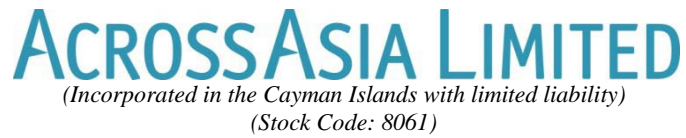


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OVERSEAS REGULATORY ANNOUNCEMENT

The following is a translation of an announcement of PT First Media Tbk (a subsidiary of AcrossAsia Limited (“AcrossAsia”) listed on the Indonesia Stock Exchange in which AcrossAsia has an approximately 55.1% interest) published on the Indonesia Stock Exchange.

Hong Kong, 20th July 2016

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Letter No.	SB-035/CSL/OJK/VI/2016
Company Name	First Media Tbk
Stock Code	KBLV
Attachment	3
Subject	Submission the Proof of Other Advertisement

The Company/Issuer submits herewith the proof of other advertisement that has been advertised in printed media:

Information	Name of Print Media	Date of Publication
Disclosure of Information to Shareholders in order to comply with IX.E.1 and No.31 OJK Regulations	Investor Daily	30 June 2016

Sender	Harianda Noerlan
Position	Corporate Secretary
Date and Time	30 June 2016 15:37:31
Attachment	20160630 KBLV - KI IX.E.1 - InvestorDaily.pdf 20160630 KBLV SB 035 KI-IXE1 MMM-INUX.pdf 20160624 003FO-FAST - MMM-INUX - Pendapat Kewajaran Rencana Transaksi.pdf

This document is an official document of First Media Tbk which does not require a signature since it is electronically generated by the electronic reporting system. First Media Tbk takes full responsibility for the information contained in this document.

INFORMATION DISCLOSURE TO SHAREHOLDERS

**For the purpose of Complying with Capital Market and Financial Institution Supervisory Agency (Bapepam and LK) No.IX.E.1 on
Affiliated Transaction and Conflict of Interest of Certain Transactions
and
Regulation of Financial Service Authority No. 31/POJK/04/2015 on
Disclosure of Material Information or Facts by Issuers or Publicly-listed Companies**



PT First Media Tbk (“Perseroan”)

Business field:

Telecommunication and Content Provider

Head Office

BeritaSatu Plaza Lantai 4
Jalan Jenderal Gatot Subroto Kav 35-36
Jakarta Selatan, 12950
Telephone: (021) 527 8811
Facsimile: (021) 527 8833

Information Disclosure to Shareholders related to the subscription of new shares issued by PT Internux (“Internux”) to PT Mitra Mandiri Mantap (“MMM”), a Controlled Company of the Company by a cash payment of Rp. 5.000.000.000 (five billion Rupiah) for the subscription of 50.000.000 (fifty million) new shares and convert Internux indebtedness to MMM at the maximum Rp 35.000.000.000,- (thirty five billion Rupiah) to become 350.000.000 (three hundred fifty million) shares in Internux (“Transaction”). In addition to Transaction, MMM is also planning to convert Internux indebtedness to MMM in the amount of Rp 362.600.000.000,- (three hundred sixty two billion six hundred million Rupiah) in the form of share participation by MMM totalling 3.626.000.000 (three billion six hundred twenty six million) shares in Internux, at or before 31 December 2016, in observance of the applicable laws and regulations (“Transaction Plan”). If the Transaction Plan is realized at the aforementioned time will be a continued transaction of the Transaction.

Transaction and Transaction Plan are Affiliated Transactions as referred to in Regulation IX.E.1, Enclosure of Decision of Chairman of Bapepam and LK No. KEP-412/BL/2009 dated 25 November 2009 on Affiliated Transaction and Conflict of Interest of Certain Transactions (“Regulation IX.E.1”). Transaction and Transaction Plan do not have Conflict of Interest as referred to in Regulation IX.E.1 and is not included under Material Transactions as referred to in Regulation IX.E.2, Enclosure of Decision of Chairman Bapepam and LK No. Kep-614/BL/2011 dated 28 November 2011 and Material Transaction and Change of Main Business Activities (“Regulation IX.E.2”).

STATEMENT OF THE BOARD OF DIRECTORS AND COMMISSIONERS

In respect of the Transaction and Transaction Plan, the Board of Directors and Board of Commissioners of the Company shall be responsible for the accuracy of all the information contained in this Information Disclosure and confirm that they have examined thoroughly the information available related to the Transaction and Transaction Plan, and hereby state that to the knowledge and belief of Board of Directors and Board of Commissioners of the Company there is no other important and material information related to the Transaction and Transaction Plan which is not disclosed in this Information Disclosure which may cause this Information Disclosure incorrect and/or misleading.

DESCRIPTION ABOUT THE TRANSACTION

1. Object of Transaction and Transaction Plan

In accordance with the Deed of Shareholders' Resolution Statement on Amendment to Internux' Articles of Association number 129 dated 24 June 2016 drawn up before Notary Andalia Farida, SH, MH, Notary in Jakarta where such amendment has been notified and stored in Legal Entity Administration System pursuant to Letter of Ministry of Justice and Human Rights No. AHU-AH.01.03-0061927 dated 28 June 2016 and has been registered in the Perseroan Register No. AHU-0080138.AH.01.11TAHUN2016 dated 28 June 2016 ("Internux Deed No. 129 dated 24 June 2016"), new shares issued by Internux have been subscribed by MMM, a Controlled Company of the Company for a payment of Rp 5.000.000.000,- (five billion Rupiah) for the subscription of new shares totalling 50.000.000 (fifty million) shares and convert Internux indebtedness to MMM in the amount of Rp 35.000.000.000,- (thirty five billion Rupiah) to 350.000.000 (three hundred fifty million) shares in Internux ("Transaction").

In accordance with the Letter of Statement of PT Internux dated 29 June 2016, it is acknowledged that MMM is also planning to convert Internux indebtedness to MMM in the amount of Rp 362.600.000.000,- (three hundred sixty two billion six hundred million Rupiah) in the form of share participation by MMM totalling to 3.626.000.000 (three billion six hundred twenty six million) shares in Internux, on or before 31 December 2016, in observance of the provisions of applicable laws and regulations ("Transaction Plan").

2. Value of Transaction and Transaction Plan

The Value of Transaction and Transaction Plan is Rp 402.600.000.000,- (four hundred two billion six hundred million Rupiah).

Transaction and Transaction Plan are not Material Transactions as meant in Regulation No. IX.E.2. The reason is that the value of Transaction in the amount of Rp 402.600.000.000,- (four hundred two billion six hundred million Rupiah) is equal to 4,76% (four comma seventy six percent) of the Company equity based on the Consolidated Financial Statement for the period ending 31 December 2015 which has been audited by Public Accountant Office of Aryanto, Amir Jusuf, Mawar & Saptoto.

Transaction and Transaction Plan do not have Conflict of Interest as meant in the Regulation No. IX.E.1.

3. The Parties Conducting Transaction and Transaction Plan

a. PT Mitra Mandiri Mantap ("MMM"), a Controlled Company of the Company.

Brief History

MMM is domiciled in Jakarta and established with the name of PT Mitra Mandiri Mantap, pursuant to Deed of Establishment No. 03 dated 14 January 2010, drawn up before Henry Kurnia Tjahja SH, Notary in Jakarta, which has obtained a validation from Minister of Justice and Human Rights of the Republic of Indonesia under the Decision No. AHU-05411.AH.01.01.Tahun 2010 dated 2 January 2010 and has been registered in the Perseroan Register Number AHU-0008035.AH.01.09.Tahun 2010 dated 2 January 2010.

Business Activities

MMM is engaged in the following business activities :

- a. trading;

- b. industry;
- c. construction;
- d. mining;
- e. agriculture;
- f. land transportation;
- g. services; and
- h. printing.

In achieving the purpose and objectives mentioned above, MMM may conduct the following business activities :

- a. Conduct business activities in general trading, including export and import, interinsular and local trade, either for the calculation for natural person or other legal persons based on commission or by a mandate, acting as provider, wholesaler, supplier, distributor, agency or representative of the companies or other legal persons, either from within the country or overseas with the exception of travel agent.
- b. Engage in the business of machinery industry, technical and mechanical equipment, electrical equipment, electronics, car bodywork and components of motor vehicles, office stationery, household needs, building materials, wood working and furniture industries, paper industry, industry of tools and instruments as well as wood processing industry and trading of its products.
- c. Engage in the business of building contractor by accepting, planning and implementing building of houses, buildings, roads, bridges, irrigation, aircraft runway, jetties, or acting as general contractor, fixing installations, steel and metal construction, engage in the real estate business, particularly sale and purchase of buildings including the title of its land, manage and lease office buildings, houses, apartments, condominiums, shop space etc, manage parking area/building and warehouse buildings.
- d. Engage in the business activities in the field of general mining including exploration, exploitation as well as marketing of mining products permitted by the Government.
- e. Engage in the business activities in the field of agriculture, plantation, forestry, animal husbandry, fishery, rearing pond.
- f. Engage in the business activities of land transportation, either for persons or goods, expedition and warehousing.
- g. Engage in the business activities in the field of services in general, among other things, construction service, engineering technical service, architectural service, landscape, design and interior, technical business operator service that includes installation / assembly, repair and maintenance as well as installation of technical equipment, installation of equipment for water, gas, telecommunication, electrical and mechanical as well as relevant business fields, except legal and taxation fields.
- h. Engage in the business activities of printing including binding, cartonage and packing, design and graphic printing, document printing (publication) and advertising, as well as relevant business activities.

Capital and Shareholding Structure

The capital and shareholding structure of MMM pursuant to Deed No.102 dated 24 December 2014, drawn up before Charles Hermawan, SH, Notary in Tangerang, that has obtained the approval of Minister of Justice and Human Rights pursuant to Decision No. AHU-13507.40.20.2014 dated 24 December 2014 and stored in Legal Entity Administration System in accordance with the Letter of Ministry of Justice and Human Rights No. AHU-10249.40.21.2014 dated 24 December 2014 is as follows :

Description	Nominal Value Rp1.000.000,- per share		
	Number of Shares	Nominal Value (Rupiah)	%
Authorized Capital	12.916	12.916.000.000	100,00
Subscribed and fully paid-up capital			
PT First Media Tbk	2.229	2.229.000.000	69,04
PT Cahaya Emeralda Cemerlang	500	500.000.000	15,48
PT Inti Permata Provita	500	500.000.000	15,48

Total	3.229	3.229.000.000	100,00
Shares in portfolio	9.687	9.687.000.000	

Management and Supervision :

Pursuant to Deed MMM No. 06 dated 19 December 2012, drawn up before Henny Kurnia Tjahja, S.H., Notary in Jakarta Pusat, amendment of which has been notified and stored in Legal Entity Administration System in accordance with Letter of Ministry of Justice and Human Rights No. AHU-AH.01.10-02169 dated 29 January 2013, the composition of Board of Commissioners and Board of Directors of MMM is as follows :

Board of Commissioners

Commissioner : Bambang Sucahyo

Board of Directors

Director : M.A Ismail Ning

b. Description about the Company

Brief History

The Company was established with the name PT Safira Ananda pursuant to the Deed of Establishment of the Perseroan No. 37, dated 6 January 1994, drawn up before Siti Safariyah, SH, CN, the substitute of B.R.Ay. Mahyastoeti Notonagoro, SH, Notary in Jakarta. The Deed of Establishment of the Company has been validated by the Minister of Justice of the Republic of Indonesia as set forth in the Decision No. C2-1.446HT.01.01.Th.95, dated 1 February 1995 and has been registered in the register book at the Office Central Jakarta District Court under No. 549/III/1995, dated 30 March 1995, and has been promulgated in the Supplement No. 6613, Official Gazette of the Republic of Indonesia No. 81, dated 8 October 1999.

The Articles of Association of the Company have been amended several times among others concerning the change of name of the Company. In 2007 the name of the Company was changed from PT Broadband Multimedia Tbk to PT First Media Tbk pursuant to Deed of Statement of Resolution of Extraordinary General Meeting of Shareholders No.37 dated 25 May 2007 drawn up before Tintin Surtini, SH, MH, M.Kn, the substitute of Surjadi, SH, Notary in Jakarta, that has obtained the approval from the Minister of Justice and Human Rights of the Republic of Indonesia by a Letter of Decision No. W7-06790.HT.01.04.TH.2007 dated 19 June 2007.

On 11 June 2015, the Company has obtained the approval from the Extraordinary General Meeting of Shareholders of the Company to adjust and reformulate the whole articles of association of the Company in accordance with regulation OJK Number 33/POJK.04/2014 by a deed drawn up before notary Andalia Farida, SH No. 33 dated 15 May 2015 where such an amendment has been notified and stored in the legal entity administration system in accordance with Letter of Ministry of Justice and Human Rights No. AHU-AH.01.03-0940134 dated 11 June 2015 (“Deed of Company No. 33 dated 15 May 2015”).

On the 15 April 2016, the Company changed the composition of management as set forth in the Deed of Meeting Resolution Statement No. 04 dated 15 April 2016 drawn up before Andalia Farida, SH., MH., Notary in Jakarta, that has been notified and stored in the legal entity administration system in accordance with Letter of Ministry of Justice and Human Rights No. AHU.AH.01.03-0045537 dated 3 May 2016 (“Company Deed No. 04”).

Business Activities

The Company is engaged in the business activities of operation of telecommunication and content provider.

Capital and Shareholding Structure

Pursuant to Deed of Meeting Resolution Statement No. 33 dated 15 May 2015 and Shareholder Register issued by Securities Administration Bureau of PT Sharestar Indonesia dated 2 May 2016, the capital and shareholding structure of the Company are as follows:

Description	Nominal Value Rp500,- per share		
	Number of Shares	Nominal Value (Rupiah)	%
Authorized Capital	6.967.587.600	3.483.693.800.000	
Subscribed and fully paid-up Capital			
PT Reksa Puspita Karya Masyarakat	588.167.378	294.083.689.000	33,76
	1.154.000.529	577.000.264.500	66,24
Total	1.742.167.907	871.083.953.500	100,00
Shares in Portfolio	5.225.419.693	2.612.609.846.500	

Management and Supervision

Pursuant to Deed of Company No. 04 dated 15 April 2016, the compositions of members of Board of Commissioners and Board of Directors of the Company are as follows :

COMMISSIONER

President Commissioner	:	Theo L. Sambuaga
Independent Commissioner	:	Didik J. Rachbini
Independent Commissioner	:	H. Muladi
Independent Commissioner	:	Nanan Soekarna
Independent Commissioner	:	Ito Sumardi DS

BOARD OF DIRECTORS

President Director	:	Ali Chendra
Vice President Director	:	Irwan Djaja
Independent Director	:	Harianda Noerlan
Director	:	Dicky Setiadi Moechtar
Director	:	Johannes Tong
Director	:	Edward Sanusi
Director	:	Maria Clarissa Fernandez Joesoep

c. PT Internux, a subsidiary of MMM

Brief History

Internux is domiciled in Makassar incorporated pursuant to Deed No. 16 dated 11 October 2000 drawn up before Junus Kadir, Substitute Notary of Sitske Limowa, SH, Notary in Makassar and the Deed of Establishment has been validated by the Minister of Justice and Human Rights of the Republic of Indonesia pursuant to Letter of Decision No. C-03778.HT.01.01.Tahun 2001 dated 25 July 2001, registered in Company Register No. 2020/5/03162 tanggal 25 July 2001.

On 25 January 2009, Internux obtained an approval from the Shareholders to adjust and reformulate the whole Articles of Association of Internux in accordance with the provisions of Law No. 40 of 2007 on Limited Liability Company, as contained in the Deed of Minutes of General Meeting of Shareholders No. 6 dated 25 January 2009, drawn up by Dumondo Yan Tosongke, SH, that has obtained the approval from Minister of Justice and Human Rights of the Republic of Indonesia by Letter of Decision No. AHU-25273.AH.01.02 Tahun 2009 dated 9 June 2009 and has been registered in Company Register No. AHU-0032554.AH.01.01.Tahun 2009 dated 9 June 2009.

In addition, the Articles of Association of Internux have experienced a number of changes, last by Deed of Internux No. 129 dated 24 June 2016.

Business Activities

In accordance with the provisions of articles of association, the purpose and objectives of Internux are to engage in telecommunication business.

In achieving the purpose and objectives, Internux may carry out the following activities :

- a. Operate and/or provide telecommunication network;
- b. Operate and/or provide services in telecommunication field i.e. internet access service (*Internet Service Provider*); and
- c. Operate and/or provide *broadband wireless internet* service.

Internux at present has undertaken its business activities and has a operating license for *packet-switched* based local fixed network in Zone 4 (Banten, Jakarta, Bogor, Depok, Tangerang, Bekasi) Operating License for Internet Access Service (*Internet Service Provider*).

Capital and Shareholding Structure

Composition of Shareholders Before Transaction

Pursuant to Deed of Internux No. 13 dated 27 April 2016, drawn up by Notary Andalia Farida, S.H., MH, notary in Jakarta, amendment of which has been notified and stored in the Legal Entity Administration System in accordance with Letter of Ministry of Justice and Human Rights No. AHU-AH.01.03-0051354 and has been registered in Company Register No. AHU-0064071.AH.01.11.TAHUN 2016 dated 24 May 2016, the capital and shareholding structure of Internux are:

Description	Nominal Value Rp100,- per share		
	Number of shares	Nominal Value (Rupiah)	%
Authorized Capital	68.225.881.200	6.822.588.120.000	
Subscribed and fully paid-up capital			
PT Mitra Mandiri Mantap	16.373.407.400	1.637.340.710.000	72,59
Prosper International Limited	1.671.768.800	167.176.880.000	7,41
Asia Pacific Mobile Pte Ltd	4.511.294.100	451.129.410.000	20,00
Total	22.556.470.300	2.255.647.030.000	100,00
Shares in portfolio	45.669.410.900	4.566.941.090.000	

The Composition of Shareholders After Transaction

Pursuant to Deed of Internux No. 129 dated 24 June 2016, the capital and shareholding structure of Internux are:

Description	Nominal Value Rp100,- per share		
	Number of Shares	Nominal Value (Rupiah)	%
Authorized Capital	68.225.881.200	6.822.588.120.000	
Subscribed and fully paid-up capital			
PT Mitra Mandiri Mantap	16.773.407.400	1.677.340.740.000	72,75
Prosper International Limited	1.671.768.800	167.176.880.000	7,25
Asia Pacific Mobile Pte Ltd	4.611.294.100	461.129.410.000	20,00
Total	23.056.470.300	2.305.647.030.000	100,00
Shares in portfolio	45.669.410.900	4.566.941.090.000	

Notes : at the same time with the implementation of Transaction, another shareholder of Internux, i.e. Asia Pacific Mobile Pte Ltd, also increased its share ownership in Internux by capital payment in the amount of Rp 10.000.000.000,- (ten billion Rupiah) or equivalent to 100.000.000 (one hundred million) shares.

Composition of Shareholders after the Realization of Transaction Plan

If Transaction Plan is realized at or before 31 December 2016, the capital and shareholding structure of Internux is as follows :

Description	Nominal Value Rp100,- per share		
	Number of Shares	Nominal Value (Rupiah)	%
Authorized Capital	68.225.881.200	6.822.588.120.000	
Subscribed and fully paid up capital			
PT Mitra Mandiri Mantap	20.399.407.400	2.039.940.740.000	73,94
Prosper International Limited	1.671.768.800	167.176.880.000	6,06
Asia Pacific Mobile Pte Ltd	5.517.794.100	551.779.410.000	20,00
Total	27.588.970.300	2.758.897.030.000	100,00
Shares in Portfolio	40.636.910.900	4.063.691.090.000	

Notes: at the same time as the implementation of Transaction Plan, another Internux shareholder, i.e. Asia Pacific Mobile Pte Ltd, will also increase its share ownership in Internux totalling Rp 90.650.000.000,- (ninety billion six hundred fifty million Rupiah) or equivalent to 906.500.000 (nine hundred six million five hundred) shares.

Management and Supervision

Pursuant to Deed of Shareholders' Resolution Statement of Internux No. 13 dated 20 November 2015, drawn up before Andalia Farida, S.H., M.H., Notary in Jakarta, which has obtained the approval of Minister of Justice and Human Rights pursuant to Letter of Decision No. AHU-0947887.AH.01.02.TAHUN 2015 and has been notified and stored in Legal Entity Administration System by Letter of Minister of Justice and Human Rights No. AHU-AH.01.03-0987594, the compositions of Board of Commissioners and Board of Directors of Internux are as follows :

Board of Commissioners

President Commissioner : M.A Ismail Ning
Commissioner : T. Bachrumsjah Hamzah
Commissioner : Yukio Takebe
Independent Commissioner : Bintan R Saragih, S.H
Independent Commissioner : Sasmito Dirdjo

Board of Directors

President Director : Dicky Setiadi Moechtar
Independent Director : Indryanarum
Director : Yuhi Abe
Director : Timotius Max Sulaiman, SE

4. Nature of Affiliation Relationship of the Parties conducting Transaction and Transaction Plan

MMM is the controlling shareholder in Internux, where the Company is the controlling shareholder of the Company. Perseroan and Internux have something in common in the membership composition of Board of Directors where Mr. Dicky Setiadi Moechtar other than having a term-of-office as the Director of the Company, he concurrently also serves as the President Director in Internux.

5. Considerations and Reasons for Conducting Transaction Transaction Plan

The considerations of the Company in conducting the Transaction and Transaction Plan through a Controlled Company is :

- a. Reduce financial expense as the impact of reduced balance of loan recorded;
- b. Potential of most prospective industrial growth thus it is expected that it may increase the potential return through dividends as well *capital gain*.

6. Summary of Independent Appraiser

The Company has appointed Public Appraisal Service Office Firman Suryantoro Sugeng Suzy Hartomo & Rekan (KJPP FAST) as the Independent Appraiser to provide a fairness opinion on the Transaction and Transaction Plan.

KJPP FAST is the official Public Appraisal Service Office under the Decision of Finance Minister No. 2.09.0074 dated 8 December 2009 and registered in Bapepam and LK as a supporting professional service office in the Capital Market with Registered License of Capital Market Supporting Profession from Bapepam and LK No. S-865/BL/2010 dated 29 January 2010.

In the Report of Fairness Opinion on the plan for increasing the subscribed and paid-up capital in Internux by MMM with Report Number 003/FO/FAST-JKT/V/16 dated 24 June 2016, KJPP FAST has given the following opinion on the fairness of Transaction and Transaction Plan ("Fairness Opinion") :

a. Identities of the Parties

The parties involved in the Transaction and Transaction Plan are as follows:

- Internux, a subsidiary of MMM, as the party that will issue its new shares..
- MMM, a subsidiary of the Company, as the party that will purchase the new shares issued by Internux through the conversion of MMM receivables to become shares in Internux.
- The Company as the controlling shareholder in MMM.

b. Object / Analysis of Fairness of Transaction and Transaction Plan

The object of Transaction and Transaction Plan in the Fairness Opinion is the transaction of increase of paid-up and subscribed capital of Internux by MMM controlled by the Company, which is carried out by subscribing new shares by means of cash payment and conversion of MMM indebtedness in Internux.

c. Purpose and Objectives of Fairness Opinion

For the purpose of the implementation of Transaction and Transaction Plan and in complying with the provisions as provided for in the Regulation No. IX.E.1 above, Company has appointed KJPP FAST as the independent appraiser to give a fairness opinion of the Transaction and Transaction Plan.

d. Assumptions and Limiting Conditions

In conducting the analysis, KJPP FAST have assumed and relied on the accuracy and completeness of all financial information and other information provided to KJPP FAST by the Company or which is available publicly, and KJPP FAST do not perform and therefore are not responsible for an independent examination on the information. KJPP FAST also rely to the guarantee given by the management of the Company that they do not know facts that have caused the information given to us to become incomplete or not misleading.

KJPP FAST do not make an inspection on the fixed asset or facilities of the Company. In addition, KJPP FAST also do not give an opinion on the impact of taxation of the transaction. The services given by KJPP FAST to the Perseroan in relation to the transaction is only a financial evaluation and arms-length evaluation of the transaction and not accounting, audit or taxation services.

The works of KJPP FAST which are related to the Transaction shall not constitute and shall not be interpreted in any form, as a review or an audit or an implementation of certain procedures on financial information. The works should neither be meant to disclose the weakness in internal control, mistake, or irregularities in the financial statement or a violation of the law. In addition, KJPP FAST we do not have an authority and we do not make an endeavor to obtain other forms of Transactions available for the Company.

This Fairness Opinion is prepared based on the market condition, economic condition, general business condition and financial condition, as well as Government regulations as at the date this report is issued.

In preparing this Fairness Opinion, KJPP FAST also use a number of other assumptions, such as the fulfillment of all conditions and obligations of the Company and all parties involved in the transaction. The transaction will be conducted as has been explained in accordance with the specified time period, and the accuracy of information concerning transactions disclosed by the Company's management.

In preparing the Fairness Opinion, KJPP FAST has based its analysis on the financial projection prepared by the Company's management. In preparing the financial projection, several assumptions have been developed based on the performance of the Company in the previous years and based on the Company's management plan in the future.

In addition, various information and relevant suggestions given by Company's management related to the changes of each factor within the specified period are also taken into consideration

The followings are the basic limiting requirements that KJPP FAST assume in the financial projection used in the scrutiny of Fairness Opinion:

1. There is no material change concerning political, economical, legal conditions or laws that will affect the activities of the Company, industry or state or territory where the Company operates.
2. There is no material change concerning tax tariff, customs and excise, currency exchange rate and interest used in the project assumption that may materially affect the performance of the Company other than that has been projected.
3. There is no material change in the structure and main activities of the Company or in the main source of revenues of the Company at present and in the projected period.
4. There is no material change in the Company's management.
5. There are no meaningful constraints coming from industrial dispute, or procurement of manpower or other matters that may affect the Company business activities.
6. There are no significant changes on the market condition and prices of products as well as services currently provided by the Company, unless those that have been projected.

7. There are no material changes on the cost structure or other charges to the Company, unless those that have been projected.
8. There are no material purchase of fixed assets other than those that have been projected.
9. There are no exemption on the reserve that has to be made unless those that have been projected on the contingent obligation or litigation arbitration against threats or otherwise, extraordinary uncollectible receivables, contracts or other assets that have not been fulfilled.
10. There are no material changes on the existing agreements and provisions.
11. The achievement of Company financial performance during the projection period will all be utilized for the development of the Perseroan as has been projected during the projection period and will not be used for other interests.
12. There is no appropriation of funds or affiliation Transaction which may significantly affect the Company operation.
13. The Company business plan works as planned and projected.
14. Fairness Opinion is addressed for the interest of the Company's management, and other parties directly related, in the relation to the Transaction and Transaction Plan, where the Fairness Opinion shall be used to assist the management in the information disclosure process related to the Transaction and Transaction Plan, and shall not be used by any other party, for other interests or reprinted, disseminated, cited, or referred to at any time, by means or for any purpose without a prior written consent from KJPP FAST. Fairness Opinion is not a recommendation to the shareholders to take other actions related to the Transaction and Transaction Plan, and it shall not be used in such manner by shareholders.
15. In the Fairness Opinion there are statements, assessments, estimations and projections made based on the information made available by the Company's management for the purpose of anticipating the implementation of Company's operation during the projection period. The statements, assessments, estimations and projections reflect the assumptions made by the Company's management to estimate the results to be obtained during the projection period, where the assumptions may occur or may not occur.
16. KJPP FAST shall not be responsible or guarantee any liability or loss that may incur as a result of an action taken based on the use of a part of the analysis and information without considering the content of Fairness Opinion in overall that may lead to a misleading concept over the process underlying the Fairness Opinion. All statements contained in the Fairness Opinion should be related with the overall purpose of the preparing the Fairness Opinion.
17. Events that occur after the date of Fairness Opinion may have a significant impact to the evaluation of Company's performance during the projection period. KJPP FAST are not obliged to update this report or to revise the analysis due to events and transactions that occur after the effective date of analysis used, i.e. 31 December 2015.

e. Approach and Procedure of Fairness Analysis

In preparing a Fairness Opinion on this Transaction and Transaction Plan, KJPP FAST have made an analysis through an approach and procedure for assessment of the Transaction and Transaction Plan from the following matters :

1. Analysis on Transaction and Transaction Plan;
2. Qualitative and quantitative analysis on Transaction and Transaction Plan;
3. Analysis on fairness of Transaction and Transaction Plan.

f. Analysis on fairness of Transaction and Transaction Plan

1. Based on the benefit-risk analysis, the benefit of Transaction and Transaction Plan for the Peseroan is to increase the potential return through dividend or capital gain in line with Internux growth prospect. Meanwhile the risk of the Transaction and Transaction Plan for the Company is business risk of Internux which possibly may cause the return obtained is not according to the expectation.
2. Based on the benefit loss analysis, the benefit of the Transaction and Transaction Plan for the Company is to reduce the financial expense so that it would increase the value of Internux in particular and the value of the Company in general. Meanwhile, the loss of Transaction and Transaction Plan for the Company is that there is no more fixed income in the form of interest generated from the debt. The resolution on the distribution of dividends will also depend on the other shareholders.
3. Based on the industrial analysis, the user of internet and its penetration in Indonesia during 2014 showed an increase, where internet users have grown 16,2 million from 71,9 million to 88,1 million with a penetration of 34,9%. Besides, internet users in Indonesia are estimated to continuously grow rapidly with the projection growth of 30,18% (CAGR) during 2012-2015. This industry is also supported by the initiatives of the Government to strengthen the national connectivity, including the development of information and communication technology (TIK) sector. Hence, the potential growth of this industry is quite promising in the future.
4. Based on the analysis of share conversation value, the Transaction and Transaction Plan used book-value based conversion therefore it gave an additional 3.74% share ownership of MMM or in total 73.94% share ownership in Internux. Meanwhile if, the Transaction used market-value based conversation, where the fair market value of Internux is as set forth in the report of KJPP FAST No. 003/SV/FAST-JKT/V/16 dated 20 May 2016, therefore it will give an additional 3,40% share ownership of MMM or in total 73.60% share ownership in Internux. Hence it could be said that the Transaction and Transaction Plan is beneficial for the Company because share ownership in Internux becomes more optimal. Furthermore, if Transaction Plan for a certain reason in the future cannot be performed, then the Transaction in the amount of Rp 40 billion will make the total share ownership of MMM in Internux amounts to 72,75%, compared to if it is converted based on share fair market value which will only make the total share ownership of MMM in Internux amounts to 72,48%. Thus it can be said that without Transaction Plan it would still be benefit the Company because the share ownership in Internux will remain more optimal.
5. Based on the proforma financial report, Company's liquidity after Transaction and Transaction Plan experienced an improvement compared to before Transaction and Transaction Plan as indicated from the increasing current ratio and quick ratio after Transaction Plan. Company solvability after Transaction and Transaction Plan also experienced an improvement compared to before Transaction and Transaction Plan as indicated from the decreased debt ratio vs. equity after Transaction and Transaction Plan. Similarly with the Company profitability, after Transaction and Transaction Plan it has experienced an improvement compared to before Transaction and Transaction Plan as indicated from the increased return generated after Transaction and Transaction Plan. Hence it can be indicated that in general the financial position of the Company after Transaction and Transaction Plan experienced an improvement.

6. Based on the evaluation on financial projection, it is shown that the average projection of profitability ratio after Transaction and Transaction Plan slightly declined but it was not significant compared to the average rate of profitability before Transaction and Transaction Plan, besides there is no indication of *outlier*. Similar to the comparison of liquidity ratio, it is shown that the average projection of liquidity ratio before and after Transaction and Transaction Plan remains the same, there is no indication of *outlier* related to liquidity projection. Further the comparison of solvability ratio between solvability ratio projection after Transaction and Transaction Plan compared to the average before Transaction and Transaction Plan also did not experience any change, and there was no indication of *outlier* related to solvability projection. Based on *outlier* analysis as has been described, it can be concluded that the current financial projection is still reasonable.
7. Based on the result of calculation of the current value of Company's incremental net cash flow between if the Transaction and Transaction Plan is carried out and if the Transaction and Transaction Plan is not carried out, it shows a positive value, with the assumption of relevant discount rate where the risk-free return 9,21%, equity risk premium 8,59%, beta unlevered 0,8093, *default spread* 2,44%, and DER industry 35,42%. These indicated that the Transaction and Transaction Plan may give a positive impact to the Company.

g. Conclusion

Based on the objectives of the assignment, scope, data and information used, basic assumptions, limiting conditions, approaches and procedures of fairness analysis, fairness analysis of the Transaction and Transaction Plan as described in the fairness opinion analysis above, KJPP FAST is of the opinion that the **Transaction and Transaction Plan is fair**.

7. Statement of Board of Directors and Board of Commissioners

With regard to the Transaction and Transaction Plan, the Board of Directors and Board of Commissioners of the Company shall be responsible for the accuracy of all information contained in this Information Disclosure and confirm that they have thoroughly examined the information available related to the Transaction and Transaction Plan, and hereby it is stated that to the knowledge and belief of Board of Directors and Board of Commissioners of the Company there are no other important and material information related to the Transaction and Transaction Plan which is not disclosed in the Information Disclosure that may cause this Information Disclosure incorrect and/or misleading.

8. Additional Information

If shareholders still need additional information concerning the matters set forth in this information, please contact :

PT FIRST MEDIA Tbk
BeritaSatu Plaza Lantai 4
Jl.Jend.Gatot Subroto Kav. 35-36
Jakarta 12950
Telephone: (021) 527 8811
Facsimile: (021) 527 8833
Attn.: Corporate Secretary

Investor Daily, Thursday 30 June 2016 P.9



No : SB-035/CSL/OJK/VI/2016

Jakarta, 30 June 2016

To
Financial Services Authority
Attn: Executive of the Securities and Exchange Commissions
Gedung Soemitro Djojohadikusumo
Jalan Lapangan Banteng Timur 2-4
Jakarta 10710

Re : Submission of Proof of Advertisement of Disclosure Information IX.E.I. of PT First Media Tbk

Dear Sir,

With reference to comply the Indonesia Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) Regulation No. IX.E.I, the enclosure of Decision of Capital Market Supervisory Agency (Bapepam) Chairman No. Kep-412/BL/2009 dated 25 November 2009 regarding Affiliation Transaction and Conflict of Interests of Certain Transaction (“Regulation No. IX.E.I”), we herewith convey the information disclosure of Affiliation Transaction that has been published in newspaper Investor Daily on Thursday dated 30 June 2016. Here attached documents of summary of report independent evaluator by KJPP FAST No.:003/FO/FAST-JKT/VI/16 dated 24 June 2016 in terms of fairness opinion on the transaction.

This notice has been conveyed accordingly. Thank you for your attention.

Yours sincerely,
PT First Media Tbk
For and on behalf of the Board of Directors

(signature)

Irwan Djaja
Vice President Director

Maria Clarissa Joesoep
Director

Copy :
- The Board of Directors of Indonesia Stock Exchange

Jakarta, 24 June 2016

Report No.: 003/FO/FAST-JKT/VI/16

To
Board of Directors
PT First Media Tbk
BeritaSatu Plaza Lantai 4
Jl. Jend Gatot Subroto Kav. 35-36
Jakarta 12950

Dear Sir,

Re: **Fairness Opinion on Transaction Plan**

One of the subsidiaries of PT First Media Tbk (the “**Company**”), i.e. PT Mitra Mandiri Mantap (“**MMM**”), has the intention to convert the indebtedness of PT Internux Tbk (“**Internux**”), subsidiary, to MMM to become a share participation. With regard to the matter, the Company has appointed us, Public Appraisal Service Office Firman Suryantoro Sugeng Suzy Hartomo & Rekan (“**KJPP FAST**”), as the official appraiser by virtue of letter of permission issued by the Ministry of Finance No. 2.09.0074 dated 8 December 2009, and registered in the name of KJPP FAST as a capital market supporting profession pursuant to the letter of Capital Market and Financial Institution Supervisory Agency (“**Bapepam-LK**”) (at present named “Financial Service Authority” (“*Otoritas Jasa Keuangan*” or abbreviated “**OJK**”) No. S-865/BL/2010 dated 29 January 2010, to give an independent opinion on transaction fairness as disclosed in the following, in accordance with the quotation that has been approved No. 047/SI/FAST-JKT-2/FO/V/16, dated 31 May 2016.

BACKGROUND

The Company is a limited liability company having a status as *publicly-listed company*, incorporated in 1994. The Company is mainly engaged in the operation of telecommunication service and content provider. At present the main income of Company comes from internet access service and *packet-switched* based local fixed network using 4G LTE technology, contributed by Internux, and the latest technology cinema network service which is contributed by the other subsidiary of the Company, PT Cinemaxx Global Pasifik (“**Cinemaxx**”). The Company is domiciled in Jakarta having head office in BeritaSatu Plaza, Lantai 4, Jalan Jend. Gatot Subroto Kav. 35-36, Jakarta 12950 with telephone number 021-5278811, facsimile number 021-5278833 and website www.firstmedia.co.id.

MMM, as the subsidiary of the Company, is a *holding company* with the subsidiary Internux engaged in the provision of internet access service (*internet service provider*) and as the service provider of *Broadband Wireless Access* (BWA). As part of restructuring plan of its business group, MMM has the intention to convert some of Internux indebtedness to MMM and subscription of Internux new shares, which will be carried out in a number of stages maximum totalling Rp 402.6 billion, to become share participation in Internux with a nominal value of Rp 100 per share (“**Transaction Plan**”).

AFFILIATION TRANSACTION

In the frame of this Transaction Plan the Company, MMM and Internux have the following nature of affiliation relationship:

- The Company is the controlling shareholder of MMM, and MMM is the controlling shareholder of Internux;
- Dicky Setiadi Moechtar as the Director in the Company and President Director in Internux.

In view of the nature of affiliation relationship mentioned above, the Company considers that the implementation of Transaction Plan would involve or related (either directly or indirectly) with MMM and Internux that have an affiliation relationship with the Company, and therefore it constitutes an affiliation transaction as meant in the Regulation of Bapepam-LK No. IX.E.1 on "Affiliation Transaction and Conflict of Interests of Certain Transactions" which is contained in the Enclosure of Decision of Chairman of Bapepam-LK No. Kep-412/BL/2009 dated 25 November 2009 ("**Regulation No. IX.E.1**").

According to Regulation No. IX.E.1, the Company is required to obtain Fairness Opinion Report to determine the fairness of Transaction Plan which is prepared and issued by an independent appraiser.

PARTIES INVOLVED IN THE TRANSACTION

The parties involved in the Transaction Plan are as follows:

- Internux as the party that will issue new shares as the conversion of Internux indebtedness to MMM.
- MMM as the party that will receive new shares as a conversion of Internux indebtedness to MMM.
- Company as the controlling shareholder of MMM.

PURPOSE OF ASSIGNMENT

In the frame of the implementation of Transaction Plan and to comply with the provisions as provided for in the Regulation No. IX.E.1 mentioned above, the Company has appointed KJPP FAST as an independent appraiser to give an opinion on the fairness ("**Fairness Opinion**") of the Transaction Plan.

TRANSACTION PLAN OBJECT

The object of Transaction Plan in this Fairness Opinion is the transaction of Internet indebtedness conversion to MMM and subscription of new shares of Internux, which will be carried out in a number of stages maximum totaling Rp 402.6 billion to become share participation of MMM in Internux.

EFFECTIVE DATE (CUT-OFF DATE) OF FAIRNESS OPINION

Effective date (*cut-off date*) of Fairness Opinion of the Transaction Plan is 31 December 2015, the parameter and financial statement used in the analysis using the data per 31 December 2015.

The validity period of Fairness Opinion is 6 (six) months since the effective date of appraisal (*cut-off date*) in Fairness Opinion.

APPRAISER INDEPENDENCE

In preparing this Fairness Opinion, KJPP FAST is acting independently without any *conflict of interest* and is not affiliated with the Company or the parties affiliated with the Company.

KJPP FAST also does not have interest or personal benefit related to this assignment. This Fairness Opinion is prepared not to benefit or harm any party. The fee that we receive is not at all influenced by the fairness output. KJPP FAST only receive a fee in accordance with the quotation that has been approved No. 047/SI/FAST-JKT-2/FO/V/16, dated 31 May 2016.

STATEMENT OF APPRAISER

In preparing this Fairness Opinion, the calculation and analysis for the purpose of giving the Fairness Opinion has been done correctly. Business Appraiser shall be responsible for the Fairness Opinion.

SCOPE

The scope of Fairness Opinion in relation to the Transaction Plan is only preparing Fairness Opinion of the Transaction Plan with reference to the Regulation of Bapepam-LK No. VIII.C.3 on "Guidelines for Appraisal and Presentation of Business Appraisal Report in Capital Market" as contained in the Enclosure of Decision of Chairman of Bapepam-LK No. Kep-196/BL/2012 dated 19 April 2012 ("**Regulation No. VIII.C.3**") and Indonesian Appraisal Standard Edition VI of 2015 ("**SPI Edition VI-2015**").

DATA AND INFORMATION USED

In giving Fairness Opinion on Transaction Plan, we have examined, considered, referred to, or implement the procedures of the data and information as follows:

1. Draft of Information Disclosure to Shareholders related to Transaction Plan;
2. Agreement on Transfer of Indebtedness between the Company and MMM dated 26 May 2016; *Supplemental Agreement to Shareholders' Agreement* between MMM, Asia Pacific Mobile Pte. Ltd. ("**APM**"), Prosper International Limited ("**PIL**"), and Internux dated 26 May 2016; and Resolutions of Shareholders in lieu of Extraordinary General Meeting of Shareholders of Internux dated 26 May 2016;
3. Letter of *Intention to Conversion of Loan* from MMM to Internux dated 28 June 2016; and Statement of Internux dated 29 June 2016;
4. Consolidated financial statements of the Company and subsidiaries for a period of twelve months ending 31 December 2015 and 2014 which have been audited by KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan ("**KAP AAJ**") as contained in its report No. R/136.AGA/dwd.3/2016 dated 17 March 2016;
5. Consolidated financial statements of Company and subsidiaries for a period of twelve months ending 31 December 2014 and 2013 which have been audited by KAP AAJ as contained in its report No. R/144.AGA/dwd.2/2015 dated 23 March 2015;
6. Consolidated Financial Statements of the Company and subsidiaries for a period of twelve months ending 31 December 2013 and 2012 which have been audited by KAP AAJ as contained in its report No. R/110.AGA/dwd.1/2014 dated 10 March 2014;
7. Consolidated Financial Statements of the Company and subsidiaries for a period of twelve months ending 31 December 2012 and 2011 which have been audited by KAP AAJ as contained in its report No. R/115.AGA/grc.1/2013 dated 15 March 2013;
8. Consolidated Financial Statements of the Company and subsidiaries for a period of twelve months ending on 31 December 2011 and 2010 which have been audited by KAP AAJ as contained in its report No. R/079.AGA/dwd.3/2012 dated 2 March 2012;
9. Consolidated Financial Statements of the Company and subsidiaries for a period of twelve months ending on 31 December 2010 and 2009 which have been audited by KAP AAJ as contained in its report No. R/018.AGA/dwd.2/2011 dated 7 February 2011;

10. Consolidated Financial Statements of the Company and subsidiaries for a period of twelve months ending 31 December 2009 and 2008 which have been audited by KAP AAJ as contained in its report No. R/040-S.AGA/9.1/03/10 dated 2 March 2010;
11. Financial statements of Internux for a period of twelve months ending 31 December 2015 and 2014 which have been audited by KAP AAJ as contained in its report No. R/217.AGA/tjn.1/2016 dated 16 March 2016;
12. Financial statements of Internux for a period of twelve months ending 31 December 2014, 2013 and 2012 which have been audited by KAP AAJ as contained in its report No. R/124.AGA/dwd.3/2015 dated 11 March 2015;
13. Projected financial statement of the Company before and after Transaction Plan during the period of 1 January 2016 to 31 December 2020;
14. Proforma financial statement of the Company as at 31 December 2015 related to Transaction Plan which has been prepared by Company's management.
15. Current Annual Report of the Company;
16. Result of Interview with Company's management, regarding the reasons, background, and other matters related to Transaction Plan;
17. Other documents originating from internal Company or other trusted third parties, which are relevant to the assignment.

LIMITING CONDITIONS

In preparing Fairness Opinions, we base our analysis on the financial projection prepared by the Company's management. In preparing financial projections, several assumptions are developed based on the performance of the Company during the previous years and based on the Company's management plans in the future. In addition, some relevant information and suggestions given by the Company's management related to the changes of each factor within a specified period will also be taken into consideration.

The followings are the basic limiting requirements that we assume in a financial projection used in the scrutiny of Fairness Opinions:

1. There is no material change concerning political, economical, legal conditions or laws that will affect the activities of the Company, industry or state or territory where the Company operates.
2. There is no material change concerning tax tariff, customs and excise, currency exchange rate and interest used in the project assumption that may materially affect the performance of the Company other than that has been projected.
3. There is no material change in the structure and main activities of the Company or in the main source of revenues of the Company at present and in the projected period.
4. There is no material change in the Company's management.
5. There are no meaningful constraints coming from industrial dispute, or procurement of work force or other matters that may affect the Company business activities.
6. There are no significant changes on the market condition and prices of products as well as services currently provided by the Company, unless those that have been projected.

7. There are No material changes on the cost structure or other charges to the Company, unless those that have been projected.
8. There are No material purchase of fixed assets other than those that have been projected.
9. There are No exemption on the reserve that has to be made unless those that have been projected on the contingent obligation or litigation arbitration against threats or otherwise, extraordinary uncollectible receivables, contracts or other assets that have not been fulfilled.
10. There are No material changes on the existing agreements and provisions.
11. The achievement of Company financial performance during the projection period will all be utilized for the development of the Company as has been projected during the projection period and will not be used for other interests.
12. There is No appropriation of funds or affiliation Transaction which may significantly affect the Company operation.
13. The Company business plan works as planned and projected.
14. Fairness Opinion is addressed for the interest of the Company's management, and other parties directly related, in the relation to the Transaction Plan, where the Fairness Opinion shall be used to assist the management in the information disclosure process related to the Transaction Plan, and shall not be used by any other party, for other interests or reprinted, disseminated, cited, or referred to at any time, by means or for any purpose without a prior written consent from us. Fairness Opinion is not a recommendation to the shareholders to take other actions related to the Transaction Plan, and it shall not be used in such manner by shareholders.
15. In the Fairness Opinion there are statements, assessments, estimations and projections made based on the information made available by the Company's management for the purpose of anticipating the implementation of Company operation during the projection period. The statements, assessments, estimations and projections reflect the assumptions made by the Company's management to estimate the results to be obtained during the projection period, where the assumptions may occur or may not occur.
16. KJPP FAST shall not be responsible or guarantee each obligation or loss that may incur as a result of an action taken based on the use of a part of the analysis and information without considering the content of Fairness Opinion in overall that may lead to a misleading concept over the process underlying the Fairness Opinion. All statements contained in the Fairness Opinion should be one interrelated whole with the purpose of the formulation of Fairness Opinion.
17. Events that occur after the date of Fairness Opinion may have a significant impact to the evaluation of Company performance during the projection period. We are not obliged to update this report or to revise the analysis due to events and transactions that occur after the effective date of analysis used, i.e. 31 December 2015.

BASIC ASSUMPTIONS

In conducting an analysis, we assume and rely on the accuracy and completeness of all financial information and other information given to us by the Company or which are available in general, and we do not make and therefore are not responsible to make an independent verification to such information. We also rely on the warranty from the Company's management that they are not aware of the facts that may cause the information given to use to be incomplete or misleading.

We do not make an inspection on the fixed assets of Company facilities. Additionally, we also do not give an opinion on the impact of taxation on the Transaction Plan. Services that we provide to the

Company related to the Transaction Plan is merely a financial evaluation and arms-length evaluation of the Transaction Plan and not accounting, audit or tax services.

Our works which are related to the Transaction Plan shall not constitute and shall not be interpreted in any form, as a review or an audit or an implementation of certain procedures on financial information. The works should neither be meant to disclose the weakness in internal control, mistake, or irregularities in the financial statement or violation of the law. In addition, we do not have an authority and we do not make an endeavor to obtain other forms of Transactions available for the Company.

This Fairness Opinion is prepared based on the market condition, economic condition, general business condition and financial condition, as well as Government regulations as at the date this report is issued.

In preparing this Fairness Opinion, we also use a number of other assumptions, such as the fulfillment of all conditions and obligations of Company and all parties involved in the Transaction Plan. Transaction Plan will be conducted as has been explained in accordance with the specified time period, and the accuracy of information concerning transactions disclosed by the Company's management.

EVENTS AFTER THE DATE OF APPRAISAL

1. Based on the Deed of Meeting Resolutions Statement No. 04 dated 15 April 2016 drawn up before Andalia Farida, S.H., M.H., Notary in Jakarta, the composition of members of Board of Commissioners and Board of Directors of the Company is as follows:

Board of Commissioners

President Commissioner : Theo L. Sambuaga
 Independent Commissioner : Didik J. Rachbini
 Independent Commissioner : H. Muladi
 Independent Commissioner : Nanan Soekarna
 Independent Commissioner : Ito Sumardi DS

Board of Directors

President Director : Ali Chendra
 Deputy President Director : Irwan Djaja
 Independent Director : Harianda Noerlan
 Director : Dicky Setiadi Moechtar
 Director : Johannes Tong
 Director : Edward Sanusi
 Director : Maria Clarissa Fernandez Joesoep

2. Pursuant to Deed No. 13 dated 27 April 2016, drawn up before Andalia Farida, S.H., M.H., Notary in Jakarta, that has obtained the approval from the Minister of Justice and Human Rights No. AHU-AH.01.03-0051354, issued on 24 May 2016 ("**Internux Deed No. 13 dated 27 April 2016**"), the composition of Internux shareholders is as follows:

Shareholders	Number of shares	Value (Rp)	Percentage
PT Mitra Mandiri Mantap	16,373,407,400	1,637,340,740,000	72.59%
Prosper International Limited	4,511,294,100	451,129,410,000	20.00%
Asia Pacific Mobile Pte. Ltd.	1,671,768,800	167,176,880,000	7.41%
Total	22,556,470,300	2,255,647,030,000	100.00%

3. On 24 May 2016, KJPP FAST issued a Fairness Opinion Report No. 004/FO/FAST-JKT/V/16 on the indebtedness conversion transaction of Internux to MMM to become share participation of MMM in Internux, as referred to in the Deed of Internux No. 13 dated 27 April 2016.

The event or other events until the date of completion of this appraisal report does not impact materially to the result of analysis of appraisal of Transaction Plan.

APPROACH AND PROCEDURE OF FAIRNESS ANALYSIS

In preparing a Fairness Opinion on this Transaction Plan, we have conducted an analysis through an approach and procedure for appraisal of Transaction Plan of the following matters:

- A. Analysis on Transaction Plan;
- B. Qualitative and quantitative analysis of Transaction Plan;
- C. Analysis on the fairness of Transaction Plan.

A. ANALYSIS ON TRANSACTION

I. Reasons of Transaction Plan

The main considerations of Company in conducting Transaction Plan are as follows:

- Reduce financial expense as the impact of reduced balance of loan recorded.
- Potential of most prospective industrial growth thus it is expected that it may increase the potential return through dividends as well *capital gain*.

II. Analysis of Relations of Transacting Parties

a. Company

1. Brief History of the Company

The Company was established on 6 January 1994 pursuant to the notarial deed drawn up by the notary B.R.A.Y. Mahyastoeti Notonagoro, S.H., No. 37 having a name of PT Safira Ananda. The deed of establishment has been validated by the Minister of Justice in the decision letter No. C2-1.446.HT.01.01.Th.95 dated 1 February 1995 and has been announced in the Official Gazette No. 81 Supplement No. 6613 dated 8 October 1999. The Articles of Association of the Company experienced a number of changes, last the Company made an amendment of the deed drawn up before notary Andalia Farida, S.H., M.H., No. 4, dated 15 April 2016 which amendment has been notified and kept in the legal entity administration system in accordance with the Letter of Ministry of Law and Human Rights No. AHU-AH.01.03- 0045537 dated 3 May 2016.

The new business incubation of the Company focusing on technology, media, and telecommunication businesses. The current Company Portofolio is mainly related to the provision of services through broadband communication network ("network") (*broadband communication network*), which at present the revenues are mainly generated by the subsidiary Internux. The other main Company Portofolio is the operation of cinema business, which at present its revenues are generated by the subsidiary Cinemaxx, where up to now already have 14 (fourteen) cinema locations in a number of areas as follows: (i) Plaza Semanggi, (ii) FX Sudirman, (iii) Palembang Icon, (iv) Ponorogo City Center, (v) Lippo Plaza Manado, (vi) Lippo Mall Kuta, (vii) Sun Plaza Medan, (viii) Orange County Cikarang, (ix) Lippo Plaza Jogja, (x) Maxxbox Lippo Village, (xi) Mall Matahari WTC Serpong, (xii) Lippo Plaza Medan, (xiii) Metropolis Town Square and (xiv) Lippo Plaza Cikarang.

The holding company of the Company is AcrossAsia Limited, a company incorporated in Cayman Islands and its share ownership has been registered in Hong Kong Stock Exchange.

The Company is domiciled in BeritaSatu Plaza Lantai 4, Jl. Jendral Gatot Subroto Kav 35-36 Jakarta. The Company started its commercial activities on 1 March 1999.

2. Capital Structure and Share Ownership of the Company

The composition of Company shareholders per 31 December 2015 is as follows:

Table1: Composition of Company Shareholders

Shareholders	Number of Shares	Value (Rp)	Percentage
AcrossAsia Ltd.	959,976,602	479,988,301,000	55.10%
PT Reksa Puspita Karya	588,167,378	294,083,689,000	33.76%
Masyarakat	194,023,927	97,011,963,500	11.14%
Total	1,742,167,907	871,083,953,500	100.00%

3. Management and Supervision of the Company

Per 31 December 2015, the composition of members of Board of Commissioners and Board of Directors of the Company is as follows:

Board of Commissioners

President Commissioner	:	Theo L. Sambuaga
Independent Commissioner	:	Didik J. Rachbini
Independent Commissioner	:	H. Muladi
Independent Commissioner	:	Ito Sumardi DS
Independent Commissioner	:	Nanan Soekarna
Commissioner	:	Markus Permadi
Commissioner	:	Benny Haryanto Djie
Commissioner	:	Richard Setiadi WP

Board of Directors

President Director	:	Ali Chendra
Vice President Director	:	Irwan Djaja
Independent Director	:	Harianda Noerlan
Director	:	Dicky Setiadi Moechtar
Director	:	Johannes Tong
Director	:	Anthony Chandra Kartawiria
Director	:	Richard Kartawijaya

4. Company's Business Activities

In terms of business activities, the Company is currently engaged in the operation of telecommunication service and is a provider of broadcasting content. The new business incubation of the Company focuses on technology, media, and telecommunication businesses. At present the Company portofolio is mainly related to the service provision through broadband communication network which at present the other income is mainly generated by the subsidiary, Internux. The other main Company Portofolio is the operation of cinema business which revenues are generated by the subsidiary, Cinemaxx.

Pursuant to the Decision Letter of Minister of Communication and Information of the Republic of Indonesia No. 237/KEP/M.KOMINFO/07/2009 dated 27 July 2009, the Company has been determined as one of the winners in the selection to obtain operating license for Packet Switched-based Local Permanent Network using Radio Frequency Band 2.3 GHz for the purpose of *Wireless Broadband* service in Zone 1 (northern part of Sumatra) and Zone 4 (Banten, Jakarta, Bogor, Depok, Tangerang and Bekasi). Furthermore, the Company has obtained the operating license for *Packet Switched-based Local Permanent Network*

No. 420/KEP/M.KOMINFO/11/2009 dated 6 November 2009 and as amended by the Decision of Minister of Communication and Informatics of the Republic of Indonesia No.179/KEP/M.KOMINFO/04/2012 dated 2 April 2012. By the issuance of such Operating License the license for the network operation which was previously owned by the Company as set forth in the Decision of Minister of Communication Number KP.227 of 2001 dated 26 September 2001 on operating license for Packet Switched-based Local Permanent Network is revoked and declared not valid.

b. MMM

1. Brief History of MMM

MMM was established pursuant to the Deed of Establishment of the Limited Liability Company PT Mitra Mandiri Mantap No. 03 dated 14 January 2010, drawn up before Henny Kurnia Tjahja S.H., Notary in Central Jakarta. The Deed of Establishment has obtained the validation from the Minister of Law and Human Rights pursuant to the Decision of Minister of Law and Human Rights No. AHU-05411.AH.01.01.Tahun 2010 dated 2 February 2010 and has been recorded in the Company Register No. AHU-0008035.AH.01.09.Tahun 2010 dated 2 February 2010. The articles of association of MMM were amended several times, last by the deed drawn up before Charles Hermawan, S.H., Notary in Tangerang, No. 102 dated 24 December 2014, where the deed has obtained the approval from the Minister of Law and Human Rights pursuant to the Decision of Minister of Law and Human Rights No. AHU-13507.40.20.2014 dated 24 December 2014 and has been recorded in the Company Register No. AHU-0135900.40.80.2014 dated 24 December 2014.

MMM is domiciled in Jl. KH. Moch. Mansyur No. 36 A, Kelurahan Duri Pulo, Kecamatan Gambir, Jakarta Pusat.

MMM through its subsidiary i.e. Internux is the operator of *Broadband Wireless Access* pursuant to the Operating License No.243/KEP/M.KOMINFO/04/2012 dated 26 April 2012 with area coverage of Zone 4 (Banten area, Jakarta, Bogor, Depok, Tangerang and Bekasi) and is an operator for Internet Access Service pursuant to the Operating License for Internet Access Service (*Internet Service Provider*) No. 34 of 2014 with national area coverage.

2. Capital Structure and Share Ownership of MMM

The composition of shareholders of MMM per 31 December is as follows:

Table 2: Composition of MMM Shareholders

Shareholders	Number of Shares	Value (Rp)	Percentage
PT First Media Tbk	2,229	2,229,000,000	69.04%
PT Cahaya Emeraldia Cemerlang	500	500,000,000	15.48%
PT Inti Permata Provita	500	500,000,000	15.48%
Total	3,229	3,229,000,000	100.00%

3. Management and Supervision of MMM

Per 31 December 2015, the composition of members of Board of Commissioners and Board of Directors of MMM is as follows:

Board of Commissioners

Commissioner : Bambang Sucahyo

Board of Directors

Director : Mas Agoes Ismail Ning

4. MMM's Business Activities

Pursuant to Article 3 of MMM's Articles of Association as set forth in the Deed of Establishment of PT Mitra Mandiri Mantap No. 03 dated 14 January 2010, drawn up before Henny Kurnia Tjahja S.H, Notary in Jakarta, the purpose and intention of MMM are to engage in trading, industrial, construction, mining, agricultural, land transportation, services and printing businesses.

In achieving the purpose and objectives mentioned above, MMM may conduct the following business activities:

- a. Conduct business activities in general trading, including export and import, interinsular and local trade, either for the calculation for natural person or other legal persons based on commission or by a mandate, acting as provider, wholesaler, supplier, distributor, agency or representative of the companies or other legal persons, either from within the country or overseas with the exception of travel agent.
- b. Engage in the business of machinery industry, technical and mechanical equipment, electrical equipment, electronics, car bodywork and components of motor vehicles, office stationery, household needs, building materials, wood working and furniture industries, paper industry, industry of tools and instruments as well as wood processing industry and trading of its products.
- c. Engage in the business of building contractor by accepting, planning and implementing building of houses, buildings, roads, bridges, irrigation, aircraft runway, jetties, or acting as general contractor, fixing installations, steel and metal construction, engage in the real estate business, particularly sale and purchase of buildings including the title of its land, manage and lease office buildings, houses, apartments, condominiums, shop space etc, manage parking area/building and warehouse buildings.
- d. Engage in the business activities in the field of general mining including exploration, exploitation as well as marketing of mining products permitted by the Government.
- e. Engage in the business activities in the field of agriculture, plantation, forestry, animal husbandry, fishery, rearing pond.
- f. Engage in the business activities of land transportation, either for persons or goods, expedition and warehousing.
- g. Engage in the business activities in the field of services in general, among other things, construction service, engineering technical service, architectural service, landscape, design and interior, technical business operator service that includes installation / assembly, repair and maintenance as well as installation of technical equipment, installation of equipment for water, gas, telecommunication, electrical and mechanical as well as relevant business fields, except legal and taxation fields.
- h. Engage in the business activities of printing including binding, cartilage and packing, design and graphic printing, document printing (publication) and advertising, as well as relevant business activities.

c. Internux

1. Brief history of Internux

Internux was established on 11 October 2000 pursuant to the Notarial Deed of Junus Kadir, S.H., No.16, under the Decree of the Chief Judge of Makassar District Court dated 23 September 2000, No. 03/P.C.NOT/I/2000/PN.Makassar, appointed as the substitute of Sitske Limowa, S.H., Notary in Makassar, and it was further contained in the Deed of Amendment No. 106 dated 22 June 2001 drawn up before Sri Hartini Widjaja, S.H., Notary in Makassar. Both deeds have been validated by the Minister of Justice in the letter of decision No. C-03778.HT.01.01. Th.2001 dated 25 July 2001

and has been announced in the Official Gazette No. 67 Supplement No. 7211 dated 22 August 2003. The articles of association of Internux were amended several times, last by the deed No. 13 dated 20 November 2015 drawn up before Andalia Farida, S.H., M.H., Notary in Jakarta, that has been approved by the Minister of Law and Human Rights No. AHU-0947887.AH.01.02.Tahun 2015, issued on 14 December 2015.

Internux is domiciled in Jl. Sultan Hasanuddin No. 19, Ujung Pandang, Kota Makassar, Sulawesi Selatan. Internux has a branch office in BeritaSatu Plaza Lantai 7, Jl. Jenderal Gatot Subroto Kav. 35-36 Jakarta 12950. Internux started its commercial operation in December 2013.

2. Capital Structure and Share Ownership of Internux

The composition of shareholders of Internux per 31 December 2015 is as follows:

Table 3: Composition of Shareholders of Internux

Shareholders	Number of shares	Value (Rp)	Percentage
PT Mitra Mandiri Mantap	11,973,407,400	1,197,340,740,000	70.20%
Prosper International Limited	1,671,768,800	167,176,880,000	9.80%
Asia Pacific Mobile Pte. Ltd.	3,411,294,100	341,129,410,000	20.00%
Total	17,056,470,300	1,705,647,030,000	100.00%

3. Management and Supervision of Internux

Per 31 December 2015, the composition of members of Board of Commissioners and Board of Directors of Internux is as follows:

Board of Commissioners

President Commissioner	:	Masagus Ismail Ning
Independent Commissioner	:	Sasmito Dirdjo
Independent Commissioner	:	Bintan Regen Saragih
Commissioner	:	Yukio Takebe
Commissioner	:	Teuku Bachrumsjah Hamzah

Board of Directors

President Director	:	Dicky Setiadi Moechtar
Independent Director	:	Indryanarum
Director	:	Yuhi Abe
Director	:	Timotius Max Sulaiman

4. Internux' Business Activities

In accordance with the provisions of articles of association, the purpose and objectives of Internux are to engage in the telecommunication sector. In achieving the purpose and objectives, Internux may carry out the following activities:

- Operate and/or provide telecommunication network;
- Operate and/or provide facilities/services in the telecommunication sector i.e. internet access service (*Internet Service Provider*); and
- Operate and/or provide *broadband wireless internet* service.

Internux currently is engaged mainly in the operation of internet access service (*Internet Service Provider*) and broadband wireless access using 4G Technology.

Pursuant to the Decision of Director General of Posts and Telecommunication No. 305/Dirjen/2005 dated 23 November 2005, Internux has obtained a license for Internet Access Service Operation (*Internet Service Provider*) with national operation

coverage where the license has been renewed based on the decision of Minister of Communication and Information of the Republic of Indonesia No. 34 of 2014 on the Operating License for Internet Access Service (*Internet Service Provider*) for Internux with national operation coverage as issued on 29 January 2014.

Pursuant to the Decision Letter of Minister of Communication and Informatics of the Republic of Indonesia No. 237/KEP/M.KOMINFO/ 07/2009 dated 27 July 2009, Internux has been determined as one of the winners in the selection to obtain a principle license for the operation of *Packet Switched* based Local Permanent Network using Radio Frequency Band 2.3 GHz for the requirement of *Wireless Broadband* service in Zone 4 (Banten, Jakarta, Bogor, Depok, Tangerang and Bekasi areas). Furthermore, Internux has obtained a principle license for the operation *Packet Switched* based Local Permanent Network No. 422/KEP/M.KOMINFO/11/2009 dated 6 November 2009 which subsequently was superseded by the Decision of Minister of Communication and Informatics of the Republic of Indonesia No.142/KEP/M.KOMINFO/03/2012 dated 5 March 2012. On 26 April 2012. Internux obtained a license for the Operation of Packet-Switched based Local Permanent Network pursuant to the Decision of Minister of Communication and Informatics No. 243/KEP/M.KOMINFO/04/2012.

III. Benefit and Risk Analysis of Transaction Plan

The Benefit of the Transaction Plan for the Company is as follows:

- Increase the potential yield through dividends as well as *capital gain* along with Internux' growth prospect.

The Risk of the Transaction Plan for the Company is as follows:

- Business risk of Internux is there is a possibility that the return does not commensurate with the expectation.

IV. Analysis of the Basic Requirements of Transaction Plan

Pursuant to the Deed of Shareholders' Resolution Statement on the Amendment to Articles of Association of PT Internux Number 129 dated 24 June 2016, drawn up before Andalia Farida, S.H., M.H., Notary in Jakarta which amendment to articles of association has been notified and stored in Legal Entity Administration System in accordance with Letter of Ministry of Justice and Human Rights No. AHU-AH.01.03-0061927 dated 28 June 2016 and has been registered under Company Register No. AHU-0080138.AH.01.11TAHUN2016 dated 28 June 2016 ("**Internux Deed No. 129 dated 24 June 2016**"), some of the main points of the said agreement are as follows:

- Stating the acceptance of share subscription price paid by MMM in the amount of Rp 5,000,000,000, and issuance of 50,000,000 new shares in Internux capital to be subscribed by MMM as a result of the payment.
- Approving the conversion of MMM receivable in Internux in the amount of Rp 35,000,000,000 based on and in accordance with Agreement on Transfer of Receivable drawn up and signed by the Company and MMM dated 26 May 2016 to become shares in Internux capital, and therefore it is decided to approve the issuance of 350,000,000 new shares in the Internux capital to be subscribed by MMM related to the said indebtedness conversion.
- Stating the acceptance of the share subscription price paid by APM in the amount of Rp 10,000,000,000, and therefore it is decided to approve the issuance of 100,000,000 new shares in Internux capital to be subscribed by APM as a result of such payment.
- Approving that Internux will increase the subscribed and paid-up capital in Internux from initially in the amount of Rp 2,255,647,030,000, comprising of 22,556,470,300 shares in Internux capital, each share having a nominal value of Rp 100, to Rp 2,305,647,030,000 comprising of 23,056,470,300 shares in Internux capital, each share having a nominal value of Rp 100, by means of issuing 500,000,000 new shares in Internux capital, each

share having a nominal value of Rp 100 with an aggregate nominal value of Rp 50,000,000,000 where the said new shares will be subscribed by MMM and APM.

- PIL hereby voluntarily and irrevocably waives its right to subscribe (*pre-emptive rights*) in relation to the issuance of such new shares.
- After increasing subscribed and paid-up capital, the capital structure of Internux shall be as follows:

Table 4: Capital Structure

Capital	Number of shares	Value (Rp)	Value/share (Rp)
Authorized capital	68,225,881,200	6,822,588,120,000	100
Issued capital	23,056,470,300	2,305,647,030,000	100
Paid up capital	23,056,470,300	2,305,647,030,000	100

Table 5: Share ownership

Shareholder	Number of shares	Value (Rp)	Percentage
MMM	16,773,407,400	1,677,340,740,000	72.75%
APM	4,611,294,100	461,129,410,000	20.00%
PIL	1,671,768,800	167,176,880,000	7.25%
Total	23,056,470,300	2,305,647,030,000	100.00%

- Approve to amend Article 4 paragraph (1) and (2) Articles of Association of Internux for the adjustment of a new capital structure of Internux mentioned above.

Based on Internux Statement dated 29 June 2016, the basic points of the said agreement are as follows:

- Internux has made and signed a (i) *New Loan Agreement* dated 27 January 2016 (as amended by *Amendment Agreement* dated 26 February 2016 and *Second Amendment Agreement* dated 17 May 2016) ("**New Loan Agreement**") with regard to the acceptance of loan facility, where the total loan extended by MMM to Internux is in the amount of Rp 160,000,000,000 and the entire amount has been disbursed on 29 April 2016; and (ii) *Bridge Loan Agreement* dated 10 June 2016 ("**Bridge Loan Agreement**") with regard to the acceptance of loan facility, where the total loan received by Internux from MMM amounting to Rp 66,600,000,000 has been received on 14 June 2016 and the amount of Rp 136,000,000,000 will be disbursed on 30 June 2016 or at the time a condition that has been agreed by the parties and contained in the *Bridge Loan Agreement* has been fulfilled.
- At the time the entire loan amount based on *New Loan Agreement* and *Bridge Loan Agreement* have all been disbursed, then Internux will be indebted to MMM in the amount of Rp 362,600,000,000.
- Internux has received a Letter of *Intention to Conversion of Loan* dated 28 June 2016 from MMM, with regard to the intention and commitment of MMM to convert Internux indebtedness to MMM in the form of participation of MMM to become 3,626,000,000 shares in Internux, provided that the implementation of the contemplated conversion complies with the applicable laws and regulations, including but not limited to obtaining the approval of General Meeting of Shareholders of Internux.
- Based on the intention and commitment of MMM, at the appropriate time and pursuant to the applicable laws and regulations and the other terms and conditions as will subsequently be agreed upon by the shareholders of Internux at or before 31 December 2016, Internux will hold a General Meeting of Shareholders of Internux with the agenda among others for the approval of implementation of conversion of Internux indebtedness to MMM to become share participation of MMM as referred to above.

B. QUALITATIVE AND QUANTITATIVE ANALYSIS OF TRANSACTION

I. Business Environment Analysis

a. Indonesian Economic Macro Analysis

There are risks that the global economic recovery will continue to weaken. Meanwhile, the risks in global financial market arising from the potential increase of Interest Rate of American (USA) Central Bank Policy or Fed Fund Rate (FFR), are gradually less. USA economic recovery is still restrained in line with the consumption which is still weak, improvement in the housing sector slowed down and manufacture sector is still in the contraction territory. USA economic recovery is not yet stable and it has given rise to the estimated FFR increase is shifted to semester II 2016 with an increase which is not as high as before. European Central Bank (ECB) still continues the policy of *quantitative easing* (QE) in line with the European economic growth and inflation which is still low. Japanese Central Bank has also started to apply negative interest rate policy. On the other hand, Chinese economy continues to slow down as a result of the weak manufacturing and investment sector, along with the *deleveraging* process carried out by corporation sector. In the meantime, it is estimated that the world oil price tends to decrease in the commodity market, as a result of increased supplies and lower demands.

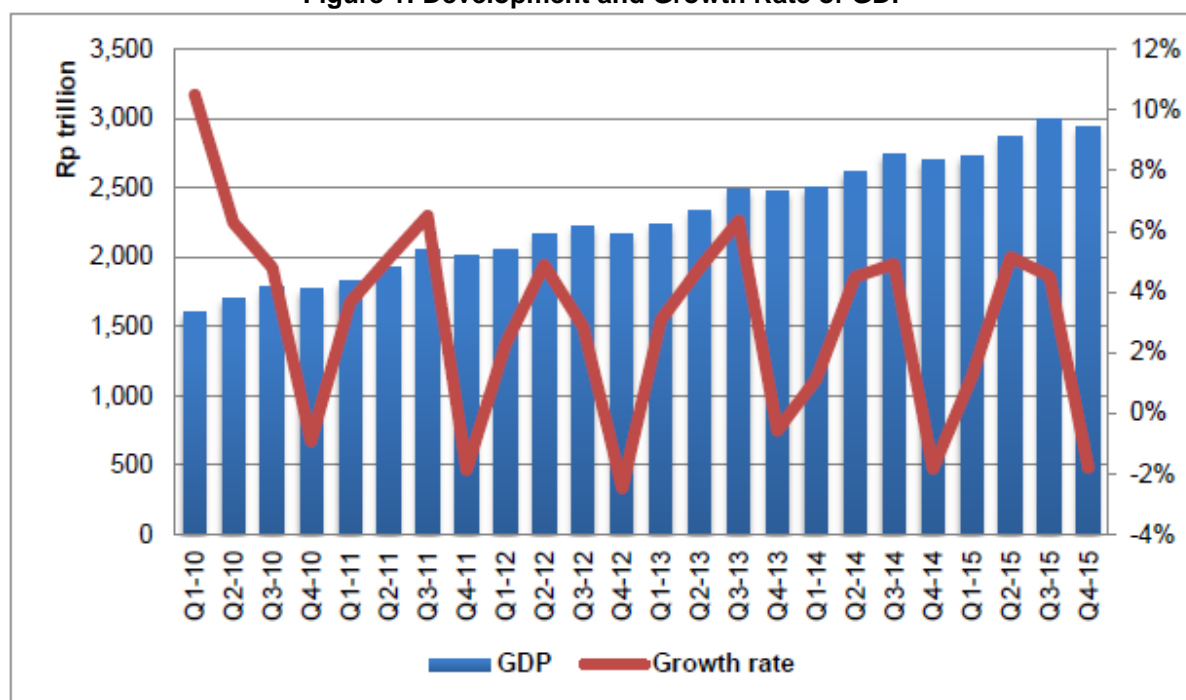
Indonesian economic growth in Quarter IV 2015 was recorded 5.04% (yoy), higher than the previous quarter 4.74% (yoy) (Table 1.3). The increased economic growth of quarter IV 2015 among others was driven by the role of government, either in the form of government consumption and infrastructure investment, as well as the holding of regional head elections (Pilkada). On the other hand, the private sector role is still limited, which is reflected from the household consumption and non-building investment which are not yet strong. Externally, export is still declining along with the global slow global economic recovery and the continued decline of commodity price. Economic growth is not evenly distributed throughout the business sectors and it is more supported by construction sector related to infrastructure and service sector.

The increased economic growth is not evenly distributed throughout the business sectors. The increased growth is mainly supported by the construction sector related to infrastructure project and service sector, while other business sectors, including manufacture, the growth is not robust enough. Construction sector performance has been growing stronger driven by the acceleration of government infrastructure project development. In the services sector, the increase was among others driven by government administration subsector along with the increased government spending and financial service subsector. Meanwhile, manufacturing sector is still slowing down, along with the tendency of weakening private consumption and the slowing down of manufacturing export at the end of the year. The slow down is confirmed by the development of Purchasing Manager Index (PMI) HSBC which is still in the contraction territory. When viewed from the type of industry, the lower performance of industry occurred mainly in the chemical industry, related to the declining export demand. However, the significant increase in the performance of oil and gas refinery industry is capable to curb further worsening performance of refinery industry.

Spatially, economic recovery is mainly driven by Java and Sumatra. The Java economic growth showed an increase from 5.5% (yoy) in the quarter III 2015 to 5.9% (yoy) in the quarter IV 2015. This was driven by the realization of acceleration of large scale government infrastructure project such as dam, port, airport construction and mass transportation. Similar to the Sumatra economic growth that increased from 3.1% (yoy) in quarter III 2015 to 4.6% in quarter IV 2015. The increase is driven by the realization of infrastructure project, such as toll, power plant constructions, and various supporting facilities for ASEAN Games 2018. In the meantime, Kalimantan economic growth is quite low which is 1.5% (yoy) from 0.4% (yoy) in the quarter III 2015. Such condition was due

to the weak export performance and the tendency of lower oil and gas production particularly in East Kalimantan. On the other hand, the economy growth of the Eastern part of Indonesia somewhat slowed down, though it was still at a quite high level. The Growth in the Eastern part of Indonesia was slowing down from 8.9% (yoy) in the quarter III 2015 to 8.6% in the quarter IV 2015. This was influenced by the export performance, particularly mining products, which are still limited due to the low price of commodity.

Figure 1: Development and Growth Rate of GDP



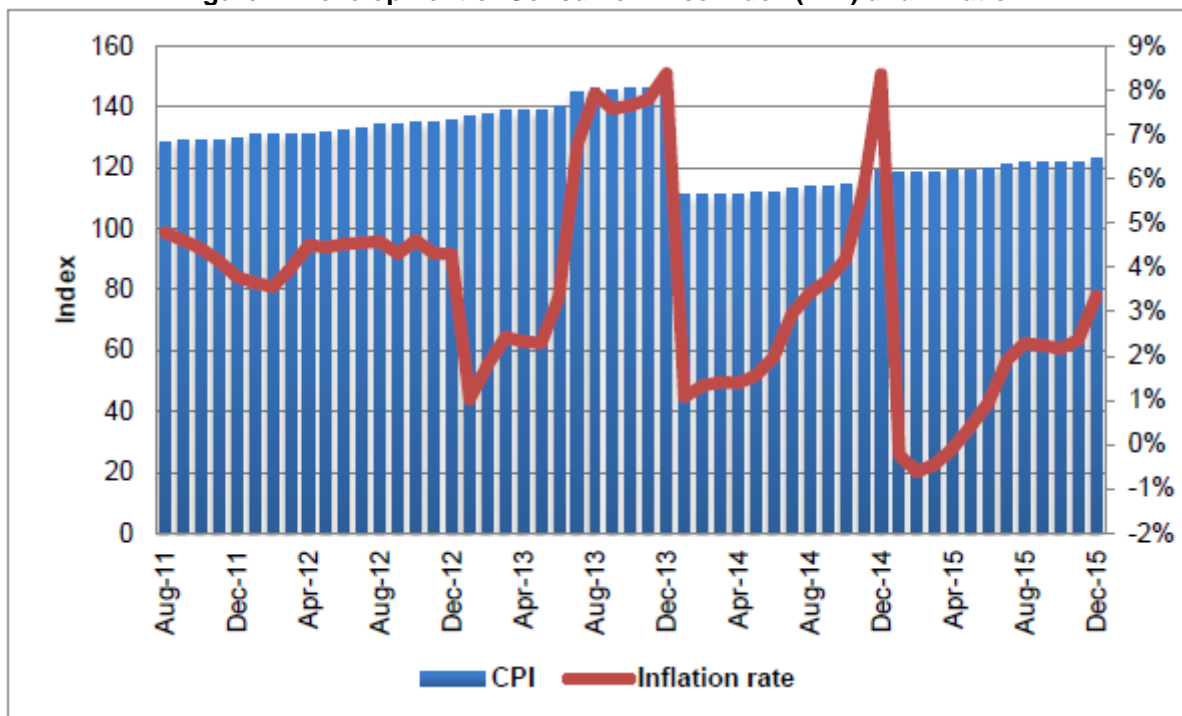
Source: Bank Indonesia

Inflation of Consumer Price Index (IHK, *Indeks Harga Konsumen*) in the quarter IV 2015 slowed down compared to the previous quarter. IHK inflation was recorded 1.08% (qtq) or 3.35% (yoy), which was lower compared to the previous quarter of 1.27% (qtq) or 6.83% (yoy). The lower inflation was particularly driven by the slowing down of core inflation. The slow down of core inflation compared with that of previous quarter was because seasonal factor (Eid ul Fitr and new academic year) had passed, the low global price, and the low domestic demand. Volatile Food (VF) Inflation was higher compared with the previous quarter, it was driven by the increased price of horticulture (various chilies and onions) as a result of the planting season currently progressing. Administered Prices (AP) inflation was recorded to be higher than that of previous quarter, which was driven by the increase of various cigarette tariff.

Spatially, the inflation in Kalimantan in January 2016 was recorded 0.33% (mtm), and it was followed by the inflation in Java and Sumatra respectively 0.50%. (mtm). Inflation in Kalimantan was lower as it was supported by the price correction that occurred in the commodity of broiler chicken and red chillies as well as air transportation in all regions. The correction of broiler chicken price was due to the efforts of regional government in maintaining supplies among others by balancing market intervention. The reduced inflation pressure in Java was not as much as in the other areas. This condition was due to the relatively high inflation in various areas in Java among others Banten and East Java. While Jakarta that has relatively large weighting in Java area experienced a quite low inflation so that it could minimize the inflation driven from the other provinces in Java. Inflation in the Eastern part of Indonesia (KTI) was the highest compared to the other areas i.e. 0.73%. Higher inflation in KTI could be prevented by deflation in some areas

such as Gorontalo, Central Sulawesi, North Sulawesi and West Sulawesi. The deflation occurred in the commodities such as bird's eye chillies and fresh fishes.

Figure 2: Development of Consumer Price Index (IHK) and Inflation



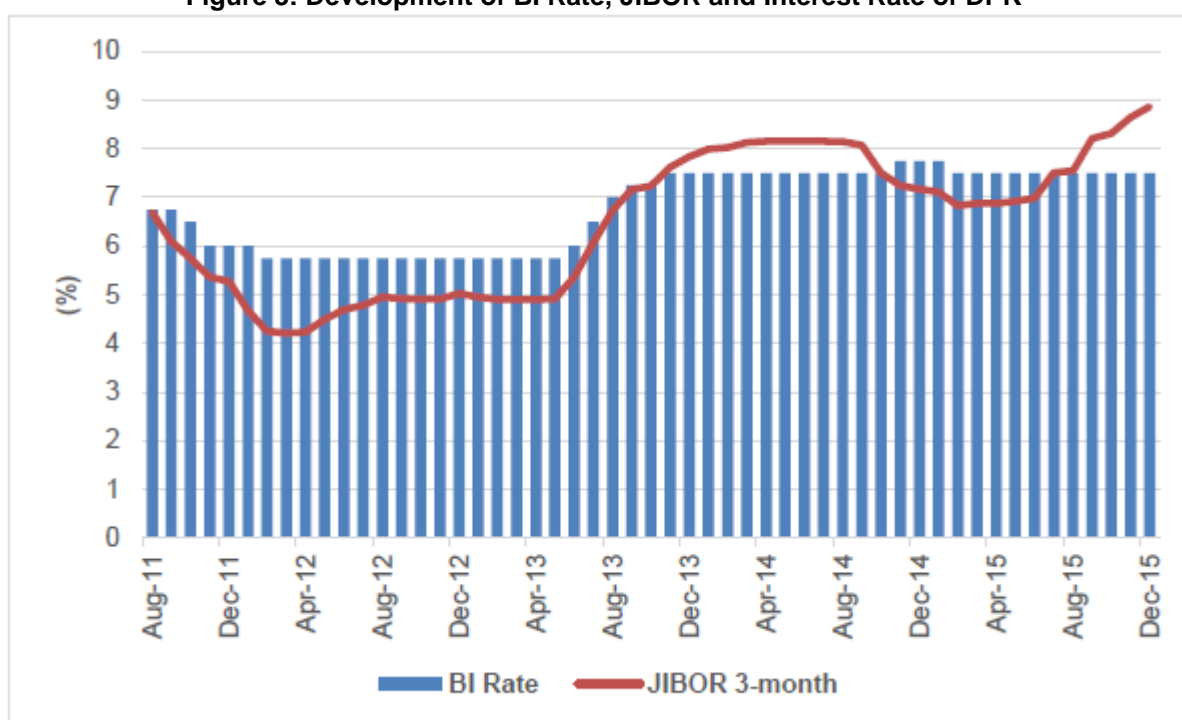
Source: Bank Indonesia

Liquidity in Interbank Money Market (PUAB, Pasar Uang Antar Bank) is somewhat tight, however in general it is still maintained. The DF position went down from Rp 92.1 trillion in the quarter III 2015 to Rp 79.2 trillion in quarter IV 2015. The average interest rate of PUAB O/N in the quarter IV 2015 experienced an increase from 5.85% (qtq) in the quarter III 2015 to 5.97% (qtq). Such an increase was among others, influenced by the increased liquidity requirements in December 2015. However, in general the liquidity is still maintained, it is reflected from the average volume of total PUAB in the quarter IV 2015 that increased to Rp 12.39 trillion from Rp 10.85 trillion in the previous quarter. Money market liquidity started to recover gradually in January 2016 in line with the return of common money in the banking system and fiscal expansion.

Credit growth in the quarter IV 2015 was recorded to be declining from 11.1% (yoy) in the quarter III 2015 to 10.45% (yoy). The declining credit growth in the quarter IV 2015 was mainly from the declining growth of Working Capital Credit (KMK, *Kredit Modal Kerja*) from 10.72% (yoy) in the quarter III 2015 to 9.04% (yoy) in the quarter IV. Meanwhile, the growth of investment Credit (KI, *Kredit Investment*) increased to 14.7% (yoy) in the quarter IV 2015 from 12.95% (yoy) in the quarter III 2015. However, the KI growth was not able to spur the increase of total credit growth. In the business sectors, the increased growth of credit among others occurred in the electrical, water and gas sectors, transportation sector and business services sector. Meanwhile the growth of Third Party Funds (DPK, *Dana Pihak Ketiga*) in the quarter IV 2015 was recorded 7.3% (yoy), which was lower than the previous quarter of 11.7% (yoy). The declined DPK was mainly due to the growth of deposit that declined from 11.2% (yoy) in the quarter III 2015 to 5.0% (yoy) in the quarter IV 2015. Giral growth also experienced a slowing down from 13.7% (yoy) in the quarter III 2015 to 10.3% (yoy). Meanwhile, the growth of Rupiah saving increased in the quarter IV 2015 to 7.3% (yoy) from the previous quarter of 4% (yoy). However, such an increase was not able to drive the growth of DPK.

Deposit interest rate during quarter IV 2015 was relatively stable, while credit interest rate declined in the quarter IV 2015. Weighted average (RRT, *Rata-rata tertimbang*) of deposit interest rate in the quarter IV 2015 was stable at 7.94% (yoy) or equal with the RRT of deposit interest rate in the quarter III 2015. Despite it was relatively stable compared to that of previous quarter, RRT of deposit interest rate in December (quarter IV) 2015 increased 7bps from the previous month. The increase was influenced by the banking liquidity condition which was relatively tightening in December 2015 particularly due to the seasonal factor of increased liquidity requirement to meet Christmas and New Year requirements, as well as fiscal operation which was more contractive. Meanwhile, RRT of credit interest rate in the quarter IV 2015 declined 8 bps to 12.83% (yoy) from previously 12.91% (yoy) in the quarter III-2015. The decline was mainly from working capital credit (KMK) and credit investment (KI) interest rates which respectively declined 12bps and 7bps to 12.46% (yoy) and 12.12% (yoy). With such development, the *spread* between credit interest rate and deposit narrowed down to 489 bps from the previous month of 495 bps.

Figure 3: Development of BI Rate, JIBOR and Interest Rate of DPK



Source: Bank Indonesia

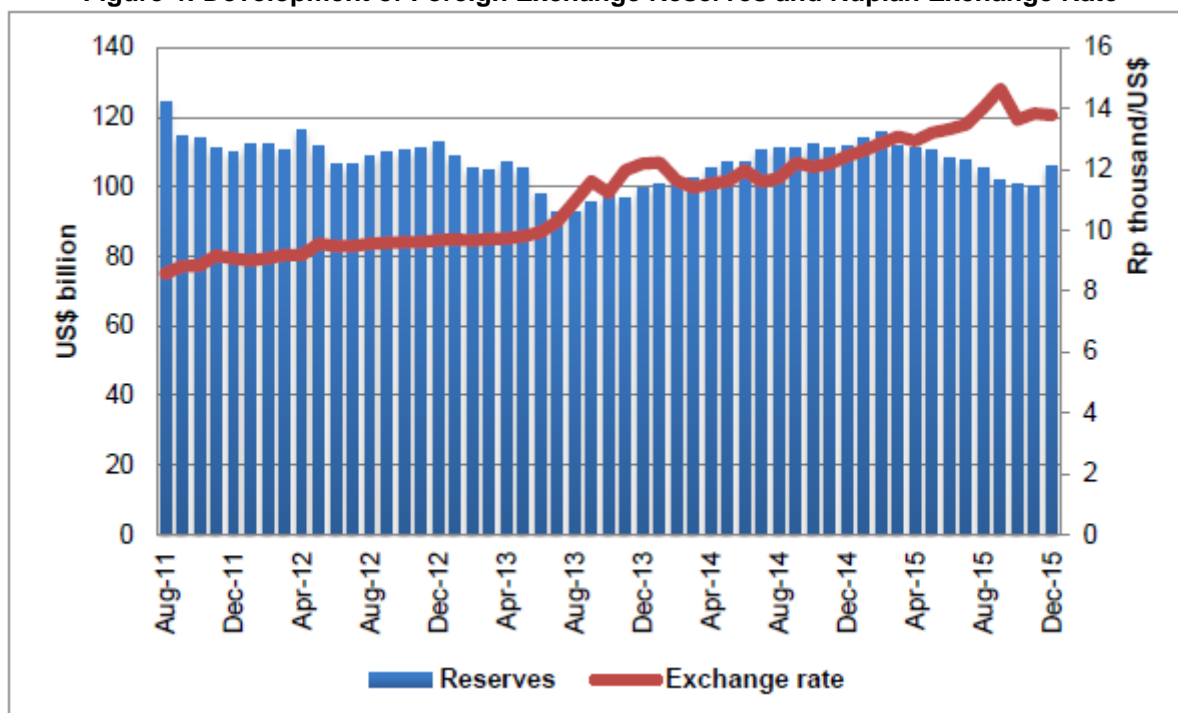
Indonesia Balance of Payment (NPI) in the quarter IV 2015 recorded a surplus, supported by the surplus of capital and financial transaction (TMF, *Transaksi Modal dan Finansial*) which was higher than the deficit of current Transaction. The increase of TMF surplus was supported by the increase of foreign capital flow, along with the declining uncertainty in global financial market and improvement of confidence on Indonesian economic prospect. Meanwhile, Transaction current deficit increased to 2.4% GDP in the midst of Indonesian economic recovery process and the weak global demand. In overall for the year of 2015, current Transaction deficit was recorded at 2.06% GDP, which was much lower than 3.09% GDP in 2014. On the other hand, Indonesian Trade Balance in January 2016 recorded a surplus, supported by the declining deficit of oil and gas balance of trade. With such a development, foreign exchange reserves at the end of January 2016 recorded at 102.1 billion US Dollar or equal to 7.5 months of import or 7.2 months of import and government foreign debt payment. The figure was above international adequacy standard about 3 months of import. Forward looking, Bank Indonesia believed

that NPI performance will be better with the current deficit transaction is controlled below 3% of GDP.

During quarter IV 2015, appreciation of Rupiah exchange rate continued up to January 2016. The trend of rupiah appreciation was supported by the increased flow of foreign capital, particularly to the market of state commercial papers. This was driven by investor's positive perception towards the direction of Indonesian economy, along with the lower BI Rate, a set of Government policies to improve investment climate, and a more effective implementation of various infrastructure project. In addition, the reduced risk of global financial market, which is reflected from the estimated FFR path which is more *dovish*, has also driven Rupiah appreciation.

Externally, the strengthening of Rupiah during quarter IV 2015 related to the reduced uncertainty in global financial market, in line with the result of FOMC September 2015 which was *dovish*, FFR increase on 17 December 2015 that has been anticipated by the market and the statement of the Fed after the increase of FFR that normalization will be made gradually and limited. Domestically, the improved optimism of Indonesian economic prospect, along with a series of government policies and stabilization package of exchange rate issued by Bank Indonesia, also boosted the strengthening of Rupiah. Such positive factors also encouraged the increase incoming flow of foreign capital, particularly to the market of state commercial papers, which subsequently boosted the strengthening of Rupiah.

Figure 4: Development of Foreign Exchange Reserves and Rupiah Exchange Rate



Source: Bank Indonesia

Indonesian economic growth in 2016 is estimated to increase and would achieve a range of 5.2-5.6%. It is estimated that such economic growth will be supported by fiscal stimulus, particularly the faster realization of infrastructure project development. Private investment is expected to increase along with the impact of government policy package and the utilization of measurable monetary easing by maintaining macro stability. Inflation at the end of 2016 is estimated to be around the mid range of inflation target 4±1%. Domestically, inflation pressure from the demand side is expected to increase compared

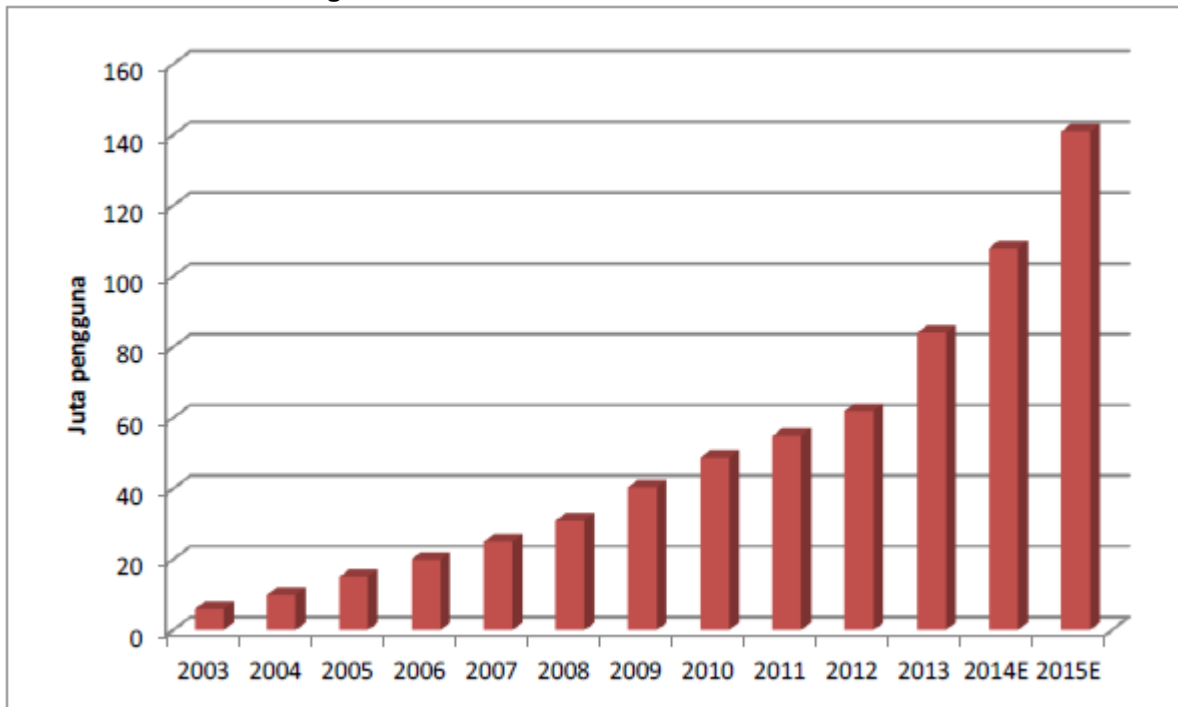
to the previous year along with the economic growth which is closer to its potential rate. It is expected that inflation could still be maintained with the support of policies and coordination between Bank Indonesia and Government. On the other hand, it is estimated that inflation pressure from external factor is not going to be that great. This is supported by the estimation that there will be a limited increase of international commodity prices, which is in line with the rate of world economic improvement which is still in progress gradually, decline of oil prices and exchange rate which is relatively stable. In 2017, economic growth is expected to again increase. The increase is in line with the global economic growth rate being maintained and improved international commodity price. In term of domestic demand, infrastructure development is expected remain to be the main contributor for economic growth in the midst of limited global growth. In term of consumption, it is estimated that the purchasing power of the society could be maintained with inflation rate is within the range of the target $4\pm 1\%$.

b. Industry Analysis

The provider of internet access service (*internet service provider*) or data communication in principle offer internet access service to the customers starting from individual consumers up to large corporations. The availability of large number of customers for the players in this industry has more or less weakened the bargaining power of the buyers. Switching cost of this product is relatively moderate, where this cost could be in the form of cost of time which is required to switch to another competitor or its closing cost. The reputation of the name or brand could also play an important role in this industry. However, price is still the main consideration of buyers, other than factors such as access speed and connection quality. An example of differentiation which is generally available in the market is to offer only to the consumers of internet access service or making it in a package with telecommunication service or cable TV. Internet penetration is quite high in a number of Asia Pacific regions such as Japan, South Korea, Australia, Singapore and Taiwan. This was due to the fact that many users view that internet access is something most important and many business actors deem it as something vital. Meanwhile in other areas such as India and China, internet penetration is not that high. However, the market continues to grow and internet increasingly plays an important role. Overall, the bargaining power of buyers is moderate in this industry.

Basically, ISP is acting as an intermediary between customers and telecommunication infrastructure that support internet technology, such as ADSL channels, server, software etc. Some ISP have and operate physical networks themselves. For companies such as these, the main supplier is the manufacturer of software and hardware, such as Cisco Systems. However, there are now quite a few ISP that do not have their own networks and rather buy the access to the required infrastructure from operators of other networks. For ISP with this type of business model such as this, the main supplier is the operator-owner of network. On the other hand, we seldom find ISP in such both forms that make integration backwards, considering that the downstream business is vastly different. The majority of operator-owner of networks have integrated forward in ISP retail market, and compete directly with ISP that does not have their own networks. On the other hand the manufacturer of network equipment does not fully depend on ISP market for their income, considering that they can also operate in another market such as corporation intranet. Network owner usually generates income from telephone service, directory issuance, advertising, and ISP (retail as well as non-retail). In overall the supplier's bargaining power is quite strong in this industry.

Figure 5: Number of Internet Users in Indonesia



Source: IDC (2013)

New player will be interested in this market by the rigorous growth rate, the speedy development of infrastructure and population density in several countries. Players without their own infrastructures can purchase access to telecommunication network, to the extent local telecommunication market regulation permits to do so. This reduced capital requirements to enter the market, despite the urge from the customers to increase bandwidth could also mean that investment for infrastructures will be required in the future. Price competition is most likely occurring in this market, in view of the high number of players. New players also need to make a differentiation from the existing players to attract customers. Though this is not easy to sell services of commodity that could be specified with some parameters like bandwidth and time to download/upload. While the regulations in this market differs from one country to the other. In overall, the pressure from new players in this industry is moderate.

Internet has a lot of advantages in various daily activities, and up to now there is no other alternatives that could compete with it. Internet has developed rapidly because it could be the substitution of various products and services. This includes traditional forms of advertisement, news, musical physical media (and video) such as CD and DVD, physical form of goods and services shop, and communication services such as letters and telephones. While the benefit of other form of internet substitution is considered small along with the increasingly popular internet among consumers and corporations. However, there are two examples of internet substitution that could maintain its excellence, namely consumers that pay attention to the issue of security of *online* financial transaction and business that intends to advertise to the segments with population unconnected with *online*. In overall, substitution of internet is considered to be weak.

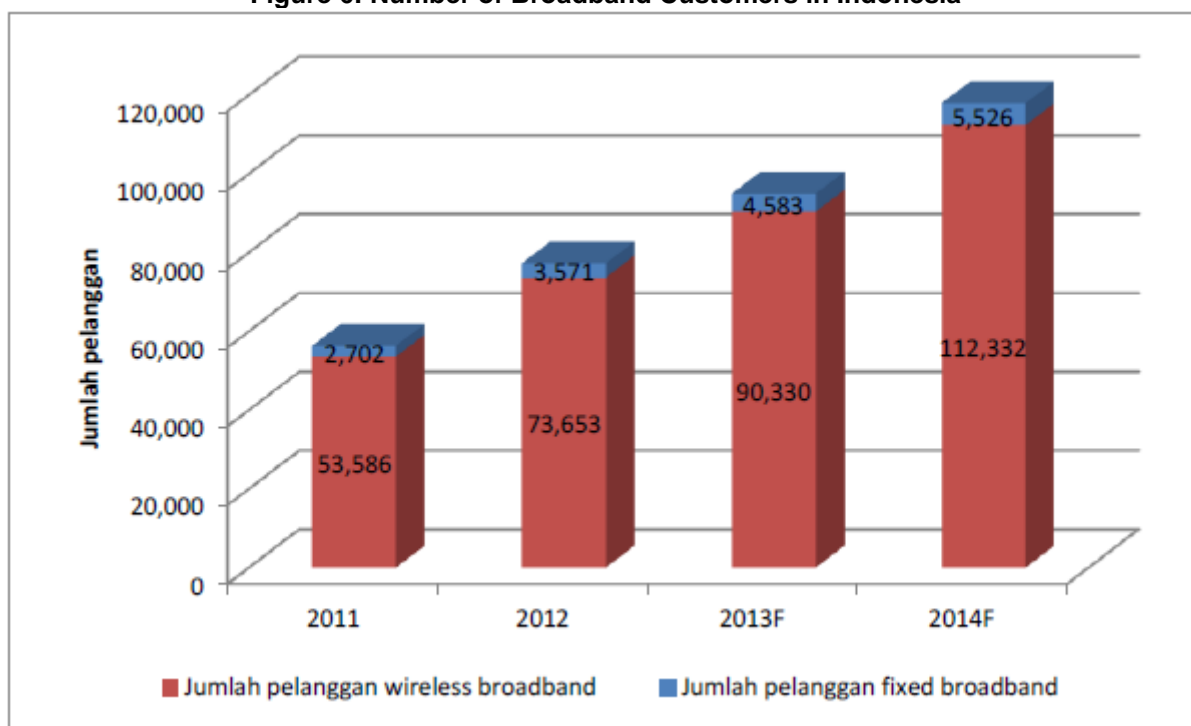
The market of internet service providers in Asia Pacific is relatively fragmented, where there is not one company dominating the market. While at the level of each country, market consolidation is shown more. For example, in India about 10% of existing ISP controls 90% customers, while in China Telecom and China Unicom control with almost the same number in China market. The companies present in a market such as this

operates in a complex environment technologically, where the presence of new technology will increase the number of competitors for high speed internet connection. For the customers themselves, the switching cost is relatively low, and as a matter of fact the customer behavior that switch easily is often a problem for ISP to solve, particularly in the individual customer market. In general a company offers various communication-based services, such as TV and telephone, so that the success in internet access business does not determine the sustainability of that company. In addition, rapid market growth means that the players do not merely compete with the other competitors to obtain market share. In overall, the level of competition in this market is considered to be moderate.

Meanwhile Indonesia with a large population and rigorous economic growth provides a sustainable platform for internet and data communication market. This industry in Indonesia is estimated to still continue substantially along with the more sophisticated consumers and their product demand. The current projection and trend generally shows a strong growth of data service and a shift from traditional telecommunication to the direction of HSPA⁺ and LTE technology application. When referring to international standards, the penetration of internet access as well as immobile telephone connection in Indonesia is still low. However, there are some tendencies towards a significant growth in this industry in Indonesia which is supported by a number of factors, among others are:

- Sustainable economic growth is expected to encourage the increase of demand of telecommunication and data service.
- The shifting to wireless telephone network, where telecommunication service and wireless data will be increasingly popular refers to the expansion of service coverage accompanied with the increased quality of wireless network, mobile device price which is more affordable and additional features for prepayment service that will facilitate mobile data access.
- Additional number of telecommunication operators, so that market competition in this sector in Indonesia will be more open and stringent in the future as a result of reformation of Government regulation that abolish monopolistic/duopolistic system.

Figure 6: Number of Broadband Customers in Indonesia



Source: Minister of Communication and Informatics (2013)

In the long term, the sustainable growth of national economy is also supported by Government initiatives through Masterplan for Acceleration and Expansion of Indonesia Economic Development (MP3EI) that had been announced in 2011. One of the three main pillars of MP3EI is the strengthening of national connectivity, including the development of information technology and communication (TIK) sector. In addition, the shifting of consumer preference to digital life style will be the key factor in boosting business growth in the years to come. This condition will result into the continued increasing demand of broadband service (including *mobile broadband*). It is estimated that increased demand of data communication and corporate internet will continue the years to come along with the national capacity expansion to provide service to more customers of Small Medium Businesses (UKM). Based on the estimation of a number of analyses, the number of internet users in Indonesia will develop rapidly and penetration of *broadband* per capita is estimated to increase significantly. Penetration of household *broadband* is estimated will grow from 5% in 2012 to 9% in 2017, while penetration of *broadband mobile* per capita will grown from 5% to 10% during the same period. Internet advertisement is estimated to grow with CAGR of 31% in the next five years and control almost 7% market share in 2017. The boosting factor is *user engagement* which will continue to grow and the better demography profile and mobile market growth.

In addition, Indonesia is the fourth largest country in Asia after China, India, and Japan based on the number of internet users in June 2014, with a total of 71.2 million users. However, the penetration of internet service in Indonesia compared with the number of population is still low i.e. 28.1% per 30 June 2014, also when compared with the neighboring countries in Asia namely, 67%-80% in Malaysia, Singapore and Brunei Darussalam (source: Internet World Statistic, 30 June 2014). While based on the result of national research made by Association of Indonesian Internet Service Users (APJII), internet users and its penetration during the year of 2014 showed an increase. Internet users experienced a growth of 16.2 million from 71.9 million to 88.1 million with penetration of 34.9% (source: statistic APJII). APJII projected that Indonesia will grow with *compounded annual growth rate* of 30.18% in the period 2012-2015. Internet growth in the future will also be influenced by the growth of demand of social media, application and content in online network. Instant messaging service is a popular online application, followed by social network and games. Indonesia is the second user of Facebook after India among the Asian countries (source: Internet World Statistic, 31 December 2012). The level of penetration of fixed broadband usage and mobile broadband in Indonesia compared with the number of houses is still low, respectively, about 5% and 6% in 2013 (source: MediaRoute26, Issue 124, 20 February 2014).

Currently, the East Asia and Pacific region is still one of the contributors for the main growth of world economy. Despite of the growth in ASEAN region was cut up to 4.6%, Indonesia still recorded a growth of 4.8% in 2015. Reformation in the economic field, including improvement in financial, employment policies and the market which is more transparent and the improved accountability have assisted in maintaining economic growth, though it was still corrected due to the pressure of world economic growth, including the slowing down of Chinese economy and the plummeted commodity and energy price.

Indonesian economic growth is substantially supported by household consumption and primary commodity export. The strengthening of this household consumption is due to the fact that the demographic structure mostly is in the productive age and belongs to the middle class that increase income per capita. Interestingly, 58.4% of internet users in Indonesia are young generation, where 48.5% are in the range of 15 – 34 years. Indonesian Government has indeed encouraged infrastructure and TIK development as they understand well that Indonesian economic development will be greatly influenced by the use of TIK. Social media provides contribution in the economic micro empowerment in Indonesian society.

On the other hand, 95% internet access is still made through *mobile devices*, such as *smartphone* and *tablet*. Thus Indonesia still needs internet network infrastructure development through cable which is often called *the truly broadband* to the houses as well as buildings. Governance, either in government as well as private sector, which is transparent and integrated also demands e-Government strategy application to make the data connected with a secure system thus in facilitating the traffic of information communication a better broadband internet service network is required. Observing this, the Company realizes that TMT business development is wide open, though competition is increasingly tighter with the commencement of MEA 2015 meaning that there will be new competitors from a number of ASEAN countries that will enter internet user market in Indonesia, the largest market in South East Asia region.

II. Advantage and Disadvantage of Transaction Plan

The advantage of Transaction Plan for the Company is as follows:

- Reduce financial charges so as to increase Internux value in particular as well as Company value in general.

The disadvantage of Transaction Plan for the Company is as follows:

- There is no more fixed income in the form of interest arising from debt. Similarly, the decision for dividend distribution will depend on the other shareholders.

III. Operational Performance Analysis

The Company is the holding company of a number of companies, where the structure of subsidiaries of the Company is as follows:

Table 6: Structure of Direct Subsidiary of the Company

Subsidiary	Business	% Share	Status
PT Link Net Tbk	Cable-based network, multimedia service, internet and business management consultation	33.82	Operation
PT First Media Production	Film & video recording	100.00	Operation
PT First Media News	Film & video recording	100.00	Operation
PT Margayu Vatri Chantiqa	Trading	100.00	Investment
PT Bintang Merah Perkasa Abadi	Telecommunication	100.00	Investment
PT Graha Raya Ekatama Andalan Terpadu	Trading	100.00	Investment
PT Delta Nusantara Networks	Internet	100.00	Operation
PT Mitra Mandiri Mantap	Trading	69.04	Investment
PT Citra Investama Andalan Terpadu	Trading	100.00	Investment
PT Daya Sarana Mantap	Trading	100.00	Investment

Source of Company revenues include among others TV cable, internet connection, data communication, provider of news content (BeritaSatu), film and video recording (First Media Production), and provision of Broadband *Wireless Access* (BWA).

Broadband internet network service business with cable

This service business initially was operated by the Company itself in 2007 and it was then novated to PT Link Net Tbk (“LN”) in 2011 up to now. This business service promote the concept *TriplePlay* that provides an integrated service of its three products, namely (i) high speed broadband internet service (“FastNet”), (ii) subscription television service through cable (“HomeCable”), and (iii) digital communication service through digital telecommunication network (“DataComm”). The *TriplePlay* service is operated with *Hybrid Fiber Coaxial* (“HFC”) cable system with technology and is able to operate 870 MHz two-way broadband services.

“FastNet” is an internet service product using cable media and is present in Indonesia being the first that provides internet service which is speedy and low cost with the price of Rp 99,000 for the speed of 384 Kbps. With HFC network having frequency up to 870 Mhz, it is able to deliver large bandwidth to the Indonesian people. At present FastNet service can be enjoyed in the areas of Jabodetabek, Bandung, Surabaya and Bali.

“HomeCable” is a subscription television service provided by LN in cooperation with PT First Media Television (“**FMTV**”) as the license holder for the operation of subscribed broadcasting. HomeCable Service will be explained in the part of the Business of Subscribed Television with Cable.

“DataComm” is high speed data communication service using optic fibre cable network for business and other commercial purposes. By using *fiber optic* network infrastructure, DataComm provides data service to the consumers/corporate consumers in various industrial and business sectors. DataComm service has been enjoyed by a number of corporation in the golden triangle area of DKI Jakarta.

Wireless broadband internet network service business

Internux is the subsidiary of the Company that operates wireless broadband internet network – *Broadband Wireless Access* (BWA) with the trademark “BOLT!Super4GLTE”. Product BOLT! that adopts 4G LTE-TDD technology. This product answers the need of broadband internet service of the society, namely mobile broadband internet service, so that customers can utilize the service when they are mobile, and even when in a journey. With the mission “Transforming Lives”, BOLT! Now provides services for internet mobile requirements through 3,400 BTS network which is spread in the areas of Jakarta, Bogor, Tangerang, Depok, Bekasi, and Medan.

In line with the Company commitment to be the foremost in providing TMT services, Internux made innovations in enhancing its service quality. In 2015, BOLT! Made a *bundling* with the product *smartphone* (“BOLT!4G Powerphone E1”), *tablet* (“BOLT!4G Tablet X1”), and *mobile WiFi Hydra*, and strategically collaborated with Samsung presenting Samsung Galaxy J5. In addition, BOLT! also made a breakthrough by introducing ULTRA LTE that offer three advantages, namely *ultra speed*, *ultra coverage* and *ultra value*. In presenting ULTRA LTE, BOLT! made an *upgrade* of its 4G LTE network with the leading technology *advanced mobile network*, namely LTE Advanced (LTE-A) which is the current 4G technology evolution which is able to provide *download* speed up to 200 Mbps. This allows customers to download a file of 1 GB within only 40 seconds. BOLT! Customers can also enjoy ULTRA LTE service through Samsung Note 5 and Samsung S6 Edge+.

BOLT! has market segmentation of regular customer (individual) and corporation customers, that subscribe BOLT! Service by pre-payment or post-payment. At the end of 2015, the data shows that regular customers were 1,3 million customers. The number was an increase from the number of BOLT! regular customers in 2014 which were 958.508 customers. The data of corporation customers in 2015 was 4,513 customers. Similar with regular customers, the data indicates that the number of corporation customers increased from 1,236 customers of BOLT! Corporation customers in 2014.

Telephony business through integrated smart network

Observing the business development in Indonesia and the increasingly tighter competition among companies engaged in telecommunication industry, the Company enhanced its services with telephony value added service provided by PT MSH Niaga Telecom Indonesia. Telephony value added service is a telecommunication service by phone with affordable price. The service covers among others, telephony service through smart network, calling card, and interactive *voice response* technology service and radio call for public.

The market share of Company is largely corporate customers with area of service in Jakarta and Surabaya. The Company up to 31 December 2015 already provided services to more or

less 1,300 corporation customers in various industries such as hospital, insurance, pharmaceutical, automotive, and mining.

Telecommunication infrastructure construction business

PT Prima Wira Utama (“**PWU**”) is a subsidiary of the Company engaged in the business of construction, management, operation and arrangement for telecommunication infrastructure requirements. The telecommunication infrastructure includes but not limited to *Distributed Antenna System* (DAS), strengthening of cellular telephone signal, internet, telephony, subscription television, information and data communication, digital signage, CCTV, EDC machine, and many others. This telecommunication infrastructure service is provided in office buildings, residential areas (housing and apartments), hospitals, hotels, educational centres and shopping centres. The type of telecommunication using infrastructures of the Company.

For the purpose of supporting PWU needs and demand from clients, PWU has built telecommunication supporting service in the building (*in building solution*) in 59 buildings throughout Indonesia.

In addition, PWU has built wireless infrastructures (Wi-Fi) in 25 shopping centres and 3 hospitals, to deliver Wi-Fi service to tenants and visitors of the shopping centres or hospitals. These infrastructures are presented by PWU in cooperation with LN and PT Delta Nusantara Networks (“**DNN**”) hence visitors could enjoy super fast Wi-Fi service up to 100Mbps, where this is the fastest facility provided for visitors in shopping centres and hospitals in Indonesia.

Internet Service Provider (ISP)

DNN is a subsidiary of the Company engaged in the field of internet service provider (ISP) by using *fiber optic* and *radio link* combined network. This subsidiary has strengthened the Company in the service business of internet service network in the city of Tangerang, Bandung, Belawan, Medan, Palembang, and in 2015 developed its services to the city of Bogor. In the same year, internet service network provided by DNN also served tenants in various shopping centre buildings belonging to Lippo Malls. This is realized as a result of cooperation with another Company’s subsidiary, PWU.

At the end of 2015, DNN developed internet business with the trademark “FirstNet” to serve internet users in various areas that are not easily reached by terrestrial network.

DNN market share comprising of corporation customers, with 177 customers in total in 2015. That number is an increase of 16.45% from the total customers of 152 in 2014 .

Business of subscription television with cable

The Company association entity, FMTV, worked in cooperation with LN and used their cable network to deliver television broadcasting with High *Definition* quality with the highest number of broadcast channels in Indonesia, labelled “HomeCable”. Broadcast Programs delivered by HomeCable vary, starting from programs for education, news, music entertainment, lifestyle, film, sport up to program for children. In addition to presenting overseas broadcast channels HomeCable also provide 9 (nine) local channels and it is in-house productions such as J’Go, Dangdut, Hi TV, MIX, Reformed 21, Foodie TV, Kairos TV, Karaoke TV and BeritaSatu. The nine in-house channels produced by PT First Media Production (“**FMP**”) and PT First Media News (“**FMN**”) as a form of HomeCable creative channel to promote care about Indonesian content. Not only excellent high quality broadcasting is presented, subscription television broadcasting service named HomeCable is also equipped with an interactive application which is a strong bargaining power to the market. The market of young generation and teenagers, nowadays utilizing television as information center, followed by media *online* internet, so that interactive application is required. This HomeCable subscription television broadcast has covered the areas of Jabodetabek, Bandung, Surabaya and Bali.

Business of subscription television direct-to-home (satellite)

This business is run by a company which is affiliated with the Company, namely PT Indonesia Media Televisi (“**IMTV**”) based on the license for subscription broadcasting operation they have. Ini providing subscription television service *direct-to-home* labelled “BiGTV”, IMTV used satellite technology as the main infrastructure to broadcast the programs throughout Indonesia. By utilizing 9 transponder capacity to bring 184 channels with the composition of 30 HD channels and 154 SD channels, television service through BiGTV satellite could reach potential viewers throughout Indonesia. This is indeed one of the objectives of the Company in providing access to the best entertainment service to the society wherever they are in Indonesia. Similar to HomeCable, BiGTV also present local broadcasting contents produced *in-house*. BiGTV has positioned its brand as subscription television brand that instills love of Indonesian people to their country Indonesia. This becomes the attention of BiGTV, in view of the high penetration of foreign content going around in Indonesia that has caused lower penetration of local content and the society forgets about local contents which are actually not inferior compared to foreign content. The vision to advance the Indonesian society through television content is the main target of the Company. Through quality television content, BiGTV could expand the knowledge of the society memperluas with good information which is entertaining, educating and strengthening the unity of the nation.

Broadcasting content production business

In the megamedia business, media convergence is required and content has to be made to be able to strengthen the capacity to compete. The subsidiaries, FMP and FMN become the Company’s business units in the production and development of broadcasting content.

FMP business unit is engaged in film production that has three production groups namely creative, production house and *post-production*. In addition, FMP also produce advertisements and develop *in-house* broadcast delivered by subscription television broadcasting service of the Company: HomeCable and BiGTV.

The Company realizes the increasing need of the society for current information or updated at any time. This has encouraged FMN subsidiary which is incorporated to generate news product and information channeled through “BeritaSatu News Channel” and distributed through subscription television broadcasting service of the Company. As such, Company, through its subsidiary FMN, could provide information and news to the public with high journalism standard, and uphold integrity, objectivity, impartiality, and accuracy of news. Strong editorial vision and upholds the values of being objective, sharp, comprehensive and investigative are the values that are maintained by BeritaSatu News Channel in presenting the news to the viewers.

Cinema business

Through the subsidiary Cinemaxx, Company presents the latest technology cinema network Big Picture, Big Sound that provide the best audio-visual experience in watching film (*Maximum Movie Experience*). With 2 types of cinema namely Ultra XD and Cinemaxx Gold, Cinemaxx presents the enjoyment of watching wide screen movies optimally. Ultra XD cinema provides an amazing cinematic experience with different sensation through gigantic curved screen of 22 meters. While Cinemaxx Gold gives a VIP experience in watching movies, where viewers may enjoy first class service from the their seats that comprise of luxurious leather sofa complete with twin-motor recliners, so that the viewers could adjust their sitting position with just touching the button, up to food ala stars hotel delivered directly to the seats of the viewers. Since December 2014 to end of 2015, Cinemaxx already have and operates 14 cinemas with a total of 73 screens located in the areas: Plaza Semanggi - Jakarta, FX Sudirman – Jakarta, Palembang Icon, Ponorogo City Center, Lippo Plaza Manado, Lippo Mal Kuta, Sun Plaza Medan, Lippo Plaza Medan, Orange County Cikarang, Lippo Plaza Cikarang, Lippo Plaza Jogja, Maxxbox Lippo Village, Mal Matahari WTC Serpong, Metropolis Town Square.

IV. Financial Performance Analysis

The following is the highlights of financial data of the Company based on financial statements for the year ending on 31 December 2015 to 2011 that has been audited by KAP AAJ. The highlights of the Company are as follows:

a. Statement of comprehensive Income

Company income for 2015 reached Rp 1,062,980 million, experienced a decline of Rp 961,993 million or 47.5% compared to 2014 which was Rp 2,024,973 million. The decline was due to Company No longer consolidated PT Link Net Tbk. The revenues from internet service contributed 58.1%, and cinema contributed 16.6% from total income. The remaining 25.3% of total income was obtained through communication device and other income.

Income in 2014 reached Rp 2,024,973 million, experiencing an increase of Rp 270,871 million or 15% compared to 2013 which was Rp 1,754,102 million. Income from subscription television contributed 32%, internet service contributed 51% of the total income. The remaining 17% of total income was obtained through data communication service, advertisement media, and other income. The increase was mainly due to the increase of the number of home subscribers as well as increase increase of 27% compared to the previous year mainly due to the growing number of customers. Income from subscription television service increased 18% in 2014, reaching Rp 649,743 million along with the increased number of customers and ARPU. In addition, the Company continued to sell advertisements to various companies. Income from advertisements was Rp 77,944 million in 2014 providing a contribution of 4% from the total income of the Company.

Income in 2013 was Rp 1,754,102 million, experiencing an increase of Rp 431,663 million or 32.64% compared to the previous year. Income from subscription cable TV service contributed 31.5%, internet service contributed 46.4% of the total income. The remaining 22.1% of the total income was obtained from data communication service, advertisement media, and other income.

Income during 2012 reached Rp 1,322,439 million, experiencing an increase of Rp 280,238 million or 26.9% compared to 2011 which was Rp 1,042,201 million. Incme from subscription cable TV service contributed 30.9%, internet service contributed 46.7% of total income. The remaining 22.4% of total income obtained from data communication service, advertisement media, and other income.

While income in 2011 reached Rp 1,042,201 million, experiencing an increase of Rp 209,620 million or 25.2% compared to 2010 which was Rp 832,581 million. Income from subscription cable TV service contributed 25.3%, internet service contributed 46.8% of total income. The remaining 27.9% of total income was obtained from data communication service, advertisement media, and other income.

Company's service expense in the form of costs and expenses paid for the followings:

- Service expenses for internet that includes internet bandwidth cost, cost for lease, internet device, and other internet access costs.
- Service expense for data communication, that includes installation cost and device cost.
- Service expense for movies.
- Expense for communication device.
- Cost for other services.

Table 7: Company's Comprehensive Profit and Loss Statement (Rp Million)

Description	31 Dec 10	31 Dec 11	31 Dec 12	31 Dec 13	31 Dec 14	31 Dec 15
Net Income	832,581	1,042,201	1,322,439	1,754,102	2,024,973	1,062,980
Service expense	181,458	263,679	385,127	474,114	591,916	1,421,501
Gross profit (loss)	651,123	778,522	937,312	1,279,988	1,433,057	-358,521
Operating expense	542,716	744,720	929,999	1,080,007	1,019,719	1,423,635
Sale & marketing	52,741	87,628	125,379	158,068	133,698	173,936
General & administration	345,697	461,968	560,461	583,255	494,364	500,873
Depreciation	144,278	195,124	244,159	338,684	391,657	748,826
Profit (loss) from operation	108,407	33,802	7,313	199,981	413,338	-1,782,156
Income (cost) miscellaneous – net	-42,445	1,709	10,899	-122,260	7,738,541	-161,069
Profit (loss) before tax	65,962	35,511	18,212	77,721	8,151,879	-1,943,225
Tax expense	-24,039	-31,915	-7,742	-57,784	-265,727	429,511
Effect of proforma adjustment	0	0	0	0	57,167	0
Comprehensive profit (loss)	41,923	3,596	10,470	19,937	7,943,319	-1,513,714

Service expense in 2015 was Rp 1,421,501 million, which experienced an increase of Rp 829,585 million or 140.2% compared to service expense in 2014 that reached Rp 591,916 million. This was due to the additional BTS lease expense for BTS tower, expenses for obtaining customers and communication device in 2015.

Throughout 2014, the Company recorded total service expense of Rp 591,916 million, an increase of 25% compared to the previous year. Service expense experienced an increase which was faster than the increase of income as a result of an increase in programming expense and broadband internet expense related to the expansion of the Company, and the effect of the weakening of Rupiah exchange rate against foreign currency where the programming expense and *broadband* internet expense were largely in US Dollar. Based on the average of exchange rate throughout the year, Rupiah weakened 13% in 2014 compared to the previous year. Percentage of service expense vs. income in 2014 was 29%, an increase from 27% in 2013.

Service expense in 2013 reached Rp 474,114 million, experiencing an increase of Rp 88,987 million or 23.11% compared to that of previous year. This was due to the additional cable television channels, additional *bandwidth* capacity and increase in revenues in 2013. Generally, the ratio of total service expense charged to the income experienced an increase to 27.0% in 2013.

Service expense in 2012 was Rp 385,127 million, experienced an increase of Rp 121,448 million or 46.1% compared to the service expense in 2011 which reached Rp 263,679 million. This was due to mainly the additional channels for cable television programs, additional bandwidth capacity, a quite significant additional lease for tower for the business of *broadband wireless access* which was still in the development stage, and it was in line with the increase of revenues in 2012. Generally the ratio total service expense charged vs income experienced an increase of 29.1% in 2012 compared to 2011 which was 25.3%.

Service expense in 2011 was Rp 263,679 million, experienced an increase of Rp 82,221 million or 45.3% compared to the service expense in 2010 that reached Rp 181,458 million. This was mainly due to additional channels of cable television programs and in line with the increased revenues in 2011. Generally the ratio of total service expense charged against income experienced an increase of 25.3% in 2011 compared to 2010 which was 21.8%.

The Company booked a gross loss margin of 33.7% in 2015, which was less than the gross profit margin in 2014 which was 70.8%, this was due to an increase of service expense. In 2014, the Company booked gross profit margin 71%, which was less compared to the gross profit margin in 2013 which was 73%, this was due to an increase of service expense as explained above. Meanwhile the gross profit margin of 73% in 2013, was an increase compared to the gross profit margin of 70.9% in 2012, this was in

line with the increase of Company income. During the previous period, the gross profit margin in 2010 which was 78.2% experienced a growth to 74.7% in 2011.

Operating expense consists of sales expense and administration and general expenses. Sales expense consist of mostly employee expense for sales staff, commission and promotion expenses, while general expense and administration expense consist of employee expense for non-sales staff, expense of reduced account receivable and lease expense.

Operating expense increased Rp 46,747 million from Rp 628,062 million in 2014, to Rp 674,809 million in 2015. Increase of operating increase mainly is related to expense of salary and welfare for employees. Operating expense which was Rp 628,062 million in 2014 decreased to Rp 113,261 million compared to previous year.

The decline mostly was due to the reduced general and administration expenses as a result of Company operational efficiency. General and administration expenses in 2014 amounted to Rp 494,364 million or Rp 88,891 million less than the previous year. Sales expense amounted to Rp 133,698 million in 2014, which was a decline of Rp 24,370 million compared to the previous year.

Operating expense in 2013 reached Rp 741,323 million; it increased Rp 55,483 million compared to 2012. The increase was related to the increase of sales expense namely increase of marketing expense as well as administration and general expenses such as for the development of subscription television service and internet service and in line with the expansion cable network for 261,000 *home-passed*.

During 2012, operating expense increased Rp 136,244 million from Rp 549,596 million in 2011, to Rp 685,840 million in 2012. The increase of operating expense mainly is related to the increase of sales expense namely increase in marketing and sales activities as an effort to increase revenues, also related to administration and general expenses, among others business development for Cable TV and *Internet Broadband*, business development for *broadband wireless access* and other expenses. The increase of operating expense was in line with the expansion of cable network in 2012 for 278,000 *home-passed* as well as additional networks and increase in *broadband wireless access* devices to support more Transaction volume, as part of the increase of revenues.

In the previous period operating expense increased Rp 151,158 million from Rp 398,438 million in 2010, to Rp 549,596 million in 2011. The increase of operating expense was mainly related to the increase of administration and general expenses, mainly related to business development of *broadband wireless access* among others permit and license expenses, development expenses, administration expenses and other costs. The increase of operating cost was in line with the expansion of cable network in 2011 for 149,000 *home-passed*, enhanced activities to support Transaction volume increase, as part of the increase of revenues.

Current year loss in 2015 was Rp 1,513,714 million which experienced a decline of 119.1% compared to current year profit in 2014 which was Rp 7,943,319 million. The decrease of Current Year Profit in 2015 was because during 2014 there was a profit from the sales of part of the share ownership of subsidiary and profit from the recorded investment in the association entity with a fair value.

Current year profit and current year comprehensive profit after proforma adjustment in 2014 amounted to Rp 7,943,319 million, which experienced an increase of Rp 7,923,382 million or 39.742% compared to 2013 which was Rp 19,937 million. The increase was mainly due to the significant increase of revenues and supported by Company operational efficiency. In 2014, Company also booked profit from the sale of a part of share ownership of subsidiary amounting to Rp 1,333,120 million, profit for the realization of

Transaction value with non-controlling party was in the amount of Rp 537,233 million and profit for the recorded investment in association entity with a fair value was Rp 5,957,966 million.

Current year profit in 2013 was Rp 19,937 million or an increase of 90.42% from the previous year, particularly it was due to an increase in operating income.

Current year profit in 2012 was Rp 10,470 million, or experienced an increase of about 191% compared to the current year profit of Rp 3,596 million in 2011. In the previous periode the operating income in 2011 was Rp 33,802 million, or a decline of 68.8% compared to the operating income of Rp 108,407 million in 2010. The decline of net operating income in 2011 was mainly due to the factors in the above mentioned operating expense.

Comprehensive profit in 2015 was Rp 1,289,061 million, experiencing a decrease of Rp 9,233,549 million compared to the comprehensive profit in 2014 which amounted to Rp 7,944,488 million. Comprehensive profit in 2013 was Rp 19,937 million which experienced an increase of about Rp 9,467 million compared to the previous year. Comprehensive profit in 2012 was Rp 10,470 million, experienced an increase of about Rp 6,874 million compared to comprehensive profit in 2011 which was Rp 3,596 million. Comprehensive profit in 2011 was Rp 3,596 million, experienced a decrease of about Rp 38,327 million compared to comprehensive profit in 2010 which was Rp 41,923 million.

The loss that can be attributed to the owner of holding company in 2015 was Rp 624,967 million, while to the non-controlling interest the loss was Rp 888,747 million. The profit attributed to the non-controlling interest decreased Rp 1,094,590 million or declined 531.8% compared to 2014.

Profit that can be attributed to the owner of holding company in 2014 was Rp 7,737,476 million, while to the non-controlling interest was Rp 205,843 million. Profit attributed to the owner of holding company increased Rp 7,840,851 million, particularly it was contributed from the profit of sale of a part of subsidiary's share ownership, profit from the realization of value of Transaction with non-controlling party and profit of recorded investment in association entity with a fair value. The profit attributed to the non-controlling interest increased Rp 82,531 million compared to 2013, that was contributed from the increase of income of internet service and subscription television which was significant and supported by the operational efficiency of the Company in 2014.

The profit that can be attributed to the owner of the holding company in 2013 was a loss of Rp 103,375 million compared to 2012 that had a loss of Rp 105,162 million, while to the non-controlling interest there was a profit of Rp 123,312 million, which increased Rp 7,680 million or 6.6% compared to the profit of 2012 of Rp 115,632 million. This was contributed from cable business namely internet and TV cable that recorded a significant increase of profit in 2013. The previous year the profit that can be attributed to the owner of the holding company in 2011 was a loss of Rp 44,208 million, while to the non-controlling interest was Rp 47,804 million.

b. Consolidated Statement of Financial Position

Asset growth

Total asset per 31 December 2015 amounted to Rp 13,711,988 million, that experienced an increase of Rp 760,042 million or 5.9% compared to the total asset per 31 December 2014, which was Rp 12,951,946 million. Current asset of the Company decreased Rp 272,988 million from Rp 1,479,197 million per 31 December 2014 to Rp 1,206,209 million per 31 December 2015. Non current asset of the Company increased

Rp 1,033,030 million from Rp 11,472,749 million per 31 December 2014 to Rp 12,505,779 million per 31 December 2015.

Total asset per 31 December 2014 amounted to Rp 12,951,946 million, experienced an increase of Rp 7,710,254 million or 147% compared to total asset per 31 December 2013, which was Rp 5,241,692 million. Current asset of the Company increased Rp 255,616 million from Rp 1,223,581 million per 31 December 2013 to Rp 1,479,197 million per 31 December 2014. Non-current Asset of the Company increased Rp 7,454,638 million, from Rp 4,018,111 million per 31 December 2013 to Rp 11,472,749 million per 31 December 2014. The increase was mainly due to the increase of balance of an investment account in Association Entity from Investment Company in PT Link Net Tbk in the amount of Rp 6,200,739 million.

Total asset per 31 December 2013 reached Rp 5,241,692 million, experienced an increase of 21.7% compared to total asset per 31 December 2012 which amounted to Rp 4,306,576 million. Current asset increased Rp 85,267 million from Rp 1,138,314 million per 31 December 2012 to Rp 1,223,581 million per 31 December 2013. While non-current asset increased Rp 849,849 million from Rp 3,168,262 million per 31 December 2012 to Rp 4,018,111 million per 31 December 2013.

The year 2012 experienced an increase of Rp 613,129 million or 16.6% compared to the asset per 31 December 2011, namely Rp 3,693,447 million. Current asset decreased Rp 85,507 million, to Rp 1,138,314 million as at 31 December 2012 from Rp 1,223,821 million on 31 December 2011, mainly due to the a decline in the prepaid expenses. Non-current asset increased Rp 698,636 million to Rp 3,168,262 million as at 31 December 2012 from Rp 2,469,626 million as at 31 December 2011, mainly due to additional fixed assets, increase of deferred tax assets – net and advance payment for purchase of goods.

Total asset per 31 December 2011 amounted to Rp 3,693,447 million, experienced an increase of Rp 2,030,202 million or 122.1% compared to asset per 31 December 2010, which was Rp 1,663,245 million. Current asset increased Rp 1,022,256 million, menjadi Rp 1,223,821 million as at 31 December 2011 from Rp 201,565 million on 31 December 2010, mainly due to an increase of cash and cash equivalent. Non-current asset increased Rp 1,007,946 million to Rp 2,469,626 million as at 31 December 2011 from Rp 1,461,680 million as at 31 December 2010, mainly due to an increase of prepaid expenses and related party receivables.

Table 8: Consolidated Statement of Financial Position on Company Assets (Rp Million)

Description	31 Dec 10	31 Dec 11	31 Dec 12	31 Dec 13	31 Dec 14	31 Dec 15
Asset	1,663,245	3,693,447	4,306,576	5,241,692	12,951,946	13,711,988
Current asset	201,565	1,223,821	1,138,314	1,223,581	1,479,197	1,206,209
Cash and cash equivalent	68,279	812,820	848,657	392,453	317,412	80,463
Account receivable-net	113,259	101,088	106,772	603,160	111,046	101,508
Prepaid tax	9,674	150,674	142,671	65,105	276,413	344,207
Prepaid expense	10,254	142,396	38,712	135,552	369,638	301,571
Miscellaneous current assets	99	16,843	1,502	27,311	404,688	378,460
Non current asset	1,461,680	2,469,626	3,168,262	4,018,111	11,472,749	12,505,779
Related party receivables	2,234	415,319	463,462	571,707	584,631	646,826
Investment	0	0	12,653	18,458	6,200,739	6,417,995
Deferred tax asset	13,988	36,574	152,030	219,101	469,512	827,656
Fixed asset	1,156,140	1,549,547	1,980,389	2,749,755	1,937,316	2,806,231
Long-term prepaid expense	0	148,200	136,800	125,400	195,723	136,465
Advance payment	100,726	92,845	132,178	101,886	197,945	144,603
Other non-current financial asset	22,805	17,705	21,234	38,445	152,510	172,315
Miscellaneous non-current assets	44,408	98,701	162,426	78,120	109,162	159,924
Intangible asset	121,379	110,735	107,090	115,239	1,625,211	1,193,764

Liabilities Position

Total liabilities per 31 December 2015 amounted to Rp 5,247,517 million, experienced an increase of sebesar Rp 1,660,957 million or increased 46,3% compared to the total liabilities of Rp 3,586,560 million per 31 December 2014. Total current liabilities experienced an increase of Rp 1,652,851 million from Rp 1,468,904 million per 31 December 2014 to Rp 3,121,755 million per 31 December 2015. The increase of current liabilities was due to the increase of bank loan and lease in 2015. Non-current liabilities of the Company increased Rp 8,106 million from Rp 2,117,656 million per 31 December 2014 to Rp 2,125,762 million per 31 December 2015. The increase was mainly due to the additional loan and financing lease indebtedness in 2015.

Total liabilities per 31 December 2014 amounted to Rp 3,586,560 million, experienced an increase of Rp 778,966 million or increased 28% compared to the total liabilities of Rp 2,807,594 million per 31 December 2013. Total current liabilities experienced a decrease of Rp 137,303 million from Rp 1,606,207 million per 31 December 2013 to Rp 1,468,904 million per 31 December 2014. The decrease of current liabilities was due to the decrease of bank loan and decrease of other short term liability account balance that recorded deferred Company income. Non current liabilities of Company increased Rp 916,269 million from Rp 1,201,387 million per 31 December 2013 to Rp 2,117,656 million per 31 December 2014. The increase was mainly due to the additional long term loan and finance lease indebtedness in 2014, as well as booking of deferred tax liabilities in the amount of Rp 368,778 million.

Total liabilities per 31 December 2013 amounted to Rp 2,807,594 million, which experienced an increase of Rp 917,619 million or increased 48.5% compared to the total liabilities per 31 December 2012 in the amount of Rp 1,889,975 million. Total current liabilities experienced an increase of Rp 777,664 million from Rp 828,543 million per 31 December 2012 to Rp 1,606,207 million per 31 December 2013. The increase of current liabilities was due to the additional bank loan and lease. Meanwhile, non-current liabilities increased Rp 139,955 million from Rp 1,061,432 million per 31 December 2012 to Rp 1,201,387 million per 31 December 2013 due to the additional loan and financing lease indebtedness in 2013.

Total liabilities in 2012 experienced an increase of Rp 602,659 million or increased 46.8% compared to total liabilities of Rp 1,287,316 million on 31 December 2011. Total current liabilities experienced an increase of Rp 345,145 million from Rp 483,398 million in 31 December 2011 to Rp 828,543 million in 31 December 2012. The increase of current liabilities was due to the increased business indebtedness, additional financing lease indebtedness and the expense payable in 2012. Non-current liabilities increased Rp 257,514 million from Rp 803,918 million per 31 December 2011 to Rp 1,061,432 million as at 31 December 2012. The increase was mainly due to the additional loan and financing lease indebtedness in 2012.

Total liabilities per 31 December 2011 amounted to Rp 1,287,316 million, experienced an increase of Rp 397,902 million increased 44.7% compared to total liabilities of Rp 889,414 million as at 31 December 2010. Total current liabilities experienced a decrease of Rp 346,115 million from Rp 829,513 million on 31 December 2010 to Rp 483,398 million on 31 December 2011. The decrease of current liabilities was due to payment of bank loan and other liabilities in 2011. Non current liabilities increased Rp 744,017 million from Rp 59,901 million as at 31 December 2010 to Rp 803,918 million as at 31 December 2011.

Equity growth

Total equity per 31 December 2015 amounted Rp 8,464,471 million, experienced a decrease of Rp 900,915 million or decreased 6.6% compared to total equity per 31 December 2014 which was in the amount of Rp 9,365,386 million. The decrease was due to the comprehensive profit value obtained by the Company in 2014.

Total equity per 31 December 2014 amounted to Rp 9,365,386 million, experienced an increase of Rp 6,931,288 million or 285% compared to total equity per 31 December 2013 which was in the amount of Rp 2,434,098 million. The increase was due to comprehensive profit value obtained by the Company in 2014.

Total equity per 31 December 2013 was in the amount of Rp 2,434,098 million, experienced an increase of Rp 17,497 million or 0.7% compared to the previous year which was due to the comprehensive profit value obtained in 2013.

Total equity per 31 December 2012 amounted to Rp 2,416,601 million, experienced an increase of Rp 10,470 million or increased 0.4% compared to the total equity per 31 December 2011 which was Rp 2,406,131 million. The increase was due to the comprehensive profit value obtained in 2012.

Total equity per 31 December 2011 amounted to Rp 2,406,131 million, experienced an increase of Rp 1,632,300 million or 210.9% compared to the total equity per 31 December 2010, which was Rp 773,831 million. On 27 June 2011, LN (subsidiary) issued new shares to Asia Link Dewa Pte Ltd totalling 1,032,649,384 shares in the value of Rp 1,627,703 million. On the same date, FMTV (subsidiary) issued new shares to Asia Link Dewa Pte. Ltd. Totalling 2,375 shares and to Asia Link Company Limited totalling 125 shares, with the value of Rp 1,000 million.

Table 9: Consolidated Statement of Financial Position on Liabilities & Equity of the Company (Rp Million)

Description	31 Dec 10	31 Dec 11	31 Dec 12	31 Dec 13	31 Dec 14	31 Dec 15
Liability and equity	1,663,245	3,693,447	4,306,576	5,241,692	12,951,946	13,711,988
Current liability	829,513	483,398	828,543	1,606,207	1,468,904	3,121,755
Account payable	34,646	195,591	336,528	382,763	766,492	1,071,288
Accrual expense	60,669	60,930	110,308	133,419	273,743	470,584
Tax payable	18,536	55,366	91,567	33,970	8,735	11,419
Current Portion of work compensation liability	356	14,678	16,971	15,848	5,823	8,469
Current portion of long-term liability	465,520	23,257	108,989	359,295	315,055	804,178
Short term financial liability	6,481	3,448	55,396	198,001	59,644	370,773
Short term loan	224,820	105,000	95,821	12,000	7,5432	327,205
Other current liability	18,485	25,128	12,963	470,901	31,869	57,839
Non current liability	59,901	803,918	1,061,432	1,201,387	2,117,656	2,125,762
Bank loan & financial institution	14,299	49,829	166,898	262,799	1,480,363	1,384,473
Financing lease debt	25,069	2,960	113,507	127,898	212,375	321,458
Bond debt	0	722,310	729,573	736,829	0	0
Long term financial liability	589	0	7,994	8,284	26,291	87,434
Employee benefit obligation	19,944	28,819	43,460	65,577	29,849	42,619
Deferred tax liability	0	0	0	0	368,778	368,778
Equity	773,831	2,406,131	2,416,601	2,434,098	9,365,386	8,464,471
Equity attributed to the owner of parent entity	773,831	1,758,452	1,653,290	1,547,475	8,257,700	7,749,782
Non-controlling interest	0	647,679	763,311	886,623	1,107,686	714,689

Liquidity and source of funding

Net cash flow of the Company used for operating activities in 2015 amounted to Rp 1,006,982 million, which experienced a decrease of Rp 1,046,918 million compared to 2014 where net cash flow obtained from operating activities was in the amount of Rp 39,936 million. This was mainly due to a decrease in the receipt of from customers of Rp 1,379,733 million which was offset by the increase cash payment to suppliers in the amount of Rp 69,658 million and a decrease of payment for business expense and others in the amount of Rp 332,281 million.

Net cash flow of the Company obtained from operating activities in 2014 was Rp 39,936 million, experienced a decrease of Rp 345,236 million compared to 2013 where net cash flow used for operating activities was Rp 385,172 million. This was mainly due to the

increase of receipt of cash from customers in the amount of Rp 490,942 million which was offset by the increase of cash payment to suppliers in the amount of Rp 591,325 million and an increase of payment for business expense and others in the amount of Rp 98,488 million.

Net cash flow obtained from operating activities in 2013 was Rp 385,172 million, experienced a decrease of Rp 51,262 million compared to 2012. This was mainly due to the increase of payment to suppliers and business expense.

Net cash flow obtained from operating activities in 2012 was Rp 436,434 million, experienced an increase of Rp 442,895 million compared to 2011 where net cash flow used for operating activities was Rp 6,461 million. This was mainly due to the increase of cash receipt from customers in the amount of Rp 223,000 million and a decrease of cash flow from payment for the license of broadband wireless access in the amount of Rp 211,810 million.

Net cash flow used for operating activities in 2011 was Rp 6,461 million, experienced a decrease of Rp 172,242 million compared to 2010 where net cash flow obtained from operating activities was in the amount of Rp 165,781 million.

Net cash used for investment activities reached Rp 305.764 million in 2015, experienced a decrease of Rp 477.196 million or 278% from net cash used for Investment activities which amounted to Rp 171.432 million in 2014.

Net cash obtained from investment activities reached Rp 171,432 million in 2014, experienced an increase of Rp 1,221,317 million or 116% from net cash used for Investment activities in the amount of Rp 1,049,885 million in 2013. In 2014, the Company still made an investment and capital spending for increasing quality, network expansion and equipment related to the product and service development, among others content of subscription television, content production etc. The largest cash expenses in Investment activities in 2014 were for fixed asset acquisition in the amount of Rp 1,147,944 million.

Net cash used for investment activities reached Rp 1,049,885 million in 2013, experienced an increase of 72.4% from 2012 which was due to capital spending for quality enhancement, network expansion and equipment related to product and service development. The largest cash expenses in investment activities in 2013 were for fixed asset acquisition in the amount of Rp 1,333,184 million.

Net cash used for investment activities reached Rp 609,026 million in 2012, experienced a decrease of Rp 107,670 million or 15.0% from Rp 716,696 million in 2011. In 2012, the Company still made an investment and capital spending for quality enhancement, network expansion and equipment related to new product and service development, among others business of broadband wireless access, TV content, TV production etc. The largest cash expenses in investment activities in 2012 were fixed asset acquisition in the amount of Rp 734,288 million.

Net cash used in investment activities reached Rp 716,696 million in 2011, experienced a significant increase of Rp 538,683 million or 302.6% from Rp 178,013 million in 2010. This was due to the Company in 2011 making an investment and capital spending for quality enhancement, network expansion and equipment related to new product and service development, among others services of broadband wireless access, TV content, TV production etc. The largest cash expenses in investment activities in 2011 were fixed asset acquisition in the amount of Rp 610,603 million.

In 2015, net cash flow was obtained from financing activities in the amount of Rp 1,084,418 million, experienced an increase of Rp 1,185,969 million or 1167% compared to 2014.

In 2014, net cash flow used for financing activities amounted to Rp 101,551 million, experienced a decrease of Rp 309,861 million or 149% compared to 2013.

Net cash flow from financing activities in the amount of Rp 208,310 million in 2013 experienced a decrease of Rp 119 million or 0.06% from 2012. In 2012, net cash flow obtained from funding activities amounted Rp 208,429 million, experienced a significant decrease in the amount of Rp 1,259,269 million or 85.8% compared to 2011, at the time the Company received funds from Asia Link Dewa Pte. Ltd. and Asia Link Company Limited for the issuance of LN and FMTV (subsidiaries) shares in the amount of Rp 1,628,703 million and issuance of bonds to Asia Link Dewa Pte. Ltd. in the amount of Rp 722,310 million at the end of June 2011.

In 2011, net cash flow for financing activities reached Rp 1,467,698 million, experienced an increase of Rp 1,418,906 million or 2,908.1% compared to 2010.

c. Financial ratios

Liquidity ratio

One way to calculate the liquidity is based on current ratio (credit ratio), namely the comparison between current assets and current liabilities that reflect the ability of the Company in meeting its short-term liabilities. The average current ratio of the Company during the period 31 December 2010 to 2015 is 1.05 times.

Solvability ratio (*leverage ratio*)

Solvability shows the ability of Companies to meet its entire liabilities, which is measured using two approaches, namely through a comparison between total liabilities and total assets and through a comparison between total liabilities and total own capital (equity). During the period 31 December 2010 to 2015 the average ratio of total liabilities against total assets is 0.77 time. While in the same period, the average ratio of total liabilities against total equity is 0.42 time.

Profitability Ratio

Return on assets shows the capability of Company in generating net profit from their assets. During the periode 31 December 2010 to 2015, the average level of Company's return on assets was 8.928%.

Return on equity shows the capability of Company to generate net profit from the equity it has. During the period 31 December 2010 to 2015, the Company's average return on equity was 12.29%.

Net profit margin shows the percentage of net profit (loss) obtained from each sale. During the periode 31 December 2010 to 2015, the average net profit margin of the Company was 42.86%.

Table 10: Company Financial Ratios

Description	31 Des 10	31 Des 11	31 Des 12	31 Des 13	31 Des 14	31 Des 15
Liquidity ratio						
current ratio	24.30%	253.17%	137.39%	76.18%	100.70%	38.64%
quick ratio	23.13%	222.00%	120.17%	72.12%	81.88%	27.61%
Debt ratio						
DER (total debt to equity ratio)	114.94%	53.50%	78.21%	115.34%	38.30%	61.99%
DAR (total debt to total aset ratio)	53.47%	34.85%	43.89%	53.56%	27.69%	38.27%
Profitability ratio						
ROA (return on asset)	2.52%	0.10%	0.24%	0.38%	61.33%	-11.04%
ROE (return on equity)	5.42%	0.15%	0.43%	0.82%	84.82%	-17.88%
Gross profit margin	78.21%	74.70%	70.88%	72.97%	70.77%	-33.73%
Operating profit margin	13.02%	3.24%	0.55%	11.40%	20.41%	-167.66%
Net profit margin	5.04%	0.35%	0.79%	1.14%	392.27%	-142.40%

V. Proforma Financial Statement

The main assumptions used in establishing the proforma Consolidated Financial Statement of the Company are as follows:

- 1) Pursuant to Internux Deed No. 13 dated 27 April 2016, the shareholders of Internux have approved the settlement of Internux debt to MMM through a debt conversion of Rp 440,000,000,000 to become a total of 4,400,000,000 shares in Internux at a price of Rp 100 per share. In addition it was also approved additional share capital participation in Internux by Asia Pasific Mobile Pte. Ltd. by depositing cash funds in the amount of Rp 110,000,000,000 hence 1,100,000,000 new shares are obtained at the price of Rp 100 per share.
- 2) For the Internux' transaction of business debt conversion to MMM and share capital payment made by MMM to Internux as mentioned in item 1 above, the total share ownership of MMM for Internux shares will be 16,373,407,400 shares or 72.59%.
- 3) In accordance with Internux Deed No. 129 dated 24 June 2016, the shareholders of Internux have approved the acceptance of price of share subscription paid by MMM by cash payment in the amount of Rp 5,000,000,000 resulting in obtaining 50,000,000 new shares at a price of Rp 100 per share. Furthermore, the settlement of Internux debt to MMM by a debt conversion in the amount of Rp 35,000,000,000 to become 350,000,000 shares in Internux at a price of Rp 100 per share. In addition, it is also approved the acceptance of price of share subscription paid by APM by cash payment in the amount of Rp 10,000,000,000 resulting in obtaining 100,000,000 new shares at a price of Rp 100 per share.
- 4) In accordance with Internux' Statement on 29 June 2016, the shareholders of Internux have approved the acceptance of price of subscription of shares paid by MMM by a debt conversion of Rp 362,600,000,000 billion so that in total there are 3,626,000,000 shares in Internux at a price of Rp 100 per share. With the transaction of account receivable conversion of Internux to MMM and share capital payment made by MMM to Internux as referred to in points 3 and 4 above, the total share ownership of MMM in Internux will become 20,399,407,400 shares.
- 5) The above transactions are assumed to have been implemented on 31 December 2015.
- 6) Additional information related to the above transaction is as follows (in million rupiah):

Description	Balance before adjustment	Adjustment of proforma	Balance after adjustment of proforma
Additional paid-up capital	1,334,331	-1,053,250	281,081
Share capital	1,705,647	1,053,250	2,758,897
Cash and bank	14,171	100,650	114,821

The above transactions in the records of Company's Consolidated Financial Statement have been eliminated so that the balance in the related accounts after proforma adjustment is the same as the historical value as at 31 December 2015.

The following is the consolidated statement of financial and comprehensive profit and loss statement of the Company before and after Transaction Plan.

Tabel 11: Proforma Financial Position Statement (Rp Million, Except %)

Description	31 December 2015		Value Difference	Difference %
	Before Transaction	After Transaction		
Asset	13,711,988	13,812,638	100,650	0.73%
Current asset	1,206,209	1,306,859	100,650	8.34%
Cash and cash equivalent	80,463	181,113	100,650	125.09%
Trade receivable - net	101,508	101,508	0	0.00%
Prepaid tax	344,207	344,207	0	0.00%
Prepaid expense	301,571	301,571	0	0.00%
Other current assets	378,460	378,460	0	0.00%
Non-current asset	12,505,799	12,505,799	0	0.00%
Related party receivables	646,826	646,826	0	0.00%

Description	31 December 2015		Value Difference	Difference %
	Before Transaction	After Transaction		
Investment	6,417,995	6,417,995	0	0.00%
Deferred tax asset	827,656	827,656	0	0.00%
Fixed asset	2,806,231	2,806,231	0	0.00%
Long term prepaid expense	136,465	136,465	0	0.00%
Advanced payment	144,603	144,603	0	0.00%
Other non current financial asset	172,315	172,315	0	0.00%
Other non current assets	159,924	159,924	0	0.00%
Intangible assets	1,193,764	1,193,764	0	0.00%
Liability andequity	13,711,988	13,812,638	100,650	0.73%
Current liability	3,121,755	3,121,755	0	0.00%
Account payable	1,071,288	1,071,288	0	0.00%
Accrual expense	470,584	470,584	0	0.00%
Tax debt	11,419	11,419	0	0.00%
Current portion of employee benefit obligation	8,469	8,469	0	0.00%
Current portion of Long term liability	804,178	804,178	0	0.00%
Short term financial liability	370,773	370,773	0	0.00%
Short term loan	327,205	327,205	0	0.00%
Other current liability	57,839	57,839	0	0.00%
Non current liability	2,125,762	2,125,762	0	0.00%
Non-account related parties debt	0	0	0	0.00%
Debt of bank & financial institution	1,384,473	1,384,473	0	0.00%
Financing lease debt	321,458	321,458	0	0.00%
Long term financial liability	8,434	8,434	0	0.00%
Employee benefit obligation	42,619	42,619	0	0.00%
Deferred tax liability	368,778	368,778	0	0.00%
Equity	8,464,471	8,565,121	100,650	1.19%
Equity attributed to owner of parent entity	7,749,782	7,749,782	0	0.00%
Non controlling interest	714,689	815,339	100,650	14.08%

Based on the above proforma financial statement, the liquidity of Company after the Transaction Plan experienced an increase compared to before the Transaction Plan as indicated from the increasing current ratio and quick ratio after the Transaction Plan . Company solvability after Transaction Plan also improved compared to before the Transaction Plan as indicated from the decreased debt ratio vs. equity after Transaction Plan. Similarly with Company profitability after Transaction Plan also improved compared to before the Transaction Plan as indicated from the return generated after the Transaction Plan. Hence it can be indicated that generally the Company financial position after the Transaction Plan has improved.

Table 12: Proforma Financial Ratio

Description	31 December 2015		Value difference	Difference %
	Before transaction	After transaction		
Liquidity ratio				
current ratio	38.65%	41.86%	3.22%	8.34%
quick ratio	27.61%	30.84%	3.22%	11.68%
Debt ratio				
DER (total debt to equity ratio)	61.99%	61.27%	-0.73%	-1.18%
DAR (total debt to total asset ratio)	38.27%	37.99%	-0.28%	-0.73%
Profitability ratio				
ROA (return on asset)	-11.04%	-10.96%	0.08%	-0.73%
-17.88%	-17.67%	0.21%	0.21%	-1.18%
-33.73%	-33.73%	0.00%	0.00%	0.00%
Operating profit margin	-167.66%	-167.66%	0.00%	0.00%
Net profit margin	-142.40%	-142.40%	0.00%	0.00%

VI. Appraisal on Management Financial Projection

Company Financial projection before and after Transaction Plan prepared by Company Management, in principle has the same assumptions, except in the assumption of non-controlling interest as a result of increased share ownership in Internux.

In appraising the projection fairness, *outlier* analysis could be made on the average historical financial ratios, projections before the Transaction Plan and projection after the Transaction Plan, as follows:

Table 13: Comparison of Projection and Historical Financial Ratios

Description	Average			Outlier		
	Historical ratio	Before Transaction	After Transaction	Lower limit	IQR	Upper limit
Liquidity Ratio						
current ratio	105.06%	215.83%	234.03%	63.72%	64.48%	321.65%
quick ratio	91.15%	215.83%	234.03%	46.34%	71.44%	332.08%
Debt ratio						
DER (total debt to equity ratio)	77.05%	64.45%	63.33%	53.60%	6.86%	81.03%
DAR (total debt to total asset ratio)	41.96%	38.45%	38.04%	35.30%	1.96%	43.14%
Profitability Ratio						
ROA (return on asset)	8.92%	1.95%	2.00%	-3.25%	3.49%	10.69%
ROE (return on equity)	12.29%	2.22%	2.30%	-5.29%	5.03%	14.85%
Gross profit margin	55.63%	50.99%	50.99%	47.52%	2.32%	56.79%
Operating profit margin	-19.84%	4.07%	4.07%	-25.82%	11.96%	22.00%
Net profit margin		8.23%	8.58%	-17.57%	17.32%	51.70%

Based on the comparison of profitability ratios, it is shown that the average profitability ratio projection after Transaction Plan slightly declined however it was not significant compared to the average profitability level prior to Transaction Plan, besides there was an indication of *outlier*. Similar to the comparison of liquidity ratio, it was shown that the average liquidity ratio projection before and after the Transaction Plan remains the same and there is no indication of *outlier* related to liquidity projection. Furthermore, the comparison solvability ratio between the solvability ratio projection after Transaction Plan compared to the average prior to Transaction Plan remains the same, and there was no indication of *outlier* either related to solvability projection. Based on outlier analysis as described, it can be concluded that the current financial projection is still reasonable.

VII. Incremental Analysis

Based on the financial statement projection of the Company (prior and after Transaction Plan) during the period 1 January 2016-31 December 2020, an incremental analysis was made to see the impact of net cash flow of the Company if the Transaction Plan is carried out compared to if the Transaction Plan is not carried out. The assumption of equity capital cost used as a relevant discount rate, where risk-free return 9.21% (return of SUN per 31 December 2015 with maturity of 30 years, source: Indonesian Bond Pricing Agency), equity risk premium 8.59% (source: study of Aswath Damodaran, January 2016), *beta unlevered* 0,8093 (source: study of Aswath Damodaran, January 2016), *default spread* 2.44% (source: study of Aswath Damodaran, January 2016), and DER industry 35.42% (source: study of Aswath Damodaran, January 2016).

The result of calculation of current value from incremental net cash flow of the Company between if the Transaction Plan is carried out and if the Transaction Plan is not carried out, did not show a negative value. This indicates the Transaction Plan did not give a negative impact to the Company.

Table 14: Incremental Net Cash Flow (Rp Million)

Description	31 Dec 16 (12 month)	31 Dec 17 (12 month)	31 Dec 18 (12 month)	31 Dec 19 (12 month)	31 Dec 20 (12 month)
Net cash flow (before Transaction)					
Explicit net cash flow	1,450,514	-342,927	-241,969	122,533	675,719
Implicit net cash flow					4,427,264
Total net cash flow	1,450,514	-342,927	-241,969	122,533	5,102,983
Discount factor	0.8653	0.7487	0.6478	0.5605	0.4197
Net cash flow PV	1,255,091	-256,749	-156,754	68,686	
Total net cash flow PV @31 Dec 2015	3,051,900				
Net cash flow (after Transaction)					
Explicit net cash flow	1,654,098	-325,545	-224,587	139,915	693,101
Implicit net cash flow					4,541,149
Total net cash flow	1,654,098	-325,545	-224,587	139,915	5,234,251
Discount factor	0.8653	0.7487	0.6478	0.5605	0.4197
Net cash flow PV	1,353,372	-243,735	-145,494	78,429	2,196,717
Total net cash flow PV @31 Dec 2015	3,239,290				
Incremental cash flow PV	187,390				

C. ANALYSIS ON FAIRNESS OF TRANSACTION

- 1) Based on the benefit-risk analysis, the benefit of Transaction Plan for the Company is to increase the potential return through dividend or capital gain in line with Internux growth prospect. Meanwhile the risk of the Transaction Plan for the Company is business risk of Internux which possibly may cause the return obtained is not according to the expectation.
- 2) Based on the benefit loss analysis, the benefit of the Transaction Plan for the Company is to reduce the financial expense so that it would increase the value of Internux in particular and the value of the Company in general. Meanwhile, the loss of Transaction Plan for the Company is that there is no more fixed income in the form of interest generated from the debt. The resolution on the distribution of dividends will also depend on the other shareholders.
- 3) Based on the industrial analysis, the user of internet and its penetration in Indonesia during 2014 showed an increase, where internet users have grown 16.2 million from 71.9 million to 88.1 million with a penetration of 34.9%. Besides, internet users in Indonesia are estimated to continuously grow rapidly with the projection growth of 30.18% (CAGR) during 2012-2015. This industry is also supported by the initiatives of the Government to strengthen the national connectivity, including the development of information and communication technology (TIK) sector. Hence, the potential growth of this industry is quite promising in the future.
- 4) Based on the analysis of share conversation value, the Transaction Plan used book-value based conversion therefore it gave an additional 3.74% share ownership of MMM or in total 73.94% share ownership in Internux. Meanwhile if, the Transaction used market-value based conversation, where the fair market value of Internux is as set forth in the report of KJPP FAST No. 003/SV/FAST-JKT/V/16 dated 20 May 2016, therefore it will give an additional 3.40% share ownership of MMM or in total 73.60% share ownership in Internux. Hence it could be said that the Transaction Plan is beneficial for the Company because share ownership in Internux becomes more optimal. Furthermore, if Transaction Plan for a certain reason in the future cannot perform the second stage, then the first stage of Transaction Plan in the amount of Rp 40 billion will make the total share ownership of MMM in Internux amounts to 72.75%, compared to if it is converted based on share fair market value which will only make the total share ownership of MMM in amounts to 72.48%. Thus it can be said that Transaction Plan without the second stage would still be benefit the Company because the share ownership in Internux will remain more optimal.

- 5) Based on the proforma financial report, Company liquidity after Transaction Plan experienced an improvement compared to before Transaction Plan as indicated from the increasing current ratio and quick ratio after Transaction Plan. Company solvability after Transaction Plan also experienced an improvement compared to before Transaction Plan as indicated from the decreased debt ratio vs. equity after Transaction Plan. Similarly with the Company profitability, after Transaction Plan makes an improvement compared to before Transaction Plan as indicated from the increased return generated after Transaction Plan. Hence it can be indicated that in general the financial position of Company after Transaction Plan experienced an improvement.
- 6) Based on the evaluation on financial projection, it is shown that the average projection of profitability ratio after Transaction Plan slightly declined but it was not significant compared to the average rate of profit before Transaction Plan, besides there is no indication of *outlier*. Similar to the comparison of liquidity ratio, it is shown that the average projection of liquidity ratio before and after Transaction Plan remains the same, there is no indication of *outlier* related to liquidity projection. Further the comparison of solvability ratio between solvability ratio projection after Transaction Plan compared to the average before Transaction Plan also did not experience any change, and there was no indication of *outlier* related to solvability projection. Based on *outlier* analysis as has been described, it can be concluded that the current financial projection is still reasonable.
- 7) Based on the result of calculation of the current value of Company's incremental net cash flow between if the Transaction Plan is carried out and if the Transaction Plan is not carried out, it did not show a negative value, with the assumption of relevant discount rate where the risk-free return 9.21%, equity risk premium 8.59%, beta unlevered 0.8093, *default spread* 2.44%, and DER industry 35.42%. These indicated that the Transaction Plan did not give a negative impact to the Company.

CONCLUSION

Based on the objectives of the assignment, scope, data and information used, basic assumptions, limiting conditions, approaches and procedures of fairness analysis, fairness analysis of the Transaction Plan as described in the fairness opinion analysis above, KJPP FAST is of the opinion that the **Transaction Plan is fair**.

DISTRIBUTION OF FAIRNESS OPINION

Fairness opinion is addressed to the interest of Company management in its relation with the Transaction Plan and it shall not be used by other parties, or for other interests. Fairness opinion is not a recommendation to shareholders to approve the Transaction Plan or to take any other actions in relation to the Transaction Plan, and it cannot be used in that manner by shareholders .

Fairness opinion should be deemed as an integral part and the use of a part of the analysis and information without considering the overall content of Fairness opinion may lead to a misleading conception about the process underlying the Fairness Opinion.

Fairness Opinion is also prepared based on the economic condition and regulations currently existing. We are not responsible to update or to complete the Fairness Opinion with the events occurring after the date of Fairness Opinion. Fairness Opinion is not valid if it is not signed by the authorized party of KJPP FAST.

Yours sincerely,
KJPP Firman Suryantoro Sugeng Suzy Hartomo & Rekan
Registered Business & Property Appraisers

Partner,

<seal of the company>

Ir. Suzy Israwati, MAPPI Cert.

Appraiser License : B-1.09.00097
Appraiser qualification : Business Appraiser
Capital Market and Financial : 05/PM.22/STTD-P/B/2015
Institute Supervisory Board
(Bapepam) Registered Licence

APPRAISER'S STATEMENT

1. The factual statements presented in this appraisal report is true to the best knowledge of the Appraiser;
2. Business Appraiser is responsible for the Report of Fairness Opinion on the Transaction;
3. The assignment of professional appraisal has been made on the Appraisal Object on the Cut Off Date 31 December 2015;
4. Analysis was made for the purpose as disclosed in the Report of Fairness Opinion on Transaction;
5. The assignment of professional appraisal has been carried out in accordance with the prevailing laws and regulations;
6. The conclusion made in the assignment of professional appraisal has been presented as the conclusion of Fairness Opinion on Transaction;
7. The scope of work and data analyzed has been disclosed;
8. The conclusion of Fairness opinion on the Transaction is in accordance with the assumptions and limiting conditions; and
9. The Business Appraisal believes that the economic and industrial data in the Report of Fairness Opinion of the Transaction that were obtained from various sources can be accounted for.

<u>Number</u>	<u>Name</u>	<u>Signature</u>
1.	Person in charge Ir. Suzy Israwati, MAPPI Cert. Appraiser's License: B-1.09.00097
2.	Reviewer Ir. Firman Sagaf, MSc, MAPPI Cert. Appraiser's License: PB-1.08.00063
3.	Appraiser Hanandewa, ST, MM, MSc. MAPPI: 03-T-01763"

This announcement, for which the Directors of AcrossAsia (namely, executive Director: Mr. Vicente Binalhay ANG; and independent non-executive Directors: Mr. Albert Saychuan CHEOK, Dr. Boh Soon LIM and Mr. Thomas Yee Man LAW and Mr. Ganesh Chander GROVER) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market (the “GEM”) of the Stock Exchange for the purpose of giving information with regard to AcrossAsia. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from its date of publication and on AcrossAsia’s website at www.across-asia.com.