

# INFORMATION DISCLOSURE

In the Framework to Comply with Regulation of Financial Service Authority of Indonesia No. 22/SEOJK.04/2015  
In Relation to Company Plan to perform Shares Buy Back  
In Significantly Fluctuated Market Condition



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**("Company")**

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**INFORMATION TO SHAREHOLDERS IN RELATION TO SHARES BUY  
BACK IN SIGNIFICANTLY FLUCTUATED MARKET CONDITION**

In the framework of Share Ownership Program for Management and/or Staff in the form of Share Bonus, Company plans to carry out shares buy back having been issued and registered in Indonesian Stock Exchange ("BEI") by referring to Regulation of Financial Service Authority of Indonesia ("OJK") No.02/POJK.04/2013 dated August 23, 2013 regarding Shares Buyback Issued by Issuer or Public Company in Significantly Fluctuated Market Condition ("POJK No.02/POJK.04/2013") and OJK Circular Letter No. 22/SEOJK.04/2015 dated August 21, 2015 regarding Other Condition as Significantly Fluctuated Market Condition. In the implementation of shares buy back, it is allocated fund in the amount of Rp 750,000,000,000,- (seven hundred and fifty billion Rupiah) to buy Company shares through BEI. Shares buy back by Company in the framework of Share Ownership Program for Company Management and/or Staff in the form of Share Bonus will be performed by taking into account of the prevailing laws and regulations, including Regulation of Minister of State Owned Enterprise No. PER-04/MBU/2014 dated March 10, 2014 regarding Guidance on Income Stipulation of Board of Directors, Board of Commissioners and Supervisory Board of State Owned Enterprise ("PER-04/MBU/2014").

The Information Disclosure was issued in Jakarta on October 30, 2015

## TIME SCHEDULE OF SHARES BUY BACK IMPLEMENTATION

1	Notification to OJK and BEI regarding Plan of Shares Buy Back in Significantly Fluctuated Market Condition	October 30, 2015
2	Announcement of Information Disclosure on the Plan of Shares Buy Back in Significantly Fluctuated Market Condition through BEI web site and Company web site	October 30, 2015
3	Shares Buy Back Period	November 2, 2015 up to February 2, 2016

## FOREWORD

Company will perform bonus provision in the form of share for management and/or staff as the part of remuneration. In the framework of such policy implementation, Company intends to perform shares buy back for Share Bonus Program which is the part of Company management and/or staff remuneration, the further implementation of which will be performed by taking into account of the prevailing laws and regulations.

On August 21, 2015 OJK has issued Circular Letter No. 22/SEOJK.04/2013 regarding Other Condition as Significantly Fluctuated Market Condition in Implementation of Shares Buy Back Issued by any Issuer or Public Company as referred to in Part II stipulating that the Other Condition as referred to in Article 1 number 1 letter b point 2 POJK No. 2/POJK.04/2013 which are:

1. IDX Composite ("IHSG") of Indonesian Stock Exchange continuously decreases since the last 5 (five) months;
2. National economic condition which is decelerating since the initial year up to the middle of II quarter of 2015; and
3. Regional economic condition which is experiencing pressure and decelerating.

Company's share price on Company close of trading on April 7, 2015 was recorded in the amount of Rp7,275,- and on October 29, 2015 was recorded in the amount of Rp 4,815,- therefore there was declining of 33.8%. Decline on the share price did not reflect Company's performance. Hence, Company intends to perform Company buy back shares, with aim of performing buy back as follows : shares

1. To provide Company an opportunity and flexibility to perform shares buy back at any time, based on market condition, within the period of 3 (three) months commencing from November 2, 2015 up to February 2, 2016. Company will not perform shares buy back transaction if it has adverse material impact to Company's liquidity and capitalization and/or on Company's status as a Public Company.
2. Shares buy back allow Company to perform Share Bonus Program as the part of Company's remuneration policy. In the other hand, this Share Bonus Program is a Company remuneration policy that will encourage Company's performance in the future.

Upon the plan of Shares Buy Back as the abovementioned, Company has obtained approval from OJK through the Letter Number: S-112/PB.31/2015 dated October 29, 2015.

**COST ESTIMATION OF SHARES BUY BACK AND ESTIMATION OF THE TOTAL NOMINAL VALUE OF THE WHOLE SHARES TO BE BOUGHT BACK**

Financing of Shares Buy Back will be raised from Profit Balance of unspecified use, and pursuant to Article 37 paragraph 1 point (a) of Law of Limited Liability Company No. 40 Year 2007 regarding Limited Liability Company stipulating that implementation of Shares Buy Back will not cause Company's net asset to be lower than the total paid up capital added by mandatory reserve having been set aside.

Currently Company has performed provision of mandatory reserve as referred to in Law of Limited Liability Company No. 40 Year 2007.

EQUITY	By Date of September 30, 2015 (in million Rupiah)
Issued and fully paid up capital	9,054,807
Additional paid up capital	14,568,468
Transaction with non-controlling interest	2,257,007
Unrealized losses on marketable securities and government bonds as available for sale, net of tax	(2,816,179)
Differences arising from translation of financial statement in foreign currency	100,224
Profits (losses) on defined benefit plan of actuarial	(54,587)
Retain Earning	
Specified use	
- General reserve and compulsory	2,778,412
- Special reserve	5,846,455
Non-specified use	<u>29,932,575</u>
<b>Total of retained earning</b>	<b>38,557,442</b>
Total equity attributable to:	
Parent owner	61,667,202
Non-controlling interests	1,970,213
<b>TOTAL EQUITY</b>	<b>63,637,415</b>

Accordingly, the total amount fund allocation of Shares Buy Back raised from non-specified use Profit Balance by date of September 30, 2015 which was recorded in the amount of Rp29,932,575,095,814,- (twenty-nine trillion nine hundred and thirty-two billion five hundred and seventy-five million ninety-five thousand eight hundred and fourteen Rupiah), will be used to finance Company Buy Back Shares of the most Rp750,000,000,000,- (seven hundred and fifty billion Rupiah) to buy back the Company Shares of the total issued and paid up shares in Company.

**ESTIMATION OF COMPANY REVENUE DECREASING AS CONSEQUENCE OF SHARES BUY BACK IMPLEMENTATION AND THE IMPACT ON COMPANY'S COST OF FINANCE**

Assuming the Company's internal cash for Buy Back Shares is amounting to Rp750,000,000,000,- (seven hundred and fifty billion Rupiah), asset and equity will decrease of Rp750,000,000,000,- (seven hundred

and fifty billion Rupiah) added by transaction cost of shares buy back.

With respect to the transaction, impact on Company operational cost will not be material, so that loss-profit is estimated in line with Company's targets. In addition, potential loss of asset assignment in the form of Cash to become Treasury Stock will not significantly affect Company's revenue. Company believes that transaction implementation of Buy Back Shares will not have adverse material impact against Company business activities considering that Company has sufficient working capital and cash flow to perform transaction financing in conjunction with Company's business activities.

**PROFORMA EARNING PER COMPANY SHARE AFTER THE PLAN OF SHARES BUY BACK IS PERFORMED, BY TAKING INTO ACCOUNT OF THE DECREASING REVENUE**

The following are proforma of Total Asset, Equity, Net Profit, EPS, ROA and ROE as highlight Consolidation Financial Statement by date of September 30, 2015 by taking into account of all programs of Company Buy Back Shares in the amount of Rp750,000,000,000,- (seven hundred and fifty billion Rupiah) and transaction cost (broker cost and other costs) in relation to transaction of Company Buy Back Shares.

(in million Rupiah, except for EPS, ROA and ROE)

	<b>Period of Financial Statement Ended on September 30, 2015</b>		
	<b>Before Buy Back</b>	<b>Impact</b>	<b>After Buy Back</b>
Total Asset	456,462,560	(750,000)	455,712,560
Equity	63,637,415	(750,000)	62,887,415
Retain Earning	5,997,962	(3,013)	5,994,949
Earning Per Share (EPS)	321,63	2.44	324.07
Return On Asset (ROA)	2.45%	-	2.45%
Return On Equity (ROE)	16.06%	0.01%	16.07%

Assumption: Fund placement on Fasbi with interest rate of 5.5% pa

The above analysis indicates there are no significant changes from Shares Buy Back to Company financial indicator.

**SHARE PRICE LIMITATION IN THE FRAMEWORK OF COMPANY SHARES BUY BACK**

Company Buy Back Shares will be performed in lower price or equal to the offering price previously occurred.

**TERM OF IMPLEMENTATION OF COMPANY SHARES BUY BACK**

Shares Buy Back will be performed for 3 months commencing from the date of this Information Disclosure namely on November 2, 2015 up to February 2, 2016 .

**THE METHOD WILL BE USED FOR SHARES BUY BACK**

1. Company has appointed PT BNI Securities to perform Shares Buy Back for the period of November 2, 2015 up to February 2, 2016 by taking into account of the prevailing laws and regulations.
2. Buy Back Shares is performed through trading in Indonesian Stock Exchange.
3. The buy-back will be performed in a lower price or equal to the closing price of the previous trading.

4. The parties are as follows :
  - a. Commissioners, Directors, Staff, and Main Shareholders of Company;
  - b. Individual who is as his capacity or profession or as his business relation to Company allows him to obtain information from any insiders; or
  - c. A Party who within the last 6 (six) months is no longer be a Party as referred to in point a) or b) is prohibited to perform transaction on Company's shares on the same day as the shares buy back.

#### **MANAGEMENT ANALYSIS AND DISCUSSION ON THE EFFECT OF SHARES BUY BACK TO BUSINESS ACTIVITIES AND COMPANY GROWTH IN THE FUTURE**

1. Company's revenue is estimated not to decrease as the cause of Shares Buy Back implementation.
2. Shares Buy Back is estimated to have minimum impact to the cost of Company's financing.
3. Shares Buy Back will decrease Company's Assets and Equity in the amount of Shares Buy Back. If Company uses all reserved funds in the maximum amount of such Shares Buy Back, the total Assets and Equity will be reduced at the most Rp750,000,000,000,- (seven hundred and fifty billion Rupiah).
4. Company believes that Shares Buy Back implementation will not bring adverse material impact to Company's business activities and growth, as the Company currently has sufficient working capital and surplus cash fund to perform and to finance all of business activities, business development activities, operational activities as well as Shares Buy Back.

#### **COMPANY'S PLAN ON SHARES TO BE BOUGHT BACK**

Company plans to hold the bought back shares to be controlled as Treasury Stock within the period of no longer than 3 (three) years as of expiration of buy back shares. Shares assignment will be performed after 30 (thirty) days as of Company's Shares Buy Back is entirely performed or after expiration of Buy Back period as referred to in Article 6 paragraph (3) of Regulation of OJK No.02/POJK.04/2013. By taking into account of such provision, Company may at any time perform assignment on the bought back shares by implementing shares ownership program by Company's management and/or staff. In the event that such shares ownership program involves Company in the form of Share Bonus, Company will perform such program in accordance with provision of Regulation of Minister of State Owned Enterprise No. PER-04/MBU/2014 dated March 10, 2014 regarding Guidance on Income of Board of Directors, Board of Commissioners and Supervisory Board of State Owned Enterprise ("PER-04/MBU/2014").

The share ownership program in the form of share bonus for Company management and/or staff will be implemented by referring to the prevailing laws and regulations. If the conditions stipulated in the referred laws and regulations are complied with, Company may the shares of buy back result in accordance with any other assignment procedure as stipulated in Regulation of POJK No.02/POJK.04/2013 by taking into account of the applicable laws and regulations.

To the extent that the shares bought back by Company are still as treasury stock and are not yet distributed to Company management and/or staff, such shares are unable to be used to vote in a General Meeting of Shareholders and are not counted in determining a quorum number must be reached pursuant to provision of legislation applicable, in addition, the shares referred do not reserve the right to obtain dividend distribution.

ADDITIONAL INFORMATION

For any additional information related to Shares Buy Back, please contact:

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