
CONTRACTUAL ARRANGEMENTS

THE CONTRACTUAL ARRANGEMENTS

Introduction

Regulatory background

Foreign investment in Indonesia is primarily governed under Law No. 25 of 2007 regarding Investment, issued on April 26, 2007, as partially amended by Law of the Republic of Indonesia No. 6 of 2023 on the Stipulation of the Government Regulation in Lieu of the Law No. 2 of 2022 regarding Job Creation into a Law (“**Job Creation Law**”), dated March 31, 2023 (the “**Job Creation Law**”, together with Law No. 25 of 2007, the “**Investment Law**”), as implemented further under the 2021 Investment List (as defined below), and Indonesia Investment Coordinating Board (Badan Koordinasi Penanaman Modal, “**BKPM**”) Regulation No. 4 of 2021 and BKPM Regulation No. 5 of 2021.

As advised by the Indonesian Legal Advisor and based on the Investment Law, all business activities are fully open to foreign investments, except for (i) those that are expressly closed to foreign investments; (ii) those that are open but subject to certain conditions; or (iii) those that can only be carried out by the central government of Indonesia. The Indonesian government maintains a list of business activities that are open to foreign investments, that are fully open but subject to certain conditions, or that are closed to foreign investments, which is known as the “**Investment List**”. The current Investment List is set forth in President Regulation No. 10 of 2021 (the “**PR 10/2021**”) regarding Investment Business Activities, dated February 2, 2021, as amended by President Regulation No. 49 of 2021 dated May 24, 2021 (as amended, the “**2021 Investment List**”). The 2021 Investment List was issued to implement the Job Creation Law. Foreign investors who intend to invest in Indonesia are obligated to structure their investments in accordance with the restrictions or requirements applicable to their intended business activities under the 2021 Investment List. In addition to the 2021 Investment List and pursuant to Articles 19 and 20 of the Bank of Indonesia Regulation No. 23/6/PBI/2021 Tahun 2021 (the “**BI Regulation No. 23/2021**”), business actors operating in the field of fund transfer are allowed to have a maximum of 49% direct foreign investment.

Our payment and data processing business

We provide fund transfer, remittance and data processing services in Indonesia (the “**Indonesian Business**”). See “– Regulatory Background” above and “Regulatory Overview – Law and Regulations Related to Our Business in Indonesia” for further details about the applicable laws and regulations in Indonesia.

Foreign direct investment restrictions

In Indonesia, we, through, PT ISR, provide fund transfer and remittance services under the Indonesian Business Standard Field Classifications (“**KBLI**”) code 66411. Generally, the classifications of business activities are as stipulated in the Attachment of Government Regulation No. 5 of 2021 on the Implementation on Risk-Based Licensing (“**GR 5/2021**”), and

CONTRACTUAL ARRANGEMENTS

the risk classifications of business activities associated with the KBLI codes are regulated under the Ministry of Investment/BKPM Circular Letter No. 17 of 2021 on the Transition of Business Licensing to Risk-Based Business License Implementation through the OSS System, as amended through Ministry of Investment/BKPM Circular Letter No. 18 of 2021 (as amended, “**BKPM Circular Letter 2021**”).

Based on the Attachment of BKPM Circular Letter 2021, business activities under KBLI code 66411 are classified as a high-risk business in the financial services sector, which require a specific technical business license from the authorized relevant government (in this case, the Bank of Indonesia (the “**BI**”). As such, PT ISR has obtained the following licenses and registrations:

- (a) NIB No. 2705220031875 issued on May 27, 2022 (9th Amendment on January 9, 2023) by the OSS system; and
- (b) Fund Transfer Operator License Mark No. 19/208/Ptk/6 dated September 8, 2017 issued by BI.

In addition, we expect to, but has not begun, conducting fund transfer and remittance services provision under KBLI code 66411 in Indonesia through PT BGR, with the support of data processing activities under KBLI code 63111. Data processing is ancillary to and inseparable from PT BGR’s planned expansion into payment service business. To implement such business activities, PT BGR has obtained the NIB No. 9120403392971 issued on March 27, 2019 (4th Amendment on May 24, 2022) by the Online Single Submission (“**OSS**”) system. PT BGR has not begun providing fund transfer and remittance services under KBLI code 66411, and therefore is not required to obtain a Payment Service Provider License from BI. However, such license will be required before it commences the provision of services under KBLI code 66411.

Based on the current and expected business scope of PT ISR and PT BGR (the “**Indonesian OpCos**”), the maximum ownership by foreign investors in each of the Indonesian OpCos is 49% pursuant to the 2021 Investment List and the BI Regulation No. 23/2021.

Based on the experience and studies of local practices and culture by our management, the introduction of direct foreign investment in the Indonesian OpCos is commercially not viable at the stage of obtaining the necessary licences for engaging in payment and funds transfer business, which is highly regulated and unsupported by conclusive precedent in Indonesia.

Accordingly, Starlink has entered into the Contractual Arrangements with Indonesian nationals in each of the Indonesian OpCos to consolidate control over and derive the economic benefits from the Indonesian OpCos, in line with the common practice in industries in Indonesia subject to foreign investment restrictions. As at the Latest Practicable Date, each of the Indonesian OpCos is held as to 100% by Indonesian nationals.

CONTRACTUAL ARRANGEMENTS

Local regulatory background in relation to our Indonesian OpCos and its immaterial financial contribution to the Group

Despite it is legally possible to restructure the Indonesian OpCos such that each of them is directly held as to 49% by Starlink, based on our communication with local stakeholders, the time and uncertainties involved for such restructuring is disproportionately high. Such position is supported by the Company’s research, which shows that despite permitted by applicable laws and regulations, the number of institutions providing category 3 payment services with Payment Service Provider License (“**Licensed PSPs**”) with scope of business activities similar to those of PT ISR and PT BGR in Indonesian and with foreign direct ownership is statistically very low. In particular:

- the online registry of the BI showed that, within the last 5 years, only six (6) institutions providing similar category 3 payment services to those provided by the Indonesian OpCos had obtained Payment Service Provider License and had foreign names, which indicated (on a non-conclusive basis) such selected institutions may have direct foreign ownership (the “**selected institutions**”);
- among these six (6) selected institutions, four (4) of them are actually wholly domestically owned. This leaves only two (2) selected institutions with actual direct foreign ownership providing similar category 3 payment services to those provided by the Indonesian OpCos;
- the share capital of each of the two (2) selected institutions with actual direct foreign ownership is classified into two series of shares, where one of the series may not have any voting rights. The foreign investors of each of these institutions only have majority shares ownership in one series of shares of the relevant institutions, which may not carry any voting rights. As such, these two (2) selected institutions do not conclusively show that foreign investors will be allowed by the BI to hold any majority voting shares in Licensed PSPs in practice; and
- based on information available on the official websites of the aforesaid two (2) selected institutions with actual direct foreign ownership, one (1) of the selected institutions primarily focuses on tax-related billing and settlement services, which is materially different from the fund transfer and remittance services provided by the Indonesian OpCos, hence does not provide a comparable benchmark for assessment.

Against such understanding and background, it would have been highly prejudicial to the Indonesian OpCos’ plan to commence their payment services operations if they were required to be restructured as 49% directly owned by Starlink at current stage.

Further, as advised by the Indonesian Legal Advisor, according to the BI Regulation No. 23/2021 and the Regulation of the Board of Governor No. 24/7/PADG/2022 of 2022 on the Implementation of Payment Systems by Payment Service Providers and Payment Infrastructure Providers, any change of the “Controller” of a Licensed PSP like PT ISR would be subject to approval by the BI. In this regard, a “**Controller**” shall mean: (a) a party holding 25% or more

CONTRACTUAL ARRANGEMENTS

of the total issued shares in the Licensed PSP with valid voting rights; or (b) a party holding less than 25% of the total issued shares in the Licensed PSP with valid voting rights, provided that it can be proven that such party has direct or indirect control over such Licensed PSP. Accordingly, for Starlink to become a 49% shareholder of PT ISR, application must be made to the BI for granting of an approval for Starlink to become a new Controller of PT ISR. As advised by the Indonesian Legal Advisor, any proposed new “Controllers” of the PT ISR must also satisfy the institutional requirements on integrity and track record in carrying out the payment services operations as its shareholder. Any proposed new “Controller” of PT ISR would also be subject to a fit and proper test conducted by BI to ensure such proposed new Controller has the necessary integrity, financial reputation, financial feasibility, and/or competence, of which will be determined at the discretion of BI and presumably under their internal general guidelines and process. As such, and also considering the operations of the Indonesian OpCos involve two licenses regulated by the BI and that BI in their discretion may have a different assessment and concern about the addition of a foreign Controller for each such license, a very significant amount of time and resources are expected to be required to clear such vetting process and obtain the relevant approvals for Starlink to acquire 49% interests and become a Controller in the Indonesian OpCos. This will be highly burdensome for the Group. Considering the above and also the fact that only two (2) Licensed PSPs providing category 3 payment services with foreign direct ownership had been licensed within the last five years, the Directors are of the view and the Indonesian Legal Advisors concur that it is would be uncertain and unclear as to how long it would take for such restructuring to be approved or whether such proposed restructuring will be approved at all, as it will depend on the discretion of the BI. The Company has made informal inquiry with the officers of the BI on the likelihood and timing of obtaining approval to introduce a foreign “Controller” for PT ISR but no supportive and/or confirmative responses have been received as at the Latest Practicable Date.

Based on the above, the Directors are of the view that any proposed restructuring of any of the Indonesian OpCos to 49% directly held by Starlink would be highly uncertain in terms of regulatory approval to the Company and may adversely impact the operation of payment services business at current stage, and as such, the Contractual Arrangements remained narrowly tailored to achieve the business purpose and minimize the potential for conflict with relevant laws and regulations. Having considered (i) the extensive time and uncertainties involved for restructuring the Indonesian OpCos, (ii) the historically limited number of Licensed PSPs with foreign direct ownership and business scope similar to the Indonesian OpCos that were granted the BI’s approval, (iii) the discretionary nature of the fit and proper test that is required in order for Starlink to be approved as a Controller of a Licensed PSP, the Joint Sponsors concur with the Directors’ view that the existing Contractual Arrangements adopted by our Company remain narrowly tailored.

In any case, the business and operations of the Indonesian OpCos remain in developmental stage and their respective contribution to the Group’s assets and revenue remains substantially lower than 5% for each of the years comprising the Track Record Period, specifically, after taking into account intra-group eliminations (i) the revenue contribution of the Indonesian OpCos to the Group were nil for each of the three years ended December 31, 2020, 2021, 2022 and for the nine months ended September 30, 2023, given the business and

CONTRACTUAL ARRANGEMENTS

operations of the Indonesian OpCos remain in developmental stage without engaging third party clients by its own but already started to serve as local operation entities to facilitate our Group’s digital payment services as a whole; and (ii) the percentage ratio in terms of the total assets of the Indonesian OpCos to the Group, were 0.6%, 0.4%, 0.5% and 0.8% for each of the three years ended December 31, 2020, 2021, 2022 and for the nine months ended September 30, 2023. It follows maintaining the Indonesian OpCos as entities wholly-owned by Indonesian nationals is in the best interests of the Company and its Shareholders, as such structure allows the Indonesian OpCos to continue its business development with the least regulatory uncertainty and least distraction of management efforts for regulatory communication, while the risks relating to operating the Indonesian OpCos through the Contractual Arrangements are insignificant in light of its immaterial contribution to our Group. The Company has undertaken to the Stock Exchange that, the Company will monitor the revenue contribution of the Indonesian OpCos after the [REDACTED]. In the event the contribution of any Indonesian OpCo exceeds 5% of the Group’s total assets or revenue for any financial year after the [REDACTED], the Company undertakes to take all reasonable steps to procure Starlink to, subject to obtaining the requisite approvals and in compliance with the prevailing laws and regulations in Indonesia applicable at that time, acquire 49% of the issued shares of such Indonesian OpCo at nominal consideration and procure all relevant parties enter into necessary amendment agreements to reflect the changes in the Contractual Arrangements.

Should the contribution of any of the Indonesian OpCos becomes material such that steps are taken to procure Starlink to acquire shares in such Indonesian OpCo after [REDACTED], the Company will adhere to the relevant guidance provided under the Guide for New Listing Applicants issued by the Stock Exchange effective from January 1, 2024 to disclose such material changes in the Contractual Arrangements and its impact on the Group in its annual report. The Company will also duly comply with the applicable requirements under the Listing Rules in relation to such acquisition of shares by Starlink, including but not limited to any announcement and shareholders’ approval requirements, as applicable, under Chapter 14 of the Listing Rules and any reporting, annual review, announcement and independent shareholders’ approval requirements, as applicable, under Chapter 14A of the Listing Rules.

Background of the Registered Shareholders

Pursuant to Indonesian law, an Indonesian company must have at least two registered shareholders. To satisfy such requirement, PT ISR is held by three Indonesian nationals and PT BGR is held by two Indonesian nationals.

PT ISR is owned as to approximately 97.11% by Ms. Patricia Imelda Stevany Hutapea, an Independent Third Party, who is also a substantial shareholder of Starlink and a director of each of the Indonesian OpCos, each an insignificant subsidiary of the Company for the purpose of Rule 14A.09 of the Listing Rules (the “**Overlapping Shareholder**”). The Overlapping Shareholder is also the spouse of Mr. Richard Zhang, a director of Starlink. The remaining approximately 2.89% is held by two minority shareholders who are also Indonesian nationals and Independent Third Parties.

CONTRACTUAL ARRANGEMENTS

PT BGR is owned by (i) the Overlapping Shareholder holding approximately 78.21% shares in the company and (ii) Mrs. Lili Darmawan holding approximately 21.79% shares in the company, (together, the “**Registered Shareholders**”), who is also an Indonesian national. The Registered Shareholders have signed a series of agreements that comprise the Contractual Arrangements with Starlink to allow our Group to consolidate control over and derive the economic benefits from the Indonesian OpCos.

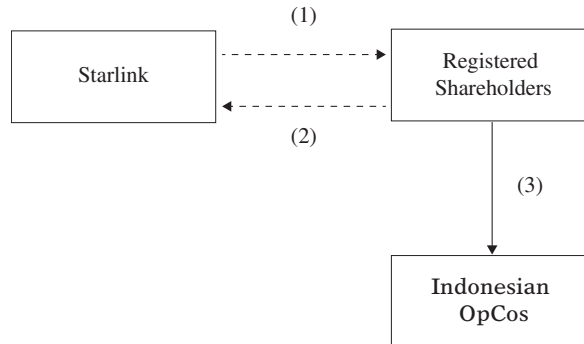
As at the Latest Practicable Date, none of the Registered Shareholders were involved in the daily operation. Our Group became acquainted with the Registered Shareholders through Mr. Richard Zhang, who has been a senior personnel assisting the Group and a director of Starlink to oversee its Southeast Asia operations since 2018. The Group believes that the Registered Shareholders have maintained a collaborative relationship with the Group since we began operating the Indonesian OpCos and engaging with the Registered Shareholders for the purpose of the Contractual Arrangements. Under the management of the Board and the day-to-day supervision of Mr. Richard Zhang, as well as the facilitation of the Registered Shareholders, the Group has obtained the Payment Service Provider License from the BI for PT ISR and had made substantial development in the business of the Indonesian OpCos. Together with the obligations bounded by the Registered Shareholders set out in the agreements underlying the Contractual Arrangements, the Directors are of the view that the Registered Shareholders share interests which are substantially aligned with those of the Group considering the Overlapping Shareholder is the spouse of Mr. Richard Zhang and also a substantial shareholder of Starlink and the other Registered Shareholder (Mrs. Lili Darmawan) is an associate of the Overlapping Shareholder (the “**Associate of Overlapping Shareholder**”). Together with the day-to-day management and supervision of Mr. Richard Zhang, the Board is in the position to ensure its decisions relating to the operations of the Indonesian OpCos will be duly implemented, and where necessary, the cooperation of the Registered Shareholders.

As at the date of this Document, each of Starlink and the Indonesian OpCos is an insignificant subsidiary under Rule 14A.09 of the Listing Rules. In addition, under the Contractual Arrangements, the Registered Shareholders did not receive any benefits for becoming the holder of equity interests in the Indonesian OpCos. In the event any of Starlink or the Indonesian OpCos ceases to be insignificant subsidiaries under Rule 14A.09 of the Listing Rules, and that there will be any business collaboration between the Registered Shareholders and our Group, our Directors confirm that we will comply with the applicable requirements under the Listing Rules in relation to the transaction(s), including but not limited to Chapter 14A of the Listing Rules as amended from time to time, and all the applicable laws and regulations in Indonesia and/or the place where the transaction takes place.

CONTRACTUAL ARRANGEMENTS

Overview of the Contractual Arrangements

The following diagram illustrates the structure of the Contractual Arrangements:



Notes:

- (1) Pursuant to the loan agreements between Starlink (as lender) and the Registered Shareholders (as borrowers), it was acknowledged that loans were provided to each of the Registered Shareholders to acquire the shares in the Indonesian OpCos. Please refer to the paragraph headed “Loan Agreements” in this section for details.
- (2) Various contracts were entered into between each of the Registered Shareholders and Starlink as part of the Contractual Arrangements to enable Starlink to exercise effective control over the Indonesian OpCos. Please refer to the paragraphs headed “Pledge of Shares Agreements”, “Powers of attorney”, “Assignment of Proceeds Agreements”, “Indemnity Agreement”, and “Call Option Agreement” in this section for details.
- (3) The Indonesian OpCos were wholly owned by Indonesian nationals who are Independent Third Parties. For details, please refer to the paragraph headed “Background of the Registered Shareholders” in this section.

Summary of Material Terms under the Contractual Arrangements

Loan Agreements

Starlink (as lender) entered into certain loan agreements with the Registered Shareholders⁽¹⁾ in connection with the Indonesian OpCos. These include: (i) certain loan agreements that were last amended on [●], 2024, pursuant to which Starlink acknowledged certain loans in the sum of US\$500,000 were given to the Overlapping Shareholder as a shareholder of PT ISR, (ii) certain loan agreements that were last amended on [●], 2024, pursuant to which Starlink acknowledged certain loans in the sums of IDR1,074,184,000 were given to the Overlapping Shareholder as a shareholder of PT BGR, and (iii) certain loan agreement that were last amended on [●], 2024, pursuant to which Starlink acknowledged certain loans in the sums of IDR339,216,000 were given to the Associate of Overlapping Shareholder as a shareholder of PT BGR (the loan agreements, as amended, shall collectively be referred to as the “**Loan Agreements**” and the loans pursuant to the Loan Agreements shall collectively be referred to as the “**Loans**”), respectively, for the acquisition of their respective shareholding interests in the Indonesian OpCos.

Note:

- (1) One of the two Registered Shareholders, Ms. Patricia Imelda Stevany Hutapea, is also a substantial shareholder of Starlink, and the other Registered Shareholder is her associate.

CONTRACTUAL ARRANGEMENTS

The Loans were interest free and secured by the Pledge of Shares Agreements, the Powers of Attorney, the Assignment of Proceeds Agreements, and the Call Option Agreements (collectively, the “**Security Documents**”). Pursuant to the Loan Agreements, the Registered Shareholders agreed and undertook to exercise the voting rights attached to the shares of the Indonesian OpCos in accordance with the instruction of Starlink, and provide powers of attorney in favor of Starlink to exercise the voting rights in any shareholders meeting of the Indonesian OpCos.

If an event of default (including, among others, any of the Registered Shareholders fails to perform or otherwise violates the Loan Agreements or the Security Documents, the Registered Shareholders becoming insolvent, or any of the Indonesian OpCos commenced its bankruptcy or liquidation proceedings) occurs under the Loan Agreements, Starlink may in its sole discretion (i) declare the Loan to be immediately due and payable; and (ii) immediately enforce all of its rights under the Loan Agreements and the Security Documents whereby Starlink has the right to (i) transfer the shares of any Indonesian OpCos to any qualified party, (ii) deal with the assets of the Indonesian OpCos, and (iii) manage the business and right to revenue of the Indonesian OpCos.

Pledge of Shares Agreements

Starlink (as pledgee) entered into certain pledge of shares agreements with each of the Registered Shareholders in connection with the Indonesian OpCos. These include: (i) a pledge of shares agreement that was last amended on [●], 2024, with the Overlapping Shareholder acting as pledgor in respect of shares held in PT ISR, (ii) a pledge of shares agreement that was last amended on [●], with the Overlapping Shareholder acting as pledgor in respect of shares held in PT BGR, and (iii) a Pledge of Shares Agreement dated [●] with the Associate of Overlapping Shareholder acting as pledgor in respect of shares held in PT BGR (the “**Pledge of Shares Agreements**”), pursuant to which each of the Registered Shareholders pledged all the shares held in the Indonesian OpCos in favor of Starlink to secure the due punctual and complete payment of the Registered Shareholders’ obligations to Starlink under the relevant Loan Agreements. The Registered Shareholders further undertake to pledge any additional shares of the respective Indonesian OpCos issued to them [at any time in the future owns by virtue of shares dividends, interest, distributions, and all other proceeds paid or payable on or in respect of the pledged shares.

Pursuant to the Pledge of Shares Agreements, the Registered Shareholders shall deliver to Starlink all share certificates and other evidence of ownership in relation to the shares in the Indonesian OpCos. Each of the Registered Shareholders undertakes that during the term of the Pledge of Shares Agreements, without the prior written consent of Starlink, the Registered Shareholders shall not, among others, sell or otherwise transfer the pledged shares, or allow any other pledge or encumbrance to be created with respect to the pledged shares. The Pledge of Shares Agreements shall remain valid and binding during the term of the Loan Agreements. The liability of the Registered Shareholders shall not be affected, prejudiced or discharged by the bankruptcy or incapacity of Starlink. Further, based on the provisions of the Loan

CONTRACTUAL ARRANGEMENTS

Agreements, the Registered Shareholders undertake that, subject to the relevant laws and regulations, they must return to Starlink any considerations they receive in the event that Starlink or its designated party acquires the shares of the Indonesian OpCos.

For the enforcement of Starlink’s rights under the Pledge of Shares Agreements, each of the Registered Shareholders have granted consent to transfer their shares in the respective Indonesian OpCos. These include: (i) the consent to transfer signed by the Overlapping Shareholder dated [●], 2024, with retroactive effect from [●], with respect to her shares held in PT ISR, (ii) the consent to transfer signed by the Overlapping Shareholder dated [●], 2024, with retroactive effect from [●], with respect to her shares held in PT BGR, and (iii) the consent to transfer dated [●], 2024, with retroactive effect from [●], with respect to the shares held by the Associate of Overlapping Shareholder in PT BGR.

We expect the registration of the Pledge of Shares Agreements as required by the relevant laws and regulations will be completed in accordance with the Indonesian laws and regulations before the [REDACTED].

As advised by our Indonesian Legal Advisor, save for the registration requirement in respect of the Pledge of Shares Agreements in the shareholders registry of the Indonesian OpCos, there are no other registration requirements in Indonesia applicable to the Contractual Arrangements.

Powers of Attorney

Each of the Registered Shareholders granted an irrevocable powers of attorney to sell shares and powers of attorney to exercise shareholders rights to Starlink. These include: (i) a power of attorney signed [●], with retroactive effect from 3 June 2022, by the Overlapping Shareholder in connection with her shares held in PT ISR, (ii) a power of attorney signed on [●], with retroactive effect from [28 July 2023], by the Overlapping Shareholder in connection with her shares held in PT BGR, and (iii) a power attorney signed on [●], with retroactive effect from 7 November 2018, by the Associate of Overlapping Shareholder in connection with her shares held in PT BGR (collectively, the “**Powers of Attorney**”), pursuant to which the Registered Shareholders appointed Starlink as its attorney to do and perform, among others, the following acts:

1. to sell and/or transfer its shares in the respective Indonesian OpCos, and to receive the sale proceeds or selling price and give receipt therefor;
2. to represent the respective Indonesian OpCos wherever and towards any party or person whomsoever in any matter;
3. to do and perform all acts which a shareholder is entitled and empowered to do and to perform the sale of shares, including attending any shareholders meetings and to vote regarding the transfer of shares, to give consents, waivers and ratifications in respect thereof;

CONTRACTUAL ARRANGEMENTS

4. to receive any share certificates including any dividend coupons; and
5. to do everything necessary or considered necessary by Starlink concerning the shares of the respective Indonesian OpCos.

Assignment of Proceeds Agreements

Starlink (as assignee), entered into certain assignment of proceeds agreements with each of the Registered Shareholders. These include: (i) an amended and restated assignment of proceeds agreements dated [●], 2024 with the Overlapping Shareholder acting as pledgor in connection with her shares held in PT ISR, (ii) certain assignment of proceeds agreements which were last amended on [●], 2024, with the Overlapping Shareholder acting as pledgor in connection with her shares held in PT BGR, and (iii) certain assignment of proceeds agreements dated [●] with the Associate of Overlapping Shareholder acting as pledgor in connection with her shares held in PT BGR (the “**Assignment of Proceeds Agreements**”) with each of the Registered Shareholders (as assignors), pursuant to which the Registered Shareholders assigned and transferred all their rights, title and interest in all dividends or other distributions paid out by each of the Indonesian OpCos to Starlink. The agreement shall not be revoked by the assignors without the consent of the assignee. Together with the rights and powers given to Starlink under the aforementioned Pledge of Shares Agreements and the Powers of Attorneys, any default of obligations by any Registered Shareholder will allow Starlink to enforce its rights to, among other things, cause any share registered under the name of any Registered Shareholder in the respective Indonesian OpCos to be transferred to Starlink or any third-party appointed by Starlink in compliance with applicable Indonesian laws. As such, the Directors are of the view that Starlink is in a position to effectively consolidate control over and derive the economic benefits from the Indonesian OpCos, including having control over the Indonesian OpCos in terms of the timing and the amount of dividends or any other distributions to the Registered Shareholders at all times.

Indemnity Agreements

Each of the Registered Shareholders and Starlink entered into an indemnity agreement in connection with the Indonesian OpCos. These include: (i) an indemnity agreement dated [●] with retroactive effect from 3 June 2022 in favour of the Overlapping Shareholder as a shareholder of PT ISR, (ii) an indemnity agreement which was last amended on [●], with retroactive effect from [28 July 2023], in favour of the Overlapping Shareholder as a shareholder of PT BGR, and (iii) an indemnity agreement dated [●], with retroactive effect from [28 July 2023], in favour of the Associate of Overlapping Shareholder as a shareholder of PT BGR (collectively, the “**Indemnity Agreements**”), pursuant to which Starlink agreed to indemnify, protect and hold harmless each of the Registered Shareholders against all losses incurred by the Registered Shareholders resulting from or arising in connection with (a) any loss or damage of the Indonesian OpCos due to operational or non-operational activities, (b) any loss incurred in connection with the Registered Shareholders holding any incumbent position in the Indonesian OpCos, (c) any accrued and/or payable interests under the Loan

CONTRACTUAL ARRANGEMENTS

Agreements, and (d) any assessment and/or penalty imposed by any governmental authority on the Registered Shareholders as a result of the agreements under the Contractual Arrangements or the operation by Starlink of the Indonesian OpCos.

Call Option Agreements

Each of the Registered Shareholders, as grantor, and Starlink, as grantee, entered into a call option agreement(s) in connection with the Indonesian OpCos. These include (i) a call option agreement dated [●], with retroactive effect from 3 June 2022, in connection with the shares held by the Overlapping Shareholder in PT ISR, (ii) a call option agreement as last amended on [●], with retroactive effect from [28 July 2023], in connection with the shares held by the Overlapping Shareholder held in PT BGR, and (iii) a call option agreement dated [●], with retroactive effect from [28 July 2023], in respect of the shares held by the Associate of Overlapping Shareholder in PT BGR (collectively, the “**Call Option Agreements**”). Pursuant to the Call Option Agreements, each of the Registered Shareholders agreed to grant Starlink the option to require each of the Registered Shareholders to sell their respective shares held in each of the Indonesian OpCos (including all interest, security, dividend, rights, or other property in respect of the shares) to Starlink at a consideration of IDR1.0 (one Indonesian Rupiah), which shall be settled using the Loan provided by Starlink to the Registered Shareholders, respectively. Starlink may exercise the option by giving 5 days’ written notice to any of the Registered Shareholders. Upon receipt of such written notice, any of the Registered Shareholders shall procure that the shares in the Indonesian OpCos are delivered to Starlink free from all encumbrance, and the share pledge under the relevant Pledge of Shares Agreements shall be released. The Call Option Agreements shall be effective during the term of the Loan Agreements.

Spousal Undertakings

Each spouse of the Registered Shareholders respectively entered into a spousal undertakings dated [●] with effect retroactively on [●] (collectively, the “**Spousal Undertakings**”). Pursuant to the Spousal Undertakings, the spouse of each of the Registered Shareholders approved their respective spouse to enter into the Contractual Arrangements and acknowledged that any agreements related to shares of the respective Indonesian OpCos, which are binding upon the Registered Shareholders, shall also be binding upon each of the respective spouse. The Spousal Undertakings shall be effective during the term of the Loan Agreements.

Dispute Resolution

All agreements comprising the Contractual Arrangements contain a dispute resolution provision pursuant to which all disputes, controversies and conflicts between the parties in connection with the Contractual Arrangements shall, so far as possible, be settled amicably between the parties.

CONTRACTUAL ARRANGEMENTS

Failing such amicable settlement, all disputes, controversies and conflicts arising out of or in connection with the Contractual Arrangements shall refer to and be finally settled by arbitration in Hong Kong in accordance with the Arbitration Rules of the Hong Kong International Arbitration Centre. The arbitrators may award remedies over the shares and assets of the Indonesian OpCos, injunctive relief (such as for the conduct of business or to compel the transfer of assets) or order the winding up of the Indonesian OpCos. For the purpose of enforcing any international arbitral awards in Indonesia, the disputing parties shall go to the Clerks Office of the District Court of Central Jakarta. As advised by our Indonesian Legal Advisor, since both Hong Kong and Indonesia have ratified the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, any arbitral award issued by the Hong Kong International Arbitration Centre will be recognised and enforced in Indonesia upon obtaining an exequatur or ratification from the District Court of Central Jakarta under the provisions of the prevailing laws and regulations in Indonesia. In the event of pending the formation of the arbitral tribunal or in appropriate cases in the arbitration proceedings, the courts of Hong Kong, the PRC and Indonesia should have jurisdiction to grant interim remedies that will support the further arbitration process to the extent permitted under the prevailing laws and regulations in respective jurisdictions.

Conflicts of Interest

To ensure our effective control over the Indonesian OpCos, we have implemented measures to protect against any potential conflicts of interest between Starlink and the Registered Shareholders. Under the Powers of attorney, each of the Registered Shareholders irrevocably appointed Starlink to act as its attorney to exercise its rights in connection with matters concerning its rights as shareholder of the Indonesian OpCos, including the right to vote in a shareholders' meeting and to sell its shares.

Based on the above, our Directors are of the view that the risk of potential conflicts of interests is low and the measures we have adopted are sufficient to mitigate the risks associated with the potential conflicts of interest between our Group and the Registered Shareholders, and to protect our Group's interest in the Indonesian OpCos.

Termination

The Loan Agreements cannot be terminated unilaterally by any of the Registered Shareholders in so far as the business activities and operations of the Indonesian OpCos exist, and Starlink has the sole discretion to call for any repayment of the Loan and to terminate the Loan Agreement. No prepayment of the Loan under the Loan Agreements in whole or in part is permitted at any time during the term of the Loan Agreements.

CONTRACTUAL ARRANGEMENTS

Compliance by the Registered Shareholders with their respective obligations under the Contractual Arrangements

Pursuant to the Loan Agreements, the Registered Shareholders agreed and undertook (i) to provide the powers of attorney in favour of Starlink; and (ii) that each of them will not sell, transfer or otherwise deal with the shares of the respective Indonesian OpCos except on the reasonable and lawful written instructions of Starlink.

Each of the Registered Shareholders has provided the said powers of attorney in favour of Starlink as detailed under “Summary of Material Terms under the Contractual Arrangements – Powers of Attorney” in this section. If the Registered Shareholders in their capacity as borrowers have breached the provision(s) of the respective Loan Agreements (as the case may be) or any other documents in the Contractual Arrangements relating to them, Starlink shall be entitled to accelerate the repayment of the Loan and enforce the securities granted by the Registered Shareholders, including to (i) declare the Loan to be immediately due and payable; and (ii) immediately enforce all of its rights under the Loan Agreements and the Security Documents whereby Starlink has the right to transfer the shares and assets of the Indonesian OpCos to any qualified party. For details of the risks involved in the Contractual Arrangements, see “Risk Factors – Risks Related to Our Contractual Arrangements”.

Loss Exposure

Given that our Group conducts its business operations in Indonesia through the Contractual Arrangements, the Indonesian OpCos were regarded as subsidiaries of our Company and their financial results have been consolidated into our Group’s financial results as wholly-owned subsidiaries through the use of the Contractual Arrangements under the applicable accounting principles. Accordingly, our Company’s business, financial position and results of operations would be adversely affected if the Indonesian OpCos suffer losses.

The revenue incurred by the Indonesian OpCos for each of the three years ended December 31, 2020, 2021, 2022 and for the nine months ended September 30, 2023 were nil after taking into account intra-group eliminations, given the business and operations of the Indonesian OpCos remain in developmental stage without engaging third party clients by its own but already started to serve as local operation entities to facilitate our Group’s digital payment services as a whole.

Change in ultimate beneficial owners of Starlink

The Contractual Arrangements entered into by the Registered Shareholders have complied with the requirements of Indonesian Company Law and will remain to be valid and legally binding against the Registered Shareholders.

CONTRACTUAL ARRANGEMENTS

In the event that there is any breach of the Contractual Arrangements by any of the Registered Shareholders, such default will allow Starlink to enforce the securities granted by the Registered Shareholders, including without limitation to cause the entire shares registered under the name of any of the Registered Shareholders in the respective Indonesian OpCos to be transferred to Starlink or any third-party appointed by Starlink in compliance with applicable Indonesian laws. The change in the registered shareholders of any of the Indonesian OpCos with other Indonesian individuals and/or Indonesian local companies (wholly local owned companies) replacing any of the Registered Shareholders will not result in Starlink being in breach of foreign ownership restriction laws.

Death, bankruptcy and/or divorce of the Registered Shareholders

Pursuant to Article 833 of the Indonesian Civil Code, the legal beneficiary/heir will by law automatically own all goods, rights and receivables from the deceased person. Therefore, the shares in an Indonesian company could be inherited from its registered individual shareholder to his/her legal beneficiary/heir.

However, the death of the Registered Shareholders is one of events of defaults provided under the Loan Agreements, pursuant to which Starlink shall declare all amounts owed by the Registered Shareholders to be immediately due and payable and enforce all of its rights under the Loan Agreements and the Security Documents, whereby Starlink has the rights to transfer the Shares to any qualified party and to conduct any other actions as permitted under the prevailing laws and regulations (including to deal with assets of the Indonesian OpCos and to manage the Indonesian OpCos’ business and right to revenue).

Pursuant to Article 55 paragraph (1) Law No. 37 of 2004 regarding Bankruptcy, as amended several times through Law No. 40 of 2014 on Insurance and Law No. 4 of 2023 on the Development and Strengthening of the Financial Sector (as amended, “**Bankruptcy Law**”), which provides that in the event of bankruptcy, any creditor holding a pledge, fiduciary security, security right, mortgage, or other collateral rights on property, may execute his rights as if no bankruptcy has occurred, Starlink may enforce its security rights against the Registered Shareholders as if the bankruptcy has not occurred.

Accordingly, there are appropriate arrangements in place to protect our interest in the event of death, bankruptcy and/or divorce of the Registered Shareholders, and practical difficulties in enforcing the Contractual Arrangements have been avoided.

Insurance

Our Company does not maintain any insurance policy to cover the risks relating to the Contractual Arrangements. See “Risk Factors – Risks Related to Our Contractual Arrangements – We do not have any insurance coverage to cover our risks relating to our Contractual Arrangements, which may impact our business, financial condition and results of operations in Indonesia”.

CONTRACTUAL ARRANGEMENTS

Legality of the Contractual Arrangements

Our Indonesian Legal Advisor, after taking reasonable actions and steps to reach its legal conclusions, is of the following opinion that the Contractual Arrangements are legally binding and enforceable on the Registered Shareholders and the Indonesian OpCos and comply in fact and in good faith with all relevant Indonesian laws and regulations, including the relevant Indonesian laws which restricts foreign investments in the provision of payment and funds transfer services, based on the following reasons:

- (a) The Contractual Arrangements are valid, legally binding and enforceable and comply in fact and in good faith with the relevant Indonesian laws and regulations, and will not be deemed as "concealing illegal intentions with a lawful form" and be voided under the laws and regulations currently prevailing in Indonesia, including those applicable to the business of the Indonesian OpCos having considered:
 - (i) the Contractual Arrangements had met the required basic elements to establish a contract as stipulated in the relevant Indonesian laws as stipulated in the provisions of the Article 1320 of Indonesian Civil Code;
 - (ii) the Contractual Arrangements are based on customary loan transactions in nature and there existed no laws and regulations in Indonesia specifically disallowing foreign investors from using any loan and security documents to gain effective control of the Company, and neither the execution of the Contractual Arrangements, nor the compliance by the Registered Shareholders with or performance of the terms and provisions thereof would: (a) conflict with or result in a breach or violation of any terms, or constitute as a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument governed by Indonesia law, (b) contravene any judgment, decree or order of any court, arbitrator, administrative agency or other governmental institution to which Registered Shareholders or any of its assets are subject to, and (c) violate or contravene any provisions of the articles of association or the business license of the Indonesian OpCos, laws, rules, or regulations in Indonesia;
 - (iii) the Contractual Arrangements had not encountered any interference or encumbrance from any governing bodies of Indonesia and therefore were in compliance with the prevailing laws and regulations of Indonesia; and
 - (iv) the Contractual Arrangements were within the domain of private law in Indonesia which focuses on the legal relationship between the parties based on the principle of freedom of contract under the Indonesian laws.

CONTRACTUAL ARRANGEMENTS

- (b) The ownership structure does not, and the performance by the Group in Indonesia of its obligations under the ownership structure and the Contractual Arrangements to which it is subject, and the consummation by our Group in Indonesia of the transactions contemplated therein will not: (i) result in any violation of the provisions of any of the group companies' constitutional documents or business license or any governmental authorizations; (ii) result in any violation of any laws and regulations of Indonesia; (iii) conflict with or result in a breach or violation of or constitute a default under any arbitration award or judgment, order of decree of any court of laws of Indonesia having jurisdiction over the group companies in Indonesia; or (iv) conflict with or result in a breach or violation of any terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument governed by laws and regulations of Indonesia to which our Group is a party or by which or to which any of such entities or individuals, or their respective properties or assets, is bound or subject.
- (c) No governmental authorizations are required to be obtained for the performance by any of the parties thereto of their obligations or for the transactions contemplated under the ownership structure and the Contractual Arrangements and no stamp duty or similar tax is required to be paid in connection with the ownership structure and the Contractual Arrangements.
- (d) Our Group has the legal right and full power and authority to enter into and perform its obligations under the ownership structure and the Contractual Arrangements. The ownership structure and the Contractual Arrangements are valid and legally binding and enforceable obligations under the laws of Indonesia.
- (e) Save for those set out under the Contractual Arrangements, no other consent, approval or license required under the existing laws of Indonesia for the contractual arrangement under the Contractual Arrangements.
- (f) The Contractual Arrangements are in proper legal form under the laws of Indonesia for the enforcement thereof against each of the parties thereto in Indonesia without further action by any of the parties thereto; and to ensure the legality, validity, enforceability or admissibility in evidence of the Contractual Arrangements in Indonesia, it is not necessary that any such Contractual Arrangements be filed or recorded with any court or other authority in Indonesia.

As such, our Indonesian Legal Advisor is of the view that the adoption of the Contractual Arrangements by the Indonesian OpCos in Indonesia is unlikely to be deemed ineffective or invalid under the applicable laws and regulations in Indonesia. Further, our Indonesian Legal Advisor is of the view that the Contractual Arrangements are used to the extent necessary under the applicable laws and regulations in Indonesia to address the relevant foreign shareholding or ownership limits or restrictions only, and have been narrowly tailored to minimize the potential conflict with relevant Indonesian laws and regulations and enables the Group to achieve the contractual control over the Indonesian OpCos which engages in the provision of payment and funds transfer services within Indonesia.

CONTRACTUAL ARRANGEMENTS

PLANS TO UNWIND THE CONTRACTUAL ARRANGEMENTS

Our expansion and operations in Indonesia through the Contractual Arrangements represent our Group’s first step in a larger plan to serve the Indonesian payment services market, which we believe to be of significant potential and strategic value. Respect towards local regulations, culture and pace, which in our Directors’ belief, is key for any successful entry and expansion into new markets. Such respect underlies our adoption of the Contractual Arrangements, which allowed us to enter into Indonesian payment market in a lawful manner as advised by our Indonesian Legal Advisor.

As and when Indonesian law and regulatory practices allow foreign invested entity to provide payment and fund transfer services in Indonesia, we will, upon due consultation with BI and any other relevant Indonesian authorities, proceed as a second step to exercise the call option and power under the Call Option Agreements and Powers of Attorney to purchase the shares of the Indonesian OpCos held by the Registered Shareholders to unwind the Contractual Arrangements as soon as possible, so that the shares in the Indonesian OpCos will, to the extent permissible, be directly held by Starlink, and Starlink is expected to receive the sale proceeds from the Registered Shareholders as repayment for the Loan Agreements to the extent permissible under applicable Indonesian laws and/or regulations. No consideration would be payable by Starlink or any member of our Group to the Registered Shareholders in the unwinding of the Contractual Arrangements mentioned above.

ACCOUNTING ASPECTS OF THE CONTRACTUAL ARRANGEMENTS

Consolidation of Financial Results of our Indonesian OpCos

According to IFRS 10 – Consolidated Financial Statements, a subsidiary is an entity that is controlled by another entity (known as the parent). An investor controls an investee when it is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Although our Company does not directly or indirectly own the Indonesian OpCos, the Contractual Arrangements as disclosed above enable our Company to exercise control over the Indonesian OpCos.

In respect of the Contractual Arrangements, the consideration of the shares held by Registered Shareholders in the Indonesian OpCos was financed from the loans granted by Starlink. Further, based on the Indemnity Agreements, Starlink would indemnify, protect and hold harmless each of the Registered Shareholders against all losses incurred by the Registered Shareholders resulting from or arising in connection with (a) any loss or damage of the Indonesian OpCos due to operational or non-operational activities, (b) any loss incurred in connection with the Registered Shareholders’ holding any incumbent position in the Indonesian OpCos, (c) any accrued and/or payable interests under the Loan Agreements, and (d) any assessment and/or penalty imposed by any governmental authority on the Registered Shareholders as a result of the agreements under the Contractual Arrangements or the operation by Starlink of the Indonesian OpCos. The Contractual Arrangements were adopted to reflect (i) such commercial arrangements between Starlink and the Registered Shareholders; (ii) the contribution and risks borne by Starlink; and (iii) to allow us to consolidate the Indonesian OpCos into our Group’s financial results as a wholly-owned subsidiary. This kind of

CONTRACTUAL ARRANGEMENTS

arrangement is widely practised in Indonesia where the maximum foreign ownership in companies carrying out certain business activities in Indonesia is restricted under law, as long as (a) both the foreign and Indonesian parties mutually consent to such kind of arrangement; and (b) neither the execution nor performance of the terms and provisions of such arrangement were in any way prohibited by the laws, rules, or regulations in Indonesia.

The Contractual Arrangements enable Starlink to exercise effective control over the Indonesian OpCos. Accordingly Starlink has the right to variable returns from its involvement with the Indonesian OpCos. Accordingly, the Indonesian OpCos are accounted as subsidiaries of the Company for the purpose of the historical financial information for the Track Record Period and the historical financial information of the Indonesian OpCos for the Track Record Period are consolidated in the historical financial information of the Company for the Track Record Period. The basis for consolidating the results of the Indonesian OpCos is disclosed in Note 1 to the Accountant's Report in Appendix I.

OUR DIRECTORS' VIEW

Based on the above, our Directors are of the view that the Contractual Arrangements are narrowly tailored, as they are used to enable our Group to conduct businesses in industries that are subject to foreign investment restrictions in Indonesia. Our Directors further believe that the Contractual Arrangements are fair and reasonable because: (i) the Contractual Arrangements will be negotiated on arms' length basis and entered into between Starlink, the Indonesian OpCos and the Registered Shareholders; and (ii) a number of other companies use similar arrangements to accomplish the same purpose.

COMPLIANCE WITH THE CONTRACTUAL ARRANGEMENTS

Our Group has adopted the following measures to ensure the effective operation of our Group with the implementation of the Contractual Arrangements and our compliance with the Contractual Arrangements:

- (a) major issues arising from the implementation and compliance with the Contractual Arrangements or any regulatory enquiries from government authorities will be submitted to our Board, if necessary, for review and discussion on an occurrence basis;
- (b) our Board will review the overall performance of and compliance with the Contractual Arrangements at least once a year;
- (c) our Company will disclose the overall performance and compliance with the Contractual Arrangements in our annual reports; and
- (d) our Company will engage external legal advisors or other professional advisors, if necessary, to assist the Board to review the implementation of the Contractual Arrangements, review the legal compliance of Starlink, and our Indonesian OpCos to deal with specific issues or matters arising from the Contractual Arrangements.