 20% of the total paid-in capital for the company having equity value of, prior to the public offering, less than Rp500 billion;
  - (2) representing 15% of the total paid-in capital for the company having equity value in, prior to the public offering, the range between Rp500 billion and Rp2 trillion; and
  - (3) representing 10% of the total paid-in capital for the company having equity value of, prior to the public offering, more than Rp2 trillion.

The IDX listing rules allow a company listed on the Development Board to be promoted to the Main Board if it fulfils the requirement for listing on the Main Board.

In addition, under IDX Listing Regulation, in order to remain listed on the IDX, listed company shall comply with the following requirements:

- (i) total shares owned by non-controlling shareholders and non-substantial shareholders (*Pemegang Saham Utama*) are at least 50 million shares and represent at least 7.5% of the paid-up capital.
- (ii) have at least 300 shareholders holding securities accounts with the stock exchange members.

When a listed company fails to comply with the above requirements as a result of a certain corporate action, such listed company has to submit an action plan to comply with the above requirements at the latest two trading days

after such company becomes aware of such a non-compliance. IDX may approve or reject the proposed plan, especially in relation to the proposed timeline.

If the non-compliance is due to a mandatory takeover, the IDX Listing Regulation provides for a two-year deadline to comply with the above requirements.

### **Delisting**

A company may be delisted voluntarily or involuntarily by the IDX. A company may be delisted if it 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) its shares are suspended from the regular market and the cash market and have only been traded on the negotiation market at least for the last 24 months.

### **Buy Back**

Pursuant to OJK Rule No. 30/POJK.04/2017 dated 21 June 2017 on Buy Back of Shares issued by Public Companies, an issuer or a public company may repurchase its shares in accordance with Articles 37 and 39 Company Law, without breaching Articles 91, 92, 95 and 96 of the Capital Market Law, or to satisfy Article 62 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 Rule No. 2/POJK.04/2013 dated 23 August 2013 on Buy Back of Shares Issued by Issuers or Public Companies in Significantly Fluctuating Market Condition, 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. Under those conditions, 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.

### **Independent Commissioner and Audit Committee**

Under OJK Rule 33/ POJK.04/2014 on the Board of Directors and the Board of Commissioners of Issuer and Public Companies, an independent commissioner in a listed company must fulfill the following requirements:

- (i) not be a person who works or has the authority and responsibility to plan, lead, control, or supervise the listed company within the last six months, except for the reappointment as an independent commissioner of the listed company on the next period.
- (ii) not own any shares of the listed company directly or indirectly;
- (iii) not have an affiliated relationship with the listed company including affiliated relationship with its member of board of commissioners, member or board of directors or principal shareholder; and
- (iv) not have any business relationship which is directly or indirectly related to the listed company's business activity.

OJK Rule No. 55/POJK.04/2015 dated 23 December 2015 on Establishment and Implementing Guidelines of Audit Committee (“**OJK Rule 55/2015**”) provides that the audit committee must be comprised of at least three members, one of whom must be an independent commissioner of the listed company who will serve as chairperson of the audit committee. The other members must also be independent individuals, at least one of whom must be an expert in the field of accounting and/or finance.



Pursuant to OJK Rule 55/2015, the following individuals are prohibited from becoming members of the audit committees of a listed company:

- (i) any insider individual of the public accountant, legal counsel, public appraiser or other party that has given assurance, non-assurance, appraisal, and/or other consultation services to the listed company in the last six months before his appointment as a member of the audit committee;
- (ii) any party that has had the authority and responsibility to plan, direct, control or supervise the activity of the listed company in the last six months before his appointment as a member of the audit committee, except an independent commissioner;
- (iii) any party that owns shares, either directly or indirectly, in the listed company. In the event that a member of the audit committee acquires shares directly or indirectly as a result of a legal action, then within a period of not more than six months subsequent to such acquisition, the said shares must be disposed of;
- (iv) any party that has a family relationship, either by marriage or blood, up to second degree vertically or horizontally with any commissioner, director or principal shareholder of the listed company; and/or
- (v) any party that has a business relationship which is directly or indirectly related to the listed company's business activity.

In addition to the above, each member of the Audit Committee, among other things, must:

- (i) have high integrity, ability, knowledge and adequate experience (including any relevant educational qualifications) and be able to communicate effectively;
- (ii) be capable of reading and understanding financial reports, the company's business (particularly in relation to the service or business operations of the company), audit processes, risk management, capital markets and the prevailing rules and regulations;
- (iii) have at least one member with an educational qualification relating to and experience in accounting and finance;
- (iv) comply with the code of ethics of the audit committee adopted by the listed company; and
- (v) be willing to continuously improve its competency through education and training.

### **Internal Audit**

Pursuant to OJK Rule No. 56/POJK.04/2015 dated 23 December 2015 on Establishment and Guidelines for Internal Audit Charter, the internal audit unit must consist of at least one internal auditor. Where the internal audit unit consists of one internal auditor, he or she must also act as the chief of the internal audit unit. Each internal auditor, as a member of the internal audit unit, shall:

- (i) possess professional integrity, independence, fairness and objectivity in performing his or her duty;
- (ii) possess knowledge and experience in audit techniques and other relevant skills in accordance with his or her duty;
- (iii) possess knowledge of capital markets regulations and other relevant regulations;
- (iv) possess the capability to effectively interact and communicate both verbally and in writing;
- (v) comply with the professional standards issued by the Indonesian Internal Auditor Association;
- (vi) comply with the ethical code of an internal auditor;

- (vii) maintain the confidentiality of the relevant company's information or data related to the performance of the internal audit unit's duties and responsibilities, except as required by regulations or the decrees or decisions of a court;
- (viii) understand good corporate governance and risk management principles; and
- (ix) be willing to enhance his or her professional knowledge, expertise and skills on an ongoing basis.

### **Corporate Secretary**

As stipulated in OJK Rule No. 35/POJK.04/2014 dated 8 December 2014 on Corporate Secretary of the Issuer or Public Company, a listed company is required to have a corporate secretary.

The function of a corporate secretary is performed by one of the directors of the listed company, or an official of the listed company designated to carry out such function. The corporate secretary acts as a liaison or contact person between the listed company, Government authorities (including OJK) and the public. 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.

The corporate secretary shall: (i) be capable of performing legal acts; (ii) have sufficient knowledge and understanding in the field of law, finance and corporate governance; (iii) understand the business activity of the issuer or the public company; (iv) possess good communication skills; and (v) be domiciled in Indonesia.

### **Nomination and Remuneration Committee**

Under OJK Rule No. 34/POJK.04/2014 dated 8 December 2014 on Nomination and Remuneration Committee of the Issuer or Public Company, 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:

- (i) providing recommendations to the board of commissioners concerning (i) the composition of the board of directors and/or board of commissioners, (ii) policies and criteria required in the nomination process, (iii) policies on the performance evaluation for the board of directors and/or the board of commissioners, (iv) remuneration structure, (v) remuneration provisions, and (vi) the amount of the remuneration;
- (ii) assisting the board of commissioners in conducting evaluations to the performance of the board of directors and/or the board of commissioners pursuant to evaluation standards;
- (iii) providing recommendations to the board of commissioners regarding skill development programme for the board of directors and/or board of commissioners;
- (iv) proposing the qualified candidates for members of the board of directors and/or board of commissioners to be submitted to the general meeting of shareholders;
- (v) providing recommendations to the board of commissioners on remuneration; and
- (vi) assisting the board of commissioners in conducting evaluations on the performance of the board of directors and/or the board of commissioners pursuant to the remuneration received by the board of directors and/or the board of commissioners.

## **Shares Ownership Reporting Requirements**

According to OJK Rule No. 11/POJK.04/2017 dated 14 March 2017 on the Ownership Report or Any Changes to Shares Ownership in Public Companies, all director and commissioner of a public company must report to OJK with regard to his direct or indirect ownership and the changes of ownership of the shares in the public company within 10 days of the transaction. Such reporting obligation also applies to a shareholder that directly or indirectly owns 5.0% or more of the paid-in capital in the public company if there is of 0.5% or more from their initial ownership as a result at a single or a series of transactions. Previously, this obligation only applied to direct shareholders for any change in their share ownership. Under the new rule, indirect ownership includes ultimate beneficial ownership and any intermediate ownership between the direct shareholders and ultimate beneficial owners.

## **Annual Reporting Requirements**

The submission timeframe and content of the annual reports of public companies are generally governed by OJK Rule No. 29/POJK.04/2016 dated 29 July 2016 on Annual Reports of Issuers or Public Companies (“**OJK Rule 29/2016**”), which came into effect on 1 January 2017 and replaced the Decision of Chairperson of Bapepam-LK No. Kep-431/BL/2012.

OJK Rule 29/2016 substantially deals with procedural and technical matters related to corporate and accounting information. OJK Rule 29/2016 contains a mandatory requirement for a public company to reveal its ultimate principal or controlling shareholder, clearly spelled out in diagrammatic or chart form. In addition, OJK has issued Circular Letter No. 30/SEOJK.04/2016, on the Form and Contents of Annual Reports for Issuers and Public Companies, which was issued on the 3 August 2016 as the implementing regulation for OJK Rule 29/2016, (“**OJK Circular Letter 30/2016**”). OJK Circular Letter 30/2016 sets out in detail the requirements for the form and contents of annual reports. In accordance with OJK Circular Letter 30/2016, annual reports may contain contents in any form including images, graphs, tables and/or flowcharts (accompanied by a title and/or description clarifying any such information). Failure to comply with these requirements may result in administrative sanctions ranging from a written warning to business licence revocation.

## **Corporate Social Responsibility**

OJK Rule 29/2016 and OJK Circular Letter 30/2016 include a corporate social responsibility reporting requirement, including the need to supply information on: environmental responsibility (such as, the use of environmentally friendly/recyclable materials, renewable energy, waste treatment, environmental classification, etc.), labour, and occupational health and safety issues (such as, gender equality, employee turnover, training, occupational accidents, etc.), social and community development (such as, 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.

OJK Rule 29/2016 and OJK Circular Letter 30/2016 operate alongside Article 74(4) of the Company Law, as elaborated by Government Regulation No. 47 of 2012 on Companies Corporate Social Responsibility, which makes Indonesia one of the few countries in the world to practice mandatory corporate social responsibility.

## **Additional Disclosures**

OJK Circular Letter 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 (if any), including the key provisions of the code, how it is familiarised to employees, and information on corporate culture. Furthermore, OJK Rule No. 8/POJK.04/2015 dated 25 June 2015 on Issuer or Public Company Websites, requires issuer or public companies to provide information in Bahasa Indonesia and one other language, at least the English Language. The minimum information to be 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 17 November 2015, OJK issued OJK Rule No. 21/POJK.04/2015 on the Implementation of Corporate Governance Guidelines for Public Companies (“**OJK Rule 21/2015**”), which sets out several requirements on good corporate governance for public companies. Pursuant to OJK Rule 21/2015, public companies are obliged to implement corporate governance guidelines set by OJK (“**GCG Guidelines**”), and are required to disclose information on the implementation of the recommendations mentioned in the GCG Guidelines in their annual report. The GCG Guidelines are contained in OJK Circular Letter No. 32/SEOJK.04/2015 dated 17 November 2015 on the Corporate Governance Guidelines for Public Companies.

The GCG Guidelines provide several recommendations to assist public companies with implementing good corporate governance principles, including: to set self-assessment procedures for the board of directors and board of commissioners, to issue an internal policy on whistleblowing system, to provide and retain summaries of the resolutions of the general meetings of the shareholders on the company’s website for at least one year.

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

Failure to implement the GCG Guidelines may be subject to administrative sanctions imposed by OJK, such as a written warning and a fine.

## TAXATION

*The following summary is based on tax laws of Indonesia as in effect on the date of this Offering Circular, and is subject to changes in Indonesian law, including changes that could have retroactive effect. The following summary does not take into account or discuss the tax laws of any countries other than Indonesia. Prospective investors in all jurisdictions should consult their own tax advisors as Indonesian or other tax consequence of the purchase, ownership and disposition of the Shares.*

### **Indonesian Taxation**

The following is a summary of the principal Indonesian tax consequences of the ownership and disposition of our Shares for a non-resident individual or non-resident entity (a “**Non-Indonesian Holder**”) that holds shares in an Indonesian company. As used in the preceding sentence, a “non-resident individual” is a foreign national who does not reside in Indonesia or is not physically present in Indonesia for more than 183 days during any 12-month period, during which period such non-resident individual receives income in respect of the ownership or disposition of shares, and a “non-resident entity” is a corporation or non-corporate body that is established under the laws of a jurisdiction other than Indonesia, is not domiciled in Indonesia and does not have a fixed place of business or permanent establishment in Indonesia during an Indonesian tax year in which such Non-Indonesian entity receives income in respect of the ownership or disposition of shares.

### **Taxation of Dividends**

Dividends declared by our Company out of retained earnings and distributed to a Non-Indonesian Holder in respect of Shares are subject to Indonesian withholding tax, currently at the rate of 20%, on the amount of the distribution (in the case of cash dividends) or on the shareholders’ proportional share of the value of the distribution (normally par value in the case of stock dividends). A lower rate provided under certain double taxation treaties may be applicable, provided that, among other things, the recipient is the beneficial owner of the dividend and is a resident of a treaty country.

### **Tax Treaties**

Indonesia has concluded double taxation treaties with a number of countries including Australia, Belgium, Canada, France, Germany, Japan, Luxembourg, The Netherlands, Singapore, Sweden, Switzerland, the United Kingdom and the United States of America.

Where a tax treaty exists, provided the eligibility requirements of that treaty are satisfied, there is no misuse of the tax treaty and the administrative requirements under the domestic tax regulations are met, a reduced rate of withholding tax may be applicable.

### **Taxation on the Disposition of Shares**

Pursuant to Government regulation No. 41 of 1994 regarding Withholding Tax on Income from Share Trading Transactions on the Stock Exchange dated 23 December 1994 and its amendments in Government Regulation No. 14 of 1997 dated 29 May 1997 later confirmed by Article 4 (2) point c Law No. 36 year 2008 about Income Tax, the sale or transfer of shares that are listed on an Indonesian stock exchange is subject to final withholding tax of 0.1% of the gross amount of the transaction value and should be withheld by the broker handling the transaction. Currently, the tax regulations for listed shares do not contain any provision in respect of treaty protections. In practice, the 0.1% final withholding tax is applied irrespective of the fact that there may be treaty exemptions. Indonesian tax authorities have a general rule regarding refunds, which may be used in case of an applicable treaty exemption.

### **Stamp Duty**

According to Law No. 13 year 1985 about Stamp Duty, and Government Regulation No. 24 of 2000, a document that effects a sale of Indonesian shares is subject to stamp duty. Currently, the nominal amount of the Indonesian stamp duty is Rp6,000 for transactions having a value greater than Rp1,000,000 and Rp3,000 for transactions having a value of greater than Rp250,000. Generally, the stamp duty is due at the time the document is executed.

## **Certificate of Tax Residence**

A Non-Indonesian Holder must submit, as its Certificate of Tax Residence, either an Indonesian Directorate General of Taxation (“**DGT**”)-1 Form or DGT-2 Form. The DGT-2 Form is to be utilised by non-resident banks, non-resident taxpayers (receiving or earning income through a custodian related to income from bond or share transfer transactions, other than income in the form of interest and dividends), and non-resident taxpayers in the form of pension funds (established in accordance with the laws of the tax treaty partner country and constituting tax subjects in the tax treaty partner country). The competent tax authorities of the jurisdiction where the income recipient/Non-Indonesian Holder is domiciled must legalise page one of their form, which is effective for 12 months from the date of issuance. If page one of the DGT-1 Form or DGT-2 Form cannot be obtained, we are obliged to enclose a Certificate of Tax Residence issued in the format of the tax treaty partner country fulfilling the following requirements:

- (i) written in the English language;
- (ii) issued on or after 1 January 2010;
- (iii) constituting the original document or a photocopy legalised by the tax office where one of the Tax Withholders/Collectors is registered as a taxpayer;
- (iv) stating at a minimum the name of the non-resident taxpayer; and
- (v) containing the signature of the relevant authority, his authorised proxy, or the authorised official of the tax office in the tax treaty partner country, or a mark deemed equivalent to a signature in accordance with common practice in the tax treaty partner country and the name of such officer.

A Non-Indonesian Holder is obliged to complete the DGT-1 Form or DGT-2 Form and sign at the space provided at the bottom of the form.

The Certificate of Tax Residence must be filled out in its entirety and made available before the deadline for reporting of tax due.

## PLAN OF DISTRIBUTION

### The Combined Offering

We are offering 111,111,200 Offer Shares at the Offering Price. The Combined Offering consists of the concurrent International Offering and Indonesian Offering. The closing of the International Offering is conditional upon the closing of the Indonesian Offering. The Offer Shares may be reallocated between the International Offering and the Indonesian Offering. The Combined Offering will be conducted by PT Mandiri Sekuritas as the Lead Underwriter. The Indonesian Offering will be conducted by the Lead Underwriter.

In connection with the Combined Offering, we have entered into the Deed of Securities Underwriting Agreement No.23 dated 17 October 2019 as lastly amended by Addendum II of Underwriting Agreement No. 52, dated 20 December 2019, both made before Chandra Lim, SH, LLM, Notary in North Jakarta (the “**Underwriting Agreement**”), with the Lead Underwriter, which sets out the terms and conditions upon which the Lead Underwriter will offer the Offer Shares on our behalf at the Offering Price. If any of the Offer Shares are not subscribed or purchased or paid by subscribers pursuant to the Combined Offering, the Lead Underwriter has agreed to subscribe or purchase and pay for such Offer Shares at the Offering Price.

The International Offering is being made outside the United States to non-U.S. persons in reliance on Regulation S and outside Indonesia.

No offer of Offer Shares is being made to citizens of Indonesia (wherever located) or residents of Indonesia pursuant to this Offering Circular. The issue of Offer Shares to Indonesian citizens (wherever located) and/or residents of Indonesia will be made pursuant to the Indonesian Language Prospectus.

### Fees and Expenses

As compensation to the Lead Underwriter for its commitment to procure investors to purchase (or, in the event of under-subscription, to purchase) the Offer Shares in the Combined Offering, we have agreed to pay the Lead Underwriter an amount equal to 1.50% of the Offering Price multiplied by the aggregate number of Offer Shares to be sold by us in the Combined Offering. Investors in the International Offering may be required to pay stamp duty and other similar charges in accordance with the laws and practices of the country of purchase, in addition to the Offering Price.

Investors in the International Offering will be required to pay brokerage fees of 1.00% of the Offering Price at the time of settlement. Pooling investors in the Indonesian Offering will not be required to pay brokerage fee.

We will reimburse the Lead Underwriter for certain costs, fees and expenses incurred in connection with or incidental to the Combined Offering and indemnify it against certain liabilities in connection with the offer and sale of the Offer Shares. Certain expenses of the Combined Offering will be borne by the Lead Underwriter.

### Important Dates

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

<b>Event</b>	<b>Date</b>
Effective date of OJK registration statement.....	30 December 2019
Commencement of offering period.....	2 January 2020
End of offering period	8 January 2020
Allotment of Offer Shares to successful applicants.....	10 January 2020
Delivery of the Offer Shares.....	13 January 2020
Listing of Shares on the IDX.....	14 January 2020

## **Registration with OJK**

We submitted a registration statement to OJK on 18 October 2019. This registration statement is declared effective by the Chairperson of OJK on 30 December 2019, thereby permitting us to proceed with the Indonesian Offering and the listing of the Shares.

## **Offering Period for the Indonesian Offering**

The offering period for the Indonesian Offering will begin on or about 2 January 2020 and end on or about 8 January 2020 (the “**Offering Period**”).

We expect the Lead Underwriter to make payment of the net proceeds for the Offer Shares to us on or about 2 January 2020 and listing of our Shares on the IDX to occur on or about 14 January 2020.

## **Application for Offer Shares**

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 the Offer Shares in the International Offering. The Lead Underwriter will be responsible for ensuring preparation of share subscription forms on behalf of foreign investors in the International Offering. Share subscription applications and allocations in connection with the Indonesian Offering are regulated by OJK rules.

Share applications must be for a minimum amount of 100 Shares and multiples thereof. Each investor may only submit one share application form. The Lead Underwriter are entitled to accept or refuse a share application in full or in part. 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 Lead Underwriter.

Full payment by non-Indonesian citizens and non-Indonesian residents for the number of Offer Shares is expected to be made on or about 7 January 2020. Information as to wire transfer instructions will be made available by the Lead Underwriter to eligible investors upon request. All bank and transfer charges with respect to these payments will be borne by the investors.

## **Allotment of Offer Shares**

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

At the conclusion of the Offering Period, the allotment of the Offer Shares will be made by PT Mandiri Sekuritas, acting as the allotment manager (the “**Allotment Manager**”), using a combined system of “fixed allotment” and “pooling” in accordance with applicable Indonesian regulations. Under this rule, the Allotment Manager may determine how to apportion the allotment of the Offer Shares between the “fixed allotment” and “pooling” systems. The last date by which the Allotment Manager will determine the number of Offer Shares allotted for each applicant is expected to be on or about 10 January 2020.

The Lead Underwriter has determined that the equivalent of at least 98% of the Offer Shares being offered will be subject to a fixed allotment system, subject to OJK’s approval. The allotment of the equivalent of up to 2% of the Offer Shares being offered will be by a system of pooling.

### ***Allotment to Foreign Institutions***

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

### ***Allocation to Affiliated Parties***

“**Affiliated Applicants**” include members of the Board of Directors, the Board of Commissioners, the substantial shareholders (*Pemegang Saham Utama*) and employees of the Underwriter seeking to purchase the Company’s Shares, or Board of Directors, the Board of Commissioners, the substantial shareholders (*Pemegang Saham Utama*) of the Company or any other party affiliated with the Company and Underwriter. Affiliated Applicants



will only be allotted the Offer Shares if there are excess Offer Shares. Once the applications of non-Affiliated Applicants are satisfied, Affiliated Applicants may be allocated the remaining Offer Shares on a pro-rata basis.

### **Employee Stock Allocation Program (“ESA Program”)**

Simultaneously with the Combined Offering, we have allocated 1.66% of the Offer Shares, or 1,842,000 Offer Shares, to eligible employees through the ESA Program, which was approved by our shareholders, pursuant to the Deed of Statement of Shareholders Resolution No. 21 dated 17 October 2019, made before Chandra Lim, S.H., LL.M, Notary in Jakarta. The implementation of the ESA Program shall comply with the provisions set forth in Bapepam Regulation No. IX.A.7, Attachment to the Decree of Chairperson of BAPEPAM & LK No. Kep-691/BL/2011 dated 30 December 2011 on Subscription and Allotment in a Public Offering. The exercise price of the shares allocated under the ESA Program is the same as the Offering Price.

### **Delivery of Offer Shares**

We expect that delivery of the Offer Shares will be made on or about 13 January 2020, which will be the business day immediately following the expected date of final allotment of the Offer Shares in the Combined Offering. The Offer Shares may not be traded by the investors thereof prior to the listing of the Offer Shares on the IDX.

### **Suspension or Cancellation of the Combined Offering**

At any time prior to the effective letter from OJK, we and the Lead Underwriter may cancel the Combined Offering under certain circumstances pursuant to the Underwriting Agreement. Between the declaration of effectiveness of the Offering by OJK and the end of the Offering Period, the Indonesian Offering may only be postponed or terminated by an application made by the Company to OJK for its approval and only under the following limited circumstances:

- (i) the Indonesian Composite Index is down more than 10% on three consecutive exchange days on the IDX;
- (ii) a disaster, flood, earthquake, volcanic eruption, war, riots, fire or labour strike occurs which may significantly affect our business; or
- (iii) any other event occurs which, in the opinion of OJK in accordance with its regulations, may significantly affect our business.

### **Lock-up Arrangements**

Based on the Undertaking Letters entered into by Ronaldus Gandahusada, FX Eddy Hartanto and Arief C. Wana, each of the members of the Board of Directors agrees not to transfer part or all of the shares owned by them on the date of the Undertaking Letters within 12 months after the Listing Date. After the above period, each of the members of the Board of Directors is subject to provision on the transfer of shares in stages until 36 months after the Listing Date, after which all of the members of the Board of Directors can transfer all of the shares owned by them on the date of the Undertaking Letters.

For a period of three years from the listing date, eligible employees who are allocated Shares under the ESA Program are prohibited from transferring any or all of its Shares.

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

The Offer Shares have been registered into the depository facilities of KSEI in accordance with the Agreement for the Registration of Shares into Central Deposit entered into between KSEI and us on 20 November 2019.

By registering the Offer Shares in KSEI, we will not issue individual share certificates to successfully applicants, but any Offer Shares allotted to an investor will be distributed electronically. In order to submit an application for Offer Shares, each investor must hold a securities account with a securities company or custodian bank which is a KSEI Participant to manage and administer any Offer Shares allotted to it on the investor’s behalf.

At the end of the Offering Period, the Allotment Manager will undertake the allotment in the manner set out above and report the allotment result to us. We will issue a KSEI a confirmation of registration in our register of the

Offer Shares, in the name of KSEI, of the number of Offer Shares allotted as part of the Combined Offering. We will then instruct KSEI to credit the Lead Underwriter's securities accounts with KSEI to receive and hold the Offer Shares allotted to the successful applicants. The Lead Underwriter will then instruct KSEI to distribute the number of Offer Shares allotted to a successful applicant from their securities accounts to the securities account of the relevant KSEI Participant.

As evidence of the allotment of the Offer Shares, the Lead Underwriter will deliver allotment confirmation forms to the KSEI Participants which must then be passed on to the relevant investor, in exchange for a subscription receipt. Distribution of the allotment confirmation forms is expected to occur at the latest two working days after the last day of the Offering Period. Proof of ownership of the Offer Shares will be in the form of a written confirmation letter from KSEI or the KSEI Participant charged with managing the relevant investor's account.

The transfer of Shares held with KSEI will be by way of electronic book-entry between securities accounts. The shareholder holding our Shares through KSEI will be entitled to withdraw its Shares from the central deposit and receive a share certificate registered in its name. Only those Shares which are registered in KSEI will be tradable on the IDX.

Article 60 of the Indonesian Law No. 8 of 1995 on the Capital Market provides that all rights attaching to Shares held with KSEI, including dividends and other ownership entitlements on securities, will be automatically distributed by KSEI to a beneficial shareholder holding Shares through the depository system via its KSEI Participant who holds the Shares on such beneficial shareholder's behalf. The KSEI Participant is obliged to open a sub-account in the name of the relevant customers and immediately pass such rights and entitlements onto its customers.

Prior to any corporate action being taken by us, KSEI must provide details to us concerning the share entitlements of all the beneficial shareholders on whose behalf Shares are held. A KSEI Participant is obliged to notify a beneficial shareholder of the exercise of any pre-emptive rights, delivery of annual reports and other notices by us as well as notices of general meetings of shareholders. The beneficial shareholder, the KSEI Participant it holds the Shares through, or its legal representative has the right to be present and vote at our general meetings of shareholders.

KSEI is obliged to give us details of the KSEI Participants holding Shares on behalf of beneficial shareholders either:

- (i) within one working day after the record date set for the purposes of assessing the identity of the shareholders entitled to a dividend or other such rights attaching to Shares which have been declared by us; or
- (ii) prior to the holding of our general meeting of shareholders; or
- (iii) at our request based on an instruction from an authorised person or agency to us in accordance with the prevailing laws and regulations.

A beneficial shareholder that wishes to obtain a share certificate may withdraw its Shares from the depository once all of those Shares have been distributed to the securities account of its KSEI Participant. An application for the withdrawal of Shares must be forwarded to KSEI by the KSEI Participant, on behalf of the beneficial shareholder, in a specified form. Collective share certificates in the name of the shareholder will be issued to the beneficial shareholder for any Shares that are withdrawn from KSEI no later than five business days from the receipt of the withdrawal request by KSEI from the KSEI Participant, unless KSEI rejects the withdrawal of Shares based on written orders from OJK or certain other authorised persons if required for the purposes of civil or criminal court proceedings. Only Shares remaining in KSEI, and which have not been pledged, foreclosed upon based on a court order or seized for the purposes of criminal court investigation, can be traded on the IDX. Investors wishing to trade withdrawn Shares on the IDX must convert the withdrawn Shares back into scripless Shares and deposit the Shares with the KSEI. The process of depositing withdrawn Shares can take up to five business days.

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

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

- (i) the valuation multiples of publicly traded companies that the Lead Underwriter believe to be comparable to us;
- (ii) our financial information;
- (iii) the history of, and the prospects for, us and the industry in which we compete;
- (iv) an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues; and
- (v) 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 Combined Offering, the Shares will not trade in the public market at or above the Offering Price.

## **Other Relationships**

The Lead Underwriter and certain of its affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with us or our affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions.

In addition, in the ordinary course of their business activities, the Lead Underwriter and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of us or our affiliates. The Lead Underwriter and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## **General**

Purchasers of Offer Shares may be required to pay stamp taxes and or other charges in accordance with the laws and practice of the country of purchase.

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

## **Selling Restrictions**

### ***Hong Kong***

**WARNING: The contents of this Offering Circular have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the International Offering. If you are in any doubt about any contents of this Offering Circular, you should obtain independent professional advice.**

This Offering Circular has not been reviewed or approved by the Securities and Futures Commission of Hong Kong and, accordingly, (i) the Offer Shares have not been offered or sold, may not be offered or sold in Hong Kong by means of this Offering Circular or any other document other than to “professional investors” as defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) and any rules made thereunder, or in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong (Cap. 32) or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong, and (ii) no person may issue or have in its possession for the purpose of issue this or any other advertisement, invitation or 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 of 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 (as set out above).

### ***Indonesia***

This Offering Circular does not constitute a prospectus for a public offering of securities under Indonesian capital market law and regulations. This Offering Circular may not be distributed or passed on within Indonesia or to persons who are citizens of Indonesia or entities of or residents in Indonesia. The offering in Indonesia will only be conducted through the public offering in accordance with the applicable Indonesian capital markets laws and regulations.

### ***Malaysia***

This Offering Circular has not been and will not be registered as a prospectus with the Securities Commission Malaysia (“SC”) under the Malaysian Capital Markets and Services Act 2007 (as amended) (“CMSA”). No prospectus or other offering material or document in connection with the offer and sale of the Offer Shares which complies with the requirements of the CMSA and the guidelines of the SC has been or will be registered with the SC under the CMSA or with any other regulatory body in Malaysia. Also, no approval or authorization of the SC has been granted for making available, offering for subscription or purchase, or issuing an invitation to subscribe for or purchase the Offer Shares in Malaysia. This Offering Circular 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 registration of a prospectus with the SC under the CMSA.

Accordingly, this Offering Circular and any other document or material in connection with the International Offering will not be circulated or distributed, nor will the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the SC; (ii) a holder of a Capital Markets Services License; (iii) a person who acquires the Offer Shares, as principal, if the offer is on terms that the Offer Shares may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the SC; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Offer Shares is made by a holder of a Capital Markets Services License in Malaysia who carries on the business of dealing in securities.

### ***Singapore***

This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may the Offer 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 Securities 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 Offer 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 Offer 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 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

**Notification under Section 309B(1)(c) of the SFA**—In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the CMP Regulations 2018), the Company has determined the classification of the Offer Shares as prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

### *United States*

The Offer 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 exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Offer Shares are being offered and sold only outside the United States in offshore transactions as defined in, and in accordance with Regulation S.

Each investor of the Offer Shares offered hereby will be deemed to have represented and agreed that it has received a copy of this document and such other information as it deems necessary to make an investment decision and that:

- it is aware that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;
- it is purchasing the Offer Shares in an offshore transaction meeting the requirements of Regulation S;
- it is not a "U.S. person" as defined in Regulation S; and
- it will not offer, sell, pledge or transfer any Offer Shares, except in accordance with the U.S. Securities Act and any applicable laws of any state of the United States and any other jurisdiction.

In addition, until 40 days after the commencement of the International Offering, any offer or sale of the Offer Shares within the United States by a dealer whether or not participating in the International Offering may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from registration under the U.S. Securities Act.

Each investor of the Offer Shares in reliance with Regulation S will also be deemed to have represented that it is aware that the IDX is not a “designated offshore securities market” within the meaning of Regulation S.

**Electronic distribution**

In connection with the International Offering, the Lead Underwriter its affiliates and certain securities dealers may distribute this Offering Circular by electronic means, such as email.

## **INDEPENDENT AUDITORS**

The financial statements for the years ended 30 June 2017, 2018 and 2019 included in this Offering Circular have been audited by Siddharta Widjaja & Rekan (a member firm of KPMG International) as stated in its report included elsewhere in this Offering Circular.

**REGISTERED OFFICE**

**PT Ashmore Asset Management Indonesia Tbk**

Pacific Century Place Lt. 18 SCBD Lot 10  
Jl. Jenderal Sudirman Kav. 52-32, Kebayoran Baru,  
Jakarta Selatan DKI Jakarta  
Indonesia

**LEAD UNDERWRITER**

**PT Mandiri Sekuritas**

Menara Mandiri I, Levels 24-25  
Jl. Jend. Jendral Sudirman Kav 54-55  
Jakarta 12190  
Indonesia

**INDEPENDENT PUBLIC ACCOUNTANTS**

Siddharta Widjaja & Rekan (a member firm of KPMG International)  
Wisma GKBI 33<sup>rd</sup> Floor  
Jl. Jend. Sudirman No. 28  
Jakarta 10210  
Indonesia



## SCHEDULE

Effective Date	:	December 30, 2019
Share Initial Public Offering Period	:	January 2 - 8, 2020
Allotment Date	:	January 10, 2020
Share Electronic Distribution Date	:	January 13, 2020
Refund Date	:	January 13, 2020
Listing Date on the Indonesia Stock Exchange	:	January 14, 2020

**THE FSA NEITHER GIVES ITS APPROVAL OR DISAPPROVAL ON THE SECURITIES, NOR DOES THE FSA CONFIRM THE ACCURACY OR COMPLETENESS OF THE CONTENT OF THIS PROSPECTUS. ANY STATEMENT CONTRARY TO THE ABOVE SHALL BE AGAINST THE LAW.**

**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. SHOULD THERE BE ANY DOUBTS CONCERNING THE APPROPRIATE COURSE OF ACTION, YOU ARE ADVISED TO CONSULT WITH THE COMPETENT PARTIES.**

**PT ASHMORE ASSET MANAGEMENT INDONESIA TBK ("THE COMPANY") AND THE LEAD UNDERWRITER 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 ENTIRE OFFER SHARES OFFERED IN THIS PUBLIC OFFERING SHALL BE REGISTERED ON PT BURSA EFEK INDONESIA ("INDONESIA STOCK EXCHANGE" OR "IDX").**



## PT ASHMORE ASSET MANAGEMENT INDONESIA TBK

### Main Business Activities:

Engaged in the services of a securities company, namely investment management services, and investment advisory services

### Domiciled in Jakarta, Indonesia

#### Head Office

Pacific Century Place, Level 18 SCBD Lot 10, Jl. Jendral Sudirman Kav 52-53  
 Jakarta 12190  
 Phone : (021) 2953 9000  
 Fax: (021) 2953 9001  
 Email: cosec.indonesia@ashmoregroup.com  
 Website: www.ashmoregroup.com

### SHARE INITIAL PUBLIC OFFERING

A sum of 111,111,200 (one hundred eleven million one hundred eleven thousand two hundred) ordinary registered shares, entirely consisting of new shares issued from the Company's portfolio, with a nominal value of Rp25.- (twenty five Rupiah) per share, which represent 10% (ten percent) of the Company's issued and paid-up capital subsequent to the Share Initial Public Offering ("Offer Shares") that shall be offered to the Public at an Offer Price of Rp1,900.- (one thousand nine hundred Rupiah) per share, which shall be paid in full upon submission of the Share Subscription Form ("SSF"). The aggregate value of the Share Initial Public Offering shall be Rp211,111,280,000.- (two hundred eleven billion one hundred eleven million two hundred eighty thousand Rupiah).

In accordance with the resolutions of the GMS held on October 17, 2019, as stipulated in the Deed of the Company's Shareholders Resolutions No. 21, drawn up before Chandra Lim, S.H., LL.M., a Notary in Jakarta, the Company shall allocate 1.66% (one point six six percent) of the Offer Shares in the Share Initial Public Offering for the Employee Stock Allocation ("ESA") Program with a total of 1,842,000 (one million eight hundred forty two thousand) shares at an ESA exercise price that shall be equal to the Offer Price. Further information considering the foregoing is available in Chapter I of this Prospectus on Share Initial Public Offering.

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 Company Law (as defined below). The Offer Shares are lawfully owned and are unencumbered, are not subject to dispute and/or are not pledged to any parties whatsoever, and are not being offered to other parties. All of the Company's shares shall be listed on the IDX.

The Lead Underwriter who is also acting as Underwriter as listed below shall guarantee the unsubscribed Offer Shares in the Company's Share Initial Public Offering with full commitment basis.

### LEAD UNDERWRITER



PT Mandiri Sekuritas

**THE COMPANY'S MAIN RISK EXPOSURE IS THE RISK ASSOCIATED WITH BUSINESS LICENSE REVOCATION AND RISK ASSOCIATED WITH CHANGES IN GOVERNMENT POLICIES. 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 SHARES OFFERED IN THIS INITIAL PUBLIC OFFERING MAY NOT BE LIQUID. RISKS ASSOCIATED WITH INVESTMENT IN THE COMPANY'S SHARES ARE AVAILABLE IN CHAPTER VI OF THIS PROSPECTUS.**

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

The Company has submitted the Securities Registration Statement with respect to this Initial Public Offering to the Financial FSA by letter No. 075/OJK-ASH/1019 dated October 18, 2019, in accordance with the requirements under Law No. 8 of 1995 concerning the Capital Market, which was published in the State Gazette of the Republic of Indonesia No. 64 of 1995, Supplement to the State Gazette of the Republic of Indonesia No. 3608 and the implementing regulations and amendments thereof ("**Capital Market Law**"), including, among others, FSA Regulation No. 7/POJK.04/2017 concerning Registration Statement Documents in connection with Equity Securities, Debt Securities and/or Islamic Bonds (*Sukuk*) Public Offering and FSA Regulation No. 8/POJK.04/2017 concerning the Form and Content of the Prospectus and Abridged Prospectus in an Equity Securities Public Offering.

The Company, the Lead Underwriter and all Capital Market Supporting Institutions and Professionals referred to in connection with this Share Initial Public Offering shall be fully responsible for all data presented in accordance with their functions and positions, in accordance with applicable securities laws and regulations as well as their respective code of ethics, norms and professional standards.

With respect to this Share Initial Public Offering, each and every affiliated party shall be prohibited from issuing information, statements or data that is not disclosed in this Prospectus without the written approval of the Company and the Lead Underwriter.

The Offer Shares offered in this Share Initial Public Offering are expected to be registered on the Indonesia Stock Exchange in accordance with the Equity Securities Registration Principal Approval from the IDX pursuant to the Letter No. S-07379/BEI.PP3/11-2019 dated November 15, 2019. If the Company fails to satisfy such requirements, 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 of the Underwriting Agreements and Regulation No. IX.A.2.

The Lead Underwriter, and the Capital Market Supporting Institutions and Professionals hereby expressly represent that they are not, directly or indirectly, Affiliated with the Company, as defined in the Capital Market Law, in accordance with the disclosures in Chapter XIII on Securities Underwriting and Chapter XIV on Capital Market Supporting Institutions and Professionals.

**THIS SHARE INITIAL PUBLIC OFFERING IS NOT REGISTERED UNDER THE LAWS AND REGULATIONS OF ANY JURISDICTION BUT THE REPUBLIC OF INDONESIA. SHOULD ANY PARTY OUTSIDE THE JURISDICTION OF THE REPUBLIC OF INDONESIA OBTAIN THIS PROSPECTUS OR ANY OTHER DOCUMENTS RELATING TO THIS SHARE INITIAL PUBLIC OFFERING, SUCH PROSPECTUS AND DOCUMENTS ARE NOT INTENDED TO BE NOR SHOULD THEY BE CONSIDERED TO BE PUBLIC OFFERING DOCUMENTS TO PURCHASE THE SHARES, UNLESS SUCH OFFERING AND PURCHASE OF SHARES ARE NOT CONTRARY TO OR DO NOT CONSTITUTE A VIOLATION OF THE LAWS AND REGULATIONS AND THE STOCK EXCHANGE REGULATIONS PREVAILING IN SUCH COUNTRY OR JURISDICTION OUTSIDE THE REPUBLIC OF INDONESIA.**

**THE COMPANY HAS DISCLOSED ALL MATERIAL INFORMATION THAT IS REQUIRED TO BE DISCLOSED TO THE PUBLIC AND THERE IS NO OTHER MATERIAL INFORMATION THAT HAS NOT BEEN DISCLOSED WHICH OMISSION MAY OTHERWISE MISLEAD THE PUBLIC.**

#### **TRANSLATION DISCLAIMER**

**THIS ENGLISH TRANSLATION OF THE INDONESIAN PROSPECTUS OF PT ASHMORE ASSET MANAGEMENT INDONESIA TBK (THE "ENGLISH TRANSLATION") HAS BEEN PREPARED BY PT ASHMORE ASSET MANAGEMENT INDONESIA TBK FOR THE PURPOSE OF AND IS INTENDED SOLELY FOR THE CONVENIENCE OF NON-INDONESIAN LANGUAGE READERS. THIS ENGLISH TRANSLATION IS NOT AN OFFICIAL DOCUMENT. IT HAS ABSOLUTELY NO LEGAL STATUS AND IT IS NOT LEGALLY BINDING IN ANY MANNER WHATSOEVER. READERS RELYING ON ACCURATE AND PRECISE INFORMATION SHOULD REFER TO AND CHECK THE INDONESIAN PROSPECTUS OF PT ASHMORE ASSET MANAGEMENT INDONESIA TBK. SHOULD THERE BE ANY DIFFERENCES IN THE INTERPRETATION OF THE MEANING OF THE WORD(S) AND PHRASE(S) BETWEEN THE INDONESIAN PROSPECTUS OF PT ASHMORE ASSET MANAGEMENT INDONESIA TBK AND THE ENGLISH TRANSLATION, THE INDONESIAN PROSPECTUS OF PT ASHMORE ASSET MANAGEMENT INDONESIA TBK SHALL PREVAIL.**

## TABLE OF CONTENTS

TABLE OF CONTENTS .....	I
DEFINITIONS, TERMS AND ABBREVIATIONS .....	II
SUMMARY .....	X
I. SHARE INITIAL PUBLIC OFFERING .....	1
II. USE OF PROCEEDS FROM THE SHARE INITIAL PUBLIC OFFERING .....	5
III. INDEBTEDNESS .....	7
IV. KEY FINANCIAL HIGHLIGHTS .....	11
V. MANAGEMENT'S DISCUSSION AND ANALYSIS .....	14
VI. RISK FACTORS.....	32
VII. SIGNIFICANT EVENT SUBSEQUENT TO THE DATE OF INDEPENDENT AUDITOR'S REPORT .....	37
VIII. DESCRIPTION OF THE COMPANY, THE COMPANY'S BUSINESS ACTIVITIES, TRENDS AND PROSPECTS .....	38
A. BRIEF HISTORY OF THE COMPANY .....	38
B. THE COMPANY'S CAPITAL STRUCTURE AND SHAREHOLDER COMPOSITION .....	39
C. SIGNIFICANT EVENTS AFFECTING THE COMPANY'S BUSINESS ACTIVITIES.....	41
D. THE COMPANY'S MANDATORY LICENCE REQUIREMENTS.....	41
E. ORGANIZATION STRUCTURE.....	42
F. MANAGEMENT AND SUPERVISION OF THE COMPANY.....	42
G. GOOD CORPORATE GOVERNANCE ("GCG").....	45
H. HUMAN RESOURCES .....	51
I. STRUCTURE OF OWNERSHIP .....	54
J. DESCRIPTION OF DIRECT CONTROLLING SHAREHOLDER.....	54
K. MATERIAL AGREEMENTS .....	55
L. INSURANCE .....	94
M. DESCRIPTION OF FIXED ASSETS.....	94
N. LEGAL PROCEEDINGS FACED BY THE COMPANY, BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS .....	94
O. BUSINESS ACTIVITIES AND PROSPECTS .....	95
IX. INDUSTRY OVERVIEW .....	108
X. EQUITY .....	112
XI. DIVIDEND POLICY.....	114
XII. TAXATION .....	115
XIII. SECURITIES UNDERWRITING .....	118
XIV. CAPITAL MARKET SUPPORTING INSTITUTIONS AND PROFESSIONALS.....	119
XIV. KEY PROVISIONS OF THE ARTICLES OF ASSOCIATION AND OTHER KEY PROVISIONS RELATING TO THE SHAREHOLDERS .....	121
XV. SHARE SUBSCRIPTION PROCEDURES .....	142
XVII. DISTRIBUTION OF PROSPECTUS AND SHARE SUBSCRIPTION FORM.....	148
XVIII. LEGAL OPINION .....	149
XIX. FINANCIAL STATEMENTS .....	161

## DEFINITIONS, TERMS AND ABBREVIATIONS

The terms and definitions in this Prospectus shall have the following meanings:

Abridged Prospectus	:	Refers to the summary of the Prospectus, which is prepared by the Company jointly with the Lead Underwriter and announced in at least 1 (one) daily newspaper published in the Indonesian language with national circulation by no later than 2 (two) Business Days subsequent to receipt of statement from the FSA that the Company is permitted to perform the Preliminary Offering, as stipulated in Regulation No. IX.A.2.
Account Holder	:	Refers to the party whose name is registered as the owner of Securities Account and or Sub-Securities Account at KSEI, including Securities Companies and/or other parties approved by KSEI, with due consideration to the laws and regulations in the Capital Market and KSEI regulations.
ACF	:	Refers to the Allotment Confirmation Form issued by the Allotment Manager, which serves as a confirmation of the allotment result under the name of the subscriber and proof of ownership of the Offered Shares sold by the Company in the Primary Market.
Affiliate	:	Refers to the parties defined in Article 1 point 1 of the Capital Market Law: <ul style="list-style-type: none"><li>• family relationships by either marriage or descents up to the second degree, horizontally and vertically;</li><li>• relationship between a party and the employees, Directors or Commissioners of such party;</li><li>• relationship between 2 (two) companies having 1 (one) or more common members of the Board of Directors or Board of Commissioners;</li><li>• relationship between the company and the party which, directly or indirectly, controls or is controlled by such company;</li><li>• relationship between 2 (two) companies under common control of the same party, either directly or indirectly; or</li><li>• relationship between the company and the majority shareholder.</li></ul>
Allotment Date	:	Refers to a date no later than 2 (two) Business Days subsequent to the closing of the Offering Period stipulated in the Securities Underwriting Agreement or the Prospectus.
Allotment Manager	:	Refers to PT Mandiri Sekuritas as the party responsible for the allotment of the Offer Shares in accordance with the requirements of Regulation No. IX.A.7.
BPJS	:	Refers to <i>Badan Penyelenggara Jaminan Sosial</i> or the Social Security Administering Body.
Business Day	:	Refers to business days in general, excluding Saturdays and Sundays, and the days stipulated by the Government of the Republic of Indonesia as national holidays.

Calendar Day	:	Refers to the days in 1 (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 or ordinary Business Day, which, as a result of certain conditions, is stipulated by the Government of the Republic of Indonesia as a non-Business Day.
Capital Market Law	:	Refers to Law No. 8 of 1995 concerning the Capital Market (State Gazette of the Republic of Indonesia No. 64, Supplement to the State Gazette of the Republic of Indonesia No. 3608).
Collective Depository	:	Refers to the custody service of securities jointly owned by more than one party, whose interests are represented by the Custodian, in accordance with the requirements of stipulated by the Capital Market Law.
Collective Share Certificate	:	Refers to the Share Certificate or Collective Share Certificate as defined in the Company's Articles of Association.
Company Law	:	Refers to Law No. 40 of 2007 concerning Limited Liability Companies (State Gazette of the Republic of Indonesia No. 106, Supplement to the State Gazette of the Republic of Indonesia No. 4756).
Custodian Bank	:	Refers to a commercial bank that has obtained the approval from the FSA to provide depository services or to perform custodian services referred to in the Capital Market Law.
DF	:	Refers to Discretionary Fund.
Distribution Date	:	Refers to the same date as the Payment Date, which shall be no later than 2 (two) Business Days subsequent to the Allotment Date, on which the Offer Shares shall be distributed electronically by KSEI to the Account Holders.
Effective Statement	:	Refers to the FSA statement that declares the effectiveness of the Registration Statement: (i) on the 45 <sup>th</sup> (forty-fifth) day from the date the FSA receives the complete Registration Statement, or (ii) on the 45 <sup>th</sup> (forty-fifth) day from the date that the last amendment to the Registration Statement filed by the Issuer or requested by the Financial Services Authority is satisfied, or (iii) any other date on the basis of a declaration of Effective Statement from the FSA stating that no further changes and/or additional information is required, as defined in the Regulation No. IX.A.2, upon which the Company, through the Underwriters, becomes entitled to offer and sell the Offer Shares in accordance with the prevailing laws and regulations.
EGMS	:	Refers to the Extraordinary General Meeting of Shareholders convening in accordance with the provisions of the Company's articles of association.
ESA	:	Refers to the Employee Stock Allocation.
Exchange Day	:	Refers to the days on which the IDX carries out securities trading transaction activities, except national holidays or any day that is stipulated by the IDX as a holiday.

Financial Services Authority or FSA	:	Refers to the Financial Services Authority, an independent institution that is free from any intervention, which has the function, responsibilities and authorities to regulate, supervise, examine and investigate financial service activities in the Capital Market, Insurance, Pension Fund, Financing Institution and other Financial Institutions sectors as defined in Law No. 21 of 2011 dated November 22, 2012, concerning the Financial Services Authority, which is the successor of the Capital Market and Financial Institutions Supervisory Board, as regulated by the Minister of Finance, effective from December 31, 2012.
FSAR No. 7/2017	:	Refers to FSA 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 dated March 14, 2017.
FSAR No. 8/2017	:	Refers to FSA Regulation No. 8/POJK.04/2017 concerning Form and Content of Prospectus and Abridged Prospectus in an Equity Securities Public Offering dated March 14, 2017.
FSAR No. 23/2017	:	Refers to FSA Regulation No. 23/POJK.04/2017 concerning Preliminary Prospectus and Information Memorandum dated June 21, 2017.
FSAR No. 25/2017	:	Refers to FSA Regulation No. 25/POJK.04/2017 concerning the Restrictions on Shares Issued Prior to a Public Offering dated June 21, 2017.
FSAR No. 30/2015	:	Refers to FSA Regulation No. 30/POJK.04/2015 concerning the Report on Realization of Use of Proceeds from Public Offerings dated December 22, 2015.
FSAR No. 32/2014	:	Refers to FSA Regulation No. 32/POJK.04/2014 dated December 8, 2014, concerning the Plan and Organization of General Meeting of Shareholders of Public Companies, as amended by the FSA Regulation No. 10/POJK.04/2017 dated March 14, 2017.
FSAR No. 33/2014	:	Refers to FSA Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers or Public Companies dated December 8, 2014.
FSAR No. 34/2014	:	Refers to FSA Regulation No. 34/POJK.04/2014 concerning the Nomination and Remuneration Committee of Issuers or Public Companies dated December 8, 2014.
FSAR No. 35/2014	:	Refers to FSA Regulation No. 35/POJK.04/2014 concerning the Corporate Secretary of Issuers or Public Companies dated December 8, 2014.
FSAR No. 55/2015	:	Refers to FSA Regulation No. 55/POJK.04/2015 concerning the Establishment and Working Guidelines of Audit Committee dated December 29, 2015.
FSAR No. 56/2015	:	Refers to FSA Regulation No. 56/POJK.04/2015 concerning the Establishment and Preparation of the Internal Audit Charter dated December 29, 2015.
GMS	:	Refers to the General Meeting of Shareholders convened in accordance with the provisions of the Company's Articles of Association.

Government	:	Refers to the Government of the Republic of Indonesia.
IAPI	:	Refers to <i>Ikatan Akuntan Publik Indonesia</i> or the Institute of Certified Public Accountant.
Jakarta Composite Index	:	Refers to an index that measures the performance of all stocks that are listed on the Indonesia Stock Exchange.
KAP	:	Refers to <i>Kantor Akuntan Publik</i> or the Registered Public Accountant.
KSEI	:	Refers to PT Kustodian Sentral Efek Indonesia, which is responsible for the administration of Securities depository pursuant to the Agreement of Securities Registration in Collective Depository that is organized by PT Kustodian Sentral Efek Indonesia, a limited liability company domiciled in Jakarta.
Lead Underwriter	:	Refers to the party responsible for the organization of the Public Offering, which in this respect shall be PT Mandiri Sekuritas, which shall also act as an Underwriter.
Listing Date	:	Refers to the listing date of the Offer Shares to be traded on the Stock Exchange, which shall be no later than 1 (one) Business Day following the Distribution Date defined in the Prospectus.
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.
MOLHR	:	Refers to the Ministry of Law and Human Rights of the Republic of Indonesia (previously known as the Minister of Justice of the Republic of Indonesia, Minister of Justice and Human Rights of the Republic of Indonesia, Minister of Justice of the Republic of Indonesia or Minister of Laws and Regulations of the Republic of Indonesia or other titles).
Offer Price	:	Refers to the price of each Offer Share offered in the Public Offering, <i>i.e.</i> , Rp1,900.- (one thousand nine hundred Rupiah) per share.
Offering Period	:	Refers to a period in which the Public may submit the SSF.
Offer Shares	:	Refers to the ordinary registered shares issued by the Company, each having a nominal value of Rp25 (twenty five Rupiah) per share to be offered and sold to the Public in the Share Initial Public Offering and listed on the Stock Exchange in a total of 111,111,200 (one hundred eleven million one hundred eleven thousand two hundred) ordinary registered shares, which represent 10% (ten percent) of the Company's issued and paid-up capital subsequent to the Share Initial Public Offering.
Payment Date	:	Refers to the payment date of proceeds from sale of the Offer Shares, which shall be paid by the Underwriters to the Company through the Lead Underwriter, which shall be the Distribution Date of the Offer Shares as stated in the Prospectus.

Preliminary Offering	:	Refers to direct and indirect solicitation by using the Preliminary Prospectus distributed immediately subsequent to the announcement of the Abridged Prospectus in the newspapers with the objectives of, among others, assessing the Public's interest in the Offer Shares and/or the Offer Price estimate, which shall not be binding and shall not constitute a subscription in accordance with the FSAR No. 23/2017 and with due consideration to Regulation No. IX.A.2.
Preliminary Prospectus	:	Refers to the written document containing all information presented in the Prospectus submitted to the FSA as part of the Registration Statement, except for the information concerning the amount and price of the Offer Shares and the Offer Price of the Offer Shares, Securities underwriting or other matters related to the requirement of the offering that cannot yet be determined, prepared in accordance with the FSA Regulation No. 23/2017.
Prospectus	:	Refers to any written information in relation to the Share Initial Public Offering with the purpose of soliciting the Public to subscribe to the Offer Shares, prepared in accordance with the FSA Regulation No. 8/2017.
Public	:	Refers to any individual of Indonesian or Foreign Nationality and/or legal entity, whether Indonesian or Foreign Legal Entity, residing or legally domiciled in Indonesia or outside the jurisdiction of the Republic of Indonesia.
Public Accountant	:	Refers to Siddharta Widjaja & Rekan, which audited the Company's financial statements in connection with the Share Initial Public Offering.
Public Company	:	Refers to a company the shares of which are owned by at least 300 (three hundred) shareholders, with a minimum paid-in capital of Rp3,000,000,000 (three billion Rupiah), or a total shareholders and paid-in capital as stipulated by a Government Regulation.
Public Offering or Share Initial Public Offering	:	Refers to the Share Initial Public Offering activities conducted by the Company to sell the Offer Shares to the Public in accordance with the procedures stipulated in the Capital Market Law, its implementing regulations and other related regulations and other provisions stipulated in the Underwriting Agreement.
Refund Date	:	Refers to the date on which the subscription payments of the Offer Shares are refunded by the Lead Underwriter through the Underwriters to subscribers whose subscriptions are unfulfilled, whether in whole or in part, as a result of allotment, or in the event that the Share Initial Public Offering is postponed or canceled.
Registration Statement	:	Refers to the document that must be submitted by the Company to the FSA, jointly with the Lead Underwriter before the Company undertakes the offering and sale of the Offer Shares as defined in Article 1 point 19 of the Company Law <i>juncto</i> Article 1 paragraph (2) of the FSA 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 dated March 14, 2017, with due considerations to the provisions of Regulation No. IX.A.2.



Regulation No. IX.A.2	:	Refers to the Indonesian Capital Market and Financial Institutions Supervisory Agency Regulation No. IX.A.2 Annex to the Decree of Indonesian Capital Market and Financial Institutions Supervisory Agency 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 the Indonesian Capital Market and Financial Institutions Supervisory Agency Regulation No. IX.A.7 Annex to the Decree of Indonesian Capital Market and Financial Institutions Supervisory Agency Chairman Number: Kep-691/BL/2011 dated December 30, 2011, concerning the Securities Subscription and Allotment in a Public Offering.
Regulation No. IX.E.1	:	Refers to the Indonesian Capital Market and Financial Institutions Supervisory Agency Regulation No. IX.E.1 Annex to the Decree of Indonesian Capital Market and Financial Institutions Supervisory Agency Chairman Number: Kep-412/BL/2009 dated November 25, 2009, concerning Certain Affiliated Transactions and Transactions with Conflict of Interest.
Regulation No. IX.E.2	:	Refers to the Indonesian Capital Market and Financial Institutions Supervisory Agency Regulation No. IX.E.2 Annex to the Decree of Indonesian Capital Market and Financial Institutions Supervisory Agency Chairman Number: Kep-614/BL/2011 dated November 28, 2011, concerning Material Transactions and Changes in Main Business Activities.
Regulation No. IX.J.1	:	Refers to the Indonesian Capital Market and Financial Institutions Supervisory Agency Regulation No. IX.J.1., Annex to the Decree of Indonesian Capital Market and Financial Institutions Supervisory Agency Chairman No. 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.
Rupiah or Rp	:	Refers to the official currency of the Republic of Indonesia.
SABH	:	Refers to <i>Sistem Administrasi Badan Hukum</i> or Legal Entity Administration System of the Ministry of Laws and Human Rights of the Republic of Indonesia or the predecessor or successor thereof.
Securities	:	Refers to marketable securities, i.e., promissory notes, commercial papers, shares, bonds, debentures, Collective Investment Contract Participation Unit, Securities related Forward Contracts and any Securities derivatives.
Securities Account	:	Refers to the account containing the balance statement and/or funds owned by the shareholders that are administered by KSEI, the Custodian Banks or Securities Companies based on the securities account opening agreement signed by the shareholders.
Securities Administration Bureau or SAB	:	Refers to the party appointed by the Company to undertake the administration of shares in the Public Offering, which for this purpose shall be PT Datindo Entrycom.
Securities Companies	:	Refers to the parties undertaking the business activities as Underwriters, Stockbrokers and/or Investment Managers in accordance with the provisions of Article 1 point 21 of the Capital Market Law.

Securities Registration Agreement	:	Refers to the Equity Securities Registration at KSEI Agreement No. SP-057/SHM/KSEI/0719, dated 20 November 2019, privately drawn up and duly stamped, between the Company and KSEI, including all the amendments and/or addendum and/or novation thereof that may be made in the future.
Securities Underwriting Agreement or SUE	:	Refers to the Deed of Underwriting Agreement of the Company's Public Offering No. 23 dated October 17, 2019, drawn up before Chandra Lim, S.H., LL.M., a Notary in Jakarta, as amended by the Deed of Addendum to Underwriting Agreement of Initial Public Offering No. 36 dated November 20, 2019, drawn up before Chandra Lim, S.H., LL.M., a Notary in Jakarta, and the Deed of Addendum II to Underwriting Agreement of Initial Public Offering No. 52 dated December 20, 2019, drawn up before Chandra Lim, S.H., LL.M., a Notary in Jakarta, including all amendments and/or addendum and/or novation that may be entered into in the future, by and between the Lead Underwriter, the Underwriter and the Company in connection with the Public Offering.
Share Administration Management Agreement	:	Refers to the Deed of Share Administration Management Agreement No. 24 dated October 17, 2019, drawn up before Chandra Lim, S.H., LL.M., a Notary in Jakarta, together with all future lawful amendments and/or addendum and/or novation.
Share Subscription Register	:	Refers to the Share Subscription Register, a register containing the names of Offer Share subscribers and the amount of Offer Shares subscribed, prepared on the basis of the Share Subscription Forms, which are prepared by the respective Underwriters.
Shareholder Register	:	Refers to the register issued by KSEI, which contains information on the shareholders' share ownership administered in the Collective Depository at KSEI based on the data provided by the Account Holders to KSEI.
SSF	:	Refers to the original copy of the Share Subscription Form provided by the Company together with the Lead Underwriter, which shall be completed, signed and submitted in 5 (five) copies to the Underwriters by the prospective subscribers.
Stock Exchange or Indonesia Stock Exchange or IDX	:	Refers to PT Bursa Efek Indonesia, a limited liability company established based on applicable Indonesian law and is domiciled in Jakarta (or the replacement or the beneficiaries of its rights thereof), the Stock Exchange as defined in Article 1 point 4 of the Capital Market Law, where the Company's shares are listed.
The Company	:	Refers to PT Ashmore Asset Management Indonesia Tbk, a limited liability company established under the laws of the Republic of Indonesia, having its domicile and head office in South Jakarta.
Underwriters	:	Refers to the parties entering into agreements with the Company to undertake the Share Public Offering on behalf of the Company and to perform payments to the Company pursuant to the Underwriting Agreement, through the Lead Underwriter.
USD	:	Refers to the United States Dollar, the official currency of the United States of America.
WHT	:	Refers to Withholding Income Tax.

Written Confirmation : Refers to the confirmation letter of share ownership issued by KSEI and/or the Custodian Banks and/or the Securities Companies for the benefit of the Account Holders in the secondary market.

## SUMMARY

*The following summary presents facts and judgments which the Company considers material. This summary constitutes an integral part of, and must be read in conjunction with, the more detailed information disclosed herein, including the related consolidated financial statements and notes thereto and business risks. All financial information presented in this Prospectus is derived from the Company's consolidated financial statements, which are presented in Rupiah and prepared in accordance with Indonesian Financial Accounting Standards.*

Certain numerical figures set out in this Prospectus, including financial data, have been subject to rounding adjustments and, as a result, the totals of the data in this Prospectus may vary slightly from the actual arithmetic totals of such information.

### 1. COMPANY OVERVIEW

The Company is a limited liability company that was legally established under Indonesian Law and is domiciled in South Jakarta. The Company was first established under the name of PT Buana Megah Abadi, domiciled in West Jakarta. PT Buana Megah Abadi was established pursuant to the Deed of Establishment No. 250 dated January 29, 2010, drawn up before Irawan Soerodjo, S.H., a Notary in Jakarta, which was approved by the MOLHR by virtue of Decree No. 09788.AH.01.01.Tahun.2010 dated February 23, 2010, and was registered in the Company Registry under No. AHU.0014438.AH.01.09.Tahun 2010 dated February 23, 2010, and announced in the State Gazette of the Republic of Indonesia No. 89 dated November 5, 2010, Supplement No. 38055.

In 2012, the Company changed its name from PT Buana Megah Abadi to PT Ashmore Asset Management Indonesia pursuant to the Deed of Shareholder Resolutions No. 32 dated October 11, 2012, drawn up before Jose Dima Satria, S.H., M.Kn., a Notary in South Jakarta, and the change in Articles of Association of which was approved by the MOLHR by virtue of Decree No. AHU-53481.AH.01.02 Tahun 2012, dated October 16, 2012.

The Company's articles of association have been amended several times. The last amendment was made pursuant to the Deed of GMS Resolutions No. 21 dated October 17, 2019, drawn up before Chandra Lim, S.H., LL.M., a Notary in Jakarta, which was approved by the MOLHR (as defined below) by virtue of Decree of MOLHR No. AHU-0083719.AH.01.02.Tahun 2019, dated October 17, 2019, and registered in the Company Registry under No. AHU-0196847.AH.01.11.Tahun 2019 dated October 17, 2019, and which notification of amendment was received by the MOLHR pursuant to the Receipt of Notification of Amendment of Articles of Association No. AHU-AH.01.03-0347159 dated October 17, 2019, in which the Company's shareholders approved the amendments in connection with the change of (i) the Company's name, (ii) the Company's status from a private company to a public company, (iii) the nominal value of the Company's shares, (iv) the Company's purpose and objectives as well as business activities, and (v) the amendment of its articles of association to conform to capital markets laws and regulations ("**Deed No. 21/2019**").

Pursuant to the provisions of Article 3 of the Company's Articles of Association, the purpose and objectives of the Company are as follows:

- To engage in the services of a securities company, more specifically to provide investment manager services.
- To engage in investment advisory services.

The Company is a subsidiary of Ashmore Investment Management Limited. Its parent company, Ashmore Group Plc, is headquartered in London and listed on the London Stock Exchange in 2006. Ashmore Group is a global specialist emerging markets investment manager, with long-established track records has specialized in the emerging markets since its establishment in 1992 and as proof of its specialization, Ashmore Group currently provides access to the diverse range of emerging markets investment opportunities through eight headline investment themes namely external debt, local currency debt, corporate debt, blended debt, equity, private equity, liquidity and multi-asset. Ashmore Group continues to innovate, offering new products and strategies that provide an opportunity for investors to participate in the development of emerging markets.

Ashmore Group has 296 personnel, 93 of which are professional investment personnel with a deep knowledge and experience of investing in emerging markets, established over the past 27 years. The Ashmore team has a broad access to the investors' network of at least 60 emerging countries that has been built over the past few decades. Ashmore team has office network across 12 countries, consisting of 7 countries that provide investment manager services with local investment management platforms in Colombia, India, Indonesia, Peru, Saudi Arabia, United Arab Emirates and the People's Republic of China, as well as 5 countries that provides global investment management and distribution capabilities in the United States, United Kingdom, Ireland, Singapore and Japan. As at 30 September 2019, Ashmore Group plc manages funds totaling USD91.9 billion.

The Company is engaged in investment manager services, particularly management of investments in the form of equity, bonds, balanced, and money market mutual funds that are offered to both retail and institutional investors. At present, the Company's mutual funds are distributed through selling agents (banks), institutions, and insurance companies via the Company partners with 17 selling agents and 65 institutional customers. This gives the Company access to more than 30,000 investors across its investment segments. Institutional investors, including insurance companies, pension funds, and sovereign wealth funds, continue to dominate the Company's assets under management. In carrying out its business, the Company is supported by integrated departments or divisions, staffed by employees with profound insights on the capital market in Indonesia, thereby allowing the Company to seek to achieve optimal performance in providing high standards of service to its clients.

The Company conducts business activities as an investment manager and investment advisor. As an investment manager, the Company currently operates with focus on three main investment products: stocks, bonds - both local (Rupiah) denominated and denominated in other foreign currencies - and money market. The Company has so far established a strong track record of fund outperformance since its inception. Until the date of this Prospectus, the Company managed 18 (eighteen) mutual funds, 9 (nine) DF, and 1 (one) actively managed Exchange Traded Fund, with total assets under management of USD2.1 billion. The Company is one of the investment managers with the fastest assets under management growth in Indonesia based on 2013-2019 FSA data, starting its business in 2013 with assets worth USD45 million under management to become one of the largest investment managers in Indonesia. As much as 90% of the Company's assets under management is allocated to securities trading on the Indonesia stock market.

In terms of managing customer funds, the Company's competitive advantages compared to other investment managers are as follows:

1. Affiliation with the Ashmore Group, a specialist emerging markets asset manager with a successful 27-year track record;
2. Professional, experienced investment manager with deep knowledge of Indonesian companies and with a strong network. The investment team has an average of 13 years of experience acting in the Indonesian capital market;
3. Strong relationship with local network and frequent company visits;
4. Proven investment philosophies using corporate analysis and independent analysis;
5. Expertise in investing in, and analyzing small-cap stocks that are not included in benchmark indexes; and
6. Corporate culture that embraces integrity and intellectual freedom.

## **2. THE COMPANY'S BUSINESS PROSPECTS AND ACTIVITIES**

In accordance with the provisions of Article 3 of its articles of association, the Company is engaged in the investment management services and investment advisory services. The Company obtained its business license from Indonesian Capital Market and Financial Institutions Supervisory Agency pursuant to the Decree No. KEP-04/BL/MI/2011 dated June 15, 2011, on the issuance of business license for securities companies undertaking business activities as an investment manager.

Indonesian Capital Market and Financial Institutions Supervisory Agency's approval for the change of name and the transfer of ownership of business license to PT Ashmore Asset Management Indonesia was obtained on November 1, 2012. Effective from August 20, 2018, the Company's office was relocated at Pacific Century Place, SCBD Lot 10, Level 18, Jl. Jenderal Sudirman Kav. 52-53, Jakarta, 12190.

The Company's vision is to become one of the largest asset management companies in Indonesia based on the value of its assets under management, that is capable of offering high investment returns to customers through effective and efficient distribution.

The Company's missions are as follows:

1. offering investment strategies in various types of assets that the Company currently specializes in and utilizing the relationship with the Ashmore Group to assist in the investment process; and
2. providing services and creating value for customers as well as teaching customers how to invest in Indonesia's capital market through efficient and effective distribution channels.

In order to reach its strategic goals, the Company has to achieve the strategic targets as set out in the management work program.

The Company engages in the services of a securities company, namely investment management services, and investment advisory services.

#### Main Business Activities:

1. Manages securities portfolios for the benefit of customers based on asset management agreements signed between the Company and such customers. These agreements are drafted in accordance with the requirements of FSA regulations.
2. Manages collective investment portfolios for the benefit of groups of customers through products regulated by the FSA.
3. Provides advice on the sale and purchases of securities in exchange for fees.

#### Supporting Business Activities:

1. Undertakes other activities as permitted by the FSA and in accordance with the FSA requirements.
2. Carries out other businesses related to the main business activities referred to above in accordance with applicable laws and regulations.

As of October 2019, the Company's top five customers are a combination of institutional customers and selling agents, contributing more than 65% to the Company's total assets under management.

In general, the Company believes that it has good business prospects given the Indonesian society's increased understanding of the importance of investing. The advancement of technology further facilitates the monitoring and execution of investments, particularly for retail investors. Opportunities that derived from the regulatory sector, such as opening up the potential of investing in foreign conventional asset, also increase the variety of mutual funds that the Company is able to offer. In addition, the Company also benefits from the Ashmore Group's global emerging markets expertise.

The following factors are the catalysts for the Company's growth:

- a. Indonesia's macroeconomic growth. Based on past performance since inception, the Company has been able to significantly outperform Indonesia's growth;
- b. Further penetration in the two distribution channels; retails and institutional, by increasing the number of customers and increasing the amount of assets under management entrusted by such customers;
- c. Maintain performance that is consistently higher than benchmark index since inception; and
- d. Changes in government regulations; with more focus on the growth of pension fund and social security in Indonesia.

The asset management industry is relatively new in Indonesia, and has experienced higher growth in the past 15-years compared to Indonesia's economic growth. However, the penetration of the asset management industry, as measured by the ratio of assets under management to Gross Domestic Product ("GDP") remains very low. The Company sees the opportunity to grow at a higher rate than economic growth and industry growth in Indonesia based on the Company's growth rate in the past three years. From June 2016 to June 2019, the growth of the Company's assets under management was 33% per year, compared to the industry growth of 18% per year. The Company believes it is well-placed to capitalize on the growth in economy, improved financial literacy, and de-regulation potential of Indonesia.

The Company offers three main categories of investment products, i.e., equity, bonds, and money market through 18 (eighteen) mutual funds, 9 (nine) DF, and 1 (one) Exchange Traded Fund. The Company had

total assets under management in the amount of Rp30 trillion as of October 2019. The Company sees prospects in developing investment themes and diversifying the Company's product types, including among others, corporate bonds, sharia assets, and private equity, in order to generate stable profit for the Company.

In addition, the Company also sees growth from the development of product scale in line with the growing customer needs.

As a member of the Ashmore Group, the Company enjoys the following benefits:

- **INVESTMENT**

As a member of the Ashmore Group, a global emerging markets specialist investment manager that has invested in Indonesia for more than 15 years, the Company has a competitive advantage. With an Investment Team of specialists focused on one of the largest emerging economies in Asia, the Company shares its insights on macroeconomic conditions, valuations and insights on global investors' sentiments on Indonesia with Ashmore Group's investment teams. If necessary, the Company also shares research insights with Ashmore Group's regional teams for comparative purposes. In addition, Ashmore Group's long-term investment in government bonds, including in Indonesia, provides the Company with network access to policymakers, both in Central Banks and governments.

- **OPERATIONS**

The Ashmore Group supports the Company's operations in the following key areas: 1) operational systems and 2) risk management. The Company adopts high standards for its information technology systems in the form of thinkFolio and dimension systems. In addition, the Ashmore Group's risk management team, and global and local compliance teams (headed by the team from Singapore) actively monitor the Company's operational risks through monthly and ad-hoc meetings to discuss business and performance.

- **RISK MANAGEMENT**

The Risk Management and Control ("RMC") function is responsible for the policies and procedures related to risk management and operates under the Company's Investment Committee ("IC") and Risk and Compliance Committee ("RCC"). The Company's RMC function is supported by the Ashmore Group's RMC function. For example, the Company's risk management analysis and reporting system is consistent with the system adopted by the Group Risk Management Unit. In its daily activities, the RMC function ensures the availability of analysis on market, liquidity, operational, and counterparty risks. The RMC function is distinct from the investment teams, but it cooperates with all corporate units to promote the Ashmore Group's risk management culture.

Further information considering the Company's business activities and prospects is available in Chapter VIII of this Prospectus.

### 3. DESCRIPTION OF THE OFFER SHARES

The summary of the Company's Share Initial Public Offering structure is as follows:

Total Offer Shares	:	A total of 111,111,200 (one hundred eleven million one hundred eleven thousand two hundred) new shares or 10% (ten percent) of the Company's issued and paid-up capital subsequent to the Share Initial Public Offering.
Nominal Value	:	Rp25.- (twenty five Rupiah) per share.
Offer Price	:	Rp1,900.- (one thousand nine hundred Rupiah) per share, which shall be paid in full upon submission of the SSF.
Total Offering Value	:	A total of Rp211,111,280,000.- (two hundred eleven billion one hundred eleven million two hundred eighty thousand Rupiah).
Public Offering Period	:	January 2 - 8, 2020.
Listing Date on the IDX	:	January 14, 2020.

The Offer Shares with respect to this Share Initial Public Offering entirely consist of new shares issued from the Company's portfolio and such new shares will carry the same and equal rights in all matters as

the Company's other issued and fully paid-up shares, including the right to receive dividend distributions and distributions of remaining assets after liquidation, and the right to cast votes in a GMS, the right to receive bonus shares distributions and preemptive rights in accordance with the provisions under the Company Law and the Capital Market Law.

The Offer Shares are lawfully owned and are unencumbered, are not subject to dispute and are not pledged to any parties whatsoever, and are not being offered to other parties.

Further information on the Offer Shares of the Share Initial Public Offering is available in Chapter I of this Prospectus.

#### 4. USE OF PROCEEDS

All, proceeds from this Share Initial Public Offering, after deducting emission costs, shall be used by the Company as follows:

- a. A maximum of Rp200,000,000,000.- (two hundred billion Rupiah) shall be used to finance the Company's information technology ("IT") infrastructure development and to support the Company's operational activities.

IT infrastructure development is expected to support the penetration of the capital market industry in Indonesia through accessing the middle and lower income customer segments and the millennial generation investors who actively use technology and e-commerce facilities. The establishment of such system will be carried out through the establishment of a standalone application and/or the development of the existing platform. The development of the IT infrastructure is planned to be carried out in three phases (but could be changed subject to, among others, the development of technology at that time and the Company's need): 1) constructing the digital application including service infrastructure and data processing for retail customers, 2) developing artificial intelligence for customer education, 3) offering of investment opportunities in mutual fund through the application platform. The Company will announce the appointed IT vendor at a later date.

- b. The remaining balance, shall be used to strengthen the source of fund in connection with the establishment of new products.

Further information considering the use of proceeds from the Share Initial Public Offering is available in Chapter II of this Prospectus.

#### 5. THE LATEST CAPITAL STRUCTURE AND SHAREHOLDER COMPOSITION

The Company's capital structure and shareholder composition pursuant to the Deed of Establishment were as follows:

Description	Nominal Value of Rp1,000 per share		
	Total Shares	Total Nominal (Rp)	(%)
<b>Authorized Capital</b>	<b>1,000,000</b>	<b>1,000,000,000</b>	<b>-</b>
<b>Issued and Paid-up Capital</b>			
• Mustapa Kamal	450,000	450,000,000	90.00%
• Gatot Widodo	50,000	50,000,000	10.00%
<b>Total Issued and Paid-up Capital</b>	<b>500,000</b>	<b>500,000,000</b>	<b>100.00%</b>
<b>Total Shares in Portfolio</b>	<b>500,000</b>	<b>500,000,000</b>	<b>-</b>

Pursuant to the Deed No. 21/2019, the Company's current capital structure and shareholder composition are as follows:

Description	Nominal Value of Rp25.- per share		
	Total Shares	Total Nominal (Rp)	Percentage (%)
<b>Authorized Capital</b>	<b>4,000,000,000</b>	<b>100,000,000,000</b>	<b>-</b>
<b>Issued and Paid-up Capital</b>			
• Ashmore Investment Management Limited	667,060,000	16,676,500,000	66.71
• PT Adikarsa Sarana	142,940,000	3,573,500,000	14.29
• Ir. Ronaldus Gandahasada	70,000,000	1,750,000,000	7.00
• FX Eddy Hartanto	60,000,000	1,500,000,000	6.00
• Arief Cahyadi Wana	60,000,000	1,500,000,000	6.00
<b>Total Issued and Paid-up Capital</b>	<b>1,000,000,000</b>	<b>25,000,000,000</b>	<b>100.00</b>
<b>Total Shares in Portfolio</b>	<b>3,000,000,000</b>	<b>75,000,000,000</b>	<b>-</b>



Assuming all of the Company's Offer Shares are fully subscribed in this Public Offering, the Company's pro forma capital structure and shareholder composition prior and subsequent to the Public Offering shall be as follows:

**Capital Stock**  
**Ordinary Registered Shares**  
**With a Nominal Value of Rp25.- (twenty five Rupiah) per Share**

Description	Prior to			Subsequent to		
	Total Shares	Total Nominal (Rp)	(%)	Total Shares	Total Nominal (Rp)	(%)
<b>Authorized Capital</b>	4,000,000,000	100,000,000,000		4,000,000,000	100,000,000,000	
<b>Issued and Paid-up Capital</b>						
• Ashmore Investment Management Limited	667,060,000	16,676,500,000	66.71%	667,060,000	16,676,500,000	60.04%
• PT Adikarsa Sarana	142,940,000	3,573,500,000	14.29%	142,940,000	3,573,500,000	12.86%
• Ir. Ronaldus Gandahusada	70,000,000	1,750,000,000	7.00%	70,000,000	1,750,000,000	6.30%
• Arief Cahyadi Wana	60,000,000	1,500,000,000	6.00%	60,000,000	1,500,000,000	5.40%
• FX Eddy Hartanto	60,000,000	1,500,000,000	6.00%	60,000,000	1,500,000,000	5.40%
• Public	-	-	-	111,111,200	2,777,780,000	10.00%
<b>Total Issued and Paid-up Capital</b>	<b>1,000,000,000</b>	<b>25,000,000,000</b>	<b>100.00%</b>	<b>1,111,111,200</b>	<b>27,777,780,000</b>	<b>100.00%</b>
<b>Total Shares in Portfolio</b>	<b>3,000,000,000</b>	<b>75,000,000,000</b>		<b>2,888,888,800</b>	<b>72,222,220,000</b>	

## ESA Program

Pursuant to the Deed No. 21/2019, the Company shall allocate 1.66% (one point six six percent) of the Offer Shares in the Share Initial Public Offering for the ESA Program with a total of 1,842,000 (one million eight hundred forty two thousand) shares at an ESA exercise price that shall be equal to the Offer Price ("ESA Program").

Upon subscription of the Offer Shares offered by the Company in this Share Initial Public Offering, and the implementation of the ESA Program in the Share Initial Public Offering, the Company's capital structure and shareholder composition prior and subsequent to the Share Initial Public Offering on a pro forma basis would be as follows:

**Capital Stock**  
**Ordinary Registered Shares**  
**With a Nominal Value of Rp25.- (twenty five Rupiah) per Share**

Description	Prior to			Subsequent to		
	Total Shares	Total Nominal (Rp)	(%)	Total Shares	Total Nominal (Rp)	(%)
<b>Authorized Capital</b>	4,000,000,000	100,000,000,000		4,000,000,000	100,000,000,000	
<b>Issued and Paid-up Capital</b>						
• Ashmore Investment Management Limited	667,060,000	16,676,500,000	66.71%	667,060,000	16,676,500,000	60.04%
• PT Adikarsa Sarana	142,940,000	3,573,500,000	14.29%	142,940,000	3,573,500,000	12.86%
• Ir. Ronaldus Gandahusada	70,000,000	1,750,000,000	7.00%	70,000,000	1,750,000,000	6.30%
• Arief Cahyadi Wana	60,000,000	1,500,000,000	6.00%	60,000,000	1,500,000,000	5.40%
• FX Eddy Hartanto	60,000,000	1,500,000,000	6.00%	60,000,000	1,500,000,000	5.40%
• Public	-	-	-	109,269,200	2,731,730,000	9.83%
• ESA (1.66%)	-	-	-	1,842,000	46,050,000	0.17%
<b>Total Issued and Paid-up Capital</b>	<b>1,000,000,000</b>	<b>25,000,000,000</b>	<b>100.00%</b>	<b>1,111,111,200</b>	<b>27,777,780,000</b>	<b>100.00%</b>
<b>Total Shares in Portfolio</b>	<b>3,000,000,000</b>	<b>75,000,000,000</b>		<b>2,888,888,800</b>	<b>72,222,220,000</b>	

Further information on the ESA Program is available in Chapter I of this Prospectus.

## 6. KEY FINANCIAL HIGHLIGHTS

The following table presents the Company's key financial highlights based on the Company's financial statements, which consist of the statements of financial position of the Company as of June 30, 2019, 2018, and 2017, statements of profit or loss and other comprehensive income, statements of changes in equity, and statements of cash flows for the years then ended, and notes thereto. These notes include a summary of significant accounting policies and other explanatory disclosures.

The Company's financial statements for the year ended June 30, 2019, have been audited by KAP Siddharta Widjaja & Rekan (Partner In-Charge: Handrow Cahyadi, CPA), Public Accountant Registration No. AP.1555, based on the Auditing Standards stipulated by the Indonesian Institute of Public Accountant (Institut Akuntan Publik Indonesia, "IAPI"), who expressed an unmodified opinion in its report dated August 26, 2019, which was re-issued on November 21, 2019.

The Company's financial statements for the years ended June 30, 2018 and 2017, have been audited by KAP Siddharta Widjaja & Rekan (Partner In-Charge: Kusumaningsih Angkawijaya, CPA, Public Accountant Registration No. AP.0848), based on the Auditing Standards stipulated by IAPI, who expressed an unmodified opinion in its reports dated September 21, 2018, and September 11, 2017.

## STATEMENTS OF FINANCIAL POSITION

(In Rupiah)

Description	June		
	2019	2018	2017
<b>Total assets</b>	<b>110,704,685,680</b>	<b>96,656,767,934</b>	<b>71,985,929,079</b>
<b>Total liabilities</b>	<b>71,747,996,590</b>	<b>58,726,747,031</b>	<b>29,937,945,641</b>
<b>Total Equity</b>	<b>38,956,689,090</b>	<b>37,930,020,903</b>	<b>42,047,983,438</b>

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(In Rupiah)

Description	June 30,		
	2019	2018	2017
<b>Revenue from Operations</b>			
Revenue from investment manager activities	308,887,226,797	244,142,065,963	153,995,965,984
<b>Operating Expenses</b>			
Mutual fund selling agent commission	(110,722,608,553)	(92,880,291,647)	(60,812,802,001)
Personnel	(58,233,436,266)	(48,377,666,709)	(37,720,474,630)
Regulatory Levy	(7,556,844,233)	(5,210,304,029)	(2,893,903,260)
System maintenance expense	(6,253,189,972)	(3,129,071,738)	(2,642,873,842)
Advertising and promotions	(3,758,389,240)	(3,273,116,551)	(2,628,655,498)
Office Lease	(2,957,839,955)	(2,465,753,847)	(2,296,219,062)
Professional fees	(1,377,807,838)	(730,151,328)	(715,955,644)
General and administrative	(1,103,602,319)	(730,219,500)	(720,030,443)
Data and information	(1,101,647,427)	(1,012,133,735)	(980,566,898)
Depreciation	(818,973,331)	(117,066,977)	(677,820,914)
Telecommunication	(537,603,343)	(399,055,092)	(414,798,905)
Other	(1,540,697,024)	(1,460,147,368)	(1,192,597,626)
<b>Total Operating Expenses</b>	<b>(195,962,639,501)</b>	<b>(159,784,978,521)</b>	<b>(113,696,698,723)</b>
<b>Income from Operations</b>	<b>112,924,587,296</b>	<b>84,357,087,442</b>	<b>40,299,267,261</b>
<b>Other Income (Expense)</b>			
Realized and unrealized gains from investments in mutual funds	-	9,459,723	417,235,817
Net finance income	2,034,789,641	3,830,142,050	1,936,281,630
<b>Total other income, net</b>	<b>2,034,789,641</b>	<b>3,839,601,773</b>	<b>2,353,517,447</b>
<b>Profit Before Tax</b>	<b>114,959,376,937</b>	<b>88,196,689,215</b>	<b>42,652,784,708</b>
<b>Tax Expense</b>	<b>(28,456,430,500)</b>	<b>(21,352,024,250)</b>	<b>(10,268,934,750)</b>
<b>Net Profit for the year</b>	<b>86,502,946,437</b>	<b>66,844,664,965</b>	<b>32,383,849,958</b>
<b>Total Other Comprehensive Income</b>	<b>23,721,750</b>	<b>37,372,500</b>	<b>(8,602,500)</b>
<b>Total Comprehensive Income</b>	<b>86,526,668,187</b>	<b>66,882,037,465</b>	<b>32,375,247,458</b>
<b>Earnings per share</b>	<b>3,460</b>	<b>2,588</b>	<b>925</b>

## GROWTH RATIOS AND FINANCIAL RATIOS

Description	June 30,		
	2019	2018	2017
<b>FINANCIAL PERFORMANCE RATIOS</b>			
<u>Liquidity Ratios</u>			
Cash Ratio (%)	99.4%	74.2%	153.8%
<u>Profitability Ratios</u>			
Operating Margin (%)	36.5%	34.5%	26.1%
Net Profit Margin (%)	28.0%	27.3%	21.0%
Return on Assets - ROA (%)	78.1%	69.1%	44.9%
Return on Equity - ROE (%)	222.0%	176.2%	77.0%
<b>SOLVENCY RATIOS</b>			
Total Liabilities to Total Assets (DAR) (x)	0.6	0.6	0.2
Total Liabilities to Total Equity (DER) (x)	1.8	1.5	0.7
Total Equity to Total Assets (%)	35.1%	39.2%	58.4%
<b>GROWTH RATIOS YoY</b>			
Revenue from operations (%)	26.5%	58.5%	28.4%
Income from operations (%)	33.8%	109.3%	36.1%
Net Profit (%)	29.4%	106.4%	33.5%
Total Assets (%)	14.5%	34.2%	3.4%
Total Liabilities (%)	22.1%	96.1%	20.0%
Equity (%)	2.7%	-9.7%	-5.8%

Further information concerning the Company's key financial highlights is available in Chapter IV of this Prospectus.

## 7. BUSINESS RISKS

- a. Main Risks that Has Significant Influence on the Company's Business Continuity
  - i. Risk associated with revocation of business license
  - ii. Risks associated with change in government policies
- b. Business Risks Associated with the Company's Business Activities
  - i. Risk associated with changes in regulations
  - ii. Risk associated with business competition
  - iii. Risk associated with decrease in assets under management
  - iv. Risk associated with to product concentration
  - v. Risks associated with scarcity of competent Human Resources (HR)
  - vi. Risks associated with resignation of key personnel
  - vii. Credit risk
  - viii. Interest rate risk
  - ix. Liquidity risk
  - x. Risk associated with changes in economic and political conditions
  - xi. Operational risk
  - xii. Risks associated with legal claims or lawsuits
  - xiii. Risk associated with technological development and changes
  - xiv. Affiliation risk
  - xv. Risk associated with inability to comply with laws and regulations applicable to the industry in which the Company operates
- c. Risks associated with Investments in Investee Companies
- d. General Risks
  - i. Compliance with the prevailing laws and regulations relating to the industry
- e. Risks Associated with Investing in the Company's Shares
  - i. The price of the Company's shares may be subject to significant fluctuations in the future
  - ii. The liquidity of the Company's shares
  - iii. The Company's ability to pay dividends in the future

- iv. The controlling shareholder may have conflicting interests with prospective investors of the Offer Shares.

Further information concerning risk factors is available in Chapter VI of this Prospectus.

## **8. DIVIDEND POLICY**

The new shareholders who subscribe for Share Initial Public Offering shall have the same rights as and equal rights to the Company's existing shareholders, including the rights to receive dividends.

Based on the Company Law, a dividend distribution shall be carried out based on a resolution of the GMS. Interim dividends may be distributed prior to the end of a fiscal year, provided that such distribution is allowed under the Company's articles of association and shall not result in the Company's assets becoming lower than the Company's issued and paid-up capital and statutory reserves. Distribution of interim dividends shall be determined by the Board of Directors upon approval by the Board of Commissioners. If the Company experiences losses at the end of the fiscal year in which such interim dividends are distributed, the distributed interim dividends must be refunded by the shareholders to the Company. The Board of Directors and the Board of Commissioners shall be jointly and severally responsible in the event that such interim dividends are not refunded by the shareholders.

Subsequent to the Share Initial Public Offering, the Company's management shall adopt a policy to pay dividends with a minimum ratio of 50% (fifty percent) of the Company's income for the year, commencing from the 2020 fiscal year, without prejudice to the Company's financial soundness and the rights of the Company's GMS to determine otherwise in accordance with the Company's articles of association. Factors that the Company will take into account in deciding to make dividend distributions include, among others, net income, the availability of reserves, capital expenditure requirements, results of operations and its cash balance. The above factors will ultimately depend on a number of conditions, including the successful implementation of the Company's business and financial strategies, which is affected by competition and regulation, general economic environment and other conditions that apply specifically to the Company or its business. The majority of the factors referred to above are beyond the Company's control. Payment of dividends to shareholders shall be made based on the resolution of GMS.

Cash dividends shall be paid in Rupiah. The shareholders registered as of the recording date shall be entitled to the rights to receive dividends in full amount, which shall be subject to income tax in accordance with prevailing tax regulations in Indonesia. Cash dividends received by foreign shareholders shall be subject to income tax in accordance with prevailing tax regulations in Indonesia.

There are no negative covenants that may prevent the Company from distributing dividends to shareholders.

Further information concerning the Company's dividend policy is available in Chapter XI of this Prospectus.

## I. SHARE INITIAL PUBLIC OFFERING

The Company shall conduct a Share Initial Public Offering by issuing ordinary registered shares, which shall entirely consist of new shares issued from the Company's portfolio, with a total of 111,111,200 (one hundred eleven million one hundred eleven thousand two hundred) shares with a nominal value of Rp25 (twenty five Rupiah) per share, or 10% (ten percent) of the Company's issued and paid-up shares subsequent to the Share Initial Public Offering. Such shares shall consist of shares issued pursuant to Deed No. 21/2019. All of the shares referred to above shall be offered to the Public at an Offer Price of Rp1,900,- (one thousand nine hundred Rupiah) per share, which shall be paid in full upon submission of the SSF. The aggregate value of the Share Initial Public Offering shall be Rp211,111,280,000.- (two hundred eleven billion one hundred eleven million two hundred eighty thousand Rupiah).

Pursuant to Deed No. 21/2019, the Company shall allocate 1.66% (one point six six percent) of the Offer Shares in the Share Initial Public Offering for the ESA Program with a total of 1,842,000 (one million eight hundred forty two thousand) shares at an ESA exercise price that shall be equal to the Offer Price.

The Offer Shares shall provide their holders with the same rights as, and equal rights to, all matters with the Company's other issued and fully paid-up shares, including the right to receive dividend distributions and distributions of remaining assets after liquidation, the right to cast votes in a GMS, the right to receive bonus share distributions and preemptive rights in accordance with the provisions of the Company Law and the Capital Market Law. The Offer Shares are lawfully owned and are free of any encumbrance, disputes and are not being pledged as collateral to the benefit of any other party whatsoever and are not being offered to any other party whatsoever.

In relation to the proposed Public Offering, the Company does not require any approval or licenses from, and/or is not required to report to any government institutions with respect to its Public Offering plan. Nevertheless, the Company has submitted the report regarding the amendment of articles of association in connection with the change of the Company's status from private to public company and to adjust the articles of association of the Company with the prevailing law in the capital market sector. The Company will report to the FSA in relation to the increase of its issued and paid-up capital after the Public offering to the FSA, in accordance with Indonesian Capital Market and Financial Institution Supervisory Agency Regulation No. V.A.3, Annex to the Decree of Indonesian Capital Market and Financial Institution Supervisory Agency No. Kep 479/BL/2009 on Licenses of Securities Companies Engaged in the Business Activities of Investment Managers.

## Ashmore

### PT ASHMORE ASSET MANAGEMENT INDONESIA TBK

#### Main Business Activities:

Engaged in the services of a securities company, namely investment management services and investment advisory services

#### Domiciled in Jakarta, Indonesia

#### Head Office

Pacific Century Place, Level 18 SCBD Lot 10, Jl. Jendral Sudirman Kav 52-53

Jakarta 12190

Phone : (021) 2953 9000

Fax: (021) 2953 9001

Email: cosec.indonesia@ashmoregroup.com

Website: www.ashmoregroup.com

**THE COMPANY'S BUSINESS IS PRIMARILY SUBJECT TO THE RISK ASSOCIATED WITH REVOCATION OF ITS BUSINESS LICENSE AND RISKS ASSOCIATED WITH CHANGES IN GOVERNMENT POLICIES. A DESCRIPTION OF OTHER RISK FACTORS THAT MAY AFFECT THE COMPANY'S BUSINESS AND RESULTS OF OPERATIONS IS AVAILABLE IN CHAPTER VI OF THIS PROSPECTUS.**

**THE MAIN RISK ASSOCIATED WITH THE OWNERSHIP OF THE COMPANY'S SHARES IS THE RISK ASSOCIATED WITH LIMITED LIQUIDITY OR THE ABSENCE OF LIQUIDITY OF SUCH INVESTMENT. THIS AND OTHER RISKS ASSOCIATED WITH INVESTING IN THE COMPANY'S SHARES ARE DISCLOSED IN CHAPTER VI OF THIS PROSPECTUS.**

Pursuant to Deed No. 21/2019, the Company has approved changes in connection with the change of (i) the Company's name, (ii) the Company's status from a private company to a public company, (iii) the nominal value of the Company's shares from Rp1,000 to Rp25, (iv) the Company's purpose and objectives as well as business activities, and (v) its articles of association to conform to the provisions of the capital market regulations.

Pursuant to the Deed No. 21/2019, the Company's capital structure and shareholder composition as of the issuance of this Prospectus are as follows:

Description	Nominal Value of Rp25.- per share		
	Total Shares	Total Nominal (Rp)	Percentage (%)
<b>Authorized Capital</b>	4,000,000,000	100,000,000,000	
<b>Issued and Paid-up Capital</b>			
• Ashmore Investment Management Limited	667,060,000	16,676,500,000	66.71
• PT Adikarsa Sarana	142,940,000	3,573,500,000	14.29
• Ir. Ronaldus Gandahusada	70,000,000	1,750,000,000	7.00
• Arief Cahyadi Wana	60,000,000	1,500,000,000	6.00
• FX Eddy Hartanto	60,000,000	1,500,000,000	6.00
<b>Total Issued and Paid-up Capital</b>	<b>1,000,000,000</b>	<b>25,000,000,000</b>	<b>100.00</b>
<b>Total Shares in Portfolio</b>	<b>3,000,000,000</b>	<b>75,000,000,000</b>	

Assuming the Company's Offer Shares are fully subscribed in this Public Offering, the Company's pro forma capital structure and shareholder composition prior and subsequent to the Public Offering shall be as follows:

**Capital Stock**  
**Ordinary Registered Shares**  
**With a Nominal Value of Rp25.- (twenty five Rupiah) per Share**

Description	Prior to			Subsequent to		
	Total Shares	Total Nominal (Rp)	(%)	Total Shares	Total Nominal (Rp)	(%)
<b>Authorized Capital</b>	4,000,000,000	100,000,000,000		4,000,000,000	100,000,000,000	
<b>Issued and Paid-up Capital</b>						
• Ashmore Investment Management Limited	667,060,000	16,676,500,000	66.71%	667,060,000	16,676,500,000	60.04%
• PT Adikarsa Sarana	142,940,000	3,573,500,000	14.29%	142,940,000	3,573,500,000	12.86%
• Ir. Ronaldus Gandahusada	70,000,000	1,750,000,000	7.00%	70,000,000	1,750,000,000	6.30%
• Arief Cahyadi Wana	60,000,000	1,500,000,000	6.00%	60,000,000	1,500,000,000	5.40%
• FX Eddy Hartanto	60,000,000	1,500,000,000	6.00%	60,000,000	1,500,000,000	5.40%
• Public	-	-	-	111,111,200	2,777,780,000	10.00%
<b>Total Issued and Paid-up Capital</b>	<b>1,000,000,000</b>	<b>25,000,000,000</b>	<b>100.00%</b>	<b>1,111,111,200</b>	<b>27,777,780,000</b>	<b>100.00%</b>
<b>Total Shares in Portfolio</b>	<b>3,000,000,000</b>	<b>75,000,000,000</b>		<b>2,888,888,800</b>	<b>72,222,220,000</b>	

## ESA Program

Pursuant to the Deed No. 21/2019, the Company shall allocate 1.66% (one point six six percent) of the Offer Shares or a total of 1,842,000 (one million eight hundred forty two thousand) shares in the Share Initial Public Offering for the ESA Program at an ESA exercise price that shall be equal to the Offer Price.

The main objective of the ESA Program is to bring a common interest between employees, customers, and shareholders and to provide employees with the opportunity to co-own the Company through share ownership, which the Company expects will increase its employees' sense of belonging and improve work productivity, and therefore improve the overall corporate performance and seek to increase the value of the Company that will benefit all its stakeholders. The financing sources to be used to finance the implementation of the ESA Program shall be paid from incentives received by employees.

The implementation of the ESA Program shall comply with the provisions as set forth in Regulation No. IX.A.7, which stipulates a maximum fixed allotment of 10% (ten percent) of the total Offer Shares in the Share Initial Public Offering. Eligible employees (the "ESA Program Participants") will buy shares in

accordance with the total allocation received under a bonus scheme from the Company. The ESA exercise price shall be equal to the Offer Price. Shares under the ESA Program shall be subject to a lock-up period of three years, commencing on the Listing Date of the Company's Shares on the Stock Exchange. If there are remaining shares under the ESA program unsubscribed by the ESA Program Participants, such shares shall be offered to the Public in this Public Offering.

### **ESA Program Participants**

Except for the Company's Board of Directors and Commissioners, the number of ESA Program Participants shall be approximately 21 (twenty one) employees, who satisfy the following requirements set forth in the Board of Directors' Decree No. 011/DIR-ASH/1219 on ESA Program, dated 18 December 2019 for the Implementation of ESA in connection with the Company's Share Initial Public Offering:

1. Not be a member of the Board of Directors or the Board of Commissioners
2. Be an active employee until the issuance of the effective statement from the FSA
3. The employee is not currently subject to any sanction from the Company

If an ESA Program Participant fails to meet the criteria/requirements, and thus rendering their right null and void during the ESA offering period, the ESA shares shall be put for sale to the public in conjunction with this Public Offering.

If an ESA Program Participant fails to meet the criteria/requirements referred to above, including but not limited to, due to a voluntary resignation and/or termination of employment rendering the rights of such ESA Program Participants null and void subsequent to the ESA offering period until the closing of the lock-up period, the respective shares shall be returned to the Company in accordance with the Company's policies.

### **ESA Program Subscription Procedures**

The share subscription period for the ESA Program Participants shall be equal to the public offering period.

### **ESA Program Participant Rights**

ESA Program Participants are entitled to shares in accordance with the terms of ESA Program set by the Company.

### **Terms and Conditions of ESA Program**

ESA Program shares shall be paid from the incentives received by employees in accordance with the Company's requirements. Other costs and taxes arising from the ESA Program shall be borne by the participants.

The Company shall issue a share allocation confirmation 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 under the Company's Share Initial Public Offering, which states that the ESA Program Participants shall subscribe to shares 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 or shares under the ESA Program to the Lead Underwriter, 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 Lead Underwriter to receive share subscription payments in connection to this Public Offering.

Upon subscription of all the Offer Shares by the Company and the implementation of the ESA Program in the Public Offering, the Company's capital structure and shareholder composition prior and subsequent to the Public Offering on a pro forma basis shall be as follows:

**Capital Stock**  
**Ordinary Registered Shares**  
**With a Nominal Value of Rp25.- (twenty five Rupiah) per Share**

Description	Prior to			Subsequent to		
	Total Shares	Total Nominal (Rp)	(%)	Total Shares	Total Nominal (Rp)	(%)
<b>Authorized Capital</b>	4,000,000,000	100,000,000,000		4,000,000,000	100,000,000,000	
<b>Issued and Paid-up Capital</b>						
• Ashmore Investment Management Limited	667,060,000	16,676,500,000	66.71%	667,060,000	16,676,500,000	60.04%
• PT Adikarsa Sarana	142,940,000	3,573,500,000	14.29%	142,940,000	3,573,500,000	12.86%
• Ir. Ronaldus Gandahusada	70,000,000	1,750,000,000	7.00%	70,000,000	1,750,000,000	6.30%
• Arief Cahyadi Wana	60,000,000	1,500,000,000	6.00%	60,000,000	1,500,000,000	5.40%
• FX Eddy Hartanto	60,000,000	1,500,000,000	6.00%	60,000,000	1,500,000,000	5.40%
• Public	-	-	-	109,269,200	2,731,730,000	9.83%
• ESA (1.66%)	-	-	-	1,842,000	46,050,000	0.17%
<b>Total Issued and Paid-up Capital</b>	<b>1,000,000,000</b>	<b>25,000,000,000</b>	<b>100.00%</b>	<b>1,111,111,200</b>	<b>27,777,780,000</b>	<b>100.00%</b>
<b>Total Shares in Portfolio</b>	<b>3,000,000,000</b>	<b>75,000,000,000</b>		<b>2,888,888,800</b>	<b>72,222,220,000</b>	

### Tax Aspects of the ESA Program

The cost of the ESA program shall be charged to the ESA Program Participants. Subsequently, upon expiry of the lock-up period, the ESA Program Participants are allowed to enter into sale of shares transactions through the Stock Exchange or outside the Stock Exchange, and the following tax provisions shall apply to such sales:

1. Sales executed through the Stock Exchange shall be subject to a final tax of 0.1% (zero point one percent) of the transaction value.
2. 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 ESA Program Participant at a progressive tax rate in accordance with the prevailing tax rate scale.

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

In conjunction with the registration of shares from the Share Initial Public Offering in a total of 111,111,200 (one hundred eleven million one hundred eleven thousand two hundred) ordinary registered shares issued from the portfolio, or representing 10% (ten percent) of the Company's issued and paid-up shares subsequent to the Share Initial Public Offering, the Company shall also register the entire ordinary registered shares held by existing shareholders prior to the Share Initial Public Offering in a sum of 1,000,000,000 (one billion) shares or 90% (ninety percent) of the Company's issued and paid-up shares subsequent to the Share Initial Public Offering.

The Offer Shares offered in this Share Initial Public Offering are expected to be listed on the Indonesia Stock Exchange in accordance with the Equity Securities Registration Principal Approval from the IDX pursuant to the Letter No. S-07379/BEI.PP3/11-2019 dated November 15, 2019. If the Company fails to satisfy such registration requirements, this Initial Public Offering shall be null and void. Payment of Shares subscriptions shall be refunded to the subscribers as stipulated under Underwriting Agreements and Regulation No. IX.A.2.

### Board of Directors Shares Transfer Restriction

Based on Undertaking Letters entered into by Ir. Ronaldus Gandahusada, FX Eddy Hartanto and Arief C. Wana to Ashmore Investment Management Limited, each member of the Board of Directors agrees not to transfer his part or all of his shares owned by them on the date of the Undertaking Letters within the period of 12 months after the Listing Date.

After the above period, each of the members of the Board of Directors is subject to provision on the transfer of shares in stages until 36 months after the Listing Date, after which each of the members of the Board of Directors can transfer all of the shares owned by them on the date of the Undertaking Letters.



## II. USE OF PROCEEDS FROM THE SHARE INITIAL PUBLIC OFFERING

All proceeds from this Share Initial Public Offering, after deducting emission costs, shall be used by the Company as follows:

- a. A maximum of Rp200,000,000,000.- (two hundred billion Rupiah) shall be used to finance the Company's IT infrastructure development and to support the Company's operational activities.

IT infrastructure development is expected to support the penetration of the capital market industry in Indonesia through accessing the middle and lower income customer segments and the millennial generation investors who actively use technology and e-commerce facilities. The establishment of such system will be carried out through the establishment of a standalone application and/or the development of the existing platform. The development of the IT infrastructure is planned to be carried out in three phases (but could be changed subject to, among others, the development of technology at that time and the Company's need): 1) constructing the digital application including service infrastructure and data processing for retail customers, 2) developing artificial intelligence for customer education, 3) offering of investment opportunities in mutual fund through the application platform. The Company will announce the appointed IT vendor at a later date.

- b. The remaining balance, shall be used to strengthen the source of fund in connection with the establishment of new products.

In the event that the proceeds from the Public Offering are not sufficient to finance the plans described above, the Company shall use its internal cash flows or obtain external financing from banks and/or financial institutions and/or other sources to pursue such plans.

In accordance with FSAR No. 30/2015, the Company shall submit the Report of Realization of Use of Proceeds from the Share Initial Public Offering to the FSA and shall be obligated to report the realization of use of proceeds from the Share Initial Public Offering to the Company's Annual GMS until the entire proceeds from the Share Initial Public Offering are realized. The realization of use of proceeds report to be submitted to the FSA shall be prepared on a periodical basis, *i.e.*, every 6 (six) months (June and December), until all proceeds from the Share Initial Public Offering are realized. The Company shall submit such report by no later than the 15<sup>th</sup> of the following month.

If the Company intends to change use of proceeds plan from the Share Initial Public Offering in the future, the Company shall first report such change to the FSA by stating the reasons and considerations thereof, and such change of use of proceeds shall first obtain the approval of the GMS. The change of use of proceeds plan shall be reported simultaneously with the notification of the GMS agenda to the FSA.

If any transaction to be entered into by the Company using the proceeds of the Share Initial Public Offering would be deemed as Affiliated party transaction and/or a transaction with a conflict of interest and/or a material transaction and/or deemed to constitute a change in main business activities, then the Company shall comply with the provisions under Regulation No. IX.E.1 and/or Regulation No. IX.E.2.

In accordance with FSAR No. 8/2017, total costs incurred by the Company in connection with the Shares Initial Public Offering equal approximately 2.671% of the total issuance. Such costs include:

- Underwriting fee: 0.250%;
- Management fee: 1.000%;
- Selling fee: 0.250%;
- The capital market supporting professional fees of 0.839%, which consist of the legal advisor's fee of 0.474%, public accountant's fee of 0.320%, and notary's fee of 0.045%;
- The Capital Market Supporting Institution Fees of 0.066%, which consist of Securities Administration Bureau's fee of 0.045%; and allotment auditor's fee of 0.021%;

- Other expenses of 0.265%, consisting of the fee of registration statement to the FSA, registration fee on the IDX, and registration at KSEI, printing costs of the Prospectus, certificates and forms, cost of newspaper advertisement, and other related costs.

All the above fees are expressed as a percentage of the total issuance.

If the proceeds from the Public Offering have not been fully used, 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 seek to generate a fair financial return to the Company and comply with the provisions of the prevailing laws and regulations.

## III. INDEBTEDNESS

The following table presents the outstanding balance of the Company's liabilities as of June 30, 2019, as audited by the Registered Public Accountant Siddharta Widjaja & Rekan (an independent member firm of KPMG International), an independent auditor, based on the auditing standards stipulated by IAI, who expressed an unmodified opinion in its report signed by Handrow Cahyadi, CPA, dated August 26, 2019, which was re-issued on November 21, 2019, included hereto.

As of June 30, 2019, the Company's outstanding liabilities amounted to Rp71,747,996,590. The breakdown of the Company's total liabilities is as follows:

Description	<i>(In Rupiah)</i> June 30, 2019
<b>LIABILITIES</b>	
Income Taxes Payable	11,249,280,576
Other Payables	
Related parties	19.886.620.706
Third Parties	37.242.142.376
Bank loans	
Third Parties	210,833,932
Post-employment benefit liabilities	3,159,119,000
<b>TOTAL LIABILITIES</b>	<b>71,747,996,590</b>

### Breakdown of Liabilities

#### 1. Income Taxes Payable

The Company's income taxes payables as of June 30, 2019, amounted to Rp11,249,280,576 as detailed below:

Parties	<i>(In Rupiah)</i> June 30, 2019
Corporate income tax	10,178,272,822
Income tax - article 25	1,071,007,754
<b>Total</b>	<b>11,249,280,576</b>

#### 2. Other Payables

The outstanding other payables to related parties and third parties as of June 30, 2019, amounted to Rp19,886,620,706 and Rp37,242,142,376, respectively. The majority of other payables to third parties arose from the performance allowance payable to the Company, as detailed below:

Description	<i>(In Rupiah)</i> June 30, 2019
Other Payables	
Third Parties	
Performance Allowance	20,021,985,520
Sales Agent Commission	10,934,908,110
Citibank N.A., Cabang Indonesia	1,635,396,658
PT Bank Commonwealth	1,621,278,778
PT Astra Aviva Life	1,122,941,489
PT Bank HSBC Indonesia	1,122,671,143
PT Commonwealth Life	1,107,519,797
Others (each below 10%)	4,325,100,245
Other Taxes Payable	13,236,171,564
Employee Benefits	-
Related Parties	
Performance Allowance	9,372,999,399
Sales Agent Commission	-

		<i>(In Rupiah)</i>
Description	<b>June 30, 2019</b>	
Ashmore Management Company Limited	280,239,613	
Ashmore Investment (UK) Limited	88,431,303	
Others	-	
Ashmore Group plc	10,144,950,391	
<b>Total</b>	<b>46,615,141,775</b>	

### 3. Bank loans

The outstanding Bank Loans as of June 30, 2019, amounted to Rp210,833,932. The Company's bank loans is the outstanding balance to PT Bank Central Asia Tbk used to finance the purchase of the Company's operational vehicles with the following details:

		<i>(In Rupiah)</i>
Description	<b>June 30, 2019</b>	
Bank loans		
Third Parties	210,833,932	
<b>Total</b>	<b>210,833,932</b>	

### 4. Post-employment benefit liabilities

The outstanding Post-Employment Benefit Liabilities as of June 30, 2019, amounted to Rp3,159,119,000. The following table describes the components of Post-Employment Benefit Liabilities:

		<i>(In Rupiah)</i>
Description	<b>June 30, 2019</b>	
Defined Benefit Liabilities at Beginning of Year	2,215,200,000	
Charged to Profit or Loss		
Current Service Cost	787,741,000	
Interest expense	187,807,000	
Past Service Cost	-	
Charged to Other Comprehensive Income		
Gains (Losses) Arising from:		
Changes in Financial Assumptions	(5,732,000)	
Experience Adjustment	(25,897,000)	
<b>Total Defined Benefit Liabilities at End of Year</b>	<b>3,159,119,000</b>	

The post-employment benefit calculation was performed by PT Dayamandiri Dharmakonsilindo, an independent actuary. The main assumptions used in determining the actuarial calculation are as follows:

Normal pension age	:	55 years
Discount Rate per Year	:	8.50%
Salary Increment Rate	:	5.00%
Mortality Rate	:	TMI 3 (2011) with estimated mortality improvement
Disability Rate	:	10% x TMI 3 (2011)
Resignation Rate	:	5% per annum up to 20 years of age and then decreasing on a linear basis up to 1% at the age of 54 years
Pension Rate	:	100% at normal pension age

### Agreements

Presented below are the Company's agreements that are valid as of June 30, 2019:

No.	Parties	Subject	Term of Agreement
1.	PT Bank HSBC Indonesia, Deutsche Bank AG – Jakarta, PT Bank Permata Tbk., PT Bank Mandiri (Persero) Tbk., and Citibank N.A. – Indonesia.	Cooperation of Custodian Banks with respect to the Company's Collective Investment Contracts that are active as of June 30, 2019, as listed below: - Reksa Dana Ashmore Dana Ekuitas Nusantara	- (November 27, 2012, until the dissolution of the Mutual Funds)

No.	Parties	Subject	Term of Agreement
		- Reksa Dana Ashmore Dana Progresif Nusantara - Reksa Dana Ashmore Dana Progresif Nusantara - Reksa Dana Ashmore Dana USD Nusantara - Reksa Dana Terproteksi Ashmore Dana Terproteksi Nusantara - Reksa Dana Ashmore Dana USD Equity Nusantara - Reksa Dana Terproteksi Ashmore Dana Terproteksi Nusantara - Reksa Dana Ashmore Dana Pasar Uang Nusantara - Reksa Dana Ashmore Saham Sejahtera Nusantara - Reksa Dana Ashmore Dana Obligasi Unggulan Nusantara - Reksa Dana Ashmore Saham Sejahtera Nusantara II - Reksa Dana Ashmore Dana Obligasi Optima Nusantara - Reksa Dana Ashmore Saham Dinamis Nusantara - Reksa Dana Ashmore Saham Unggulan Nusantara - Reksa Dana Ashmore Saham Providentia Nusantara - Reksa Dana Ashmore Providentia Balanced Nusantara - Reksa Dana Ashmore Dana Obligasi Strategis Nusantara	- (November 27, 2012, until the dissolution of the Mutual Funds) - (March 11, 2013, until the dissolution of the Mutual Funds) - (December 2, 2013, until the dissolution of the Mutual Funds) - (September 9, 2014, until the dissolution of the Mutual Funds) - (February 4, 2015, until the dissolution of the Mutual Funds) - (June 8, 2015, until the dissolution of the Mutual Funds) - (June 28, 2016, until the dissolution of the Mutual Funds) - (August 8, 2017, until the dissolution of the Mutual Funds) - (October 9, 2017, until the dissolution of the Mutual Funds) - (December 4, 2017, until the dissolution of the Mutual Funds) - (March 13, 2018, until the dissolution of the Mutual Funds) - (April 12, 2018, until the dissolution of the Mutual Funds) - (May 23, 2018, until the dissolution of the Mutual Funds) - (January 9, 2019, until the dissolution of the Mutual Funds) - (March 6, 2019, until the dissolution of the Mutual Funds) - (April 16, 2019, until the dissolution of the Mutual Funds)
2.	Individual fund management Agreements with 9 (nine) customers	The Company cooperates with 9 (nine) customers in connection with the securities portfolio management contract for the benefits of individual customers.	

## Commitments and Contingencies

### Commitments

On April 27, 2018, the Company entered into a lease agreement with PT Prima Bangun Investama to lease an office space with a total area of 735m<sup>2</sup> for the Company's office. The lease is accounted for as an operating lease over the lease period commencing from September 1, 2018, to August 31, 2028.

On November 22, 2017, the Company paid a security deposit of Rp1,088,747,478. Total irrevocable operating lease commitments in the future are described below:

	<i>(In Rupiah)</i>
	<b>June 30, 2019</b>
In One Year	3,520,520,640
Between One to Five years	14,277,667,040
More than 5 years	15,646,758,400
<b>Amount Recognized in Profit or Loss</b>	
Office Lease	<b>2,163,929,040</b>

### Contingent liabilities

As of the date of this Prospectus, the Company does not have any contingent liabilities that may materially impact the financial position of the Company.

## **Material Borrowings Obtained by the Company subsequent to the Financial Statements dated June 30, 2019**

As of the date of this Prospectus, the Company has not incurred any material borrowings subsequent to and undisclosed in the Financial Statements dated June 30, 2019.

**ALL OF THE COMPANY'S LIABILITIES, COMMITMENTS AND CONTINGENT LIABILITIES AS OF JUNE 30, 2019, HAVE BEEN DISCLOSED IN THE FINANCIAL STATEMENTS AND THE PROSPECTUS. THE COMPANY HAS PAID ALL ITS LIABILITIES THAT ARE DUE. THERE ARE NO LIABILITIES THAT ARE DUE BUT NOT YET PAID BY THE COMPANY.**

**THERE ARE NO MATERIAL FACTS THAT MAY RESULT IN ANY SIGNIFICANT CHANGE TO THE COMPANY'S LIABILITIES RELATING TO PAYMENT OF PRINCIPAL AND/OR INTERESTS ON BORROWINGS AND/OR OTHER AGREEMENTS THAT HAVE OCCURRED SUBSEQUENT TO THE DATE OF THE LAST FINANCIAL STATEMENTS AND THE DATE OF THE INDEPENDENT AUDITOR'S REPORT AND FROM THE DATE OF THE INDEPENDENT AUDITOR'S REPORT UNTIL THE EFFECTIVE DATE OF THE REGISTRATION STATEMENT.**

**THE MANAGEMENT, WHICH IN THIS RESPECT ACTS FOR AND ON BEHALF OF THE COMPANY AND PURSUANT TO ITS DUTIES AND RESPONSIBILITIES TO THE COMPANY, HEREBY REPRESENTS THAT THE COMPANY IS ABLE TO MEET ITS LIABILITIES AS DISCLOSED IN ITS FINANCIAL STATEMENTS AND IN THIS PROSPECTUS.**

**FROM JUNE 30, 2019, UNTIL THE DATE OF THE INDEPENDENT AUDITOR'S REPORT AND FROM THE DATE OF THE INDEPENDENT AUDITOR'S REPORT UNTIL THE EFFECTIVE DATE OF THIS REGISTRATION STATEMENT, THE COMPANY HAS NOT INCURRED NEW LIABILITIES OR COMMITMENTS OTHER THAN THE LIABILITIES ARISING FROM THE COMPANY'S ORDINARY COURSE OF BUSINESS AND THE LIABILITIES THAT HAVE BEEN DISCLOSED IN THE CONSOLIDATED FINANCIAL STATEMENTS AND THIS PROSPECTUS.**

**THERE IS NO BREACH OF COVENANTS STIPULATED IN THE CREDIT AGREEMENTS TO WHICH THE COMPANY IS A PARTY AND THERE IS NO DEFAULT IN PAYMENT OF PRINCIPAL AND/OR INTEREST UNDER LOAN AGREEMENTS THE COMPANY IS A PARTY TO THAT OCCURRED BETWEEN THE DATE OF THE LATEST FINANCIAL STATEMENTS AND THE EFFECTIVE DATE OF THE REGISTRATION STATEMENT.**

**THERE ARE NO NEGATIVE COVENANTS THAT MAY RESTRICT THE COMPANY FROM CONDUCTING THE SHARE INITIAL PUBLIC OFFERING AND/OR IMPAIR THE RIGHTS OF THE PUBLIC SHAREHOLDERS.**

## IV. KEY FINANCIAL HIGHLIGHTS

Prospective Investors are advised to read the key financial highlights presented below in conjunction with the Company's financial statements and notes thereto included elsewhere in the Prospectus. Prospective Investors are also advised to read Chapter V entitled "Management's Discussion and Analysis".

The following table presents the Company's key financial highlights based on the Company's financial statements, which consist of the statements of financial position as of June 30, 2019, 2018, and 2017, the statements of profit or loss and other comprehensive income, statements of changes in equity, and statements of cash flows for the years then ended, and notes thereto. These notes include of a summary of significant accounting policies and other explanatory disclosures.

The Company's financial statements for the year ended June 30, 2019, have been audited by KAP Siddharta Widjaja & Rekan (Partner In-Charge: Handrow Cahyadi, CPA, Public Accountant Registration No. AP.1555), based on the Auditing Standards stipulated by the Indonesian Institute of Public Accountant (Institut Akuntan Publik Indonesia, "IAPI"), who expressed an unmodified opinion in its report dated August 26, 2019, which was re-issued on November 21, 2019.

Whereas the Company's financial statements as of and for the years ended June 30, 2018 and 2017, have been audited by KAP Siddharta Widjaja & Rekan (Partner In-Charge: Kusumaningsih Angkawijaya, CPA, Public Accountant Registration No. AP.0848), based on the Auditing Standards stipulated by IAPI, who expressed an unmodified opinion in its report dated September 21, 2018, and September 11, 2017.

### STATEMENTS OF FINANCIAL POSITION

Description	(In Rupiah)		
	2019	June 30, 2018	2017
<b>ASSETS</b>			
Cash and Cash Equivalents	68,204,688,239	41,949,404,540	43,830,357,269
Receivables from investment management activities			
Related parties	32,322,163,223	43,392,668,479	17,623,970,410
Third parties	1,107,453,711	110,110,610	57,966,787
Investments in mutual funds - Related Parties	-	-	5,417,235,816
Interest Receivables	100,259,008	58,005,275	113,387,626
Other receivables			
Related Parties	944,357,805	4,250,511,917	2,977,201,342
Third parties	16,807,623	86,949	18,620
Prepaid expenses	233,542,914	858,930,193	792,525,157
Fixed assets - net of accumulated depreciation	5,821,045,507	582,597,551	264,564,529
Deferred tax assets	789,779,750	553,800,000	363,135,500
Other assets	1,164,587,900	4,900,652,420	545,566,023
<b>TOTAL ASSETS</b>	<b>110,704,685,680</b>	<b>96,656,767,934</b>	<b>71,985,929,079</b>
<b>LIABILITIES</b>			
Income taxes payable	11,249,280,576	9,564,021,288	1,340,791,268
Other payables			
Related parties	19,886,620,706	11,623,203,034	8,350,599,575
Third parties	37,242,142,376	35,004,391,813	18,794,012,798
Trade Payables - third parties	210,833,932	319,930,896	-
Post-employment benefit liabilities	3,159,119,000	2,215,200,000	1,452,542,000
<b>TOTAL LIABILITIES</b>	<b>71,747,996,590</b>	<b>58,726,747,031</b>	<b>29,937,945,641</b>
<b>EQUITY</b>			
Capital stock - par value of Rp1,000 per share			
Authorized capital - 100,000,000 shares			
Issued and paid-up capital (2019: 25,000,000 shares) (2018: 25,000,000 shares) (2017: 35,000,000 shares)	25,000,000,000	25,000,000,000	35,000,000,000

(In Rupiah)

Description	June 30,		
	2019	2018	2017
Remeasurement of employee benefits liabilities, net of tax	567,035,250	543,313,500	505,941,000
Retained Earnings:			
Appropriated	5,000,000,000	5,000,000,000	5,000,000,000
Unappropriated	8,389,653,840	7,386,707,403	1,542,042,438
<b>TOTAL EQUITY</b>	<b>38,956,689,090</b>	<b>37,930,020,903</b>	<b>42,047,983,438</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>110,704,685,680</b>	<b>96,656,767,934</b>	<b>71,985,929,079</b>

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(In Rupiah)

Description	June 30,		
	2019	2018	2017
<b>Revenue from Operations</b>			
Revenue from investment manager activities	308,887,226,797	244,142,065,963	153,995,965,984
<b>Operating Expenses</b>			
Mutual fund selling agent commission	(110,722,608,553)	(92,880,291,647)	(60,812,802,001)
Personnel	(58,233,436,266)	(48,377,666,709)	(37,720,474,630)
Regulatory Levy	(7,556,844,233)	(5,210,304,029)	(2,893,903,260)
System maintenance expense	(6,253,189,972)	(3,129,071,738)	(2,642,873,842)
Advertising and promotions	(3,758,389,240)	(3,273,116,551)	(2,628,655,498)
Office Lease	(2,957,839,955)	(2,465,753,847)	(2,296,219,062)
Professional fees	(1,377,807,838)	(730,151,328)	(715,955,644)
General and administrative	(1,103,602,319)	(730,219,500)	(720,030,443)
Data and information	(1,101,647,427)	(1,012,133,735)	(980,566,898)
Depreciation	(818,973,331)	(117,066,977)	(677,820,914)
Telecommunication	(537,603,343)	(399,055,092)	(414,798,905)
Others	(1,540,697,024)	(1,460,147,368)	(1,192,597,626)
<b>Total Operating Expenses</b>	<b>(195,962,639,501)</b>	<b>(159,784,978,521)</b>	<b>(113,696,698,723)</b>
<b>Income from Operations</b>	<b>112,924,587,296</b>	<b>84,357,087,442</b>	<b>40,299,267,261</b>
<b>Other Income (Expense)</b>			
Realized and unrealized gains from investments in mutual funds	-	9,459,723	417,235,817
Net finance income	2,034,789,641	3,830,142,050	1,936,281,630
<b>Total other income, net</b>	<b>2,034,789,641</b>	<b>3,839,601,773</b>	<b>2,353,517,447</b>
<b>Profit Before Tax</b>	<b>114,959,376,937</b>	<b>88,196,689,215</b>	<b>42,652,784,708</b>
<b>Tax Expense</b>	<b>(28,456,430,500)</b>	<b>(21,352,024,250)</b>	<b>(10,268,934,750)</b>
<b>Net Profit for the year</b>	<b>86,502,946,437</b>	<b>66,844,664,965</b>	<b>32,383,849,958</b>
<b>Total Other Comprehensive Income</b>	<b>23,721,750</b>	<b>37,372,500</b>	<b>(8,602,500)</b>
<b>Total Comprehensive Income</b>	<b>86,526,668,187</b>	<b>66,882,037,465</b>	<b>32,375,247,458</b>
<b>Earnings per share</b>	<b>3.460</b>	<b>2.588</b>	<b>925</b>

## STATEMENTS OF CASH FLOWS

(In Rupiah)

Description	June 30,		
	2019	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from investment management service commission	322,266,543,064	217,047,913,496	148,287,630,071
Cash receipts from interest income	2,853,464,773	2,122,039,594	1,907,511,845
Payments to suppliers, employees and others	(180,157,930,763)	(142,016,988,776)	(108,030,129,468)
Payment of income taxes	(27,031,778,888)	(13,331,984,559)	(9,840,011,594)



(In Rupiah)

Description	June 30,		
	2019	2018	2017
<b>Net cash provided by operating activities</b>	<b>117,930,298,186</b>	<b>63,820,979,755</b>	<b>32,325,000,854</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Disbursements of time deposits	-	-	30,514,163,375
Disbursements (placements) of mutual funds	-	5,417,235,816	(5,417,235,816)
Acquisitions of fixed assets	(6,057,421,287)	(435,100,000)	(198,254,830)
Proceeds from sale of fixed assets	11,000,000	-	-
<b>Net cash (used in) provided by investing activities</b>	<b>(6,046,421,287)</b>	<b>4,982,135,816</b>	<b>24,898,672,729</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from bank loans	-	348,080,000	-
Payments of bank loans	(128,593,200)	(32,148,300)	-
Decreased in issued and paid-up capital	-	(10,000,000,000)	-
Cash dividend payments	(85,500,000,000)	(61,000,000,000)	(35,000,000,000)
<b>Net cash used in financing activities</b>	<b>(85,628,593,200)</b>	<b>(70,684,068,300)</b>	<b>(35,000,000,000)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>26,255,283,699</b>	<b>(1,880,952,729)</b>	<b>22,223,673,583</b>
<b>CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR</b>	<b>41,949,404,540</b>	<b>43,830,357,269</b>	<b>21,606,683,686</b>
<b>CASH AND CASH EQUIVALENTS, AT END OF YEAR</b>	<b>68,204,688,239</b>	<b>41,949,404,540</b>	<b>43,830,357,269</b>

## FINANCIAL RATIOS

Description	June 30,		
	2019	2018	2017
<b>FINANCIAL PERFORMANCE RATIOS</b>			
<u>Liquidity Ratios</u>			
Cash Ratio <sup>(1)</sup> (%)	99.4%	74.2%	153.8%
<u>Profitability Ratios</u>			
Operating Profit Margin - OPM <sup>(2)</sup> (%)	36.5%	34.5%	26.1%
Net Profit Margin – NPM <sup>(3)</sup> (%)	28.0%	27.3%	21.0%
Return on Assets - ROA <sup>(4)</sup> (%)	78.1%	69.1%	44.9%
Return on Equity - ROE <sup>(5)</sup> (%)	222.0%	176.2%	77.0%
<b>SOLVENCY RATIOS</b>			
Total Liabilities to Total Assets (DAR) <sup>(6)</sup> (x)	0.6	0.6	0.2
Total Liabilities to Total Equity (DER) <sup>(7)</sup> (x)	1.8	1.5	0.7
Total Equity to Total Assets <sup>(8)</sup> (%)	35.1%	39.2%	58.4%
<b>GROWTH RATIOS</b>			
Revenue from operations (%)	26.5%	58.5%	28.4%
Income from operations (%)	33.8%	109.3%	36.1%
Net Profit (%)	29.4%	106.4%	33.5%
Total Assets (%)	14.5%	34.2%	3.4%
Total Liabilities (%)	22.1%	96.1%	20.0%
Equity (%)	2.7%	-9.7%	-5.8%

\*Note:

- (1) Cash Ratio : Cash and Cash Equivalents/ Current Liabilities
- (2) OPM : Income from Operations / Revenue from Operations
- (3) NPM : Net Profit for the year / Revenue from Operations
- (4) ROA : Net Profit for the year / Total Assets
- (5) ROE : Net Profit for the year / Total Equity
- (6) DAR : Total Liabilities / Total Assets
- (7) DER : Total Liabilities / Total Equity
- (8) Total Equity to Total Assets : Total Equity / Total Assets

## V. MANAGEMENT'S DISCUSSION AND ANALYSIS

*The Management's Discussion and Analysis presented below, particularly sections concerning the Company's financial performance, must be read in conjunction with the Company's Key Financial Highlights, Financial Statements and note thereto, and other financial information presented in this Prospectus. The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards, and are attached hereto.*

*The Management's Discussion and Analysis contains forward-looking statements that reflect the Company's current views with respect to future events and financial performance. The Company's actual results may differ materially from those anticipated and disclosed in these forward-looking statements as a result of certain factors beyond the Company's control, such as those set forth in this chapter and Chapter VI of this Prospectus.*

The Company's statement of financial position and statement of profit or loss and other comprehensive income as of and for the year ended June 30, 2019, have been audited by KAP Siddharta Widjaja & Rekan (an independent member firm of KPMG International), based on the Auditing Standards stipulated by the Indonesian Institute of Public Accountant (*Institut Akuntan Publik Indonesia*, "IAPI"), who expressed an unmodified opinion in its report signed by Handrow Cahyadi, CPA (Public Accountant Registration No. AP.1555). The Company's statement of financial position and statement of profit or loss and other comprehensive income as of and for the years ended June 30, 2018 and 2017, have been audited by KAP Siddharta Widjaja & Rekan (an independent member firm of KPMG International), based on the Auditing Standards stipulated by the Indonesian Institute of Public Accountant (*Institut Akuntan Publik Indonesia*, "IAPI"), who expressed an unmodified opinion in its report signed by Kusumaningsih Angkawijaya, CPA (Public Accountant Registration No. AP.0848).

### 1. OVERVIEW

The Company is a limited liability company that was legally established under Indonesian Law and is domiciled in South Jakarta. The Company was established under the name of PT Buana Megah Abadi pursuant to the Deed of Establishment No. 250 dated January 29, 2010, drawn up before Irawan Soerodjo, S.H., a Notary in Jakarta, which was approved by the MOLHR by virtue of Decree No. 09788.AH.01.01.Tahun.2010 dated February 23, 2010, and was registered in the Company Registry under No. AHU.0014438.AH.01.09.Tahun 2010 dated February 23, 2010, and announced in the State Gazette of the Republic of Indonesia No. 89 dated November 5, 2010, Supplement No. 38055.

In 2012, the Company changed its name to PT Ashmore Asset Management Indonesia pursuant to the Deed of Shareholder Resolutions No. 32 dated October 11, 2012, drawn up before Jose Dima Satria, S.H., M.Kn., a Notary in South Jakarta, and the change in Articles of Association of which was approved by the MOLHR by virtue of Decree No. AHU-53481.AH.01.02 Tahun 2012 dated October 16, 2012.

The Company's articles of association have been amended several times. The last amendment was made pursuant to Deed No. 21/2019, in which the Company's shareholders approved the amendments in connection with the change of (i) the Company's name, (ii) the Company's status from a private company to a public company, (iii) the nominal value of the Company's shares, (iv) the Company's purpose and objectives as well as business activity, and (v) the amendment of its articles of association to conform to capital markets laws and regulations.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of Preparation of the Financial statements

The Company's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards (*Standar Akuntansi Keuangan*), including the Statements of Financial Accounting Standards (*Pernyataan Standar Akuntansi Keuangan*, "PSAK"), Interpretations of Statement of Financial Accounting Standards (*Interpretasi atas PSAK*, "ISAK"), issued by the Financial Accounting Standard Board-Indonesian Institute of Accountants, and the Securities Companies Accounting Guidelines (*Pedoman Akuntansi Perusahaan Efek*, "PAPE") issued by the FSA as the regulator of the capital market.

The Company's financial statements have been completed and approved for issue by the Company's Board of Directors on August 26, 2019 and was re-issued on November 21, 2019. The financial statements have been prepared on an accrual basis using historical cost, except where the accounting standards require fair value measurement. The statement of cash flows presents changes in cash and cash equivalents from operational, investing, and financing activities, and is prepared using the direct method. The financial statements are presented in Rupiah, which is the Company's functional currency.

Preparation of the financial statements in accordance with Indonesian Financial Accounting Standards (*Standar Akuntansi Keuangan*) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these initial estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

### **Changes in Accounting Policies**

Presented below are the accounting standards that have been effective from January 1, 2018, and affect the Company's financial statements:

- a. Amendment to PSAK No. 2, "Statements of Cash Flows" on Disclosure Initiatives; and
- b. Amendment to PSAK No. 46, "Income Taxes" on Recognition of Deferred Tax Assets for Unrealized Losses;

The above financial standards have had no material effects to the Company's financial statements.

### **3. FACTORS AFFECTING THE COMPANY'S FINANCIAL CONDITION AND RESULTS OF OPERATION**

Presented below are the factors that may significantly affect the Company's financial condition and business activities, including:

#### **a. Changes in Government Regulations**

Any change to applicable securities regulations, specifically the FSA regulations, will affect the investment policies implemented by the investment managers, and ultimately the selection of mutual funds for the Company's portfolio. Such changes will affect the net asset value of the participation units. Easing of regulations issued by the FSA on investing may support growth in the net asset value of participation units, as the Company will have more room to select investment instruments in the Company's mutual funds portfolio. On the contrary, more stringent regulations on investments may hamper the growth of net asset value of participation units.

#### **b. Human Resources**

As an investment management service provider, the Company requires skilled employees who are able to deliver investment management services and maintain the quality of such services to the client, and who possess the Investment Manager Representative (*Wakil Manajer Investasi*, "WMI") certificates in order for the Company to carry out its business activities. Without the WMI certificate, employees would be prohibited from undertaking business activities as investment manager, and therefore, the Company would not be able to carry out its business activities.

#### **c. Changes in the Competitive Environment**

The capital market industry is expected to continue to evolve as a result of growing public interest in using capital markets as a means to make investments. With such prospects, more Indonesian and foreign companies are showing interests in participating in the capital market industry. Any strategic mistake in facing competition may have an adverse effect on the Company's revenues.

## 4. OPERATIONAL ANALYSIS BY SEGMENT

### Revenue by Segment and Percentage of the Company's Total Revenue

*(In Rupiah)*

Description	June 30,					
	2019	% <sup>(1)</sup>	2018	% <sup>(1)</sup>	2017	% <sup>(1)</sup>
<b>Revenue from Operations</b>						
<b>Related parties</b>						
Management services						
Reksa dana Ashmore Dana	133,792,154,355	43.3	100,552,971,681	41,2	51,576,542,221	33,5
Ekuitas Nusantara						
Reksa dana Ashmore Dana	74,095,148,381	24.0	71,290,468,067	29,2	65,900,476,340	42,8
Progresif Nusantara						
Others (each <10%)	92,949,368,513	30.1	71,355,043,990	29,2	36,093,258,909	23,4
Mutual funds subscription services	121,683,817	0.1	62,635,596	0.1	109,566,680	0.1
Mutual funds redemption services	98,585,314	0.0	6,938,692	0.0	6,492,108	0.0
<b>Third parties</b>						
Management services	7,830,286,417	2.5	874,007,937	0.3	309,629,726	0.2
<b>Total Revenue - net</b>	<b>308,887,226,797</b>	<b>100.0</b>	<b>244,142,065,963</b>	<b>100.0</b>	<b>153,995,965,984</b>	<b>100.0</b>

(1) Expressed as percentages of the Company's total revenue

The management services segment contributed substantially to the Company's Revenue from Operations, generating 99.92%, 99.97% and 99.93% of the Company's total revenue in 2017, 2018, and 2019. This is because the management service segment comprises the Company's main business activities.

Revenue from the management services segment for third parties increased significantly by Rp6,956,278,480, or 795.91%, to Rp7,830,286,417 in 2019 from Rp874,007,937 in 2018, as a result of an increase in the number of Discretionary Funds. Discretionary Funds have higher fee structures and consequently generate higher revenues in a short period.

### Profitability

The management services to related parties segment contributed 97.4% to the Company's total revenue in 2019 as a result of a significant increase in management services provided to third parties. Revenue generated by the management service to related parties segment has remained the main contributor to the Company's total revenue in the past 3 (three) years. Total management services revenue to related parties in 2019 was approximately twice the size of the amount of revenue generated by this segment in 2017. This increase is mainly attributable to the increase in the Company's assets under management in the past 2 (two) years.

The management services to third parties segment contributed 2.5% to the Company's total revenue in 2019. This segment's contribution has experienced a significant change compared to 2018, when the management services to third parties segment contributed 0.4% to the Company's total revenue. Such increase was primarily attributable to an increase in the number of Discretionary Funds that was relatively high compared to the increase in the Company's assets under management invested in other types of funds.

The Company's main operating expenses consist of commissions paid to mutual fund selling agents, which represented 56.5% of the Company's total operating expenses for 2019. This significant share of total operating expenses resulted from more partnerships being established between the Company and conventional mutual funds selling agents such as securities companies.

As management services generate the majority of the Company's revenues, the main factor that has affected, and will continue to affect the Company's revenue is the increase in assets under management. Other factors such as inflation and foreign exchange rate fluctuations do not materially affect the Company's revenue and profitability. The Company also assists customers who intend to make investments in foreign currencies by providing mutual fund products such as Reksa Dana Ashmore Dana USD Nusantara and Reksa Dana Ashmore Dana USD Equity Nusantara.

Other factors that may affect the Company's business activities are, among others, domestic and foreign macroeconomic conditions, government policies and regulations, and political conditions. A positive macroeconomic environment will have a positive impact on investors' appetite to invest in capital markets products through, among others, the Company. A stable political condition will also have a positive impact on investors' appetite to invest in capital markets products. As the number of investors investing in capital markets products and entrusting their funds to be managed by the Company increases, the potential revenue and profitability that the Company may be able to realize will be higher.

The Company, as an investment management company, is an intermediary for the public in making investments, and the Company's business activities are strictly monitored by the Government. Any change to Government regulations applicable to the capital markets and taxes will affect the investment policies implemented by investment manager and ultimately the composition of the mutual funds portfolio. The foregoing will directly affect the Company's assets under management.

As at the date of this Prospectus, there have been no extraordinary events or transactions, or significant changes in the macroeconomic environment that may affect the Company's revenue and profitability as reported in the Financial Statements audited by the Public Accountant attached hereto, in particular as reported in the Company's latest Financial Statements attached hereto.

## 5. ANALYSIS OF STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

### a. Revenue from Operations

The Company's revenue from operations arises from management services, mutual funds subscriptions, and mutual funds redemptions, as detailed below:

*(In Rupiah)*

Description	June 30,					
	2019	%	2018	%	2017	%
<b>Revenue from Operations</b>						
<b>Related parties</b>						
Management services						
Reksa dana Ashmore Dana Ekuitas	133,792,154,35	43.3	100,552,971,68	41.2	51,576,542,221	33,5
Nusantara	5		1			
Reksa dana Ashmore Dana Progresif	74,095,148,381	24.0	71,290,468,067	29.2	65,900,476,340	42,8
Nusantara						
Others (each <10%)	92.949.368.513	30.1	71,355,043,990	29.2	36,093,258,909	23,4
Mutual funds subscription services	121,683,817	0.1	62,635,596	0.1	109,566,680	0.1
Mutual funds redemption services	98,585,314	0.0	6,938,692	0.0	6,492,108	0.0
<b>Third parties</b>						
Management services	7,830,286,417	2.5	874,007,937	0.3	309,629,726	0.2
<b>Total Revenue - net</b>	<b>308,887,226,79</b>	<b>100.</b>	<b>244,142,065,96</b>	<b>100.</b>	<b>153,995,965,98</b>	<b>100.</b>
	<b>7</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>4</b>	<b>0</b>

### *The Year Ended June 30, 2019, compared to the Year Ended June 30, 2018*

The Company's revenue from operations increased by Rp64,745,160,834, or 26.5%, to Rp308,887,226,797 for the year ended June 30, 2019, from Rp244,142,065,963 for the year ended June 30, 2018. Such increase was primarily attributable to an increase in revenues from management services by 26.5%, from Rp244,072,491,675 for the year ended June 30, 2018 to Rp308,666,957,666 for the year ended June 30, 2019, which reflected an increase in the number of clients and the growth of mutual funds products offered by the Company. The Company's asset under management grew by Rp4,091,158,966,277, or 17.3% to Rp27,719,460,392,556 for the year ended June 30, 2019, from Rp23,628,301,426,278 for the year ended June 30, 2018.

## ***The Year Ended June 30, 2018, compared to the Year Ended June 30, 2017***

The Company's revenue from operations for the year ended June 30, 2018, amounted to Rp244,142,065,963, which increased by Rp90,146,099,979 or 58.5% compared to the Company's revenue from operations for the year ended June 30, 2017, which amounted to Rp153,995,965,984. Such increase was primarily attributed to an increase in revenues from management services by 58.6% from Rp158,879,907,196 for the year ended June 30, 2017 to Rp244,072,491,675 for the year ended June 30, 2018, which reflected an increase in the number of clients and the growth of mutual funds products offered by the Company. The Company's asset under management grew by Rp9,210,211,725,177, or 63.8% to Rp23,628,301,426,278 for the year ended June 30, 2018, from Rp14,418,089,701,101 for the year ended June 30, 2017.

### **b. Operating Expenses**

A breakdown of the Company's Operating Expenses by main category of expenses is presented below:  
(In Rupiah)

Description	June 30,		
	2019	2018	2017
Mutual fund selling agent commission	110,722,608,553	92,880,291,647	60,812,802,001
Personnel	58,233,436,266	48,377,666,709	37,720,474,630
Regulatory Levy	7,556,844,233	5,210,304,029	2,893,903,260
System maintenance expense	6,253,189,972	3,129,071,738	2,642,873,842
Advertising and promotions	3,758,389,240	3,273,116,551	2,628,655,498
Office Lease	2,957,839,955	2,465,753,847	2,296,219,062
Professional fees	1,377,807,838	730,151,328	715,955,644
General and administrative	1,103,602,319	730,219,500	720,030,443
Data and information	1,101,647,427	1,012,133,735	980,566,898
Depreciation	818,973,331	117,066,977	677,820,914
Telecommunication	537,603,343	399,055,092	414,798,905
Others	1,540,697,024	1,460,147,368	1,192,597,626
<b>Total</b>	<b>195,962,639,501</b>	<b>159,784,978,521</b>	<b>113,696,698,723</b>

## ***The Year Ended June 30, 2019, compared to the Year Ended June 30, 2018***

The Company's operating expenses for the year ended June 30, 2019, increased by Rp36,177,660,980, or 22.6%, to Rp195,962,639,501 from Rp159,784,978,521 for the year ended June 30, 2018. Such increase was driven by a significant increase in commissions paid to selling agents by Rp17,842,316,906, or 19.2%, an increase in personnel expenses by Rp9,855,769,557, or 20.4%, and an increase in system maintenance expenses by Rp3,124,118,234, or 99.8%. The majority of the increase in personnel expenses was due to an increase in salaries and benefits, and performance allowance.

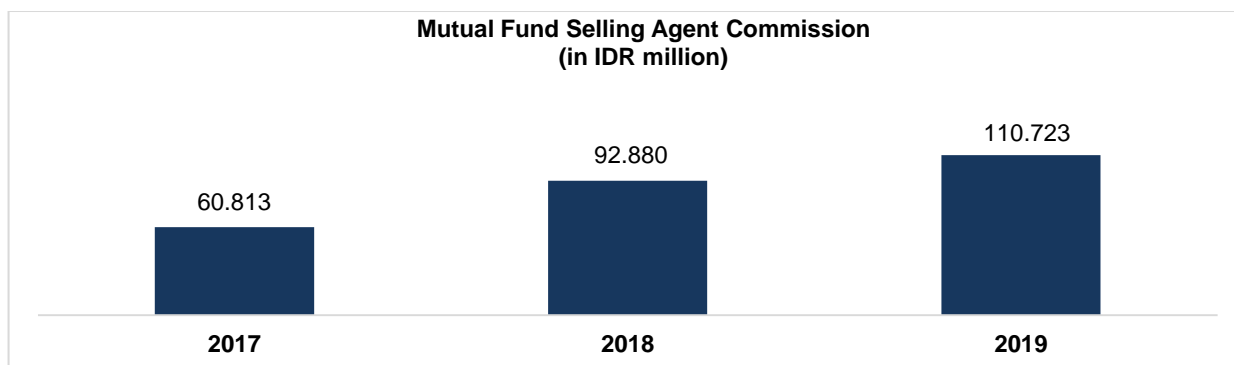
The above breakdown shows the Company's 12 main components of its operating expenses. Mutual fund selling agent commissions and personnel expenses were the most significant two components as they accounted for Rp110,722,608,553, or 56.5%, and Rp58,233,436,266, or 29.72%, of the Company's operating expenses, respectively.

## ***The Year Ended June 30, 2018, compared to the Year Ended June 30, 2017***

The Company's operating expenses for the year ended June 30, 2018, increased by Rp46,088,279,798, or 40.54%, to Rp159,784,978,521 from Rp113,696,698,723 for the year ended June 30, 2017. Such increase was driven by a significant increase in commissions paid to selling agents by Rp32,067,589,646, or 52.7%, an increase in personnel expenses by Rp10,657,192,079, or 28.2%. The majority of increase in personnel expenses was attributed to an increase in salaries and benefits, and performance allowance.

The Company's operating expenses can be attributed to the 12 segments of its operations. Commission paid to the selling agents of our mutual funds was the highest expense, i.e., Rp92,880,291,647, or 58.1%, followed by personnel expenses of Rp48,377,666,709, or 30.3%.

## c. Mutual Fund Selling Agent Commission



### *The Year Ended June 30, 2019, compared to the Year Ended June 30, 2018*

The commission paid to the selling agents of the Company's mutual funds for the year ended June 30, 2019, increased by Rp17,842,316,906, or 19.2%, to Rp110,722,608,553, from Rp92,880,291,647 for the year ended. Such increase was driven by an increase in the size of assets under management sold through selling agents and an increase in the number of customers.

### *The Year Ended June 30, 2018, compared to the Year Ended June 30, 2017*

The commission paid to the selling agents of the Company's mutual funds for the year ended June 30, 2018, increased by Rp32,067,489,646, or 52.7%, to Rp92,880,291,647 from Rp60,812,802,001 for the year ended June 30, 2017. Such increase was the result of the increase in total number of selling agents of our mutual funds from 13 to 17 agents.

## d. Other Income

Description	<i>(In Rupiah)</i>		
	2019	June 30, 2018	2017
Realized and unrealized gains from investments in mutual funds	-	9,459,723	417,235,817
Net finance income	2,034,789,641	3,830,142,050	1,936,281,630
<b>Total</b>	<b>2,034,789,641</b>	<b>3,839,601,773</b>	<b>2,353,517,447</b>

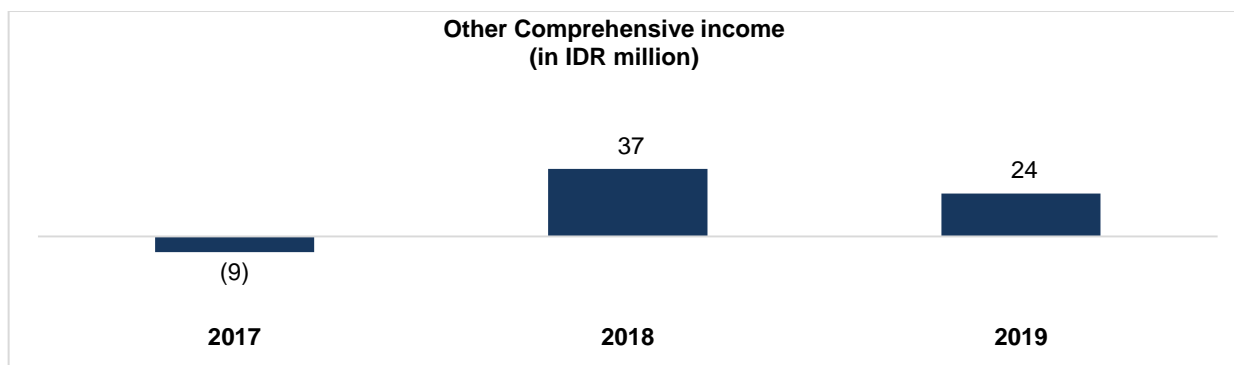
### *The Year Ended June 30, 2019, compared to the Year Ended June 30, 2018*

The Company's other income for the year ended June 30, 2019, decreased by Rp1,804,812,132 or 47.0% to Rp2,034,789,641 from Rp3,839,601,773 for the year ended June 30, 2018. The foregoing was primarily attributed to a decrease in finance income by Rp1,795,352,409 due to the absence of realized and unrealized gains from investments in mutual funds as the Company did not own any mutual fund at the end of 2019.

### *The Year Ended June 30, 2018, compared to the Year Ended June 30, 2017*

The Company's other income for the year ended June 30, 2018, increased by Rp1,485,084,326 or 63.1% to Rp3,839,601,773 from Rp2,353,517,447 for the year ended June 30, 2017. The foregoing was primarily attributed to an increase in finance income by Rp1,893,860,420, which was offset by a decrease in realized and unrealized gains from investments in mutual funds by Rp407,776,094.

## e. Other Comprehensive Income



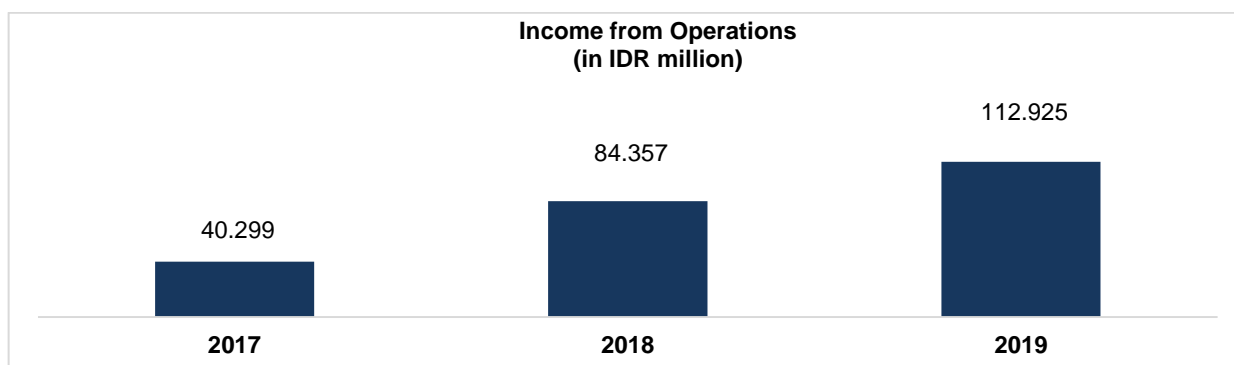
### *The Year Ended June 30, 2019, compared to the Year Ended June 30, 2018*

The Company's other comprehensive income for the year ended June 30, 2019, decreased by Rp13,650,750, or 36.5%, to Rp23,721,750 from Rp37,372,500 for the year ended June 30, 2018. The foregoing was primarily attributed to a decrease in actuarial gains arising from post-employment benefits.

### *The Year Ended June 30, 2018, compared to the Year Ended June 30, 2017*

The Company's other comprehensive income for the year ended June 30, 2018, increased by Rp45,975,000, or 534.4%, to Rp37,372,500 from Rp8,602,500 for the year ended June 30, 2017. The foregoing was primarily attributed to an increase in actuarial gains arising from post-employment benefits.

## f. Income from Operations



### *The Year Ended June 30, 2019, compared to the Year Ended June 30, 2018*

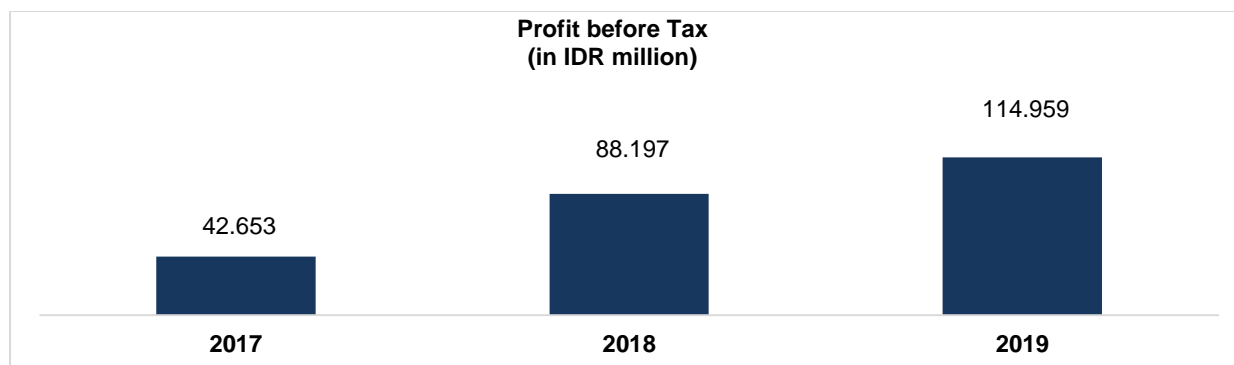
The Company's income from operations for the year ended June 30, 2019, increased by Rp28,567,499,854, or 33.9%, to Rp112,924,587,296 from Rp84,357,087,442 for the year ended June 30, 2018. The foregoing was primarily attributed to the increase of revenue from operations which exceeded the increase in operating expenses.

### *The Year Ended June 30, 2018, compared to the Year Ended June 30, 2017*

The Company's income from operations for the year ended June 30, 2018, increased by Rp44,057,820,181 or 109.3% to Rp84,357,087,442 from Rp40,229,267,261 for the year ended June 30, 2017. The foregoing was primarily attributed to the increase of revenue from operations which exceeded the increase in operating expenses.



## g. Profit Before Tax



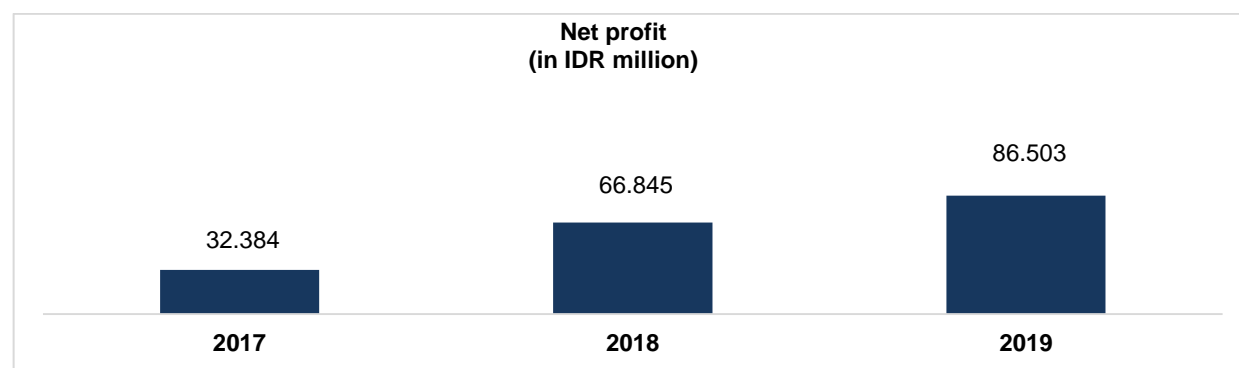
### *The Year Ended June 30, 2019, compared to the Year Ended June 30, 2018*

The Company's profit before tax for the year ended June 30, 2019, increased by Rp26,762,687,722, or 30.3%, to Rp114,959,376,937 from Rp88,196,689,215 for the year ended June 30, 2018. The foregoing was primarily attributed to an increase in income from operations.

### *The Year Ended June 30, 2018, compared to the Year Ended June 30, 2017*

The Company's profit before tax for the year ended June 30, 2018, increased by Rp45,543,904,507, or 106.8%, to Rp88,196,689,215 from Rp42,652,784,708 for the year ended June 30, 2017. The foregoing was primarily attributed to an increase in income from operations.

## h. Net Profit for the year



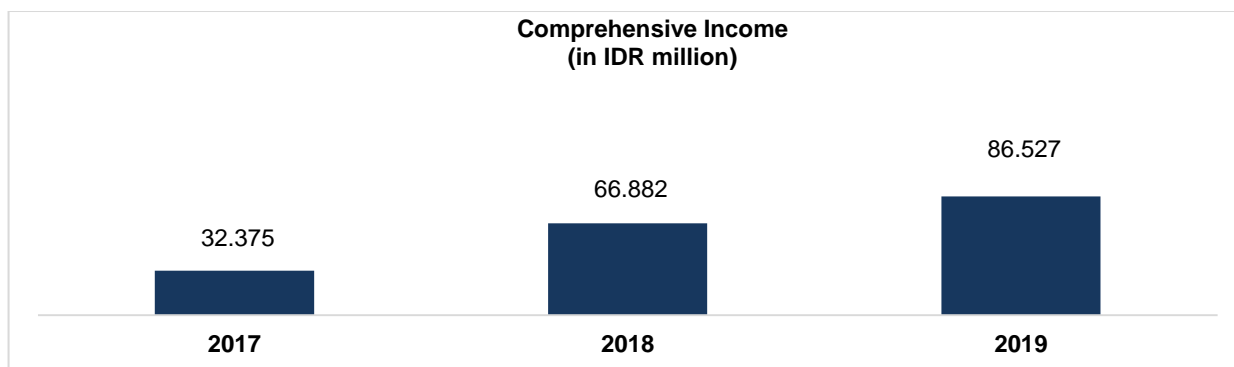
### *The Year Ended June 30, 2019, compared to the Year Ended June 30, 2018*

The Company's net profit for the year ended June 30, 2019, increased by Rp19,658,281,472, or 29.4%, to Rp86,502,946,437 from Rp66,844,664,965 for the year ended June 30, 2018. The foregoing was primarily attributed to an increase in assets under management. At the same time, operating expenses grew at a rate that was lower than that of revenue.

### *The Year Ended June 30, 2018, compared to the Year Ended June 30, 2017*

The Company's net profit for the year ended June 30, 2018, increased by Rp34,460,815,007, or 106.4%, to Rp66,844,664,965 from Rp32,383,849,958 for the year ended June 30, 2017. The foregoing was primarily attributed an increase in assets under management, while operating expenses grew at a rate that was lower than that of revenue.

## i. Comprehensive Income



### *The Year Ended June 30, 2019, compared to the Year Ended June 30, 2018*

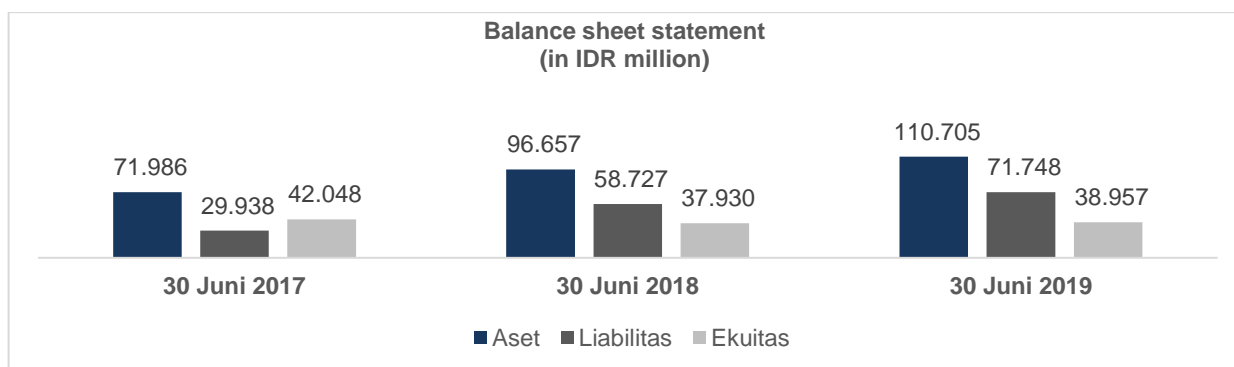
The Company's comprehensive income for the year ended June 30, 2019, increased by Rp19,644,630,722, or 29.4%, to Rp86,526,668,187 from Rp66,882,037,465. for the year ended June 30, 2018. This increase was in line with the increase of income from operations.

### *The Year Ended June 30, 2018, compared to the Year Ended June 30, 2017*

The Company's comprehensive income for the year ended June 30, 2018, increased by Rp34,506,790,007, or 106.6%, to Rp66,882,037,465 from Rp32,375,247,458 for the year ended June 30, 2017. The foregoing was in line with the upward trend of income from operations.

## 6. ANALYSIS OF STATEMENTS OF FINANCIAL POSITION

The following table presents the Company's assets, liabilities, and equity as of June 30, 2019, 2018, and 2017:



### 6.1. ASSETS

Description	<i>(In Rupiah)</i>		
	2019	June 30, 2018	2017
<b>ASSETS</b>			
Cash and Cash Equivalents	68,204,688,239	41,949,404,540	43,830,357,269
Receivables from investment management activities			
Related parties	32,322,163,223	43,392,668,479	17,623,970,410
Third parties	1,107,453,711	110,110,610	57,966,787
Investments in mutual funds - Related Parties	-	-	5,417,235,816
Interest Receivables	100,259,008	58,005,275	113,387,626
Other receivables			
Related Parties	944,357,805	4,250,511,917	2,977,201,342
Third parties	16,807,623	86,949	18,620
Prepaid expenses	233,542,914	858,930,193	792,525,157

(In Rupiah)

Description	June 30,		
	2019	2018	2017
Fixed assets - net of accumulated depreciation	5,821,045,507	582,597,551	264,564,529
Deferred tax assets	789,779,750	553,800,000	363,135,500
Other assets	1,164,587,900	4,900,652,420	545,566,023
<b>TOTAL ASSETS</b>	<b>110,704,685,680</b>	<b>96,656,767,934</b>	<b>71,985,929,079</b>

### ***As of June 30, 2019, compared to as of June 30, 2018***

The Company's total assets as of June 30, 2019, increased by Rp14,047,917,746, or 14.5%, to Rp110,704,685,680 from Rp96,656,767,934 as of June 30, 2018. The foregoing was attributed to an increase in cash and cash equivalents, a decrease in receivables from investment management activities - related parties, and an increase in fixed assets.

### ***As of June 30, 2018, compared to as of June 30, 2017***

The Company's total assets as of June 30, 2018, increased by Rp24,670,838,855, or 34.3%, to Rp96,656,767,934 from Rp71,985,929,079 as of June 30, 2017. The foregoing was primarily attributed to an increase in receivables from investment management activities - related parties, a decrease in investments in mutual funds - related parties, and an increase in other assets.

## **a. Cash and Cash Equivalents**

### ***As of June 30, 2019, compared to as of June 30, 2018***

The Company's cash and cash equivalents as of June 30, 2019, increased by Rp26,255,283,699, or 62.6%, to Rp68,204,688,239 from Rp41,949,404,540 as of June 30, 2018. The foregoing was primarily attributed to an increase in USD denominated savings and Rupiah denominated time deposits - less than 3 (three) months as a result of the Company's performance, which consistently converted income into cash.

### ***As of June 30, 2018, compared to as of June 30, 2017***

The Company's cash and cash equivalents as of June 30, 2018, decreased by Rp1,880,952,729, or 4.3%, to Rp41,949,404,540 from Rp43,830,357,269 as of June 30, 2017. The foregoing was primarily attributed to a decrease in Rupiah denominated time deposits - less than 3 (three) months.

## **b. Receivables from investment management activities**

### ***As of June 30, 2019, compared to as of June 30, 2018***

The Company's receivables from investment management activities as of June 30, 2019, decreased by Rp10,073,162,155, or 23.2%, to Rp33,429,616,934 from Rp43,502,779,089 as of June 30, 2018. The foregoing was primarily attributed to a decrease in receivables from investment management activities due to conversion from receivable to cash account.

### ***As of June 30, 2018, compared to as of June 30, 2017***

The Company's receivables from investment management activities as of June 30, 2018, increased by Rp25,820,841,892, or 146.0%, to Rp43,502,779,089 from Rp17,681,937,197 as of June 30, 2017. The foregoing was primarily attributed to an increase in receivables from investment management activities due to higher average asset under management during the period of 2017-18 compared to 2016-17.

## **c. Other receivables**

### ***As of June 30, 2019, compared to as of June 30, 2018***

The Company's other receivables as of June 30, 2019, decreased by Rp3,289,433,438, or 77.4%, to Rp961,165,428 from Rp4,250,598,866 as of June 30, 2018. The foregoing was primarily attributed by a decrease in other receivables from Ashmore Investment Management Limited.

## **As of June 30, 2018, compared to as of June 30, 2017**

The Company's other receivables as of June 30, 2018, increased by Rp1,273,378,904, or 42.8%, to Rp4,250,598,866 from Rp2,977,219,962 as of June 30, 2017. The foregoing was primarily attributed by an increase in other receivables from Ashmore Investment Management Limited.

### **d. Fixed Assets**

#### **As of June 30, 2019, compared to as of June 30, 2018**

The Company's fixed assets as of June 30, 2019, increased by Rp5,238,447,956, or 899.1%, to Rp5,821,045,507 from Rp582,597,551 as of June 30, 2018. The foregoing was primarily attributed to the addition of computers, and office furniture and fixtures as a result of the relocation of the Company's office.

#### **As of June 30, 2018, compared to as of June 30, 2017**

The Company's fixed assets as of June 30, 2018, increased by Rp318,033,022, or 120.2%, amounted to Rp582,597,551, compared to the total assets as of June 30, 2017, which amounted to Rp264,564,529. The foregoing was mainly attributed the addition of vehicles for operational purposes.

### **e. Other Assets**

#### **As of June 30, 2019, compared to as of June 30, 2018**

The Company's other assets as of June 30, 2019, decreased by Rp3,736,064,520, or 76.2%, to Rp1,164,587,900 from Rp4,900,652,420 as of June 30, 2018. The foregoing was primarily attributed to the utilization of security deposits of Rp3,310,574,419 for office relocation.

#### **As of June 30, 2018, compared to as of June 30, 2017**

The Company's other assets as of June 30, 2018, increased by Rp4,355,086,397, or 798.3%, to Rp4,900,652,420 from Rp545,566,023 as of June 30, 2017. The foregoing was primarily attributed to an increase in security deposits by Rp3,310,574,419 for office relocation.

## **6.2. LIABILITIES**

(In Rupiah)

Description	June 30,		
	2019	2018	2017
<b>LIABILITIES</b>			
Income taxes payable	11,249,280,576	9,564,021,288	1,340,791,268
Other payables			
Related parties	19,886,620,706	11,623,203,034	8,350,599,575
Third parties	37,242,142,376	35,004,391,813	18,794,012,798
Trade Payables - third parties	210,833,932	319,930,896	-
Post-employment benefit liabilities	3,159,119,000	2,215,200,000	1,452,542,000
<b>TOTAL LIABILITIES</b>	<b>71,747,996,590</b>	<b>58,726,747,031</b>	<b>29,937,945,641</b>

#### **As of June 30, 2019, compared to as of June 30, 2018**

The Company's total liabilities as of June 30, 2019, increased by Rp13,021,249,559, or 22.2%, to Rp71,747,996,590 from Rp58,726,747,031 as of June 30, 2018. The foregoing was primarily attributed by an increase in other payables and income taxes payable.

#### **As of June 30, 2018, compared to as of June 30, 2017**

The Company's total liabilities as of June 30, 2018, increased by Rp28,788,801,390, or 96.2%, to Rp58,726,747,031 from Rp29,937,945,641 as of June 30, 2017. The foregoing was primarily attributed by an increase in other payables and income taxes payable.

## a. Income Taxes Payable

### *As of June 30, 2019, compared to as of June 30, 2018*

The Company's income taxes payable as of June 30, 2019, increased by Rp1,685,259,288, or 17.6%, to Rp11,249,280,576 from Rp9,564,021,288 as of June 30, 2017. The foregoing was primarily attributed to an increase in revenue from investment management activities.

### *As of June 30, 2018, compared to as of June 30, 2017*

The Company's income taxes payable as of June 30, 2018, increased by Rp8,223,230,020, or 613.3%, to Rp9,564,021,288 from Rp1,340,791,268 as of June 30, 2017. The foregoing was primarily attributed to an increase in revenue from investment management activities.

## b. Other Payables

### *As of June 30, 2019, compared to as of June 30, 2018*

The Company's other payables as of June 30, 2019, increased by Rp10,501,168,235, or 22.5%, to Rp57,128,763,082, from Rp46,627,594,847 as of June 30, 2018. The foregoing was primarily attributed by an increase in other payables to Ashmore Group Plc.

### *As of June 30, 2018, compared to as of June 30, 2017*

The Company's other payables as of June 30, 2018, increased by Rp19,482,982,474, or 71.8%, to Rp46,627,594,847 from Rp27,144,612,373 as of June 30, 2017. The foregoing was primarily attributed by an increase in other payables to third parties.

## c. Bank Loans - Third Parties

### *As of June 30, 2019, compared to as of June 30, 2018*

The Company's bank loans to third parties as of June 30, 2019, amounted to Rp210,833,932, decreased by Rp109,096,964, or 34.1%, compared to bank loans to third parties as of June 30, 2018, which amounted to Rp319,930,896. The foregoing was primarily attributed to the repayment of leasing facilities from PT Bank Central Asia Tbk which was used to finance vehicle purchases.

### *As of June 30, 2018, compared to as of June 30, 2017*

The Company's bank loans to third parties as of June 30, 2018, amounted to Rp319,930,896, which increased compared to bank loans to third parties as of June 30, 2017. The foregoing was primarily attributed to new leasing facilities from PT Bank Central Asia Tbk which was used to finance vehicle purchases.

## d. Post-employment benefit liabilities

### *As of June 30, 2019, compared to as of June 30, 2018*

The Company's post-employment benefit liabilities as of June 30, 2019, increased by Rp943,919,000, or 42.6%, to Rp3,159,119,000 from Rp2,215,200,000 as of June 30, 2018. The foregoing was primarily attributed to additions of current service cost and interest expense.

### *As of June 30, 2018, compared to as of June 30, 2017*

The Company's post-employment benefit liabilities as of June 30, 2018, increased by Rp762,658,000, or 52.5%, from Rp1,452,542,000 as of June 30, 2017. The foregoing was primarily attributed to additions of current service cost and interest expense.

## 6.3 EQUITY

(In Rupiah)

Description	June 30,		
	2019	2018	2017
<b>EQUITY</b>			
Capital stock – par value of Rp1,000 per share	25,000,000,000	25,000,000,000	35,000,000,000

(In Rupiah)

Description	June 30,		
	2019	2018	2017
Authorized capital – 100,000,000 shares Issued and paid-up capital (2019: 25,000,000 shares) (2018: 25,000,000 shares) (2017: 35,000,000 shares)			
Remeasurement of employee benefits liabilities, net of tax	567,035,250	543,313,500	505,941,000
Retained Earnings:			
Appropriated	5,000,000,000	5,000,000,000	5,000,000,000
Unappropriated	8,389,653,840	7,386,707,403	1,542,042,438
<b>TOTAL EQUITY</b>	<b>38,956,689,090</b>	<b>37,930,020,903</b>	<b>42,047,983,438</b>

### As of June 30, 2019, compared to as of June 30, 2018

The Company's total equity as of June 30, 2019, increased by Rp1,026,668,187, or 2.7%, to Rp38,956,689,090, from Rp37,930,020,903 as of June 30, 2018. The foregoing was primarily attributed to an increase in unappropriated retained earnings.

### As of June 30, 2018, compared to as of June 30, 2017

The Company's total equity as of June 30, 2018, decreased by Rp4,117,962,535, or 9.8%, to Rp37,930,020,903 from Rp42,047,983,438 as of June 30, 2017. The foregoing was primarily attributed to an increase in unappropriated retained earnings partially offset by a decrease in capital stock.

## 7. ANALYSIS OF STATEMENTS OF CASH FLOWS

The following table presents the Company's cash flows for the years ended June 30, 2019, 2018, and 2017:

Description	June 30,		
	2019	2018	2017
<i>(In Rupiah)</i>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from investment management service commission	322,266,543,064	217,047,913,496	148,287,630,071
Cash receipts from interest income	2,853,464,773	2,122,039,594	1,907,511,845
Payments to suppliers, employees and others	(180,157,930,763)	(142,016,988,776)	(108,030,129,468)
Payment of income taxes	(27,031,778,888)	(13,331,984,559)	(9,840,011,594)
<b>Net cash provided by operating activities</b>	<b>117,930,298,186</b>	<b>63,820,979,755</b>	<b>32,325,000,854</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Disbursements of time deposits	-	-	30,514,163,375
Disbursements (placements) of mutual funds	-	5,417,235,816	(5,417,235,816)
Acquisitions of fixed assets	(6,057,421,287)	(435,100,000)	(198,254,830)
Proceeds from sale of fixed assets	11,000,000	-	-
<b>Net cash (used in) provided by investing activities</b>	<b>(6,046,421,287)</b>	<b>4,982,135,816</b>	<b>24,898,672,729</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from bank loans	-	348,080,000	-
Payments of bank loans	(128,593,200)	(32,148,300)	-
Decreased in issued and paid-up capital	-	(10,000,000,000)	-
Cash dividend payments	(85,500,000,000)	(61,000,000,000)	(35,000,000,000)
<b>Net cash used in financing activities</b>	<b>(85,628,593,200)</b>	<b>(70,684,068,300)</b>	<b>(35,000,000,000)</b>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	26,255,283,699	(1,880,952,729)	22,223,673,583
<b>CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR</b>	<b>41,949,404,540</b>	<b>43,830,357,269</b>	<b>21,606,683,686</b>

(In Rupiah)

Description	June 30,		
	2019	2018	2017
<b>CASH AND CASH EQUIVALENTS, AT END OF YEAR</b>	<b>68,204,688,239</b>	<b>41,949,404,540</b>	<b>43,830,357,269</b>

### ***The Year Ended June 30, 2019, compared to the Year Ended June 30, 2018***

#### *Cash Flows from Operating Activities*

Net cash provided by operating activities for the year ended June 30, 2019, increased by Rp54,109,318,431, or 84.8%, to Rp117,930,298,186, from Rp63,820,979,755 for the year ended June 30, 2018. The increase in net cash provided by operating activities in 2019 was attributed to an increase in Receipts from investment management services and Receipts from interest income.

#### *Cash Flows from Investing Activities*

Net cash used in investing activities for the year ended June 30, 2019 was Rp6,046,421,287. Net cash provided by investing activities for the year ended June 30, 2019, decreased by Rp11,028,557,103, or 221.4%, to Rp6,046,421,287 from Rp4,982,135,816 for the year ended June 30, 2018. The foregoing was attributed to the absence of receipts from disbursements of mutual funds and payments for acquisition of fixed assets.

#### *Cash Flows from Financing Activities*

Net cash used in financing activities for the year ended June 30, 2019, increased by Rp14,944,524,900, or 21.1%, to Rp85,628,593,200 from Rp70,684,068,300 for the year ended June 30, 2019. The increase in net cash used in financing activities in 2019 resulted from the absence of bank loans and an increase in the payment of cash dividends.

### ***The Year Ended June 30, 2018, compared to the Year Ended June 30, 2017***

#### *Cash Flows from Operating Activities*

Net cash provided by operating activities for the year ended June 30, 2018, increased by Rp31,495,978,901, or 97.4%, to Rp63,820,979,755 from Rp32,325,000,854 for the year ended June 30, 2017. The increase in net cash provided by operating activities in 2018 was attributed to an increase in Receipts from investment management services and Receipts from interest income.

#### *Cash Flows from Investing Activities*

Net cash provided by investing activities for the year ended June 30, 2018, decreased by Rp19,916,536,913, or 80.0%, to Rp4,982,135,816 from Rp24,898,672,729 for the year ended June 30, 2017. The decrease in net cash provided by investing activities in 2018 resulted from the absence of receipts from disbursement of time deposits.

#### *Cash Flows from Financing Activities*

Net cash used in financing activities for the year ended December 31, 2018, increased by Rp35,684,068,300, or 102.0%, to Rp70,684,068,300 from Rp35,000,000,000 for the year ended June 30, 2017. The increase in net cash used in financing activities in 2018 resulted from expenditures related to the reduction of issued and paid-up capital and payment of cash dividends.

Overall, during the last three years the Company has successfully increased its cash balance mostly through successful business operations. At the end of 2019, the Company's cash amounted to Rp68 billion, higher than Rp43 billion at the end of 2017. The Company's consistent conversion of operating profits to cash demonstrates the efficiency of the Company's operating platform. Cash receipts from management service commission is highly current, with an average period of outstanding receivables of 1.5 months during the last three years.

Growth of cash flows from operational activities in the last three years stood at a CAGR of 91.0% due to the high growth of assets under management, combined with the lower growth of operational cash expenses. Operational expenses are entirely financed by cash receipts from commission paid to investment management services.

During the last three years, the Company's investment level has been relatively low compared to the level of cash generated from operations. The fairly significant increase last year was driven by the acquisition of office furniture and fixtures in connection with the Company's office relocation. Investment in office relocation is not a recurring investment in the short-term.

The majority of cash flows from financing activities during the last three years consisted of cash outflows for payment of dividends as well as intentional capital reduction. Due to low investment activities, the Company's dividend pay-out ratio stood at a high level during the last three years. The nominal amounts of dividend payments have been aligned with the cash receipts from operational activities.

## 8. KEY FINANCIAL RATIOS

### Solvency Ratios

Description	June 30,		
	2019	2018	2017
Total Liabilities to Total Assets (DAR) (x)	0.65	0.61	0.42
Total Liabilities to Total Equity (DER) (x)	1.84	1.55	0.71
Total Equity to Total Assets (%)	0.35	0.39	0.58

The Company's Debt to Asset Ratios as of June 30, 2019, June 30, 2018, and June 30, 2017, were 0.65x, 0.61x, and 0.42x, respectively. The increase of the Company's Debt to Asset ratio was primarily due to the increase in total liabilities exceeding the increase in the Company's total assets. The average growth of assets was 24.40%, while the average growth of liabilities was 59.17%.

The Company's Debt to Equity Ratios as of June 30, 2019, June 30, 2018, and June 30, 2017, were 1.84x, 1.55x, and 0.71x, respectively. The increase of the Company's Debt to Equity ratio was primarily due to the increase in total liabilities and a decrease in the Company's total equity as a result of the capital reduction. The average growth of liabilities was 59.17%, while the average negative growth of equity was 3.54%.

The Company's Equity to Asset Ratios as of June 30, 2019, June 30, 2018, and June 30, 2017, were 0.35x, 0.39x, and 0.58x, respectively. The decrease of the Company's Equity to Asset ratio was primarily due to the increase in total liabilities and a decrease in the Company's total equity as a result of the capital reduction. The average decrease of equity was 3.54%, while the average decrease of assets was 24.40%.

### Profitability Ratios

Description	June 30,		
	2019	2018	2017
Operating Profit Margin (%)	36.6	34.6	26.2
Net Profit Margin (%)	28.0	27.4	21.0
Return on Assets (ROA) (%)	78.1	69.5	45.0
Return on Equity (ROE) (%)	222.1	176.2	77.0

(In percentage, %)

The Company's operating profit margin as of June 30, 2019, June 30, 2018 and June 30, 2017, demonstrated consistent growth, with a margin of 36.56%, 34.55%, and 26.17%, respectively.

The Company's net profit margin as of June 30, 2019, June 30, 2018 and June 30, 2017, demonstrated consistent growth, with a margin of 28.00%, 27.38%, and 21.03%, respectively.

The Company's return on assets (ROA) as of June 30, 2019, June 30, 2018 and June 30, 2017, demonstrated consistent growth, with a ratio of 78.14%, 69.16%, and 44.99%, respectively.



The Company's return on equity (ROE) as of June 30, 2019, June 30, 2018 and June 30, 2017, demonstrated consistent growth, with a ratio of 222.05%, 176.23%, and 77.02%, respectively. The significant increase that occurred from June 30, 2017 to June 30, 2018, was driven by the Company's capital reduction.

## Liquidity Ratio

*(In percentage, %)*

Description	June 30,		
	2019	2018	2017
Cash Ratio (%)	99.44	74.23	153.87

The Company's cash ratios as of June 30, 2019, June 30, 2018, and June 30, 2017, were 99.44%, 74.23%, and 153.87%, respectively. The Company's cash ratio indicated a downward trend due to total current liabilities that increased at an average rate of 59.88%, while the Company's cash increased at a lower average rate of 29.15%.

## 9. LIQUIDITY AND CAPITAL SOURCES

The Company's cash expenditures in the past few years primarily consisted of payments to suppliers, employees, payments of income taxes, acquisitions of fixed assets, and payments of cash dividends. Historically, the Company's sources of liquidity consisted of receipts from investment management services and interest income.

The Company's ability to finance its financing requirements with loans from related parties is subject to the Company's operational activities. In addition, the Company may also obtain financing from bank loans. In the event that the Company enters into a credit agreement, the applicable interest rate on loans will affect the Company's ability to pay its obligations.

The Company currently relies on funding from the Company's operations to finance its daily operations. The Company believes that its current liquidity is sufficient to meet its working capital and capital expenditure requirements. Therefore, fluctuations in interest rates will not affect the Company's ability to repay its debts.

The Company categorizes its liquidity sources into two categories: external and internal liquidity sources. The Company relies on its internal liquidity source from the Company's results of operations to meet its liabilities that are due. Up to June 30, 2019, the Company did not have any external liquidity sources.

The Company does neither knows of any trends, nor has any claims, agreements, commitments, events and/or uncertainties that may result in a material increase or decrease in the Company's liquidity.

As at the date of the issuance of this Prospectus, there have been no extraordinary events that may result in an increase or decrease of certain account balances or the Company's overall financial positions and there are no events that affect the Company's current financial positions that had not effects in the past.

## 10. CAPITAL EXPENDITURES

During the last three financial years (June 2016 - June 2019), the Company's capital expenditures have primarily been the acquisition of operational assets. In 2017, the Company incurred total capital expenditures of Rp198,254,830 for additions of office equipment. In 2018, the Company incurred capital expenditures totaling Rp435,100,000 for purchases of vehicles. In 2019, the Company incurred capital expenditures totaling Rp6,057,421,287, including for office relocation and expansion, additions in office furniture and fixtures, and computers.

## 11. RISK MANAGEMENT

The risk management system represents the method implemented by management to manage the impact that may arise from business risks, to resolve issues that may arise from business risks, and to manage

future potential risks, which may significantly affect the Company's results of operations and financial performance.

Risk management is viewed as an institutional responsibility, where management's commitment is discernibly reflected in the attention given by senior management and the scope of resources allocated for this purpose. Risk management is a group effort involving all departments and employees who have the same level of understanding of risk management according to the minimum standard specified in the Company's policy. The Company views risk management as an active, integrated process that is independent from its investment process.

In order to effectively monitor, evaluate, and actively manage market risk from the relevant portfolio, the Company utilizes a number of tools, including ex-post performance assessment, ex-ante risk prediction, and stress tests/scenario analysis. The Company's Board of Directors continuously manages business strategies and risks and delegates daily responsibilities to the investment professionals and other major functions in the Company. The Company's investment committee and risk committee manage the investment and operational risks and delegate further responsibilities to the senior operational management.

Ex-post performance analysis is a key factor in the investment process, as such analysis provides the Investment Committee and the Portfolio Managers with detailed analysis on the relative success of an investment decision, thus facilitating reviews and improvements on investment decisions, if necessary. The analysis also provides feedbacks to determine the success of investment strategies and to identify whether investments have been made in line with the Company's overall investment strategies and consistently with the Company's investment philosophies. The Company also regularly performs a portfolio analysis to identify all outliers. To that end, the related performance analysis and reporting are designed to be consistent with the investment process. For example, ex-post analysis, which includes portfolio performance analysis by investment theme/strategy and performance attributes by country, is compared to a benchmark value to generate important inputs for the Company's investment process.

Ex-ante assessment is used in analyzing the compatibility of predicted risks to risk budget and consistency of predicted risks to the Company's philosophies. These factors are analyzed at portfolio level, and a more micro level (such as at country level and securities level) to monitor the comparison of realized gain to potential risks (i.e., ex-ante) assumed to achieve such gain. If necessary, stress tests and scenario analysis are the main steps that must be performed in evaluating new market risks. Such tests and analysis must be dynamic in order to reflect the real market condition.

Several potential risks that the Company may be exposed to include, among others:

1. Credit Risk:

The Company's credit risk arises from potential loss from cash in banks, time deposits, receivables from investment management activities, and interest receivables.

The Company has diversified its portfolio in order to minimize the significant concentration of credit risk with one counterparty. Accordingly, the Company places its cash in bank and time deposits in several banks with good standards. The Company also continuously monitors credit worthiness by performing periodical evaluations on its counterparties' credit rating and financial statements. As of June 30, 2019, 2018, and 2017, none of the Company's financial assets were past due or impaired. The Company believes that all receivables are realizable.

2. Interest rate risk:

Interest rate risk represents the inherent risk of interest earning assets due to the probable fluctuation in asset value as a result of market interest rate fluctuations. The Company is specifically exposed to the risk of floating interest rate of its time deposits, particularly Rupiah and USD denominated time deposits.

The Company minimizes interest rate risks by performing periodical macroeconomic analysis.

### 3. Liquidity Risk:

Liquidity risk arises when the Company has limited amounts of cash on hand and experiences difficulty in obtaining sources of financing. Liquidity risk may also arise from the maturity gap of the maturity of the funds owned by the Company and the maturity of financial obligations.

The Company's policy in managing liquidity is to ensure the Company has sufficient liquidity to meet its liabilities that will mature, whether in normal or adverse conditions. As of June 30, 2019, 2018, and 2017, the Company had sufficient liquid assets as reported in its statements of financial position, to meet financial obligations that were due.

### 4. Foreign exchange risk

Foreign exchange risk arises as part of the performance risk of the Company's mutual funds and as a result of difficulties in obtaining sources of financing.

By providing diverse types of assets in two currencies, Rupiah, US Dollars and assets with diverse levels of risk, the Company is able to maintain its total assets under management. Despite fluctuations of the Rupiah in the past three years, the Company has successfully maintained the growth of its assets under management.

The implementation of risk management allows the Company to seek to increase its value to shareholders, and provide its shareholders and management with an overview of the potential losses and opportunities. Therefore, decision makers and internal policy makers are provided with the necessary investment to support effective and efficient decision making.

## VI. RISK FACTORS

*Investment in the Offer Shares involves risks. Prospective investors should carefully consider all information presented in this Prospectus, particularly risks set forth below, in performing evaluations before purchasing the Offer Shares. Additional risks that are presently unknown to or considered immaterial by the Company may also have adverse material impacts to the Company's business activities, cash flows, results of operation, financial condition and business prospects. The price of the Company's Offer Shares may decrease as a result of one of these risks, and prospective investors may lose all or a portion of their investments. The description in this section relating to the Government of Indonesia's macroeconomic data or information on the industries in which it operates, are obtained from official publications of the Government and other third-party sources that are not independently verified by the Company.*

As with any business in general, the Company cannot be separated from a number of risks that arise from internal and external factors beyond its control. The risks described below are material risks to the Company that have been provided in the order of perceived significance of the impacts of such risks to the Company's business activities, cash flow, results of operation, financial condition and business prospects, beginning with the category of risks with the greatest impact down to the category of risks with the least impact.

### A. RISKS AFFECTING THE COMPANY'S GOING CONCERN

#### ***Risk Associated with Revocation of Business License***

The Company's business activities adhere to the prevailing government regulations issued the FSA as the bodies officially appointed by the state to undertake the supervision of the capital market in Indonesia, by the Minister of Finance of the Republic of Indonesia, and the Indonesia Stock Exchange regulations. The Company's failure or negligence to comply with the provisions of capital market regulations prevailing in Indonesia may result in sanctions, a temporary trade suspension or revocation of the Company's business license, which may result in material adverse effects or the discontinuation of the Company's business activities.

#### ***Risks Associated with Change of Government Policies***

The Company, as an investment management company, is an intermediary for the public intending to invest. Accordingly, public interest permeates all aspects of the Company's business activities. The Company's business activities are strictly regulated by the Government through various regulations. The Company's failure to carry out and implement new regulations stipulated by the Company may affect its business activities, which may in turn affect the continuity of the Company's business.

### B. RISKS ASSOCIATED WITH THE COMPANY'S BUSINESS ACTIVITIES

#### ***Risk of Changes in Regulations***

Any change to capital market regulations and tax regulations will affect the investment policies implemented by the investment manager, and ultimately the selection of mutual funds portfolio. Such changes will affect the net asset value of the participation units.

#### ***Risk of Business Competition***

As an industry, the capital market will continue to evolve as a result of the growing public interest in using the capital market as an alternative for investments. With such prospects, more local and foreign companies are showing their interests to participate in the capital market industry. A competitive landscape may decrease the Company's profit margins.

#### ***Risk of Decrease in Assets Under Management***

The ability to grow and maintain assets under management is one of the competencies of a company engaged in the capital market industry. Therefore, one of the risks the Company is exposed to is if the market considers the Company's ability to generate solid rate of returns and to create attractive products is declining.

### ***Risk of Product Concentration***

The Company is exposed to risks arising from and driven by limited product types or concentration in certain products that it offers. Low product diversification may affect the growth of the Company's assets under management, and ultimately, the growth of the Company's revenue.

### ***Risks Associated with Scarcity of Competent Human Resources (HR)***

The capital market industry requires the availability of skilled workers who are able to maintain the quality of services and distribution of financing to consumers. Scarcity of competent human resources will hamper the Company's operational performance and business expansions. As an investment management company, the Company also requires employees that hold licenses as Securities Company Representative (Investment Manager Representative ("WMI") / Broker-Dealer Representative / Underwriter Representative / Mutual Fund Selling Agent Representative), particularly the license as an Investment Manager Representative (WMI) in order to carry out its business activities.

### ***Risks Associated with Resignation of Key Personnel***

In addition to risks associated with the scarcity of competent Human Resources, resignations of key personnel in either investment, distribution, operational units, or the Board of Directors and management functions in general may hamper the efficiency and/or effectiveness of the Company's operational activities.

### ***Credit Risk***

The Company's credit risk arises from potential loss from cash in banks, time deposits, receivables from investment management activities, and interest receivables.

### ***Risk Associated with Interest Rate Fluctuation***

Interest rate risk represent the inherent risk of interest earning assets due to probable fluctuations in asset value as a result of market interest rate fluctuations. The Company is specifically exposed to the risk of floating interest rates of its time deposits, particularly its Rupiah and USD denominated time deposits. The risk may affect assets managed by the Company in its portfolio for trading and investment, which will affect the Company's revenue. Failure to anticipate the risk of fluctuation in interest rates may cause financial losses to the Company.

### ***Liquidity Risk***

Liquidity risk arises when the Company experiences a difficulty in obtaining financing sources.

Liquidity risk may also arise from the maturity gap of the maturity of funds owned and the maturity of financial obligations. If all or substantially all of the participation unit holders simultaneously redeem their investments in investment manager, the investment manager may not be able to provide cash immediately, and consequently will be required to sell their securities as quickly as possible. Potential failure in asset and liability management is one of the factors that may cause lack of fund to fulfill the Company's liabilities. In addition, in a *force majeure* or event (whether foreseeable or unforeseeable) beyond the investment manager's control, redemption may be temporarily suspended in accordance with the provisions of the Collective Investment Contract and FSA regulations.

### ***Risk Associated with Changes in Economic and Political Conditions***

An investment management company is sensitive to national and international economic changes. Unfavorable economic conditions such as the volatility of Rupiah exchange rate against foreign currencies, inflation rate, and national economic growth, may reduce investor appetite to invest in the capital market, which ultimately brings adverse effects to the Company's revenues. The performance of mutual funds may be affected by uncertainties such as political or diplomatic development, social and religion instability, changes in government regulations, taxes, and interest rate, currency repatriation and other political and economic developments in laws and regulations.

### ***Operational Risk***

Operational risk represents the risks that the Company is exposed to in relation to operational systems, procedures, and control over the Company's operational activities such as trade settlements, transfer of shares, and cash flows. Such risks arise from unworthiness or failure of internal process, human error, information technology system, and/or external events. Ineffective daily operational procedures and systems may hamper the efficiency of the Company's operational activities and quality of services to

customers, which potentially result in lower performance and competitiveness, and ultimately lower revenue.

***Risk Associated with Legal Claims or Lawsuits***

Risks associated with legal claims or lawsuits represent risks arising from legal claims, the absence of supporting facilities or weaknesses in legal binding agreements and documents, which may affect the Company's going concern.

***Risk of Technological Development***

Risk of technological development arises from increased business competition among financial services companies. Technology is one of the key competitive advantages required to stay ahead of the competition. The Company's inability to improve its IT facilities and infrastructure may lead to a loss of existing market share, which may have adverse effects on the Company's revenue. As the Company plan for use of proceed predominately will be in technological development, the risk of delay in implementation will have an adverse effect to the Company's long term growth plan.

***Risk of Affiliation***

Risk of affiliation arises from close relationship in terms of the Company's risk management and operations that are undertaken by the parent company. In addition, the risk also arises from the level of contribution from affiliates to the Company's revenue.

***Risk of Issuer's Failure to Comply with the Prevailing Laws and Regulations in the Industry***

In carrying out its activities, the Company is required to comply with the prevailing laws and regulations. The Company's failure to comply with new regulations stipulated by the Government on the capital market industry or investment manager business may subject the Company to administrative sanctions, including fines, penalties or product recall, and other criminal sanctions that may affect the Company's business activities, and ultimately, the Company's performance.

**C. RISKS RELATING TO INVESTMENTS IN INVESTEE COMPANIES**

As an investment management company, the funds managed by the Company invests in various investee companies with diverse characteristics, which involve certain complexities in terms of business, regulations, law, and others. The investee companies are subject to the risks associated with the industry in which they operate and a number of inherent risks. The Company also has no control over the daily operational activities of most of its investee companies.

The due diligence conducted by the Company in connection with the funds' investment in investee companies may not be able to disclose all facts that may be relevant to the investment. The Company has limited access to information related to the investee companies. Consequently, the Company may not be able to confirm the accuracy and completeness of such information and is unable to provide any information related to such companies other than the latest public information.

The Company's valuation methodologies applied to investee companies are prone to subjectivity and the value of assets that will be realized; the results of a methodology so applied may never be realized, and may consequently have adverse effects on the Company's financial performance. Poor performance of investments in investee companies may result in a decline in the fund's net asset value, and therefore cause a decline in the Company's performance and share price, and may have adverse effects on the Company's ability to raise funds for investments in the future. The Company may also make certain investments in assets that are not liquid, and the Company may fail to realize gains from such investment activities for a relatively long period or may experience loss on all or part of its investment value.

**D. GENERAL RISK**

***Compliance with the prevailing laws and regulations relating to the business industry***

The Company's business activities are regulated by the Government through various laws and regulations. In carrying out its activities, the Company is required to comply with the prevailing laws and regulations. The Company is also required to comply with regulations relating to licensing requirements, service practices, price setting, and taxes. Although the Company believes that its operational activities have

complied with all the prevailing laws and regulations, compliance with obligations arising from new regulations or their amendments, or interpretations and implementations thereof, and changes to interpretations or implementations of the prevailing laws and regulations must be undertaken.

The Company's failure to carry out and implement new regulations stipulated by the Government may subject the Company to civil sanctions, including fines, penalties or product recall, and other criminal sanctions that may affect the Company's business activities, and ultimately, the Company's performance.

There is no risk of non-compliance with regulations of other countries or international regulations. However, as the Company is majority-owned by Ashmore Group Plc, there is a risk of compliance that Ashmore Group Plc is exposed to with respect to the regulations of its country of domicile, the United Kingdom.

## **E. INVESTOR'S RISKS RELATING TO INVESTMENTS IN THE COMPANY'S SHARES**

### ***The price of the Company's shares may be subject to significant fluctuations in the future***

The price of the Company's shares subsequent to the Share Initial Public Offering may be subject to significant fluctuations due to a number of factors, including, among others:

- Perception of the Company's business prospects and current operations;
- Changes in the economic, political or market conditions in Indonesia;
- Difference between the Company's actual financial and operational results than those expected by investors and analysts;
- Changes in analysts' recommendations or perceptions on the Company or Indonesia;
- Sale of shares by the Company's controlling shareholder;
- Fluctuation in foreign companies' share prices (particularly in Asia) and other developing countries;
- The Company's involvement in any legal proceedings; and/or
- The general market movement.

### ***The Liquidity of the Company's Shares***

There is a risk relating to the liquidity of shares offered in this Share Initial Public Offering, although the Company will list its shares on the IDX, there is no guarantee that the Company's shares that will be actively traded or liquid since there is a possibility that the Company's shares will be owned by one or more parties that do not trade their shares on the secondary market. Therefore, the Company is unable to predict whether the market for the Company's shares would be active or whether the Company's shares would remain liquid.

There is no guarantee that the market for the Company's shares will develop or, in the event that such market develops, that the Company's shares will remain liquid. The ability to sell and settle transactions on the Stock Exchange may be subject to the risk of delay. Therefore, there is no guarantee that the Company's shareholders will be able to sell their shares at a certain price or time as the shareholders would be able to in a more liquid stock exchange or company.

### ***The Company's ability to pay dividends in the Future***

The Company's ability to announce distribution of dividends from the Company's Offer Shares depends on the Company's future financial performance. Dividend distributions shall be made based on the resolution of a GMS, with due considerations to a number of factors, including, among others, retained earnings, financial conditions, cash flows, working capital and capital expenditure requirements, agreements and costs that arise in connection to the Company's expansion. In addition, financing required to finance the Company's business development plan and the risk of losses recognized in the financial statements are several factors that may affect the Company's decision not to distribute dividends. The above factors may affect the Company's ability to pay dividends to its shareholders, therefore, the Company cannot guarantee that the Company would be able to distribute dividends or that the Company's Board of Directors would announce dividend distributions.

### ***The interests of the controlling shareholder may conflict with the interest of the buyers of Offer Shares***

Subsequent to the Share Initial Public Offering, the controlling shareholder, who has more than 50% of the Company's outstanding shares, generally has effective control over the Company, including the authority to appoint the Company's directors and commissioners, and determine the outcome of any action requiring

the approval from the shareholders. Although the Company's Board of Directors and Board of Commissioners are obligated to consider the interest of shareholders, including minority shareholders, considering the controlling shareholder may have business interests other than in the Company, the controlling shareholder may take actions that are more favorable to the business interests of the controlling shareholder referred to above than the Company's interests, which may have material adverse impact on the Company's business, financial condition, results of operations and prospects. Therefore, the controlling shareholder has, and will continue to have, significant authority over the Company, including the authority to:

- approve any merger, consolidation or dissolution of the Company;
- exercise significant influence on the Company's policies and affairs;
- appoint the majority of the Company's 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 (shareholders having 20% or more voting rights) having conflict of interest, in which the controlling shareholder is required to abstain pursuant to the laws and regulations in the capital market), including future dividend distribution and the timing of such distribution.

In the future, the Company may enter into transactions with entities under common control of the Company's controlling shareholder and related parties in its normal course of business activities. There is no guarantee that such transaction will be carried out on terms and conditions that are favorable to the Company. However, every transaction with a conflict of interest (as defined in the FSA regulations) entered into by the Company with any affiliated party subsequent to the Share Initial Public Offering shall be required to obtain the approval from independent shareholders in accordance with the FSA Regulation, as stipulated in Regulation No. IX.E.1.

<p><b>ALL RISKS FACED BY THE COMPANY IN CARRYING OUT ITS BUSINESS ACTIVITIES HAVE BEEN PRESENTED IN THE ORDER OF PERCEIVED SIGNIFICANCE OF THE IMPACTS OF EACH RISK TO THE COMPANY'S BUSINESS ACTIVITIES AND FINANCIAL PERFORMANCE.</b></p>
---



## VII. SIGNIFICANT EVENT SUBSEQUENT TO THE DATE OF INDEPENDENT AUDITOR'S REPORT

The Company's financial statements for the year ended June 30, 2019, have been audited by KAP Siddharta Widjaja & Rekan (Partner In-Charge: Handrow Cahyadi, CPA, Public Accountant Registration No. AP.1555), based on the Auditing Standards stipulated by the Indonesian Institute of Public Accountant (Institut Akuntan Publik Indonesia, "IAPI"), who expressed an unmodified opinion in its report dated August 26, 2019, which was re-issued on November 21, 2019.

Whereas the Company's financial statements for the years ended June 30, 2018 and 2017, have been audited by KAP Siddharta Widjaja & Rekan (Partner In-Charge: Kusumaningsih Angkawijaya, CPA, Public Accountant Registration No. AP.0848), based on the Auditing Standards stipulated by IAPI, who expressed an unmodified opinion in its report dated September 21, 2018, and September 11, 2017.

Important events after the independent auditors' report date above are as follows:

1. Pursuant to the Deed of Shareholder Resolutions No. 52 dated September 18, 2019, drawn up before Chandra Lim, S.H., L.L.M., a Notary in North Jakarta ("**Deed No. 52/2019**"), the Company's shareholders approved, among others:
  - a. The change of Board of Commissioners composition.
  - b. The plan to distribute final dividends for the fiscal year ended June 30, 2019, and interim dividends for the fiscal year ended June 30, 2020, in the amount of Rp8,956,689,090 and Rp15,043,310,910 respectively.
2. Pursuant to the Deed No. 21/2019, the Company's shareholders approved the followings:
  - a. The plan to change the Company's status from a private company to a public company;
  - b. The change of the Company's name from "PT Ashmore Asset Management Indonesia" to "PT Ashmore Asset Management Indonesia Tbk";
  - c. The plan to change the nominal value of the Company's shares from Rp1,000 to Rp25 per share;
  - d. The Company's plan to conduct a share initial public offering in a maximum amount of 111,111,200 shares with a nominal value of Rp25.- per share, and the allocation of 10% of such new shares for employees through the ESA program;
  - e. The amendment of the Company's articles of association in its entirety, including the amendment of the Company's purpose and objectives as well as business activities in order to conform to Regulation No. IX.J.1;
  - f. The compositions of the Board of Directors and Board of Commissioners.
3. Based on the Circular Resolutions of the Company's shareholders in lieu of EGMS on November 22, 2019, the Company's shareholders decided to:
  - a. Acknowledge that the shareholders have approved the Company's dividend distribution as stipulated in Deed No. 52/2019.
  - b. Annul the decision and change the amount to be paid for the final dividends for the fiscal year ended June 30, 2019, to Rp8,389,653,840, and the amount of interim dividends for the fiscal year ended June 30, 2020, to Rp15,610,346,160.

The Company has also obtained approval from the Company's Board of Commissioners based on the Circular Resolutions in lieu of the Company's Board of Commissioners Meeting dated November 21, 2019 in relation to the distribution of interim dividends for the year ending in June 30, 2020 to Rp15,610,343,160.

4. Based on the Circular Resolutions of the Company's shareholders in lieu of EGMS on November 28, 2019 and the Circular Resolutions in lieu of the Company's Board of Commissioners Meeting dated 28 November 2019, the shareholders and Board of Commissioners approved to utilize net profit of the Company amounted to Rp13,000,000,000 to be distributed as interim dividends for the year ending 30 June 2020 to the shareholders of the Company. Payment of interim dividends was made on December 3, 2019.

## VIII. DESCRIPTION OF THE COMPANY, THE COMPANY'S BUSINESS ACTIVITIES, TRENDS AND PROSPECTS

### A. BRIEF HISTORY OF THE COMPANY

The Company is a limited liability company that was legally established under Indonesian Law and is domiciled in South Jakarta. The Company was established under the name of PT Buana Megah Abadi pursuant to the Company's Deed of Establishment No. 250 dated January 29, 2010, drawn up before Irawan Soerodjo, S.H., a Notary in Jakarta, and was approved as a legal entity by the MOLHR by virtue of Decree No. AHU-AH.01.01.Tahun.2010-0156625 dated February 23, 2010, which was registered in the Company Register under No. AHU.0014438.AH.01.09.Tahun 2010, dated February 23, 2010, and announced in the State Gazette of the Republic of Indonesia No. 89 dated November 5, 2010, Supplement No. 38055 ("**Deed of Establishment**").

The Company's articles of associations has been amended several times, and was last amended pursuant to the Deed No. 21/2019, in which the Company's shareholders approved, among others, the amendments in connection with the change of (i) the Company's name, (ii) the Company's status from a private company to a public company, (iii) the nominal value of the Company's shares, (iv) the Company's purpose and objectives as well as business activities, and (v) the amendment of the articles of association to conform to the provisions of the laws and regulations in the capital market.

In 2012, the Company changed its name from PT Buana Megah Abadi to PT Ashmore Asset Management Indonesia pursuant to the Deed of Shareholder Resolutions No. 32 dated October 11, 2012, drawn up before Jose Dima Satria, S.H., M.Kn., a Notary in South Jakarta, the change in Articles of Association of which was approved by the MOLHR by virtue of Decree No. AHU-53481.AH.01.02 Tahun 2012 dated October 16, 2012.

Pursuant to the provisions of Article 3 of the Company's articles of association, the purpose and objectives of the Company are as follows:

- To engage in the services of a securities company, particularly in investment manager services.
- To engage in the investment advisory services.

To achieve the aforementioned purpose and objectives, the Company may carry out the following main business activities:

1. The Company's main business activities consist of:
  - a. Managing securities portfolios for the benefit of customers based on fund management agreements signed by and between the Company and its customers, which are prepared in accordance with the requirements of FSA regulations.
  - b. Managing collective investment portfolios for the benefit of groups of customers by means of, or through products regulated by the FSA regulations.
  - c. Providing advice on the sale and purchases of securities in exchange of fees.
2. The supporting activities of the Company's main business activities are as follows:
  - a. Undertakes other activities as permitted by the FSA and in accordance with the requirements stipulated by the FSA.
  - b. Undertakes other businesses related to the main business activities referred to above in accordance with the prevailing laws and regulations.

The Company is a subsidiary of the Ashmore Investment Management limited. Its parent company, Ashmore Group Plc, has become a public company in 2006, a leading specialist Emerging Markets investment manager in the world, with long-established track records and has experienced various market cycles. Ashmore Group has specialized in the emerging markets since its establishment in 1992 and as proof of its specialization, Ashmore Group currently provides access to the diverse range of emerging markets investment opportunities through eight headline investment themes namely external debt, local currency debt, corporate debt, blended debt, equity, private equity, liquidity and multi asset. Today,

Ashmore Group continues to innovate, offering new products and strategies that provide an opportunity for investors to participate in the development of emerging markets.

Ashmore Group has 296 personnel, 93 of which are professional investment personnel with a deep knowledge and experience of investing in emerging markets, established over the past 27 years. The Ashmore team has a broad access to the investors' network of at least 60 emerging countries that has been built over the past few decades. Ashmore team has office network across 12 countries, consisting of 7 countries that provide investment manager services with local investment management platforms in Colombia, India, Indonesia, Peru, Saudi Arabia, United Arab Emirates and the People's Republic of China, as well as 5 countries that provides global investment management and distribution capabilities in the United States, United Kingdom, Ireland, Singapore and Japan. As at 30 September 2019, Ashmore Group plc manages funds totaling USD91.9 billion.

As a member of the Ashmore Group, the Company enjoys the following benefits:

- **INVESTMENT**

As a member of the Ashmore Group, one of the leading global emerging markets specialist in investment manager that has invested in Indonesia for more than 15 years, the Company has a competitive advantage. With an Investment Team of specialists focused on one of the largest emerging economies in Asia, the Company shares its insights on macroeconomic conditions, valuations and insights on global investors' sentiments on Indonesia with Ashmore Group's investment teams. If necessary, the Company also shares research insights with Ashmore Group's regional teams for comparative purposes. In addition, Ashmore Group's long-term investment in government bonds, including in Indonesia, provides the Company with network access to policymakers, both in central banks and governments.

- **OPERATIONS**

The Ashmore Group support the Company's operations in the following key areas: 1) operational systems; and 2) risk management The Company adopts high standards for its information technology systems in the form of thinkFolio and dimension systems. In addition, the Ashmore Group's risk management team, and global and local compliance teams (headed by the team from Singapore) actively monitor the Company's operational risks through monthly and ad-hoc meetings to discuss business and performance.

- **RISK MANAGEMENT**

The RMC function is responsible for the policies and procedures related to risk management and operates under the Company's investment committee and RCC. The Company's RMC function is supported by the Ashmore Group's RMC function. For example, the Company's risk management analysis and reporting system is consistent with the system adopted by the Group Risk Management Unit. In its daily activities, the RMC function ensures the availability of analysis on market, liquidity, operational, and counterparty risks. The RMC function is distinct from the investment team, but it cooperates with all corporate units to promote the Ashmore Group's risk management culture.

The Company's Office is located at Pacific Century Place Building, SCBD, Lot 10, Level 18, Jl. Jendral Sudirman Kav. 52-32, Senayan, Kebayoran Baru, South Jakarta, DKI Jakarta.

## B. THE COMPANY'S CAPITAL STRUCTURE AND SHAREHOLDER COMPOSITION

In accordance with its Deed of Establishment, the Company's capital structure as of its establishment were as follows:

Description	Nominal Value of Rp1,000 (full amount) per share		
	Total Shares	Total Nominal (Rp)	Percentage (%)
<b>Authorized Capital</b>	<b>1,000,000</b>	<b>1,000,000,000</b>	<b>-</b>
<b>Issued and Paid-up Capital</b>			
Mustapa Kamal	450,000	450,000,000	90
Gatot Widodo	50,000	50,000,000	10
<b>Total Issued and Paid-up Capital</b>	<b>500,000</b>	<b>500,000,000</b>	<b>100</b>
<b>Total Shares in Portfolio</b>	<b>500,000</b>	<b>500,000,000</b>	<b>-</b>

The following changes to the Company's capital structure and shareholder composition were made in 2017, 2018, and 2019:

## 2017

In 2017, pursuant to the Deed No. 01 dated August 1, 2017, drawn up before Chandra Lim, S.H., M.H., a Notary in Jakarta, which was approved by the MOLHR by virtue of Decree no. AHU-0017705.AH.01.02.Tahun 2017 dated September 24, 2017, the shareholders approved the reduction of the Company's issued and paid-up capital from Rp35,000,000,000 to Rp25,000,000,000, consisting of 100,000,000 shares with a nominal value of Rp1,000.

Following the capital reduction referred to above, the capital structure and shareholder composition of the Company were as follows:

Description	Nominal Value of Rp1,000 per share		
	Total Shares	Total Nominal (Rp)	Percentage (%)
<b>Authorized Capital</b>	<b>100,000,000</b>	<b>100,000,000,000</b>	-
<b>Issued and Paid-up Capital</b>			
• Ashmore Investment Management Limited	16,676,500	16,676,500,000	66.71
• PT Adikarsa Persada Nusantara	3,573,500	3,573,500,000	14.29
• Ir. Ronaldus Gandahusada	1,750,000	1,750,000,000	7.00
• FX Eddy Hartanto	1,500,000	1,500,000,000	6.00
• Arief Cahyadi Wana	1,500,000	1,500,000,000	6.00
<b>Total Issued and Paid-up Capital</b>	<b>25,000,000</b>	<b>25,000,000,000</b>	<b>100</b>
<b>Total Shares in Portfolio</b>	<b>75,000,000</b>	<b>75,000,000,000</b>	-

## 2018

Pursuant to the Deed No. 34 dated February 26, 2018, drawn up before Chandra Lim, S.H., M.H., a Notary in Jakarta, which was notified to the MOLHR in relation to the changes in the Company's data based on Letter No. AHU-AH.01.03.0087023 dated February 28, 2018, the Company's shareholders approved the transfer of 3,573,500 shares held by PT Adikarsa Persada Nusantara to PT Adikarsa Sarana as stipulated in the Deed of Sale and Purchase and Transfer of Shares No. 35 dated February 26, 2018, from PT Adikarsa Persada Nusantara to PT Adikarsa Sarana.

The Company's shareholder composition subsequent to the transfer of shares are as follows:

Description	Nominal Value of Rp1,000 per share		
	Total Shares	Total Nominal (Rp)	Percentage (%)
<b>Authorized Capital</b>	<b>100,000,000</b>	<b>100,000,000,000</b>	-
<b>Issued and Paid-up Capital</b>			
• Ashmore Investment Management Limited	16,676,500	16,676,500,000	66.71
• PT Adikarsa Sarana	3,573,500	3,573,500,000	14.29
• Ir. Ronaldus Gandahusada	1,750,000	1,750,000,000	7.00
• FX Eddy Hartanto	1,500,000	1,500,000,000	6.00
• Arief Cahyadi Wana	1,500,000	1,500,000,000	6.00
<b>Total Issued and Paid-up Capital</b>	<b>25,000,000</b>	<b>25,000,000,000</b>	<b>100</b>
<b>Total Shares in Portfolio</b>	<b>75,000,000</b>	<b>75,000,000,000</b>	-

## 2019

Pursuant to the Deed No. 21/2019, the Company approved the change in the nominal value of the Company's shares from Rp1,000 to Rp25, resulting in the current capital structure and shareholder composition as described below:

Description	Nominal Value of Rp 25 per share		
	Total Shares	Total Nominal (Rp)	Percentage (%)
<b>Authorized Capital</b>	<b>4,000,000,000</b>	<b>100,000,000,000</b>	
<b>Issued and Paid-up Capital</b>			
• Ashmore Investment Management Limited	667,060,000	16,676,500,000	66.71
• PT Adikarsa Sarana	142,940,000	3,573,500,000	14.29
• Ir. Ronaldus Gandahusada	70,000,000	1,750,000,000	7
• Arief Cahyadi Wana	60,000,000	1,500,000,000	6
• FX Eddy Hartanto	60,000,000	1,500,000,000	6
<b>Total Issued and Paid-up Capital</b>	<b>1,000,000,000</b>	<b>25,000,000,000</b>	<b>100</b>
<b>Total Shares in Portfolio</b>	<b>3,000,000,000</b>	<b>75,000,000,000</b>	

Pursuant to the Deed No. 21/2019, the Company has approved the issuance of shares from portfolio, at the maximum of 111,111,200 (one hundred eleven million one hundred eleven thousand two hundred) shares with a nominal value of Rp25 (twenty five Rupiah) or 10% (ten percent) of the Company's issued and paid-up capital subsequent to the Share Initial Public Offering.

### C. SIGNIFICANT EVENTS AFFECTING THE COMPANY'S BUSINESS ACTIVITIES

Presented below are selected key milestones or events that affect the Company's business activities.

Year	Milestone
2015	Won the Infovesta Best Mutual Fund Award for ADPN as the Best Performance in Equity Fund 1 Year Period for assets under management above Rp1 trillion.
2016	Launched the Money Market mutual funds
2017	Launched the Bond Mutual Funds with low tenor; Won the Bloomberg Award for ADPN as the Best Performance in Equity Fund 3-Year Period for assets under management above Rp650 billion.
2018	The Company achieved a total assets under management above Rp25 trillion at the end of 2018, making it one of the asset management companies with the fastest growth in assets under management.
2019	Launched the first ETF Mutual Funds for the Company.

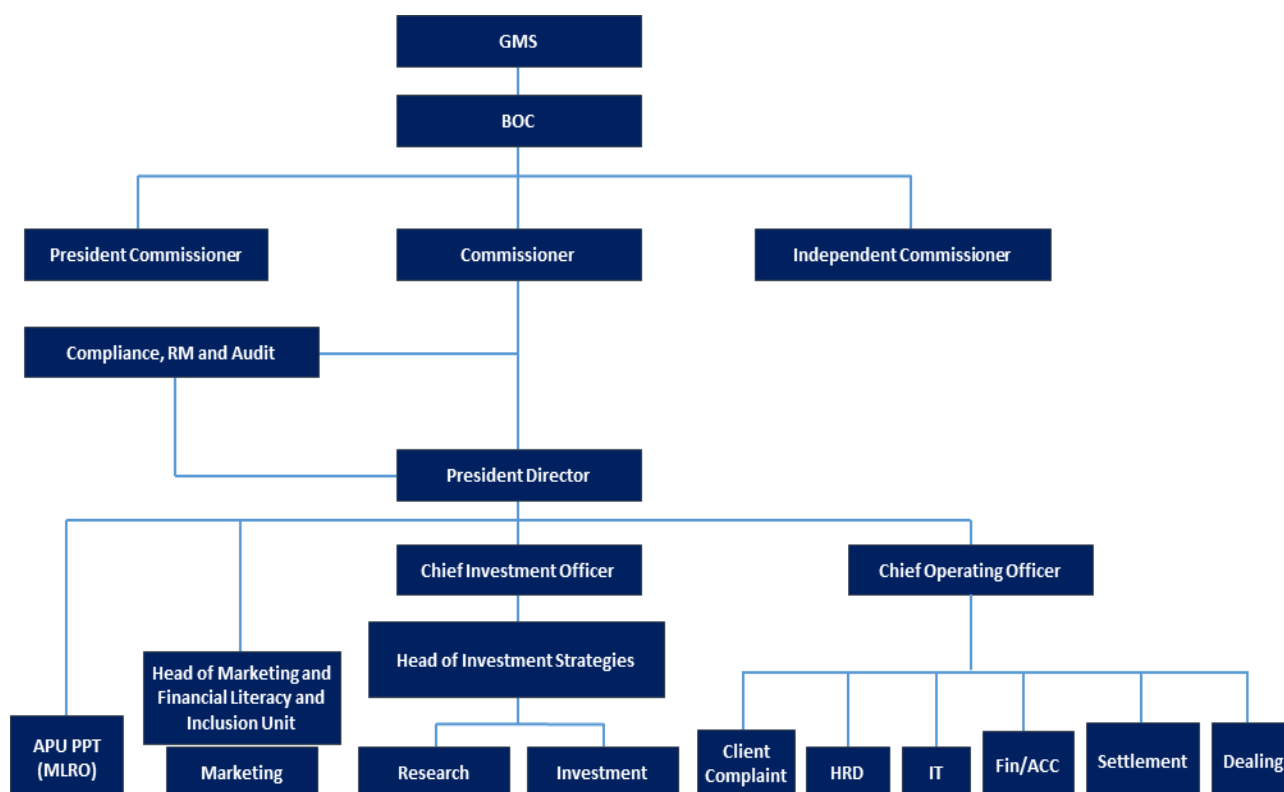
### D. THE COMPANY'S MANDATORY LICENCE REQUIREMENTS

Up to the date of issuance of this Prospectus, the Company has obtained the following material licenses:

No.	License	Number, Date and Issuing Institution	Description
1.	Investment Manager License	Business License for Securities Companies Undertaking Business Activities as an Investment Manager pursuant to the Decision of Indonesian Capital Market and Financial Institutions Supervisory Agency Chairman No. KEP-04/BL/MI/2011 dated June 15, 2011.	Effective from the date of issuance.
2.	Investment Advisor License	Business License for Securities Companies Undertaking Business Activities as an Investment Advisor pursuant to the Decision of the Board of Commissioners of FSA No. Kep-9/D.04/2018 dated March 14, 2018.	Effective from the date of issuance.

## E. ORGANIZATION STRUCTURE

Presented below is the chart of the Company's organization structure as of the issuance of this Prospectus.



## F. MANAGEMENT AND SUPERVISION OF THE COMPANY

As stipulated in Deed No. 21/2019, which notification of amendment was received by the MOLHR by virtue of Receipt of Notification of Company Data Changes No. AHU-AH.01.03-0347159 dated October 17, 2019, the Company's 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	:	Thomas Adam Shippey
Commissioner	:	Michael Matthias Winter
Independent Commissioner	:	Satriadi Indarmawan

### **Board of Directors**

President Director	:	Ir. Ronaldus Gandahusada
Director	:	FX Eddy Hartanto
Director	:	Arief Cahyadi Wana

Presented below are the brief profiles of each member of the Company's Board of Commissioners and Board of Directors:

## Board of Commissioners



### **Thomas Adam Shippey, President Commissioner**

*English Citizen, 45 years old.*

Serving as the Company's Commissioner since 2012.

*Earned his Bachelor of Science in International Business and Modern Languages from Aston University, UK, in 1996.*

- *Serving as a President Commissioner of PT Ashmore Asset Management Indonesia (2012 - present).*
- *Serving as Ashmore Group's Finance Director (2013 - present)*
- *Serving as the Head of Corporate Development of Ashmore Group Plc (2007 - present).*
- *Served as an Executive Director of UBS Investment Bank (1999-2007).*



### **Michael Matthias Winter, Commissioner**

*Switzerland Citizen, 55 years old.*

Serving as the Company's Commissioner since 2019.

*Earned his Swiss Certified Banking Expert Diploma from Swiss government in 1984 and is a Chartered Financial Analysts*

- *Serving as a Commissioner of PT Ashmore Asset Management Indonesia (2019-present).*
- *Serving as the Head of Business Asia Pacific of Ashmore Investment Management (Singapore) Pte Ltd (2011 - present).*
- *Served as the Managing Director of UBS Global Asset Management Singapore (2001-2011).*
- *Served as the Head of Private Banking Investment Services, UBS Brinson Singapore (1998-1999).*
- *Served as a Fund Manager/Deputy CIO of UBS Asset Management East Asia (1995-1998).*
- *Served as the Fund Manager of UBS Asset Management Zurich (1991-1995).*



### **Satriadi Indarmawan, Independent Commissioner**

*Indonesian Citizen, 53 years old.*

Serving as the Company's Commissioner since 2019.

*Earned his Bachelor of Economics in Accounting from University of Indonesia (1990) and Master of Applied Finance from Macquarie University (1995).*

- *Serving as an Independent Commissioner of PT Ashmore Asset Management Indonesia (2019-present).*
- *Serving as a member of PT Mandiri Sekuritas' Audit Committee (2018 - present).*
- *Served as the CFO of PT Krida Bahari (2016-2018)*
- *Served as the CFO of PT Cipta Kridatama (2010-2016)*
- *Served as the CFO of PT Bakrie Construction (2005-2010)*
- *Served in the Audit Department of IBRA (2000-2005)*
- *Served as a Senior Manager at PT Bank Bumiputera (1995-2000)*
- *Served as an accountant at IBM Indonesia (1990-1995)*

## Board of Directors



**Ir. Ronaldus Gandahusada, President Director**

*Indonesian Citizen, 56 years old.*

Serving as the Company's President Director since 2012.

Earned his Master of Business in Banking and Finance from University of Technology Sydney, Australia in 1993.

- Serving as the President Director of PT Ashmore Asset Management Indonesia (September 2012-present).
- Served as a Director, Senior Portfolio Manager of PT Schroder Investment Management Indonesia (2012 – August 2012).
- Served as the President Director of PT Schroder Investment Management Indonesia (1998 – 2011).
- Served as an Investment Analyst and Portfolio Manager of PT Schroder Investment Management Indonesia (1994 – 1998).
- Served as a Manager, Special Project, of Standard Chartered Bank Jakarta (1993 – December 1993).



**FX Eddy Hartanto, Director**

*Indonesian Citizen, 62 years old.*

Serving as the Company's Director since 2012.

Earned his Bachelor of Law from Gadjah Mada University, Indonesia, in 1982.

- Serving as the Director of PT Ashmore Asset Management Indonesia (2012-present).
- Served as the President Commissioner of PT Deutsche Securities Indonesia (2005 – 2012).
- Served as the Chief Operating Officer of PT Deutsche Verdana Indonesia (2005 – 2012).
- Served as the Director of Operations of PT Deutsche Securities Indonesia (2004 – 2005).
- Served as the Director of Operations of PT JP Morgan Securities Indonesia (1997 – 2004).
- Served as an Assistant Vice President at Citibank (1989 – 1996).



**Arief Wana, Director**

*Indonesian Citizen, 45 years old.*

Serving as the Company's Director since 2012.

*Earned his Bachelor of Business Administration (Finance) from San Francisco State University, USA, in 1995.*

- Serving as the Director of PT Ashmore Asset Management Indonesia (June 2012 – present).
- Served as the Finance Director PT Elang Mahkota Teknologi Tbk (2011 – 2012).
- Served as the Head of Equity Research of Credit Suisse Securities Indonesia (2005 – 2011).
- Served as an Analyst at PT JP Morgan Securities Indonesia (2001 – 2005).
- Served as an Assistant Research Indonesia at Jardine Fleming Indonesia (1997 – December 2000).
- Served as a Financial Analyst at Inti Salim Corporation (1996 – 1997).

There are no contracts related to employee benefits for members of the Board of Commissioners and Board of Directors after the end of their respective terms of office.



There are no other material interests outside their capacities as members of the Board of Directors with respect to the public offering or listing of shares on the Stock Exchange.

There are no other matters that may prevent Board of Directors' ability from carrying out their duties and responsibilities as members of the Board of Directors in the Company's interest.

There are no family relationships between each of members of the Board of Directors and Board of Commissioners as of the issuance of this Prospectus.

Ir. Ronaldus Gandahusada, FX Eddy Hartanto and Arief C. Wana have executed Undertaking Letters where each of the members of the Board of Directors gives his undertaking to Ashmore Investment Management Limited to serve as the directors of the Company for a period of no less than three consecutive years as of the Listing Date, unless he is removed by a GMS.

There is no agreement made between the Board of Commissioners and the ultimate shareholders of the Company, suppliers, customers and/or other third party related to the placement or the appointment of the Board of Commissioners of the Company.

The appointment of the Company's Board of Commissioners and Board of Directors complies with the relevant Indonesian regulations, including regulations concerning dual position, as stipulated in the FSA Regulation No. 33/2014.

## **G. GOOD CORPORATE GOVERNANCE ("GCG")**

The Company continuously puts the aspects of good corporate governance as an integral part of and the basis of all aspects of the Company's activities, either operational or supporting activities, in order to strengthen the Company's position amidst fierce competition in the industry. The Company believes that appropriate GCG implementation is able to support the Company's efforts to realize all its business targets and protect the interests of all stakeholders.

The Company consistently complies with the reporting requirements and implements all regulatory requirements stipulated by the FSA, IDX, and KSEI, and complies with the regular reporting requirements to the Director General of Taxes.

### **GCG Principles**

In carrying out its activities, the Company is consistently required to observe GCG principles. In practice, the Company has implemented GCG principles on accountability and transparency in all lines of business. Employees and the Board of Directors are obligated to declare, on a quarterly basis, their share ownerships/investments, political interest, and second employment in order to minimize conflicts of interest between employees and customers. These declarations are stored in the Company's system. In addition, Ashmore has established the code of conduct including its own GCG guidelines.

In terms of product information transparency, data for retail and institutional customers are prepared automatically by system and delivered reasonably. The Company implements the principles of transparency in the followings:

- broker selection and continuous review;
- providing reasonable and accurate information to selling agent partners and customers;
- regularly issuing product information data through its monthly Fund Fact Sheet; and
- providing accurate product information that is regularly updated on the Company's website.

### **Duties and responsibilities of the Board of Commissioners**

In accordance with the Company's articles of association, the Board of Commissioners is in charge of and is responsible for the supervision of management of the Company and its business in general by the Board of Directors, and to advise the Board of Directors and supervise the implementation of the Company's long-term business plan (*Rencana Jangka Panjang Perusahaan*), work plan and budget, and the provisions of the articles of association and resolutions of the GMS, and the prevailing laws and regulations, on behalf

of the Company's interests. The Board of Commissioners continuously monitors the effectiveness of policy making, performance and decision making processes undertaken by the Board of Directors to ensure their compliance with the directions provided by the shareholders.

In accordance with Deed No. 21/2019, the responsibilities and authorities of the Board of Commissioners shall be as described below:

- a. To 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 to provide advice to the Board of Directors;
- b. To be responsible for and authorized to perform the supervision of management policies, and the management of the Company in general, including to request the assistance of experts in carrying out their duties;
- c. To be authorized to temporarily discharge one or more members of the Board of Directors from their positions, in the event that such members are deemed to have acted in contrary to the articles of association;
- d. To prepare the segregation of duties, which shall be regulated by themselves;
- e. To prepare the Work Plan and Budget of the Board of Commissioners, which shall become an integral part of the Company's Work Plan and Budget.

Further details regarding the duties and authorities of the Company's Board of Commissioners and Board of Directors are presented in the Chapter XV Key Provisions Of The Articles Of Association And Other Key Provisions Relating To The Shareholders.

## Board of Commissioners Meeting and Attendance

The Board of Commissioners meeting shall be held once every 1 (one) year, at the minimum, including the Board of Commissioners and Board of Directors Coordination Meeting. The Commissioners' term of office of is determined by the shareholders at the GMS.

### Summary of the Board of Commissioners meetings in June 2019:

Name	Number of Meeting	Attendance	Percentage of Attendance
Elaine Cheung*	1	1	100%
Thomas Shippey	1	1	100%

\*Elaine Cheung served as the Company's Commissioner up to August 2019.

Furthermore, the Board of Commissioners has held 12 (twelve) Board of Commissioners and Directors Coordination meetings and meetings with other stakeholders.

## Training for the Board of Commissioners

Up to June 2019, the Board of Commissioners has attended and participated in the following training courses:

Topics of Training	Date	Participant
• <i>Market Abuse Regulation</i>	January 14, 2019	Elaine Cheung and Thomas Adam Shippey
• <i>Information Security Training</i>	March 4, 2019	Elaine Cheung and Thomas Adam Shippey
• <i>Failure to Prevent Tax Evasion</i>	May 20, 2019	Elaine Cheung and Thomas Adam Shippey
• <i>Equality and Diversity in workplace</i>	May 20, 2019	Elaine Cheung and Thomas Adam Shippey
• <i>Modern Slavery</i>	May 20, 2019	Elaine Cheung and Thomas Adam Shippey

## Duties and Responsibilities of the Board of Directors

In accordance with Deed No. 21/2019, the duties and authorities of the Board of Directors are as follows:

- a. The Board of Directors is responsible for taking all actions related to the management of the Company for the best interest of the Company and in accordance with the Company's purpose and objectives.

- b. The authorities and obligations of the Board of Directors in carrying out their duties are as follows:
- a. 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, among others:
    1. To bind themselves into agreements that do not require the approval of the Board of Commissioners or the GMS in accordance with the provisions of this articles of association, requires approval from BOD meeting;
    2. To approve material third-party fees such as consulting fees, broker fees, or legal fees, requires approval from BOD meeting;
    3. To make any decision in relation to any court proceedings or legal proceedings concerning claims which amount exceeds the limit specified by the Board of Commissioners from time to time, or in the case where such amount does not exceed the specified limit, claims that may have material adverse effects to the Company, requires approval from BOD meeting.

Other limitations can be seen in Chapter XV on Key Provisions of the Articles of Association and Other Key Provisions Relating to the Shareholders.

- b. The Board of Directors shall be obligated to, among others:
  - 1) To manage and/or operate the Company in accordance with the resolutions adopted by the GMS;
  - 2) To hold Board of Directors Meetings on a periodical basis, and to hold Board of Commissioners and Directors Coordination Meetings on a periodical basis;
  - 3) To create and maintain the Shareholder Register and Special Register at the Company's place of domicile.

## **Summary of the Board of Directors Meeting and Attendance**

The recapitulation of the Board of Directors Meeting in the previous year as of June 30, 2019, is presented below:

<b>Name</b>	<b>Number of Meeting</b>	<b>Attendance</b>	<b>Percentage of Attendance</b>
Ir. Ronaldus Gandahusada	12	12	100%
FX Eddy Hartanto	12	12	100%
Arief Wana	12	12	100%

## **Training for the Board of Directors**

Up to June 2019, the Board of Directors has attended and participated in the following training courses:

<b>Topics of Training</b>	<b>Date</b>	<b>Participant</b>
• AML (Anti Money Laundering)	September 28, 2018	Ir. Ronaldus Gandahusada, FX Eddy Hartanto dan Arief Wana
• Whistleblowing	September 28, 2018	Ir. Ronaldus Gandahusada, FX Eddy Hartanto dan Arief Wana
• Information Security Training	November 30, 2018	Ir. Ronaldus Gandahusada, FX Eddy Hartanto dan Arief Wana
• Market Abuse Regulations	Jan 31, 2019	Ir. Ronaldus Gandahusada, FX Eddy Hartanto dan Arief Wana
• Failure to Prevent Tax Evasion	March 29, 2019	Ir. Ronaldus Gandahusada, FX Eddy Hartanto dan Arief Wana
• Equality and Diversity in the Workplace	June 27, 2019	Ir. Ronaldus Gandahusada, FX Eddy Hartanto dan Arief Wana
• Modern Slavery	June 27, 2019	Ir. Ronaldus Gandahusada, FX Eddy Hartanto dan Arief Wana

## REMUNERATION OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS

Based on the shareholder resolutions, the total salaries and benefits of the Company's Board of Commissioners and Directors amounted to Rp17,394,628,770 as of June 30, 2017; Rp19,018,696,149 as of June 30, 2018; Rp20,200,103,749 as of June 30, 2019.

## CORPORATE SECRETARY

Pursuant to the Board of Directors Directive No. 011 dated July 17, 2019, concerning the reassignment of PT Ashmore Asset Management Indonesia Tbk's employee, the Company's Board of Directors has approved the appointment of Ms. Lydia Jessica Toisuta as the Company's Corporate Secretary as required by the FSAR No. 35. The Company's corporate secretary may be contacted at the following address:

**Head Office**  
*Corporate Secretary*  
**PT ASHMORE ASSET MANAGEMENT INDONESIA TBK**

**Head Office**  
Pacific Century Place, Level 18 SCBD Lot 10, Jl. Jendral Sudirman Kav 52-53  
Jakarta 12190  
Phone : (021) 2953 9000  
Fax: (021) 2953 9001  
Email: cosec.indonesia@ashmoregroup.com  
Website: www.ashmoregroup.com

In accordance with the Company's organization structure, the roles and responsibilities of the Company's corporate secretary are as follows:

1. Public Relations
  - a. Review and coordinate the implementation of public relations activities
  - b. Review and coordinate the implementation of promotional activities and publications to build, maintain and improve the Company's image
2. Inter-institutional Relations and Compliance
  - a. Review and coordinate the implementation of GCG management
  - b. Review and coordinate the implementation of inter-institutional relations and international relations
3. Investor Relations
  - a. Provide information concerning the Company's conditions to investors, analysts and mass media
  - b. Provide advice to the management with respect to the Company's shares.

No competency building training programs for the Company's Corporate Secretary were held in 2019.

Presented below is the brief profile of the Company's Corporate Secretary:

**Lydia Jessica Toisuta**  
Corporate Secretary

Indonesian Citizen, domiciled in Jakarta. Born in Jakarta on June 25, 1985. Earned her Bachelor's Degree in Banking and Finance (2006) from Monash University, Australia.

She serves as the Vice President of Marketing and Distribution for PT Ashmore Asset Management Indonesia Tbk from August 15, 2016, and was appointed as the Company's Corporate Secretary based on the resolutions of the Board of Commissioners and Directors of PT Ashmore Asset Management Indonesia Tbk.

## AUDIT COMMITTEE

The Company's Audit Committee has been established in accordance with the requirements of the prevailing law and regulations pursuant to the Resolution of the Board of Commissioners No. 005/DIR-

ASH/0719 on the Establishment of Audit Committee of PT Ashmore Asset Management Indonesia Tbk dated October 11, 2019, with the following composition:

**Satriadi Indarmawan**

Chairman of Audit Committee

**Vidvant Brahmantyo**

Member of Audit Committee

Indonesian Citizen, domiciled in Jakarta. Born in Yogyakarta on December 5, 1979. Earned his Bachelor's degree in Accounting from University of Indonesia in 2004. Vidvant joined PT RSM Indonesia Konsultan in 2018, and currently serves as Partner and Leader of Governance, Risk & Control (GRC) Service.

He has served as a Member of the Audit Committee of the Company from October 11, 2019, and was appointed as a Member of the Audit Committee pursuant to the resolutions of the Board of Commissioners and Directors of the Company.

**Wahyuni**

Member of Audit Committee

Indonesian Citizen, domiciled in Jakarta. Born in Sukoharjo on December 6, 1988. Earned her Bachelor's degree in Accounting from University of Indonesia in 2010. Wahyuni began her career as an auditor in a public accounting firm, and has eight years of experience in the oil and gas industry, specializing in internal control and business process management.

She has served as a Member of the Audit Committee of the Company since October 11, 2019, and was appointed as a Member of the Audit Committee based on the resolutions of the Board of Commissioners and Directors of the Company.

The duties of the Company's Audit include assisting the Board of Commissioners to achieve a competent and independent monitoring system and implementation in the Company, including but not limited to:

1. Assisting the Board of Commissioners to ensure the effectiveness of internal control systems for mitigating the risk of misappropriation in the management of the company;
2. Improving the quality of the Company's financial statements;
3. Identifying matters that require the attention of the Board of Commissioners, including the Company's decision with respect to prevailing laws and regulations;
4. Monitoring the independency of internal and external audit functions appointed by the Company.

The duties, responsibilities, and authorities of the Audit Committee are as follows:

Duties and responsibilities of the Company's Audit Committee:

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 prevailing laws and regulations applicable to the Company's activities;
3. Provide an independent opinion in the event of difference of opinion between the management and the accountant with respect to the services provided;
4. Provide recommendations 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 team and supervise the implementation of follow-up actions by the Board of Directors on internal auditor's findings;
6. Review the implementation of the risk management policy by the Board of Directors, if the Company has no risk monitoring function under the Board of Commissioners;
7. Review complaints related to the Company's financial reporting and accounting processes;
8. Provide opinions and advice to be considered by the Board of Commissioners with respect to the approval of the appointment and discharge of the Head of Internal Audit;

9. Review and provide advice to the Board of Commissioners on potential conflicts of interest in the Company;
10. Maintain the confidentiality of the Company's documents, data and information.

#### Authorities of the Company's Audit Committee:

1. Access the Company's documents, data and information regarding the Company's employees, funds, assets, and resources as required;
2. Directly communicate with employees, including the Board of Directors and the parties undertaking the internal audit and risk management functions as well as the accountant with respect to the duties and responsibilities of the Audit Committee;
3. Engage the necessary independent parties outside the members of the Audit and Corporate Governance Policies Committee to assist the implementation of its duties (if necessary); and
4. Undertake other authorities granted by the Board of Commissioners.

There has not been an Audit Committee meeting or a brief report on the Committee's activities considering that the Audit Committee was formed on 11 October 2019.

### **INTERNAL AUDIT UNIT (IAU)**

The Company's Internal Audit Unit has been established in accordance with the requirements of the prevailing law and regulations pursuant to the Resolution of the Board of Directors No. 002/DIR-ASH/0719 on the Establishment of Internal Audit Unit of PT Ashmore Asset Management Indonesia Tbk dated October 14, 2019, with the following composition:

#### **Humaira Nurbani Putri**

Head of Internal Audit Unit

Indonesian Citizen, domiciled in Jakarta. Born in Lebak on March 25, 1986. Earned her Bachelor of Economics with a major in Management and Banking (2006) from ABFI, Perbanas Institute, Indonesia. She is a Certified Risk Professional from LSPN and has obtained the individual Investment Manager Representative (*Wakil Manajer Investasi*, "WMI") from Indonesian Capital Market and Financial Institutions Supervisory Agency pursuant to the Decree of the Board of Commissioners of the Financial Services Authority Number Kep-28/BL/WMI/2007 on the Grant of Investment Manager Representative License dated February 23, 2007, which was extended based on the Decree of the Board of Commissioners of the FSA Number KEP-264/PM.211/PJ-WMI/2018 dated November 5, 2018.

She has served as the Compliance, Risk Management, and Internal Audit for the Company from October 2012, and was appointed as the Chairman of Internal Audit Unit based on the resolutions of the Board of Commissioners and Directors of the Company.

The Company has established an Internal Audit Unit Charter, which was ratified by the Board of Directors on October 14, 2019.

The duties of the internal audit unit are as follows:

- Prepare and implement the annual internal audit plan;
- Test and evaluate the implementation of internal control and risk management systems in accordance with company policy;
- Audit and assess the efficiency and effectiveness of the finance, accounting, operation, human resources, marketing, information technology functions and other activities;
- Provide inputs for improvement and objective information regarding the activities audited at all management levels;
- Prepare audit report and submit the report to the president director and the board of commissioners;
- Monitor, supervise, and report the implementation of follow-up actions on the advised improvements;
- Coordinate with the audit committee;
- Prepare programs to evaluate the quality of internal audit activities undertaken;
- Conduct special audit if necessary;

- 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;
- Develop and implement effective annual internal audit plan that provide objective, relevant and timely assurance to the audit committee and senior management on operational processes as agreed by the Internal Audit Unit;
- Ensure professional standards in internal audit services, maintain training records.

Responsibilities of the internal audit unit are as follows:

- The internal audit unit is responsible to submit internal audit report on an annual basis, at the minimum, to the audit committee; and
- The head of internal audit is responsible for the documentation of internal audit records that shall be kept for a certain period in accordance with the Company's guidelines and the prevailing regulations.

The authorities of the internal audit unit are as follows:

- The internal audit unit is authorized by the Board of Directors and is responsible for ensuring that the internal audit team has sufficient support and is independent from management and is not subject to improper restrictions;
- The Board of Directors and the audit committee are responsible for ensuring that the Internal Audit Unit has access to information necessary to effectively perform its functions. For this purpose, and with strict responsibility for ensuring secure and confidential records, the Internal Audit Unit has unlimited rights to obtain accurate information required, and has the ability to review all of the Company's activities and processes in connection with its responsibilities, including having access to all records, files, or data, including management information and minutes of decision making of the relevant parties in order to carry out its duties; and
- The Internal Audit Unit has the right to attend and observe key management decision making committee meeting, including RCC, and to conduct other incidental meetings.
- The Internal Audit Unit is authorized to directly communicate with the president director, board of commissioners, and/or audit committee. Notwithstanding the above authorities, the head of internal audit may also periodically meet the president director, board of commissioners, and/or audit committee.

## **NOMINATION AND REMUNERATION COMMITTEE**

The Company has not established a Nomination and Remuneration Committee; therefore, the nomination and remuneration functions are undertaken by the Board of Commissioners as stipulated in FSAR No. 34/2014.

## **H. HUMAN RESOURCES**

Human resources are the Company's main asset and play a pivotal role in determining the success of the Company's business. Based on such awareness, the Company believes that measures to support the development and improvement of human resources quality to achieve optimal utilization of human resources are absolutely necessary to achieve the Company's mission.

One of the key factors in managing funds and marketing mutual funds is having an adequate number of qualified human resources. With the Company's strong track record in the past six years, the Company has successfully attracted qualified employees with regional and international professional experience to join the Company. The Company also focuses on making sure the leadership regeneration and succession processes are in place for the investment, marketing, operational, and compliance teams. The Company continuously maintains clear career development framework, competitive total compensation, and a corporate culture and teamwork that have been fostered since its establishment in order to attract qualified employees to join the Company.

In terms of employee facilities and welfare, the Company has fully conformed to and complied with the prevailing requirements set forth by the laws and regulations and the Company Regulations.

## Employee Composition

The following tables set forth the Company's employee composition for the years ended June 30, 2019, 2018, and 2017, by employment status, age, level of education and position:

### Employee Composition by Employment Status

Description	June 30,		
	2019	2018	2017
Permanent	21	21	18
Contract Employees	-	-	-
<b>Total</b>	<b>21</b>	<b>21</b>	<b>18</b>

### Employee Composition by Age

Description	June 30,		
	2019	2018	2017
>50	-	-	-
41 – 50	4	3	2
31 – 40	15	14	12
21 – 30	2	4	4
<21	-	-	-
<b>Total</b>	<b>21</b>	<b>21</b>	<b>18</b>

### Employee Composition by Level of Education

Description	June 30,		
	2019	2018	2017
Master's Degree	5	5	4
Bachelor's Degree	16	16	14
Diploma	-	-	-
High School or equivalent	-	-	-
<High School	-	-	-
<b>Total</b>	<b>21</b>	<b>21</b>	<b>18</b>

### Composition of Assigned Employees by Position

Description	June 30,		
	2019	2018	2017
Manager	-	-	-
Staff	21	21	18
Non-staff	-	-	-
<b>Total</b>	<b>21</b>	<b>21</b>	<b>18</b>

### Composition of Assigned Employees by Business Activities

Description	June 30,		
	2019	2018	2017
Investment	8	8	7
Distribution	6	6	4
Operations and legal	7	7	7
<b>Total</b>	<b>21</b>	<b>21</b>	<b>18</b>



## Composition of Assigned Employees by Location

Description	June 30,		
	2019	2018	2017
Jakarta, Indonesia	21	21	18
<b>Total</b>	<b>21</b>	<b>21</b>	<b>18</b>

The Company does not have any employee with a special set of skills whose absence will disrupt the Company's operational activities.

As at the date of issuance of this Prospectus, the Company had no labor union.

As of the date of issuance of this Prospectus, the Company does not employ any foreign employee.

### Employee Benefits and Facilities

The Company provides a number of welfare facilities and programs for its employees and their families. The welfare facilities and programs are provided for all employees.

The facilities and programs are as follows:

- Membership in Worker Social Security Agency (BPJS Ketenagakerjaan)
- Health Insurance (CAR Insurance and BPJS Kesehatan)
- Occupational Allowance
- Religious holiday allowances
- Maternity Allowance
- Group Recreation
- Training and Development Facilities
- Annual Leave

The Company's employee compensation, welfare programs and facilities conform to the department of manpower's rule and regulations, including the prevailing minimum wage regulation.

### Human Resources Development and Training

The Company periodically implements the HR development programs through training and development to support the management's strategic plan. During the year ended June 30, 2019, 21 of the Company's employees have attended the HR development, where new employees attended the Compliance Induction training, and the permanent employees attended the Market Abuse Regulation training.

In 2019, the Company held 7 training sessions, i.e., Market Abuse Regulation; Information Security Training; Tax Evasion Prevention; Equality and Diversity; Modern Slavery; Anti Money Laundering; and Whistle Blowing.

The total number of training sessions and participants of HR development program for Continuing Professional Development and Equality and Diversity for the past 3 (three) years up to June 30, 2019, are as follows: 2 sessions attended by 21 participants in 2019, 2 sessions attended by 21 participants in 2018, and 2 sessions attended by 18 participants in 2017.

The total number of training sessions and participants of HR development program for Information Security Training, Tax Evasion, Anti Money Laundering, and Whistle Blowing for the past 2 (two) years up to June 30, 2019, are as follows: 4 sessions attended by 21 participants in 2019, 4 sessions attended by 21 participants in 2018, and 4 sessions attended by 18 participants in 2017.

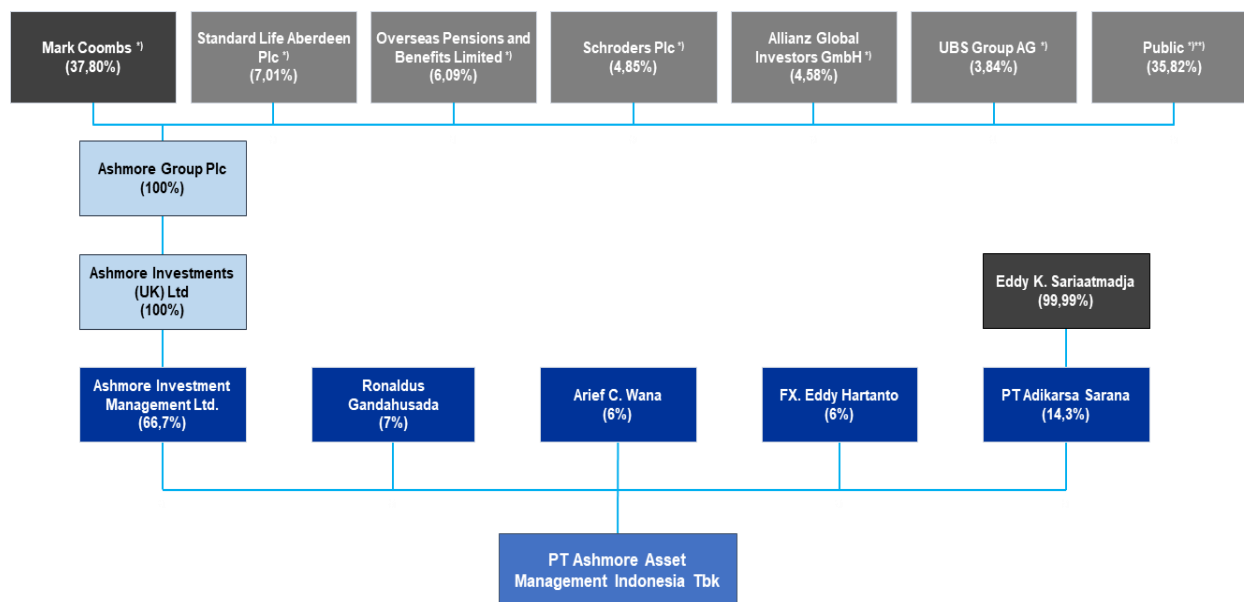
### Employee Stock Allocation Program Agreement

Pursuant to the Deed No. 21/2019, the shareholders have approved the ESA program. ESA is allocated for the Company's employees. The agreement stipulates that the Company intends to allocate ordinary

registered shares to the participants. Any participant intending to accept such allocation shall exchange the allocation in accordance with the procedures set forth in the agreement.

## I. STRUCTURE OF OWNERSHIP

The Company's structure of ownership as at the date hereof is as follows:



Note:

\*) The ownership of each of Ashmore Group Plc shareholders is based on 2019 Ashmore Group Plc Annual Reports and Accounts.

\*\*) Public ownership: public shareholders each holding less than 5% of the share capital.

The Company's controlling shareholder is Ashmore Group Plc through Ashmore Investment Management Limited. Ashmore Group Plc is a public company listed on the London Stock Exchange and has a diversified shareholders comprising predominantly institutional shareholders. Employees are also shareholders as a result of shares granted under the Ashmore Group's remuneration scheme. The controlling shareholder of Ashmore Group Plc pursuant to the applicable rules in the UK is Mark Coombs.

## J. DESCRIPTION OF DIRECT CONTROLLING SHAREHOLDER

### Ashmore Investment Management Ltd

#### Brief History

Ashmore Investment Management Limited was incorporated under the name of Directlike Limited under the laws of the United Kingdom on January 3, 1997, as stated in the articles of incorporation No. 3344281 issued by the Registrar of Companies for England and Wales, United Kingdom. On May 12, 1997, Directlike Limited changed the company name to ANZ Emerging Markets Fund Management Limited ("ANZ"). On February 25, 1999, ANZ changed the company name to Ashmore Investment Management Limited.

#### Business Activities

Ashmore Investment Management Limited is a company engaged in the business activities of investment management.

#### Capital

Ashmore Investment Management Limited is 100% owned by Ashmore Investments (UK) Limited.

## Management

The latest management composition of Ashmore Investment Management Limited is as follows:

### Board of Directors:

Mark Coombs  
Thomas Adam Shippey

## K. MATERIAL AGREEMENTS

### AGREEMENTS WITH AFFILIATED PARTIES

In carrying out its business activities, the Company has entered into the following agreements with its affiliated parties:

a. Services Agreement dated November 27, 2014, between the Company and the Ashmore Group Plc.

Term : Effective from November 27, 2014, unless terminated by any of the parties or both parties thereto.

The Company's Rights and Obligations : The Company shall, among others:

- Pay the invoices in consideration of the services granted by Ashmore Group
- Pay the invoices from Ashmore Group according to the type of services provided.

The Ashmore Group Plc shall, among others:

- Pay for the expenses incurred from the provision of services, including, but not limited to operating expenses.

Contract value : The Company will pay the invoice from Ashmore Group PLC with the calculation of services as follows:

- Based on the proportion of managed funds or usage number for data services, information processing services and contracts;
- Based on the total cost for each IT service divided proportionately based on the number of customers for IT infrastructure services and applications;
- Based on the cost that is divided 50% into two phases: (i) the first phase is divided based on the total cost of managed funds and (ii) the second phase is divided based on the total securities owned for pricing and data management services

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

b. Securities portfolio management agreement with a Company's Affiliate. The general terms and conditions stipulated in the securities portfolio management agreement are as follows:

Scope : The Company provides investment manager services, investment and fund manager services,

and portfolio manager services for equity, capital market, and money market products.

- |  |   |   |
|--|---|---|
| Rights and obligations of the Company        | : | <ul style="list-style-type: none"> <li>• Manage customers' investments and funds, or act as portfolio manager for equity, capital market, and money market products.</li> <li>• Receive compensation for management services.</li> <li>• Prepare monthly management reports.</li> </ul> |
| Benefits and effects acquired by the Company | : | The Company can improve its business through this cooperation.  |

Transactions with affiliated parties are conducted in accordance with the terms and conditions agreed upon by both parties, while promoting reasonable business judgement, financially sound and profitable. The Company has appointed an independent consultant who conducted analysis specifically to ensure compliance with the transfer pricing rules in Indonesia. This analysis includes, (i) analysis of functions, assets and risks; (ii) analysis of economic and income from investment management services; and (iii) economic analysis of payment for intragroup service fees.

## AGREEMENTS WITH THIRD PARTIES

In carrying out its business activities, the Company has entered into the following agreements with third parties that are not affiliated with the Company:

### 1. Collective Investment Contract

- a. Deed of Ashmore Dana Ekuitas Nusantara Mutual Fund Collective Investment Contract No. 19 dated November 27, 2012 as lastly amended by the Deed of Addendum VIII to the Ashmore Dana Ekuitas Nusantara Mutual Fund Collective Investment Contract No. 41 dated September 18, 2019, both were drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and PT Bank HSBC Indonesia ("**Custodian Bank**").

Term	:	Since the issuance of the statement of effectiveness by Indonesian Capital Market and Financial Institutions Supervisory Agency until dissolution.
------	---	--

Rights and obligations of the parties	:	<u>The Company is obliged and entitled to, among others:</u>
---------------------------------------	---	--

- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
- Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.
- Receive investment manager fees.

The Custodian Bank is obliged and entitled to, among others:

- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian

- Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
  - Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
  - Receive custodian fees.
- Contract value : The Company's fee shall be a maximum of 3% per annum, calculated on a daily basis based on the Mutual Funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.
- Benefits and effects acquired by the Company : The Company can improve its business through this partnership.
- b. Deed of Ashmore Dana Obligasi Nusantara Mutual Fund Collective Investment Contract No. 10 dated March 11, 2013, drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, as lastly amended by the Deed of Addendum VI to the Ashmore Dana Obligasi Nusantara Mutual Fund Collective Investment Contract No. 24 dated November 30, 2018, which was drawn up before Siti Rumondang Bulan Lubis, S.H., M.Kn., a Notary in Tangerang, dated November 30, 2018, between the Company and PT Bank HSBC Indonesia ("**Custodian Bank**").
- Term : Since the issuance of the effectiveness statement by the FSA until the declaration of dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement.
- Rights and obligations of the parties : The Company is obliged and entitled to, among others:
- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
  - Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.
  - Receive investment manager fees.
- The Custodian Bank is obliged and entitled to, among others:
- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
  - Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
  - Receive custodian fees.

Contract value : The Company's fee shall be a maximum of 1.5% per annum, calculated on a daily basis based on the Mutual Funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.

Benefits and effects acquired by the Company : The Company can improve its business through this partnership.

- c. Deed of Ashmore Dana Obligasi Unggulan Nusantara Mutual Fund Collective Investment Contract No. 24 dated October 9, 2017, as lastly amended by the Deed of Addendum to the Ashmore Dana Obligasi Unggulan Nusantara Mutual Fund Collective Investment Contract No. 19 dated September 13, 2018, both were drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and PT Bank HSBC Indonesia ("**Custodian Bank**").

Term : Since the issuance of the statement of effectiveness by the FSA until the declaration of dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement.

Rights and obligations of the parties : The Company is obliged and entitled to, among others:

- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
- Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.
- Receive investment manager fees.

The Custodian Bank is obliged and entitled to, among others:

- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
- Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
- Receive custodian fees.

Contract value : The Company's fee shall be a maximum of 1% per annum, calculated on a daily basis based on the mutual funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- d. Deed of Ashmore Dana Progresif Nusantara Mutual Fund Collective Investment Contract No. 20 dated November 27, 2012, as lastly amended by the Deed of Addendum IX to the Ashmore Dana Progresif Nusantara Mutual Fund Collective Investment Contract No. 42 dated September 18, 2019, both were drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, dated September 18, 2019, between the Company and PT Bank HSBC Indonesia (“**Custodian Bank**”).

Term : Since the issuance of the effectiveness statement by Indonesian Capital Market and Financial Institutions Supervisory Agency until the declaration of dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement.

Rights and obligations of the parties : The Company is obliged and entitled to, among others:

- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
- Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.
- Receive investment manager fees.

The Custodian Bank is obliged and entitled to, among others:

- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds’ assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
- Create a specific account and maintain that the assets under the Custodian Bank’s account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
- Receive custodian fees.

Contract value : The Company’s fee shall be a maximum of 3% per annum, calculated on a daily basis based on the Mutual funds’ net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- e. Deed of Ashmore Dana Tunai Nusantara Mutual Fund Collective Investment Contract No. 111 dated June 28, 2016, as lastly amended by the Deed Addendum V to the Ashmore Dana *Pasar Uang* Nusantara Mutual Fund Collective Investment Contract No. 51 dated August 14, 2019, both of which were drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and PT Bank HSBC Indonesia (“**Custodian Bank**”).

Term : Since the issuance of the statement of effectiveness by FSA until the declaration of

Rights and obligations of the parties	<p>dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement.</p> <p><u>The Company is obliged and entitled to, among others:</u></p> <ul style="list-style-type: none"> <li>• Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.</li> <li>• Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.</li> <li>• Receive investment manager fees.</li> </ul> <p><u>The Custodian Bank is obliged and entitled to, among others:</u></p> <ul style="list-style-type: none"> <li>• Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.</li> <li>• Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.</li> <li>• Receive custodian fees.</li> </ul>
Contract value	<p>: The Company's fee shall be a maximum of 1% per annum, calculated on a daily basis based on the mutual funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.</p>
Benefits and effects acquired by the Company	<p>: The Company can improve its business through this cooperation.</p>
<p>f. Deed of Ashmore Dana USD Equity Nusantara Mutual Fund Collective Investment Contract No. 05 dated February 4, 2015, as last amended by the Deed Addendum IV to the Ashmore Dana USD Equity Nusantara Mutual Fund Collective Investment Contract No. 43 dated September 18, 2019, both of which were drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and PT Bank HSBC Indonesia ("<b>Custodian Bank</b>").</p>	
Term	<p>: Since the issuance of the statement of effectiveness by the FSA until the declaration of dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement.</p>
Rights and obligations of the parties	<p><u>The Company is obliged and entitled to, among others:</u></p> <ul style="list-style-type: none"> <li>• Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.</li> <li>• Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated</li> </ul>



by the FSA in an accurate and complete manner.

- Receive investment manager fees.

The Custodian Bank is obliged and entitled to, among others:

- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
- Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
- Receive custodian fees.

Contract value : The Company's fee shall be a maximum of 2.5% per annum, calculated on a daily basis based on the mutual funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- g. Deed of Ashmore Saham Providentia Nusantara Mutual Fund Collective Investment Contract No. 18 dated January 9, 2019 drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, dated January 9, 2019, between the Company and PT Bank HSBC Indonesia ("**Custodian Bank**").

Term : Since the issuance of the statement of effectiveness by the FSA until the declaration of dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement

Rights and obligations of the parties : The Company is obliged and entitled to, among others:

- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
- Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.
- Receive investment manager fees.

The Custodian Bank is obliged and entitled to, among others:

- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian

- Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
  - Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
  - Receive custodian fees.
- Contract value : The Company's fee shall be a maximum of 2.5% per annum, calculated on a daily basis based on the mutual funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.
- Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.
- h. Deed of Ashmore Saham Sejahtera Nusantara Mutual Fund Collective Investment Contract No. 25 dated August 8, 2017, as lastly amended by the Deed of Addendum I to the Ashmore Saham Sejahtera Nusantara Mutual Fund Collective Investment Contract No. 53 dated August 14, 2019, both were drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and PT Bank HSBC Indonesia ("**Custodian Bank**").
- Term : Since the issuance of statement of effectiveness by the FSA until the declaration of dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement.
- Rights and obligations of the parties : The Company is obliged and entitled to, among others:
- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
  - Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.
  - Receive investment manager fees.
- The Custodian Bank is obliged and entitled to, among others:
- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
  - Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
  - Receive custodian fees.

Contract value : The Company's fee shall be a maximum of 2.5% per annum, calculated on a daily basis based on the mutual funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- i. Deed of Ashmore Saham Sejahtera Nusantara II Mutual Fund Collective Investment Contract No. 01 dated December 4, 2017, as lastly amended by the Deed Addendum to the Ashmore Saham Sejahtera Nusantara II Mutual Fund Collective Investment Contract No. 52 dated August 14, 2019, both were drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and PT Bank HSBC Indonesia ("**Custodian Bank**").

Term : Since the issuance of statement of effectiveness by the FSA until the declaration of dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement.

Rights and obligations of the parties : The Company is obliged and entitled to, among others:

- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
- Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.
- Receive investment manager fees.

The Custodian Bank is obliged and entitled to, among others:

- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
- Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
- Receive custodian fees.

Contract value : The Company's fee shall be a maximum of 2.5% per annum, calculated on a daily basis based on the mutual funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- j. Deed of Ashmore Dana Terproteksi Nusantara II Mutual Fund Collective Investment Contract No. 35 dated June 8, 2015, as lastly amended by the Deed Addendum II to the Ashmore Dana Terproteksi Nusantara II Mutual Fund Collective Investment Contract No. 21 dated September 13, 2018, both were drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and PT Bank HSBC Indonesia (“**Custodian Bank**”).

Term : Since the issuance of the statement of effectiveness by the FSA until the declaration of dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement.

Rights and obligations of the parties : The Company is obliged and entitled to, among others:

- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
- Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.
- Receive investment manager fees.

The Custodian Bank is obliged and entitled to, among others:

- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds’ assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
- Create a specific account and maintain that the assets under the Custodian Bank’s account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
- Receive custodian fees.

Contract value : The Company’s fee shall be a maximum of 2.5% per annum, calculated on a daily basis based on the mutual funds’ net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- k. Deed of Ashmore Dana Providentia Balanced Nusantara Mutual Fund Collective Investment Contract No. 19 dated March 6, 2019, drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and PT Bank HSBC Indonesia (“**Custodian Bank**”).

Term : Since the issuance of statement of effectiveness by the FSA until the declaration of dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement.

Rights and obligations of the parties : The Company is obliged and entitled to, among others:

- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
- Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.
- Receive investment manager fees.

The Custodian Bank is obliged and entitled to, among others:

- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
- Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
- Receive custodian fees.

Contract value : The Company's fee shall be a maximum of 2.5% per annum, calculated on a daily basis based on the mutual funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- I. Deed of Ashmore Dana USD Nusantara Mutual Fund Collective Investment Contract No. 01 dated December 2, 2013, as lastly amended by the Deed of Ashmore Dana USD Nusantara Mutual Fund Collective Investment Contract No. 64 dated October 24, 2018, both were drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and PT Bank HSBC Indonesia ("**Custodian Bank**").

Term : Since the issuance of the statement of effectiveness by the FSA until the declaration of dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement

Rights and obligations of the parties : The Company is obliged and entitled to, among others:

- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
- Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated

by the FSA in an accurate and complete manner.

- Receive investment manager fees.

The Custodian Bank is obliged and entitled to, among others:

- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
- Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
- Receive custodian fees.

Contract value : The Company's fee shall be a maximum of 1.5% per annum, calculated on a daily basis based on the mutual funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

m. Deed of Ashmore Dana Obligasi Optima Nusantara Mutual Fund Collective Investment Contract No. 44 dated March 13, 2018, as last amended by the Deed Addendum I to the Ashmore Dana Obligasi Optima Nusantara Mutual Fund Collective Investment Contract No. 23, dated September 13, 2018, both were drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and PT Bank Permata Tbk ("**Custodian Bank**").

Term : Since the issuance of the statement of effectiveness by the FSA until the declaration of dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement.

Rights and obligations of the parties : The Company is obliged and entitled to, among others:

- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
- Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.
- Receive investment manager fees.

The Custodian Bank is obliged and entitled to, among others:

- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and

- records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
  - Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
  - Receive custodian fees.
- Contract value : The Company's fee shall be a maximum of 1% per annum, calculated on a daily basis based on the mutual funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.
- Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.
- n. Deed of Ashmore Dana Terproteksi Nusantara Mutual Fund Collective Investment Contract No. 14 dated September 9, 2014, as last amended by the Deed of Addendum to the Ashmore Dana Terproteksi Nusantara Mutual Fund Collective Investment Contract No. 20 dated September 13, 2018, both of which were drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and Deutsche Bank A.G., Jakarta Branch ("**Custodian Bank**").
- Term : Since the issuance of statement of effectiveness by the FSA until the declaration of dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement.
- Rights and obligations of the parties : The Company is obliged and entitled to, among others:
- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
  - Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.
  - Receive investment manager fees.
- The Custodian Bank is obliged and entitled to, among others:
- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
  - Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
  - Receive custodian fees.

Contract value : The Company's fee shall be a maximum of 2.5% per annum, calculated on a daily basis based on the mutual funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- o. Deed of Ashmore Saham Dinamis Nusantara Mutual Fund Collective Investment Contract No. 57 dated April 12, 2018, as last amended by the Deed Addendum I to the Ashmore Saham Dinamis Nusantara Mutual Fund Collective Investment Contract No. 44 dated September 18, 2019, both were drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and Citibank N.A. Indonesia ("**Custodian Bank**").

Term : Since the issuance of the statement of effectiveness by the FSA until the declaration of dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement.

Rights and obligations of the parties : The Company is obliged and entitled to, among others:

- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
- Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.
- Receive investment manager fees.

The Custodian Bank is obliged and entitled to, among others:

- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
- Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
- Receive custodian fees.

Contract value : The Company's fee shall be a maximum of 3% per annum, calculated on a daily basis based on the mutual funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.



- p. Deed of Ashmore Dana Obligasi Strategis Nusantara Mutual Fund Collective Investment Contract No. 49 dated April 16, 2019, drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and Citibank N.A. Indonesia (“**Custodian Bank**”).

Term : Since the issuance of the statement of effectiveness by the FSA until the declaration of dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement.

Rights and obligations of the parties : The Company is obliged and entitled to, among others:

- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
- Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.
- Receive investment manager fees.

The Custodian Bank is obliged and entitled to, among others:

- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds’ assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
- Create a specific account and maintain that the assets under the Custodian Bank’s account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
- Receive custodian fees.

Contract value : The Company’s fee shall be a maximum of 1% per annum, calculated on a daily basis based on the mutual funds’ net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- q. Deed of Ashmore Saham Unggulan Nusantara Mutual Fund Collective Investment Contract No. 88 dated May 23, 2018, as last amended by the Deed Addendum I to the Ashmore Saham Unggulan Nusantara Mutual Fund Collective Investment Contract No. 54 dated August 14, 2019, both of which were drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and PT Bank Mandiri (Persero) Tbk (“**Custodian Bank**”).

Term : Since the issuance of statement of effectiveness by the FSA until the declaration of dissolution as stipulated in provisions concerning the mutual fund dissolution under the agreement

Rights and obligations of the parties : The Company is obliged and entitled to, among others:

- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
- Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.
- Receive investment manager fees.

The Custodian Bank is obliged and entitled to, among others:

- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
- Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
- Receive custodian fees.

Contract value : The Company's fee shall be a maximum of 2.5% per annum, calculated on a daily basis based on the mutual funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

r. Deed of Ashmore Dana Ekuitas Prima Mutual Funds Collective Investment Contract No. 65 dated August 19, 2019, drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and Citibank N.A., Indonesia ("**Custodian Bank**").

Term : Effective from the declaration of effective statement by the FSA until declaration of termination as stipulated in the mutual fund termination provision therein.

Rights and obligations of the parties : The Company is obliged and entitled to, among others:

- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
- Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.

- Receive investment manager fees.

The Custodian Bank is obliged and entitled to, among others:

- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
- Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.
- Receive custodian fees.

Contract value : The Company's fee shall be a maximum of 2.5% per annum, calculated on a daily basis based on the mutual funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- s. Deed of Ashmore ETF LQ45 ALPHA Mutual Funds Collective Investment Contract No. 102 dated April 29, 2019, drawn up before Leolin Jayayanti, S.H., a Notary in Jakarta, between the Company and Deutsche Bank A.G ("**Custodian Bank**").

Term : Effective from the declaration of effective statement by the FSA until declaration of termination as stipulated in the mutual fund termination provision therein.

Rights and obligations of the parties : The Company is obliged and entitled to, among others:

- Set the fair market value of securities under the mutual fund portfolio on every exchange day and submit the same to the Custodian Bank.
- Keep and maintain all bookkeeping and material records related to financial reports and the management of mutual funds as stipulated by the FSA in an accurate and complete manner.
- Receive investment manager fees.

The Custodian Bank is obliged and entitled to, among others:

- Keep and maintain bookkeeping and records relating to the custodian activities of the mutual funds' assets, where such bookkeeping and records must be separated from the bookkeeping and records of the Custodian

	Bank or the bookkeeping and records assets of other customers of the Custodian Bank.
	<ul style="list-style-type: none"> <li>• Create a specific account and maintain that the assets under the Custodian Bank's account are not accounted for as the assets of the Custodian Bank or other customers of the Custodian Bank.</li> <li>• Receive custodian fees.</li> </ul>
Contract value	: The Company's fee shall be a maximum of 1% per annum, calculated on a daily basis based on the mutual funds' net asset value on the basis of 365 calendar days per annum, which shall be paid on a monthly basis.
Benefits and effects acquired by the Company	: The Company can improve its business through this cooperation.

## 2. Investment Management Partnership Agreement

The Company is bound by securities portfolio management agreements with a total of 8 (eight) customers. The general terms and conditions stipulated by the securities management partnership agreements are as follows:

Scope	: The Company provides investment manager services, investment and fund manager services, and portfolio manager services for equity, capital market, and money market products.
The Company's Rights and Obligations	<ul style="list-style-type: none"> <li>• To manage client's funds and investment and to act as a portfolio manager in either equity, capital market, or money market.</li> <li>• To receive commissions for management services</li> <li>• To prepare monthly report on the investment management</li> </ul>
Benefits and effects acquired by the Company	: The Company can improve its business through this cooperation.

## 3. Cooperation Agreement

- a. The Cooperation Agreement dated October 2, 2014, as last amended by Addendum II dated September 2, 2015, between (i) the Company as the investment manager; (ii) The Hongkong and Shanghai Banking Corporation Limited as the distribution agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

Term	: From October 2, 2014, until the agreement is terminated by one of the parties or both parties thereto.
Rights and obligations of the parties	<p><u>The investment manager shall, among others:</u></p> <ul style="list-style-type: none"> <li>• Notify the Custodian Bank in writing in the event of any change of Selling Agent.</li> <li>• Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are</li> </ul>

not against the prevailing laws and regulations in the Republic of Indonesia.

The selling agent shall, among others:

- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts of the respective unitholder on the same day that such proceeds are received from the Custodian Bank.

The custodian bank shall, among others:

- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.
- Issue and send transaction confirmation letters for every unitholders in printed form.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- b. The Cooperation Agreement dated April 10, 2014, as last amended by Addendum V dated January 11, 2018, between (i) the Company as the investment manager; (ii) PT Bank Permata Tbk as the selling agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

Term : From April 10, 2014, until the agreement is terminated by one of the parties or both parties thereto.

Rights and obligations of the parties : The investment manager shall, among others:

- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
- Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.

The selling agent shall, among others:

- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts of the respective unitholder on the same day that such proceeds are received from the Custodian Bank.

The custodian bank shall, among others:

- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.
- Issue and send transaction confirmation letters for every unitholders in printed form.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- c. The Cooperation Agreement dated March 27, 2017, as last amended by Addendum III dated August 21, 2018, between (i) the Company as the investment manager; (ii) Citibank N.A. as the selling agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

Term : From March 27, 2017, until the agreement is terminated by one of the parties or both parties thereto.

Rights and obligations of the parties : The investment manager shall, among others:

- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
- Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.

The selling agent shall, among others:

- Undertake the necessary actions to ensure that the mutual fund account opening forms, subscription forms, redemption forms, transfer forms (if applicable) are processed and settled during the period agreed by the parties.

The custodian bank shall, among others:

- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.
- Issue and send transaction confirmation letters for every unitholders.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- d. The Cooperation Agreement dated July 1, 2015, as last amended by Addendum I to the Cooperation Agreement dated October 6, 2017, between (i) the Company as the investment manager; (ii) PT Bank Mandiri (Persero) Tbk as the Selling Agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the Custodian Bank.

Term : Until the agreement is terminated by one of the parties or both parties thereto.

Rights and obligations of the parties : The investment manager shall, among others:

- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
- Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.

The selling agent shall, among others:

- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts

of the respective unitholder on the same day that such proceeds are received from the Custodian Bank.

The custodian bank shall, among others:

- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.
- Issue and send transaction confirmation letters for every unitholders in printed form.

Benefits and effects acquired : The Company can improve its business through by the Company this cooperation.

- e. The Cooperation Agreement dated November 11, 2013, as last amended by Addendum II dated April 4, 2016, between (i) the Company as the investment manager; (ii) PT Mandiri Sekuritas as the selling agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

Term : Until the agreement is terminated by one of the parties or both parties thereto.

Rights and obligations of the parties : The investment manager shall, among others:

- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
- Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.

The selling agent shall, among others:

- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts of the respective unitholder on the same day that such proceeds are received from the Custodian Bank.

The custodian bank shall, among others:

- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.
- Issue and send transaction confirmation letters for every unitholders in printed form.

Benefits and effects acquired : The Company can improve its business through by the Company this cooperation.

- f. The Cooperation Agreement dated November 11, 2013, as last amended by Addendum II dated April 4, 2016, between (i) the Company as the investment manager; (ii) PT Bareksa Portal Investasi as the selling agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

Term : Until the agreement is terminated by one of the parties or both parties thereto.

- Rights and obligations of the parties : The investment manager shall, among others:
- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
  - Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.
- The selling agent shall, among others:
- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts of the respective unitholder on the same day that such proceeds are received from the Custodian Bank.
- The custodian bank shall, among others:
- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.
  - Issue and send transaction confirmation letters for every unitholders in printed form.
- Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- g. The Cooperation Agreement dated April 16, 2018, as last amended by Addendum I dated July 25, 2018, between (i) the Company as the investment manager; (ii) PT Bank CIMB Niaga Tbk as the Selling Agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

- Term : Until the agreement is terminated by one of the parties or both parties thereto.
- Rights and obligations of the parties : The investment manager shall, among others:
- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
  - Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.
- The selling agent shall, among others:
- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts of the respective unitholder on the same day that such proceeds are received from the Custodian Bank.
- The custodian bank shall, among others:
- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.



- Issue and send transaction confirmation letters for every unitholders in printed form.

Benefits and effects acquired : The Company can improve its business through by the Company this cooperation.

- h. The Cooperation Agreement dated April 16, 2018 between (i) the Company as the investment manager; (ii) PT Bank Mega as the Selling Agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

Term : Until the agreement is terminated by one of the parties or both parties thereto.

Rights and obligations of the parties : The investment manager shall, among others:

- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
- Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.

The selling agent shall, among others:

- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts of the respective unitholder on the same day that such proceeds are received from the Custodian Bank.

The custodian bank shall, among others:

- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.
- Issue and send transaction confirmation letters for every unitholders in printed form.

Benefits and effects acquired : The Company can improve its business through by the Company this cooperation.

- i. The Cooperation Agreement dated October 14, 2014, as last amended by Addendum II to the Cooperation Agreement dated October 6, 2017, between (i) the Company as the investment manager; (ii) PT Bank OCBC NISP Tbk as the selling agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

Term : Until the agreement is terminated by one of the parties or both parties thereto.

Rights and obligations of the parties : The investment manager shall, among others:

- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
- Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.

The selling agent shall, among others:

- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts of the respective unitholder on the same day that such proceeds are received from the Custodian Bank.

The custodian bank shall, among others:

- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.
- Issue and send transaction confirmation letters for every unitholders in printed form.

Benefits and effects acquired : The Company can improve its business through by the Company this cooperation.

- j. The Cooperation Agreement dated November 19, 2014, as last amended by Addendum II to the Cooperation Agreement dated June 8, 2016, between (i) the Company as the investment manager; (ii) Standard Chartered Bank as the selling agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

Term : Until the agreement is terminated by one of the parties or both parties thereto.

Rights and obligations of the parties : The investment manager shall, among others:

- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
- Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.

The selling agent shall, among others:

- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts of the respective unitholder on the same day that such proceeds are received from the Custodian Bank.

The custodian bank shall, among others:

- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.
- Issue and send transaction confirmation letters for every unitholders in printed form.

Benefits and effects acquired : The Company can improve its business through by the Company this cooperation.

- k. The Cooperation Agreement dated January 25, 2018, as last amended by Addendum to the Cooperation Agreement dated March 11, 2019, between (i) the Company as the investment

manager; (ii) PT Bank Maybank Indonesia Tbk as the selling agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

Term : Until the agreement is terminated by one of the parties or both parties thereto.

Rights and obligations of the parties : The investment manager shall, among others:

- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
- Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.

The selling agent shall, among others:

- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts of the respective unitholder on the same day that such proceeds are received from the Custodian Bank.

The custodian bank shall, among others:

- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.
- Issue and send transaction confirmation letters for every unitholders in printed form.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- I. The Cooperation Agreement dated November 11, 2013, between (i) the Company as the investment manager; (ii) PT Bank Maybank Indonesia Tbk as the selling agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

Term : Until the agreement is terminated by one of the parties or both parties thereto.

Rights and obligations of the parties : The investment manager shall, among others:

- Notify the Custodian Bank in writing in the event of any change of Selling Agent.

The selling agent shall, among others:

- Execute subscriptions and/or redemptions and distribute the same to the accounts of the respective unitholders.
- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- m. The Cooperation Agreement dated August 1, 2018 between (i) the Company as the investment manager; (ii) PT Bank Tabungan Pensiunan Nasional Tbk as the selling agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

Term : Until the agreement is terminated by one of the parties or both parties thereto.

Rights and obligations of the parties : The investment manager shall, among others:

- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
- Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.

The selling agent shall, among others:

- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts of the respective unitholder on the same day that such proceeds are received from the Custodian Bank.

The custodian bank shall, among others:

- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.
- Issue and send transaction confirmation letters for every unitholders in printed form.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- n. The Cooperation Agreement dated April 1, 2014, as last amended by Addendum I to the Cooperation Agreement dated June 19, 2015, between (i) the Company as the investment manager; (ii) PT Bank DBS Indonesia as the selling agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

Term : Until the agreement is terminated by one of the parties or both parties thereto.

Rights and obligations of the parties : The investment manager shall, among others:

- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
- Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.

The selling agent shall, among others:

- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts of the respective unitholder on the same day

that such proceeds are received from the Custodian Bank.

The custodian bank shall, among others:

- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.
- Issue and send transaction confirmation letters for every unitholders in printed form.

Benefits and effects acquired : The Company can improve its business through  
by the Company this cooperation.

- o. The Cooperation Agreement dated December 11, 2017, as last amended by Addendum I to the Cooperation Agreement dated June 26, 2018, between (i) the Company as the investment manager; (ii) PT Indo Premier Sekuritas as the selling agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

Term : Until the agreement is terminated by one of the  
parties or both parties thereto.

Rights and obligations of the : The investment manager shall, among others:  
parties

- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
- Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.

The selling agent shall, among others:

- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts of the respective unitholder on the same day that such proceeds are received from the Custodian Bank.

The custodian bank shall, among others:

- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.
- Issue and send transaction confirmation letters for every unitholders in printed form.

Benefits and effects acquired : The Company can improve its business through  
by the Company this cooperation.

- p. The Cooperation Agreement dated June 15, 2017, between (i) the Company as the investment manager; (ii) PT Bank Rakyat Indonesia Tbk as the selling agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

Term : Until the agreement is terminated by one of the  
parties or both parties thereto.

- Rights and obligations of the parties : The investment manager shall, among others:
- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
  - Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.
- The selling agent shall, among others:
- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts of the respective unitholder on the same day that such proceeds are received from the Custodian Bank.
- The custodian bank shall, among others:
- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.
  - Issue and send transaction confirmation letters for every unitholders in printed form.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- q. The Cooperation Agreement dated June 16, 2015, as last amended by the Addendum to Cooperation Agreement dated January 16, 2017, between (i) the Company as Investment Manager; (ii) PT Bank Commonwealth as selling agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch - HSBC Securities Services as the custodian bank.

Term : Based on the Company's confirmation, the Company is in the process of extending the agreement.

- Rights and obligations of the parties : The investment manager shall, among others:
- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
  - Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.
- The selling agent shall, among others:
- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts of the respective unitholder on the same day that such proceeds are received from the Custodian Bank.

The custodian bank shall, among others:

- Send monthly reports to the unitholders in accordance with the schedules set under the FSA regulations.
- Issue and send transaction confirmation letters for every unitholders in printed form.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- r. The Mutual Funds Administration Cooperation Agreement dated November 24, 2015, as last amended by the Second Amendment to Cooperation Agreement dated September 30, 2019, between (i) the Company as Investment Manager; (ii) PT Bank Central Asia as selling agent; and (iii) The Hongkong and Shanghai Banking Corporation Limited, Jakarta Branch – HSBC Securities Services as custodian bank.

Term : Until the agreement is terminated by one of the parties or both parties thereto.

Rights and obligations of the parties : The investment manager shall, among others:

- Notify the Custodian Bank in writing in the event of any change of Selling Agent.
- Provide assurance to the Selling Agent and the Custodian Bank as to the validity of the mutual funds, in the sense that the mutual funds are not against the prevailing laws and regulations in the Republic of Indonesia.

The selling agent shall, among others:

- Execute subscriptions, where such subscriptions shall be initiated by investors, and/or redemptions, where proceeds from redemptions shall be credited to the accounts of the respective unitholder on the same day that such proceeds are received from the Custodian Bank.

The custodian bank shall, among others:

- Distribute reports in accordance with the prevailing regulations in relation to its duties as a custodian bank pursuant to the collective investment contracts.
- Issue and send transaction confirmation letters for every unitholders in printed form.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

#### 4. Distribution Agreement

- a. The Distribution Agreement dated September 8, 2014, as last amended by Addendum II dated May 14, 2018, between the Company and The Hongkong and Shanghai Banking Corporation Limited ("**HSBC**").

Term : The agreement is valid for a period of 3 years up to May 14, 2021, unless terminated earlier by any of the parties thereto.

Rights and obligations of the parties : The Company shall, among others:

- Be responsible for the administration of products, including changes in collective investment contracts.
- Be fully responsible for the products, including handling and solving complaints and/or demands from unitholders
- Be entitled to define its products, including, but not limited to, product features.

HSBC shall, among others

- Have the responsibilities and authorities to provide services at its branches across Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.
- Monitor all of their sales consultants and shall be responsible for their compliance with the prevailing regulations.
- Be entitled to receive compensations in consideration of the services provided hereunder.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- b. The Distribution Agreement CSB.WMT/PR.44/2015 dated July 1, 2015, as amended and restated by the Addendum and Restatement of Distribution Agreement dated June 30, 2017, between the Company and Bank Mandiri (Persero) Tbk

Term : The agreement is valid until terminated by any of the parties thereto.

Rights and obligations of the parties : The Company shall, among others:

- Be responsible for the administration of products, including changes in collective investment contracts.
- Be fully responsible for the products, including handling and solving complaints and/or demands from unitholders
- Be entitled to define its products, including, but not limited to, product features.

PT Bank Mandiri Persero (Tbk) shall, among others

- Have the responsibilities and authorities to provide services at its branches across Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.
- Monitor all of their sales consultants and shall be responsible for their compliance with the prevailing regulations.



- Be entitled to receive compensations in consideration of the services provided hereunder.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- c. The Distribution Agreement dated October 7, 2013, as amended and restated by the Addendum and Restatement of Distribution Agreement dated May 15, 2018, between the Company and Mandiri Sekuritas

Term : The agreement is valid until terminated by any of the parties thereto.

Rights and obligations of the parties : The Company shall, among others:

- Be responsible for the administration of products, including changes in collective investment contracts.
- Be fully responsible for the products, including handling and solving complaints and/or demands from unitholders
- Be entitled to define its products, including, but not limited to, product features.

PT Mandiri Sekuritas shall, among others

- Have the responsibilities and authorities to provide services at its branches across Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.
- Monitor all of their sales consultants and shall be responsible for their compliance with the prevailing regulations.
- Be entitled to receive compensations in consideration of the services provided hereunder.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- d. The Distribution Agreement dated November 25, 2016, as last amended by Addendum IV dated May 10, 2019, between the Company and Citibank N.A. Indonesia.

Term : The agreement is valid until terminated by any of the parties thereto.

Rights and obligations of the parties : The Company shall, among others:

- Be responsible for the administration of products, including changes in collective investment contracts.
- Be fully responsible for the products, including handling and solving complaints and/or demands from unitholders
- Be entitled to define its products, including, but not limited to, product features.

Citibank N.A. Indonesia shall, among others

- Have the responsibilities and authorities to provide services at its branches across

Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.

- Monitor all of their sales consultants and shall be responsible for their compliance with the prevailing regulations.
- Be entitled to receive compensations in consideration of the services provided hereunder.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- e. The Distribution Agreement dated October 11, 2017, as last amended by Addendum I dated July 26, 2018, between the Company and PT Bareksa Portal Investasi ("**Bareksa**").

Term : The agreement is valid until terminated by any of the parties thereto.

Rights and obligations of the parties : The Company shall, among others:

- Be responsible for the administration of products, including changes in collective investment contracts.
- Be fully responsible for the products, including handling and solving complaints and/or demands from unitholders
- Be entitled to define its products, including, but not limited to, product features.

Bareksa shall, among others

- Have the responsibilities and authorities to provide services at its branches across Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.
- Monitor all of their sales consultants and shall be responsible for their compliance with the prevailing regulations.
- Be entitled to receive compensations in consideration of the services provided hereunder.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- f. The Distribution Agreement dated November 13, 2014, as last amended by Addendum II to Distribution Agreement dated July 25, 2018, between the Company and PT Bank CIMB Niaga.

Term : Effective from October 30, 2017, and shall remain valid for a period of 5 years, unless terminated earlier by any of the parties or both parties thereto.

Rights and obligations of the parties : The Company shall, among others:

- Be responsible for the administration of products, including changes in collective investment contracts.

- Be fully responsible for the products, including handling and solving complaints and/or demands from unitholders
- Be entitled to define its products, including, but not limited to, product features.

PT Bank CIMB Niaga Tbk shall, among others

- Have the responsibilities and authorities to provide services at its branches across Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.
- Monitor all of their sales consultants and shall be responsible for their compliance with the prevailing regulations.
- Be entitled to receive compensations in consideration of the services provided hereunder.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- g. The Distribution Agreement dated April 26, 2018, between the Company and PT Bank Mega Tbk.

Term : Effective from July 31, 2018, and shall remain valid for a period of 3 years, unless terminated earlier by any of the parties or both parties thereto.

Rights and obligations of the parties : The Company shall, among others:

- Be responsible for the administration of products, including changes in collective investment contracts.
- Be fully responsible for the products, including handling and solving complaints and/or demands from unitholders
- Be entitled to define its products, including, but not limited to, product features.

PT Bank Mega Tbk shall, among others

- Have the responsibilities and authorities to provide services at its branches across Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.
- Monitor all of their sales consultants and shall be responsible for their compliance with the prevailing regulations.
- Be entitled to receive compensations in consideration of the services provided hereunder.

Benefits and effects obtained by the Company : The Company can improve its business through this cooperation.

- h. The Distribution Agreement dated October 10, 2014, as last amended by Addendum III dated April 16, 2018, between the Company and PT Bank OCBC NISP Tbk.

Term : The agreement shall remain valid up to December 31, 2020.

Rights and obligations of the parties : The Company shall, among others:

- Be responsible for the administration of products, including changes in collective investment contracts.
- Be fully responsible for the products, including handling and solving complaints and/or demands from unitholders
- Be entitled to define its products, including, but not limited to, product features.

OCBC shall, among others

- Have the responsibilities and authorities to provide services at its branches across Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.
- Monitor all of their sales consultants and shall be responsible for their compliance with the prevailing regulations.
- Be entitled to receive compensations in consideration of the services provided hereunder.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- i. The Distribution Agreement dated June 4, 2015, as last amended by Addendum III to the Mutual Fund Securities Selling Agent Agreement dated May 29, 2019, between the Company and PT Bank Commonwealth ("**PTBC**").

Term : The agreement is effective from June 4, 2015, to June 4, 2020, or until terminated by any of the parties or both parties thereto.

Rights and obligations of the parties : The Company shall, among others:

- Be responsible for the administration of products, including changes in collective investment contracts.
- Be fully responsible for the products, including handling and solving complaints and/or demands from unitholders
- Be entitled to define its products, including, but not limited to, product features.

PTBC shall, among others

- Have the responsibilities and authorities to provide services at its branches across Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.
- Monitor all of their sales consultants and shall be responsible for their compliance with the prevailing regulations.

- Be entitled to receive compensations in consideration of the services provided hereunder.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- j. Mutual Fund Securities Selling Agent Agreement dated November 29, 2014, as last amended by Addendum III dated March 30, 2017, between the Company and Standard Chartered Bank ("**SCB**").

Term : Effective from March 30, 2017 to November 19, 2027.

Rights and obligations of the parties : The Company shall, among others:

- Be obligated to submit to SCB from time to time, a certain number of copies of prospectuses and collective investment contracts and the documents referred to in such collective investment contracts as may be required by SCB.
- Be entitled to sell or market certain sales of, or receive subscription unit subscription applications in Indonesia in the manners deemed appropriate to be executed, including the right to appoint the mutual funds selling agents.

SCB shall, among others:

- Be obligated to provide services at its branches across Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.
- Be entitled to the subscription unit subscription and redemption fees.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- k. The Distribution Agreement dated January 10, 2018, as last amended by Addendum I dated February 20, 2019, between the Company and PT Bank Maybank Indonesia Tbk ("**Maybank**").

Term : Valid for 2 years, from January 10, 2018, until January 10, 2020.

Rights and obligations of the parties : The Company shall, among others:

- Be responsible for the administration of products, including changes in collective investment contracts.
- Be fully responsible for the products, including handling and solving complaints and/or demands from unitholders
- Be entitled to define its products, including, but not limited to, product features.

Maybank shall, among others

- Have the responsibilities and authorities to provide services at its branches across

Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.

- Monitor all of their sales consultants and shall be responsible for their compliance with the prevailing regulations.
- Be entitled to receive compensations in consideration of the services provided hereunder.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

I. The Distribution Agreement dated July 31, 2018, between the Company and PT BTPN Tbk ("**BTPN**").

Term : Effective from July 31, 2018, and shall remain valid for a period of 3 years, unless terminated earlier by any of the parties or both parties thereto.

Rights and obligations of the parties : The Company shall, among others:

- Be responsible for the administration of products, including changes in collective investment contracts.
- Be fully responsible for the products, including handling and solving complaints and/or demands from unitholders
- Be entitled to define its products, including, but not limited to, product features.

BTPN shall, among others

- Have the responsibilities and authorities to provide services at its branches across Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.
- Monitor all of their sales consultants and shall be responsible for their compliance with the prevailing regulations.
- Be entitled to receive compensations in consideration of the services provided hereunder.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

m. The Distribution Agreement dated April 1, 2014, as last amended by Addendum I dated June 22, 2015, between the Company and PT Bank DBS Indonesia ("**DBS**").

Term : From June 22, 2015, to June 22, 2020.

Rights and obligations of the parties : The Company shall, among others:

- Be responsible for the administration of products, including changes in collective investment contracts.
- Be fully responsible for the products, including handling and solving complaints and/or demands from unitholders

- Be entitled to define its products, including, but not limited to, product features.

DBS shall, among others

- Have the responsibilities and authorities to provide services at its branches across Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.
- Monitor all of their sales consultants and shall be responsible for their compliance with the prevailing regulations.
- Be entitled to receive compensations in consideration of the services provided hereunder.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- n. Distribution Agreement dated November 16, 2015, as amended by Addendum I dated May 17, 2019, between the Company and PT Bank Central Asia ("**BCA**").

Term : November 16, 2015 to January 2, 2027.

Rights and obligations of the parties : The Company shall, among others:

- Be responsible for the administration of products, including changes in collective investment contracts.
- Be fully responsible for the products, including handling and solving complaints and/or demands from unitholders
- Be entitled to define its products, including, but not limited to, product features.

BCA shall, among others

- Have the responsibilities and authorities to provide services at its branches across Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.
- Monitor all of their sales consultants and shall be responsible for their compliance with the prevailing regulations.
- Be entitled to receive compensations in consideration of the services provided hereunder.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- o. The Mutual Fund Product Service Agreement dated June 15, 2017, between the Company and PT Bank Rakyat Indonesia Tbk ("**BRI**").

Term : From June 15, 2017, to June 15, 2022.

Rights and obligations of the parties : The Company shall, among others:

- Be responsible for the administration of products, including changes in collective investment contracts.
- Be fully responsible for the products, including handling and solving complaints and/or demands from unitholders
- Be entitled to receive investment manager fees.

BRI shall, among others

- Be obligated to provide services at its branches across Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.

Be entitled to the subscription unit subscription and redemption fees.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- p. The Marketing Partnership Agreement dated March 27, 2014, between the Company and PT Bank Permata Tbk ("**Bank Permata**").

Term : From the March 27, 2014 until May 14, 2021

Rights and obligations of the parties : The Company shall, among others:

- Be obligated to carry out and responsible for the issuance and delivery of Prospectuses and all marketing materials related to mutual funds as may be required by the bank from time to time.
- Be fully responsible for the products, including handling and solving complaints and/or demands from unitholders
- Be entitled to define its products, including, but not limited to, product features.

Bank Permata shall, among others:

- Have the responsibilities and authorities to provide services at its branches across Indonesia through its sales consultants to the Unitholders or other parties, to whom, according to the interest of the Parties, such Products must be distributed.
- Monitor all of their sales consultants and shall be responsible for their compliance with the prevailing regulations.
- Be entitled to receive compensations in consideration of the services provided hereunder.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- q. Distribution Agreement dated November 6, 2017, between the Company and PT Indo Premier Sekuritas ("**Indo Premier**").



Term : Effective from November 6, 2017, and shall remain valid, unless terminated earlier by any of the parties or both parties thereto.

Rights and obligations of the parties : The Company shall, among others:

- Be obligated to ensure its compliance with the prevailing laws and regulations and shall secure and maintain all authorizations, licenses, and registrations from the authorized government institutions that are required for the performance of its business activities and its obligations hereunder.
- Be obligated to pay commissions to Indo Premier.

Indo Premier shall, among others,

- At all times, comply with the current and future applicable laws and the Company's internal rules and regulations (as informed by the Company) and the terms of collective investment contracts and prospectuses.
- Be entitled to receive compensations in consideration of the services rendered hereunder.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

## 5. Other Agreements

- a. The Service Level Agreement (SLA) IT Infrastructure Support Terms and Conditions dated February 22, 2019, between the Company and PT S Net Indonesia ("**PT SNET**").

Term : Not applicable.  
 Rights and obligations of the parties : PT SNET shall provide remote Corporate Support services (IT Infrastructure) for the Company's office and building.  
 Contract value : The Company is obligated to pay PT SNET an amount of Rp158,700,000 per year.  
 Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

- b. Lease Agreement No. PBI (011117) dated April 27, 2018, between the Company and PT Prima Bangun Investama

Term : September 1, 2018 - August 31, 2028.  
 Rights and obligations of the parties : 

- PT Prima Bangun Investama shall lease a total lease area of 735 m<sup>2</sup>
- The Company shall pay the lease fee to PT Prima Bangun Investama.

Contract value : Lease Fee

- The lease fee applicable to the lease area for the last three months of the first year of lease (namely the 10<sup>th</sup>, 11<sup>th</sup>, and 12<sup>th</sup>)

months from the commencement date of the lease, i.e., September 1, 2018 shall be Rp50,000 per m<sup>2</sup> per month.

- The first - fifth years: Rp399,000 per m<sup>2</sup> per month.
- The sixth - tenth years: Rp425,600 per m<sup>2</sup> per month.

### **Service Fee**

Rp90,000 (gross) per m<sup>2</sup> per month, which shall be adjusted annually, subject to annual reviews.

Benefits and effects acquired by the Company : The Company can improve its business through this cooperation.

## **CREDIT AGREEMENTS**

Up to the date of issuance of this Prospectus, the Company does not have any credit agreement with any third parties and/or affiliated parties.

## **L. INSURANCE**

As of the date of this Prospectus, the Company carries the following insurance to cover its operational activities:

No.	Insurance Company	Policy No.	Type of Insurance	Insurance Object	The Insured Party	Sum Insured	Period
1.	PT Asuransi Central Asia	100010319070001256	Property All Risks	Material damages Business interruptions	The Company	Rp8,329,101,134	April 30, 2019 - April 30, 2020
2.	Bartlett & Company Limited	UCCMK5565937	Property	<ul style="list-style-type: none"> <li>• Building</li> <li>• Stationary computer equipment</li> <li>• Portable computer equipment</li> <li>• Business interruption</li> </ul>	The Company	£25,000,000	July 9, 2019 - May 1, 2020

Management believes that the sum insured referred to above is adequate to cover potential losses on the Company's assets that are deemed material to its operational activities, and the insurance policies are valid. The Company is not affiliated with the insurance companies referred to above.

## **M. DESCRIPTION OF FIXED ASSETS**

As of the issuance of this Prospectus, the Company does not own any fixed assets in the form of land and buildings.

## **N. LEGAL PROCEEDINGS FACED BY THE COMPANY, BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS**

As of the date of issuance of this Prospectus, the Company and each member of the Company's Board of Directors and Board of Commissioners is not involved in legal proceedings or disputes outside the court of law and/or any civil or criminal proceedings, and/or disputes in any court of law and/or arbitral institution, whether in Indonesia or internationally, or administrative disputes with the authorized government institutions, including disputes with respect to tax obligations and/or disputes related to labor dispute/industrial relations or bankruptcy or file any petition for bankruptcy, or have been served with any

legal notices, which may materially affect the Company's business activities and/or the continuity of business activities and the Company's Share Initial Public Offering plan.

## **O. BUSINESS ACTIVITIES AND PROSPECTS**

### **1. OVERVIEW**

The Company is part of the Ashmore Group, and has obtained its business license from Indonesian Capital Market and Financial Institutions Supervisory Agency pursuant to the Decree No. KEP-04/BL/MI/2011 dated June 15, 2011, on the issuance of business license for securities company undertaking business activities as an investment manager. In 2012, the Company obtained the Letter No. No. S-12855/BL/2012 dated November 1, 2012 on the approval for the change of name and the transfer of ownership of business.

The Company is owned by Ashmore Investment Management Limited as of June 2012. The Company is a joint venture company owned between Ashmore and a local partner. 67% of the Company's shares are owned by Ashmore Investment Management Limited, domiciled at 61 Aldwych, London, WC2B 4AE, and authorized and regulated by the Financial Conduct Authority (UK Financial Regulator). The Company is managed by professional employees experienced in investment management in both domestic and international markets. To date, the Company's target market consists of retail and institutional customers.

The Company is a subsidiary of Ashmore Investment Management Limited. Its parent company, Ashmore Group Plc, is headquartered in London and listed on the London Stock Exchange in 2006. Ashmore Group is a global specialist emerging markets investment manager, with long-established track records has specialized in the emerging markets since its establishment in 1992 and as proof of its specialization, Ashmore Group currently provides access to the diverse range of emerging markets investment opportunities through eight headline investment themes namely external debt, local currency debt, corporate debt, blended debt, equity, private equity, liquidity and multi asset. Ashmore Group continues to innovate, offering new products and strategies that provide an opportunity for investors to participate in the development of emerging markets.

Ashmore Group has 296 personnel, 93 of which are professional investment personnel with a deep knowledge and experience of investing in emerging markets, established over the past 27 years. The Ashmore team has a broad access to the investors' network of at least 60 emerging countries that has been built over the past few decades. Ashmore team has office network across 12 countries, consisting of 7 countries that provide investment manager services with local investment management platforms in Colombia, India, Indonesia, Peru, Saudi Arabia, United Arab Emirates and the People's Republic of China, as well as 5 countries that provides global investment management and distribution capabilities in the United States, United Kingdom, Ireland, Singapore and Japan. As at 30 September 2019, Ashmore Group plc manages funds totaling USD91.9 billion.

The Company is engaged in investment management services, particularly management of investments in the form of equity, bond, balanced, and money market mutual funds that are offered to both retail and institutional investors. At present, the Company's mutual funds are distributed through selling agents (banks), institutions, and insurance companies. In carrying out its business, the Company is supported by integrated departments or divisions, staffed by employees with profound insights on the capital market in Indonesia, thereby allowing the Company to achieve optimal performance in providing high standards of services to its clients.

The Company currently operates as an investment manager focusing on three main investment products: stocks, bonds - both local (Rupiah) denominated and denominated in other foreign currencies and money market. The Company has so far established a strong track record of fund outperformance since its inception. Until the date of this Prospectus, the Company has managed 18 (eighteen) mutual funds sponsored by Ashmore, 9 (nine) Discretionary funds, and 1 (one) actively managed Exchange Traded Fund, with total assets under management of USD2.1 billion. The Company is one of the investment managers with the fastest assets under management growth in Indonesia based on year 2013-2019 FSA data, starting its business in 2013 with assets worth USD45 million under management to become one of the largest investment managers in Indonesia. As much as 90% of the Company's assets under management is allocated to securities trading on the Indonesia stock market.

Through mutual funds under management that are channeled through multiple selling agents and insurance companies, the Company has access to more than 30,000 investors across its investment segments. Institutional investors, including insurance companies, pension funds, and sovereign wealth funds, continue to dominate the Company's assets under management. Nevertheless, the Company also distributes mutual funds products through selected selling agents that have established infrastructures and relationships with customers. At present, the Company partners with 17 selling agents and 65 institutional customers.

Pursuant to Article 3 of the Deed No. 21/2019, the Company is engaged in the services of a securities company, particularly investment management services, and in investment advisory services. The Company obtained its business license from Indonesian Capital Market and Financial Institutions Supervisory Agency pursuant to the Decree No. KEP-04/BL/MI/2011 dated June 15, 2011, on the issuance of business license for securities companies undertaking business activities as an investment manager. Indonesian Capital Market and Financial Institutions Supervisory Agency's approval for the change of name and the transfer of ownership of business license to PT Ashmore Asset Management Indonesia was obtained on November 1, 2012. Effective from December 31, 2019, the regulatory functions, duties, and authorities over financial service activities in the Capital Market sector was transferred from Indonesian Capital Market and Financial Institutions Supervisory Agency to FSA. The Company commenced its commercial operation in 2013.

The Company's vision is to become one of the largest asset management companies in Indonesia based on the value of its assets under management that is capable of offering high investment returns to customers through effective and efficient distribution.

The Company's missions are as follows:

1. offering investment strategies in various types of assets that the Company currently specializes in and utilizing the relationship with the Ashmore Group to assist in the investment process; and
2. providing services and creating value for customers as well as teaching customers how to invest in Indonesia's capital market through efficient and effective distributions.

In terms of managing customer funds, the Company's advantages compared to other investment managers are as follows:

1. Affiliation with the Ashmore Group, a specialist emerging markets asset manager with a successful 27-year track record;
2. Professional, experienced investment manager with deep knowledge on Indonesian companies and with a strong network. The investment team has an average of 13 years of experience in the Indonesian capital market;
3. Strong relationship with local network and frequent company visits;
4. Fundamental and proven investment philosophies using corporate analysis and independent analysis;
5. Expertise in investing in and analyzing small-cap stocks that are not included in benchmark indexes; and
6. Corporate culture that embraces integrity and intellectual freedom.

## **2. THE COMPANY'S BUSINESS ACTIVITIES**

The Company's current business activities comprise providing investment management services and investment advisor services, where the Company offers mutual fund products, i.e., securities investment management fund portfolio. The types of mutual funds established by the Company cover a range of assets classes including equity, bonds and money markets. The mutual funds are managed by the Company's professional investment teams according to the specific strategies and criteria of each mutual fund product. These investment teams have deep knowledge of and extensive experience in the Indonesian capital market. At present, the Company's mutual funds are distributed through selling agents (banks), institutions, and insurance companies. The Company's main and supporting business activities are as follows:

## Main Business Activities:

1. Manages securities portfolios for the benefit of customers based on asset management agreements signed between the Company and such customers. These agreements comply with the requirements of FSA regulations.
2. Manages collective investment portfolios for the benefit of groups of customers through products regulated by the FSA.
3. Provides advice on the sale and purchases of securities in exchange for fees.

## Supporting Business Activities:

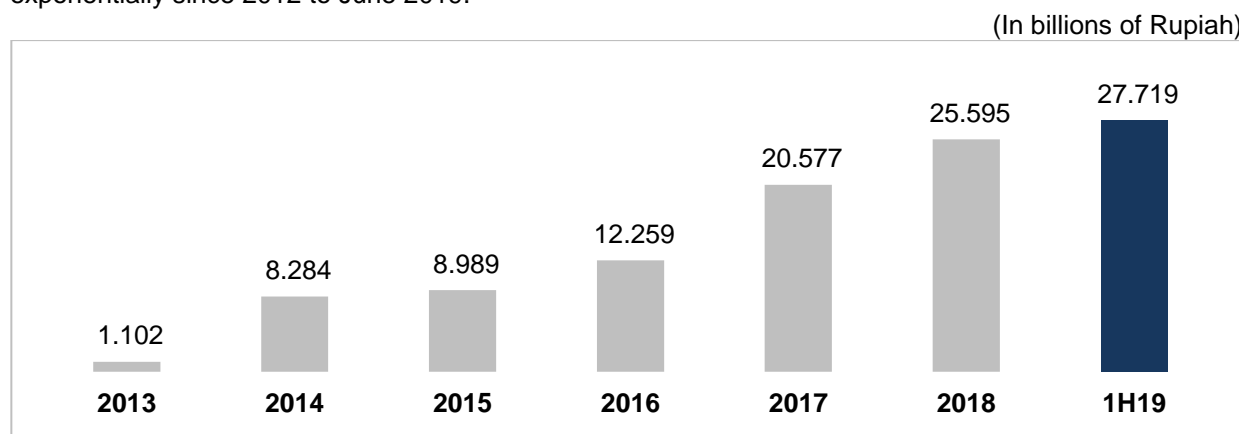
1. Undertakes other activities as permitted by the FSA and in accordance with FSA requirements.
2. Carry out other businesses related to the main business activities referred to above in accordance with applicable laws and regulations.

As of October 2019, the Company's top five customers are a combination of institutional customers and selling agents, contributing more than 65% to the Company's total assets under management.

Up to the date of issuance of this Prospectus, there are no significant trends in sales and expenses since the last fiscal year that affect the Company's business activities and financial prospects.

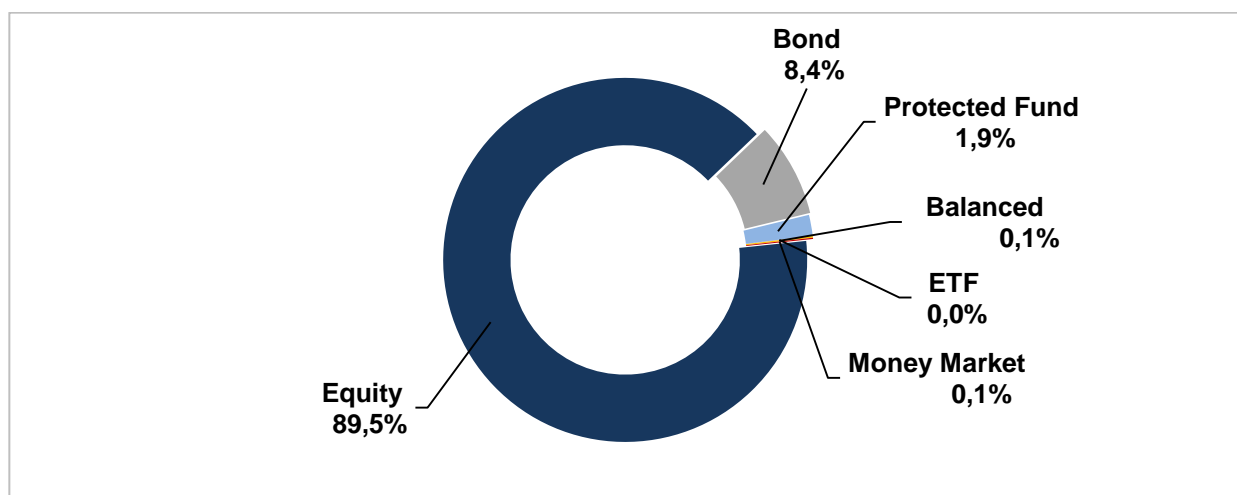
Up to the date of issuance of this Prospectus, there are no trend, uncertainty, demand, commitment, or event that are known to potentially have significant impact on revenue, profitability, liquidity or source of capital, or any event, which may cause the reported financial information to become unreliable indication of future operating results or financial condition.

The following chart presents the trend of the Company's total assets under management, which have grown exponentially since 2012 to June 2019.



Source: The Company, July 2019

As of the date of the issuance of this Prospectus, the Company has 19 (nineteen) types of open-end Mutual Funds, namely Ashmore Dana Obligasi Nusantara ("ADON"), Ashmore Dana Terproteksi Nusantara ("ADTN"), Ashmore Dana Terproteksi Nusantara II ("ADTN II"), Ashmore Dana USD Nusantara ("ADUN"), Ashmore Dana Obligasi Unggulan Nusantara ("ADOUN"), Ashmore Dana Progresif Nusantara ("ADPN"), Ashmore Dana Ekuitas Nusantara ("ADEN"), Ashmore Dana USD Equity Nusantara ("ADUEN"), Ashmore Saham Sejahtera Nusantara ("ASSN"), Ashmore Saham Unggulan Nusantara ("ASUN"), Ashmore Saham Sejahtera Nusantara II ("ASSN II"), Ashmore Saham Dinamis Nusantara ("ASDN"), Ashmore Dana Pasar Uang Nusantara ("ADPUN"), Ashmore Saham Providentia Nusantara ("ASPN"), Ashmore Providentia Balance Nusantara ("APBN"), Ashmore Dana Obligasi Optima Nusantara ("ADOON"), Ashmore Dana Obligasi Strategis ("ADOSN"), Ashmore ETF LQ45 Alpha ("AELA"), Ashmore Dana Ekuitas Prima ("ADEP"), and Discretionary Fund products with institutional customers. All the Company's mutual funds have obtained the effective statements from the FSA. The Company's mutual fund products are categorized into 6 (six) types by asset class with the following composition:



The following presents detailed descriptions of the Company's mutual fund products by type of portfolio, which consist of Open-End Equity Funds, Fixed Income Funds, Protected Funds, Money Market Funds, ETF Funds, Balance Funds, and Discretionary Funds.

## Open-End Equity Funds

In general, an open-end equity fund aims to achieve long-term capital gains through investments in equity securities both during Public Offerings and/or traded on the Indonesia Stock Exchange.

### 1. Ashmore Dana Progresif Nusantara (ADPN)

Ashmore Dana Progresif Nusantara or ADPN allocates investments in equity securities, including investment opportunities in small caps companies in the amount of at least 50% of the equity allocation portion of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment portfolio. Since its issuance in February 2013 until the end of October 2019, ADPN has generated a net cumulative return of 59.97%, with total assets under management of Rp2,485,579 million, and net asset value/unit of Rp1,599.66. During the same period, the Composite Index generated a net return of 38.31%.

### 2. Ashmore Dana Ekuitas Nusantara (ADEN)

Ashmore Dana Ekuitas Nusantara or ADEN allocates investments in equity securities in the amount of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment portfolio. Since its issuance in February 2013 until the end of October 2019, ADEN has generated a net cumulative return of 46.45%, with total assets under management of Rp5,037,129 million, and net asset value/unit of Rp1,464.49. During the same period, the Composite Index generated a net return of 38.31%.

ADEN mainly focuses on equity securities dominated by large caps (blue chips) with consistent net return performance ahead of the average return of the Company's competitors.

### 3. Ashmore Dana USD Equity Nusantara (ADUEN)

Ashmore Dana USD Equity or ADUEN allocates investments denominated in US Dollars in equity securities in the amount of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment portfolio. Since its issuance in February 2015 until the end of October 2019, ADUEN has generated a net cumulative return of 34.61%, with total assets under management of USD13.4 million, and net asset value/unit of USD1.37. During the same period, the US Dollar denominated Composite Index generated a net return of 11.46%.

#### **4. Ashmore Saham Sejahtera Nusantara (ASSN)**

Ashmore Saham Sejahtera Nusantara or ASSN allocates investments in equity securities in the amount of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment portfolio. Since its issuance in September 2017 until the end of October 2019, ASSN has generated net cumulative return of 0.42%, lower than the benchmark index, the IDX Composite, which increased by 5.55%.

#### **5. Ashmore Saham Sejahtera Nusantara II (ASSN II)**

Ashmore Saham Sejahtera Nusantara II or ASSN II allocates investments in equity securities in the amount of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment portfolio. Since its issuance in April 2018 until the end of October 2019, ASSN II has generated net cumulative return of 6.11%, compared to the benchmark index, the LQ45 Index, which declined by 1.05%.

#### **6. Ashmore Saham Unggulan Nusantara (ASUN)**

Ashmore Saham Unggulan Nusantara or ASUN allocates investments in equity securities in the amount of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment portfolio. Since its issuance in July 2018 until the end of October 2019, ASUN has generated net cumulative return of 17.06%, compared to the benchmark index, the IDX Composite, which increased by 5.00%.

#### **7. Ashmore Saham Dinamis Nusantara (ASDN)**

Ashmore Saham Dinamis Nusantara or ASDN allocates investments in equity securities in the amount of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment portfolio. Since its issuance in July 2018 until the end of October 2019, ASDN has generated net cumulative return of -1.74%, compared to the benchmark index, the IDX Composite, which increased by 2.69%.

#### **8. Ashmore Saham Providentia Nusantara (ASPN)**

Ashmore Saham Providentia Nusantara or ASPN allocates investments in equity securities in the amount of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment portfolio. Since its issuance in March 2019 until the end of October 2019, ASPN has generated a net cumulative return of -3.17%, with total assets under management of Rp57.8 billion, and NAV/Unit of Rp968.3. During the same period, the Jakarta Composite Index generated a net return of -2.17%.

#### **9. Ashmore Dana Ekuitas Prima (ADEP)**

Ashmore Dana Ekuitas Prima or ADEP allocates investments in equity securities in the amount of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment portfolio. Since its issuance in October 2019, ADEP has generated a net cumulative return of -3.43%, compared to the benchmark index, the IDX Composite, which increased by 1.00%.

### **Open-End Fixed Income Fund**

In general, a fixed income fund aims to achieve a higher return on investment than the interest rate on savings through investments in debt securities in Public Offerings and/or traded on the Indonesia Stock Exchange.

#### **1. Ashmore Dana Obligasi Nusantara (ADON)**

Ashmore Dana Obligasi Nusantara or ADON allocates investments in debt securities in the amount of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment

portfolio. Since its issuance in April 2013 until the end of October 2019, ADON has generated a net cumulative return of 43.37%, with total assets under management of Rp1,090,914 million, and net asset value/unit of Rp1,433.67. ADON invests in debt securities issued by the Government of the Republic of Indonesia and/or legal entity corporations in Indonesia. During the same period, the benchmark index, BINDO generated a net return of 48.74%.

## **2. Ashmore Dana USD Nusantara (ADUN)**

Ashmore Dana USD Nusantara or ADUN allocates investments in debt securities in the amount of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment portfolio. Since its issuance in March 2014 until the end of October 2019, ADUN has generated a net cumulative return of 36.36%, with total assets under management of USD67.7 million, and net asset value/unit of USD1.35. ADUN invests in USD denominated debt securities issued by the Government of the Republic of Indonesia and/or Indonesian State-Owned Enterprises. During the same period, the benchmark index generated a net return of 28.77%.

## **3. Ashmore Dana Obligasi Unggulan Nusantara (ADOUN)**

Ashmore Dana Obligasi Unggulan Nusantara or ADOUN allocates investments in debt securities in the amount of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment portfolio. Since its issuance in November 2017, until the end of October 2019, ADOUN has generated a net cumulative return of 11.90%. During the same period, the benchmark index generated a net return of 9.28%.

## **4. Ashmore Dana Obligasi Optima Nusantara (ADOON)**

Ashmore Dana Obligasi Optima Nusantara or ADOON allocates investments in debt securities in the amount of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment portfolio. Since its issuance in August 2018, until the end of October 2019, ADOON has generated a net cumulative return of 14.51% with total assets under management of Rp122,625.1 million, and net asset value/unit of Rp1,079.53. During the same period, the benchmark index generated a net return of 5.71%.

## **5. Ashmore Dana Obligasi Strategis Nusantara (ADOSN)**

Ashmore Dana Obligasi Strategis Nusantara or ADOSN allocates investments in debt securities in the amount of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment portfolio. Since its issuance in June 2019, until the end of October 2019, ADOSN has generated a net cumulative return of 4.13% with total assets under management of Rp262,550.9 million, and net asset value/unit of Rp1,041.32. During the same period, the benchmark index (90% Bloomberg Indonesia Bond Index + 10% Time Deposit 1M net) generated a net return of 4.49%.

## **Protected Funds**

In general, a protected fund aims to achieve fixed returns on investment within the investment period previously specified by the Investment Manager. The investment units of a protected fund may be redeemed before maturity without any protection guarantee on investment principal.

### **1. Ashmore Dana Terproteksi Nusantara (ADTN)**

Ashmore Dana Terproteksi Nusantara or ADTN allocates investments in debt securities in the amount of 60% - 100%, and money market instruments in the amount of 0% - 40% of the total investment portfolio. Since its issuance in January 2015 until the end of October 2019, ADTN has generated a net cumulative return of 50.35%, compared to the benchmark index, which increased by 26.53%.



## 2. Ashmore Dana Terproteksi Nusantara II (ADTN II)

Ashmore Dana Terproteksi Nusantara II or ADTN II allocates investments in debt securities in the amount of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment portfolio. Since its issuance in November 2015 until the end of October 2019, ADTN II has generated a net cumulative return of 32.73%, compared to the benchmark index, which increased by 20.51%.

### Money Market Funds

In general, a money market fund aims to offer higher investment returns and liquidity than through investments in money market instruments with less than 1 (one) year maturity in Public Offerings and/or traded in the Indonesia Stock Exchange.

#### 1. Ashmore Dana Pasar Uang Nusantara (ADPUN)

Ashmore Dana Pasar Uang Nusantara or ADPUN allocates all investments in money market instruments and/or debt securities issued by the Government of the Republic of Indonesia and/or legal entity corporations in Indonesia. Since its issuance in September 2016 until the end of October 2019, ADPUN has generated a net cumulative return of 9.65%, with total assets under management of Rp44,968.6 million, and net asset value/unit of Rp1,096.46. During the same period, the benchmark index generated a net return of 15.55%.

### Balance Funds

In general, a balance fund aims to offer potential long-term returns through investments in equity, bonds, and money market instruments that are sold in Public Offerings and/or traded on the Indonesia Stock Exchange.

#### 1. Ashmore Providentia Balanced Nusantara (APBN)

Ashmore Providentia Balanced Nusantara or APBN allocates investments in money market instruments and/or debt securities issued by the Government of the Republic of Indonesia and/or legal entity corporations in Indonesia. Since its issuance in June 2019 until the end of October 2019, ADPUN has generated a net cumulative return of -0.17%, with total assets under management of Rp39,783.7 million, and net asset value/unit of Rp998.29. During the same period, the benchmark index generated a net return of 2.18%.

### Exchange Traded Fund (ETF)

In general, ETF aims to provide long-term capital gains through investments in accordance with the Investment Policies. Unlike typical ETF, the Company's ETF product aim to generate alpha through active management policies.

#### 1. Ashmore ETF LQ45 Alpha (AELA)

Ashmore ETF LQ45 Alpha or AELA allocates investments in equity securities in the amount of 80% - 100%, and money market instruments in the amount of 0% - 20% of the total investment portfolio. Since its issuance in June 2019 until the end of October 2019, AELA has generated a net cumulative return of -5.26%, with total assets under management of Rp15,789.6 million, and net asset value/unit of Rp956.95. During the same period, the benchmark index generated a net return of -4.03%.

### Discretionary Funds

A discretionary fund is a securities portfolio management contract for the benefit of individual customers. At present, approximately 40% of the Company's assets under management falls under the category of discretionary fund. The mandates given to the Company for discretionary funds include varied strategies,

including equity theme, bond theme, and/or specific theme, and involves the use of benchmark index other than the IDX Composite. On average, the discretionary funds managed by the Company have generated net cumulative return of 5.1% in the last three years up to October 2019.

### 3. MARKETING AND SALES ACTIVITIES

As a service provider, customer satisfaction on service quality is crucial to the Company. Accordingly, the Company's marketing strategies must differ from other companies that provide similar products. One of the Company's business strategies is to identify attractive investment opportunities with the best prospect of return at an appropriate risk level. The Company has to continuously endeavor to improve its service quality, both in terms of technical expertise and professionalism of all individuals in the Company. Such quality improvement is essential considering the products offered by the Company are generally similar to other investment management companies.

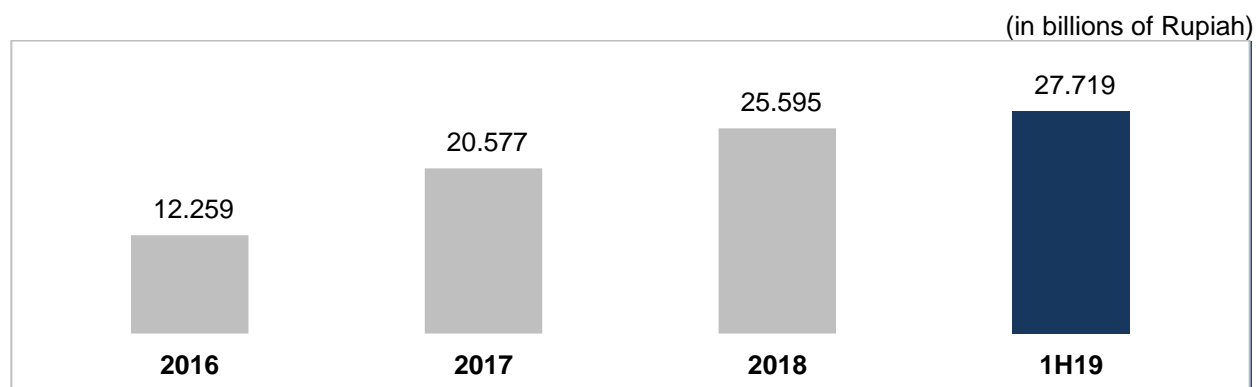
Other strategies implemented by the Company include developing its marketing area network with the purpose of increasing the scope of investment manager service offering. Service offering introductions to both government-owned and private companies and institutions through publications on the Company's website regarding products, news, and research related to capital market instruments and macro and microeconomic conditions are consistently carried out by the Company as part of its effort to maintain and improve the Company's performance in growing its main sources of revenue.

In terms of marketing, there are two distribution channels used by the Company, i.e., marketing through selling agents and direct sales. For marketing through bank selling agents, the Company presently sells its flagship mutual fund products in nearly all leading banks in Indonesia. The Company also sees unrealized potential from institutional customers and the Company plans to increase its marketing intensity in terms of investment support for institutional customers, either by expanding its marketing teams or by increasing the number of products available to customers.

The Company's management has taken a number of strategic marketing initiatives as described below:

- Compared to its initial establishment, the Company has expanded its marketing team from four persons to six persons dedicated to institutional customers;
- During the last three years, the Company has also added a number products in addition to its flagship equity mutual fund products to meet the specific needs and demand of institutional customers; and
- In order to provide value to customers, the marketing team also consistently provides education, recommendations, and market analysis on a weekly, monthly, and quarterly basis.

The Company's revenue growth is represented by the growth of the Company's assets under management. Period ending assets under management in the past 3 (three) years is presented below:



Source: the Company, July 2019

Up to the date hereof, the Company's business activities have not been affected by seasonality.

## 4. COMPETITIVE ADVANTAGES

The Company's investment team has in-depth knowledge of and solid relationship with regulator and industry players in the local market, with more than 15-years of experience in the capital market industry. The Company's investment team has team-based process approach where the decision making is done through an investment committee and a no star culture inherited from the Group. Such competitive advantage is reflected in the impressive growth of the Company's assets under management since its establishment. The Company's assets under management has increased by 78% annually in the period from June 2013 to the June 2019. Assets under management for the open end equity mutual fund segment has increased by 59% annually compared to the industry annual growth of 8% for the same period. The Company is capable of staying ahead of its competitors in the investment management service sector with the support of the following advantages:

- **Solid investment process and system**

The Company investment process not only involves the general top-down and bottom-up processes but also value chain analysis and thematic research. In addition, the Company has also established a highly disciplined share performance monitoring system (in connection with gain/loss realization) and liquidity risk management. These processes have generated a superior performance in equity mutual funds, particularly small cap equity fund, which outperformed the market by 22% since inception up to October 2019, and outperformed other competitors.

- **Product differentiation**

The Company's products portfolio focuses on small caps equity funds that are considered as high quality small caps equity funds in the local market. Compared to small caps equity funds managed by other similar companies, the Company's small caps equity requirement is typically more stringent with at least 50% of the portfolio to be invested in small cap equities. The foregoing also distinctively complements the Company's large caps equity fund products. Fixed income funds are differentiated through active duration management, compared to competitors that typically only have bullet strategy duration.

- **Experience and exposures in emerging markets**

The Company is part of the Ashmore Group, one of the established companies specializing in emerging markets. The Company has competitive advantage in terms of the knowledge and experience of its group in investing in emerging economies, including Indonesia. The Ashmore has invested in Indonesia for more than 15 years, and is currently one of Indonesia's main investors investing in various assets such as bonds, equity, and private equity.

- **Strong investment approach**

The Company has a strong bottom-up investment process, including a focus on credit and securities selection, which ensures that the Company's investment ideas consistently reflect the Company's views on macroeconomic conditions. The Company's top-down macro investment approach is one of the key driver of the Company's investment process, with a focus on country risk (including macro economy, policies and political dynamics), value, investor behavior and market techniques, including real-time scenario analysis, and liquidity analysis.

- **Active risk management**

A strong focus on active risk management in the investment process and liquidity management allows the Company to control risks and generate strong alpha. Alpha is generated not only by selecting the best investments for the Company's portfolios, but also by having insights on where investments (by sector, currency, etc.) must be avoided. In general, strong risk management and compliance culture, and strong awareness of existing regulations are present in all of the Company's departments and levels of organization. Risk and compliance management is central to all investment management decisions, whether in terms of compliance monitoring prior/subsequent to trading of all transactions, stringent segregation of duties related to all counterparts, and independent analysis of prior achievements or of changes anticipated in all portfolio.

The Company continuously seeks to strengthen and differentiate its marketing and distribution networks compared to its competitors. At present, the skills of the Company's investment and marketing team are highly diversified. In terms of performance, three of the Company's main mutual funds have been able to achieve strong track records since their launch in 2013, which strengthens investor loyalty in the future. In addition, the Company also plans to continuously innovate in terms of its mutual fund product offerings in order to create distinguished products to provide added value to investors.

## 5. THE COMPANY'S BUSINESS PROSPECTS

In general, the Company believes that it has good business prospects given the Indonesian society's increased understanding of the importance of investment. The asset management industry in Indonesia is relatively new, and has experienced higher growth in the past 15-years compared to Indonesia's economic growth. However, the penetration of the asset management industry, as measured by the ratio of assets under management to Gross Domestic Product ("GDP") remains very low. The Company sees the opportunity to grow at a rate higher than the national economic growth and industry growth based on the Company's growth rate in the past three years. From June 2016 to June 2019, the growth rate of the Company's assets under management has reached 33% per year, compared to the industry growth rate of 18%. The Company believes it is well-placed to capitalize the economic growth, improved financial literacy, and de-regulation potential of Indonesia.

The following factors are the catalysts of the Company's growth prospects:

- a. Indonesia's macroeconomic growth. The Company is able to even significantly outperform Indonesia's growth.
- b. Further penetration in the two distribution channels: retails and institutions, by increasing the number of customers and increasing the amount of assets under management entrusted by such customers.
- c. Performance that is consistently higher than average and benchmark index.
- d. Changes in government regulations, with a specific focus on the growth of pension fund and social security in Indonesia.

At present, the Company offers three main categories of investment, i.e., equity, bonds, and money market through 18 (eighteen) mutual funds, 9 (nine) DF, and 1 (one) Exchange Traded Fund, with a total assets under management of Rp30 trillion as of October 2019. The Company sees potential in expanding its investment scope and diversifying the Company's investments, including, among others, into corporate bonds, sharia assets, and private equity, in order to generate stable profit for the Company.

In addition, the Company also sees opportunity for growth in terms of product size, in line with customers' growing demands. It is also supported by increasingly advanced technology that facilitates access in terms of monitoring and making investments, particularly for retail customers. Opportunities that have arisen due to changes in legislation such as the possibility to purchase foreign conventional assets may enable the Company to expand the variety of mutual funds products that the Company is able to offer. We believe such opportunities can be further supported by the global expertise of the Company's group.

There are several barriers to entry to the capital market business in Indonesia. Investment management is highly dependent on personnel with specific and in-depth skills in the capital market in Indonesia. Consequently, foreign parties that are not supported by personnel experienced in the Indonesian market will face a number of difficulties in investing in the Indonesian market, particularly in equity.

Consistent distribution network and marketing systems are some of the key factors to introduce the Company's brand to retail investors. Meanwhile, the Company's long track-record also helps marketing to institutional investors, resulting in rapid increase in the Company's total assets under management although the Company is a relatively new player in the investment management business.

Furthermore, the limitations of regulations that are unable to keep up with the developments in the global capital market industry is another obstacle faced by investment managers. In addition, the high interest rate in Indonesia causes distribution agents such as bank (particularly banks with significant assets) to tend to focus on their traditional sources of income.

## 6. THE COMPANY'S BUSINESS STRATEGIES

### The Company's Vision and Missions

The Company's vision is to become one of the largest asset management companies in Indonesia that is capable of offering high investment returns to customers through effective and efficient distribution.

The Company's missions are as follows:

1. offering investment strategies on various types of assets that the Company currently specializes in and utilizing the relationship with the Ashmore Group to assist in the investment process; and
2. providing services and creating value for customers as well as teaching customers how to invest in Indonesia's capital market through efficient and effective distribution channels.

To achieve such vision, the Company needs to achieve strategic targets in accordance with the business plans.

Domestically, the Company sees relatively a great number of products generally offered in the global market that are not widely known in Indonesia. Actively managed Exchange Traded fund (ETF) is one such example. In terms of short-term marketing strategy, the Company is preparing new products such as sharia investment products to increase the variety of the Company's mutual fund products. The Company also continuously increases its market share penetration through selling agents, and its institutional customers, which are relatively low.

In the short-term, the Company remains focused on its strategy to strengthen the Company's brand and expand its market share in Indonesia. At present, the Company's revenue is generated from investment management activities. In addition, the Company plans to make further investments in IT system to facilitate the strengthening of its brand and expanding its market share. In the long-term, the Company focuses on providing return on investment in mutual funds that is higher than benchmark to strengthen the Company's position in the Indonesian market as part of the Company's strategies to strengthen its brand in the domestic and foreign markets.

## 7. BUSINESS COMPETITION

The capital market industry, particularly the investment management business, continues to grow at a rate higher (16% annually 2003-18) than Indonesia's economic growth (11% annually 2003-18), and is concentrated in a small number of investment management companies. The Company's top three competitors in terms of background and mutual fund segments are PT Schroder Investment Management Indonesia, PT Manulife Aset Manajemen Indonesia, and PT BNP Paribas Investment Partners. The Company's competitors are presented in the following table:

No.	Name	NAV (In billions of Rupiah)	Market Share
1	PT Mandiri Manajemen Investasi	44,509	8.0%
2	PT Batavia Prosperindo Aset Manajemen	44,245	8.0%
3	PT Bahana TCW Investment Management	42,316	7.6%
4	PT Schroder Investment Management Indonesia	40,418	7.3%
5	PT Manulife Aset Manajemen Indonesia	31,308	5.7%
6	PT Eastspring Investments Indonesia	19,499	3.5%
7	PT BNP Paribas Asset Management	17,292	3.1%
8	PT Ashmore Asset Management Indonesia	15,419	2.8%
9	PT Samuel Aset Manajemen	12,073	2.2%
10	PT Sucorinvest Asset Management	10,867	2.0%
11	PT First State Investments Indonesia	2,337	0.4%
12	PT Aberdeen Standard Investments Indonesia	1,645	0.3%
13	Others (81 IM)*	221,652	40.1%
<b>Total</b>		<b>553,265</b>	<b>100%</b>

Source: FSA

\*Other IM has an average market share of 0.59%

Although relatively young, the Company currently holds the 8<sup>th</sup> place in terms of total mutual fund products offered compared to similar companies. The Company's and its parent company's fundamental advantage

compared to its competitors is its experience in investing in emerging markets. In addition, the Company's investment team is one of the few management teams having more than 15 years of experience in the Indonesian capital market.

A good marketing system is one of the key factors that enable the Company to compete with its competitors particularly as the Company is relatively a new player in Indonesia's capital market industry. A consistent distribution network and marketing systems are some of the key factors to introducing the Company's brand to retail investors. Meanwhile, the Company's track-record also helps marketing its products to institutional customers, making it increasingly difficult for new players in the investment management business to increase their total assets under management in a short time. However, the Company has increased its market share within 5 years reaching 2.8% in October 2019, which demonstrates the Company's ability to compete with its competitors.

## 8. CORPORATE SOCIAL RESPONSIBILITY

The Ashmore Group established the Ashmore Foundation in 2008, and it seeks to make a positive and sustainable difference to disadvantaged communities in the emerging markets in which Ashmore operates and invests, including Indonesia. Since 2008, the Ashmore Foundation has donated over £4,000,000 (four million Pound sterling) to 70 organizations in 25 emerging markets countries. [Further information is available at the Foundation's official website at www.ashmorefoundation.org.](http://www.ashmorefoundation.org)

## 9. INFORMATION TECHNOLOGY

In terms of operations, the Company uses the thinkFolio system in managing its portfolio. The thinkFolio function is to monitor investment activities and guidelines. An integrated system between division and work units allows the Company's management team and compliance team to monitor trading activities and to be informed whether the mutual funds under management have satisfied the Company's investment and risk management policies. In addition, the technological support also facilitates the management of the Company's Group to monitor the company's risk system including among the other cash management system for managing fund and portfolio turnover and client relationship management system. The Company has made the following IT developments, including:

- Integration with KSEI's S-Invest which allows the Company to create uniformed order for post-trade as well as Custodian bank orders through Indonesia Clearing House system
- Operation enhancement

## 10. AWARDS AND CERTIFICATIONS

The Company focuses on delivering superior performance of its mutual fund products which has led it to receive many awards since inception. Such awards have been useful in promoting the Company's brand name, which was relatively new in the Indonesian market. Up to the date of issuance of this Prospectus, the Company has won a number of international awards for its mutual fund products as described below:

- **ASHMORE DANA PROGRESIF NUSANTARA (IDR - SMALL CAPS EQUITY MANDATE)**
  - 2017: Infovesta Best Mutual Fund Award For Category - Equity Fund 3 Years Period, assets above 1.5 Trillion;
  - 2017: Bloomberg Award - Best Equity Fund (Asset Under Management > 650 Billion) for 3 years performance;
  - 2015: Infovesta Best Mutual funds Award For Category - Equity Fund 1 Year Period, assets above 1 Trillion.
- **ASHMORE DANA EKUITAS NUSANTARA (IDR - ALL CAPS EQUITY MANDATE)**
  - 2017: Business News Top Capital Market Award - 2017 Top Equity Mutual Funds.
- **ASHMORE DANA USD EQUITY NUSANTARA (USD - HIGH CONVICTION EQUITY MANDATE)**
  - 2017: Bareksa/Kontan – 2017 Fund award silver winner for 1 year performance (Asset Under Management 25-100 Billion).

- **ASHMORE DANA OBLIGASI NUSANTARA (LOCAL CURRENCY FIXED INCOME MANDATE)**
  - 2017: Infovesta Most Favorite Fixed Income Fund.

## **11.RESEARCH AND DEVELOPMENT**

Each year, the Company conducts regular research activities covering market, competitors, partners, macroeconomic, industrial and strategic assessment as part of the company's short and long term development plan.

## **12.INTELLECTUAL PROPERTY RIGHTS**

As of the date of issuance of this Prospectus, the Company has no intellectual property rights.

## IX. INDUSTRY OVERVIEW

### Indonesia's Macroeconomic Condition

In the past 5 (five) years, Indonesia's economy has grown at a rate of 5%. This growth indicates that Indonesia is one of the countries with proven economic growth as Indonesia has joined the G-20 Countries. Given Indonesia's high economic growth and strong economic fundamentals, global investor trust in Indonesia is relatively high.

The summary of Indonesia's key economic indicators in the past 5 (five) years is presented below:

Description	2014	2015	2016	2017	2018
GDP (%)	5.0	4.9	5.0	5.0	5.2
GDP/Capita (USD)	3,531.4	3,377.1	3,603.6	3,876.3	3,932.0
Inflation (%)	2.5	3.4	3.0	3.6	3.1
CAD/GDP (%)	-3.1	-2.1	-1.8	-1.7	-2.9

Source: Statistics Indonesia, Bank Indonesia

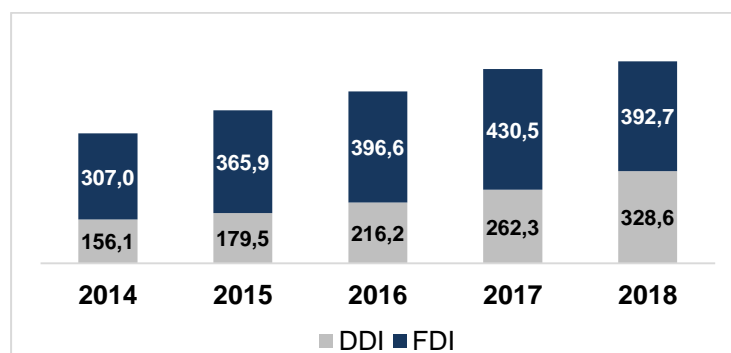
Indonesia's economic growth rate in the past five years has remained highly consistent, and has achieved a satisfactory growth rate in 2018. Such achievement was supported by improvement in infrastructure such as toll roads, airports, ports, and other facilities that improves public mobility and standards of living. In line with the increase in Gross Domestic Product ("GDP"), year-on-year total GDP/capita has continued growing. In terms of inflation, the Government of Indonesia and Bank Indonesia have been able to maintain inflation levels at 3% each year amidst a volatile global economy and the high level of imports within Indonesia.

In billions of USD

Description	2014	2015	2016	2017	2018
<b>Export</b>					
Oil and Gas	30.3	18.5	13.1	15.7	17.4
Non-oil and gas	146.0	131.7	131.3	153.1	162.7
<b>Total</b>	<b>176.3</b>	<b>150.2</b>	<b>144.4</b>	<b>168.8</b>	<b>180.1</b>
<b>Import</b>					
Oil and Gas	43.5	24.6	18.7	24.3	29.8
Non-oil and gas	134.7	118.1	116.9	132.7	158.8
<b>Total</b>	<b>178.2</b>	<b>142.7</b>	<b>135.6</b>	<b>157.0</b>	<b>188.6</b>

Source: Statistics Indonesia

In terms of trade balance, Indonesia reported a trade surplus in 2015, 2016 and 2017. However, Indonesia experienced a trade deficit in 2014 and 2018. The decrease was primarily a result of global economic slowdown amidst the current trade war issue between the United States and China. The non-oil and gas sector contributed 90.33% to Indonesia's cumulative export in 2018 (January - December). On the other hand, Indonesia's cumulative import in 2018 (January - 2018) primarily comprised of machineries/mechanical (17.12%) and machineries/electrical equipment (13.50%).



\*DDI: Domestic Direct Investment; FDI: Foreign Direct Investment

Source: BKPM



The level of investment growth in Indonesia continues to rise. Investment grew at 11.71% CAGR during the period 2014 - 2018, where the roles of both foreign and domestic investors generated a significant contribution to Indonesia's economic growth and development.

## Positive Impacts of S&P Rating Upgrade to Indonesia

The rating agency, S&P, upgraded Indonesia's rating from BBB-/stable to BBB/stable in May 2019, which matched the ratings granted by other rating agencies such as Fitch (December 2017) and Moody's (April 2018). The upgrade was driven by Indonesia's economic growth prospects and the Indonesian government policies to maintain debts at a low level and to manage fiscal issues.

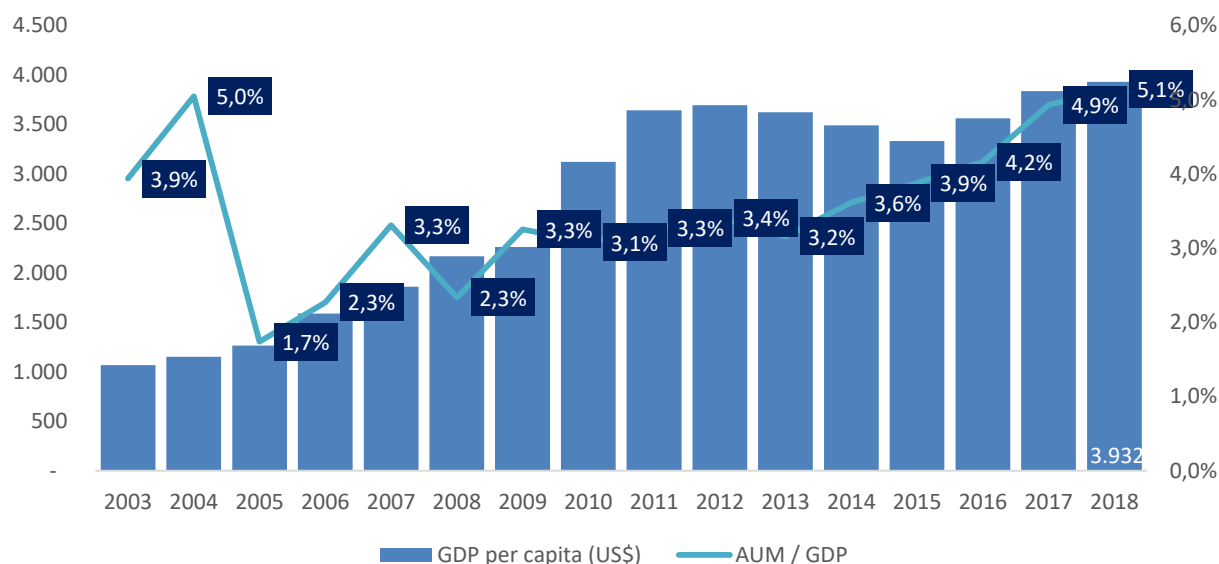
The upgrade is a positive catalyst for the Rupiah exchange rate. The decision of various rating agencies to assign equal ratings to Indonesia is believed to be a key factor in increasing fund managers' investment flows, particularly in the bond market, to increase their asset ownership portions in Indonesia. This is further supported by the rating downgrade of several emerging markets such as Brazil, South Africa, and Turkey in the past two years.

Country	S&P Rating (Current)	Latest rating adjustment date	S&P Rating (Previous)	Previous rating adjustment date
Malaysia	A-	May-08	A-	Jul-07
Thailand	BBB+	Dec-10	BBB+	Dec-08
Brazil	BB-	Jan-18	BB	May-17
Hungary	BBB	Feb-19	BBB-	Aug-17
South Africa	BB	Nov-17	BB+	Dec-15
<b>Indonesia</b>	<b>BBB</b>	<b>May-19</b>	<b>BBB-</b>	<b>May-17</b>
Colombia	BBB-	Dec-17	BBB	Feb-16
India	BBB-	Sep-14	BBB-	Apr-12
Mexico	BBB+	Mar-19	BBB+	Jul-17
Philippines	BBB+	Apr-19	BBB	Apr-18
Poland	A-	Oct-18	BBB+	Apr-18
Russia	BBB-	Feb-18	BB+	May-17
Peru	BBB+	Aug-13	BBB	Aug-12
S. Korea	AA	Aug-16	AA-	Sep-15
Turkey	B+	Aug-18	BB-	May-18
Czech Repub.	AA-	Aug-11	A	Aug-11

Source: Bloomberg, Trading Economics

## Investment Management Industry in Indonesia

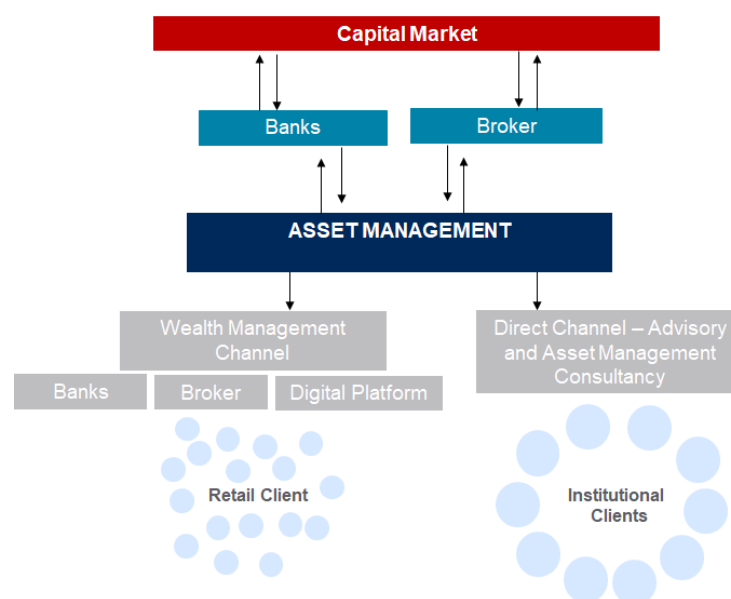
The investment management industry in Indonesia, as with many investment management industries throughout the globe, is highly correlated to its country's economic conditions. In line with Indonesia's economic growth in the past 20 years on the back of the increase in commodities and investments, GDP/Capita has increased from US\$1,066 in 2003 to US\$3,932 in 2018. The condition has prompted an increase in the country's average income segment from a lower middle income country to a middle income country. As a result, market penetrations in both retail and institutional investments have rapidly increased, driving the growth of the investment management industry to 16.2% year-on-year since 2003, or nearly 1.5 times the rate of Indonesia's economic growth.



Source: World Bank

## Ecosystem of investment management industry

The investment management industry relies on a number of stakeholders in undertaking its operations. In the investment management industry in Indonesia, trading of assets under management, whether in the form of shares, government bonds, or corporate bonds, is executed through banks and capital market brokers. Through these brokers, the investment management industry receives access to information held by financial consultants that are used as a basis for investment decisions taken by the investment managers. Assets under management products in the form of mutual funds are then distributed through two main channels: wealth management for retail customers and investment advisor for institutional customers. Approximately 30% of Indonesia's assets under management is contributed by retail customers, while the remaining 70% is contributed by institutional customers.



Source: AAMI Research

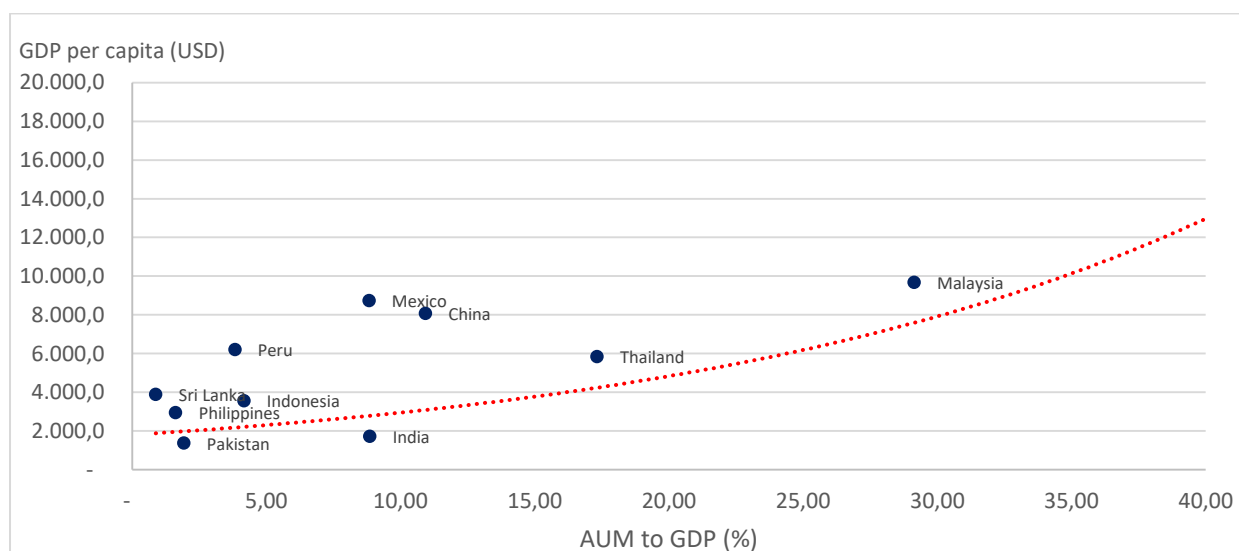
Institutional customers are a significant component of the industry, both in Indonesia and other major countries, as institutional customers generally originate from segments as insurance and pension funds, both corporate pension funds and government bodies such as BPJS. Growth of assets under management

of institutional customers from 2015 to 2017 reached 7.2% year-on-year, in line with economic growth. However, growth of assets under management in the form of mutual funds has reached 18.2% year-on-year. The amount of funds allocated in mutual funds (with the exception of discretionary funds) has increased from 15.1% of total assets under management in 2015 to 20.2% in 2018. In addition to the increase in assets under management, the shift from banking products such as time deposits indicates a growing need for higher return on investments and an improvement in financial literacy. In general, investment management companies offer direct investment advisory and asset management services to institutional customers.

Meanwhile, the distribution channel generally used by investment management companies for individual or retail customers, including non-insurance corporate customers, is the wealth management service provided by banks and securities companies. The growth of assets under management in the form of mutual funds in this segment has increased by 29.0% year-on-year from 2015 to 2018, significantly higher than the growth in institutional customers, which was driven by the low penetration in the retail segment, causing a much faster growth. In 2015, only 1.5% of total assets under management was invested in mutual funds. By the end of 2018, investments in mutual funds had increased to 3.2%.

### Indonesia's Investment Management Service Industry Projection

The investment management industry in Indonesia remains an industry with one of the lowest penetration rates within the Asia Pacific region. Consequently, the potential growth is significantly higher than Indonesia's economic growth. By the end of 2018, total assets under management in the form of mutual funds only represented 5.2% of total GDP, making Indonesia one of the major countries in ASEAN and Asia Pacific with the lowest ratio.



Source: World Bank

Given the potential increase in Indonesia's income per capita, which is estimated to reach above US\$5,000 by 2022, the investment management industry is expected to continue growing rapidly. Particularly with the growing number of individuals whose annual income significantly exceeds basic needs. This segment is estimated to be at least 2.3 times greater than the number of individuals who, by the end of 2018, held investment assets in the form of mutual funds. For the purpose of comparison, when a country reaches an income per capita income between USD5,000 and USD10,000, ownership of investments in the form of mutual funds generally represented only 20% of total GDP.

In correlation, the increase in income per capita will provide a structural increase to the investment management industry in various aspects, i.e., an increase in the population's general education level, an increase in disposable income, and an increase in pension fund allocation. The combination of the three factors above will support significant growth for the players in the investment management industry, in the form of future increase in assets under management.

## X. EQUITY

The following table presents the Company's equity prepared based on the Company's statements of financial position as of June 30, 2019, 2018, and 2017. The Company's financial statements for the year ended June 30, 2019, have been audited by KAP Siddharta Widjaja & Rekan (a member firm of KPMG Network), based on the Auditing Standards stipulated by the Indonesian Institute of Public Accountant (*Institut Akuntan Publik Indonesia*, "IAPI"), who expressed an unmodified opinion in its report signed by Handrow Cahyadi, CPA (Public Accountant Registration No. AP. 1555). Whereas the Company's financial statements for the years ended June 30, 2018 and 2017, have been audited by KAP Siddharta Widjaja & Rekan (a member firm of KPMG Network), based on the Auditing Standards stipulated by the Indonesian Institute of Public Accountant (*Institut Akuntan Publik Indonesia*, "IAPI"), who expressed an unmodified opinion in its report signed by Kusumaningsih Angkawidjaja, CPA (Public Accountant Registration No. AP.0848).

Description	(In Rupiah)		
	June 30,		
	2019	2018	2017
<b>EQUITY</b>			
Share Capital - nominal value of Rp1,000,000.- per share			
Authorized capital - 100,000,000 shares	25,000,000,000	25,000,000,000	35,000,000,000
Issued and paid-up capital (2019: 25,000,000 shares) (2018: 25,000,000 shares) (2017: 35,000,000 shares)			
Remeasurement of employee benefits liabilities, net of tax	567,035,250	543,313,500	505,941,000
Retained Earnings:			
Appropriated	5,000,000,000	5,000,000,000	5,000,000,000
Unappropriated	8,389,653,840	7,386,707,403	1,542,042,438
<b>TOTAL EQUITY</b>	<b>38,956,689,090</b>	<b>37,930,020,903</b>	<b>42,047,983,438</b>

There are no further changes to the Company's capital structure subsequent to the issuance of this Prospectus. The Company hereby conducts a Share Initial Public Offering of 111,111,200 (one hundred eleven million one hundred eleven thousand two hundred) new shares or 10% (ten percent) of the Company's issued and paid-up capital subsequent to the Share Initial Public Offering, which shall consist of ordinary registered shares with a nominal value of Rp25 (twenty five Rupiah) per share.

Pursuant to the Deed No. 21/2019, the Company's shareholders approved, among others, the change in nominal value of shares from Rp1,000 (one thousand Rupiah) to Rp25 (twenty five Rupiah), resulting in the following:

Description	Nominal Value of Rp 25 per share		
	Total Shares	Total Nominal (Rp)	Percentage (%)
<b>Authorized Capital</b>	4,000,000,000	100,000,000,000	
<b>Issued and Paid-up Capital</b>			
• Ashmore Investment Management Limited	667,060,000	16,676,500,000	66.71
• PT Adikarsa Sarana	142,940,000	3,573,500,000	14.29
• Ir. Ronaldus Gandahusada	70,000,000	1,750,000,000	7.00
• Arief Cahyadi Wana	60,000,000	1,500,000,000	6.00
• FX Eddy Hartanto	60,000,000	1,500,000,000	6.00
<b>Total Issued and Paid-up Capital</b>	<b>1,000,000,000</b>	<b>25,000,000,000</b>	<b>100.00</b>
<b>Total Shares in Portfolio</b>	<b>3,000,000,000</b>	<b>75,000,000,000</b>	

### Public Offering Plan

The Company shall hereby conduct a Share Initial Public Offering by issuing ordinary registered shares, which shall entirely consist of new shares issued from the Company's portfolio, in a maximum sum of 111,111,200 (one hundred eleven million one hundred eleven thousand two hundred) shares with a nominal value of Rp25 (twenty five Rupiah) or a maximum of 10% (ten percent) of the Company's issued

and paid-up shares subsequent to the Share Initial Public Offering. The entire shares referred to above shall be offered to the Public at an Offer Price of Rp1,900,- (one thousand nine hundred Rupiah) per share, which shall be paid in full upon submission of the SSF. The aggregate value of the Share Initial Public Offering shall be Rp211,111,280,000.- (two hundred eleven billion one hundred eleven million two hundred eighty thousand Rupiah).

Presented below is the Company's pro forma equity position as of June 30, 2019, after taking into account the impact of the Share Initial Public Offering:

*(In thousands of Rupiah)*

Description	Capital Stock	Remeasurement of employee benefits liabilities, net of tax	Retained Earnings		Total Equity
			Appropriated	Unappropriated	
<b>Equity based on the financial statements as of June 30, 2019</b>	25,000,000,000	567,035,250	5,000,000,000	<b>8,389,653,840</b>	38,956,689,090
Changes in equity subsequent to June 30, 2019 assuming that the followings had occurred on such date:					
A Share Initial Public Offering of 111,111,200 ordinary registered shares, consisting of the Company's new shares with a nominal value of Rp25.- per share at an Offer Price of Rp1,900.- per share, before deducted by the estimated costs of the Share Initial Public Offering	2,777,780,000	-	-	-	2,777,780,000
<b>Statement of equity as of June 30, 2019, subsequent to the Share Initial Public Offering</b>	<b>27,777,780,000</b>	<b>567,035,250</b>	<b>5,000,000,000</b>	<b>8,389,653,840</b>	<b>41,734,469,090</b>

## XI. DIVIDEND POLICY

The new shareholders from this Initial Public Offering shall have the same and equal rights with the Company's existing shareholders, including the rights to receive dividends.

Pursuant to Company Law, dividend distributions shall be made based on the resolutions of the Annual GMS (Annual GMS). Interim dividends may be distributed prior to the end of a fiscal year, provided that such distribution is allowed under the Company's articles of association and shall not result in the Company's assets to become lower than the Company's issued and paid-up capital and statutory reserves. 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 in which such interim dividends are distributed, the distributed interim dividend must be refunded by the shareholders to the Company. The Board of Directors and the Board of Commissioners shall be jointly and severally responsible in the event that such interim dividends are not refunded by the shareholders.

Subsequent to the Share Initial Public Offering, the Company's Management shall adopt a policy to pay dividends with a minimum ratio of 50% (fifty percent) of the Company's consolidated income for the year, commencing from the 2020 fiscal year, without prejudice to the Company's soundness level and the rights of the Company's GMS to determine otherwise in accordance with the Company's articles of association. Factors that determine the Company's dividend distributions include, among others, net income, the availability of reserves, capital expenditure requirements, results of operations and cash balance. The above factors will ultimately depend on a number of conditions, including the successful implementation of business and financial strategies, which is affected by competition and regulation, the economic condition in general and other conditions that apply specifically to the Company or the Company's business. The majority of the factors referred to above are beyond the Company's control. Payment of dividends to shareholders shall be made based on the resolution of the Company's Annual GMS.

Cash dividends shall be paid in Rupiah. The shareholders registered as of the recording date shall be entitled to the rights to receive dividends in full amount, which shall be subject to income tax in accordance with the prevailing tax regulations in Indonesia. Cash dividends received by foreign shareholders shall be subject to income tax in accordance with the prevailing tax regulations in Indonesia.

There are no negative covenants that may prevent the Company from distributing dividends to shareholders.

The following sets forth the Company's dividend payment history during the last three years up to June 30, 2019.

Year	Total Dividends Paid (In thousands of Rupiah)
2019	85,500,000
2018	61,000,000
2017	35,000,000

## XII. TAXATION

### A. TAX APPLICABLE TO SHAREHOLDERS

Income tax on share dividends shall be imposed in accordance with the prevailing laws and regulations. Article 4 paragraph 3 point (f) of the Law No. 7 of 1983 concerning Income Tax as lastly amended by the Law No. 36 of 2008 stipulates that 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:

- Dividends are paid out from retained earnings; and
- 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.

Furthermore, under Regulation of the Minister of Finance of the Republic of Indonesia No. 234/PMK.03/2009 dated December 29, 2009, on Certain Investment Sectors Generating Income for Pension Funds Exempted as Object of Income Tax, the income received or accrued by pension funds incorporated under the approval of the Minister of Finance in the form of dividends from shares in limited liability companies listed in the Stock Exchange in Indonesia are not considered as an item subject to income tax.

In the case where dividends paid to Domestic Taxpayers (including Permanent Establishments) do not satisfy the provisions of Article 4 paragraph 3 point (f), where the percentage of share ownership is less than 25%, such payment of dividends shall be the Object of Income Tax Article 23 at a rate of 15% of the gross amount as stipulated in Article 23 paragraph (1) of the Law No. 7 of 1983 on Income Tax as lastly amended by the Law No. 36 of 2008. Furthermore, in accordance with the provisions of Article 23 paragraph (1a), if 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 tariff imposed on income in the form of dividends received or acquired by individual domestic Taxpayers shall be in accordance with the provisions of Article 17 paragraph (2c) of Law No. 36 of 2008 on Income, i.e., a maximum of 10% (ten percent) and is final. The tariff rate is determined based on the provisions of Article 17 paragraph (2d), and further regulated by the Government Regulation No. 19 of 2009 concerning Income Tax on Dividends Received or Earned by Individual Domestic Taxpayer.

Furthermore, dividend distributions to Foreign Taxpayers pursuant to the provisions of Article 26 paragraph (1) of Law No. 7 of 1983 on Income Tax as lastly amended by Law No. 36 of 2008 shall be subject to an income tax of 20% of the cash paid (in the case of cash dividends) or 20% of the par value (in the case of share dividends) or a lower tax rate in accordance with the Double Tax Avoidance Agreement (*Perjanjian Penghindaran Pajak Berganda*, "P3B") in the event that such dividend payment is made to citizens of a country that has signed the P3B with Indonesia, by fulfilling the requirements set forth in the Director General of Taxes Regulation No. PER-61/PJ/2009 concerning the Procedures of Implementation of Double Tax Avoidance Agreement, as amended by PER-25/PJ/2018.

In order to apply for a lower tax rate according to the P3B, then, based on the Director General of Taxes Regulation No. PER-61/PJ/2009 PER-61/PJ/2013 concerning the Procedures of Implementation of Double Tax Avoidance Agreement, as amended by PER-24/PJ/2014, foreign taxpayers are required to submit a Certificate of Domicile (COD) of Non Resident for Indonesia Tax Withholding, under the following conditions:

- i. DGT-Form for Foreign Tax Payers must be filled in a correct, complete, and clear manner.
- ii. Signed or marked with sign equivalent to the signature by the foreign taxpayer in accordance with the custom of the P3B partner country or the jurisdiction of P3B countries.
- iii. Authorized by the signature or marked with sign equivalent to the signature by an authorized officer in accordance with the custom of the P3B partner country or the jurisdiction of P3B countries.

- iv. Contains statement of the foreign taxpayer that there is no misuse of the P3B referred to in Article 2 point C.
- v. Contains statement that the foreign taxpayer is the beneficial owner in the case where such statement is required under the P3B.
- vi. Used for the period stated in the Foreign Taxpayer's COD.

In addition to the requirements to submit Form-DGT1 or Form DGT-2 or COD Form from the partner country, according to the Director General of Taxes Regulation No. PER-62/PJ/2009 concerning Prevention of Misuse of the Double Tax Avoidance Agreement as amended by PER-10/PJ/2017 dated June 19, 2017, the foreign taxpayer must meet the requirements as a beneficial owner or the true owner of the economic benefit arising from such income, subject to the following conditions:

- For individual foreign taxpayers, not acting as an agent or nominee; or
- For corporate foreign taxpayers, not acting as an agent, nominee, or conduit, which shall meet the following requirements:
  1. Has control to use or benefit from funds, assets, or rights that generate income from Indonesia;
  2. No more than 50% of corporate income is used to meet liabilities to other parties;
  3. Bears the risks on owned assets, capital, or liabilities; and
  4. Has no written and/or unwritten obligations to forward a portion or all of income received from Indonesia to other parties.

The application of Income Tax on transfer of shares on the Indonesia Stock Exchange is regulated in Government Regulation No. 14 of 1997 concerning Amendment to 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 Taxes No. 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, where the following provisions shall apply:

1. To any income received or earned by any individual taxpayer or corporate taxpayer from the sale of shares listed on the Stock Exchange, a final income tax will be imposed at 0.1% of the gross value of the transactions. Payment of the related Income Tax payable is to be made as a deduction by the Stock Exchange through the Stockbrokers at the time of payment of the sale transaction of shares;
2. Founding shareholders shall be charged with an additional final Income Tax of 0.5% of the total value of the Company's shares held by such shareholders at the time of the Initial Public Offering;
3. Payment of the additional Income Tax payable shall be carried out by the Company in the name of the founding shareholders by no later than 1 (one) month following the trade of the shares at the Stock Exchange. However, if the founding shareholders choose not to meet their tax obligations by paying an additional final Income Tax of 0.5% referred to above, the Income Tax on gains on sale of founding shares shall be calculated based on the generally applicable Income Tax rate in accordance with Article 17 of Income Tax Law No. 7 of 1983 as lastly amended by Law No. 36 of 2008.

## **B. 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"), Restaurant Tax (*Pajak Pembangunan*, "PB1") and Land and Building Tax (*Pajak Bumi dan Bangunan*, "PBB"). The Company has fulfilled all of its tax obligations in accordance with the prevailing laws and regulations and tax regulations.

## **C. TAX ASPECTS OF THE ESA PROGRAM**

The costs of ESA program (specifically for incentive shares) are part of the remuneration of the participants, and therefore, the Withholding Income Tax Article 21 on Incentive Shares shall be borne by the Company. Subsequently, upon expiry of the lock-up period, the Participants shall bear the tax expense related to the sale of shares transactions through the Stock Exchange or outside the Stock Exchange, and the following tax provisions shall apply on such sales:

1. Sales executed through the Stock Exchange shall be subject to a final tax, the amount of which shall be determined based on the transaction value.
2. 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 at a progressive tax rate in accordance with the prevailing tariff.



All expenses and taxes arising from ESA transaction shall be borne by the ESA Program Participants.

**PROSPECTIVE BUYERS OF THE SHARES IN THIS SHARE INITIAL PUBLIC OFFERING ARE ADVISED TO CONSULT THEIR RESPECTIVE TAX CONSULTANTS REGARDING THE TAX CONSEQUENCES THAT MAY ARISE FROM THE PURCHASE, OWNERSHIP OR SALE OF SHARES ACQUIRED IN THIS SHARE INITIAL PUBLIC OFFERING.**

The Company's tax obligations for the 2018 fiscal year with respect to WHT Art. 21, WHT Art. 23, WHT Art. 26, WHT Art. 4(2), WHT Art. 29, PB1 and VAT have been fulfilled by the Company. All of the Company's tax obligations for the 2018 fiscal year have been paid and reported to the competent institutions.

The Company's transactions with related parties must observe the provisions of Article 18 paragraphs 3 and 4 of Law No. 7 of 1983 as lastly amended by the Law No. 36 of 2008 concerning Income Tax and Director General of Taxes Regulation No. 43 of 2010 as amended by the Director General of Taxes Regulation No. 32 of 2011 on Implementation of Fairness and Arm's Length Principles in Transactions between Taxpayers and Related Parties.

### XIII. SECURITIES UNDERWRITING

#### I. DESCRIPTION OF SECURITIES UNDERWRITING

In accordance with the terms and conditions stipulated in the Deed of Underwriting Agreement of the Company's Share Initial Public Offering of PT Ashmore Asset Management Indonesia Tbk No. 23 dated October 17, 2019, drawn up before Chandra Lim, S.H., LL.M., a Notary in Jakarta, as amended by the Deed of Addendum to Underwriting Agreement of the Company's Share Initial Public Offering No. 36 dated November 20, 2019 and the Deed of Addendum II to Underwriting Agreement of the Company's Share Initial Public Offering No. 52 dated December 20, 2019, drawn up before Chandra Lim, S.H., LL.M., a Notary in Jakarta between the Company and the Lead Underwriter, the Lead Underwriter fully agree to offer and sell the Offer Shares to the Public in full commitment and bind themselves to purchase the remaining Offer Shares unsubscribed on the closing date of the Offering Period.

The Underwriting Agreement shall constitute a complete agreement between the parties in the Underwriting Agreement and shall replace all previous agreements that may have been made by the parties of this Agreement, whether written or oral, expressly made or indirectly made, in connection with the matters stipulated in this Underwriting Agreement. The parties in the Underwriting Agreement hereby represent that they have never made any other agreement in connection with the Underwriting Agreement and agree to bind themselves, and to refrain from entering into any agreement whatsoever, whether privately made or by way of notarial deeds, with respect to the Public Offering, which may be in contrary to and/or not in accordance with the Underwriting Agreement. In the event that any agreement/representation made by the parties is in the contrary to the Underwriting Agreement, the Underwriting Agreement shall be binding to the parties.

Furthermore, the Underwriter participating in the Company's Securities Underwriting has agreed to carry out their duties in accordance with Regulation No. IX.A.7.

Whereas the underwriting composition, portion, and percentage of the Underwriter in the Company's Public Offering, which shall be guaranteed in full commitment, are as follows:

No.	Description	Underwriting Portion		
		Shares	Amount (Rp)	Percentage (%)
<b>LEAD UNDERWRITER</b>				
1.	PT Mandiri Sekuritas	111,111,200	211,111,280,000	100
<b>TOTAL</b>		<b>111,111,200</b>	<b>211,111,280,000</b>	<b>100</b>

PT Mandiri Sekuritas as the Lead Underwriter hereby expressly represents that it is not Affiliated of the Company, whether directly or indirectly.

#### II. DETERMINATION OF SHARE OFFER PRICE IN THE PRIMARY MARKET

The Offer Price of the Shares is determined based on the agreement and negotiation between the Company and the Lead Underwriter with due consideration to the results of the preliminary offering (bookbuilding) conducted from December 12 - 19, 2019.

Pursuant to the Preliminary Offering (bookbuilding) results, the highest purchase price received by the Lead Underwriter ranged from Rp1,800 – Rp2,070 per share. With due consideration to the result of such preliminary offering (bookbuilding), then, based on the agreement of the Lead Underwriter and the Company, the Offer Price is set at Rp1,900 (one thousand nine hundred Rupiah).

There is no guarantee or assurance that the Company's share price will continue to be higher than the Offer Price or that the trade of the Company's shares will remain active on the Stock Exchange where the Shares are listed subsequent to the Share Initial Public Offering.

## **XIV. CAPITAL MARKET SUPPORTING INSTITUTIONS AND PROFESSIONALS**

The Capital Market Supporting Institutions and Professionals participating in this Public Offering are as follows:

### **1. AUDITOR**

#### **Siddharta Widjaja & Rekan**

Wisma GKBI 33<sup>rd</sup> Floor  
Jl. Jend. Sudirman No. 28  
Jakarta 10210

STTD : STTD.N-584/PM.2/2018 under the name of Handrow Cahyadi  
Framework : Auditing Standards stipulated by the Indonesian Institute of Public Accountant (IAPI).  
Engagement Letter : Engagement Letter dated July 31, 2019

#### **Main duties and responsibilities:**

The main duty of the Auditor is to conduct audit based on the auditing standards stipulated by IAPI. The standards require the public accountant to comply with the code of ethics and to plan and perform an audit in order to obtain a reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessments on the accounting principles used and the significant estimates prepared by the management and assessments on the overall presentation of the Financial Statements.

### **2. LEGAL ADVISOR**

#### **Hadiputranto, Hadinoto & Partners**

Pacific Century Place, Level 35  
Sudirman Central Business District Lot 10  
Jl. Jend. Jendral Sudirman Kav 52-53  
Jakarta 12190, Indonesia

STTD : STTD.N-213/PM.2/2018 under name Iqbal Darmawan, S.H.  
STTD date : September 21, 2018  
No. HKHPM Member : 201012  
Framework : Professional Standards of the Association of Capital Market Legal Consultants, Annex to the HKHPM Decision No. 02/HKHPM/VIII/2018 on Professional Standards of the Association of Capital Market Legal Consultants dated August 8, 2018.  
Engagement Letter : Appointment Letter dated July 1, 2019

#### **Main duties and responsibilities:**

The main duty of the legal advisor pursuant to this Public Offering is to perform a legal due diligence review on the facts related to the Company and other relevant information as provided by the Company to the Legal Advisor. The result of the legal due diligence review has been reported in the Legal Due Diligence Report, which serves as the basis of the Legal Opinion, which is expressed objectively and independently, with due observance to the code of ethics, professional standards, and the prevailing Capital Market Regulations.

### 3. Notary

#### **Chandra Lim, S.H., LL.M.**

Kompleks Rukan Mitra Bahari 2 Block F/24  
Jalan Pakin, Penjaringan Sub-District  
Penjaringan District  
North Jakarta

STTD	:	STTD.N-197/PM.223/2019
Association membership Framework	:	Indonesia Notary Association Law No. 30 of 2004 regarding the Notary Office and the Indonesian Notary Association Code of Ethics, Law No. 2 of 2014 concerning Amendment to the Law No. 30 of 2004 concerning the Notary Office.
Engagement Letter	:	Engagement Letter dated November 20, 2012

#### **Main duties and responsibilities:**

The Notary's scope of work in this Public Offering shall include the organization and preparation of the notarial deeds relating to the Public Offering, among others, amendment to the Company's articles of association in its entirety, the Underwriting Agreement between the Company and the Lead Underwriter, and the Securities Administration Management Agreement, with reference to the Notary Office Regulations and the Notary Code of Ethics.

### 4. Securities Administration Bureau

#### **PT Datindo Entrycom**

Jl. Hayam Wuruk No. 28 Level 2  
Jakarta 10120

Business License	:	Indonesian Capital Market and Financial Institutions Supervisory Agency Chairman Decision Number: Kep16/PM/1991 dated April 19, 1991.
Association membership	:	<b>The Indonesian Securities Administration Bureau Association (Asosiasi Biro Administrasi Efek Indonesia, "ABI")</b>
Framework	:	Decree of Indonesian Capital Market and Financial Institutions Supervisory Agency Chairman No. Kep-01/PM/BAE/2000 dated July 25, 2000, concerning the Issuance of Business License as a Securities Administration Bureau to PT Datindo Entrycom.
Engagement Letter	:	Engagement Letter dated June 14, 2019

#### **Main duties and responsibilities:**

The main duties and responsibilities of the Securities Administration Bureau (SAB) in this Public Offering in accordance with the prevailing Capital Market Regulations, include, among others, receiving share subscriptions in the form of Share Subscription Register ("SSR") and Share Subscription Forms ("SSF") that are supported with the documents required for the share subscription and approved by the Lead Underwriter as subscriptions proposed for share allotment and undertake the administration of share subscriptions in accordance with the application available at the SAB. Together with the Lead Underwriter, 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 Offer Shares, the SAB shall conduct the allotment process in accordance with the allotment formula set by the Allotment Manager, print the Allotment Confirmation Form and prepare the allotment report. The SAB is also responsible for issuing the Collective Share Certificate ("CSC"), if required, and prepare the Public Offering Report in accordance with the prevailing Capital Market Laws and Regulations.

As of the date of issuance of this Prospectus, the Company is not affiliated to any of the Capital Market Supporting Professionals and Institutions who assist and participate in this Public Offering.

## XIV. KEY PROVISIONS OF THE ARTICLES OF ASSOCIATION AND OTHER KEY PROVISIONS RELATING TO THE SHAREHOLDERS

The Company's articles of association comply with the prevailing laws and regulations in the capital market. Presented below are the descriptions of the provisions of the Company's articles of association as stipulated in the Deed No. 21/2019.

The key provisions of the Company's articles of association are, among others, as follows:

### Purpose and Objectives as well as Business Activities

1. The purpose and objectives of the Company are:
  - i. To engage in the services of a securities company, particularly in investment manager services.
  - ii. To engage in investment advisory services.
2. To achieve the aforementioned purpose and objectives, the Company may carry out the following main business activities:
  - A. The Company's main business activities are as follows:
    - i. Managing securities portfolios for the benefits of customers based on asset management agreements signed by and between the Company and its customers, which are prepared in accordance with the requirements of FSA regulations.
    - ii. Managing collective investment portfolios for the benefits of groups of customers by means of, or through products regulated by the FSA regulations.
    - iii. Providing advice on the sale and purchases of securities in exchange of fees.
  - B. The supporting activities of the Company's main business activities are as follows:
    - i. Undertaking other activities as permitted by the FSA and in accordance with the requirements stipulated by the FSA; and
    - ii. Undertaking other businesses related to the main business activities referred to above in accordance with the prevailing laws and regulations.

### Capital

1. The Company's authorized capital amounts to Rp100,000,000,000, consisting of 4,000,000,000 shares, each share having a nominal value of Rp25.
2. Of such authorized capital, 25% or 1,000,000,000 shares with total nominal value of Rp25,000,000,000, have been issued and paid-up by the shareholders.
3. Shares in the portfolio shall be issued by the Company with the approval of the GMS at certain terms and price as stipulated by the **GMS** (which may be delegated by the GMS to the Board of Commissioners or Directors), and such price shall not be lower than the par value, with due considerations to the requirements set forth in these Articles, the prevailing laws and regulations, the capital market regulations, and the regulations of the Stock Exchange where the Company's shares are listed.
4. Capital contribution may be made in forms other than cash, either in the form of tangible or intangible articles, which shall satisfy the following requirements:
  - a. The article(s) to be made as capital contribution(s) shall be announced to the public in conjunction with the invitation to convene the GMS concerning such contribution;
  - b. The article(s) to be made as capital contribution(s) shall be appraised by an appraiser registered with the FSA or a competent authority and/or its implementing agency, and shall be free of any encumbrance in any way whatsoever;
  - c. Subject to the approval from the GMS at the quorum as stipulated in the Company's 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 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 FSA with unmodified opinion.

5. In the event of a GMS being convened to approve the issuance of shares from the portfolio by way of private placement or increase of capital without preemptive rights, the GMS shall determine the maximum number of shares in portfolio to be issued, and delegate the authority to the Board of Commissioners to declare the actual number of shares issued in connection with the private placement or increase of capital without preemptive rights. The quorum and resolution of a GMS to approve the issuance of shares in portfolio shall meet the requirements set forth in the Company's articles of association.

Issuance of Equity Securities without granting preemptive rights to the shareholders may be carried out in the event that such issuance is:

- a. designated to the Company's employees;
  - b. designated to the holders of bonds or other securities convertible to shares issued with the approval of the GMS;
  - c. effected in the course of reorganization and/or restructuring that has been approved by the GMS; and/or
  - d. carried out in accordance with the prevailing laws and regulations and Capital Market regulations that allow additional capital without preemptive rights.
6. a. Any additional capital by issuance of equity securities (equity securities are shares or securities convertible to shares or securities containing rights to acquire shares, such as, among others, convertible bonds or warrants) by way of subscription shall be conducted by issuing preemptive rights to the shareholders whose names are registered in the Company's Shareholder Register as of the date stipulated by the GMS approving the issuance of equity securities, in the amount equal to total shares registered in the Company's Shareholder Register under the name of each shareholder on such date.
  - b. Preemptive rights must be transferrable and tradable, with due considerations to the requirements of these Provisions and the prevailing laws and regulations and the capital market regulations.
  - c. Equity securities to be issued by the Company referred to above shall require prior approval from the GMS in accordance with the requirements of these Articles, the prevailing laws and regulations, the capital market regulations, and the regulations of the Stock Exchange where the Company's shares are listed.
  - d. Equity securities to be issued by the Company that are not subscribed to by the preemptive right holders must be allocated to all shareholders subscribing to additional equity securities, provided that if the total equity securities subscribed exceeds the total equity securities to be issued, the unsubscribed equity securities must be allocated in proportion to the total preemptive rights exercised by each shareholder subscribing to additional equity securities.
  - e. In the event that there are remaining equity securities that are not subscribed by the shareholders referred to in point d 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.
  - f. 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 MOLHR.
  - g. The Company may increase capital without granting preemptive rights to the shareholders in accordance with the capital market regulations governing preemptive rights, either for the purpose of improving its financial position, or for purposes other than improving its financial position, which shall require prior approval from the GMS, and shall be carried out with due considerations to the prevailing laws and regulations and the capital market regulations governing a capital increase without preemptive rights.
  - h. Any capital increase through the issuance of equity securities may be waived from the provisions set forth in paragraph 5 points (a) to (g) above, if the requirements of the prevailing laws and regulations, the capital market regulations, and the regulations of the Stock Exchange where the Company's shares are listed so permit.
7. The issuance of shares in portfolio to holders of securities convertible to shares or securities containing rights to acquire shares may be carried out by the Board of Directors based on the

- previous GMS that has approved the issuance of such securities, with due considerations to the requirements of these provisions, the prevailing laws and regulations, the capital market regulations, and the regulations of the Stock Exchange where the Company's shares are listed.
8. The increase of the Company's authorized capital may be conducted solely based on the resolution of the GMS. Changes in the provisions in connection with changes in authorized capital must be approved by the MOLHR.
  9. 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:
    - a. approval from the GMS to increase the authorized capital has been obtained;
    - b. approval from the MOLHR has been obtained;
    - c. 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 MOLHR as stipulated in paragraph 9 point b of this Provision;
    - d. in the event that the increase in paid-up capital as defined in paragraph 9 point c is not fully satisfied, the Company shall re-amend its articles of association so that the paid-in capital become at least 25% (twenty five percent) of the authorized capital, within a period of 2 (two) months subsequent to the failure to satisfy the period set forth in paragraph 9 letter c of this provision, with due considerations to the provisions of the prevailing laws and regulations;
    - e. the approval from the GMS referred to in paragraph 9 point a of the provision concerning Capital shall include the approval to amend the articles of association referred to in paragraph 9 point d of the provisions concerning capital.
  10. 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 MOLHR upon such increase of paid-up capital.
  11. The Company may buy back shares that have been fully-paid up to 10% (ten percent) of the total issued shares or any other sum if the laws and regulations stipulate otherwise. The share buyback shall be carried out in accordance with the prevailing laws and regulations and the capital market regulations.

## Shares

1. All shares issued by the Company shall be ordinary registered shares.
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 and the capital market regulations.
3. The Company shall only acknowledge one person, either a natural person or legal person, as the owner of 1 (one) share, namely the natural person or legal person whose name is registered in the Company's Shareholder Register as the holder of the share in question.
4. In the event that a 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 name being authorized or appointed as representative shall be registered in the Company's Shareholder Register and such person appointed or authorized as representative shall be deemed as the Shareholder of such share and shall have the right to exercise and use all the rights vested by law over such share.
5. As long as the provisions in paragraph 4 of this provisions 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.
6. In the event that the joint owners neglect to notify the Company in writing regarding the appointment of such joint representative, the Company shall have the right to treat the shareholder whose name is registered in the Company's Shareholder Register as the sole valid shareholder of such shares.
7. Every shareholder owning 1 (one) or more shares shall, by operation of law, be subject to the Company's articles of association and all resolutions validly adopted in the GMS and the prevailing laws and regulations.

8. All shares issued by the Company may be encumbered with due compliance to the provisions of the laws and regulations concerning the encumbrance of shares, the prevailing laws and regulations, the capital market regulations, and the Company Law.
9. 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 Company's shares are listed shall apply.
10. In the event of a fraction of share nominal value, the holder of such fraction of share nominal value shall not be entitled to individual voting rights, except in the event that the holder of such fraction of share nominal value, either individually or jointly with other holders of such fraction of share nominal value with the same share classification, hold the nominal value of 1 (one) share in such classification. The holder of such fraction of share nominal value shall appoint one person among them or another person as their joint representatives, and only the person so authorized shall have the right to exercise the rights vested by law over such share.

## Share Certificate

1. For shares that are not administered in the collective depository of the depository and settlement institution or a custodian bank (specifically for the case of collective investment contracts), the Company shall provide the evidence of share ownership in the form of a share certificate or a collective share certificate under the name of the owners registered in the Company's Shareholder Register in accordance with the prevailing laws and regulations, the Capital Market regulations, and the regulations in the Stock Exchange where the Company's shares are listed;
2. In the event that share certificates are issued, each share shall be assigned with one piece of share certificate.
3. A collective share certificate may be issued as evidence of share ownership of 2 (two) or more shares owned by a shareholder.
4. A share certificate shall, at the minimum, state the followings:
  - a. The name and address of the shareholder;
  - b. The serial number of the share certificate;
  - c. The issuance date of the share certificate;
  - d. The nominal value of the share;
5. A collective share certificate shall, at the minimum, state the followings:
  - a. The name and address of the shareholder;
  - b. The serial number of the collective share certificate;
  - c. The issuance date of the collective share certificate;
  - d. The nominal value of the share;
  - e. The serial number of the share certificate and the number of shares;
6. Share certificates and/or collective share certificates and/or convertible bonds and/or warrants and/or other equity securities convertible to shares may be printed in accordance with the prevailing laws and regulations and the capital market regulations, and shall be signed by the Board or Directors, or such signatures may be printed directly on such share certificates and/or collective share certificates and/or convertible bonds and/or warrants and/or other equity securities convertible to shares, with due considerations to the prevailing laws and regulations and the capital market regulations.
7. For shares that are administered in the collective depository of the depository and settlement institution or a custodian bank (specifically for the case of collective investment contracts), the Company shall issue the certificates or written confirmations to the depository and settlement institution or the custodian bank, shall be signed by a member of the Board or Directors and a member of the Board of Commissioners, or such signatures may be printed directly on such certificates or written confirmations, as a proof of registrations in the Company's Shareholder Register.

## Replacement of Share Certificate

1. In the event that a share certificate is damaged, a duplicate of the said share certificate can be issued provided that:
  - a. The applicant filing the written request for the said duplicate of share certificate is the owner of the said share certificate; and



- b. The Company has received the damaged share certificate; and
2. The Company shall destroy the damaged original share certificate upon issuance of the duplicate of share certificate.
3. In the event that a share certificate is lost, a duplicate of the said share certificate can be issued provided that:
  - a. The applicant filing the written request for the said duplicate of share certificate is the owner of the said share certificate; and
  - b. The Company has obtained a police report concerning the loss of the said share certificate from the Indonesian National Police;
  - c. The applicant filing the request for the said duplicate of share certificate has provided a guarantee as deemed adequate by the Company's Board of Directors; and
  - d. The plan for the issuance of a duplicate of the lost share certificate has been announced in the Stock Exchange where the Company's shares are listed by at least 14 (fourteen) days prior to the issuance of the duplicate of share certificate.
4. All costs incurred with respect to the issuance of the replacement of share certificate shall be borne by the concerned shareholder.
5. With the issuance of a duplicate of a share certificate in accordance with this provision, the original share certificate shall be null and void.
6. The provisions concerning replacement of share certificate shall apply, *mutatis mutandis*, to the issuance of replacement of collective share certificates and replacement of certificates or written confirmation or equity securities.

## **Collective Depository**

1. Shares administered in a collective depository under the depository and settlement institution shall be registered in the Company's Shareholder Register under the name of the Depository and Settlement Institution for the benefit of the account holders at the Depository and Settlement Institution.
2. Shares administered in a collective depository under a custodian bank or a securities company that are registered in the securities accounts at the depository and settlement institution shall be registered under the name of the respective custodian bank or securities company for the benefit of the holders of securities account in the respective custodian bank or securities company.
3. In the event that the shares administered in the collective depository under a custodian bank constitute a part of a mutual fund securities portfolio in the form of a collective investment contract and are not included in the collective depository at the depository and settlement institution, the Company shall register such shares in the Company's shareholder Register under the name of the custodian bank for the benefit of the unit holder of the said mutual fund in the form of collective investment contract;
4. The Company is obligated to issue certificates or written confirmations to the depository and settlement institution referred to in point 1 of the provision concerning collective depository above or to the custodian bank referred to in paragraph 3 of the Article concerning collective depository above as evidence of registration in the Company's Shareholder Register;
5. The Company is obligated to transfer the shares administered in the collective depository that are registered under the name of the depository and settlement institution or a custodian bank for mutual funds in the form of collective investment contract in the Company's shareholders register to the name of the parties appointed by the respective depository and settlement institution or custodian bank. Request for transfer shall be submitted by the depository and settlement institution or the custodian bank to the Company or the securities administration bureau appointed by the Company.
6. The depository and settlement institution, custodian bank, or securities company shall issue written confirmations to the account holders as evidence of registration in the securities accounts;
7. With respect to the collective depository, each share of the same type and class issued by the Company shall be equal and exchangeable between one another;
8. The Company shall reject the registration of a share in the collective depository in the event that the share certificate is lost or destroyed, unless the party requesting the registration referred to above is able to provide sufficient evidence and/or guarantee that the party is the lawful owner of the lost/destroyed share certificate and that the share certificate is truly lost or destroyed.

9. The Company shall reject the registration of the shares in the collective depository if the shares are encumbered, forfeited based on a court order, or forfeited for the purpose of a criminal investigation.
10. A Securities account holder whose securities are registered in the collective depository is entitled to attend and/or cast votes in a GMS in proportion to number of shares held in the respective securities account.
11. The custodian banks and securities companies shall submit the Securities account register and the number of the Company's shares owned by each account holder at the said custodian bank and securities company to the depository and settlement institution, to be further furnished to the Company by no later than 1 (one) business day prior to the invitation to the GMS.
12. Investment Managers shall be entitled to be present and to cast votes in the GMS by virtue of the shares administered in the collective depository at the custodian bank, which constitute a part of the mutual funds portfolio in the form of collective investment contract and are not administered in the collective depository at the securities depository and settlement institution, provided that the respective custodian bank delivers the name of the Investment Managers to the Company by no later than 1 (one) business day prior to the invitation to the GMS.
13. The Company shall deliver dividends, bonus shares, or other shareholding-related entitlements with respect to the shares administered in the collective depository to the depository and settlement institution, and subsequently the depository and settlement institution shall deliver dividends, bonus shares or other entitlements to the custodian bank and securities company for the benefit of each of the account holder at the aforementioned custodian banks and securities companies;
14. The Company shall deliver to the custodian bank the dividends, bonus shares, or other shareholding-related entitlements with respect to the shares administered in the collective depository at the custodian bank, which constitute a part of the mutual funds portfolio in the form of collective investment contracts that are not included in the shares administered in the collective depository at the depository and settlement institution.
15. The deadline to determine whether the holders of securities accounts are entitled to receive dividends, bonus shares or other shareholding-related entitlements with respect to the ownership of shares administered in the collective depository shall be determined by the GMS, provided that the custodian banks and securities companies shall submit the list of securities account holders and the number of the Company's shares owned by the respective securities account holder to the depository and settlement institution, by no later than the date stipulated as the basis to determine the shareholders entitled to receive dividends, bonus shares or other entitlements, to be further furnished to the Company by no later than 1 (one) business day following the date stipulated as the basis to determine the shareholders entitled to receive dividends, bonus shares, or other aforementioned entitlements.
16. These provisions are subject to the laws and regulations in the Capital Market and the regulations of the Stock Exchange of Indonesia where the Company's shares are listed.

## **Shareholder Register and Special Register**

1. The Company's Board of Directors shall create and maintain the Shareholder Register and special register at the Company's place of domicile.
2. The Shareholder Register shall contain, at the minimum:
  - a. The name and address of the shareholders;
  - b. The amount, serial number and acquisition date of the shares owned by the shareholders;
  - c. The amount paid for each share;
  - d. The names and addresses of the persons or legal entities having right of pledge over shares or those registered as the beneficiaries of fiduciary liens on shares and the acquisition date of such right of pledge or the registration date of such fiduciary liens.
  - e. The description of payment of shares in other forms than cash; and
  - f. Other information deemed necessary by the Board of Directors and/or required by the prevailing laws and regulations.
3. The special register records the description of share ownership of the members of the Board of Directors and the Board of Commissioners and their families in the Company and/or in other companies and the acquisition date of such shares.

4. Any change of address of a shareholder shall be notified in writing to the Board of Directors or the authorized representative of the Board of Directors (the Securities Administration Bureau appointed by the Board of Directors). So long as such notice is not yet received, all letters to the shareholders or announcements of and invitations to the GMS shall be valid if delivered to the last recorded address of the shareholders in the Company's Shareholder Register.
5. Board of Directors shall be obligated to save and maintain the Shareholder Register and special register to the best of their abilities.
6. The Board of Directors may appoint and delegate the authorities to maintain and save, and to undertake the registration and administration of shares in the Shareholder Register and special register to the securities administration bureau.
7. Each shareholder or its authorized representative may view the Shareholder Register and special register during the Company's office hours.
8. Any registrations and/or changes in the Shareholder Register must be approved by the Board of Directors and proven by the signing of records of such changes by the President Director or a member of the Board of Directors or the authorized representative of the Board of Directors (i.e., the securities administration bureau appointed by the Board of Directors), in accordance with the prevailing laws and regulations, and the capital market regulations in Indonesia.
9. Any registration or recording in the Shareholder Register, including recording of a sale, transfer, or encumbrance related to shares or rights or interests in shares must be carried out in accordance with the provisions of the articles of association, and for shares registered on the stock exchange in Indonesia, shall be carried out in accordance with the prevailing laws and regulations, the capital market regulations, and the regulations of the Stock Exchange where the Company's shares are listed.
10. Upon request of the concerned shareholder, or the beneficiary of liens on share or the beneficiary of fiduciary liens, any encumbrance on shares shall be recorded in the Shareholder Register and special register according to the manner determined by the Board of Directors based on evidence that is satisfactory or deemed acceptable by the Board of Directors in relation to the pledge or fiduciary lien of such shares.

## **Transfer of Right Over Shares**

1. Registration of any transfer of shares must be carried out by the Board of Directors by recording such transfer of rights over shares in the Shareholder Register based on the deed of transfer of rights signed by or on behalf of the transferor and by or on behalf of the transferee of rights over shares or based on other documents that the Board of Directors deem sufficiently prove such transfer of rights, without prejudice to the provisions of the articles of association.
2. The deed of transfer of rights or other documents referred to in paragraph 1 shall be made in the form specified by and/or deemed acceptable by the Board of Directors, and the copies of which shall be submitted to the Company, provided that the form and procedures of transfer of rights over shares that are listed on the Stock Exchange in Indonesia shall comply with the prevailing laws and regulations and the Capital Market regulations in Indonesia.
3. Transfer of Right over Shares that are administered in the collective depository shall be effected by transfer from one securities account to another securities account at the depository and settlement institution, custodian banks, and securities companies.
4. Transfer of right over shares shall be allowed solely if all provisions stipulated in the articles of association have been satisfied. All acts in contrary to the provisions of the Company's articles of association shall cause the votes cast in connection with such shares in a GMS to be deemed invalid, and payment of dividends relating to such shares shall be suspended.
5. Transfer of rights over shares shall be registered in the Shareholder Register and special register, and in the respective share certificates or collective share certificates; The record shall be dated and signed by the President Director or a member of the Board of Directors or the authorized representative of the Board of Directors (the securities administration bureau appointed by the Board of Directors).
6. The Board of Directors, at their own discretions and by providing the reasons thereof, may deny the registration of transfer of right over shares in the Shareholder Register in the event that the provisions set forth in this articles of association or any of the share transfer requirements are not satisfied.

7. In the event that the Board of Directors refuses the registration of the aforementioned transfer of right over shares, the Board of Directors shall deliver a notification of refusal to the persons intending to transfer their rights within 30 (thirty) days following the receipt of the request for such registration by the Board of Directors.
8. With respect to the Company's shares that are listed on the Stock Exchange, any refusal to register any transfer of right over shares shall be made in accordance with the prevailing laws and regulations, the capital market regulations, and the regulations of the Stock Exchange where the Company's shares are listed.
9. Any person receiving a transfer of right over shares due to the death of a shareholder or due to any other reason which causes the ownership of the shares to change by law and/or by the operation of law, may apply a written request to be registered as the shareholder of the said shares by submitting the evidence of the person's right to receive the transfer, as may be required from time to time by the Board of Directors. Registration shall be made solely if the Board of Directors deems such evidence of right acceptable, with due considerations to the provisions of the articles of association, the prevailing laws and regulations, and the prevailing regulations in the capital market in Indonesia.
10. All limitations, restrictions and provisions in these Articles that govern the right to transfer right over shares and the registration of such transfer of right over shares shall apply, *mutatis mutandis*, to all transfer of rights according to paragraph 9 above.
11. In the event of a change of ownership of shares, the previous owner initially registered in the shareholders register shall be considered as the owner of such shares until the name of the new owner of the shares is registered in the Shareholder Register, with due considerations to the prevailing laws and regulations and the regulations of the capital market and the prevailing regulations in the Stock Exchange where the Company's shares are listed.
12. Transfer of right over shares that are listed on the Stock Exchange in Indonesia and/or shares traded on the capital market, shall be conducted in accordance with the provisions of the prevailing laws and regulations in the capital market in Indonesia and the regulations of the Stock Exchange where the Company's shares are listed.

## **GMS**

1. The Company's GMS consists of:
  - a. Annual GMS;
  - b. Other GMS, which hereinafter shall be referred to in the Company's articles of association as Extraordinary GMS, i.e., a GMS that may be convened from time to time as the need arises.
2. The term GMS in this articles of association shall mean both the Annual GMS and Extraordinary GMS, unless expressly stated otherwise.
3. One or more shareholders who jointly represents 1/10 (one tenth) or more of the total shares with voting rights, may request the GMS to convene. The request for the GMS to convene shall be submitted to the Board of Directors by registered mail and by stating the reasons thereof.
4. The request for the GMS to convene referred to in paragraph 3 of this provision shall:
  - a. be made in good faith;
  - b. be made in consideration the Company's interests;
  - c. be a request that requires 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.
5. 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 paragraph 3 above is received by the Board of Directors.
6. In the event that the Board of Directors fails to announce the GMS referred to in paragraph 5, the shareholders may re-apply the request for the GMS to convene to the Board of Commissioners.
7. 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 paragraph 6 is received by the Board of Commissioners.

8. In the event that the Board of Directors or the Board of Commissioners fails to issue an announcement of GMS within the period set forth in paragraphs 5 and 7 above, the Board of Directors or the Board of Commissioners shall be required to announce:
  - a. That a request to convene a GMS by the shareholders referred to in paragraph 3 has been made; and
  - b. The reasons for not convening a GMS.
    - The announcement referred to in paragraph 9 shall be made by no later than 15 (fifteen) days commencing on the date of request for the GMS to convene referred to in this paragraph 5 and 7 of this provision is received.
    - The announcement shall be made in the following media, 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, and both shall contain the same information.
9. In the event that the Board of Commissioners fails to announce the GMS referred to in point 7 above, the shareholders referred to in point 3 above 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.
10. Shareholders having obtained the ruling granting the permission for the GMS to convene referred to in the Provision concerning the GMS, shall be obligated to:
  - a. issue the announcement of, invitation to the GMS, announcement of the summary of minutes of the GMS with respect to the GMS convening in accordance with the provisions of the Provision concerning the GMS, with due considerations to these Articles and the prevailing capital market regulations;
  - b. issue the announcement of, invitation to the GMS, and submit the proof of announcement of, invitation to the GMS, minutes of GMS, and proof off announcement of summary of GMS to the FSA with respect to the GMS convening in accordance with the provisions of the Provision concerning the GMS, with due considerations to these Articles and the prevailing capital market regulations;
  - 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 point b to the FSA with respect to the plan to convene such GMS.
11. Shareholders requesting the GMS to convene as defined in paragraph 3 of the Provision concerning the GMS shall be prohibited from transferring their share ownerships for a minimum period of 6 (six) months subsequent to the GMS, in the event that such request for the GMS to convene is satisfied by the Board of Directors or the Board of Commissioners or stipulated by the Court of Law.

## **Venue, Notice, Announcement, Invitation And Time Of The GMS**

1. A GMS may be convened at:
  - a. the Company's place of domicile;
  - b. the location where the Company's carry 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;provided that such GMS must be convened within jurisdiction of the Republic of Indonesia.
2. The Company shall first notify the meeting agenda to the FSA by no later than 5 (five) business days prior to the announcement of the GMS, without considering the GMS announcement date. The GMS agenda must be described clearly and in details. In the event of changes in the GMS agenda, the Company shall submit the changes in agenda to the FSA by no later than the invitation to the GMS, with due considerations to the provisions of the prevailing laws and regulations and the Capital Market regulations.

3. By no later than 14 (fourteen) days prior to the invitation to the GMS, without taking into account the announcement date and the invitation date, the authorized party shall issue invitations and announcement in the following media, 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, and both shall contain the same information.

The announcement shall include, at the minimum:

- a. Provisions concerning the shareholders eligible to attend the GMS;
  - b. Provisions concerning shareholders eligible to propose the GMS agenda;
  - c. the date of the GMS; and
  - d. The date of invitation to the GMS.
4. The Company shall issue the invitation to GMS to the shareholders by no later than 21 (twenty one) days prior to the GMS, excluding the date of the invitation and the date of the GMS. The provisions concerning the media of announcement set forth in paragraph 3 of this provision shall apply, *mutatis mutandis*, for the invitation to GMS.

The invitation to the GMS shall, at the minimum, contain the followings:

- a. the date of the GMS;
  - b. the time of the GMS;
  - c. the venue of the GMS;
  - d. the GMS agenda, including elucidation of each meeting agenda; and
  - e. information stating that the material related to the GMS agenda shall be available to the shareholders from the date of invitation to the GMS until the time of the GMS.
5. a. Invitation to the second GMS shall be made in accordance with the following provisions:
    - i. Invitation to the second GMS shall be made by no later than 7 (seven) days prior to the day the second GMS convenes.
    - ii. The invitation to the second GMS shall state that the first GMS has been convened and failed to achieve quorum of attendance.
    - iii. The second GMS shall convene within 10 (ten) days at the earliest and 21 (twenty one) days at the latest following the first GMS.
    - iv. The provisions concerning the media of invitations to the GMS shall apply, *mutatis mutandis*, to the invitation to the second GMS.
  - b. Invitation to the third GMS shall be made in accordance with the following provisions:
    - i. Invitation to the third GMS upon request of the Company shall be stipulated by the FSA;
    - ii. The invitation to the third GMS shall state that the second GMS has convened and failed to achieve quorum of attendance.
6. If all shareholders with valid voting rights are present or represented in the GMS, prior announcement and invitation to the GMS referred to in paragraphs 3 and 4 shall not be required and the GMS shall have the right to adopt valid and binding resolutions on the matters to be discussed, whereas the GMS may be convened at any location within the jurisdiction of the Republic of Indonesia.
  7. Proposals from shareholders shall be included in the GMS agenda if:
    - a. The proposal is made in writing to the Board of Directors by 1 (one) or more shareholders who jointly owns 1/20 (one twentieth) or more of the total shares with voting rights;
    - b. such proposal is received by the Board of Directors by no later than 7 (seven) days prior to the invitation to the GMS;
    - c. Proposals shall be made in good faith with due considerations to the Company's interests, supported by the reasons and materials for the proposed GMS agenda, and such proposals shall be an agenda that requires a GMS resolution, and shall not be in contrary to the laws and regulations.
  8. The Company shall be obligated to provide the material of GMS agenda to the shareholders, with the following conditions:
    - a. The materials of GMS agenda are available from the date of invitation to the GMS until the date of the GMS, or an earlier period if the prevailing laws and regulations stipulate otherwise;
    - b. The materials of GMS agenda may be provided in the following forms:

- 1) copies of physical documents, which shall be provided free of charge by the Company upon written request of the shareholders; or
- 2) copies of electronic documents that shall be available for access or download in the Company's website.
- c. In the event that the GMS 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:
  - On the Company's website, at least from the date of invitation until the date of GMS; or at any time other than the above, but no later than the date of the GMS, to the extent stipulated in the laws and regulations.
9. The correction of invitation to GMS must be made in the event of any changes in information set forth in the invitation to GMS, with due considerations to the followings:
  - In the event that the correction of invitation to the GMS contain information concerning the date of the GMS and/or addition of the GMS meeting agenda, the Company shall be obligated to re-issue the invitation to the GMS in the manner according to the invitation procedures stipulated in paragraph 4 above;
  - The obligation to re-issue the invitation to the GMS shall not apply in the event that the correction of invitation 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.

## **Chairman and Procedures of the GMS**

1. The GMS shall be chaired by a member of the Board of Commissioners appointed by the Board of Commissioners Meeting.

In the event that all members of the Board of Commissioners cannot attend or are unavailable for any reasons whatsoever, of which no evidence to third parties shall be required, the GMS shall be chaired by a member of the Board of Directors appointed by the Board of Directors Meeting.

In the event that all members of the Board of Commissioners and members of the Board of Directors are unavailable or are prevented from attending the GMS, of which no evidence to third parties shall be required, the GMS shall be chaired by a shareholder present in the GMS, who is appointed from and by the participants of the GMS.

2. 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.

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 Meeting.

In the event that the member of the Board of Directors appointed by the Board of Directors Meeting 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 Directors Meeting.

In the event that all members of the Board of Commissioners and Board of Directors have conflicts of interest, the GMS shall be chaired by a non-controlling shareholder appointed by the majority of other shareholders attending the GMS.

3. Those present in the GMS shall prove their authority to attend the GMS, i.e., in accordance with the requirements set forth by the Board of Directors or the Board of Commissioners at the time of the invitation to GMS, provided that shares listed on the Stock Exchange in Indonesia shall be subject to the prevailing laws and regulations in the Capital Market in Indonesia.

## Resolutions, Quorum of Attendance, Quorum of Resolutions in a GMS and Minutes of the GMS

1. a. Unless stipulated otherwise in the Company's articles of association, the prevailing laws and regulations, and the Capital Market regulations, the quorum of attendance and quorum of resolution of GMS for agenda that must be resolved in a GMS (including GMS convening for the purpose of issuing equity securities, increase in issued and paid-up capital within the limit of authorized capital) shall be as follows:
  - i. A GMS may be convened if the GMS is attended by the shareholders representing a minimum of 1/2 (one half) of the total shares with valid voting rights or their representative, and a GMS resolution 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;
  - ii. In the event of failure to achieve quorum of attendance of the first GMS referred to in point (i), a second GMS may be convened, provided that the second GMS shall be valid and authorized to adopt resolutions if the second GMS is attended by the shareholders representing a minimum of 1/3 (one third) of the total shares with valid voting rights or their representative, and a second GMS resolution 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 second GMS;
  - iii. In the event of failure to achieve quorum in the second GMS referred to in point (ii), the third GMS may be convened 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 FSA at the request of the Company.
- b. The quorum of attendance and quorum of resolutions of GMS convening with the agenda concerning the amendment to the articles of association, with the exception of amendment to articles of association in order to extend the duration of establishment of the Company, shall be determined in accordance with the following provisions:
  - i. A GMS may be convened if the GMS is attended by the shareholders representing a minimum of 2/3 (two third) of the total shares with valid voting rights, and a GMS resolution 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;
  - ii. In the event of failure to achieve quorum of attendance of the first GMS referred to in point (i), a second GMS may be convened, provided that the second GMS shall be valid and authorized to adopt resolutions if the second GMS is attended by the shareholders representing a minimum of 3/5 (three fifth) of the total shares with valid voting rights, and a second GMS resolution 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 second GMS;
  - iii. In the event of failure to achieve quorum of attendance in the second GMS referred to in point (ii), a third GMS may be convened 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 FSA at the request of the Company.
- c. The quorum of attendance and quorum of resolutions of a GMS with the agenda to transfer more than 1/2 (one half) 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 1/2 (one half) 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:
  - i. A GMS may be convened if the GMS is attended by the shareholders representing a minimum of 3/4 (three quarter) of the total shares with valid voting rights, and a GMS resolution 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;
  - ii. In the event of failure to achieve quorum of attendance of the first GMS referred to in point (i), a second GMS may be convened, provided that the second GMS shall be



- valid and authorized to adopt resolutions if the second GMS is attended by the shareholders representing a minimum of 2/3 (two third) of the total shares with valid voting rights, and a second GMS resolution 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 second GMS;
- iii. In the event of failure to achieve quorum of attendance in the second GMS referred to in point (ii), a third GMS may be convened 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 FSA at the request of the Company.
  - d. In the event that the Company has more than 1 (one) class of shares, a GMS with the agenda concerning changes in rights over shares shall convene in accordance with the following provisions:
    - i. The proposed agenda concerning changes in rights over shares shall comply with the requirements set forth in the Company's articles of association;
    - ii. The GMS shall be attended solely by shareholders affected by the changes of right over shares under certain class of shares;
    - iii. The GMS may be convened if the GMS if a minimum of 3/4 (three quarter) of the total shares under the class of shares affected by the changes of right over shares are present or represented;
    - iv. In the event of failure to achieve the quorum referred to in point (iii), a second GMS may be convened, provided that the second GMS shall be valid and authorized to adopt resolutions if at least 2/3 (two third) of the total shares under the class of shares affected by such changes of right over shares are present or represented in the GMS.
    - v. Resolutions of the GMS referred to in points (iii) and (iv) above 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;
    - vi. Resolutions of the GMS referred to in points (iii) and (iv) above 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;
    - vii. In the event of failure to achieve the quorum of attendance of the second GMS referred to in point (iv), a third GMS may be convened, provided that the third GMS shall be valid and authorized to adopt resolutions if attended by the shareholders of the class of share affected by such change of rights, with the quorum of attendance and quorum of resolutions stipulated by the FSA upon the Company's request.
    - viii. In the event that the class of shares affected by changes of rights of shares under certain class of shares has no voting rights, the shareholders of such class of shares shall be granted with the rights to attend and adopt a resolution in the GMS related to such changes of rights over shares under such class of shares.
2. A GMS to adopt a resolution concerning transactions with conflict of interest within the definition of the prevailing laws and regulations and the Capital Market regulations shall convene under the following conditions:
- a. Shareholders having a conflict of interest shall be deemed to have adopted the same resolutions as the resolutions adopted by the independent shareholders having no conflict of interest;
  - b. The GMS is attended by independent shareholders representing more than 1/2 (one half) of the total shares with voting rights duly owned by independent shareholders, and resolutions shall be adopted based on the total affirmative votes from the independent shareholders representing more than 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 paragraph 9 point b of this provision, the resolution adopted in the Second GMS shall be valid if such GMS is attended by independent shareholders representing a minimum of 1/2 (one half) of the total shares with valid voting rights owned by independent shareholders and such resolution is approved by more than 1/2 (one half) of the total shares owned by the independent shareholders who are present in the GMS;
  - d. In the event of failure to achieve quorum of attendance referred to in paragraph 9 point c of this provision, a third GMS may be convened 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 and invitation determined by the FSA at the request of the Company;

- e. Resolutions of the third GMS shall be valid if approved by the independent shareholders representing more than 50% (fifty percent) of shares owned by the independent shareholders who are present in the third GMS.
3. Shareholders with voting rights who are present in the GMS but do not cast any vote or are abstained shall be deemed to have cast the same vote as the majority shareholders who cast their votes.
4. In the event of a 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, with the exception of:
  - 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 funds under their management.
5. Members of the Board of Directors, members of the Board of Commissioners and the Company's employees may act as representatives in a GMS, however, the votes they cast in their capacity as representatives in a GMS shall not be taken into account in a voting.
6. Voting concerning a person shall be conducted in folded unsigned ballot, unless the Chairman of the Meeting determines otherwise, without objection from 1 (one) or more shareholders who jointly represents a minimum of 10% (ten percent) of the total shares with valid voting rights issued.
7. All matters discussed and resolved in a GMS shall be stipulated in a minutes of GMS and a summary of minutes of GMS. The minutes of GMS must be prepared and signed by the chairman of the GMS and by at least 1 (one) shareholder appointed from and by the participants of the GMS. Such signatures shall not be required if the minutes of GMS is prepared by a notary.

The minutes of GMS shall serve as valid evidence for all shareholders and any third parties with respect to the resolutions and all matters that occur in a GMS, and shall be submitted to the FSA by no later than 30 days subsequent to the GMS.

8. The summary of Minutes of GMS shall, at the minimum, contain the followings:
  - a. 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 GMS agenda are granted;
  - e. Total shareholders raising questions and/or presenting opinions concerning the GMS agenda, if such opportunities are provided;
  - f. Mechanism for the adoption of GMS resolutions;
  - g. Voting results, which include the total affirmative votes, dissenting votes, 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.
9. The provisions concerning media of announcement set forth in paragraph 3 of the Venue, Notice, Announcement, Invitation And Time Of The GMS shall apply, *mutatis mutandis*, to the announcement of summary of minutes of GMS, and shall be carried out by no later than 2 (two) business subsequent to the GMS.

## Board of Directors

1. The Company shall be managed and led by a Board of Directors consisting of 2 (two) Directors, at the minimum, and 5 (five) Directors, at the maximum, one of which shall be appointed as the President Director.
2. The person eligible to be a member of the Board of Directors shall be a natural person who satisfies the requirements under the prevailing laws and regulations and the capital market regulations.
3. In addition to satisfying the requirements referred to in paragraph 2 above, the appointment of members of the Board of Directors shall consider the expertise, experience and other requirements based on the prevailing laws and regulations.
4. Members of the Board of Directors are appointed and discharged by the GMS. The term of office of a member of the Board of Directors shall commence from the closing of the GMS appointing such member until the closing of the 5<sup>th</sup> (fifth) Annual GMS subsequent to such announcement, without prejudice to the rights of the GMS to discharge such members of the Board of Directors from time to time prior to the end of their terms of office, by stating the reasons thereof, after the concerned member of the Board of Directors is provided with the opportunity to attend and present a defense in the GMS. Such discharge shall be effective upon the closing of the aforementioned GMS adopting the resolution of such discharge, unless the GMS determines otherwise.
5. Subsequent to the end of their terms of office, members of the Board of Directors may be re-appointed by the GMS.
6. Members of the Board of Directors may be compensated with salaries and/or benefits, the amount of which shall be determined by the GMS, and the GMS may delegate such authority to the Board of Commissioners.
7. If, due to any reasons whatsoever, the positions of members of the Board of Directors become vacant, i.e., the total members of the Board of Directors become less than the number stipulated in paragraph 1 of this provision, then, a GMS shall convene to fill in such vacancy within a period of 90 (ninety) days subsequent to the vacancy. The term of office of a person appointed to fill such vacancy shall be the remaining term of office of the member of the Board of Directors whose position becomes vacant.
8. In the event that the positions of all members of the Board of Directors are vacant for any reasons whatsoever, a GMS shall convene to fill in the vacancy by no later than 90 (ninety) days following the vacancy to appoint the new Board of Directors and the Company shall be temporarily managed by a member of the Board of Commissioners appointed by the Board of Commissioners Meeting.
9. A member of the Board of Directors shall have the right to resign from their position prior to the end of their term of office by submitting a written notice concerning their intention to resign to the Company.
10. The Company shall convene a GMS to resolve the request for resignation of the concerned member of the Board of Directors within a period of no longer than 90 (ninety) days following the receipt of such request for resignation. The resigned member of the Board of Directors referred to above may be requested to present their accountability as a member of the Board of Directors from the appointment date of such member until the date of their resignation in the GMS. In the event that the Company fails to convene a GMS within the period stipulated in this paragraph 10, the resignation of such member of the Board of Directors shall become effective without requiring approval from the GMS. A member of Board of Directors who resigns shall be released and discharged from all their responsibilities only after a GMS approves the resignation and the release and discharge from such responsibilities.
11. With respect to the provisions of points 9 and 10 above, the Company shall issue disclosure of information to the public and submit such disclosure to the FSA in accordance with the prevailing laws and regulations and the capital market regulations.
12. In the event that the resignation of the member of the Board of Directors results in the number of the member of the Board of Directors to be less than specified in paragraph 1 above, the said resignation shall be valid upon approval of the GMS and new members of the Board of Directors have been appointed so that the minimum requirement of the total members of the Board of Directors is satisfied.
13. In the event that a member of the Board of Directors is temporarily discharged by the Board of Commissioners, the Company shall convene a GMS by no later than 90 (ninety) days subsequent

to the date of such temporary discharge. In the event that the GMS fails to adopt a resolution, or a GMS fails to convene after the period referred to above, the temporary discharge of such member of the Board of Directors shall become void.

14. The terms of office of members of the Board of Directors shall cease if:
  - a. such member is deceased; or
  - b. such member's term of office has expired;
  - c. such member is discharged based on the resolution of the GMS.
  - d. such member is declared bankrupt or under guardianship pursuant to a court order; or
  - e. such member no longer satisfies the requirements as a member of the Board of Directors pursuant to the provisions of the articles of association and the prevailing laws and regulations.

## **Duties and Authorities of The Board Of Directors**

1. The Board of Directors shall undertake the operation of, and shall be responsible for the management of the Company for the Company's interest in accordance with, and in order to achieve the Company's purpose and objectives.
2. Each member of the Board of Directors shall perform their duties and responsibilities in good faith, with full responsibility and prudently, with due considerations to the prevailing laws and regulations and the articles of association.
3. 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. The following acts shall require the approval of the Board of Directors Meeting, with quorum requirements as specified in the provision concerning Board of Directors Meeting:
    - 1) To bind themselves into agreements that do not require the approval of the Board of Commissioners or the GMS in accordance with the provisions of this articles of association;
    - 2) To approve material third-party fees such as consulting fees, broker fees, or legal fees;
    - 3) To make any decision in relation to any court proceedings or legal proceedings concerning claims which amount exceeds the limit specified by the Board of Commissioners from time to time, or in the case where such amount does not exceed the specified limit, claims that may have material adverse effects to the Company;
  - b. The following acts shall require the approval of the Board of Commissioners Meeting, with quorum requirements as specified in the provision concerning Board of Commissioners Meeting:
    - 1) To approve any investment to be undertaken by the Company which amount exceeds 5% (five percent) of the net asset value of the Company's assets under management;
    - 2) To approve ever insurance policy of the Company;
    - 3) To bind themselves in material agreements which values exceed the limit specified by the Board of Commissioners from time to time;
    - 4) To approve an increase in the annual budget that has been previously approved, in the amount above 10% (ten percent) in any fiscal year;
    - 5) To approve the annual budget for the next fiscal year;
    - 6) To approve the establishment of a joint venture company between the Company and other party;
    - 7) To approve new shareholder into the Company as a result of the issuance of new shares without preemptive rights by the Company;
    - 8) To transfer all, or substantially all, of the Company's assets, except in the event that such transfer has been stipulated in the approved annual budget or work plan;
    - 9) To approve any acquisition by the Company, except in the event that such acquisition has been stipulated in the approved annual budget or work plan;
    - 10) To approve any distribution or payment of interim dividends;
    - 11) To approve the creation of debts, or other agreements to encumber the Company's assets or to extend damages or loans or guarantees to any third parties;

- 12) To approve the employment of new employees other than those stipulated in the annual budget or to terminate the employment relationship with the Company's employees whose annual basic salary exceed the limit specified by the Board of Commissioners from time to time;
  - 13) To approve the compensation packages of all the Company's employees whose annual basic salary exceed the limit specified by the Board of Commissioners from time to time (with due considerations to the recommendations of the Board of Directors);
  - 14) To issue any written announcement including press releases, related to the Company to the public, other than routine announcements that must be made by the Company to the FSA or the Stock Exchange or any mandatory verbal announcement to the public in accordance with the Company's policies (to be included in the compliance manual);
  - 15) To bind themselves to any contract, agreement, or other commitments that are deemed to potentially create "operational risks" that exceed the scope of approved work plan;
  - 16) To approve the Board of Directors' expenditures of which values exceed the limit specified by the Board of Commissioners from time to time;
  - 17) To approve the establishment of the Company's subsidiary through acquisition, merger, incorporation, or any other manners;
  - 18) To approve any commitment, amendment, or termination of material strategic alliances, material licenses, material distribution channels, material marketing channels, or material collaboration agreement involving the Company's contractual commitment to incur an amount exceeding the limit specified by the Board of Commissioners from time to time;
  - 19) To discharge or appoint the auditor or other professional advisors of the Company;
  - 20) To prepare the Company's risk management strategies, financial strategies, manpower and remuneration strategies, health, safety, and environmental strategies, and changes thereto;
  - 21) To initiate, defend, or settle any litigation, arbitration, or other legal proceedings related to the Company's business activities other than routine debt collections;
  - 22) To establish any new mutual fund and/or sign any discretionary fund;
  - 23) To grant the power, or delegate the authority to any other party to undertake one or more matters stipulated in paragraph 3 point b of this provision.
4. To perform any legal act:
- a. To transfer, release the rights over more than 50% (fifty percent) of the Company's total net assets or all of the Company's total assets, whether in 1 (one) or multiple transactions that are independent or related to one another within a period of 1 (one) fiscal year; or
  - b. To encumber more than 50% (fifty percent) of the Company's total net assets or all of the Company's total assets as debt collaterals, whether in 1 (one) or multiple transactions that are independent or related to one another within a period of 1 (one) fiscal year; or
- The Board of Directors shall require the approval of the GMS in accordance with paragraph 1 point c of the provision concerning the Resolutions, Quorum of Attendance, Quorum of Resolutions in a GMS and Minutes of GMS, with due considerations to the prevailing capital market regulations.
5. To carry out a legal act which constitutes a transaction with conflict of interest between the personal economic interest of members of the Board of Directors, Board of Commissioners or shareholders and the economic interest of the Company, the Board of Directors shall require the approval of the GMS in accordance with the provisions set forth in paragraph 2 of the provision concerning Resolutions, Quorum of Attendance, Quorum of Resolutions in a GMS and Minutes of the GMS provision.
6. a. A member of the Board of Directors shall not be authorized to represent the Company in the following events:
- i. There exists a proceeding in the court of law between the Company and the concerned member of the Board of Directors;
  - ii. The interests of the concerned member of the Board of Directors conflicts with the interests of the Company;

- iii. The concerned member of the Board of Directors is temporarily discharged as referred to in paragraph 5 of the provision concerning Duties and Authorities of The Board of Commissioners, commencing on the issuance of decision of temporary discharge by the Board of Commissioners until:
        - 1) a GMS resolution to affirm or revoke such temporary discharge becomes available; or
        - 2) the elapse of period referred to in paragraph 7 of the provision concerning Duties and Authorities of The Board of Commissioners.
    - b. If the events referred to in point 6 above occur, the person authorized to represent the Company (without prejudice to the provisions of the articles of association) shall be:
      - i. Other members of the Board of Directors with no conflict of interest with the Company;
      - ii. The Board of Commissioners, in the event that all members of the Board of Directors have conflict of interest with the Company; or
      - iii. 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.
    - c. The provisions set forth in number 6 points a and b above shall be without diminution to the provisions of paragraph 2 of the provision concerning Resolutions, Quorum of Attendance, Quorum of Resolutions in a GMS and Minutes of the GMS provision.
  7.
    - a. The President Director and 1 (one) 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) 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 represent the Company.
  8. Without prejudice to their responsibilities, for certain acts, the Board of Directors shall be authorized to appoint one or more persons as its representative or proxy, by granting to such person, the power to perform certain acts so specified in a power of attorney, where such authority shall be exercised in accordance with the Company's articles of association.
  9. All actions undertaken by members of the Board of Directors that are in contrary to the articles of association are invalid.
  10. The allocation of duties and authorities of every member of the Board of Directors shall be determined by the GMS, and such authority may be delegated by the GMS to the Board of Commissioners, in the event that GMS does not stipulate the same, the allocation of duties and authorities of every member of the Board of Directors shall be determined based on the resolution of the Board of Directors.
  11. The Board of Directors, in managing and/or operating the Company, shall act in accordance with the resolutions adopted by the GMS.

## **Board of Directors Meeting**

1. The Board of Directors shall hold periodical Board of Directors Meeting, at least 1 (one) time in every month, and shall hold periodical Board of Commissioners and Board of Directors Coordination Meetings, at least 1 (one) time in every 4 (four) months, except deemed necessary by one or more members of the Board of Directors, or upon written request of the Board of Commissioners, or upon written request of 1 (one) or more shareholders who jointly represent at least 1/10 (one tenth) of the total shares with valid voting rights, by stating the matters to be discussed.
2. Invitation to the Board of Directors Meeting shall be issued by the President Director. In the event that the President Director is unavailable, by a member of the Board of Directors.
3. The invitation to Board of Directors meeting shall be delivered by registered mail or personal delivery to every member of the Board of Directors, which shall be supported by proper receipts, or by telegram, telex, facsimile, which shall be confirmed by registered mail by no later than 3 (three) days before the meeting takes place, without taking into account the date of invitation and the date of meeting. Each member of the Board of Directors shall accept a shorter invitation period

- than that specified in these articles, if, in the opinion of the President Director, the matters to be discussed in the Board of Directors Meeting require an urgent decision.
4. Invitation to the Board of Directors Meeting shall include, among others, the meeting date, time, venue, and agenda containing the matters to be discussed in such meeting, supported by documents that are related to the discussion in such meeting.
  5. The Board of Directors Meeting shall be held at the Company's place of domicile or main place of business within the jurisdiction of the Republic of Indonesia. In the event that all members of the Board of Directors are presents or represented, such prior invitation shall not be required and the Board of Directors Meeting may be held at any place within the jurisdiction of the Republic of Indonesia as stipulated by the Board of Directors and such Board of Directors Meeting shall be authorized to adopt valid and binding resolutions.
  6. The Board of Directors Meeting shall be chaired by the President Director, or in the event that the President Director is not present or unable to attend due to any reasons whatsoever, of which no evidence to any third parties shall be required, the Board of Directors Meeting shall be chaired by a member of the Board of Directors selected by and among members of the Board of Directors present in the Board of Directors Meeting.
  7. In a Board of Directors Meeting, a member of the Board of Directors may only be represented by one other member of the Board of Directors by virtue of a power of attorney granted specifically for such purpose.
  8. The Board of Directors Meeting shall be valid and entitled to adopt binding resolutions if more than 1/2 (one-half) of the total members of the Board of Directors are present or are duly represented at the meeting.
  9. A resolution of a Board of Directors Meeting shall be adopted by way of amicable discussion. In the event of failure to reach a resolution by way of amicable discussion, resolutions shall be adopted by way of voting based on votes in favor of more than 1/2 (one half) of the votes validly cast in the meeting.
    - a. Each member of the Board of Directors shall have the right to cast 1 (one) vote and an additional 1 (one) vote for each member of the Board of Directors represented by the concerned member.
    - b. Voting concerning a person shall be conducted in folded unsigned ballot, while voting on other matters are conducted verbally, unless the Chairman of the Board of Directors Meeting determines otherwise without objection from the majority votes of the members present.
    - c. Abstained votes (blank) and invalid votes shall be deemed not to be validly cast and shall be deemed to be non-existent and shall not be calculated in determining the total votes cast.
  10. All matters discussed and resolved in a Board of Directors Meeting shall be stipulated in the Minutes of Meeting. Minutes of Board of Directors Meeting shall be made by a notetaker appointed by the Chairman of the Board of Directors Meeting, and after the Minutes of Board of Directors Meeting is read out and confirmed to the participants of the Board of Directors Meeting, the Minutes shall be signed by all members of the Board of Directors present in the Board of Directors Meeting and circulated to all members of the Board of Directors. In the event that a member of the Board of Directors does not sign the Minutes of Board of Directors Meeting, the concerned member shall state their reasons in writing in a separate document attached to the Minutes of Board of Directors Meeting. The minute shall serve as valid evidence to the members of the Board of Directors and any third parties regarding the resolutions adopted in the meeting. The signature shall not be required if the said minutes of meeting is prepared by a notary.
  11. In addition to the Board of Directors Meeting referred to in the provisions stipulated in paragraph 5 of this provision, a Board of Directors Meeting may convene using media such as teleconference, video conference, or other electronic media that allows all participants of the Board of Directors Meeting to directly see and/or hear and participate in the Board of Directors Meeting.
  12. The minutes of the Board of Directors meeting referred to in this paragraph shall be made in writing and circulated to all participating members of the Board of Directors to be approved and signed.
  13. The Board of Directors may also adopt valid resolutions without convening a Board of Directors Meeting, provided that all members of the Board of Directors have been notified in writing regarding the proposed resolutions and all members of the Board of Directors have expressed their approval by signing such approval. A resolution so adopted shall have the same binding power as a resolution validly adopted in a Board of Directors meeting.
-

14. Chairman of the Board of Directors Meeting may permit any party other than the members of the Board of Directors to attend the Board of Directors Meeting, provided that such party shall only participate in the Board of Directors Meeting without having any voting right.
15. Any provisions concerning the Board of Directors Meeting that are not yet stipulated in these article shall be referred to the prevailing laws and regulations and the capital market regulations.

## **Board of Commissioners**

1. The Board of Commissioners shall consist of 2 (two) members of the Board of Commissioners, at the minimum, and 5 (five) members of the Board of Commissioners, at the maximum, and one of which shall be appointed as the President Commissioner.
2. The Company is required to have Independent Commissioners in accordance with the prevailing laws and regulations and the capital market regulations.
3. The person eligible to be a member of the Board of Commissioners shall be a natural person who satisfies the requirements under the prevailing laws and regulations and the capital market regulations.
4. In addition to satisfying the requirements referred to in paragraph (2) of this provision, the appointment of members of the Board of Commissioners shall consider the expertise, experience and other requirements based on the prevailing laws and regulations.
5. Members of the Board of Commissioners are appointed and discharged by the GMS. The term of office of a member of the Board of Commissioners shall commence from the closing of the GMS appointing such member until the closing of the 5<sup>th</sup> (fifth) Annual GMS subsequent to such announcement, without prejudice to the rights of the GMS to discharge such members of the Board of Commissioners from time to time prior to the end of their terms of office, by stating the reasons thereof, after the concerned member of the Board of Commissioners is provided with the opportunity to attend and present a defense in the GMS. Such discharge shall be effective upon the closing of the aforementioned GMS adopting the resolution of such discharge, unless the GMS determines otherwise.
6. Subsequent to the end of their terms of office, members of the Board of Commissioners may be re-appointed by the GMS.
7. Members of the Board of Commissioners may be compensated with salaries or honorariums and allowance which amount shall be determined by the GMS.
8. If, due to any reasons whatsoever, the positions of members of the Board of Commissioners become vacant, i.e., the total members of the Board of Commissioners become less than the number stipulated in paragraph 1 of this provision, then, a GMS shall convene to fill in such vacancy within a period of 90 (ninety) days subsequent to the vacancy. The term of office of a person appointed to fill such vacancy shall be the remaining term of office of the member of the Board of Commissioners whose position becomes vacant.
9. A member of the Board of Commissioners shall have the right to resign from their position prior to the end of their term of office by submitting a written notice concerning their intention to resign to the Company.
10. 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 request for resignation. The resigned member of the Board of Commissioners referred to above may be requested to present their accountability as a member of the Board of Commissioners from the appointment date of such member until the date of their resignation in the GMS.
11. In the event that the resignation of the member of the Board of Commissioners results in the number of the member of the Board of Commissioners to be less than that stipulated in paragraph 1 of this provision, the said resignation shall be valid upon approval of the GMS and new members of the Board of Commissioners have been appointed so that the minimum requirement of the total members of the Board of Commissioners is satisfied.
12. The terms of office of members of the Board of Commissioners shall cease if:
  - a. such member is deceased; or
  - b. such member's term of office has expired;
  - c. such member is discharged based on the resolution of the GMS.
  - d. such member is declared bankrupt or under guardianship pursuant to a court order;



- e. Such member no longer satisfies the requirements as a member of the Board of Commissioners pursuant to the provisions herein and other 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.  
In order to support the effectiveness of its supervisory duties and responsibilities, the Board of Commissioners shall establish, or determine the composition of, audit committee or other committees as stipulated by the laws and regulations and the capital market regulations, and shall evaluate the performance of such committees at the end of the Company's fiscal year.
2. The Board of Commissioners, at any time during the Company's office hours, shall have the right to enter the building and premises or any other location used or controlled by the Company, and shall have the right to examine all accounting records, documents, and other evidence, and inventories, reconcile cash balances (for verification purposes) and other marketable securities, and shall have the right to be notified of all actions taken by the Board of Directors, in that respect, the Board of Directors, and every member of the Board of Directors, shall provide explanations on all inquiries made by members of the Board of Commissioners or the professionals assisting the Board of Commissioners.
3. If deemed necessary, the Board of Commissioners shall have the right to seek the assistance of experts to perform their duties for a determined amount of time, at the expense of the Company.
4. Segregation of duties among members of the Board of Commissioners shall be agreed among themselves. To support the efficiency of the Board of Commissioners may be assisted by a secretary appointed by the Board of Commissioners at the Company's expense.
5. The Board of Commissioners shall have the right to temporarily discharge one or more members of the Board of Directors in the event that the concerned member of the Board of Directors is considered to have acted in contrary to the provisions herein and/or the prevailing laws and regulations in the Capital Market or has neglected their obligations, or if the Company has compelling reasons to do so.
6. Such temporary discharge shall be notified in writing to the concerned member, by stating the reasons thereof.
7. By no later than 90 (ninety) days subsequent to the date of such temporary discharge, the Board of Commissioners shall convene a GMS to revoke or convene such temporary discharge, whereas the member of the Board of Commissioners so temporarily discharged shall be provided with the opportunity to attend a GMS to present a defense in the GMS. The GMS shall be chaired by the President Commissioner; in the event that the President Commissioner is not present or unable to attend due to any reasons whatsoever, of which no evidence to any third party shall be required, the meeting shall be chaired by a member of the Board of Commissioners, and in the event that all members of the Board of Commissioners are not present or unable to attend due to any reasons whatsoever, of which no evidence to any third party shall be required, the GMS shall be chaired by a person appointed by and from the shareholders and/or proxies of shareholders who are present in the GMS. In the event that the GMS referred to in paragraph 7 of this provision fails to convene or the GMS fails to adopt a resolution within a period of 90 (ninety) days subsequent to the date of such temporary discharge, such temporary discharge shall be null and void, and the temporarily discharged member shall have the right to return to their original post.
8. If all members of the Board of Directors are temporarily discharged, and the Company does not have any member of the Board of Directors, the Board of Commissioners shall be temporarily required to undertake the management of the Company, and under this circumstances, temporary authority shall be granted to one or more persons among them at their joint responsibility.
9. 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 provisions herein and the laws and regulations.
10. 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 them.

## **XV. SHARE 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 based on the original SSF or the copies issued by the Lead Underwriter. The original or copies of SSF issued by the Lead Underwriter may be obtained from the Underwriters or Selling Agents listed in the Distribution of Prospectuses and SSFs Chapter in this Prospectus. The SSF shall be made in 5 (five) copies. Share subscriptions that are not conducted in accordance with the provisions 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 SUBSCRIPTION**

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 Offer Shares are registered at KSEI based on the Equity Securities Registration at Securities Registration Agreement signed by the Company and KSEI.

- a. Pursuant to the registration of such shares in KSEI, the following provisions shall apply on the Offer Shares:
  - 1) The Company shall not issue the Offer Shares from the Share Initial Public Offering in the form of Share Collective Certificates, 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 the share distribution date, upon receipt of share registration confirmation under the name of KSEI from the Company or the SAB;
  - 2) Before the Offer Shares offered in this Share Initial Public Offering are listed on the IDX, the subscribers shall receive evidence of share ownership in the form of Share Allotment Confirmation Forms (ACF), 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, bonus shares, preemptive rights, cast votes in a GMS, and other rights inherent to the shares;
  - 6) Payment of dividends, bonus shares to, and exercise of preemptive rights by 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 are the Securities Account holders at the Securities Companies or Custodian Banks;
  - 7) Subsequent to the 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 Share 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 the Company, 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.
- 11) 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 SUBSCRIPTION**

During the Public Offering, eligible subscribers may submit the share subscriptions during the office hours at the offices of the Lead Underwriter or Underwriter or Selling Agents where the subscribers obtained the SSFs.

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 Selling Agents, Underwriters, Lead Underwriter, 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.

## **6. OFFERING PERIOD**

The Offering Period shall be opened for 5 (five) Business Days, namely, from January 2, 2020 to January 8, 2020. The offering time will take place from 09.00 Indonesia Western time up to 16.00 Indonesia Western Time.

## **7. ALLOTMENT DATE**

Allotment Date shall mean the date on which the Lead Underwriter and the Company determine the share allotment for each subscription in accordance with the prevailing regulations, which shall be January 10, 2020.

## **8. TERMS OF PAYMENT**

Payments may be made in cash, checks, or bank drafts denominated in Rupiah and paid to the Lead Underwriter at the time the SSFs are submitted. All payments shall be addressed to the Lead Underwriter's account at:

**PT Mandiri Sekuritas**  
Bank Name: PT Bank Mandiri (Perseo) Tbk  
Branch: Jakarta Bursa Efek  
Account Number: 104-00-0509676-8  
Under the name of : PT Mandiri Sekuritas – IPO PT  
Ashmore AM Indonesia

For payments made by checks, the checks shall be personal checks/owned by the parties submitting (signing) the subscription forms. Checks owned by/under the name of third parties are unacceptable as payments. All bank charges and transfer fees related to such payments shall be borne by the subscribers. All checks and bank drafts received shall be immediately endorsed upon receipt. In the event that such checks or bank drafts are dishonored by the drawing bank upon endorsement, the said share subscriptions shall be considered void. Payments made checks, book-entry settlement/written transfer instruction shall be in good funds on the last day of the Public Offering Period for the Underwriters, retail customers and domestic institutional customers, except for international customers entitled to fixed allotment.

All bank charges and transfer fees related to such payments shall be borne by the subscribers. All checks and bank drafts received shall be immediately endorsed upon receipt. In the event that such checks 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. RECEIPTS**

The Lead Underwriter, Underwriters and/or the Selling Agents accepting the submission of SSFs shall return to the subscribers, the copy or photocopy of the 5th (fifth) page of the SSF that has been signed (original signature) as Receipt of Share Subscription. The Share Subscription Form receipt is not a guarantee of the fulfillment of subscription. The Share Subscription Receipt shall be safely kept to be submitted upon refund of subscription fund and/or upon receipt of the Allotment Confirmation Form for the share subscriptions. Share Subscription Receipt for special subscribers shall be delivered directly by the Company.

## **10. SHARE ALLOTMENT**

The share allotment shall be conducted by PT Mandiri Sekuritas as the Allotment Manager using a combined system of fixed allotment and pooling allotment in accordance with Regulation No IX.A.7.

### **A. Fixed Allotment**

Fixed allotment is limited to 98% (ninety eight percent) of the total Offer Shares, that shall be allocated to, but not limited to, Pension Funds, Insurance, Mutual Funds, Foundations, other types of Institutions, Individuals, both domestic and 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 is able to determine the percentage and the parties entitled to the fixed allotment in the 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 Public Offering (if any), in a maximum sum of 10% (ten percent) of the total Offer Shares in the Public Offering; and
- c. It is prohibited to allocate shares under the Fixed Allotment system 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 the Underwriter with respect to the Share 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), who are not the parties that subscribe shares on behalf of third parties.

## **B. Pooling Allotment**

Pooling allotment is limited to 2% (two percent) of the total Offer Shares. In the event that the total shares subscribed exceeds the number of Offer Shares, 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 (subscribers who are directors, commissioners, employees or parties holding 20% (twenty percent) or more of a security company acting as an Underwriter in connection with the Public Offering, or other affiliated parties of all parties referred to above in connection with the Public Offering), there are remaining shares in the sum equal to or higher than the amount subscribed, then, the subscribers that are not excluded shall receive all the shares subscribed.
- b. If, after excluding the Affiliated Share Subscribers referred to in point a above, 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:
  - 1) The subscribers who are not excluded shall be entitled to one unit of trading at the IDX, if there are sufficient units of trading available. In the event that there are no sufficient units available, the available unit of trading shall be distributed 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 will be listed.
  - 2) 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 SHARE INITIAL PUBLIC OFFERING PERIOD OR CANCELLATION OF THE SHARE INITIAL PUBLIC OFFERING**

- a. Within the period since the receipt of the Effective Statement on the Registration Statement up to the end of the Share Initial Public Offering Period, the Company may postpone the Share 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 Share Initial Public Offering, provided that:
  - 1) 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 FSA as defined in Regulation No. IX.A.2-11 Annex 11.
  - 2) The Company shall comply with the following provisions:
    - a) announce the postponement of the Share Initial Public Offering Period or cancellation of the Share Initial Public Offering in at least 1 (one) daily newspapers published in the Indonesian Language with national circulation by no later than 1 (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 Share Initial Public Offering Period or cancellation of the Share Initial Public Offering to the FSA 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 FSA by no later than 1 (one) business day subsequent to the said announcement; and
    - d) the Company postponing the Share Initial Public Offering Period or canceling an ongoing Share 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 2 (two) Business Days following such decision to postpone or cancel the Public Offering.
- b. The following provisions shall apply in the event that the Company postpones the Public offering referred to in point a, and intends to recommence the Public Offering Period:

- 1) in the event of postponement of the Public Offering period as a result of conditions stipulated in letter a point 1) point a), the Company shall be obligated to recommence the Public Offering period by no later than 8 (eight) Business Days after the composite index of the Stock Exchange has increased by at least 50% (fifty per cent) of the total decrease in composite index that became the basis of such postponement;
- 2) in the event that the composite index at the Stock Exchange continue to experience a decline as defined in letter a point 1) point a), the Company may again postpone the Public Offering period.
- 3) shall be obligated to notify the FSA on any information concerning the Public Offering schedule and other additional information, including information on any material events that occur subsequent to the postponement of the Public Offering period (if any) and announce such information in at least one daily newspapers published in the Indonesian language with national circulation by no later than one Business Day prior to the commencement of the next Public Offering period. In addition to the obligation to issue an announcement in the newspapers, the Issuer may also issue such information in other mass media; and
- 4) submit the proof of announcement referred to in point (3) to the FSA by no later than one Business Day subsequent to the said announcement.

Termination of the Underwriting Agreement shall apply without requiring the decision and/or order of a District Court, and the parties in the Underwriting Agreement hereby waive the provisions stipulated in Article 1266 of the Civil Code.

In the event of termination of the Underwriting Agreement, except on the grounds that all the rights and obligations of the parties have been fulfilled, the parties of the Underwriting Agreement shall be obligated to notify the FSA in writing.

## **12. REFUND**

Subscribers that have completed the SSFs and made payment of the Offer Shares whose subscriptions are fully or partially rejected, or in the event of a postponement or cancellation of this Share Initial Public Offering, shall be refunded in the Rupiah currency by the Underwriters where the respective SSFs are filed. The refund shall be made by no later than 2 (two) Business Days subsequent to the Allotment Date or the announcement date of the postponement or cancellation of the share Initial Public Offering in accordance with Regulation No. IX.A.2.

With due considerations to provisions concerning allotment, in the event of oversubscription, each Underwriter to whom the subscribers filed the SSFs shall be responsible to refund the subscription fund to such subscribers. In the event of a postponement or cancellation of the share Initial Public Offering, then, in the event that the announcement of such postponement or cancellation of the share Initial Public Offering is issued prior to the Payment Date, the refund of subscription funds shall be the responsibilities of the Underwriters. However, in the event that the announcement of such postponement or cancellation of the share Initial Public Offering is issued subsequent to the Payment Date, the refund of subscription funds shall be the responsibilities of the Company.

The refund must 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, written transfer instruction, or refund letter that may be collected directly by the concerned subscribers from the Underwriters where the subscriptions are submitted by submitting the receipt of share subscription and personal identification.

Any party conducting a negligence with respect to the refund of subscription fund to the subscribers that have submitted their subscription to such party, thereby causing a delay in such refund of subscription fund, shall be obligated to pay a penalty to the concerned subscriber, which shall be calculated based on the interest rate applicable to current account of the accepting bank times the outstanding amount payable, which shall be calculated on the third day of the Allotment Date or the announcement date of the postponement or cancellation of the share Initial Public Offering, proportionally to the total days of delay, where 1 (one) year shall constitute 360 (three hundred sixty) Calendar Days and 1 (one) months shall constitute 30 (thirty) Calendar Days. The accepting bank shall be the bank where the Lead Underwriter open a bank account under the name of the Lead Underwriter to receive proceeds from the Offered Shares. For the avoidance of doubt, the subscription refund mechanism referred to above shall apply solely to retail

subscriptions entitled to the allocation of the Offer Shares based on the pooling allotment method defined in the Regulation No. IX.A.7.

In the event that the refund is available, however the subscribers fail to collect such refund within 2 (two) Business Days subsequent to the Allotment Date or the announcement date of the postponement or cancellation of the share Initial Public Offering, such failure shall not be the responsibility of the concerned Underwriter.

### **13. DISTRIBUTION OF ALLOTMENT CONFIRMATION FORM (ACF) ON SHARE SUBSCRIPTIONS**

Distribution of Share Allotment Confirmation Form to each Securities Account of the share subscribers at the Underwriters where the respective SSFs are submitted shall be performed by no sooner than 1 (one) Business Days subsequent to the allotment date. The Share Allotment Confirmation Form for such share distribution may be obtained by submitting the Share Subscription Receipt.

### **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 forms for each 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 subscriber.

## **XVII. DISTRIBUTION OF PROSPECTUS AND SHARE SUBSCRIPTION FORM**

Prospectuses and SSFs are available at the offices of the Company's SAB and the appointed Underwriters, namely the Stockbrokers registered as Members of the Stock Exchange, during the Share Initial Public Offering Period, i.e., from January 2 - 8, 2020, 2019, from 09.00 Western Indonesian Time to 16.00 Western Indonesian Time. The Lead Underwriter and Underwriter referred to above are as follows:

### **LEAD UNDERWRITER**

#### **PT Mandiri Sekuritas**

Menara Mandiri I, Levels 24-25  
Jl. Jend. Jendral Sudirman Kav 54-55  
Jakarta 12190  
Phone : (021) 526 3445  
Fax: (021) 526 3507  
Website: [www.mandirisekuritas.co.id](http://www.mandirisekuritas.co.id)

**The Prospectus and SSF are available at the Office of the Lead Underwriter and Underwriter.**

**In addition to the office of the Lead Underwriter and Underwriter, the Prospectuses and SSFs are available at the Public Offering Counter at PT Datindo Entrycom, JL. HAYAM WURUK NO. 28, 2<sup>nd</sup> FLOOR, JAKARTA 10120, FROM JANUARY 2, 2020 TO JANUARY 8, 2020.**



**XVIII.LEGAL OPINION**

## TRANSLATION DISCLAIMER

This English Translation of the Legal Opinion has been prepared by Ashmore Asset Management Indonesia Tbk for the purpose of, and is intended solely for the convenience of, non-Indonesian language readers.

This English Translation of the Legal Opinion is not an official document, is not legally binding in any manner whatsoever and has no legal status. Readers should rely on and refer to the original Bahasa Indonesia version of the Legal Opinion.

Should there be any differences or inconsistencies in the interpretation of the meaning of the word(s) and phrase(s) between this English Translation and the original Bahasa Indonesia version of the Legal Opinion, the original Bahasa Indonesia version of the Legal Opinion shall prevail.

23 December 2019

Ref. No: 970715-v4

### **PT Ashmore Asset Management Indonesia Tbk**

Pacific Century Place, Lantai 18  
Jl. Jendral Sudirman Kav. 52-53  
Jakarta 12190  
Indonesia

**Attention:** Board of Directors

### **LEGAL OPINION IN RESPECT OF THE INITIAL PUBLIC OFFERING OF PT ASHMORE ASSET MANAGEMENT INDONESIA TBK**

Dear Sir/ Madam,

In order to comply with the requirements set out in the laws and regulations in the capital market sector, we, Hadiputranto, Hadinoto & Partners, which for this purpose is represented by Iqbal Darmawan, SH, who has obtained Capital Market Supporting Professional Registration Letter No. STTD.KH-213/PM.2018, dated 21 September 2018, and is registered as a member of the Association of Capital Market Legal Consultants (*Himpunan Konsultan Hukum Pasar Modal*) No. 201012, as a free and independent Legal Advisor, have been appointed by PT Ashmore Asset Management Indonesia Tbk ("**Company**"), pursuant to an Engagement Letter dated 1 July 2019, to conduct Legal Due Diligence and prepare a Due Diligence Report and express a Legal Opinion on the Company ("**Legal Opinion**") with respect to the Company's plan to conduct an Initial Public Offering ("**IPO**") of shares, as further described below.

With due consideration of the scope, limitations and assumptions that are described below, this Legal Opinion may be revised and completed based on additional documents from the Company and statements of the Company received by us subsequent to the date of issuance of this Legal Opinion

until the declaration of effectiveness of the registration statement with respect to the IPO documents by the OJK (as defined below).

This Legal Opinion shall replace the previous Legal Opinion, which is set out in our Letter No. 970715-v3 dated 2 December 2019.

## A. **TRANSACTION DESCRIPTION**

The Company, through the IPO, plans to offer 111,111,200 ordinary shares issued from the Company's portfolio with a nominal value of Rp25 per share which represent 10% of the Company's issued and paid-up capital subsequent to the public offering, which consist of new shares to be offered to the public with the offer price of Rp 1,900 per share. The IPO has been approved by the Company's shareholders as stipulated under the Deed of Statement of Resolution of Extraordinary General Meeting of Shareholders No. 21 dated 17 October 2019, drawn up before Chandra Lim, SH, LLM, Notary in North Jakarta, by virtue of Decree of the MOLHR (as defined below) No. AHU-0083719.AH.01.02.Tahun 2019, dated 17 October 2019 and was registered in the Company Registry No. AHU-0196847.AH.01.11.Tahun 2019, dated 17 October 2019, and has been received the notification of amendment by MOLHR based on Receipt of Notification on the Amendment of the Company's Articles of Association No. AHU-AH.01.03-0347159 dated 17 October 2019 ("**Deed No. 21/2019**"). Deed No. 21/2019 also approved the Employee Stock Allocation ("**ESA**"), which shall be conducted during the IPO by allocating 1.66% of the total shares offered in the IPO or with a total of 1,842,000 shares. Further terms and conditions of the ESA program is determined by the Board of Directors, pursuant to the Board of Directors Decree No. 011/DIR-ASH/1219 on the Company's Employee Stock Application Program dated 18 December 2019 and in accordance with the prevailing law and regulations.

For the purpose of this IPO, all of the shares of the Company will be listed in the IDX (as described below).

The agreements executed in connection with this IPO are as follows:

- (a) Deed of Underwriting Agreement No. 23 dated 17 October 2019, between the Company and the Lead Underwriter as amended by Deed of Addendum of Underwriting Agreement No. 36 dated 20 November 2019 and Deed of Addendum II of Underwriting Agreement No. 52 dated 20 December 2019, all of which drawn up before Chandra Lim, S.H., LLM, Notary in North Jakarta ("**Securities Underwriting Agreement**");
- (b) Deed of Company's Shares Administration Management Agreement No. 24 dated 17 October 2019, between the Company and the Shares Registrar, drawn up before Chandra Lim, S.H., LLM, Notary in North Jakarta ("**Securities Administration Agreement**"); and
- (c) Equity Securities Registration with KSEI No. SP-057/SHM/KSEI/0719, dated 20 November 2019, between the Company and KSEI ("**Registration Agreement with KSEI**").

Further, the Company has obtained the Principle Approval for Listing of Equity-type Securities from the IDX based on Letter No. S-07379/BEI.PP3/11-2019, dated 15 November 2019.

All proceeds from the IPO, after deducting issuance costs, shall be used as follows:

- (a) A maximum of Rp200,000,000,000 will be used for the development of information technology (IT) infrastructure to support the Company's operational activities;

The IT infrastructure development is expected to support the penetration of the capital market industry through accessing the middle and lower income customer segments and the millennial generation investors who actively use technology and e-commerce facilities. The establishment of such system will be carried out through the establishment of a standalone application and/or the development of the existing platform. The development of the IT infrastructure is planned to be carried out in three phases (but could be changed subject to, among others, the development of technology at that time and the Company's need): 1) constructing the digital application including service infrastructure and data processing for retail customers, 2) developing artificial intelligence for customer education, and 3) offering of investment opportunities in mutual fund through the application platform. The Company will announce the appointed IT vendor at a later date.

- (b) The remaining balance, if any, shall be used to strengthen the source of funds in connection with the establishment of new products.

(Hereinafter referred to as "**Use of Proceeds**").

## **B. DEFINITION**

"**BANI**" refers to *Badan Arbitrase Nasional Indonesia* or the Indonesia National Board of Arbitration.

"**Bapepam-LK**" refers to *Badan Pengawas Pasar Modal dan Lembaga Keuangan Republik Indonesia* or Capital Market and Financial Institutions Supervisory Board.

"**BNRI**" refers to *Berita Negara Republik Indonesia* or State Gazette of Republic of Indonesia.

"**Board of Commissioners**" refers to the Board of Commissioners of a PT (as defined below).

"**Board of Directors**" refers to the Board of Directors of a PT.

"**BPJS**" refers to *Badan Penyelenggara Jaminan Sosial* or the Social Insurance Administration Organization.

"**DDR**" refers to the Due Diligence Report of the Company, which contain the result of our Due Diligence, prepared with due consideration of to the provisions of HKHPM Standards and the provisions of Indonesian Law that are relevant to the Due Diligence.

"**Due Diligence Period**" refers to the period from the Company's date of establishment until the Legal Opinion Date, except for due diligence of the latest change of articles of association and the capital and shares ownership are done for the last 3 (three) years.

"**Due Diligence**" refers to the legal due diligence of the Company conducted by us in connection with the proposed IPO transaction by the Company, with due considerations of the Scope, Limitations, and Assumptions of the DDR.

"**General Licenses**" refers to general administrative licenses in connection with the performance of the Company's business activities.

"**GMS**" refers to the General Meeting of Shareholders.

"**HKHPM Standards**" refers to the Legal Due Diligence Standards and Legal Opinion Standards issued by HKHPM pursuant to the HKHPM Decree No. No. 02/HKHPM/VIII/2018 dated 8 August 2018.

"**HKHPM**" refers to *Himpunan Konsultan Hukum Pasar Modal* or the Association of Capital Market Legal Consultants.

"**IDX**" refers to the Indonesia Stock Exchange or PT Bursa Efek Indonesia.

"**Indonesian Law**" refers to the prevailing laws and regulations in the Republic of Indonesia of Indonesia until the Legal Opinion Date.

"**KSEI**" refers to PT Kustodian Sentral Efek Indonesia.

"**Lead Underwriter**" refers to PT Mandiri Sekuritas.

"**Legal Opinion Date**" refers to the date of issuance of this Legal Opinion, which shall be 23 December 2019.

"**Material Agreements**" refers to agreements that bind the Company with Affiliated Parties and/or third parties that are material to the continuity of the Company's main business activities as disclosed in the Prospectus and the DDR.

"**MOLHR**" refers to the Minister of Law and Human Rights.

"**OJK**" refers to the *Otoritas Jasa Keuangan* (Financial Services Authority) (previously known as the Capital Market and Financial Institutions Supervisory Agency of the Republic of Indonesia or Bapepam-LK).

"**Operating Licenses**" refer to operating licenses that are material to the continuity of the Company's main business activities.

"**POJK 32**" refers to OJK Regulation No. 32/POJK.04/2014 on Plan for and the Holding of General Meetings of Shareholders of Publicly Listed Companies, enacted on 8 December 2014, as amended by OJK Regulation No. 10/POJK.04/2017, enacted on 14 March 2017.

"**POJK 33**" refers to OJK Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers or Public Companies, enacted on 8 December 2014.

"**POJK 34**" refers to OJK Regulation No. 34/POJK.04/2014 on the Nomination and Remuneration Committee of Issuers or Public Companies, enacted on 8 December 2014.

"**POJK 35**" refers to OJK Regulation No. 35/POJK.04/2014 on the Corporate Secretary of Issuers or Public Companies, enacted on 8 December 2014.

"**POJK 55**" refers to OJK Regulation No. 55/POJK.04/2015 on the Establishment and Working Guidelines of Audit Committees, enacted on 29 December 2015.

"**POJK 56**" refers to OJK Regulation No. 56/POJK.04/2015 on the Establishment and Working Guidelines of Internal Audit Units, enacted on 29 December 2015.

"**Prospectus**" refers to the prospectus issued by the Company in connection with the IPO.

"**PT**" refers to *Perseroan Terbatas* or a Limited Liability Company.

"**Regulation No. IX.E.1**" refers to Bapepam-LK Regulation No. IX.E.1, as attached to the Decree of Bapepam-LK Chairman No. KEP-412/BL/2009 on Affiliated Party Transactions and Conflicts of Interest in Certain Transactions dated 25 November 2009.

"**Regulation No. IX.E.2**" refers to Bapepam-LK Regulation No. IX.E.2, as attached to the Decree of Bapepam-LK Chairman No. KEP-614/BL/2011 on Material Transactions and Change of Business Activity dated 28 November 2011.

"**Regulation No. IX.J.1**" refers to Bapepam-LK Regulation No. IX.J.1, as attached to the Decree of Bapepam-LK Chairman No. Kep-179/BL/2008 on Main Provisions of Articles of Association of Companies Conducting Equity Securities Public Offerings and Public Companies dated 14 May 2008.

"**Regulation No. V.A.3**" refers to Bapepam-LK Regulation No. V.A.3 as attached to the Chairman of Bapepam-LK Decree No. Kep-479/BL/2009 on Licenses of Securities Companies Engaged in the Business Activities of Investment Managers dated 31 December 2009 as amended by Decree of Bapepam-LK Chairman No. Kep-26/BL/2010 dated 18 February 2010.

"**Share Registrar**" refers to PT Datindo Entrycom as the Share Registrar appointed by the Company.

"**Statement Letter**" refers to the statement letter signed by the Company on 18 October 2019.

"**Underwriter**" refers to PT Mandiri Sekuritas as appointed by the Company based on a Securities Underwriting Agreement.

"**WLTk**" refers to *Wajib Laporan Tenaga Kerja* or the Mandatory Manpower Report.

## C. **SCOPE, LIMITATIONS AND ASSUMPTIONS**

This Legal Opinion shall be subject to the following scope and limitations:

1. this Legal Opinion has been prepared specifically with respect to the Company's condition during the Due Diligence Period;
2. this Legal Opinion has been prepared based on our review of the original documents and the respective derivatives, copies and photocopies of such documents that we have obtained from the Company, and the oral and written statements and information

provided by members of the Board of Directors, Board of Commissioners, representatives and/or employees of the Company, the results of which are presented in the DDR, and as the basis of and an integral part of this Legal Opinion;

3. this Legal Opinion has been prepared within the framework of the Indonesian Law, and as such is not intended to apply to or to be construed based on the laws and jurisdictions in other countries; and
4. all scope and limitations stated in the DDR shall form an integral part of the scope and limitations of this Legal Opinion.

With due consideration of the aforementioned Scope and Limitations, we assume the following in preparing this Legal Opinion:

1. all signatures are original and made by the authorized parties, all documents presented or provided to us as originals are authentic, and the copies or photocopies of signatures and documents provided to us are the true copies of the original documents;
2. the Company has provided to us all documents and information that are relevant to the Due Diligence and the preparation of the Legal Opinion ("**Due Diligence Information**") and there are no other relevant documents and information that are not or have not been provided or informed to us until the Legal Opinion Date;
3. all Due Diligence Information and all the facts stated in the Due Diligence Information, including written representations and information (including the derivatives and copies thereof) or oral representations and information provided by government officials, judicial bodies, and other third parties, that serve as the basis of the preparation of the DDR and this Legal Opinion are true, accurate, complete, not misleading and consistent with the actual condition, have not been revised and are valid until the Legal Opinion Date, and there are no other related matters intentionally and/or unintentionally concealed from us;
4. original documents exist and have not been revised, canceled or replaced by other documents or agreements or actions that are not known to us;
5. the documents stipulate the binding obligations of the parties based on the prevailing laws and regulations and have been executed by the Company for the benefit of each relevant party;
6. for each document involving any party in the form of a company, other than the Company, such party is still in existence and has the authorities to carry out its business, and has obtained the corporate licenses/approval from the competent authorities that are required to sign the agreement, and that such agreement has been duly executed for the benefit/interest of such party, and that the parties are not in bankruptcy or any other conditions as of the execution of the agreement;
7. for each document in which the Company is a party, which is governed by or subject to the laws applicable in any jurisdiction outside the jurisdiction of the Republic of Indonesia ("**Foreign Laws**"), such document is lawfully valid and binding on the Company based on the aforementioned Foreign Laws, that such document does not

violate the provisions of the relevant Foreign Laws, and that such document remains valid until the Legal Opinion Date;

8. all parties that entered into any agreement with the Company, and the Government officials that issued the Company's licenses, conducted registration or recording for the Company's interests, have the authorities and power to perform such actions in a manner that is lawful and binding pursuant to the Indonesian Law;
9. the documents, information and written representations and information (including the derivatives and copies thereof) or oral representations and information provided by government officials, judicial bodies, and other third parties in connection with the Due Diligence are true, complete, and consistent with the actual conditions; and
10. the written or oral representations and information provided by members of the Board of Directors, Board of Commissioners or employees of the Company in connection with the Due Diligence and preparation of this Legal Opinion are true, complete, and consistent with the actual conditions.

#### **D. LEGAL OPINION**

Upon review and examination of documents as further detailed in the DDR, and with due considerations of the assumptions and qualifications as referred above, we hereby express the following Legal Opinion:

1. The Company, domiciled in South Jakarta, is a PT established pursuant to, and subject to, the Indonesian Law, based on the Company's Deed of Establishment No. 250 dated 29 January 2010, drawn up before Irawan Soerodjo, SH, Notary in Jakarta, which has been approved as a legal entity pursuant to the Decree of MOLHR No. AHU-09788.AH.01.01.Tahun.2010, dated 23 February 2010 and announced in BNRI No. 89 dated 5 November 2010 ("**Deed of Establishment**").

The Company's articles of association as set forth in the Deed of Establishment have been amended several times. The last amendment of the Company's articles of association is relating to the IPO as stipulated under Deed of Statement of Resolution of Extraordinary General Meeting of Shareholders No. 21 dated 17 October 2019, drawn up before Chandra Lim, SH, LLM, Notary in Jakarta, which has been approved by the MOLHR pursuant to Decree of MOLHR No. AHU-0083719.AH.01.02.Tahun 2019, dated 17 October 2019 and registered in the Company Register under No. AHU-0196847.AH.01.11.Tahun 2019, dated 17 October 2019, of which the MOLHR has received notification pursuant to the Receipt of Notification of Amendment of Articles of Association No. AHU-AH.01.03-0347159 dated 17 October 2019 ("**Company's Articles of Association**").

The Company's Deed of Establishment is valid and effective based on the Company Law. The Company's Articles of Association has complied with the Indonesian Law, including Regulation No. IX.J.1, POJK 32 and POJK 33.

2. The Company's capital structure since its establishment and for the last 3 (three) years has complied with the Articles of Association and the prevailing laws and regulations.



Pursuant to the Company's Articles of Association, the Company's current capital structure is as follows:

Authorized Capital : Rp 100,000,000,000  
 Issued/Paid-Up Capital : Rp 25,000,000,000

The Company's authorized capital consists of 4,000,000,000 shares, with each share having a nominal value of Rp25.

The Company's capital structure above has complied with Company's Articles of Association and Indonesian Law.

3. Pursuant to the Company's Articles of Association, the Company's current shareholding structure is as follows:

Shareholders		Total Shares	Nominal Value (Rp)	(%)
<b>Authorized Capital</b>		<b>4,000,000,000</b>	<b>100,000,000,000</b>	
<b>Issued and Paid-Up Capital</b>				
1.	Ashmore Investment Management Limited	667,060,000	16,676,500,000	66.71
2.	PT Adikarsa Sarana	142,940,000	3,573,500,000	14.29
3.	Ronaldus Gandahusada	70,000,000	1,750,000,000	7.00
4.	Arief Cahyadi Wana	60,000,000	1,500,000,000	6.00
5.	FX Eddy Hartanto	60,000,000	1,500,000,000	6.00
<b>Total Issued and Paid-Up Capital</b>		<b>1,000,000,000</b>	<b>25,000,000,000</b>	<b>100</b>
<b>Shares in Portfolio</b>		<b>3,000,000,000</b>	<b>75,000,000,000</b>	

As of the Legal Opinion Date, the Company has maintained a Shareholder Registry that reflects the Company's latest shareholding structure, as well as Special Registry that reflects the shares ownership by each member of the Board of Directors and the Board of Commissioners of the Company.

4. The current composition of the Company's Board of Directors and the Board of Commissioners is based on Deed of Statement of Resolution of Extraordinary General Meeting of Shareholders No 21, dated 17 October 2019, drawn up before Chandra Lim, SH, LLM, Notary in North Jakarta, of which the MOLHR has received notification pursuant to the Receipt of Notification on the company's data No. AHU-AH.01.03-0347159 dated 17 October 2019, as follows:

#### **Board of Directors**

President Director : Ronaldus Gandahusada  
 Director : Arief Cahyadi Wana  
 Director : FX Eddy Hartanto

## Board of Commissioners

President Commissioner	:	Thomas Addam Shippey
Commissioner	:	Michael Matthias Winter
Independent Commissioner	:	Satriadi Indarmawan

The appointment of each member of the Board of Directors and the Board of Commissioners was conducted in accordance with the provisions set out in the Company's Articles of Association and Indonesian Law, including POJK 33.

The Company has a Corporate Secretary as required under POJK 35.

The Company has an Audit Committee as required under POJK 55.

The Company has an Internal Audit Unit as required under POJK 56. The Company has prepared the Audit Committee Charter and the Internal Audit Unit Charter in accordance with the provisions of the prevailing laws and regulations.

Based on the Company's Statement Letter, the Board of Commissioners has exercised the Nomination and Remuneration function as required under POJK 34.

5. In relation to the Use of Proceeds, the Company will conduct the following:
- (a) A maximum of Rp200,000,000,000 will be used for the development of information technology (IT) infrastructure to support the Company's operational activities;  
  
The IT infrastructure development is expected to support the penetration of the capital market industry through accessing the middle and lower income customer segments and the millennial generation investors who actively use technology and e-commerce facilities. The establishment of such system will be carried out through the establishment of a standalone application and/or the development of the existing platform. The development of the IT infrastructure is planned to be carried out in three phases (but could be changed subject to, among others, the development of technology at that time and the Company's need): 1) constructing the digital application including service infrastructure and data processing for retail customers, 2) developing artificial intelligence for customer education, and 3) offering of investment opportunities in mutual fund through the application platform. The Company will announce the appointed IT vendor at a later date.
  - (b) The remaining balance, if any, shall be used to strengthen the source of funds in connection with the establishment of new products.

The Company will submit the Use of Proceeds Realization Report from the IPO proceeds in accordance with the OJK Regulation No. 30/POJK.04/2015, dated 6 December 2015 on the Report on Realization of Use of Proceeds from Public Offering ("**POJK No. 30/2015**"). If there is any amendment to the Use of Proceeds, the

Company, as required by POJK No. 30/2015, must: (i) submit the plan and reason for the change of use of proceeds from the IPO, together with the notification of the GMS agenda to the OJK; and (ii) obtain prior approval from the GMS.

Until the Legal Opinion Date, the Use of Proceeds is not an affiliated party transaction as stipulated under Regulation No. IX.E.1 and a material transaction as stipulated under Regulation No. IX.E.2. In the event that the Use of Proceeds is the affiliated party transaction or material transaction, the Company is required to comply with the applicable regulations.

6. In relation to the IPO, no prior license or prior approval is required to be obtained from the relevant institution and/or third party. However, the Company will be required to report to OJK on the increase of the issued and paid-up capital of the Company after the implementation of the IPO in accordance with Regulation V.A.3.
7. Based on our review, the Statement Letter and Company's Articles of Association, the Company's main business activities engage in securities company services, particularly in investment manager services, and business activity in investment advisor service, and until the Legal Opinion Date, based on the Statement Letter, the Company is currently engaged in investment manager and investment advisor business activities.

The disclosures of the Company's purposes and objectives as well as its business activities as stipulated in Article 3 of the Company's Articles of Association have been conformed to the provisions as set forth in Regulation No. IX.J.1. Based on the Statement Letter, the Company has carried out its business activities in accordance with the purposes and objectives as set forth in the Company's Articles of Association.

8. The Company has obtained the material Operating Licenses and General Licenses required to carry out its main business activities as required by the Indonesian Law, and such Operating Licenses and General Licenses are still valid until the Legal Opinion Date. The Company has fulfilled its obligations to periodically report to the relevant institutions in accordance with all of its licenses.
9. Based on our review, supported by the Statement Letter, the Company has no subsidiaries.
10. Except as disclosed in the DDR, all of the Company's Material Agreements are valid and binding on the Company, and are not in contrary to its Company's Articles of Association and the provisions of Indonesian Law, and there are no covenants or restrictions to conduct an IPO and/or to use the proceeds from the IPO in accordance with the Use of Proceeds.
11. Based on our review, which is also supported by the Statement Letter, the Company is not bound by any credit agreements with third parties and/or any credit agreements with affiliated parties to which the Company is a debtor.
12. Based on the Statement Letter, the Company did not own any asset that is material to the Company's business activities.
13. Based on our review, which is also supported by the Company's Statement Letter dated

17 October 2019, the Company has complied with the requirements of minimum wage, WLTK, employment BPJS and healthcare BPJS, except for the company regulation.

14. Based on our review, which is also supported by the Company's Statement Letter dated 18 November 2019, up to the Legal Opinion Date, the Company has insurance coverage for its operational activities, and the insurance coverage is adequate to cover the risks insured.
15. All legal aspects in the Prospectus, which include the articles of association, capital structure and shareholder composition, licenses, material agreements, material assets, insurance and legal proceedings are in accordance with the DDR.
16. In accordance with Indonesian Law, in connection with the IPO, the Company has executed (i) the Securities Underwriting Agreement (ii) the Securities Administration Agreement; and (iii) the Registration Agreement with KSEI. These agreements are binding on the Company, and have been prepared in accordance with the Company's Articles of Association and the provision of the Indonesian Law in the capital market sector. Based on the information from the Company, the Company is not affiliated with PT Mandiri Sekuritas, as the Underwriter as well as the Lead Underwriter.
17. Based on our review, supported by the Company's Statement Letter, dated 18 November 2019, until the Legal Opinion Date, the Company is not currently a party in any civil dispute, industrial relation legal dispute, tax dispute or state administration dispute, and is not registered as a party in the criminal case registry, is not involved in any dispute before BANI, and is not a respondent in any bankruptcy petition before the Commercial Court, and there is no subpoena from any third party that may materially and adversely affect the continuity of the Company's main business activities.
18. Based on our review and supported by the statement letter of each member of the Company's Board of Directors and Board of Commissioners dated 15 July 2019 and 17 October 2019, none of the members of the Company's Board of Directors and Board of Commissioners receives any subpoena from any third party or is involved in any legal proceedings, whether civil or criminal, before any court of law or arbitral institution, whether in Indonesia or any other country, or administrative disputes with authorized government institutions, including disputes with respect to tax obligations and/or disputes related to industrial relations or has been petitioned for bankruptcy by any third party or has been declared bankrupt and is not involved in any disputes outside the courts of law, which may materially affect the performance of their duties and obligations as members of the Company's Board of Directors and Board of Commissioners respectively.

**XIX. FINANCIAL STATEMENTS**

PT ASHMORE ASSET MANAGEMENT INDONESIA

---

ISI	HAL/ PAGE	CONTENTS
SURAT PERNYATAAN DIREKSI TENTANG TANGGUNG JAWAB ATAS LAPORAN KEUANGAN		<i>THE DIRECTOR'S STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS</i>
LAPORAN KEUANGAN UNTUK TAHUN BERAKHIR 30 JUNI 2019, 2018 DAN 2017:		<i>FINANCIAL STATEMENTS FOR THE YEARS ENDED 30 JUNE 2019, 2018 AND 2017:</i>
LAPORAN POSISI KEUANGAN -----	1	----- <i>STATEMENT OF FINANCIAL POSITION</i>
LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN -----	2	----- <i>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME</i>
LAPORAN PERUBAHAN EKUITAS-----	3	----- <i>STATEMENT OF CHANGES IN EQUITY</i>
LAPORAN ARUS KAS -----	4	----- <i>STATEMENT OF CASH FLOWS</i>
CATATAN ATAS LAPORAN KEUANGAN -----	5 - 36	----- <i>NOTES TO THE FINANCIAL STATEMENTS</i>
LAPORAN AUDITOR INDEPENDEN		<i>INDEPENDENT AUDITORS' REPORT</i>

**SURAT PERNYATAAN DIREKSI TENTANG  
TANGGUNG JAWAB ATAS  
LAPORAN KEUANGAN  
Tahun Berakhir 30 Juni 2019, 2018 dan 2017  
PT Ashmore Asset Management Indonesia  
("Perseroan")**

**THE DIRECTORS' STATEMENT OF  
RESPONSIBILITY FOR  
THE FINANCIAL STATEMENTS  
Years Ended 30 June 2019, 2018 and 2017  
PT Ashmore Asset Management Indonesia  
("The Company")**

Kami yang bertanda tangan di bawah ini:

*We, the undersigned:*

Nama / Name  
Jabatan/ Title  
Alamat kantor / Office address

: Ronaldus Gandahusada  
: Presiden Direktur/President Director  
: PT Ashmore Asset Management Indonesia  
Pacific Century Place, Lantai 18, SCBD Lot. 10  
Jl. Jenderal Sudirman Kav 52-53 Jakarta 12190  
: 6221-29539000

Nomor telepon kantor / Office telephone

Nama / Name  
Jabatan/ Title  
Alamat kantor / Office address

: Eddy Hartanto  
: Direktur Keuangan/Finance Director  
: PT Ashmore Asset Management Indonesia  
Pacific Century Place, Lantai 18, SCBD Lot. 10  
Jl. Jenderal Sudirman Kav 52-53 Jakarta 12190  
: 6221-29539000

Nomor telepon kantor / Office telephone

menyatakan bahwa:

*declare that:*

1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan Perseroan;
2. Laporan keuangan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
3. a. Pengungkapan yang telah kami buat di dalam laporan keuangan lengkap dan akurat;  
b. Laporan keuangan tidak mengandung informasi yang menyesatkan dan kami tidak menghilangkan informasi atau fakta yang akan berdampak material terhadap laporan keuangan;
4. Kami bertanggung jawab atas pengendalian internal;
5. Kami bertanggung jawab atas kepatuhan terhadap hukum dan peraturan yang berlaku.

1. *We are responsible for the preparation and presentation of the financial statements of the Company;*
2. *The financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;*
3. a. *The disclosures we have made in the financial statements are complete and accurate;*  
b. *The financial statements do not contain misleading information, and we have not omitted any information or facts that would be material to the financial statements;*
4. *We are responsible for the internal control;*
5. *We are responsible for the compliance with laws and regulations.*

Pernyataan ini dibuat dengan sebenarnya.

*This statement is made truthfully.*

Jakarta,  
21 November 2019 / 21 November 2019

Ronaldus Gandahusada

Eddy Hartanto

Presiden Direktur/President Director

Direktur Keuangan/Finance Director

PT Ashmore Asset Management Indonesia

Pacific Century Place Building 18th Fl. SCBD Lot 10, Jl. Jend Sudirman Kav. 52 - 53 Jakarta 12190

T: +62 21 2953 9000 F: +62 21 2953 9001

PT ASHMORE ASSET MANAGEMENT INDONESIA  
**LAPORAN POSISI KEUANGAN**  
**30 Juni 2019, 2018 dan 2017**  
(dalam Rupiah penuh, kecuali dinyatakan khusus)

PT ASHMORE ASSET MANAGEMENT INDONESIA  
**STATEMENTS OF FINANCIAL POSITION**  
**30 June 2019, 2018 and 2017**  
*(in whole Rupiah, unless otherwise specified)*

	Catatan/ Notes	30 Juni/June			
		2019	2018	2017	
<b>ASET</b>					<b>ASSETS</b>
Kas dan setara kas	3a,3b,4	68.204.688.239	41.949.404.540	43.830.357.269	Cash and cash equivalents
Piutang dari kegiatan manajer Investasi	3b,3i,5				Receivables from investment manager activities
Pihak berelasi	21	32.322.163.223	43.392.668.479	17.623.970.410	Related parties
Pihak ketiga		1.107.453.711	110.110.610	57.966.787	Third parties
Investasi pada reksa dana	3b,3i,6				Investment in mutual fund
Pihak berelasi	21	-	-	5.417.235.816	Related party
Piutang bunga	3b,7	100.259.008	58.005.275	113.387.626	Interest receivables
Piutang lain-lain	3b,3i,8				Other receivables
Pihak berelasi	21	944.357.805	4.250.511.917	2.977.201.342	Related party
Pihak ketiga		16.807.623	86.949	18.620	Third parties
Biaya dibayar di muka	9	233.542.914	858.930.193	792.525.157	Prepaid expenses
Aset tetap – setelah dikurangi akumulasi penyusutan	3c,10				Fixed assets – net of accumulated depreciation
Rp 1.852.294.232 (tahun 2019)					of Rp 1,852,294,232 (for 2019)
Rp 4.059.259.957 (tahun 2018)					Rp 4,059,259,957 (for 2018)
dan Rp 3.942.192.980 (tahun 2017)		5.821.045.507	582.597.551	264.564.529	and Rp 3,942,192,980 (for 2017)
Aset pajak tangguhan	3g,19	789.779.750	553.800.000	363.135.500	Deferred tax assets
Aset lain-lain	3b, 11	1.164.587.900	4.900.652.420	545.566.023	Other assets
<b>JUMLAH ASET</b>		<b>110.704.685.680</b>	<b>96.656.767.934</b>	<b>71.985.929.079</b>	<b>TOTAL ASSETS</b>
<b>LIABILITAS DAN EKUITAS</b>					<b>LIABILITIES AND EQUITY</b>
<b>LIABILITAS</b>					<b>LIABILITIES</b>
Utang pajak penghasilan	3g,19	11.249.280.576	9.564.021.288	1.340.791.268	Income tax payable
Utang lain-lain	3b,3i,12				Other payables
Pihak berelasi	21	19.886.620.706	11.623.203.034	8.350.599.575	Related parties
Pihak ketiga		37.242.142.376	35.004.391.813	18.794.012.798	Third parties
Utang bank	3b,13				Bank loan
Pihak ketiga		210.833.932	319.930.896	-	Third parties
Liabilitas imbalan pascakerja	3d,14	3.159.119.000	2.215.200.000	1.452.542.000	Post-employment benefits liabilities
<b>JUMLAH LIABILITAS</b>		<b>71.747.996.590</b>	<b>58.726.747.031</b>	<b>29.937.945.641</b>	<b>TOTAL LIABILITIES</b>
<b>EKUITAS</b>					<b>SHAREHOLDERS' EQUITY</b>
Modal saham - nilai nominal					Share capital - per value of
Rp 1.000 per saham					Rp 1,000 per share
Modal dasar - 100.000.000 saham					Authorized - 100,000,000 shares
Modal ditempatkan dan disetor penuh (2019: 25.000.000 saham; 2018: 25.000.000 saham) 2017: 35.000.000 saham)	15	25.000.000.000	25.000.000.000	35.000.000.000	Issued and paid-up capital (2019: 25,000,000 shares) (2018: 25,000,000 shares) (2017: 35,000,000 shares)
Pengukuran kembali liabilitas imbalan pasti, setelah pajak		567.035.250	543.313.500	505.941.000	Remeasurement of employee benefits liabilities, net of tax
Saldo laba:	16				Retained earnings:
Telah ditentukan penggunaannya		5.000.000.000	5.000.000.000	5.000.000.000	Appropriated
Belum ditentukan penggunaannya		8.389.653.840	7.386.707.403	1.542.042.438	Unappropriated
<b>JUMLAH EKUITAS</b>		<b>38.956.689.090</b>	<b>37.930.020.903</b>	<b>42.047.983.438</b>	<b>TOTAL SHAREHOLDERS' EQUITY</b>
<b>JUMLAH LIABILITAS DAN EKUITAS</b>		<b>110.704.685.680</b>	<b>96.656.767.934</b>	<b>71.985.929.079</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>

Lihat Catatan atas Laporan Keuangan yang merupakan bagian tidak terpisahkan dari laporan keuangan.

See Notes to the Financial Statements which form an integral part of these financial statements.



PT ASHMORE ASSET MANAGEMENT INDONESIA  
**LAPORAN LABA RUGI DAN PENGHASILAN  
 KOMPREHENSIF LAIN**  
 Tahun Berakhir 30 Juni 2019, 2018 dan 2017  
 (dalam Rupiah penuh, kecuali dinyatakan khusus)

PT ASHMORE ASSET MANAGEMENT INDONESIA  
**STATEMENTS OF PROFIT OR LOSS AND OTHER  
 COMPREHENSIVE INCOME**  
 Years Ended 30 June 2019, 2018 and 2017  
 (in whole Rupiah, unless otherwise specified)

	Catatan/ Notes	Tahun berakhir 30 Juni/Years ended 30 June			
		2019	2018	2017	
<b>PENDAPATAN USAHA</b>					<b>REVENUE</b>
Pendapatan kegiatan manajer investasi	3e,3i,17,21	308.887.226.797	244.142.065.963	153.995.965.984	Investment manager fees
<b>BEBAN USAHA</b>					<b>OPERATING EXPENSES</b>
Imbalan jasa agen penjual reksa dana	3i,21	(110.722.608.553)	(92.880.291.647)	(60.812.802.001)	Mutual fund selling agent fees
Beban kepegawaian	3i,18,21	(58.233.436.266)	(48.377.666.709)	(37.720.474.630)	Personnel expenses
Pungutan regulatif		(7.556.844.233)	(5.210.304.029)	(2.893.903.260)	Regulatory levies
Beban pemeliharaan sistem	3i,21	(6.253.189.972)	(3.129.071.738)	(2.642.873.842)	System maintenance expenses
Iklan dan promosi		(3.758.389.240)	(3.273.116.551)	(2.628.655.498)	Advertising and promotions
Sewa kantor		(2.957.839.955)	(2.465.753.847)	(2.296.219.062)	Office rental
Jasa profesional		(1.377.807.838)	(730.151.328)	(715.955.644)	Professional fees
Administrasi dan umum		(1.103.602.319)	(730.219.500)	(720.030.443)	General and administrative
Data dan informasi		(1.101.647.427)	(1.012.133.735)	(980.566.898)	Data and information
Penyusutan	3c,10	(818.973.331)	(117.066.977)	(677.820.914)	Depreciation
Telekomunikasi		(537.603.343)	(399.055.092)	(414.798.905)	Telecommunications
Lain-lain		(1.540.697.024)	(1.460.147.368)	(1.192.597.626)	Others
Jumlah beban usaha		(195.962.639.501)	(159.784.978.521)	(113.696.698.723)	Total operating expenses
<b>LABA USAHA</b>		<b>112.924.587.296</b>	<b>84.357.087.442</b>	<b>40.299.267.261</b>	<b>PROFIT FROM OPERATION</b>
<b>PENDAPATAN (BEBAN) LAIN-LAIN</b>					<b>OTHER INCOME (EXPENSE)</b>
Keuntungan yang telah dan belum direalisasikan dari investasi pada reksa dana		-	9.459.723	417.235.817	Realized and unrealized gains from investment in mutual fund
Pendapatan keuangan bersih	3f,3h	2.034.789.641	3.830.142.050	1.936.281.630	Net finance income
Jumlah pendapatan lain-lain, bersih		2.034.789.641	3.839.601.773	2.353.517.447	Total other income, net
<b>LABA SEBELUM PAJAK</b>		<b>114.959.376.937</b>	<b>88.196.689.215</b>	<b>42.652.784.708</b>	<b>PROFIT BEFORE TAX</b>
<b>BEBAN PAJAK</b>	3g,19	<b>(28.456.430.500)</b>	<b>(21.352.024.250)</b>	<b>(10.268.934.750)</b>	<b>TAX EXPENSE</b>
<b>LABA BERSIH</b>		<b>86.502.946.437</b>	<b>66.844.664.965</b>	<b>32.383.849.958</b>	<b>NET PROFIT</b>
<b>PENGHASILAN KOMPREHENSIF LAIN:</b>					<b>OTHER COMPREHENSIVE INCOME:</b>
Pos-pos yang tidak akan direklasifikasi ke laba rugi					Items that will not be reclassified to profit or loss
Keuntungan (kerugian) aktuarial imbalan pasca kerja	14	31.629.000	49.830.000	(11.470.000)	Actuarial gain (loss) on post employment benefits
Pajak penghasilan		(7.907.250)	(12.457.500)	2.867.500	Income tax
<b>JUMLAH PENGHASILAN KOMPREHENSIF LAIN</b>		<b>23.721.750</b>	<b>37.372.500</b>	<b>(8.602.500)</b>	<b>TOTAL OTHER COMPREHENSIVE INCOME</b>
<b>JUMLAH LABA KOMPREHENSIF</b>		<b>86.526.668.187</b>	<b>66.882.037.465</b>	<b>32.375.247.458</b>	<b>TOTAL COMPREHENSIVE INCOME</b>
Laba per saham	3j, 25	3.460	2.588	925	Earnings per share

Lihat Catatan atas Laporan Keuangan yang merupakan bagian tidak terpisahkan dari laporan keuangan.

See Notes to the Financial Statements which form an integral part of these financial statements.

PT ASHMORE ASSET MANAGEMENT INDONESIA  
**LAPORAN PERUBAHAN EKUITAS**  
 Tahun Berakhir 30 Juni 2019, 2018 dan 2017  
 (dalam Rupiah penuh, kecuali dinyatakan khusus)

PT ASHMORE ASSET MANAGEMENT INDONESIA  
**STATEMENTS OF CHANGES IN EQUITY**  
 Years Ended 30 June 2019, 2018 and 2017  
 (in whole Rupiah, unless otherwise specified)

	Catatan/ Notes	Modal saham/ <i>Capital stock</i>	Pengukuran kembali liabilitas imbalan pasti, setelah pajak/ <i>Remeasurament of employee benefits liabilities, net of tax</i>	Saldo laba/ <i>Retained earnings</i>		Jumlah ekuitas/ <i>Total shareholders' equity</i>	
				Telah ditentukan penggunaannya/ <i>Appropriated</i>	Belum ditentukan penggunaannya/ <i>Unappropriated</i>		
Saldo 30 Juni 2016		35.000.000.000	514.543.500	-	9.158.192.480	44.672.735.980	<i>Balance as of 30 June 2016</i>
Laba bersih		-	-	-	32.383.849.958	32.383.849.958	<i>Net income</i>
Pembentukan cadangan umum	16	-	-	5.000.000.000	(5.000.000.000)	-	<i>Appropriation of general reserve</i>
Penghasilan komprehensif lain: Kerugian aktuarial, bersih		-	(8.602.500)	-	-	(8.602.500)	<i>Other comprehensive income: Actuarial losses, net</i>
Dividen tunai	16	-	-	-	(35.000.000.000)	(35.000.000.000)	<i>Cash dividends</i>
Saldo 30 Juni 2017		35.000.000.000	505.941.000	5.000.000.000	1.542.042.438	42.047.983.438	<i>Balance as of 30 June 2017</i>
Penurunan modal ditempatkan dan disetor	15	(10.000.000.000)	-	-	-	(10.000.000.000)	<i>Decrease in issued and paid-up capital</i>
Laba bersih		-	-	-	66.844.664.965	66.844.664.965	<i>Net income</i>
Penghasilan komprehensif lain: Keuntungan aktuarial, bersih		-	37.372.500	-	-	37.372.500	<i>Other comprehensive income: Actuarial gain, net</i>
Dividen tunai	16	-	-	-	(61.000.000.000)	(61.000.000.000)	<i>Cash dividends</i>
Saldo 30 Juni 2018		25.000.000.000	543.313.500	5.000.000.000	7.386.707.403	37.930.020.903	<i>Balance as of 30 June 2018</i>
Laba bersih		-	-	-	86.502.946.437	86.502.946.437	<i>Net income</i>
Penghasilan komprehensif lain: Keuntungan aktuarial, bersih		-	23.721.750	-	-	23.721.750	<i>Other comprehensive income: Actuarial gain, net</i>
Dividen tunai	16	-	-	-	(85.500.000.000)	(85.500.000.000)	<i>Cash dividends</i>
Saldo 30 Juni 2019		25.000.000.000	567.035.250	5.000.000.000	8.389.653.840	38.956.689.090	<i>Balance as of 30 June 2019</i>

Lihat Catatan atas Laporan Keuangan yang merupakan bagian tidak terpisahkan dari laporan keuangan.

See Notes to the Financial Statements which form an integral part of these financial statements.

## PT ASHMORE ASSET MANAGEMENT INDONESIA

LAPORAN ARUS KAS  
Tahun Berakhir 30 Juni 2019, 2018 dan 2017  
(dalam Rupiah penuh, kecuali dinyatakan khusus)

## PT ASHMORE ASSET MANAGEMENT INDONESIA

STATEMENTS OF CASH FLOWS  
Years Ended 30 June 2019, 2018 and 2017  
(in whole Rupiah, unless otherwise specified)

	Catatan/ Notes	Tahun berakhir 30 Juni/Year ended 30 June			
		2019	2018	2017	
<b>ARUS KAS DARI AKTIVITAS OPERASI</b>					<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>
Penerimaan imbalan jasa manajer investasi		322.266.543.064	217.047.913.496	148.287.630.071	Receipts of investment manager fees
Penerimaan bunga		2.853.464.773	2.122.039.594	1.907.511.845	Receipts of interest
Pembayaran kepada pemasok, karyawan dan lainnya		(180.157.930.763)	(142.016.988.776)	(108.030.129.468)	Payment to suppliers, employees and others
Pembayaran pajak penghasilan		(27.031.778.888)	(13.331.984.559)	(9.840.011.594)	Payment of income tax
Kas bersih diperoleh dari aktivitas operasi		117.930.298.186	63.820.979.755	32.325.000.854	Net cash flows provided by operating activities
<b>ARUS KAS DARI AKTIVITAS INVESTASI</b>					<b>CASH FLOW FROM INVESTING ACTIVITIES</b>
Pencaliran pada deposito berjangka		-	-	30.514.163.375	Withdrawal in time deposits
Pencaliran (penempatan) pada reksa dana		-	5.417.235.816	(5.417.235.816)	Withdrawal (placement) in mutual fund
Perolehan aset tetap	10	(6.057.421.287)	(435.100.000)	(198.254.830)	Acquisition of fixed assets
Penerimaan dari penjualan aset tetap		11.000.000	-	-	Proceeds from sale of fixed assets
Kas bersih (digunakan untuk) diperoleh dari aktivitas investasi		(6.046.421.287)	4.982.135.816	24.898.672.729	Net cash flow (used in) provided by investing activities
<b>ARUS KAS DARI AKTIVITAS PENDANAAN</b>					<b>CASH FLOW FROM FINANCING ACTIVITIES</b>
Penerimaan utang bank		-	348.080.000	-	Proceed from bank loan
Pembayaran utang bank		(128.593.200)	(32.148.300)	-	Repayments of bank loan
Penurunan modal ditempatkan dan disetor	15	-	(10.000.000.000)	-	Reduction in issued and paid-up capital
Pembayaran dividen tunai	16	(85.500.000.000)	(61.000.000.000)	(35.000.000.000)	Payment of cash dividends
Kas bersih digunakan untuk aktivitas pendanaan		(85.628.593.200)	(70.664.068.300)	(35.000.000.000)	Net cash flow used in financing activities
<b>KENAIKAN (PENURUNAN) BERSIH KAS DAN SETARA KAS</b>		26.255.283.699	(1.880.952.729)	22.223.673.583	<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>
<b>KAS DAN SETARA KAS, AWAL TAHUN</b>		41.949.404.540	43.830.357.269	21.606.683.686	<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>
<b>KAS DAN SETARA KAS, AKHIR TAHUN</b>		68.204.688.239	41.949.404.540	43.830.357.269	<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>

Lihat Catatan atas Laporan Keuangan yang merupakan bagian tidak terpisahkan dari laporan keuangan.

See Notes to the Financial Statements which form an integral part of these financial statements.

**PT ASHMORE ASSET MANAGEMENT INDONESIA**

**CATATAN ATAS LAPORAN KEUANGAN**  
Tahun Berakhir 30 Juni 2019, 2018 dan 2017  
(dalam Rupiah penuh, kecuali dinyatakan khusus)

**1. UMUM**

- a. PT Ashmore Asset Management Indonesia ("Perseroan"), yang didirikan pertama kali dengan nama PT Buana Megah Abadi, merupakan perusahaan yang berdomisili di Indonesia. Perseroan didirikan dengan akta notaris Doktor Irawan Soerodjo, SH., Msi., No. 250 tanggal 29 Januari 2010. Akta tersebut telah disahkan oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusannya No. AHU-09788.AH.01.01 Tahun 2010 tanggal 23 Februari 2010, dan diumumkan dalam Tambahan No. 38055 pada Berita Negara R.I. No. 89 tanggal 5 November 2010. Kantor Perseroan berlokasi di Pacific Century Place, Lantai 18, SCBD Lot 10, Jalan Jenderal Sudirman Kav. 52-53, Jakarta 12190 yang merupakan lokasi utama kegiatan usaha.

Nama Perseroan diubah menjadi PT Ashmore Asset Management Indonesia berdasarkan akta notaris Jose Dima Satria, SH., M.Kn. No. 32 tanggal 11 Oktober 2012. Akta tersebut telah disahkan oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusannya No. AHU-53481.AH.01.02 Tahun 2012 tanggal 16 Oktober 2012.

Anggaran dasar Perseroan telah mengalami beberapa kali perubahan. Perubahan terakhir dengan akta notaris Chandra Lim, S.H., LL.M No. 12 tanggal 10 Mei 2019 mengenai pengangkatan kembali seluruh Dewan Komisaris dan Direksi untuk masa jabatan 5 tahun; akta ini telah diberitahukan kepada Menteri Hukum dan Hak Asasi Manusia dengan No. AHU-AH.01.03-0258381 pada tanggal 16 Mei 2019.

- b. Sesuai dengan pasal 3 Anggaran Dasarnya, Perseroan menyelenggarakan usaha di bidang jasa manajer investasi dan penasihat investasi.
- c. Perseroan memperoleh izin operasi berdasarkan Surat Keputusan No. KEP-04/BL/MI/2011 tanggal 15 Juni 2011 tentang pemberian izin usaha perusahaan efek yang melakukan kegiatan usaha sebagai manajer investasi.

Peretujuan untuk perubahan nama dan pemilik izin usaha kepada PT Ashmore Asset Management Indonesia diperoleh pada tanggal 1 November 2012.

Perseroan memperoleh izin operasi dari Otoritas Jasa Keuangan ("OJK") berdasarkan Surat Keputusan No. KEP-9/D.04/2018 tanggal 14 Maret 2018 tentang pemberian izin usaha perusahaan efek yang melakukan kegiatan usaha sebagai penasihat investasi.

**PT ASHMORE ASSET MANAGEMENT INDONESIA**

**NOTES TO THE FINANCIAL STATEMENTS**  
Years Ended 30 June 2019, 2018 and 2017  
(in whole Rupiah, unless otherwise specified)

**1. GENERAL**

- a. *PT Ashmore Asset Management Indonesia ("the Company"), initially established under the name of PT Buana Megah Abadi, is an Indonesian domiciled Company. The Company was established based on notary deed No. 250 dated 29 January 2010 of Doctor Irawan Soerodjo, SH., Msi. This deed was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-09788.AH.01.01 Year 2010 dated 23 February 2010, and published in Supplement No. 38055 to State Gazette No. 89 dated 5 November 2010. The Company's office is located at Pacific Century Place, 18<sup>th</sup> Floor, SCBD Lot 10, Jl. Jenderal Sudirman Kav. 52-53, Jakarta 12190 which is the location of the Company's main business activities.*

*The Company's name was changed to PT Ashmore Asset Management Indonesia based on notary deed No. 32 dated 11 October 2012 of Jose Dima Satria, SH, M.Kn. This deed was approved by the Ministry of Law and Human Rights of the Republic of Indonesia in its Decision Letter No. AHU-53481.AH.01.02 Year 2012 dated 16 October 2012.*

*Several amendments have been made to the Company's Articles of Association. The latest amendment was effected by deed of notary public Chandra Lim, S.H., LL.M No. 12 dated 10 May 2019 regarding reappointment of all the Board of Commissioners and Directors for a 5-year term; this deed was filed with the Minister of Law and Human Rights under No. AHU-AH.01.03-0258381 on 16 May 2019.*

- b. *In accordance with article 3 of the Company's Articles of Association, the Company engages in investment manager and advisory services.*
- c. *The Company obtained its license based on Decision Letter No. KEP-04/BL/MI/2011 dated 15 June 2011 regarding the issuance of securities company business license that conducts business activities as investment manager.*

*The approval for changes in name and ownership of business license to PT Ashmore Asset Management Indonesia was obtained on 1 November 2012.*

*The Company obtained the license from Otoritas Jasa Keuangan ("OJK") based on its decision letter No. KEP-9/D.04/2018 dated 14 March 2018 regarding the issuance of securities company business license that conducts business activities as investment advisor.*

## 1. UMUM (Lanjutan)

Efektif tanggal 31 Desember 2012, fungsi, tugas dan wewenang pengaturan kegiatan jasa keuangan di sektor Pasar Modal beralih ke OJK.

Perseroan memulai kegiatan operasi komersialnya pada tahun 2013.

- d. Pada tanggal 30 Juni 2019, 2018 dan 2017, susunan Dewan Komisaris dan Direksi Perseroan adalah sebagai berikut:

Presiden Komisaris  
Komisaris

Thomas Adam Shippey  
Elaine Y.L. Cheung

President Commissioner  
Commissioner

Presiden Direktur  
Direktur  
Direktur

Ronaldus Gandahusada  
Arief Cahyadi Wana  
FX. Eddy Hartanto

President Director  
Director  
Director

- e. Pada tanggal 30 Juni 2019, 2018 dan 2017, Perseroan tidak memiliki karyawan tidak permanen, dan memiliki masing-masing 21, 20 dan 17 karyawan tetap (tidak diaudit).

Personil manajemen kunci mencakup anggota Dewan Komisaris dan Direksi.

- f. Pemegang saham mayoritas Perseroan adalah Ashmore Investment Management Limited yang merupakan bagian dari kelompok usaha Ashmore Group plc. Kelompok usaha Ashmore Group plc memiliki anak perusahaan dan afiliasi di berbagai negara.

## 2. DASAR PENYUSUNAN

## a. Pernyataan kepatuhan

Laporan keuangan Perseroan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan ("SAK") di Indonesia, yang termasuk Pernyataan Standar Akuntansi Keuangan ("PSAK"), Interpretasi atas PSAK ("ISAK") yang diterbitkan oleh Dewan Standar Akuntansi Keuangan-Ikatan Akuntan Indonesia dan Pedoman Akuntansi Perusahaan Efek ("PAPE") yang diterbitkan oleh OJK sebagai regulator di pasar modal.

- b. Laporan keuangan Perseroan telah diselesaikan dan disetujui untuk diterbitkan oleh direksi Perseroan pada tanggal 26 Agustus 2019 dan diterbitkan kembali pada tanggal 21 November 2019.

## c. Dasar pengukuran

Laporan keuangan disusun berdasarkan basis akrual menggunakan konsep nilai historis, kecuali jika standar akuntansi mensyaratkan pengukuran nilai wajar.

## d. Laporan arus kas

Laporan arus kas menyajikan perubahan dalam kas dan setara kas dari kegiatan operasi, investasi dan pendanaan, dan disusun dengan menggunakan metode langsung.

## 1. GENERAL (Continued)

Effective 31 December 2012, the functions, duties and regulatory authority of financial services activities in Capital Market sector moved to OJK.

The Company started its commercial operations in 2013.

- d. As of 30 June 2019, 2018 and 2017, the composition of the Company's Boards of Commissioners and Directors was as follows:

Thomas Adam Shippey  
Elaine Y.L. Cheung

President Commissioner  
Commissioner

Ronaldus Gandahusada  
Arief Cahyadi Wana  
FX. Eddy Hartanto

President Director  
Director  
Director

- e. As of 30 June 2019, 2018 and 2017, the Company did not have non-permanent employees, and had 21, 20 and 17 permanent employees, respectively (unaudited).

Key management personnel consists of members of the Board of Commissioners and Board of Directors.

- f. The majority shareholder of the Company is Ashmore Investment Management Limited which is part of the Ashmore Group plc. Ashmore Group plc has subsidiaries and affiliates throughout the world.

## 2. BASIS OF PREPARATION

## a. Statement of compliance

The Company's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standard ("SAK"), which includes Statement of Financial Accounting Standard ("PSAK"), Interpretation on PSAK ("ISAK") issued by Dewan Standar Akuntansi Keuangan-Ikatan Akuntan Indonesia and Pedoman Akuntansi Perusahaan Efek ("PAPE") issued by OJK as the regulator in the capital market.

- b. The Company's financial statements were completed and authorized for issue by the Company's directors on 26 August 2019 and reissued on 21 November 2019.

## c. Basis of measurement

The financial statements are prepared on the accrual basis using the historical cost concept, except where the accounting standards require fair value measurement.

## d. Statement of cash flows

The statement of cash flows presents the changes in cash and cash equivalents from operating, investing and financing activities, and is prepared using the direct method.

2. DASAR PENYUSUNAN (Lanjutan)

e. Mata uang fungsional dan penyajian

Laporan keuangan disajikan dalam Rupiah, yang merupakan mata uang fungsional Perseroan.

f. Penggunaan pertimbangan, estimasi dan asumsi

Penyusunan laporan keuangan sesuai dengan SAK mensyaratkan manajemen untuk membuat pertimbangan, estimasi dan asumsi yang mempengaruhi penerapan kebijakan akuntansi serta jumlah aset, liabilitas, pendapatan dan beban yang dilaporkan selama periode pelaporan. Hasil aktual mungkin berbeda dari estimasi semula.

Estimasi dan asumsi yang digunakan ditelaah secara berkesinambungan. Revisi atas estimasi diakui secara prospektif.

Informasi mengenai asumsi dan estimasi yang mungkin menyebabkan penyesuaian material pada tahun selanjutnya termasuk di dalam Catatan 14 – pengukuran dari liabilitas imbalan pascakerja: asumsi-asumsi aktuarial.

3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING

Kebijakan-kebijakan akuntansi berikut telah diterapkan secara konsisten pada seluruh periode yang disajikan di dalam laporan keuangan ini.

a. Kas dan setara kas (PSAK 2)

Kas dan setara kas terdiri dari kas, bank, dan semua deposito berjangka yang jatuh tempo dalam waktu tiga bulan atau kurang dari tanggal perolehannya dan yang tidak dijaminan serta tidak dibatasi penggunaannya.

b. Instrumen keuangan (PSAK 50, 55 dan 68)

Aset keuangan Perseroan terdiri dari kas dan setara kas, piutang dari kegiatan manajer investasi, investasi pada reksa dana, piutang bunga, piutang lain-lain dan uang jaminan (termasuk dalam aset lain-lain).

Liabilitas keuangan terdiri dari komisi agen penjualan dan lain-lain (termasuk dalam utang lain-lain).

2. BASIS OF PREPARATION (Continued)

e. Functional and presentation currency

The financial statements are presented in Rupiah, which is the Company's functional currency.

f. Use of judgements, estimates and assumptions

The preparation of financial statements in conformity with SAK requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates amounts.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to estimate are recognized prospectively.

Information about the assumption and estimation uncertainties that may result in a material adjustment within the following year is included in Note 14 – measurement of post-employment benefits liabilities: actuarial assumptions.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a. Cash and cash equivalents (PSAK 2)

Cash and cash equivalents consist of cash on hand, cash in banks, and time deposits with original maturities of three months or less, as long as they are not being pledged nor restricted for their usages.

b. Financial instruments (PSAK 50, 55 and 68)

The Company's financial assets mainly consist of cash and cash equivalents, receivables from investment manager activities, investment in mutual fund, interest receivables, other receivables and security deposits (included in other assets).

Financial liabilities consist of commission to selling agents and others (included in other payable).

3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

b. Instrumen keuangan (PSAK 50, 55 dan 68) (Lanjutan)

b.1. Klasifikasi

Pada saat pengakuan awal, Perseroan mengelompokkan seluruh aset keuangannya sebagai pinjaman yang diberikan dan piutang, kecuali investasi pada reksa dana yang dikelompokkan sebagai nilai wajar melalui laba rugi. Pinjaman yang diberikan dan piutang adalah aset keuangan non-derivatif dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuotasi di pasar aktif. Aset keuangan yang diklasifikasikan sebagai nilai wajar melalui laba rugi adalah aset keuangan yang diperoleh atau dimiliki Perseroan untuk tujuan dijual dalam waktu dekat. Liabilitas keuangan diklasifikasikan sebagai liabilitas keuangan yang diukur pada biaya perolehan diamortisasi.

b.2. Pengakuan

Perseroan mengakui instrumen keuangan pada saat Perseroan menjadi pihak dalam ketentuan kontrak suatu instrumen keuangan.

Pada saat pengakuan awal, aset keuangan yang dikategorikan sebagai pinjaman yang diberikan dan piutang diukur pada nilai wajar, ditambah biaya transaksi yang dapat diatribusikan secara langsung. Setelah pengakuan awal, aset keuangan tersebut diukur pada biaya perolehan diamortisasi (lihat Catatan 3b.4) dengan menggunakan metode suku bunga efektif.

Aset keuangan pada nilai wajar melalui laba rugi diukur pada nilai wajar, perubahannya diakui di laba rugi. Biaya transaksi diakui di laba rugi pada saat terjadinya.

Pada saat pengakuan awal, liabilitas keuangan yang diukur pada biaya perolehan diamortisasi diukur pada nilai wajar, dikurangi dengan biaya transaksi yang dapat diatribusikan langsung. Setelah pengakuan awal, liabilitas keuangan tersebut diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Financial instruments (PSAK 50, 55 and 68) (Continued)

b.1. Classification

*At initial recognition, the Company classifies all of its financial assets as loans and receivables, except for investment in mutual fund which is classified as fair value through profit or loss. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Financial assets that are classified as fair value through profit or loss are those financial assets that the Company acquires or owns for the purpose of selling in the near term. Financial liabilities are all classified as financial liabilities measured at amortized cost.*

b.2. Recognition

*The Company recognizes a financial instrument when the Company becomes a party to the contractual provisions of the financial instrument.*

*At initial recognition, financial assets classified as loans and receivables are measured at fair value, plus directly attributable transaction costs. Subsequent to initial recognition, these financial assets are measured at amortized cost (see Note 3b.4) using effective interest rate method.*

*Financial assets at fair value through profit or loss are measured at fair value, changes therein are recognized in profit or loss. Transaction costs are recognized immediately in profit or loss as incurred.*

*At initial recognition, financial liabilities measured at amortized cost are measured at fair value less directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using effective interest rate method.*

3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

b. Instrumen keuangan (PSAK 50, 55 dan 68) (Lanjutan)

b.3. Penghentian pengakuan

Perseroan menghentikan pengakuan aset keuangan pada saat hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir, atau Perseroan mentransfer seluruh hak untuk menerima arus kas kontraktual dari aset keuangan dalam transaksi di mana Perseroan secara substansial telah mentransfer seluruh risiko dan manfaat atas kepemilikan aset keuangan. Liabilitas keuangan dihentikan pengakuannya jika kewajiban Perseroan berakhir atau dilepaskan atau dibatalkan.

b.4. Pengukuran biaya perolehan diamortisasi

Biaya perolehan diamortisasi dari aset keuangan adalah jumlah aset keuangan yang diukur pada saat pengakuan awal, dikurangi pembayaran pokok, ditambah atau dikurangi dengan amortisasi kumulatif dengan menggunakan metode suku bunga efektif yang dihitung dari selisih antara nilai awal dan nilai jatuh temponya, dan dikurangi penyisihan kerugian penurunan nilai.

Pada setiap tanggal pelaporan, Perseroan mengevaluasi apakah terdapat bukti objektif telah terjadinya penurunan nilai atas aset keuangan Perseroan. 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.

b.5. Saling hapus

Aset keuangan dan liabilitas keuangan dapat saling hapus dan nilai bersihnya disajikan dalam laporan posisi keuangan jika, dan hanya jika, Perseroan memiliki hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan berniat untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan.

Pendapatan dan beban disajikan dalam jumlah bersih hanya jika diperkenankan oleh standar akuntansi.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Financial instruments (PSAK 50, 55 and 68) (Continued)

b.3. Derecognition

*The Company derecognizes financial assets when the contractual rights to the cash flows from the financial assets expire, or when the Company transfers the rights to receive the contractual cash flows on the financial assets in a transaction in which substantially all the risks and rewards of ownership of the financial assets are transferred. Financial liabilities are derecognized if obligations of the Company expire or are discharged or cancelled.*

b.4. Amortized cost measurement

*The amortized cost of a financial assets are the amount at which the financial assets are measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest rate method of any difference between the initial amount recognized and the maturity amount, minus allowance for impairment losses.*

*At each reporting date, the Company assesses whether there is objective evidence that the Company's financial assets are impaired. 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.*

b.5. Offsetting

*Financial assets and liabilities are set off and the net amount is presented in the statement of financial position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or realize the asset and settle the liability simultaneously.*

*Income and expenses are presented on a net basis only when permitted by accounting standards.*



3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

b. Instrumen keuangan (PSAK 50, 55 dan 68) (Lanjutan)

b.6. Pengukuran nilai wajar

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur (*orderly transaction*) antara pelaku pasar (*market participants*) pada tanggal pengukuran di pasar utama atau, jika tidak terdapat pasar utama, di pasar yang paling menguntungkan dimana Perseroan memiliki akses pada tanggal tersebut. Nilai wajar liabilitas mencerminkan risiko wanprestasinya.

Jika tersedia, Perseroan mengukur nilai wajar instrumen keuangan dengan menggunakan harga kuotasian di pasar aktif untuk instrumen tersebut. Suatu pasar dianggap aktif jika transaksi atas aset dan liabilitas terjadi dengan frekuensi dan volume yang memadai untuk menyediakan informasi penentuan harga secara berkelanjutan.

Jika harga kuotasian tidak tersedia di pasar aktif, Perseroan menggunakan teknik penilaian dengan memaksimalkan penggunaan input yang dapat diobservasi dan relevan dan meminimalkan penggunaan input yang tidak dapat diobservasi. Teknik penilaian yang dipilih menggabungkan semua faktor yang diperhitungkan oleh pelaku pasar dalam penentuan harga transaksi.

Bukti terbaik atas nilai wajar instrumen keuangan pada saat pengakuan awal adalah harga transaksi, yaitu nilai wajar dari pembayaran yang diberikan atau diterima. Jika Perseroan menetapkan bahwa nilai wajar pada pengakuan awal berbeda dengan harga transaksi dan nilai wajar tidak dapat dibuktikan dengan harga kuotasian di pasar aktif untuk aset atau liabilitas yang identik atau berdasarkan teknik penilaian yang hanya menggunakan data dari pasar yang dapat diobservasi, maka nilai wajar instrumen keuangan pada saat pengakuan awal disesuaikan untuk menanggukuhkan perbedaan antara nilai wajar pada saat pengakuan awal dan harga transaksi. Setelah pengakuan awal, perbedaan tersebut diakui dalam laba rugi dengan dasar yang sesuai berdasarkan umur dari instrumen tersebut namun tidak lebih lambat dari saat penilaian tersebut didukung sepenuhnya oleh data pasar yang dapat diobservasi atau saat transaksi ditutup.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Financial Instruments (PSAK 50, 55 and 68) (Continued)

b.6. Fair value measurement

*Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal market or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.*

*When available, the Company measures the fair value of a financial instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.*

*If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.*

*The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, i.e., the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.*

## 3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

## b. Instrumen keuangan (PSAK 50, 55 dan 68) (Lanjutan)

## b.6. Pengukuran nilai wajar (Lanjutan)

Kelompok aset keuangan dan liabilitas keuangan yang diukur pada nilai wajar, yang terekspos risiko pasar dan risiko kredit yang dikelola oleh Perseroan berdasarkan eksposur netonya baik terhadap risiko pasar ataupun risiko kredit, diukur berdasarkan harga yang akan diterima untuk menjual posisi *net long* (atau dibayar untuk mengalihkan posisi *net short*) untuk eksposur risiko tertentu. Penyesuaian pada level portofolio tersebut dialokasikan pada aset dan liabilitas individual berdasarkan penyesuaian risiko relatif dari masing-masing instrumen individual di dalam portofolio.

## c. Aset tetap (PSAK 16)

Aset tetap diukur menggunakan model biaya; pada awalnya diukur sebesar biaya perolehan dan selanjutnya dicatat setelah dikurangi akumulasi penyusutan dan akumulasi kerugian penurunan nilai. Penyusutan dihitung sejak bulan aset tersebut siap digunakan, dengan metode garis lurus, selama estimasi masa manfaatnya sebagai berikut:

Peralatan kantor	4 tahun/years
Komputer	4 tahun/years
Inventaris dan perlengkapan kantor	4 tahun/years
Kendaraan	8 tahun/years

Jika jumlah tercatat aset tetap lebih besar dari estimasi jumlah terpulihkannya, nilai tercatat aset tetap diturunkan menjadi sebesar jumlah terpulihkan.

Keuntungan atau kerugian pelepasan aset tetap ditentukan dengan membandingkan penerimaan dengan jumlah tercatat dan dicatat ke dalam laba rugi.

Masa manfaat ekonomis, nilai residu dan metode penyusutan dikaji ulang setiap akhir tahun dan pengaruh dari setiap perubahan estimasi ini diterapkan secara prospektif.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## b. Financial instruments (PSAK 50, 55 and 68) (Continued)

## b.6. Fair value measurement (Continued)

Portfolios of financial assets and financial liabilities measured at fair value, that are exposed to market risk and credit risk that are managed by the Company on the basis of the net exposure to either market or credit risk, are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

## c. Fixed assets (PSAK 16)

Fixed assets are measured using cost model; they are initially measured at cost and subsequently carried net of accumulated depreciation and accumulated impairment losses. Depreciation is applied from the month such assets were placed into service, on the straight-line method, based on estimated useful lives as follows:

Office equipment
Computer
Office furniture and fixture
Vehicle

When the carrying amount of these assets is greater than its estimated recoverable amount, the carrying amount of these assets is written down to its recoverable amount.

Gains or losses on disposal of fixed assets are determined by comparing the proceeds with the carrying amount and are included in profit or loss.

The estimated useful lives, residual values and depreciation method are reviewed each year and any change of estimate is accounted for prospectively.

## 3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

## d. Liabilitas imbalan pascakerja (PSAK 24)

Liabilitas imbalan pascakerja dihitung sebesar nilai kini dari estimasi jumlah liabilitas imbalan kerja di masa depan yang timbul dari jasa yang telah diberikan oleh karyawan pada masa kini dan masa lalu. Perhitungan dilakukan oleh aktuaris berkualifikasi dengan metode *projected-unit-credit*.

Pengukuran kembali dari kewajiban manfaat bersih yang ditetapkan (misalnya, keuntungan dan kerugian aktuarial) diakui segera dalam pendapatan komprehensif lain.

Selain itu, ketika manfaat dari suatu imbalan berubah atau ketika terjadi kurtailmen, hasil perubahan imbalan terkait dengan jasa masa lampau atau keuntungan atau kerugian dari kurtailmen diakui segera di laba rugi.

## e. Pengakuan pendapatan (PSAK 23)

Pendapatan kegiatan manajer investasi diakui pada saat jasa tersebut sudah dilakukan dan jumlah pendapatan dapat diukur dengan andal.

## f. Pendapatan keuangan bersih (PSAK 1)

Pendapatan dan beban yang berasal dari aktivitas pendanaan dan laba dan rugi kurs tercermin dalam laporan laba rugi sebagai bagian dari "Pendapatan (beban) keuangan, bersih". Laba dan rugi kurs dilaporkan secara bersih sebagai pendapatan keuangan atau beban keuangan tergantung pada apakah jumlah pergerakan kurs menghasilkan laba bersih atau rugi bersih.

Pendapatan keuangan terdiri dari pendapatan bunga dari giro dan deposito berjangka.

## g. Pajak penghasilan (PSAK 46)

Beban pajak terdiri dari beban pajak kini dan beban pajak tangguhan. Beban pajak kini dan beban pajak tangguhan diakui pada laba rugi, kecuali untuk komponen yang diakui secara langsung di ekuitas atau di penghasilan komprehensif lain.

Beban pajak kini merupakan estimasi utang atau pengembalian pajak yang dihitung atas laba atau rugi kena pajak untuk tahun yang bersangkutan dengan menggunakan tarif pajak yang secara substansial telah berlaku pada tanggal pelaporan dan termasuk penyesuaian yang dibuat untuk penyisihan pajak tahun sebelumnya, baik untuk merekonsiliasi pajak penghasilan dengan pajak yang dilaporkan di surat pemberitahuan tahunan, atau untuk memperhitungkan perbedaan yang muncul dari pemeriksaan pajak. Utang atau restitusi pajak kini diukur menggunakan estimasi terbaik atas jumlah yang diperkirakan akan dibayar atau diterima, dengan mempertimbangkan ketidakpastian terkait dengan kompleksitas peraturan pajak.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## d. Post-employment benefits liabilities (PSAK 24)

The liabilities for post-employment benefits is calculated at the present value of estimated future benefits that the employees have earned in return for their services in the current and prior periods. The calculation is performed by a qualified actuary, using the *projected-unit-credit* method.

Remeasurements of the net defined benefits liabilities (for example, actuarial gains and losses) are recognized immediately in other comprehensive income.

In addition, when the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefits that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss.

## e. Revenue recognition (PSAK 23)

Investment manager fees are recognized when the services have been rendered and the revenue can be measured reliably.

## f. Net finance income (PSAK 1)

Income and costs derived from financing activities and the related foreign currency gains and losses are reflected in the statement of profit or loss as part of "Net finance income (costs)". Foreign exchange gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements amount to a net gain or a net loss.

Finance income comprised of interest income on current account and time deposits.

## g. Income taxes (PSAK 46)

Income tax expense comprises of current and deferred corporate income tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or refundable on taxable income or loss for the year, using tax rates substantively enacted as of the reporting date, and includes true-up adjustments made to the previous years' tax provisions either to reconcile them with the income tax reported in annual tax returns, or to account for differences arising from tax assessments. Current tax payable or refundable is measured using the best estimate of the amount expected to be paid or received, taking into consideration the uncertainty associated with the complexity of tax regulations.

## 3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

## g. Pajak penghasilan (PSAK 46) (Lanjutan)

Pajak tangguhan diakui atas perbedaan temporer antara jumlah tercatat aset dan liabilitas untuk tujuan pelaporan keuangan dan nilai yang digunakan untuk tujuan perpajakan. Pajak tangguhan diukur dengan menggunakan tarif pajak yang diharapkan untuk diterapkan atas perbedaan temporer pada saat pembalikan, berdasarkan peraturan yang telah berlaku atau secara substantif berlaku pada tanggal pelaporan. Metode ini juga mengharuskan pengakuan manfaat pajak masa depan, seperti rugi fiskal yang belum dikompensasi, apabila besar kemungkinan manfaat pajak tersebut dapat direalisasi.

Aset pajak tangguhan ditelaah ulang pada setiap tanggal pelaporan dan dikurangkan dengan manfaat pajak sejumlah nilai yang besar kemungkinan tidak dapat terealisasi; pengurangan tersebut akan dibalik ketika kemungkinan atas laba kena pajak di masa depan meningkat.

Aset pajak tangguhan yang belum diakui dinilai kembali pada setiap tanggal pelaporan dan diakui sepanjang kemungkinan besar laba kena pajak masa depan akan tersedia untuk digunakan.

## h. Penjabaran valuta asing (PSAK 10)

Transaksi dalam valuta asing dijabarkan ke dalam Rupiah dengan kurs tanggal transaksi. Saldo akhir tahun aset moneter dan liabilitas moneter dalam valuta asing dijabarkan ke dalam Rupiah dengan kurs yang berlaku pada tanggal pelaporan. Aset dan liabilitas non-moneter dalam valuta asing dan diukur pada harga perolehan dijabarkan dengan menggunakan nilai tukar pada tanggal transaksi. Kurs konversi utama yang dipergunakan pada tanggal 30 Juni 2019, 2018 dan 2017 adalah sebagai berikut:

	30 Juni/June			
	2019	2018	2017	
Dolar Amerika Serikat	14.141	14.404	13.319	United States Dollar

Laba (rugi) kurs, yang telah maupun belum direalisasi, dikreditkan (dibebankan) dalam laba rugi.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## g. Income taxes (PSAK 46) (Continued)

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted as of the reporting date. This method also requires the recognition of future tax benefits, such as tax loss carryforwards, to the extent that realization of such benefits is probable.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable income improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable incomes will be available against which they can be used.

## h. Foreign currency translation (PSAK 10)

Transactions in foreign currencies are translated into Rupiah at the rates prevailing at the transaction date. Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into Rupiah at the rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated using the exchange rate as of the date of transaction. The principal rate of exchange used as of 30 Juni 2019, 2018 and 2017 was as follows:

Foreign exchange gains (losses), realized and unrealized, are credited (charged) to profit or loss.

## PT ASHMORE ASSET MANAGEMENT INDONESIA

CATATAN ATAS LAPORAN KEUANGAN  
Tahun Berakhir 30 Juni 2019, 2018 dan 2017  
(dalam Rupiah penuh, kecuali dinyatakan khusus)

## PT ASHMORE ASSET MANAGEMENT INDONESIA

NOTES TO THE FINANCIAL STATEMENTS  
Years Ended 30 June 2019, 2018 and 2017  
(in whole Rupiah, unless otherwise specified)

## 3. IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING (Lanjutan)

## i. Transaksi dengan pihak-pihak berelasi (PSAK 7)

Dalam laporan keuangan ini, istilah pihak berelasi digunakan sesuai dengan PSAK No. 7 "Pengungkapan Pihak-pihak Berelasi".

Transaksi dan saldo dengan pihak berelasi diungkapkan dalam catatan atas laporan keuangan.

## j. Laba per saham (PSAK 56)

Labanya per saham dasar dihitung dengan membagi laba bersih tahun berjalan dengan rata-rata tertimbang jumlah saham yang beredar selama tahun berjalan.

Pada tanggal 30 Juni 2019, 2018, dan 2017 tidak terdapat instrumen yang berpotensi menjadi saham biasa. Oleh karenanya, laba per saham dilusian sama dengan laba per saham dasar.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

## i. Transactions with related parties (PSAK 7)

In these financial statements, the term related parties are used as defined in PSAK No. 7 "Related Party Disclosures".

Transactions and balance of accounts with related parties are disclosed in the notes to the financial statements.

## j. Earnings per share (PSAK 56)

Basic earnings per share is computed by dividing net income for the year by the weighted average number of outstanding shares during the year.

As of 30 June 2019, 2018, and 2017 there were no existing instruments which could result in the issue of further ordinary shares. Therefore, diluted earnings per share is equivalent to the basic earnings per share.

## 4. KAS DAN SETARA KAS

## 4. CASH AND CASH EQUIVALENTS

	30 Juni/June			
	2019	2018	2017	
<b>Kas</b>				<b>Cash</b>
Rupiah	3.715.500	6.562.000	1.637.000	Rupiah
<b>Bank</b>				<b>Bank</b>
Rupiah				Rupiah
Pihak ketiga				Third parties
PT Bank Central Asia Tbk	2.807.496.974	195.983.040	88.681.428	PT Bank Central Asia Tbk
Dolar Amerika Serikat				United States Dollar
Pihak ketiga				Third parties
PT Bank Permata Tbk	16.555.719.140	260.733.862	1.219.519.206	PT Bank Permata Tbk
PT Bank Central Asia Tbk	-	377.539.787	856.719.635	PT Bank Central Asia Tbk
Jumlah kas dan kas pada Bank	<u>19.366.931.614</u>	<u>840.818.689</u>	<u>2.166.557.269</u>	Total cash and cash in Bank
<b>Deposito berjangka kurang dari 3 bulan</b>				<b>Time deposits less than 3 months</b>
Rupiah				Rupiah
Pihak ketiga				Third parties
PT Bank Tabungan Negara (Persero) Tbk	26.000.000.000	8.500.000.000	5.000.000.000	PT Bank Tabungan Negara (Persero) Tbk
PT Bank BTPN Tbk	5.000.000.000	15.000.000.000	5.000.000.000	PT Bank BTPN Tbk
PT Bank Permata Tbk	1.532.141.715	1.448.629.069	-	PT Bank Permata Tbk
PT Bank Danamon Indonesia Tbk	-	-	18.000.000.000	PT Bank Danamon Indonesia Tbk
PT Bank OCBC NISP Tbk	-	-	11.000.000.000	PT Bank OCBC NISP Tbk
	<u>32.532.141.715</u>	<u>24.948.629.069</u>	<u>39.000.000.000</u>	
Dolar Amerika Serikat				United States Dollar
Pihak ketiga				Third parties
PT Bank Rakyat Indonesia (Persero) Tbk	16.305.614.910	-	-	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Permata Tbk	-	8.939.706.194	2.663.800.000	PT Bank Permata Tbk
PT Bank Central Asia Tbk	-	7.220.250.588	-	PT Bank Central Asia Tbk
	<u>16.305.614.910</u>	<u>16.159.956.782</u>	<u>2.663.800.000</u>	
Jumlah kas dan setara kas	<u>68.204.688.239</u>	<u>41.949.404.540</u>	<u>43.830.357.269</u>	Total cash and cash equivalents

## PT ASHMORE ASSET MANAGEMENT INDONESIA

CATATAN ATAS LAPORAN KEUANGAN  
Tahun Berakhir 30 Juni 2019, 2018 dan 2017  
(dalam Rupiah penuh, kecuali dinyatakan khusus)

## PT ASHMORE ASSET MANAGEMENT INDONESIA

NOTES TO THE FINANCIAL STATEMENTS  
Years Ended 30 June 2019, 2018 and 2017  
(in whole Rupiah, unless otherwise specified)

## 4. KAS DAN SETARA KAS (Lanjutan)

Tingkat bunga per tahun:

	30 Juni/June		
	2019	2018	2017
<b>Deposito kurang dari 3 bulan</b>			
Rupiah	3,25% - 8,75%	2,00% - 7,00%	5,50% - 7,75%
Dolar Amerika Serikat	0,75% - 3,50%	0,25% - 1,50%	0,65% - 1,00%
<b>Giro</b>			
Rupiah	0,25% - 1,20%	0,45% - 1,45%	0,70% - 1,70%
Dolar Amerika Serikat	0,10% - 0,50%	0,10% - 0,50%	0,10% - 0,50%

Interest rate per annum:

*Time deposits less than 3 months*  
Rupiah  
United States Dollar

*Current accounts*  
Rupiah  
United States Dollar

## 5. PIUTANG DARI KEGIATAN MANAJER INVESTASI

	30 Juni/June		
	2019	2018	2017
<b>Pihak berelasi</b>			
Piutang dari jasa manajer investasi	32.315.382.346	43.389.601.889	17.623.152.826
Piutang dari imbalan pembelian dan penjualan kembali reksa dana	6.780.877	3.066.590	817.584
	<u>32.322.163.223</u>	<u>43.392.668.479</u>	<u>17.623.970.410</u>
<b>Pihak ketiga</b>			
Piutang dari jasa manajer investasi	1.107.453.711	110.110.610	57.966.787
	<u>33.429.616.934</u>	<u>43.502.779.089</u>	<u>17.681.937.197</u>

*Related parties*  
Receivable from investment manager services

Receivable from subscription and redemption fees

*Third parties*  
Receivable from investment manager services

Perseroan tidak membentuk cadangan kerugian penurunan nilai karena pihak manajemen berkeyakinan bahwa piutang dari kegiatan manajer investasi dapat tertagih.

*The Company did not provide allowance for impairment losses because management believes that receivables from investment manager activities are collectible.*

Piutang dari kegiatan manajer investasi berdasarkan jatuh tempo kontraktualnya:

*Receivables from investment manager activities based on its contractual maturities:*

	30 Juni/June		
	2019	2018	2017
Belum jatuh tempo	33.429.616.934	34.322.316.786	17.681.937.197
Telah jatuh tempo			
0 - 30 hari	-	9.180.462.303	-
	<u>33.429.616.934</u>	<u>43.502.779.089</u>	<u>17.681.937.197</u>

*Not past due*  
*Past due*  
0 - 30 days

## 6. INVESTASI PADA REKSA DANA

Investasi pada reksa dana merupakan investasi pada Reksa Dana Ashmore Dana Pasar Uang Nusantara ("ADPUN"), pihak berelasi.

Pada tanggal 30 Juni 2017, unit penyertaan Perseroan di ADPUN sebanyak 5.284.953,0972 unit dengan nilai aset bersih sejumlah Rp 5.417.235.816, tidak dijaminkan.

Pada tanggal 12 Juli 2017, Perseroan melepas seluruh unit penyertaannya di ADPUN.

## 6. INVESTMENT IN MUTUAL FUND

*Investment in mutual fund represents investment in Reksa Dana Ashmore Dana Pasar Uang Nusantara ("ADPUN"), a related party.*

*As of 30 June 2017, the unit held by the Company in Reksa Dana ADPUN was 5,284,953.0972 units, with the net assets value of Rp 5,417,235,816, unpledged.*

*On 12 July 2017, the Company disposed of all units held in ADPUN.*

## 7. PIUTANG BUNGA

Piutang bunga berasal dari piutang bunga deposito.

## 7. INTEREST RECEIVABLES

*Interest receivables represent interest from time deposits.*

## PT ASHMORE ASSET MANAGEMENT INDONESIA

CATATAN ATAS LAPORAN KEUANGAN  
Tahun Berakhir 30 Juni 2019, 2018 dan 2017  
(dalam Rupiah penuh, kecuali dinyatakan khusus)

## PT ASHMORE ASSET MANAGEMENT INDONESIA

NOTES TO THE FINANCIAL STATEMENTS  
Years Ended 30 June 2019, 2018 and 2017  
(in whole Rupiah, unless otherwise specified)

## 8. PIUTANG LAIN-LAIN

## 8. OTHER RECEIVABLES

	30 Juni/June			
	2019	2018	2017	
Pihak ketiga				Third parties
Lain-lain	16.807.623	86.949	18.620	Other
Pihak berelasi				Related parties
Pengelolaan portofolio efek	944.357.805	4.250.511.917	2.977.201.342	Securities portfolio management
	<u>961.165.428</u>	<u>4.250.598.866</u>	<u>2.977.219.962</u>	

Piutang lain-lain pengelolaan portofolio efek berasal dari piutang atas tagihan Perjanjian Pengelolaan Portofolio Efek antara Perseroan dan Ashmore Investment Management Limited, pihak berelasi.

Other receivables from securities portfolio management represent receivables from Securities Portfolio Management Agreement between the Company and Ashmore Investment Management Limited, related party.

## 9. BEBAN DIBAYAR DI MUKA

## 9. PREPAID EXPENSES

	30 Juni/June			
	2019	2018	2017	
Abonemen	227.451.537	226.891.934	225.447.131	Subscriptions
Asuransi	-	36.818.525	26.793.892	Insurance
Sewa kantor	-	587.418.013	540.284.134	Office rental
Lain-lain	6.091.377	7.801.721	-	Others
	<u>233.542.914</u>	<u>858.930.193</u>	<u>792.525.157</u>	

## 10. ASET TETAP

## 10. FIXED ASSETS

	2019				
	Saldo awal/ Beginning balance	Penambahan /Additions	Pelepasan/ Disposal	Saldo akhir/ Ending balance	
Biaya perolehan:					Cost:
Komputer	965.704.063	1.092.269.544	(295.749.800)	1.762.223.807	Computer
Kendaraan	435.099.999	-	-	435.099.999	Vehicle
Peralatan kantor	441.586.190	266.166.482	-	707.752.672	Office equipment
Inventaris dan perlengkapan kantor	2.799.467.256	4.698.985.261	(2.730.189.256)	4.768.263.261	Office furniture and fixture
	<u>4.641.857.508</u>	<u>6.057.421.287</u>	<u>(3.025.939.056)</u>	<u>7.673.339.739</u>	
Akumulasi penyusutan:					Accumulated depreciation:
Komputer	(935.732.009)	(270.771.116)	295.749.800	(910.753.325)	Computer
Kendaraan	(9.064.582)	(54.387.500)	-	(63.452.082)	Vehicle
Peralatan kantor	(337.859.194)	(84.913.110)	-	(422.772.304)	Office equipment
Inventaris dan perlengkapan kantor	(2.776.604.172)	(408.901.605)	2.730.189.256	(455.316.521)	Office furniture and fixture
	<u>(4.059.259.957)</u>	<u>(818.973.331)</u>	<u>3.025.939.056</u>	<u>(1.852.294.232)</u>	
Jumlah tercatat	<u>582.597.551</u>			<u>5.821.045.507</u>	Carrying amount

## 10. ASET TETAP (Lanjutan)

## 10. FIXED ASSETS (Continued)

		2018				
		Saldo awal/Beginning balance	Penambahan/ Additions	Pelepasan/ Disposal	Saldo akhir/ Ending balance	
Biaya perolehan:						Cost:
Komputer	965.704.063	-	-	-	965.704.063	Computer
Kendaraan	-	435.099.999	-	-	435.099.999	Vehicle
Peralatan kantor	441.586.190	-	-	-	441.586.190	Office equipment
Inventaris dan perlengkapan kantor	2.799.467.256	-	-	-	2.799.467.256	Office furniture and fixture
	<u>4.206.757.509</u>	<u>435.099.999</u>			<u>4.641.857.508</u>	
Akumulasi penyusutan:						Accumulated depreciation:
Komputer	(894.510.623)	(41.221.386)	-	-	(935.732.009)	Computer
Kendaraan	-	(9.064.582)	-	-	(9.064.582)	Vehicle
Peralatan kantor	(288.397.685)	(49.461.509)	-	-	(337.859.194)	Office equipment
Inventaris dan perlengkapan kantor	(2.759.284.672)	(17.319.500)	-	-	(2.776.604.172)	Office furniture and fixture
	<u>(3.942.192.980)</u>	<u>(117.066.977)</u>			<u>(4.059.259.957)</u>	
Jumlah tercatat	<u>264.564.529</u>				<u>582.597.551</u>	Carrying amount
		2017				
		Saldo awal/Beginning balance	Penambahan/ Additions	Pelepasan/ Disposal	Saldo akhir/ Ending balance	
Biaya perolehan:						Cost:
Komputer	946.364.063	19.340.000	-	-	965.704.063	Computer
Peralatan kantor	273.299.360	168.286.830	-	-	441.586.190	Office equipment
Inventaris dan perlengkapan kantor	2.788.839.256	10.628.000	-	-	2.799.467.256	Office furniture and fixture
	<u>4.008.502.679</u>	<u>198.254.830</u>			<u>4.206.757.509</u>	
Akumulasi penyusutan:						Accumulated depreciation:
Komputer	(797.053.231)	(97.457.392)	-	-	(894.510.623)	Computer
Peralatan kantor	(228.159.813)	(60.237.872)	-	-	(288.397.685)	Office equipment
Inventaris dan perlengkapan kantor	(2.239.159.022)	(520.125.650)	-	-	(2.759.284.672)	Office furniture and fixture
	<u>(3.264.372.066)</u>	<u>(677.820.914)</u>			<u>(3.942.192.980)</u>	
Jumlah tercatat	<u>744.130.613</u>				<u>264.564.529</u>	Carrying amount

Beban penyusutan yang dibebankan ke dalam laba rugi masing-masing sebesar Rp 818.973.331, Rp 117.066.977 dan Rp 677.820.914 untuk tanggal 30 Juni 2019, 2018 dan 2017.

Seluruh aset tetap telah diasuransikan kepada PT Asuransi Central Asia terhadap risiko kebakaran, pencurian dan risiko lainnya dengan jumlah pertanggungan Rp 6.496.172.834, dan PT Chubb General Insurance Indonesia dengan jumlah pertanggungan masing-masing Rp 4.896.970.000 dan Rp 3.680.175.900 pada tanggal 30 Juni 2019, 2018 dan 2017.

Pada tanggal 30 Juni 2019, 2018 dan 2017, terdapat aset tetap yang telah disusutkan sepenuhnya dan masih digunakan. Jumlah biaya perolehan atas aset tetap tersebut adalah masing-masing sebesar Rp 987.545.085, Rp 3.756.791.544, dan Rp 971.441.250.

Selama tahun yang berakhir pada tanggal 30 Juni 2019, Perseroan melepas sebagian dari aset tetap yang telah disusutkan sepenuhnya sebesar Rp 3.025.939.056.

Pada tanggal 30 Juni 2019, 2018 dan 2017, Perseroan tidak memiliki aset tetap yang dijadikan jaminan. Manajemen berkeyakinan tidak terdapat penurunan nilai aset tetap selama tahun berjalan.

Depreciation expense charged to profit or loss amounted to Rp 818,973,331, Rp 117,066,977 and Rp 677,820,914 for 30 June 2019, 2018 and 2017, respectively.

All fixed assets were insured with PT Asuransi Central Asia against fire, theft and other possible risks for sum insured of Rp 6,496,172,834, and PT Chubb General Insurance Indonesia for the sum insured of Rp 4,896,970,000 and Rp 3,680,175,900 as of 30 June 2019, 2018 and 2017, respectively.

As of 30 June 2019, 2018 and 2017, there were fully depreciated fixed assets and still in use. Total acquisition cost for those fixed assets were Rp 987,545,085, Rp 3,756,791,544, and Rp 971,441,250, respectively.

During the year ended 30 June 2019, the Company disposed some of its fully depreciated fixed assets amounted to Rp 3,025,939,056.

As of 30 June 2019, 2018 and 2017, the Company did not have any fixed assets pledged as collateral. Management believes that there was no impairment of fixed assets during the years.



**CATATAN ATAS LAPORAN KEUANGAN**  
Tahun Berakhir 30 Juni 2019, 2018 dan 2017  
(dalam Rupiah penuh, kecuali dinyatakan khusus)

**NOTES TO THE FINANCIAL STATEMENTS**  
Years Ended 30 June 2019, 2018 and 2017  
(in whole Rupiah, unless otherwise specified)

## 11. ASET LAIN-LAIN

## 11. OTHER ASSETS

	30 Juni/June			
	2019	2018	2017	
Uang jaminan	1.105.747.478	1.521.188.501	432.441.023	Security deposits
Aset takberwujud	41.250.000	68.750.000	113.125.000	Intangible asset
Uang muka	-	3.310.574.419	-	Down payment
Lain-lain	17.590.422	139.500	-	Others
	<u>1.164.587.900</u>	<u>4.900.652.420</u>	<u>545.566.023</u>	

Sebagian besar uang jaminan berasal dari jaminan yang dapat dikembalikan atas sewa kantor Perseroan dari PT Prima Bangun Investama selama masa sewa berlangsung. Uang muka berasal dari pembayaran untuk pembelian aset tetap. Lain-lain merupakan kelebihan pembayaran kepada agen penjual reksa dana.

Most of the security deposits represent refundable deposits for the Company's office rental to PT Prima Bangun Investama for the rental period. Down payment represents amounts paid for purchase of fixed assets. Others represent excess payment to mutual fund selling agent.

## 12. UTANG LAIN - LAIN

## 12. OTHER PAYABLES

	30 Juni/June			
	2019	2018	2017	
<b>Pihak ketiga</b>				<b>Third parties</b>
Tunjangan kinerja	10.648.986.121	8.059.303.801	4.962.225.250	Performance allowance
Komisi agen penjualan:				Commission to selling agents:
Citibank N.A., Cabang Indonesia	1.635.396.658	2.011.756.639	-	Citibank N.A., Indonesia Branch
PT Bank Commonwealth	1.821.278.778	1.778.629.448	-	PT Bank Commonwealth
PT Astra Aviva Life	1.122.941.489	-	-	PT Astra Aviva Life
PT Bank HSBC Indonesia	1.122.671.143	-	-	PT Bank HSBC Indonesia
PT Commonwealth Life	1.107.519.797	1.338.692.169	1.227.134.804	PT Commonwealth Life
PT BNI Life Insurance	-	-	967.249.706	PT BNI Life Insurance
Lain-lain (masing-masing dibawah 10%)	4.325.100.245	6.950.987.396	3.116.714.009	Others (each below 10%)
Utang pungutan regulatif	2.422.076.581	2.592.676.327	1.018.985.764	Regulatory levies payable
Utang pajak lain-lain	13.236.171.564	12.146.972.856	7.387.601.304	Other tax payables
Tunjangan karyawan	-	127.373.177	114.101.981	Employee allowance
	<u>37.242.142.376</u>	<u>35.004.391.813</u>	<u>18.794.012.798</u>	
<b>Pihak berelasi</b>				<b>Related parties</b>
Tunjangan kinerja	9.372.999.399	7.458.499.999	5.082.000.000	Performance allowance
Komisi agen penjualan:				Commission to selling agents:
Ashmore Management Company Limited	280.239.613	107.134.091	233.347.925	Ashmore Management Company Limited
Ashmore Investment (UK) Limited	88.431.303	27.111.665	377.448.261	Ashmore Investment (UK) Limited
Lain-lain	10.144.950.391	4.030.457.279	2.657.803.389	Others
Ashmore Group plc	19.886.620.706	11.623.203.034	8.350.599.575	Ashmore Group plc
	<u>57.128.763.082</u>	<u>46.627.594.847</u>	<u>27.144.612.373</u>	

Lain-lain merupakan utang yang timbul dari beban pemeliharaan system intra-grup seperti penggunaan platform *global Middle Office*, infrastruktur/aplikasi teknologi informasi dan data pasar modal serta fungsi pendukung lainnya.

Others represent payables from intra-group system maintenance expenses such as Middle Office global platform usage, IT infrastructure/applications, market data and other supported functions.

## 13. UTANG BANK

## 13. BANK LOAN

Utang bank Perseroan merupakan saldo terutang kepada PT Bank Central Asia Tbk untuk pembiayaan pembelian kendaraan operasional Perseroan.

The Company's bank loan represents balances due to PT Bank Central Asia Tbk for financing of the purchase of the Company's operational vehicles.

## 14. LIABILITAS IMBALAN PASCAKERJA

## 14. POST-EMPLOYMENT BENEFITS LIABILITIES

Perseroan memiliki suatu program manfaat pasti yang meliputi seluruh karyawan tetap yang memenuhi persyaratan. Jumlah karyawan yang berhak atas imbalan pascakerja tersebut adalah sejumlah 21, 20 dan 17 karyawan di tahun 2019, 2018 dan 2017.

The Company has defined benefit plan covering all of its eligible employees. The number of employees entitled to the post-employment benefits are 21, 20 and 17 employees in 2019, 2018 and 2017.

Perseroan memberikan imbalan pascakerja kepada karyawan saat adanya pemutusan hubungan kerja karena karyawan pensiun. Perseroan mencatat liabilitas yang mencerminkan imbalan pascakerja yang disyaratkan UU No.13/2003.

The Company provides post-employment benefits for its employees when their services are terminated due to retirement. The Company recorded a liability which represents the post-employment benefits as required by UU No. 13/2003.

## 14. LIABILITAS IMBALAN PASCAKERJA (Lanjutan)

Sesuai dengan undang-undang tentang ketenagakerjaan di Indonesia, Perseroan wajib memberikan imbalan pascakerja karyawan pada saat pemutusan hubungan kerja atau pada saat karyawan pensiun. Imbalan pascakerja ini diberikan berdasarkan masa kerja dan kompensasi karyawan pada saat pemutusan hubungan kerja atau pensiun.

Bagian dari beban imbalan pascakerja yang dicatat pada laba rugi dan liabilitas imbalan pascakerja yang dicatat pada laporan posisi keuangan adalah sebagai berikut:

- a. Beban imbalan pasca kerja yang dibebankan pada laba rugi:

	30 Juni/June			
	2019	2018	2017	
Beban jasa kini	787.741.000	693.673.000	503.739.000	Current service cost
Beban bunga	187.807.000	118.815.000	70.862.000	Interest cost
Beban jasa lalu	-	-	(182.881.000)	Past service cost
	<u>975.548.000</u>	<u>812.488.000</u>	<u>391.720.000</u>	

- b. Liabilitas imbalan pasca kerja

	30 Juni/June			
	2019	2018	2017	
Nilai kini kewajiban imbalan pasti	<u>3.159.119.000</u>	<u>2.215.200.000</u>	<u>1.452.542.000</u>	Present value of defined benefits obligation

- c. Perubahan dalam nilai kini liabilitas imbalan pasti untuk tahun berakhir 30 Juni 2019, 2018 dan 2017 adalah sebagai berikut:

	30 Juni/June			
	2019	2018	2017	
Liabilitas imbalan pasti pada awal tahun	2.215.200.000	1.452.542.000	1.049.352.000	Defined benefits liabilities at the beginning of the year
Termasuk dalam laba rugi:				Included in profit or loss:
Beban jasa kini	787.741.000	693.673.000	503.739.000	Current service cost
Beban bunga	187.807.000	118.815.000	70.862.000	Interest cost
Beban jasa lalu	-	-	(182.881.000)	Past service cost
	<u>975.548.000</u>	<u>812.488.000</u>	<u>391.720.000</u>	
Termasuk dalam penghasilan komprehensif lain: (Keuntungan) kerugian aktuarial yang timbul atas:				Included in other comprehensive income:
Perubahan asumsi keuangan	(5.732.000)	(165.225.000)	(29.760.000)	Actuarial (gain) loss arising from:
Penyesuaian pengalaman	(25.897.000)	115.395.000	41.230.000	Financial assumptions changes
	<u>(31.629.000)</u>	<u>(49.830.000)</u>	<u>11.470.000</u>	Experience adjustment
Liabilitas imbalan pasti pada akhir tahun	<u>3.159.119.000</u>	<u>2.215.200.000</u>	<u>1.452.542.000</u>	Defined benefits liabilities at the end of the year

Untuk tahun berakhir 30 Juni 2019, 2018 dan 2017, tidak ada manfaat imbalan pasca kerja yang dibayarkan kepada karyawan.

## 14. POST-EMPLOYMENT BENEFITS LIABILITIES (Continued)

In accordance with Indonesian labor regulations, the Company is required to provide certain post-employment benefits to its employees when their employment is terminated or when they retire. These benefits are primarily based on years of service and the employees' compensation at termination or retirement.

The components of employee post-employment benefits expense recognized in profit or loss and amounts recognized in the statement of financial position for post-employment benefits obligation were as follow:

- a. Post-employment benefits recognized in profit or loss:

- b. Post-employment benefits liabilities

- c. Movement in the present value of defined benefits obligation for the years ended 30 June 2019, 2018 and 2017 was as follows:

For the years ended 30 June 2019, 2018 and 2017, there was no payment for post-employment benefits to the employees.

## 14. LIABILITAS IMBALAN PASCAKERJA (Lanjutan)

- d. Perhitungan aktuarial atas liabilitas imbalan pasca kerja pada tanggal 30 Juni 2019, 2018 dan 2017 menggunakan asumsi-asumsi sebagai berikut:

	30 Juni/June			
	2019	2018	2017	
Usia pensiun normal	55	55	55	Normal retirement age
Tingkat diskonto per tahun	8,50%	8,30%	8,20%	Annual discount rate
Tingkat kenaikan gaji	5,00%	3,00%	4,50%	Salary increment
Tingkat kematian	TMI 3 (2011) dengan estimasi perbaikan mortalitas/ <i>The improved TMI 3 (2011)</i>	TMI 3 (2011) dengan estimasi perbaikan mortalitas/ <i>The improved TMI 3 (2011)</i>	TMI 3 (2011) dengan estimasi perbaikan mortalitas/ <i>The improved TMI 3 (2011)</i>	Mortality rate
Tingkat kecacatan	10% x TMI 3 (2011)	10% x TMI 3 (2011)	10% x TMI 3 (2011)	Disability rate
Tingkat pengunduran diri	5% per tahun sampai usia 20 tahun dan menurun linier menjadi 1% pada usia 54 tahun/ <i>5% per annum up to age 20 and decreasing linearly 1% at age 54</i>	5% per tahun sampai usia 20 tahun dan menurun linier menjadi 1% pada usia 54 tahun/ <i>5% per annum up to age 20 and decreasing linearly 1% at age 54</i>	5% per tahun sampai usia 20 tahun dan menurun linier menjadi 1% pada usia 54 tahun/ <i>5% per annum up to age 20 and decreasing linearly 1% at age 54</i>	Resignation rate
Tingkat pensiun	100% di usia pensiun normal/ <i>100% at normal retirement age</i>	100% di usia pensiun normal/ <i>100% at normal retirement age</i>	100% di usia pensiun normal/ <i>100% at normal retirement age</i>	Retirement rate
<b>Informasi historis</b>				
Nilai kini kewajiban imbalan pasti	3.159.119.000	2.215.200.000	1.452.542.000	Historical information Present value of the defined benefits obligation
Penyesuaian yang timbul dari liabilitas program	(25.897.000)	(115.395.000)	(41.230.000)	Experience adjustment arising from plan liabilities

- e. Pada tanggal 30 Juni 2019, 2018, dan 2017, durasi rata-rata tertimbang dari kewajiban imbalan pasti masing-masing adalah 17,40 tahun, 18,49 tahun dan 19,46 tahun.

- e. As of 30 June 2019, 2018 and 2017, the weighted average duration of the defined benefit obligation was 17.40 years, 18.49 years and 19.46 years respectively.

Tabel berikut menunjukkan sensitivitas atas kemungkinan perubahan salah satu asumsi aktuarial, dengan variabel lain dianggap tetap, terhadap kewajiban imbalan pasca-kerja pada tanggal 30 Juni 2019, 2018 dan 2017.

The following table demonstrates the sensitivity to reasonably possible to one of the relevant actuarial assumptions, with all other variables held constant, of the obligation for post-employment benefits as of 30 June 2019, 2018 and 2017.

	30 Juni/June 2019		
	Peningkatan/ Increase	Penurunan/ Decrease	
Tingkat diskonto (1% perubahan)	(2.275.668.000)	3.676.378.000	Discount rate (1% movement)
Kenaikan gaji (1% perubahan)	3.667.831.000	(2.742.629.000)	Salary increase (1% movement)
<b>30 Juni/June 2018</b>			
	Peningkatan/ Increase	Penurunan/ Decrease	
Tingkat diskonto (1% perubahan)	(1.889.889.000)	2.607.923.000	Discount rate (1% movement)
Kenaikan gaji (1% perubahan)	2.585.580.000	(1.900.796.000)	Salary increase (1% movement)
<b>30 Juni/June 2017</b>			
	Peningkatan/ Increase	Penurunan/ Decrease	
Tingkat diskonto (1% perubahan)	(1.230.060.000)	1.723.126.000	Discount rate (1% movement)

## 15. MODAL SAHAM

Pada tanggal 30 June 2019, 2018 dan 2017, modal dasar saham Perseroan sebesar Rp 100.000.000.000 (100.000.000 saham pada nilai nominal sebesar Rp 1.000 per saham).

Dalam Rapat Umum Pemegang Saham tanggal 1 Agustus 2017, pemegang saham Perseroan menyetujui untuk menurunkan modal ditempatkan dan disetor Perseroan menjadi sebesar Rp 25.000.000.000 (25.000.000 lembar saham pada nilai nominal Rp 1.000 per saham). Perubahan sehubungan dengan penurunan modal ini dinyatakan dalam akta notaris No. 01 tanggal 1 Agustus 2017 yang dibuat di hadapan Chandra Lim, S.H., LL.M, notaris di Jakarta, dan telah diterima dan dicatat oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia, berdasarkan Surat Penerimaan Pemberitahuan Perubahan Anggaran Dasar No. AHU-0027620.AH.01.02 tanggal 27 Desember 2017.

Kepemilikan saham Perseroan pada tanggal 30 Juni 2019, 2018 dan 2017 adalah sebagai berikut:

## 15. SHARE CAPITAL

As of 30 June 2019, 2018 and 2017, the Company's authorized share capital amounted to Rp 100,000,000,000 (100,000,000 shares at nominal value of Rp 1,000 per share).

At the General Meeting of Shareholders on 1 August 2017, the Company's shareholders agreed to decrease issued and paid-up capital to Rp 25,000,000,000 (25,000,000 shares at nominal value of Rp 1,000 per share). The latest amendment in connection with the decrease in the capital was stated in the notarial deed No.01 dated 1 August 2017 of Chandra Lim, S.H., LL.M, a notary in Jakarta, and has been acknowledged and recorded by the Minister of Law and Human Rights of the Republic of Indonesia based on its Letter of Acceptance of the Announcement of Changes in the Articles of Association No. AHU-0027620.AH.01.02 dated 27 December 2017.

The Company's shareholding as of 30 June 2019, 2018 and 2017 was as follows:

30 Juni/June 2019				
Pemegang saham	Jumlah saham/ Number of shares	Persentase kepemilikan (%)/ Percentage of ownership (%)	Modal ditempatkan dan disetor penuh/ Issued and paid – up capital stock	Shareholders
Ashmore Investment Management Limited	16.676.500	66,706	16.676.500.000	Ashmore Investment Management Limited
PT Adikarsa Sarana	3.573.500	14,294	3.573.500.000	PT Adikarsa Sarana
Bapak Ronaldus Gandahusada	1.750.000	7,000	1.750.000.000	Mr. Ronaldus Gandahusada
Bapak Arief Cahyadi Wana	1.500.000	6,000	1.500.000.000	Mr. Arief Cahyadi Wana
Bapak FX Eddy Hartanto	1.500.000	6,000	1.500.000.000	Mr. FX Eddy Hartanto
	<u>25.000.000</u>	<u>100,000</u>	<u>25.000.000.000</u>	
30 Juni/June 2018				
Pemegang saham	Jumlah saham/ Number of shares	Persentase kepemilikan (%)/ Percentage of ownership (%)	Modal ditempatkan dan disetor penuh/ Issued and paid – up capital stock	Shareholders
Ashmore Investment Management Limited	16.676.500	66,706	16.676.500.000	Ashmore Investment Management Limited
PT Adikarsa Sarana	3.573.500	14,294	3.573.500.000	PT Adikarsa Sarana
Bapak Ronaldus Gandahusada	1.750.000	7,000	1.750.000.000	Mr. Ronaldus Gandahusada
Bapak Arief Cahyadi Wana	1.500.000	6,000	1.500.000.000	Mr. Arief Cahyadi Wana
Bapak FX Eddy Hartanto	1.500.000	6,000	1.500.000.000	Mr. FX Eddy Hartanto
	<u>25.000.000</u>	<u>100,000</u>	<u>25.000.000.000</u>	
30 Juni/June 2017				
Pemegang saham	Jumlah saham/Number of shares	Persentase kepemilikan (%)/Percentage of ownership (%)	Modal ditempatkan dan disetor penuh/ Issued and paid – up capital stock	Shareholders
Ashmore Investment Management Limited	23.347.100	66,706	23.347.100.000	Ashmore Investment Management Limited
PT Adikarsa Persada Nusantara	5.002.900	14,294	5.002.900.000	PT Adikarsa Persada Nusantara
Bapak Ronaldus Gandahusada	2.450.000	7,000	2.450.000.000	Mr. Ronaldus Gandahusada
Bapak Arief Cahyadi Wana	2.100.000	6,000	2.100.000.000	Mr. Arief Cahyadi Wana
Bapak FX Eddy Hartanto	2.100.000	6,000	2.100.000.000	Mr. FX Eddy Hartanto
	<u>35.000.000</u>	<u>100,000</u>	<u>35.000.000.000</u>	

## 16. SALDO LABA

Rapat Umum Pemegang Saham Perseroan yang diadakan pada tanggal 19 Desember 2016 memutuskan untuk membagikan dividen final untuk tahun buku 2016 sebesar Rp 9.500.000.000 dan dividen interim I untuk tahun buku 2017 sebesar Rp 5.500.000.000. Seluruh dividen tersebut dibayarkan pada tanggal 23 Desember 2016.

Saldo laba dicadangkan Perseroan pada tanggal 30 Juni 2019, 2018 dan 2017 adalah sebesar Rp 5.000.000.000. Cadangan wajib tersebut dibentuk sesuai dengan keputusan para pemegang saham dalam Rapat Umum Pemegang Saham Tahunan pada tanggal 16 Juni 2017.

Rapat Umum Pemegang Saham Perseroan yang diadakan pada tanggal 16 Juni 2017 memutuskan untuk membagikan dividen interim II untuk tahun buku 2017 sebesar Rp 20.000.000.000. Dividen tersebut dibayarkan pada tanggal 20 Juni 2017.

Rapat Umum Pemegang Saham Perseroan yang diadakan pada tanggal 13 Desember 2017 memutuskan untuk membagikan dividen final untuk tahun buku 2017 sebesar Rp 2.000.000.000 dan dividen interim untuk tahun buku 2018 sebesar Rp 18.000.000.000. Seluruh dividen tersebut dibayarkan pada tanggal 18 Desember 2017. Keputusan ini dinyatakan dalam akta notaris No.95 tanggal 29 Desember 2017 yang dibuat dihadapan Chandra Lim, S.H., LL.M, notaris di Jakarta.

Rapat Umum Pemegang Saham Perseroan yang diadakan pada tanggal 26 Juni 2018 memutuskan untuk membagikan dividen interim untuk tahun buku 2018 sebesar Rp 41.000.000.000. Dividen tersebut dibayarkan pada tanggal 28 Juni 2018.

Rapat Umum Pemegang Saham Perseroan yang diadakan pada tanggal 25 Januari 2019 memutuskan untuk membagikan dividen final untuk tahun buku 2018 sebesar Rp 7.900.000.000. Dividen tersebut dibayarkan pada tanggal 4 Februari 2019.

Rapat Umum Pemegang Saham Perseroan yang diadakan pada tanggal 25 Januari 2019 memutuskan untuk membagikan dividen interim untuk tahun buku 2019 sebesar Rp 44.100.000.000. Dividen tersebut dibayarkan pada tanggal 4 Februari 2019.

Rapat Umum Pemegang Saham Perseroan yang diadakan pada tanggal 25 Juni 2019 memutuskan untuk membagikan dividen interim untuk tahun buku 2019 sebesar Rp 33.500.000.000. Dividen tersebut dibayarkan pada tanggal 27 Juni 2019.

## 16. RETAINED EARNINGS

*The Annual General Shareholders' Meeting of the Company which was held on 19 December 2016 resolved to distribute final dividends for the 2016 financial year amounted to Rp 9,500,000,000 and interim dividends I for the 2017 financial year amounted to Rp 5,500,000,000. These dividends were paid on 23 December 2016.*

*The balance of the appropriated retained earnings of the Company as of 30 June 2019, 2018 and 2017 were Rp 5,000,000,000. The statutory reserves was appropriated by the action of shareholders at Annual General Meetings of Shareholders on 16 June 2017.*

*The Annual General Shareholders' Meeting of the Company which was held on 16 June 2017 resolved to distribute interim dividends II for the 2017 financial year amounted to Rp 20,000,000,000. This dividend was paid on 20 June 2017.*

*The Annual General Shareholders' Meeting of the Company which held on 13 December 2017 resolved to distribute final dividends for the 2017 financial year amounted to Rp 2,000,000,000 and interim dividends for the 2018 financial year amounted to Rp 18,000,000,000. These dividends were paid on 18 December 2017. The was stated in notarial deed No.95 dated 29 December 2017 of Chandra Lim, S.H., LL.M, a notary in Jakarta.*

*The Annual General Shareholders' Meeting of Company which was held on 26 June 2018 resolved to distribute interim dividends for the 2018 financial year amounted to Rp 41,000,000,000. This dividend was paid on 28 June 2018.*

*The Annual General Shareholders' Meeting of Company which was held on 25 January 2019 resolved to distribute final dividends for the 2018 financial year amounted to Rp 7,900,000,000. This dividend was paid on 4 February 2019.*

*The Annual General Shareholders' Meeting of Company which was held on 25 January 2019 resolved to distribute interim dividends for the 2019 financial year amounted to Rp 44,100,000,000. This dividend was paid on 4 February 2019.*

*The Annual General Shareholders' Meeting of Company which was held on 25 June 2019 resolved to distribute interim dividends for the 2019 financial year amounted to Rp 33,500,000,000. This dividend was paid on 27 June 2019.*

## PT ASHMORE ASSET MANAGEMENT INDONESIA

CATATAN ATAS LAPORAN KEUANGAN  
Tahun Berakhir 30 Juni 2019, 2018 dan 2017  
(dalam Rupiah penuh, kecuali dinyatakan khusus)

## PT ASHMORE ASSET MANAGEMENT INDONESIA

NOTES TO THE FINANCIAL STATEMENTS  
Years Ended 30 June 2019, 2018 and 2017  
(in whole Rupiah, unless otherwise specified)

## 17. PENDAPATAN KEGIATAN MANAJER INVESTASI

Akun ini merupakan imbalan jasa yang diperoleh Perseroan sebagai manajer investasi dari dana yang dikelola Perseroan, dengan rincian sebagai berikut:

	Tahun berakhir 30 Juni/Years ended 30 June		
	2019	2018	2017
Pihak berelasi			
Jasa manajemen			
Reksa dana Ashmore Dana			
Ekuitas Nusantara	133.792.154.355	100.552.971.681	51.576.542.221
Reksa dana Ashmore Dana			
Progresif Nusantara	74.095.148.381	71.290.468.067	65.900.476.340
Lain-lain (masing-masing <10%)	92.949.368.513	71.355.043.990	36.093.258.909
Jasa pembelian reksa dana	121.683.817	62.635.596	109.566.680
Jasa penjualan kembali reksa dana	98.585.314	6.938.692	6.492.108
	<u>301.056.940.380</u>	<u>243.268.058.026</u>	<u>153.686.336.258</u>
Pihak ketiga			
Jasa manajemen	7.830.286.417	874.007.937	309.629.726
	<u>308.887.226.797</u>	<u>244.142.065.963</u>	<u>153.995.965.984</u>

## 17. INVESTMENT MANAGER FEES

This account represents fees obtained by the Company as an investment manager from funds managed by the Company, with the following details:

Related parties  
Management fees  
Reksa dana Ashmore Dana  
Ekuitas Nusantara  
Reksa dana Ashmore Dana  
Progresif Nusantara  
Others (each below 10%)  
Mutual fund's subscription fees  
Mutual fund's redemption fees

Third parties  
Management fees

## 18. BEBAN KEPEGAWAIAN

	Tahun berakhir 30 Juni/Years ended 30 June		
	2019	2018	2017
Gaji dan tunjangan	28.094.787.437	24.940.658.617	22.483.102.278
Tunjangan kinerja	28.400.000.000	22.000.000.000	14.210.000.000
Imbalan pascakerja (Catatan 14)	975.548.000	812.488.000	391.720.000
Lain-lain	763.100.829	624.520.092	635.652.352
	<u>58.233.436.266</u>	<u>48.377.666.709</u>	<u>37.720.474.630</u>

## 18. PERSONNEL EXPENSES

Salaries and allowances  
Performance allowance  
Post-employment benefits (Note 14)  
Others

## 19. PERPAJAKAN

a. Komponen dari utang pajak penghasilan adalah sebagai berikut:

	30 Juni/June		
	2019	2018	2017
Pajak penghasilan badan	10.178.272.822	8.815.802.423	684.012.237
Pajak penghasilan – pasal 25	1.071.007.754	748.218.865	656.779.031
	<u>11.249.280.576</u>	<u>9.564.021.288</u>	<u>1.340.791.268</u>

a. The component of income tax payable was as follows:

Corporate income tax  
Income tax - article 25

b. Komponen dari beban pajak adalah sebagai berikut:

	Tahun berakhir 30 Juni/Years ended 30 June		
	2019	2018	2017
Pajak kini:			
Tahun ini	28.700.317.500	21.555.146.250	10.366.864.750
Pajak tangguhan:			
Pembentukan dan pemulihan atas perbedaan temporer	(243.887.000)	(203.122.000)	(97.930.000)
	<u>28.456.430.500</u>	<u>21.352.024.250</u>	<u>10.268.934.750</u>

b. The components of income tax expense were as follows:

Current tax:  
Current year  
Deferred tax:  
Origination and reversal of temporary differences

CATATAN ATAS LAPORAN KEUANGAN  
Tahun Berakhir 30 Juni 2019, 2018 dan 2017  
(dalam Rupiah penuh, kecuali dinyatakan khusus)

NOTES TO THE FINANCIAL STATEMENTS  
Years Ended 30 June 2019, 2018 and 2017  
(in whole Rupiah, unless otherwise specified)

## 19. PERPAJAKAN (Lanjutan)

## 19. TAXATION (Continued)

- c. Rekonsiliasi antara laba sebelum pajak menurut laporan laba rugi dengan beban pajak adalah sebagai berikut:

- c. The reconciliation between income before tax per statement of profit or loss and income tax expense was as follows:

	Tahun berakhir 30 Juni/ Years ended 30 June			
	2019	2018	2017	
Laba sebelum pajak	114.959.376.937	88.196.689.215	42.652.784.708	Income before tax
Perbedaan temporer:				Temporary differences:
Imbalan kerja	975.548.000	812.488.000	391.720.000	Employment benefits
Beban yang tidak dapat diperhitungkan:				Non-deductible expenses:
Telekomunikasi	16.775.358	16.376.023	25.364.618	Telecommunications
Gaji dan tunjangan	881.983.967	947.457.223	618.514.858	Salaries and benefits
Beban pajak final	723.929.626	516.664.311	445.299.251	Final tax expense
Penghasilan yang sudah dikenakan pajak final	(2.756.343.457)	(4.269.088.891)	(2.666.224.163)	Income subjected to final tax
	(1.133.654.506)	(2.788.591.334)	(1.577.045.436)	
Penghasilan kena pajak	114.801.270.431	86.220.585.881	41.467.459.272	Taxable income
Beban pajak penghasilan kini	28.700.317.500	21.555.146.250	10.366.864.750	Current income tax expense
Dikurangi:				Less:
Pembayaran pajak dimuka --				Prepayment of income taxes
pajak penghasilan				Article 23
Pasal 23	(5.547.442.898)	(4.339.551.575)	(2.576.101.710)	Article 25
Pasal 25	(12.974.601.780)	(8.399.792.252)	(7.106.750.803)	
	(18.522.044.678)	(12.739.343.827)	(9.682.852.513)	
Utang pajak penghasilan	10.178.272.822	8.815.802.423	684.012.237	Corporate income tax payables
Laba sebelum pajak	114.959.376.937	88.196.689.215	42.652.784.708	Profit before tax
Tarif pajak yang berlaku	25%	25%	25%	Enacted tax rate
	28.739.844.234	22.049.172.304	10.663.196.177	
Beban-beban yang tidak dapat dikurangkan	(283.413.734)	(697.148.054)	(394.261.427)	Non-deductible expenses
Beban pajak	28.456.430.500	21.352.024.250	10.268.934.750	Income tax expense

- d. Jumlah laba kena pajak Perseroan untuk tahun berakhir tanggal 30 Juni 2019, 2018 dan 2017 seperti yang tertera pada rekonsiliasi di atas, digunakan sebagai dasar dalam pengisian SPT 2019, 2018 dan 2017.

- d. The Company's taxable income for the years ended 30 June 2019, 2018 and 2017, as shown in the above reconciliation, were used as the basis for annual tax return 2019, 2018 and 2017.

- e. Berdasarkan peraturan perpajakan di Indonesia, Perseroan melaporkan/menyetorkan pajak berdasarkan sistem *self-assessment*. Fiskus dapat menetapkan atau mengubah pajak tersebut dalam jangka waktu tertentu sesuai dengan peraturan yang berlaku.

- e. Under the taxation law of Indonesia, the Company submit taxes on the basis of self-assessment. The tax authorities may assess or amend taxes within the statute of limitation under prevailing regulation.

- f. Saldo pajak tangguhan yang diakui dan perubahannya untuk tahun berakhir 30 Juni 2019, 2018 dan 2017 adalah sebagai berikut:

- f. Recognized deferred tax balance, and the movement thereof for the years ended 30 June 2019, 2018 and 2017 comprised of the following:

	30 Juni/June	Dikreditkan ke laba rugi tahun berjalan/	Dibebankan ke penghasilan komprehensif lain tahun berjalan/	30 Juni/June	
	2018	Credited to profit or loss for the year	Charged to other comprehensive income for the year	2019	
Aset pajak tangguhan:					Deferred tax asset:
Liabilitas imbalan pasca kerja	553.800.000	243.887.000	(7.907.250)	789.779.750	Post-employment benefits liabilities
	30 Juni/June	Dikreditkan ke laba rugi tahun berjalan/	Dibebankan ke penghasilan komprehensif lain tahun berjalan/	30 Juni/June	
	2017	Credited to profit or loss for the year	Charged to other comprehensive income for the year	2018	
Aset pajak tangguhan:					Deferred tax asset:
Liabilitas imbalan pasca kerja	363.135.500	203.122.000	(12.457.500)	553.800.000	Post-employment benefits liabilities

CATATAN ATAS LAPORAN KEUANGAN  
Tahun Berakhir 30 Juni 2019, 2018 dan 2017  
(dalam Rupiah penuh, kecuali dinyatakan khusus)

NOTES TO THE FINANCIAL STATEMENTS  
Years Ended 30 June 2019, 2018 and 2017  
(in whole Rupiah, unless otherwise specified)

## 19. PERPAJAKAN (Lanjutan)

	30 Juni/June 2016	Dikreditkan ke laba rugi tahun berjalan/ Credited to profit or loss for the year	Dikreditkan ke penghasilan komprehensif lain tahun berjalan/ Credited to other comprehensive income for the year	30 Juni/June 2017	
Aset pajak tangguhan: Liabilitas imbalan pasca kerja	262.338.000	97.930.000	2.867.500	363.135.500	Deferred tax asset: Post-employment benefits liabilities

## 20. DANA KELOLAAN

Pada tanggal 30 Juni 2019, 2018 dan 2017, Perseroan mengelola dana kelolaan masing-masing sebesar Rp 27.719.460.392.556, Rp 23.626.467.801.832 dan Rp 14.418.089.701.101, yang terdiri dari:

## 20. FUNDS UNDER MANAGEMENT

As of 30 June 2019, 2018 and 2017, the Company managed funds under management amounting to Rp 27,719,460,392,556, Rp 23,626,467,801,832 and Rp 14,418,089,701,101, respectively which consist of:

	30 Juni/June			
	2019	2018	2017	
Reksa dana				Mutual funds
Reksa Dana Ashmore Dana Ekuitas Nusantara	5.980.962.502.297	6.471.913.055.585	2.665.703.647.940	Reksa Dana Ashmore Dana Ekuitas Nusantara
Reksa Dana Ashmore Dana Progresif Nusantara	2.797.345.297.458	4.136.970.975.707	2.281.938.164.934	Reksa Dana Ashmore Dana Progresif Nusantara
Reksa Dana Ashmore Saham Sejahtera Nusantara	2.706.767.858.135	2.403.457.872.365	-	Reksa Dana Ashmore Saham Sejahtera Nusantara
Reksa Dana Ashmore Dana Obligasi Nusantara	1.254.835.846.870	1.186.801.483.559	933.073.485.498	Reksa Dana Ashmore Dana Obligasi Nusantara
Reksa Dana Ashmore Saham Sejahtera Nusantara II	704.054.893.782	323.216.735.906	-	Reksa Dana Ashmore Saham Sejahtera Nusantara II
Reksa Dana Ashmore Saham Dinamis Nusantara	526.142.586.895	-	-	Reksa Dana Ashmore Saham Dinamis Nusantara
Reksa Dana Terproteksi Ashmore Dana Terproteksi Nusantara	478.966.719.763	470.496.996.370	467.164.411.928	Reksa Dana Terproteksi Ashmore Dana Terproteksi Nusantara
Reksa Dana Ashmore Dana Obligasi Unggulan Nusantara	382.861.466.530	75.674.712.585	-	Reksa Dana Ashmore Dana Obligasi Unggulan Nusantara
Reksa Dana Ashmore Dana USD Nusantara	179.884.718.258	68.765.998.266	61.099.765.335	Reksa Dana Ashmore Dana USD Nusantara
Reksa Dana Ashmore Dana USD Equity Nusantara	173.328.525.155	144.765.601.068	102.918.532.980	Reksa Dana Ashmore Dana USD Equity Nusantara
Reksa Dana Ashmore Saham Unggulan Nusantara	138.188.380.101	-	-	Reksa Dana Ashmore Saham Unggulan Nusantara
Reksa Dana Ashmore Dana Obligasi Optima Nusantara	121.213.879.133	-	-	Reksa Dana Ashmore Dana Obligasi Optima Nusantara
Reksa Dana Terproteksi Ashmore Dana Terproteksi Nusantara II	67.673.011.597	76.540.850.456	71.192.083.476	Reksa Dana Terproteksi Ashmore Dana Terproteksi Nusantara II
Reksa Dana Ashmore Obligasi Strategis Nusantara	64.968.817.465	-	-	Reksa Dana Ashmore Obligasi Strategis Nusantara
Reksa Dana Ashmore Dana Pasar Uang Nusantara	60.809.519.391	138.978.667.982	62.900.356.501	Reksa Dana Ashmore Dana Pasar Uang Nusantara
Reksa Dana Ashmore Saham Providentia Nusantara	56.543.077.110	-	-	Reksa Dana Ashmore Saham Providentia Nusantara
Reksa Dana Ashmore Providentia Balanced Nusantara	40.233.063.491	-	-	Reksa Dana Ashmore Providentia Balanced Nusantara
Pengelolaan portofolio efek untuk kepentingan nasabah secara individual *)	11.984.680.229.125	8.130.884.851.983	7.772.099.252.509	Discretionary funds *)
	<u>27.719.460.392.556</u>	<u>23.626.467.801.832</u>	<u>14.418.089.701.101</u>	

\*) Pendapatan kegiatan manajer investasi dari nasabah secara individual dikenakan berdasarkan jumlah dana kelolaan dari dana nasabah tersebut, termasuk investasi ke dalam reksa dana yang dikelola oleh Perseroan.

\*) Investment manager fees of discretionary funds are charged based on funds under management of discretionary funds, including the investments into the Company's mutual funds.

Jumlah dana kelolaan tersebut tidak diakui dalam laporan posisi keuangan Perseroan. Perseroan menerima pendapatan manajemen atas pengelolaan reksa dana dan kontrak pengelolaan dana tersebut (Catatan 17).

The amounts of funds under management are not recognized in the statement of financial position of the Company. The Company receives management fees with regards to the management of the mutual and discretionary funds (Note 17).



## 21. TRANSAKSI PIHAK BERELASI

## Sifat hubungan berelasi

Rincian saldo yang signifikan dengan pihak berelasi pada tanggal 30 Juni 2019, 2018 dan 2017 adalah sebagai berikut:

Pihak berelasi/ <i>Related party</i>	Sifat relasi/ <i>Nature of relationship</i>
Ashmore Group plc	Perusahaan induk dari Perseroan/ <i>Ultimate Shareholders of the Company</i>
Ashmore Investment Management Limited	Pemegang saham mayoritas Perseroan/ <i>Majority shareholder of the Company</i>
Reksa dana yang dikelola oleh Perseroan/ <i>Mutual funds managed by the Company</i>	Reksa dana berbentuk Kontrak Investasi Kolektif (KIK) yang dikelola oleh Perseroan/ <i>Mutual fund in the form of Collective Investment Contract (CIC) managed by the Company</i>

Reksa dana yang dikelola oleh Perseroan adalah sebagai berikut:

Reksa Dana/ <i>Mutual Fund</i>
Reksa Dana Ashmore Dana Ekuitas Nusantara
Reksa Dana Ashmore Dana Progresif Nusantara
Reksa Dana Ashmore Dana Obligasi Nusantara
Reksa Dana Ashmore Dana USD Nusantara
Reksa Dana Terproteksi Ashmore Dana Terproteksi Nusantara
Reksa Dana Ashmore Dana USD Equity Nusantara
Reksa Dana Terproteksi Ashmore Dana Terproteksi Nusantara II
Reksa Dana Ashmore Dana Pasar Uang Nusantara
Reksa Dana Ashmore Saham Sejahtera Nusantara
Reksa Dana Ashmore Dana Obligasi Unggulan Nusantara
Reksa Dana Ashmore Saham Sejahtera Nusantara II
Reksa Dana Ashmore Saham Unggulan Nusantara
Reksa Dana Ashmore Saham Dinamis Nusantara
Reksa Dana Ashmore Dana Obligasi Optima Nusantara
Reksa Dana Ashmore Saham Providentia Nusantara
Reksa Dana Ashmore Providentia Balanced Nusantara
Reksa Dana Ashmore Dana Obligasi Strategis Nusantara

## 21. RELATED PARTY TRANSACTIONS

## Nature of related party relationship

The details of significant balances with related parties as of 30 June 2019, 2018 and 2017 were as follows:

Jenis transaksi/ <i>Type of transactions</i>
Pemberian jasa intra-grup seperti penggunaan platform <i>global Middle Office</i> , infrastruktur/aplikasi teknologi informasi dan data pasar modal serta fungsi pendukung lainnya/ <i>Provision of the intra-grup services such as Middle Office global platform usage, IT infrastructure/applications, market data and other support functions.</i>
Pemberian jasa kegiatan manajer investasi/ <i>Provision of the investment manager services.</i>
Pemberian jasa kegiatan manajer investasi/ <i>Provision of the investment manager services.</i>

*Mutual funds that are managed by the Company were as follows:*

Tanggal pernyataan efektif dari OJK/ <i>Date of effective letter from OJK</i>
31 Januari/January 2013
31 Januari/January 2013
15 April/April 2013
25 Februari/February 2014
29 Oktober/October 2014
24 Februari/February 2015
10 Juli/July 2015
29 Agustus/August 2016
28 Agustus/August 2017
30 Oktober/October 2017
20 Desember/December 2017
26 Juni/June 2018
9 Mei/May 2018
6 April/April 2018
4 Februari/February 2019
8 Mei/May 2019
14 Mei/May 2019

## PT ASHMORE ASSET MANAGEMENT INDONESIA

CATATAN ATAS LAPORAN KEUANGAN  
Tahun Berakhir 30 Juni 2019, 2018 dan 2017  
(dalam Rupiah penuh, kecuali dinyatakan khusus)

## PT ASHMORE ASSET MANAGEMENT INDONESIA

NOTES TO THE FINANCIAL STATEMENTS  
Years Ended 30 June 2019, 2018 and 2017  
(in whole Rupiah, unless otherwise specified)

## 21. TRANSAKSI PIHAK BERELASI (Lanjutan)

## Sifat hubungan berelasi (Lanjutan)

Pada tanggal dan untuk tahun berakhir 30 Juni 2019, 2018 dan 2017, saldo dan jumlah berikut dilakukan dengan pihak berelasi:

## 21. RELATED PARTY TRANSACTIONS (Continued)

## Nature of related party relationship (Continued)

As of and for the years ended 30 June 2019, 2018 and 2017, the following balances and amounts were carried out with related parties:

	30 Juni/June			
	2019	2018	2017	
Laporan posisi keuangan				<i>Statement of financial position</i>
Reksa dana				<i>Mutual funds</i>
Piutang dari kegiatan manajer investasi	32.322.163.223	43.392.668.479	17.623.970.410	<i>Receivables from investment manager activities</i>
Investasi pada reksa dana	-	-	5.417.235.816	<i>Investment in mutual fund</i>
Ashmore Investment Management Limited				<i>Ashmore Investment Management Limited</i>
Piutang lain-lain	944.357.805	4.250.511.917	2.977.201.342	<i>Other receivables</i>
Ashmore Management Company Limited				<i>Ashmore Management Company Limited</i>
Utang lain-lain	280.239.613	107.134.091	233.347.925	<i>Other payables</i>
Ashmore Investment (UK)Limited				<i>Ashmore Investment (UK) Limited</i>
Utang lain-lain	88.431.303	27.111.665	377.448.261	<i>Other payables</i>
Ashmore Group plc				<i>Ashmore Group plc</i>
Utang lain-lain	10.144.950.391	4.030.457.279	2.657.803.389	<i>Other payables</i>
	Tahun berakhir 30 Juni/Years ended 30 June			
	2019	2018	2017	
Laporan laba rugi dan penghasilan komprehensif lain				<i>Statement of profit or loss and other comprehensive income</i>
Reksa dana dan pengelolaan portofolio efek untuk kepentingan nasabah secara individual				<i>Mutual funds and discretionary funds</i>
Pendapatan kegiatan manajer investasi	301.056.940.380	243.268.058.026	153.686.336.258	<i>Investment manager fees</i>
Ashmore Management Company Limited				<i>Ashmore Management Company Limited</i>
Imbalan jasa agen penjual reksa dana	249.911.098	641.841.932	2.504.187.548	<i>Mutual fund selling agent fees</i>
Ashmore Investment (UK)Limited				<i>Ashmore Investment (UK) Limited</i>
Imbalan jasa agen penjual reksa dana	120.078.243	237.249.452	1.033.353.517	<i>Mutual fund selling agent fees</i>
Ashmore Group plc				<i>Ashmore Group plc</i>
Beban pemeliharaan sistem	6.253.189.972	3.129.071.738	2.642.873.842	<i>System maintenance expenses</i>



22. INSTRUMEN KEUANGAN DAN MANAJEMEN  
RISIKO KEUANGAN (Lanjutan)

## Model Penilaian (Lanjutan)

- Level 3: input yang tidak dapat diobservasi.

Nilai wajar investasi pada reksa dana adalah berdasarkan harga kuotasian di pasar aktif yang termasuk dalam pengukuran nilai wajar hirarki level 1.

## Manajemen risiko keuangan

Perseroan memiliki eksposur atas risiko yang timbul dari instrumen keuangan sebagai berikut:

- Risiko kredit
- Risiko pasar
- Risiko likuiditas

## Risiko kredit

Risiko kredit Perseroan muncul dari potensi kerugian dari kas di bank, deposito berjangka, piutang dari kegiatan manajemen investasi dan piutang bunga.

Perseroan melakukan diversifikasi atas portofolionya dalam rangka meminimalkan risiko kredit yang terkonsentrasi secara signifikan kepada satu *counterparty*. Untuk itu, Perseroan menempatkan kas di bank dan deposito berjangka di beberapa bank yang berbeda yang memiliki standar yang baik. Perseroan secara terus menerus memantau kelayakan kredit dengan cara melakukan evaluasi berkala atas peringkat kredit dan laporan keuangan *counterparty*. Pada tanggal 30 Juni 2019, 2018 dan 2017, seluruh aset keuangan Perseroan belum jatuh tempo atau tidak mengalami penurunan nilai. Perseroan berkeyakinan bahwa seluruh piutang tersebut dapat ditagih.

Eksposur maksimum terhadap risiko kredit aset keuangan Perseroan sama dengan nilai tercatatnya di laporan posisi keuangan.

Pihak *counterparty* bank yang menghimpun kas di bank dan deposito berjangka Perseroan diungkapkan di Catatan 4.

## Risiko pasar

- (i) Risiko mata uang asing

Risiko mata uang asing adalah risiko di mana nilai wajar atau arus kas masa datang dari suatu instrumen keuangan akan berfluktuasi akibat perubahan nilai tukar mata uang asing.

Risiko mata uang asing tidak signifikan terhadap Perseroan karena sebagian besar aset dan kewajiban keuangan perusahaan berdenominasi dalam Rupiah.

22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK  
MANAGEMENT (Continued)

## Valuation Models (Continued)

- Level 3: inputs that are unobservable.

Fair value of investment in mutual fund is based on quoted prices in active markets which is included in fair value measurement hierarchy level 1.

## Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit risk
- Market risk
- Liquidity risk

## Credit risk

The Company's credit risk mainly arises from risk of loss from cash in banks, time deposits, receivables from investment management activities and interest receivables.

The Company diversifies its portfolio in order to minimize the exposure of significant concentrations of credit to any counterparty. To that end, the Company puts cash in banks and time deposits at several different banks with good standard. The Company continuously monitors the credit worthiness by conducting periodic evaluations of the credit ratings and financial statements of the counterparties. As of 30 June 2019, 2018 and 2017, all financial assets were in the category of credit risk that is not yet due nor impaired. The Company believes that all outstanding receivables can be collected.

The maximum exposure to credit risk of the Company's financial assets equals to the carrying amounts stated in the statement of financial position.

The Company's counterparty banks that hold the Company's cash in banks and time deposits are disclosed in Note 4.

## Market risk

- (i) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency exchange rates.

Foreign currency risk is not significant to the Company as most of its financial assets and financial liabilities are denominated in Rupiah.

## 22. INSTRUMEN KEUANGAN DAN MANAJEMEN RISIKO KEUANGAN (Lanjutan)

### Risiko pasar (Lanjutan)

#### (ii) Risiko tingkat suku bunga

Risiko tingkat suku bunga adalah risiko yang terkandung dalam aset keuangan berbunga (*interest-earning asset*) karena adanya kemungkinan perubahan dalam nilai aset sebagai akibat dari perubahan tingkat suku bunga pasar.

Risiko tingkat suku bunga diminimalkan oleh Perseroan dengan melakukan analisis makro ekonomi secara berkala.

Perseroan khususnya terkena risiko suku bunga mengambang dari deposito berjangka, terutama dari deposito berjangka dalam Rupiah dan Dolar Amerika Serikat.

Tabel berikut ini menunjukkan sensitivitas atas laba bersih Perseroan terhadap perubahan yang mungkin terjadi pada suku bunga pasar, dimana variabel lainnya tetap konstan:

	Tahun berakhir 30 Juni/Year ended June		
	2019	2018	2017
Kenaikan suku bunga pada 5 basis poin	1.994.910.266	2.020.995.237	1.732.054.795
Penurunan suku bunga pada 5 basis poin	(1.994.910.269)	(2.020.995.237)	(1.732.054.795)

### Risiko likuiditas

Risiko likuiditas timbul jika Perseroan mengalami kesulitan dalam mendapatkan sumber pendanaan. Risiko likuiditas dapat juga timbul akibat ketidaksesuaian antara jangka waktu sumber dana yang dimiliki dan jatuh tempo kewajiban keuangan.

Kebijakan Perseroan untuk mengelola likuiditas adalah untuk memastikan bahwa Perseroan akan selalu mempunyai likuiditas yang cukup untuk memenuhi kewajiban yang akan jatuh tempo, di dalam kondisi normal dan sulit.

Pada tanggal 30 Juni 2019, 2018 dan 2017, Perseroan memiliki aset likuid yang cukup pada laporan posisi keuangan untuk memenuhi jatuh tempo dari kewajiban keuangan tersebut.

### Manajemen permodalan

Perseroan mengelola modal untuk memastikan kemampuan Perseroan dalam melanjutkan usahanya secara berkesinambungan dan memaksimalkan imbal hasil kepada pemegang saham melalui optimalisasi ekuitas. Untuk memelihara atau mencapai struktur modal yang optimal, Perseroan dapat menyesuaikan jumlah pembayaran dividen, jumlah imbal hasil kepada pemegang saham, memperoleh pinjaman baru atau menjual aset untuk mengurangi pinjaman.

## 22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

### Market risk (Continued)

#### (ii) Interest rate risk

*Interest rate risk is the risk inherent in interest-earning assets because of possible changes in the value of assets as a result of changes in market interest rates.*

*The Company performs a regular macroeconomic analysis to minimize the interest rate risk.*

*The Company is particularly exposed to floating interest rate risk from time deposits, mainly from time deposits placed in Rupiah and United States Dollar.*

*The following table demonstrates the sensitivity of the Company's net income to a reasonably possible change in market interest rates, with all other variables held constant:*

*Increase in interest rate in 5 basis point*  
*Decrease in interest rate in 5 basis point*

### Liquidity risk

*Liquidity risk arises when the Company encounters difficulty in obtaining funding. Liquidity risk may also arise due to a mismatch between the period of funding sources that are owned by the Company and the maturity of its financial liabilities.*

*The Company's approach in managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions.*

*As of 30 June 2019, 2018 and 2017, the Company had sufficient liquid assets in the statement of financial position to meet the maturity of its financial liabilities.*

### Capital management

*The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to shareholders through optimization of the equity balance. In order to maintain or achieve an optimum capital structure, the Company may adjust the amount of dividend payment, return on capital to shareholders, obtain new borrowings or sell assets to reduce borrowings.*

## 22. INSTRUMEN KEUANGAN DAN MANAJEMEN RISIKO KEUANGAN (Lanjutan)

### Manajemen permodalan (Lanjutan)

Sesuai dengan peraturan No.KEP-566/BL/2011 mengenai pemeliharaan dan pelaporan modal kerja bersih disesuaikan, sebagai perusahaan efek yang menjalankan kegiatan sebagai manajer investasi, Perseroan wajib memelihara Modal Kerja Bersih Disesuaikan ("MKBD") minimum sebesar Rp 200.000.000 ditambah dengan 0,10% dari total dana kelolaan. Jika penerapan persyaratan ini tidak dipantau dan MKBD tidak disesuaikan jika dibutuhkan, tingkat modal kerja dapat berada di bawah jumlah minimum yang dipersyaratkan, yang dapat mengakibatkan sanksi terhadap Perseroan, mulai dari denda sampai dengan penghentian sebagian atau seluruh kegiatan usaha Perseroan.

Untuk mengatasi risiko ini, Perseroan terus mengevaluasi tingkat kebutuhan modal kerja berdasarkan peraturan dan memantau perkembangan peraturan tentang MKBD yang dipersyaratkan dan mempersiapkan peningkatan batas minimum yang diperlukan sesuai peraturan yang mungkin terjadi dari waktu ke waktu di masa yang akan datang.

Perseroan juga diwajibkan untuk memenuhi ketentuan modal disetor minimum sesuai dengan Surat Keputusan Menteri Keuangan No. 153/PMK.010/2010 tentang kepemilikan saham dan permodalan perusahaan efek.

Untuk tahun berakhir 30 Juni 2019, 2018 dan 2017 Perseroan telah memenuhi semua ketentuan permodalan eksternal.

## 23. PERJANJIAN-PERJANJIAN SIGNIFIKAN

- Perseroan melakukan perjanjian sewa dengan PT Eka Adi Graha untuk sewa kantor Perseroan. Sewa tersebut dicatat sebagai sewa operasi sepanjang masa sewa yang telah berakhir pada tanggal 30 September 2018. Komitmen sewa operasi untuk sewa kantor dan biaya servis untuk tahun yang berakhir 30 Juni 2018 dan 2017 adalah masing-masing sebesar Rp 2.916.957.047 dan Rp 2.727.422.262.
- Perseroan mengadakan kerjasama dengan The Hongkong and Shanghai Banking Corporation Limited – Jakarta, yang sejak tanggal 17 April 2017 berubah nama menjadi PT Bank HSBC Indonesia, Deutsche Bank AG – Jakarta, PT Bank Permata Tbk, PT Bank Mandiri (Persero) Tbk, dan Citibank N.A – Indonesia sebagai bank kustodian untuk masing-masing Kontrak Investasi Kolektif ("KIK"). Tabel di bawah ini adalah KIK Perseroan yang aktif pada tanggal 30 Juni 2019:

Reksa dana/Mutual funds	Tanggal KIK/Date of CIC
Reksa Dana Ashmore Dana Ekuilas Nusantara	27 November/November 2012
Reksa Dana Ashmore Dana Progresif Nusantara	27 November/November 2012

## 22. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT (Continued)

### Capital management (Continued)

In accordance with the No.KEP-566/BL/2011 regulation regarding maintaining and reporting of net adjusted working capital, as a securities company which carries on business as investment manager, the Company should maintain a minimum Net Adjusted Working Capital ("NAWC") of Rp 200,000,000 plus 0.10% from total fund under management. If the implementation of this requirement is not properly monitored and NAWC is not adjusted as needed, the regulatory working capital levels could fall below the required minimum amount set by the regulator, which could expose the Company to various sanctions, ranging from fines to imposing partial or complete restrictions on the Company's ability to conduct business.

To address this risk, the Company continuously evaluates the levels of regulatory capital requirements and monitors regulatory development regarding NAWC requirements and prepares for increase in the required minimum levels of regulatory capital that may occur from time to time in the future.

The Company is also required to comply with the minimum paid-up capital requirements in accordance with the Ministry of Finance Decision Letter No. 153/PMK.010/2010 regarding the share ownership and capital of securities companies.

For the years ended 30 June 2019, 2018 and 2017, the Company has complied with all externally imposed capital requirements.

## 23. SIGNIFICANT AGREEMENTS

- The Company entered into a lease agreement with PT Eka Adi Graha for the Company's office space. The lease was recorded as an operating lease during the lease period, which has been terminated on 30 September 2018. Operating lease commitment for office rent and service charge from this lease for the years ended 30 June 2018 and 2017 amounted to Rp 2,916,957,047 and Rp 2,727,422,262, respectively.
- The Company entered into cooperation with The Hongkong and Shanghai Banking Corporation Limited – Jakarta, which has become PT Bank HSBC Indonesia since 17 April 2017, Deutsche Bank AG – Jakarta, PT Bank Permata Tbk, PT Bank Mandiri (Persero) Tbk, and Citibank N.A – Indonesia as the custodian banks for each Collective Investment Contract ("CIC"). The table below sets out the Company's CIC that are active as of 30 June 2019:

Maksimum imbalan jasa bank kustodian per tahun dari nilai aset bersih/Maximum custodian bank fee per annum from net asset value

Reksa dana/Mutual funds	Tanggal KIK/Date of CIC	Maksimum imbalan jasa bank kustodian per tahun dari nilai aset bersih/Maximum custodian bank fee per annum from net asset value
Reksa Dana Ashmore Dana Ekuilas Nusantara	27 November/November 2012	0,25%
Reksa Dana Ashmore Dana Progresif Nusantara	27 November/November 2012	0,25%

## 23. PERJANJIAN-PERJANJIAN SIGNIFIKAN (Lanjutan)

## 23. SIGNIFICANT AGREEMENTS (Continued)

Reksa dana/Mutual funds	Tanggal KIK/Date of CIC	Maksimum imbalan jasa bank kustodian per tahun dari nilai aset bersih/Maximum custodian bank fee per annum from net asset value
Reksa Dana Ashmore Dana Obligasi Nusantara	11 Maret/March 2013	0,25%
Reksa Dana Ashmore Dana USD Nusantara	2 Desember/December 2013	0,25%
Reksa Dana Terproteksi Ashmore Dana Terproteksi Nusantara	9 September/September 2014	0,25%
Reksa Dana Ashmore Dana USD Equity Nusantara	4 Februari/February 2015	0,25%
Reksa Dana Terproteksi Ashmore Dana Terproteksi Nusantara II	8 Juni/June 2015	0,25%
Reksa Dana Ashmore Dana Pasar Uang Nusantara	28 Juni/June 2016	0,25%
Reksa Dana Ashmore Saham Sejahtera Nusantara	8 Agustus/August 2017	0,25%
Reksa Dana Ashmore Dana Obligasi Unggulan Nusantara	9 Oktober/October 2017	0,25%
Reksa Dana Ashmore Saham Sejahtera Nusantara II	4 Desember/December 2017	0,25%
Reksa Dana Ashmore Dana Obligasi Optima Nusantara	13 Maret/March 2018	0,25%
Reksa Dana Ashmore Saham Dinamis Nusantara	12 April/April 2018	0,25%
Reksa Dana Ashmore Saham Unggulan Nusantara	23 Mei/May 2018	0,25%
Reksa Dana Ashmore Saham Providentia Nusantara	9 Januari/January 2019	0,25%
Reksa Dana Ashmore Providentia Balanced Nusantara	6 Maret/March 2019	0,25%
Reksa Dana Ashmore Dana Obligasi Strategis Nusantara	16 April/April 2019	0,25%
c. Perseroan melakukan kerjasama dengan beberapa pihak terkait kontrak pengelolaan portofolio efek untuk kepentingan nasabah secara individual (Catatan 20).		c. The Company entered into cooperation with several parties related with its discretionary funds (Note 20).
d. Perseroan melakukan perjanjian dengan beberapa agen penjualan untuk membantu Perseroan dalam penjualan reksa dananya.		d. The Company entered into agreements with several selling agents to assist them in selling its mutual funds.
e. Pada tanggal 27 April 2018, Perseroan melakukan perjanjian sewa dengan PT Prima Bangun Investama untuk sewa kantor Perseroan seluas 735,28 meter persegi. Sewa tersebut dicatat sebagai sewa operasi sepanjang masa sewa yang akan dimulai pada tanggal 1 September 2018 dan akan berakhir pada tanggal 31 Agustus 2028.		e. On 27 April 2018, the Company entered into a lease agreement with PT Prima Bangun Investama for the Company's office space of 735.28 square meters wide. The lease is recorded as an operating lease during the lease period, which will start on 1 September 2018 and will be ended on 31 August 2028.
Pada tanggal 22 November 2017, Perseroan telah membayar <i>security deposit</i> sebesar Rp 1.088.747.478. Jumlah komitmen sewa operasi yang tidak dapat dibatalkan untuk masa mendatang adalah sebagai berikut:		On 22 November 2017, The Company has paid security deposit in amounted to Rp 1,088,747,478. Non-cancellable future operating lease commitments were as follows:
	2019	
Dalam setahun	3.520.520.640	Within one year
Antara satu hingga lima tahun	14.277.667.040	Between one and five years
Lebih dari lima tahun	15.646.758.400	Beyond five years
Nilai yang diakui dalam laba rugi Sewa kantor	2.163.929.040	Amount recognized in profit or loss Office rental

**24. PENERAPAN PERNYATAAN DAN INTERPRETASI STANDAR AKUNTANSI KEUANGAN (PSAK REVISI DAN ISAK)**

Standar akuntansi yang berlaku efektif tanggal 1 Januari 2018

Berikut ini adalah standar akuntansi yang berlaku efektif tanggal 1 Januari 2018 dan mempunyai pengaruh terhadap laporan keuangan Perseroan:

- a. Amandemen PSAK No. 2, "Laporan Arus Kas", tentang Prakarsa Pengungkapan;
- b. Amandemen PSAK No. 46, "Pajak Penghasilan", tentang Pengakuan Aset Pajak Tangguhan untuk Rugi yang Belum Direalisasi.

Standar akuntansi tersebut di atas tidak memiliki pengaruh yang signifikan terhadap laporan keuangan Perseroan.

**Standar akuntansi yang telah terbit tetapi belum efektif**

Beberapa standar akuntansi telah diterbitkan namun belum berlaku efektif untuk tahun yang berakhir 30 Juni 2019, dan belum diterapkan dalam penyusunan laporan keuangan ini.

Standar akuntansi berikut ini akan berlaku efektif untuk periode pelaporan tahunan yang dimulai pada 1 Januari 2019, mungkin relevan atas laporan keuangan Perseroan di masa yang akan datang, dan mungkin membutuhkan penerapan secara retrospektif sebagaimana diatur dalam PSAK No. 25, "Kebijakan Akuntansi, Perubahan dalam Estimasi Akuntansi, dan Kesalahan":

- a. ISAK No. 33, "Transaksi Valuta Asing dan Imbalan di Muka"
- b. ISAK No. 34, "Ketidakpastian atas Pajak Penghasilan"
- c. Amandemen PSAK No. 24, "Imbalan Kerja tentang Amendemen, Kurtailmen, atau Penyelesaian Program"

Standar akuntansi berikut ini akan berlaku efektif untuk periode pelaporan tahunan yang dimulai pada 1 Januari 2020, mungkin relevan atas laporan keuangan Perseroan di masa yang akan datang, dan mungkin membutuhkan penerapan secara retrospektif sebagaimana diatur dalam PSAK No. 25, "Kebijakan Akuntansi, Perubahan dalam Estimasi Akuntansi, dan Kesalahan":

- PSAK No. 71, "Instrumen Keuangan"

PSAK No. 71 menggantikan hampir semua petunjuk di PSAK No. 55, "Instrumen Keuangan: Pengakuan dan Pengukuran". PSAK ini mencakup panduan yang baru atas klasifikasi dan pengukuran aset dan liabilitas keuangan, metode penurunan nilai kerugian kredit ekspektasian, dan perubahan substantif pada pendekatan akuntansi lindung nilai.

- PSAK No. 72, "Pendapatan dari Kontrak dengan Pelanggan"

**24. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (PSAK REVISION AND ISAK)**

Accounting standard effective on 1 January 2018

The following accounting standards became effective on 1 January 2018 and are relevant to the Company's financial statements:

- a. Amendments to PSAK No. 2, "Statement of Cash Flows" regarding Disclosure Initiatives;
- b. Amendments to PSAK No. 46, "Income Tax" regarding Recognition of Deferred Tax Assets for Unrealized Loss.

The above mentioned accounting standards do not have significant impact to the Company's financial statements.

**Accounting standards issued but not yet effective**

Certain new accounting standards have been issued that are not yet effective for the year ended 30 June 2019, and have not been applied in preparing these financial statements.

The following accounting standards, which will become effective for annual reporting period starting from 1 January 2019, may be relevant to the Company's future financial statements, and may require retrospective application under PSAK No. 25, "Accounting Policies, Changes in Accounting Estimates, and Errors":

- a. ISAK No. 33, "Foreign Currency Transactions and Advance Consideration"
- b. ISAK No. 34, "Uncertainty over Income Tax"
- c. Amendments to PSAK No. 24, "Employee Benefits of Plan amendment, Curtailment or Settlement"

The following accounting standards, which will become effective for annual reporting period starting from 1 January 2020, may be relevant to the Company's future financial statements, and may require retrospective application under PSAK No. 25, "Accounting Policies, Changes in Accounting Estimates, and Errors":

- PSAK No. 71, "Financial Instruments"

PSAK No. 71 replaces most of the existing guidance in PSAK No. 55, "Financial Instruments: Recognition and Measurement". It includes revised guidance on classification and measurement of financial assets and liabilities, a forward-looking "expected credit loss" impairment model, and a substantially-reformed approach to hedge accounting.

- PSAK No. 72, "Revenue from Contracts with Customers"



**24. PENERAPAN PERNYATAAN DAN INTERPRETASI STANDAR AKUNTANSI KEUANGAN (PSAK REVISI DAN ISAK) (Lanjutan)**

Standar akuntansi yang telah terbit tetapi belum efektif (Lanjutan)

PSAK No. 72 menetapkan kerangka yang komprehensif untuk menentukan besaran pendapatan dan kapan pendapatan diakui. PSAK ini juga memperkenalkan panduan baru untuk biaya, di mana biaya-biaya tertentu untuk memperoleh dan menyelesaikan kontrak dapat diakui sebagai aset jika kriteria tertentu terpenuhi.

- PSAK No. 73, "Sewa"

PSAK No. 73 menggantikan PSAK 30 "Sewa". Standar ini mengubah perlakuan akuntansi sewa oleh penyewa secara fundamental, di mana PSAK ini meniadakan model akuntansi ganda yang berlaku untuk sewa pada saat ini, yang membedakan antara sewa pembiayaan yang diakui di neraca dan sewa operasi yang tidak diakui di neraca. Hal tersebut digantikan oleh model akuntansi tunggal di mana penyewa harus mengakui semua sewa di neraca.

- Amendemen terhadap PSAK No. 71 "Instrumen Keuangan: Fitur pembayaran di muka dengan kompensasi negatif".

Amendemen ini memungkinkan perusahaan untuk mengukur aset keuangan pra-pembayaran tertentu dengan apa yang disebut pembayaran kompensasi negatif pada biaya yang diamortisasi atau pada nilai wajar melalui pendapatan komprehensif lainnya jika kondisi yang ditentukan terjadi, bukan nilai wajar melalui laba atau rugi.

- Amendemen PSAK No. 15, "Investasi pada Entitas Asosiasi dan Ventura Bersama" tentang Kepentingan Jangka Panjang pada Entitas Asosiasi dan Ventura Bersama.

Pada tanggal penerbitan laporan keuangan ini, manajemen belum menentukan dampak dari pengaruh retrospektif, jika ada, atas penerapan standar ini terhadap posisi keuangan dan hasil operasi Perseroan.

**25. LABA PER SAHAM**

Pada tanggal 30 Juni 2019, 2018 dan 2017, tidak ada efek yang berpotensi menjadi saham biasa. Oleh karena itu, laba per saham dilusian sama dengan laba per saham dasar.

	30 Juni/June		
	2019	2018	2017
Laba bersih periode berjalan	86.502.946.437	66.844.664.965	32.383.849.958
Rata-rata tertimbang jumlah saham yang beredar selama tahun berjalan	25.000.000	25.833.333	35.000.000
Laba per saham dasar dan dilusian	3.460	2.588	925

Net income for the period  
Weighted average number of outstanding shares during the year  
Basic and diluted earnings per share

**24. IMPLEMENTATION OF NEW ACCOUNTING STANDARDS AND INTERPRETATIONS (PSAK REVISION AND ISAK) (Continued)**

Accounting standards issued but not yet effective (Continued)

PSAK No. 72 establishes comprehensive framework for determining whether, how much and when revenue is recognized. It also introduces new cost guidance which requires certain cost of obtaining and fulfilling contracts to be recognized as separate assets when specified criteria are met.

- PSAK No. 73, "Leases"

PSAK No. 73 replaces PSAK 30 "Leases". This standard fundamentally change the accounting treatment of leases by lessees, in that it eliminates the current dual accounting model for leases, which is distinguished between on-balance sheet finance leases and off-balance sheet operating leases. It is replaced with a single accounting model under which lessees must recognized all leases on balance sheet.

- Amendment to PSAK No. 71 "Financial Instruments: Prepayment features with negative compensation".

The amendment allows companies to measure particular pre-payable financial assets with so-called negative compensation payment at amortized cost or at fair value through other comprehensive income if a specified condition is met, instead of fair value through profit or loss.

- Amendments to PSAK No. 15, "Investments in Associates and Joint Ventures" regarding Longterm Interests in Associates and Joint Ventures.

As of the issuance of these financial statements, management has not determined the extent of the retrospective impact, if any, that the future adoption of these standards will have on the Company's financial position and operating results.

**25. EARNINGS PER SHARE**

As of 30 June 2019, 2018 and 2017, there were no securities which can be converted into common shares. Therefore, diluted earnings per share is equivalent to basic earnings per share.

## 26. PERISTIWA SETELAH PERIODE PELAPORAN

Berdasarkan akta notaris Chandra Lim, S.H., LL.M No. 52 tanggal 18 September 2019, pemegang saham Perseroan telah menyetujui:

- Mengubah susunan Dewan Komisaris;
- Rencana pembagian dividen final untuk tahun buku 30 Juni 2019 dan dividen interim untuk tahun buku 30 Juni 2020 masing-masing sebesar Rp 8.956.689.090 dan Rp 15.043.310.910.

Berdasarkan akta notaris Chandra Lim, S.H., LL.M No. 21 tanggal 17 Oktober 2019, pemegang saham Perseroan telah menyetujui:

- Rencana perubahan status Perseroan dari perusahaan tertutup menjadi perusahaan terbuka;
- Perubahan nama Perseroan dari "PT Ashmore Asset Management Indonesia" menjadi "PT Ashmore Asset Management Indonesia Tbk";
- Rencana perubahan nilai nominal saham Perseroan dari Rp 1.000 menjadi Rp 25 per saham;
- Rencana penawaran umum perdana saham Perseroan kepada masyarakat sebanyak-banyaknya 111.111.200 saham dengan nilai nominal Rp 25,- per saham, serta pengalokasian 10% dari saham baru tersebut kepada karyawan melalui program *Employee Stock Allocation* (ESA);
- Perubahan seluruh Anggaran Dasar Perseroan termasuk perubahan maksud dan tujuan serta kegiatan usaha Perseroan untuk disesuaikan dengan Peraturan Nomor IX.J.1 Lampiran dari peraturan No. Kep-179/BL/2008 tanggal 14 Mei 2008;
- Perubahan susunan Dewan Komisaris.

Keputusan Para Pemegang Saham Perseroan yang diadakan pada tanggal 21 November 2019 memutuskan untuk :

- Mengakui bawa Para Pemegang Saham telah menyetujui pembagian dividen Perseroan, seperti yang tertuang dalam akta notaris Chandra Lim, S.H., LL.M No.52 tanggal 18 September 2019.
- Membatalkan keputusan tersebut dan mengubah jumlah yang dibayarkan untuk dividen final tahun buku 30 Juni 2019 menjadi sebesar Rp 8.389.653.840 dan dividen interim untuk tahun buku 30 Juni 2020 menjadi sebesar Rp 15.610.346.160.

## 26. SUBSEQUENT EVENTS

Based on the notarial deed of Chandra Lim, S.H., LL.M No. 52 dated 18 September 2019, the Company's shareholders resolved to:

- The change in composition of Board of Commissioners;
- The plan of Company's final dividend distribution for financial year ended 30 June 2019 and interim dividend for financial year ended 30 June 2020 amounted to Rp 8,956,689,090 and Rp 15,043,310,910, respectively.

Based on the notarial deed of Chandra Lim, S.H., LL.M No. 21 dated 17 October 2019, the Company's shareholders resolved to:

- The plan to change the Company's status from private company to public company;
- The change of the Company's name from "PT Ashmore Asset Management Indonesia" to "PT Ashmore Asset Management Indonesia Tbk";
- The plan to change the nominal value of the Company's shares from Rp 1,000 to Rp 25 per share;
- The plan for initial public offering of the Company with maximum of 111,111,200 shares with nominal value Rp 25,- per share, and the 10% allocation of the new shares to its employees through *Employee Stock Allocation* (ESA) program;
- The change of the Company's Article of Association include the change of the Company's objectives and business activities to conform with Regulation No. IX.J.1 as Appendix to the regulation No. Kep- 179/BL/2008 dated 14 May 2008;
- The change in composition of Board of Commissioners.

The Resolution of Shareholders' of the Company which was held 21 November 2019 resolved to:

- Acknowledge that the shareholders of the company have approved the dividend distribution as stated in the notarial deed of Chandra Lim, S.H., LL.M No. 52 dated 18 September 2019.
- Revoke the resolution and change the amount of dividend distribution for the year ended 30 June 2019 to Rp 8,389,653,840 and interim dividend for the year ended 30 June 2020 to Rp 15,610,346,160.

**27. PENERBITAN KEMBALI LAPORAN KEUANGAN**

Sehubungan dengan rencana Perseroan untuk melakukan penawaran umum perdana sahamnya, Perseroan telah menerbitkan kembali laporan keuangannya pada tanggal dan untuk tahun yang berakhir 30 Juni 2019, 2018 dan 2017, untuk menyesuaikan dengan ketentuan pasar modal.

Oleh karena itu, perubahan telah dilakukan pada laporan posisi keuangan, laporan laba rugi dan penghasilan komprehensif lain dan laporan ekuitas dan penambahan pengungkapan telah dilakukan pada Catatan 1a, 1e, 3, 5, 7, 8, 11, 12, 13, 15, 16, 17, 21, 25 dan 26 atas laporan keuangan.

**27. REISSUANCE OF FINANCIAL STATEMENTS**

*In relation with the Company's plan for initial public offering of its shares, the Company has reissued its financial statements as of and for the years ended 30 June 2019, 2018 and 2017, in order to conform with the requirements of capital market regulations.*

*Therefore, changes had been made on the statements of financial position, statements of profit or loss and other comprehensive income, and statements of changes in equity and additions of disclosures had been made on Notes 1a, 1e, 3, 5, 7, 8, 11, 12, 13, 15, 16, 17, 21, 25 and 26 to the financial statements.*



## Siddharta Widjaja & Rekan Registered Public Accountants

33<sup>rd</sup> Floor Wisma GKB  
28, Jl. Jend. Sudirman  
Jakarta 10210  
Indonesia  
+62 (0) 21 574 2333 / 574 2888

### Laporan Auditor Independen

No.: 00645/2.1005/AU.1/09/1555-1/1/XI/2019

Para Pemegang Saham,  
Dewan Komisaris dan Direksi  
PT Ashmore Asset Management Indonesia:

Kami telah mengaudit laporan keuangan PT Ashmore Asset Management Indonesia ("Perseroan") terlampir yang terdiri dari laporan posisi keuangan tanggal 30 Juni 2019, 2018 dan 2017, laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan catatan, yang terdiri dari suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

### Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

### Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan tersebut berdasarkan audit kami. Kami melaksanakan audit kami 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 tersebut bebas dari kesalahan penyajian material.

### Independent Auditors' Report

No.: 00645/2.1005/AU.1/09/1555-1/1/XI/2019

The Shareholders,  
The Board of Commissioners and Directors  
PT Ashmore Asset Management Indonesia:

*We have audited the accompanying financial statements of PT Ashmore Asset Management Indonesia ("the Company") which comprise the statement of financial position as of 30 June 2019, 2018 and 2017, the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.*

### Management's responsibility for the financial statements

*Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.*

### Auditors' responsibility

*Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audit in accordance with Standards on Auditing established by the 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 financial statements are free from material misstatement.*



Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, 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 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 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 tersebut menyajikan secara wajar, dalam semua hal yang material, posisi keuangan PT Ashmore Asset Management Indonesia tanggal 30 Juni 2019, 2018 dan 2017, serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

#### Hal lain

Sebelum penerbitan laporan ini, kami telah menerbitkan laporan auditor independen dengan No. 00574/2.1005/AU.1/09/1555-1/VIII/2019 tertanggal 26 Agustus 2019 atas laporan keuangan PT Ashmore Asset Management Indonesia untuk tahun yang berakhir tanggal 30 Juni 2019, 2018 dan 2017. Laporan keuangan terlampir merupakan laporan keuangan yang diterbitkan kembali dalam rangka rencana PT Ashmore Asset Management Indonesia melakukan penawaran umum perdana sahamnya.

*An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects, the financial position of PT Ashmore Asset Management Indonesia as of 30 June 2019, 2018 and 2017, and its financial performance and cash flows for the years then ended in accordance with Indonesian Financial Accounting Standards.*

#### Other matter

*Prior to the issuance of this report, we have issued an independent auditors' report No. 00574/2.1005/AU.1/09/1555-1/VIII/2019 dated 26 August 2019 on PT Ashmore Asset Management Indonesia's financial statements for the years ended 30 June 2019, 2018 and 2017. The accompanying financial statements constitute a reissuance of those financial statements in connection with PT Ashmore Asset Management Indonesia's plan to conduct initial public offering of its shares.*

Kantor Akuntan Publik/Registered Public Accountants  
Siddharta Widjaja & Rekan

Handrow Cahyadi, CPA

Izin Akuntan Publik No. AP. 1555/Public Accountant License No. AP. 1555

21 November 2019

21 November 2019