

**DISCLOSURE OF INFORMATION TO THE  
SHAREHOLDERS OF PT MD ENTERTAINMENT TBK (THE “COMPANY”)  
ON THE PROPOSED MATERIAL TRANSACTION AND PROPOSED ADDITION OF MAIN  
BUSINESS ACTIVITIES  
 (“DISCLOSURE OF INFORMATION”)**

This Disclosure of Information is announced in order to comply with the provisions of the Financial Services Authority / *Otoritas Jasa Keuangan* (“OJK”) Regulation No. 17/POJK.04/2020 on Material Transaction and Change of Business Activities (“POJK No. 17/2020”).



**PT MD ENTERTAINMENT TBK**

**Main Business Activities:**  
Film Production

**Domiciled in Jakarta, Indonesia**

**Head Office:**

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**IF YOU HAVE ANY DIFFICULTY IN UNDERSTANDING THE INFORMATION CONTAINED IN THIS DISCLOSURE OF INFORMATION OR DOUBT IN MAKING A DECISION, IT IS ADVISEABLE TO CONSULT WITH YOUR SECURITIES BROKER, INVESTMENT MANAGER, LEGAL ADVISOR, PUBLIC ACCOUNTANT, OR OTHER PROFESSIONAL ADVISORS.**

**THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS OF THE COMPANY, BOTH INDIVIDUALLY AND JOINTLY, ARE FULLY RESPONSIBLE FOR THE COMPLETENESS AND CORRECTNESS OF ALL MATERIAL INFORMATION OR FACTS CONTAINED IN THIS DISCLOSURE OF INFORMATION. THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY DECLARE THE COMPLETENESS OF INFORMATION AS DISCLOSED IN THIS DISCLOSURE OF INFORMATION AND AFTER CONDUCTING CAREFUL ASSESSMENT, CONFIRM THAT THE INFORMATION DISCLOSED IN THIS DISCLOSURE OF INFORMATION IS ACCURATE AND THERE ARE NO MISSTATEMENT OF MATERIAL FACTS THAT NOR OMISSION OF MATERIAL FACTS THAT MAY CAUSE THE MATERIAL INFORMATION IN THIS DISCLOSURE OF INFORMATION BECOME INACCURATE AND/OR MISLEADING.**

**THE PROPOSED MATERIAL TRANSACTION AND THE PROPOSED ADDITION OF MAIN BUSINESS ACTIVITIES AS STATED IN THIS DISCLOSURE OF INFORMATION WILL BE SUBJECT TO THE APPROVAL FROM THE SHAREHOLDERS IN THE COMPANY’S GENERAL MEETING OF SHAREHOLDERS.**

**THE BOARD OF DIRECTORS OF THE COMPANY STATES THAT THE INFORMATION AS STATED IN THIS DISCLOSURE OF INFORMATION IS FOR THE PURPOSE OF PROVIDING INFORMATION AND COMPLETE DESCRIPTION TO THE COMPANY’S SHAREHOLDERS ON THE PROPOSED MATERIAL TRANSACTION AND THE PROPOSED ADDITION OF MAIN BUSINESS ACTIVITIES AS PART OF THE COMPLIANCE WITH POJK NO. 17/2020.**

**THIS DISCLOSURE OF INFORMATION IS IMPORTANT TO BE READ AND UNDERSTOOD BY THE SHAREHOLDERS OF THE COMPANY IN ORDER TO MAKE ANY DECISIONS ON THE PROPOSED MATERIAL TRANSACTION AND THE PROPOSED ADDITION OF MAIN BUSINESS ACTIVITIES.**

**THIS DISCLOSURE OF INFORMATION IS SIMULTANEOUSLY ANNOUNCED ON THE INDONESIAN STOCK EXCHANGE WEBSITE [WWW.IDX.CO.ID](http://WWW.IDX.CO.ID) AND THE COMPANY'S WEBSITE [MDENTERTAINMENT.COM/](http://MDENTERTAINMENT.COM/).**

This Disclosure of Information is published in Jakarta on 28 August 2024.

## **DEFINITION AND INTERPRETATIONS**

Affiliate	:	shall have the meaning as referred to in Article 1 point (1) of the Capital Market Law.
Capital Market Law	:	means Law No. 8 of 1995 on Capital Market as amended by UUP2SK.
Company	:	means PT MD Entertainment Tbk, domiciled in Jakarta, a public company which shares are listed on the IDX, established and operated under the laws of the Republic of Indonesia.
CSPA in NETV	:	Means the Conditional Share Sale and Purchase Agreement dated 26 August 2024 entered into by and between the Company, TI, IIH and SLM in respect of secondary shares in NETV.
CSSA in MD	:	means the Conditional Share Subscription Agreement dated 26 August 2024 entered into by and between the Company and NETV.
CSSA in NETV	:	means the Conditional Share Subscription Agreement dated 26 August 2024 entered into by and between the Company and NETV.
CSPA Loan	:	means the Conditional Sale and Purchase over Loan Asset dated 26 August 2024 entered into by the Company and Loan Seller.
EGMS	:	Means the Extraordinary General Meeting of Shareholders that will be held on 3 October 2024.
Financial Statements	:	means the audited Financial Statements of the Company that have been audited by the accounting firm Jamaludin, Ardi, Sukimto, & Partners for the period ending on 30 April 2024.
IDX	:	means the Indonesia Stock Exchange, as defined in Article 1 point (4) of Capital Market Law, in this case is administered by PT Bursa Efek Indonesia, domiciled in Jakarta.
IIH	:	means PT Indika Inti Holdiko, a limited liability company established under the laws of the Republic of Indonesia.
KBLI	:	means <i>Klasifikasi Baku Lapangan Usaha Indonesia</i> or Standard Classification of Indonesian Business Fields.
KEPI	:	means <i>Kode Etik Penilai Indonesia</i> or Indonesian Valuers Code of Ethics.

KJPP	:	means Kusnanto & Rekan, an independent valuer who issued feasibility study report, valuation report and fairness opinion in respect of the Proposed Material Transaction as appointed by the Company.
KSEI	:	means PT Kustodian Sentral Efek Indonesia, that performs custodian tasks as defined in Article 1 point (8) of Capital Market Law.
Loan Seller	:	means Newton Capital Ltd, domiciled in Maples Corporate Services (BVI) Limited, Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands, a company established and operated under the laws of British Virgin Islands.
MLHR	:	means the Minister of Law and Human Rights of the Republic of Indonesia.
MOLHR	:	means Ministry of Law and Human Rights of the Republic of Indonesia.
NETV	:	means PT Net Visi Media Tbk, a publicly listed company established under the laws of the Republic of Indonesia and having its registered office at Graha Mitra, 4th Floor, Jl. Jend. Gatot Subroto Kav. 21, Karet Semanggi, Jakarta 12930.
OJK	:	means <i>Otoritas Jasa Keuangan</i> / Financial Services Authority, an independent institution as referred to in Law No. 21 of 2011 on the Financial Services Authority as amended by UUP2SK, whose duties and authorities include regulation and supervision of financial service activities in the banking sector, capital market, insurance, pension funds, financing institutions, and other financial institutions.
POJK No. 32/2015	:	means OJK Regulation No. 32/POJK.04/2015 on Capital Increase in Public Companies with Pre-Emptive Rights as lastly amended by OJK Regulation No. 14/POJK.04/2019.
POJK No. 9/2018	:	means OJK Regulation No. 9/POJK.04/2018 on Acquisition of Public Companies.
POJK No. 15/2020	:	means OJK Regulation No. 15/POJK.04/2020 on Plan and Implementation of General Meeting of Shareholders of Public Companies.
POJK No. 17/2020	:	means 17/POJK.04/2020 on Material Transaction and Change of Business Activities.
POJK No. 35/2020	:	means OJK Regulation No. 35/POJK.04/2020 on Appraisal and Presentation of Business Appraisal Report in Capital Market.
POJK No. 42/2020	:	means OJK Regulation No. 42/POJK.04/2020 on Affiliated Party Transactions and Conflict of Interest Transactions.
PSG	:	means PT Permata Surya Gitatama, a limited liability company established under the laws of the Republic of Indonesia.

- Proposed Addition of Main Business Activities : means proposed addition of main business activities in television broadcasting sector.
- Proposed Material Transaction : means a series of transactions which are carried out for acquisition of NETV by the Company which consist of the following transactions:
- (a) purchase of Loan Asset by the Company from the Loan Seller through transfer of loan asset (cessie);
  - (b) acquisition of new shares in NETV by the Company through conversion of Loan Asset and cash contribution; and
  - (c) purchase of secondary shares in NETV from SLM and IIH.
- Receivables : means, with respect to NETV:
- (a) receivables and other rights, benefits, ownership and interests owned by the Loan Seller in relation to an amount equal to 75% of all and any debts of NETV under the Loan Agreement of NETV;
  - (b) all claims, demands, grounds of action and other rights and interests of the Loan Seller, against NETV, which in any case is based on, arising from and/or relating to:
    - (i) Loan Agreement of NETV;
    - (ii) any commitments, advance payments and other uses in connection with the Loan Agreement of NETV;
- all proceeds obtained from the above.
- RSS : means the proposed reverse stock split of NETV pursuant to OJK Regulation No. 15/POJK.04/2022 on Stock Split and Reverse Stock Split by Public Companies as announced by NETV on the same date as this Disclosure of Information.
- SPI : means *Standar Penilaian Indonesia* or Indonesian Valuation Standards.
- TI : means PT Teladan Investama, a limited liability company established under the laws of the Republic of Indonesia.
- UUP2SK : means Law No. 4 of 2023 on the Development and Strengthening of Financial Sector.

## RECITALS

### Proposed Material Transaction

The Company has entered into the following transaction documents on 26 August 2024 to carry out a series of transactions with regards to the Proposed Material Transaction which constitutes Material Transaction as referred to in POJK No. 17/2020, namely:

- a. CSPA Loan entered into by the Company and the Loan Seller, pursuant to which the Company will purchase and accept the transfer of the Loan Asset from the Loan Seller by way of cessie. The purchase price in respect of the CSPA Loan is IDR 661,947,341,363.91.

- b. CSSA in NETV entered into by the Company and NETV. Under the CSSA in NETV, the Company will subscribe 25.220.946.827 new series shares in NETV to the Company (“**Issuance of New Share**”) with a nominal value of IDR 50 per share (after the RSS) with a total subscription amounting to IDR 1,261,047,341,364, resulting in a change in control of NETV from the previous controller to the Company, consisting of:
  - i. 13,238,946,827 new series shares resulting from the conversion of the Loan Asset with a conversion price of IDR 50 per share; and
  - ii. 11,982,000,000 new series shares resulting from cash injection from the Company with a subscription price of IDR 50 per share;
- c. CSPA in NETV entered into by the Company as the purchaser, and TI, IIH and SLM as the sellers. Under the CSPA in NETV, the Company will purchase a total of 7,888,940,339 shares in NETV, each with nominal value of IDR 200 per share (after RSS), representing 19.07% of NETV’s issued and paid-up capital after the Issuance of New Share with total purchase price is IDR 394,447,016,950, which consist of:
  - i. 1,318,723,770 Series A shares in NETV from TI with a nominal value of IDR 200 per share (post RSS), representing 3.19% of NETV’s issued and paid-up capital after the Issuance of New Share;
  - ii. 5,903,179,393 Series A shares in NETV from SLM with a nominal value of IDR 200 per share (post RSS), representing 14.27% of NETV’s issued and paid-up capital after Issuance of New Share; and
  - iii. 667,037,176 Series A shares in NETV from IIH with a nominal value of IDR 200 per share (post RSS), representing 1.61% of NETV’s issued and paid-up capital after the Issuance of New Share.

The Proposed Material Transaction constitutes a Material Transaction which must obtain fairness opinion from the KJPP and must be approved by the shareholders of the Company as referred to in POJK No. 17/2020.

#### **Additional Main Business Activities**

The completion of the Proposed Material Transaction will cause the Company to become the new controller of NETV given that the Company will hold more than 50% shares in NETV.

Given that according to the consolidated proforma financial information as reviewed by Jamaludin Ardi Sukimto & Rekan, an independent auditor registered with the OJK, NETV is expected to provide income contribution for at least 20% of the Company’s income, hence, in compliance with POJK No. 17/2020, the Company must, among others:

- i. obtain prior approval from the shareholders of the Company in respect of the Proposed Addition of Main Business Activities; and
- ii. use KJPP to carry out a feasibility study on the Proposed Addition of Main Business Activities.

Since the business activities will be carried out by NETV, the proposed subsidiary of the Company, the additional business activities will not result an amendment to the articles of association of the Company.

In connection with the Material Transaction Plan, the Company also intends to conduct a capital increase without pre-emptive rights in accordance with the provisions of POJK No. 32/2015 (“**NPR Plan**”). In order to implement the NPR Plan, the Company signed a CSSA in MD on 26 August 2024, in which PSG and TI will subscribe to new shares to be issued by the Company with a total subscription price of IDR 661,947,341,364. The disclosure of information regarding the NPR Plan was announced simultaneously with this Information Disclosure.

## DESCRIPTION OF THE PROPOSED MATERIAL TRANSACTION

### 1. OBJECT AND VALUE OF THE PROPOSED MATERIAL TRANSACTION

The object of the Proposed Material Transaction is which represents 80.05% of NETV's issued and paid-up capital subscribed or purchased by the Company. The brief description of NETV as the target company is as referred to in Section 2.b of this Disclosure of Information. The total value of the Proposed Material Transaction is IDR 1,655,494,358,314. The total value of the Material Transaction Plan is more than 50% of the Company's equity value based on the Financial Statements.

Upon execution of the Proposed Material Transaction, the Company will be the new controller of NETV. In accordance with POJK No. 9/2018, acquisition due to capital increase in a public company that is under financial distress is exempted from mandatory tender offer obligation. Based on POJK No. 32/2015, a public company is deemed to be in financial distress under the following circumstances:

- i. for a bank, the bank received a loan from Bank Indonesia (the central bank) or other government agencies amounting to more than 100% of the bank's paid-up capital or the bank is in a condition that could lead to the bank being restructured by a government agency.
- ii. for a non-bank, the public company has (i) negative net working capital and (ii) liabilities of more than 80% of the public company's assets, on the date of the EGMS held to approve the capital increase.
- iii. for both banks and non-banks, the public company fails to satisfy its financial liabilities to its non-affiliated creditor and such creditor agrees to take shares or convertible bonds as settlement of the liabilities.

According to audited financial statements of NETV for the period ended on 30 April 2024, NETV has (i) negative net working capital with total current liabilities exceeding total current assets, amounting to IDR 705,497,798,913 and (ii) liabilities of more than 80% of NETV's assets. As of 30 April 2024, NETV's total liabilities amounting to IDR 1,764,230,408,879, which is 151.09% of NETV's total assets in the amount of IDR 1,167,645,047,022. This condition is in line with the capital deficiency recorded by NETV, amounting to IDR 596,585,361,857 as of 30 April 2024. Therefore, NETV meets the criteria for financial distress, and therefore, the Company is exempted from conducting a mandatory tender offer in accordance with POJK No. 9/2018.

### 2. PARTIES INVOLVED IN THE PROPOSED MATERIAL TRANSACTION

#### (a) The Company

##### Brief Summary

The Company, domiciled in Jakarta Selatan, established under the name of PT MD Media, pursuant to the Deed of Establishment No. 5 dated 1 August 2002, drawn up before Frans Elsius Muliawan, S.H., Notary in Jakarta, which has been ratified by the MLHR by virtue of its Decree No. C-17650.HT.01.01.TH.2002 dated 13 September 2002, has been registered in the Company Register under No. 090519244732 dated 5899/BH.09.05/XI/2002, and has been announced in the State Gazette of the Republic of Indonesia No. 76 dated 23 September 2003, Supplement No. 8852/2003.

The Company's articles of association has been amended several times, most recently by the Deed No. 4 dated 10 July 2024, drawn up before Tri Firdaus Akbarsyah, S.H., M.H., Notary in Jakarta Selatan, which has been approved by the MLHR by virtue of

its Decree No. AHU-0043005.AH.01.02.Tahun 2024 dated 16 July 2024 and has been registered in the Company Register at the MOLHR under No. AHU-0144075.01.11.TAHUN 2024 dated 16 July 2024.

Purpose and Objectives and Business Activities of the Company

Based on Article 3 of the Company's articles of association as stated in Deed of Meeting Resolution No. 07 dated 5 July 2023, drawn up before Leolin Jayayanti, SH., M.Kn, Notary in Jakarta Selatan, which has been approved by the MLHR by virtue of its Decree No. AHU-0038581.AH.01.02.TAHUN 2023 dated 7 July 2023 and has been registered in the Company Register at the MOLHR under No. AHU-0127468.AH.01.11.TAHUN 2023 dated 7 July 2023, the purpose and objective of the Company are:

Main Business Activities:

- (i) Performing Arts Creative Professionals (90021)
- (ii) Activities of Artists and Other Creative Workers (90029)
- (iii) Arts Management and Arts Festival Activities (90030)
- (iv) Operation of Arts Facilities (90040)
- (v) Other Entertainment, Arts, and Creative Activities (90090)
- (vi) Distribution of Films, Videos, and Television Programs by Private Entities (59132)
- (vii) Post-Production of Films, Videos, and Television Programs (59122)
- (viii) Private Television Broadcasting and Programming (60202)
- (ix) Production of Films, Videos, and Television Programs by Private Entities (59112)

Supporting Business Activities:

- (i) Real Estate Owned or Leased (68111)
- (ii) Leasing and Rental of Recording and Editing Equipment without Option (77321)
- (iii) General Printing Industry (18111)

Capital Structure and Shareholding Composition

Pursuant to Deed of Resolution of Extraordinary General Meeting of Shareholders No. 04 *juncto* the Shareholders Register of the Company as of 31 July 2024, issued by the Company's Securities Administration Bureau namely PT Adimitra Jasa Korpora, the Company's capital structure is as follows:

INFORMATION	TOTAL SHARES	NOMINAL VALUE OF IDR100 PER SHARE	
		TOTAL NOMINAL VALUE (IDR)	PERCENTAGE (%)
<b>Authorized Capital</b>	<b>20,000,000,000</b>	<b>2,000,000,000,000</b>	-
<b>Shareholders Name:</b>			
1. PT MD Global Investments	4,803,164,585	480,316,458,500	50.50
2. Manoj Dhamoo Punjabi	1,696,162,615	169,616,261,500	17.83
3. Morgan Stanley and Co Intl PCL	1,390,950,000	139,095,000,000	14.62
4. Public	1,620,939,800	162,093,980,000	17,05

INFORMATION	TOTAL SHARES	NOMINAL VALUE OF IDR100 PER SHARE	
		TOTAL NOMINAL VALUE (IDR)	PERCENTAGE (%)
Issued and Paid-Up Capital	9,511,217,000	951,121,700,000	100.00
Shares in Portfolio	10,488,783,000	1,048,878,300,000	-

#### Management and Supervision

Pursuant to Deed of Resolution of Extraordinary General Meeting of Shareholders No. 04 Dated 10 July 2024, drawn up before Tri Firdaus Akbarsyah, S.H., M.H., Notary in Jakarta Selatan, which has been notified to MLHR in accordance with Receipt of Notification of Changes to the Company's Data No. AHU-AH.01.09-0227165 dated 16 July 2024, which have been registered in the Company Register at the MOLHR under No. AHU-0144075.AH.01.11 TAHUN 2024 dated 16 July 2024, the composition of the Company's Board of Commissioners and Board of Directors on the date of this Disclosure of Information is as follows:

#### **Board of Directors**

President Director : Manoj Dhamoo Punjabi  
 Director : Priyadarshi Anand  
 Director : Sajan Lachmandas Mulani

#### **Board of Commissioners**

President Commissioner : Shania Manoj Punjabi  
 Commissioner : Sanjeva Advani  
 Independent Commissioner : Innayat Haresh Khubchandani

#### Pro Forma Consolidated Financial Information

The pro forma condition of the consolidated financial statements of the Company and its subsidiaries listed below has been prepared by the Company's management based on the Financial Statements.

	Acquisition Prior to 30 April 2024	Acquisition Prior to 30 April 2024
Cash and Equivalent Cash	IDR533,216,716,617	IDR346,423,768,906
Total Assets	IDR1,772,909,400,047	IDR3,932,379,367,233
Total Liabilities	IDR95,772,495,416	IDR1,180,714,078,292
Total Equity	IDR1,677,136,904,632	IDR2,751,665,288,942

#### **(b) NETV**

##### Brief Summary

NETV, established under the name of PT Putra Insan Permata, pursuant to the Deed of Establishment of a Limited Liability Company No. 8 dated 23 July 2004, drawn up



before Hasbullah Abdul Rasyid, S.H., M.Kn., Notary in Jakarta, which has been ratified by the MLHR by virtue of its decree No. C-22196 HT.01.01.TH 2004 dated 3 September 2004.

NETV's articles of association have been amended several times, most recently by the Deed of Statement of Board of Commissioners Resolution No. 67 dated 24 February 2022, drawn up before Yulia, S.H., Notary in Jakarta Selatan, which has been notified to MLHR in accordance with Receipt of Notification of Changes to the Articles Of Association No. AHU-AH.01.03-0148827 dated 8 March 2022 and has been registered in the Company Register at the MOLHR under No. AHU-0045167.AH.01.11.TAHUN 2022 dated 8 March 2022 ("**Deed No. 67/2022**").

#### Purpose and Objectives and Business Activities of NETV

Based on Article 3 of NETV's articles of association as stated in Deed of Shareholders Resolution No. 61 dated 29 November 2021, drawn up before Yulia, S.H., Notary in Jakarta Selatan, which has been approved by the MLHR by virtue of its decree No. AHU-0068107.AH.01.02.TAHUN 2021 dated 29 November 2021 and has been registered in the Company Register at the MOLHR under No. AHU-0210243.AH.01.11.TAHUN 2021 dated 29 November 2021, the purpose and objective of NETV is to engage in business in the field of holding activity company, other consulting management company, and other professional, scientific, and technical activities.

#### Capital Structure and Shareholding Composition

Pursuant to Deed No. 67/2022 *juncto* Deed of Shareholders Resolution No. 38 dated 21 October 2021, drawn up before Yulia, S.H., Notary in Jakarta, which has been approved by the MLHR by virtue of its Decree No. AHU-0058444.AH.01.02.TAHUN 2021 dated 21 October 2021 and has been notified to MLHR in accordance with Receipt of Notification of Changes to the Articles Of Association No. AHU-AH.01.03-0463435 dated 21 October 2021, both of which have been registered in the Company Register at the MOLHR under No. AHU-0183062.AH.01.11.TAHUN 2021 dated 21 October 2021, the capital structure of NETV as of the date of this Disclosure Information is as follows:

Authorized Capital	:	IDR 6,500,000,000,000
Issued Capital	:	IDR 2,345,317,724,000
Paid – up Capital	:	IDR 2,345,317,724,000

The Authorized Capital of NETV is divided into 65,000,000,000 ordinary shares, each share having a nominal value of IDR 100 per share.

Pursuant to NETV's Shareholders Register dated 31 July 2024 issued by PT Adimitra Jasa Korpora as the share registrar appointed NETV, the shareholding composition of NETV is as follows:

No.	SHAREHOLDER	NUMBER OF SHARES	NOMINAL VALUE (IDR)	%
1.	PT Indika Inti Holdiko	1,803,345,894	180,334,589,400	7.69
2.	PT Semangat Bambu Runcing	2,045,780,331	204,578,033,100	8.72
3.	PT Sinergi Lintas Media	13,974,534,784	1,397,453,478,400	59.58

No.	SHAREHOLDER	NUMBER OF SHARES	NOMINAL VALUE (IDR)	%
4.	PT Teladan Investama	2,777,337,400	277,733,740,000	11.84
5.	Public	2,852,178,831	285,217,883,100	12.17
<b>Total</b>		<b>23,453,177,240</b>	<b>2,345,317,724,000</b>	<b>100.00</b>
<b>Portfolio Shares</b>		<b>41,546,822,760</b>	<b>4,154,682,276,000</b>	

#### Management and Supervision

Pursuant to Deed of Meeting Resolution No. 46 dated 19 June 2024, drawn up before Yulia, S.H., Notary in Jakarta, which has been notified to MLHR in accordance with Receipt of Notification of Changes to the Company's Data No. AHU-AH.01.09-0216670 dated 21 June 2024, which have been registered in the Company Register at the MOLHR under No. AHU-0122924.AH.01.11.TAHUN 2024 dated 21 June 2024, the composition of NETV's Board of Commissioners and Board of Directors on the date of this Disclosure of Information is as follows:

#### **Board of Directors**

President Director	: Deddy Hariyanto
Director	: Azuan Syahril
Director	: Ferry
Director	: Surya Hadiwinata
Director	: Fendy Nagasaputra

#### **Board of Commissioners**

President Commissioner	: Lie Halim
Commissioner	: Rachmat Nugroho
Independent Commissioner	: Clifford David Rees

#### **(c) PT Indika Inti Holdiko**

##### Brief Summary

IIH, established based on the laws of Indonesia, under the name of PT Prakarsa Mitrasetia, pursuant to the Deed of Establishment of a Limited Liability Company No. 5 dated 18 June 1997, made before Sri Bandiningsih, S.H., Notary in Bekasi, which has been approved by the MOLHR based on Decree No. C2-8496.HT.01.01.TH.97 dated 26 August 1997 and has been registered in the Company Register in the Company Registration Office of Central Jakarta Municipality under No. 3522/BH 09.05/II/99 dated 4 February 1999.

IIH's articles of association have been amended several times, most recently by the Deed Statement of Shareholders Resolution No. 40 dated 30 December 2022, made before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, which has been notified to MOLHR in accordance with Receipt of Notification of Changes to the Articles Of Association No. AHU-AH.01.03-0019049 dated 1 February 2023 and has been registered in the Company Register at the MOLHR under No. AHU-0021667.AH.01.11.TAHUN 2023 dated 1 February 2023 ("**Deed No. 40**").

##### Purpose and Objectives and Business Activities of IIH

Based on Article 3 of IIH's articles of association as stated in Deed Statement of Shareholders' Resolution No. 23 dated 15 July 2019, made before Miryany Usman, S.H., Notary in Jakarta, which has been approved by the MOLHR based on Decree No. AHU-0054897.AH.01.02.TAHUN 2019 dated 19 August 2019 and has been registered in the Company Register at the MOLHR under No. AHU-0143794.AH.01.11.TAHUN 2019 dated 19 August 2019, the purpose and objective of IIH is to engage in business in the field of activities of other management consultation.

#### Capital Structure and Shareholding Composition

Pursuant to Deed No. 40, the capital structure of IIH as of the date of this Disclosure Information is as follows:

Authorized Capital	:	IDR 1,500,000,000,000
Issued Capital	:	IDR 637,756,000,000
Paid – up Capital	:	IDR 637,756,000,000

The Authorized Capital of IIH is divided into 1.500.000 ordinary shares, each share having a nominal value of IDR 1,000,000 per share.

Pursuant to Deed No. 40, the shareholding composition of IIH is as follows:

No.	SHAREHOLDER	NUMBER OF SHARES	NOMINAL VALUE (IDR)	%
1	Agus Lasmono	360,836	360,836,000,000	56.58
2	PT Kencana Khatulistiwa Prima	276,920	276,920,000,000	43.42
<b>Total</b>		637,756	637,756,000,000	100.00
<b>Portfolio Shares</b>		637,756	637,756,000,000	

#### Management and Supervision

Pursuant to Deed Statement of Shareholders's Resolution No. 15 dated 7 October 2019, made before Miryany Usman, S.H., Notary in Jakarta, which has been notified to MOLHR in accordance with Receipt of Notification of Changes to the Company's Data No. AHU-AH.01.03-0342602 dated 8 October 2019, which have been registered in the Company Register at the MOLHR under No. AHU-0188835.AH.01.11.TAHUN 2019 dated 8 October 2019, the composition of IIH's Board of Commissioners and Board of Directors is as follows:

#### Board of Directors

President Director	:	Mohammad Arsjad Rasjid Prabu Mangkuningrat
Director	:	Tonyadi Halim

#### Board of Commissioners

President Commissioner	:	Agus Lasmono
Commissioner	:	Azis Armand

(d) **PT Sinergi Lintas Media**

Brief Summary

SLM, established based on the laws of Indonesia, under the name of PT Intan Citra Utama, pursuant to the Deed of Establishment of a Limited Liability Company No. 9 dated 23 July 2004, made before Hasbullah Abdul Rasyid, S.H., M.Kn., Notary in Jakarta, which has been approved by the MOLHR based on Decree No. C-22197 HT.01.01.TH.2004 dated 3 September 2004. Based on the Deed of Shareholders Resolutions No. 110 dated 16 May 2017, made before Ardi Kristiar, S.H., M.B.A., the substituting Notary for Yulia, S.H., a Notary in South Jakarta, SLM changed its name from PT Intan Citra Utama to PT Sinergi Lintas Media, as approved by the MOLHR based on Decree No. AHU-0012334.AH.01.02.TAHUN 2017 dated 7 June 2017.

SLM's articles of association have been amended several times, most recently by the Deed of Shareholders Resolutions No. 18 dated 3 April 2024, made before Yulia, S.H., Notary in South Jakarta, which has been approved by the MOLHR based on Decree No. AHU-0032212.AH.01.02.TAHUN 2024 dated 2 June 2024, notified to MOLHR in accordance with Receipt of Notification of Changes to the Articles Of Association No. AHU-AH.01.03-0096002 dated 26 April 2024, and notified to MOLHR in accordance with Receipt of Notification of Changes to the Company's Data No. AHU-AH.01.09-0166009 dated 26 April 2024 ("**Deed No. 18**").

Purpose and Objectives and Business Activities of SLM

Based on Article 3 of SLM's articles of association as stated in Deed of Shareholders Resolutions No. 43 dated 2 September 2019, made before Yulia, S.H., Notary in South Jakarta, which has been approved by the MOLHR based on Decree No. AHU-0074264.AH.01.02.TAHUN 2019 dated 24 September 2019, the purpose and objective of SLM is to engage in business in the field of Holding Company Activities, Head Office Activities, and Other Management Consulting Activities.

Capital Structure and Shareholding Composition

Pursuant to Deed No. 18, the capital structure of SLM as of the date of this Disclosure Information is as follows:

Authorized Capital	:	IDR 3,000,000,000,000
Issued Capital	:	IDR 829,846,528,900
Paid – up Capital	:	IDR 829,846,528,900

The Authorized Capital of SLM is divided into 2,750,000,000 series A shares, each share having a nominal value of IDR 100 per share, with a total nominal value for series A shares amounting to IDR 275,000,000,000 and 27,250,000,000 series B shares, each share having a nominal value of IDR 100 per share, with a total nominal value for series B shares amounting to IDR 2,725,000,000,000.

Pursuant to Deed No. 18, the shareholding composition of SLM is as follows:

No.	SHAREHOLDER	NUMBER OF SHARES	NOMINAL VALUE (IDR)	%
1	PT Bina Khatulistiwa Prima	8,298,455,289 (series B)	829,845,528,900	99.99
2	PT Indika Inti Holdiko	10,000 (series A)	1,000,000	0.01

No.	SHAREHOLDER	NUMBER OF SHARES	NOMINAL VALUE (IDR)	%
<b>Total</b>		8,298,465,289	829,846,528,900	100
<b>Portfolio Shares</b>		8,298,465,289	829,846,528,900	

Management and Supervision

Pursuant to Deed No. 18, the composition of SLM's Board of Commissioners and Board of Directors is as follows:

**Board of Directors**

President Director	: Deddy Hariyanto
Director	: Azuan Syahril
Director	: Surya Hadiwinata
Director	: Fendy Nagasaputra
Director	: Ferry

**Board of Commissioners**

Commissioner	: Lie Halim
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**(e) Newton Capital Ltd (Loan Seller)**

Brief Summary

The Loan Seller or Newton Capital Ltd is a limited liability company incorporated and existing under the laws of British Virgin Islands and having its office address at Kingston Chambers, PO Box 173, Road Town, Tortola, British Virgin Islands based on Memorandum and Articles of Association dated 28 November 2023, with registry number of 2137003.

Purpose and Objectives and Business Activities of Loan Seller

Based on articles of incorporation of the Loan Seller, the Loan Seller is an investment company.

Capital Structure and Shareholding Composition

The latest shareholding composition of the Loan Seller is as follows:

No.	SHAREHOLDER	NUMBER OF SHARES	%
	Paloma Holdings Ltd	1	100

Management and Supervision

The latest composition of the Loan Seller's management is as follows:

Director	: Neil Colin Gray
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**(f) PT Teladan Investama**

Brief Summary

TI, established based on the laws of Indonesia, under the name of PT Teladan Investama, pursuant to the Deed of Establishment of a Limited Liability Company No. 45 dated 14 March 2008, made before Mellyani Noor Shandra, S.H., Notary in Jakarta, which has been ratified by the MOLHR based on Decree No. AHU-14801.AH.01.01.Tahun 2008 dated 26 March 2008, has been registered in the Company Register in the MOLHR under No. AHU-0021850.AH.01.09.Tahun 2008 dated 26 March 2008, and has been published in the State Gazette of the Republic of Indonesia No. 9700 dated 24 June 2008, Supplement No. 51 (“**Deed No. 45**”).

TI’s articles of association have been amended several times, most recently by the Deed Declaration Of Resolution Of Shareholders Amendment To Articles of Association PT Teladan Investama No. 83 dated 8 April 2022, made before Jose Dima Satria, S.H., M.Kn., Notary in Jakarta, which has been notified to MOLHR in accordance with Receipt of Notification of Changes to the Articles Of Association No. AHU-0027166.AH.01.02.TAHUN 2022 dated 14 April 2022 and has been registered in the Company Register at the MOLHR under No. AHU-0074692.AH.01.11.TAHUN 2022 dated 14 April 2022 (“**Deed No. 83**”).

#### Purpose and Objectives and Business Activities of TI

Based on Article 3 of TI’s articles of association as stated in Deed No. 83, the purpose and objective of TI is to engage in business in the field of head office activity, holding company activity, other management consultation activity and large-scale trading.

#### Capital Structure and Shareholding Composition

Pursuant to Deed No. 45, the capital structure of TI as of the date of this Disclosure Information is as follows:

Authorized Capital	:	IDR 200,000,000
Issued Capital	:	IDR 129,400,000
Paid – up Capital	:	IDR 129,400,000

The Authorized Capital of TI is divided into 2,000 ordinary shares, each share having a nominal value of IDR 100,000 per share.

Pursuant to Deed No. 45, the shareholding composition of TI is as follows:

No.	SHAREHOLDER	NUMBER OF SHARES	NOMINAL VALUE (IDR)	%
1	PT Teladan Resources	494	49,400,000	38.16
2	Widiyanti Putri	200	20,000,000	15.46
3	Indracahya Basuki	200	20,000,000	15.46
4	Nurcahya Basuki	200	20,000,000	15.46
5	Wishnu Wardhana	200	20,000,000	15.46
<b>Total</b>		1,294	129,400,000	100

#### Management and Supervision

Pursuant to Deed Declaration Of Resolution Of Shareholders PT Teladan Investama No. 60 dated 6 December 2023, made before Jose Dima Satria, S.H., M.Kn., Notary in

Jakarta, which has been notified to MOLHR in accordance with Receipt of Notification of Changes to the Company's Data No. AHU-AH.01.09-0194973 dated 12 December 2023, which have been registered in the Company Register at the MOLHR under No. AHU-0250730.AH.01.11.TAHUN 2023 dated 12 December 2023, the composition of TI's Board of Commissioners and Board of Directors is as follows:

#### **Board of Directors**

President Director	: Widiyanti Putri
Director	: Indrachya Basuki

#### **Board of Commissioners**

President Commissioner	: Wishnu Wardhana
Commissioner	: Nurcahya Basuki

### **(g) PT Permata Surya Gitatama**

#### **Brief Summary**

PSG, established based on the laws of Indonesia, under the name of PT Permata Surya Gitatama, pursuant to the Deed of Establishment of a Limited Liability Company No. 17 dated 11 September 1998, made before Miranti Tresnaning Timur, S.H., Notary in Ciawi, which has been ratified by the MOLHR based on Decree No. C2-26075 HT.01.01.Th.98 dated 23 November 1998, has been registered in the Company Register in the Company Registration Office of Central Jakarta Municipality under No. 3940/BH.09.05/IV/99 dated 9 April 1999.

PSG's articles of association have been amended several times, most recently by the Deed of Shareholders Resolutions No. 10 dated 15 July 2024, made before Miryany Usman, S.H., Notary in Jakarta, which has been approved by the MOLHR based on Decree No. AHU-0042621.AH.01.02.TAHUN 2024 dated 15 July 2024 and has been registered in the Company Register at the MOLHR under No. AHU-0142731.AH.01.11.TAHUN 2024 dated 15 July 2024 ("**Deed No. 10**").

#### **Purpose and Objectives and Business Activities of PSG**

Based on Article 3 of PSG's articles of association as stated in Deed No. 10, the purpose and objective of PSG is to engage in business in the field of activities of other management consultation.

#### **Capital Structure and Shareholding Composition**

Pursuant to Deed Statement of Shareholders's Resolution No. 2 dated 3 April 2020, made before Miryany Usman, Notary in Jakarta, which has been approved by the MOLHR based on Decree No. AHU-0033827.AH.01.02.TAHUN 2020 dated 05 May 2020, and has been registered in the Company Register at the MOLHR under No. AHU-0077393.AH.01.11.TAHUN 2020 dated 05 May 2020 ("**Deed No.2**"), the capital structure of PSG as of the date of this Disclosure Information is as follows:

Authorized Capital	: IDR 323,369,000,000
Issued Capital	: IDR 319,869,000,000
Paid – up Capital	: IDR 319,869,000,000

The Authorized Capital of PSG is divided into 323,369 ordinary shares, each share having a nominal value of IDR 1,000,000 per share.  
Pursuant to Deed No. 2, the shareholding composition of PSG is as follows:

No.	SHAREHOLDER	NUMBER OF SHARES	NOMINAL VALUE (IDR)	%
1	Agus Lasmono	319,868	319,868,000,000	100
2	PT Mohammad Mangkuningrat	1	1,000,000	0,00
<b>Total</b>		319,869	319,869,000,000	100
<b>Portfolio Shares</b>		319,869	319,869,000,000	

#### Management and Supervision

Pursuant to Deed No. 10, the composition of PSG's Board of Commissioners and Board of Directors is as follows:

#### **Board of Directors**

Director : Tonyadi Halim

#### **Board of Commissioners**

Commissioner : Agus Lasmono

### **3. SUMMARY OF AGREEMENTS RELATED TO THE MATERIAL TRANSACTION PLAN**

#### **CSPA Loan**

The CSPA Loan, which is entered into by and between the Loan Seller and the Company on 26 August 2024 stipulates that the Loan Seller has agreed to transfer its Loan Asset to the Company as the purchaser in the amount of IDR 661,947,341,364 which represents 75% of the total amount, obligations and responsibilities owed by NETV to the Loan Seller under the Loan Agreement of NETV. Subject to the satisfaction of the conditions precedent as stipulated under the CSPA Loan, completion of the transfer of Loan Asset from the Loan Seller to the Company will take place on 17 October 2024 or such other date as the Loan Seller and the Company may mutually agree in writing. The pertaining conditions precedent includes that the Company and the Loan Seller having received their respective corporate approvals for the consummation of the transfer of the Loan Asset.

#### **CSSA in NETV**

The CSSA in NETV, which is entered into by and between the Company and NETV on 26 August 2024 stipulates that the Company proposed to subscribe for 25,220,946,827 of new shares in NETV having nominal value of IDR 50 per share (post RSS) that constitutes 60.98% of the issued and paid-off share capital of NETV on a fully-diluted basis after giving effect of such issuance, which consist of:

- i. 13,238,946,827 of new shares in NETV resulting from the conversion of the Loan Asset; and
- ii. 11,982,000,000 of new shares in NETV resulting from the cash injection by the Company.



To the extent permitted under applicable laws and regulations, the subscription price for NETV shares is IDR 50 (post RSS) per share or with a total value of IDR 1,261,047,341,350 which consists of:

- i. IDR 661,947,341,350 which will be converted by the Company in relation to the Loan Assets; and
- ii. IDR 599,100,000,000 which will be paid in cash by the Company.

Subject to the satisfaction of the conditions precedent as stipulated under the CSSA in NETV, completion of the subscription of new shares in NETV by the Company shall take place within 6 (six) business days from the submission of listing application to IDX by NETV (estimated to be completed on 18 October 2024) or on another time and/or date as agreed upon in writing by the Company and NETV.

The preliminary requirements include the transfer of Debt Assets by the Company from the Debt Seller as per the CSPA has been completed.

#### **CSPA in NETV**

The CSPA in NETV, which is entered into by and between SLM, IIH, TI, and the Company on 26 August 2024, stipulates that the Company intends to purchase the following shares in NETV from SLM, IIH and TI as the sellers as the existing shareholders in NETV:

NAME OF SELLERS	AMOUNT OF SHARES IN NETV TO BE PURCHASED BY THE COMPANY		TOTAL CONSIDERATION
	BEFORE THE RSS BY NETV	BEFORE THE RSS BY NETV	
PT Sinergi Lintas Media	11,806,358,786 shares	5,903,179,393 shares	IDR 295,158,969,680
PT Indika Inti Holdiko	1,334,074,352 shares	667,037,176 shares	IDR 33,351,858,780
PT Teladan Investama	2,637,447,540 shares	1,318,723,770 shares	IDR 65,936,188,491

Subject to the satisfaction of the conditions precedent as stipulated under the CSPA in NETV, completion of the transfer of shares in NETV above shall take place on 29 October 2024 or on such other date as SLM, IIH and TI and the Company may mutually agree in writing. The conditions precedent includes that each of SLM, IIH, TII and the Company have obtained any and all required approvals and consents in accordance with the prevailing laws and regulations.

#### **4. EXPLANATION, CONSIDERATION, AND BACKGROUND OF THE PROPOSED MATERIAL TRANSACTION AS WELL AS ITS IMPACT ON THE COMPANY'S FINANCIAL CONDITION**

##### **Explanation, Consideration and Background of the Proposed Material Transaction**

The Proposed Material Transaction which constitutes Material Transaction as referred to in POJK No. 17/2020 is expected to have positive impact on the Company. The Company considers that additional business activities of the Company as a result of the implementation of the Material Transaction will broaden its role in media and entertainment industry, including television broadcasting. Thus, it will enable the Company to become one of the competitive players in Indonesian media and entertainment market and therefore expected to increase shareholders' value.

This Material Transaction will help develop the Company's business by enhancing its access to television distribution channels. The Company has a track record of producing successful television content; with this transaction, NETV will gain access to the Company's production capabilities, making NETV more competitive. Therefore, this transaction will benefit both parties, namely the Company and NETV.

### **Impact of the Proposed Material Transaction on the Company's Financial Condition**

Based on the proforma financial information as of 30 April 2024, reviewed by Jamaludin, Ardi, Sukimto, & Partners Accounting Firm, the impact of the Transaction on the Company's financial condition is as follows:

- Increase in total assets by Rp2,159,469,967,186, primarily due to an increase in goodwill amounting to IDR 1,026,387,185,573, inventory assets of IDR 523,218,579,011, net intangible assets of IDR 188,152,470,647, fixed assets of IDR 136,644,248,952, deferred tax assets of IDR 126,143,540,130, trade receivables of IDR 63,768,907,871, and a decrease in cash and cash equivalents of IDR 186,792,947,711.
- Increase in total liabilities by IDR 1,084,941,582,876, primarily due to an increase in assumed bank debt for the Material Transaction amounting to IDR 795,000,000,000, trade payables to third parties of IDR 142,526,428,752, and accrued expenses of IDR 58,993,121,347.
- Increase in total equity by IDR 1,074,528,384,310, primarily due to an increase in issued and paid-up capital amounting to IDR 661,947,341,364.

## **SUMMARY OF FAIRNESS OPINION ON THE PROPOSED MATERIAL TRANSACTION**

The following is a summary of the fairness opinion as presented in the Fairness Opinion No. 00114/2.0162-00/BS/05/0153/1/VIII/2024 dated 26 August 2024 as prepared by the KJPP:

a. Parties Involved in the Proposed Material Transaction

The parties involved in the Planned Material Transaction are the Company, NETV, IIH, SLM, Loan Seller, TI, and PSG.

b. Transaction Object

- A transaction in which the Company plans to purchase Loan Assets owned by Loan Seller related to NETV with a transaction value of IDR 661.95 billion in connection with the plan of Loan Asset purchase.
- A transaction in which NETV plans to conduct capital increase without pre-emptive rights for shares in the NETV portfolio as regulated by POJK 14/2019, where NETV will issue 25,220,946,827 new shares to the Company, with a nominal value of IDR 50 per share or 60.98% of the total issued and paid-up shares of NETV, with an exercise price of IDR 50.00 per share or a total transaction value of IDR 1,261.05 billion in connection with the Issuance of New Shares with the following details:
  - 1) A total of 13,238,946,827 NETV shares are part of the conversion result from the purchase of Loan Asset amounting to IDR 661.95 billion in connection with the conversion of the Loan Asset after the implementation of the RSS; and
  - 2) A total of 11,982,000,000 NETV shares are part of the cash purchase amounting to IDR 599.10 billion in connection with the conversion of the Loan Asset after the implementation of the RSS.
- A transaction in which the Company plans to purchase NETV shares from SLM totaling 5,903,179,393 shares or 14.27% of NETV shares with a transaction value of IDR

295.16 billion in connection with the SLM share purchase plan after the implementation of the RSS.

- A transaction in which the Company plans to purchase NETV shares from IIH totaling 667,037,176 shares or 1.61% of NETV shares with a transaction value of IDR 33.35 billion in connection with the IIH Share Purchase Plan after the implementation of the Share Merger Plan.
- A transaction in which the Company plans to purchase NETV shares from TI totaling 1,318,723,770 shares or 3.19% of NETV shares with a transaction value of IDR 65.94 billion in connection with the TI Share Purchase Plan after the implementation of the Share Merger Plan.

c. Purpose and Objectives

The purpose of preparing the fairness opinion report on the Planned Material Transaction is to provide the Company's Board of Directors with an overview of the financial fairness of the Planned Material Transaction and to comply with applicable regulations, namely POJK 17/2020.

d. Limitations and Key Assumptions

The Fairness Opinion analysis on the Planned Material Transaction was prepared using the data and information disclosed above, which has been reviewed by KJPP. In conducting the analysis, KJPP relied on the accuracy, reliability, and completeness of all financial information, legal status information of the Company, and other information provided to KJPP by the Company or publicly available, and KJPP is not responsible for the accuracy of this information. Any changes to the data and information may materially affect the final opinion of KJPP. KJPP also relied on the assurances of the Company's management that they are not aware of any facts that would make the information provided to KJPP incomplete or misleading. Therefore, KJPP is not responsible for changes in the conclusions of the KJPP Fairness Opinion due to changes in data and information.

The projected consolidated financial statements of the Company before and after the Planned Material Transaction were prepared by the Company's management. KJPP has reviewed these financial projections and determined that they reflect the Company's operational condition and performance. Generally, no significant adjustments were necessary for KJPP to make to the Company's performance targets.

KJPP did not inspect the Company's fixed assets or facilities. Additionally, KJPP did not provide an opinion on the tax impact of the Planned Transaction. The services KJPP provided to the Company in relation to the Planned Material Transaction were limited to providing a Fairness Opinion on the Planned Material Transaction and did not include accounting, auditing, or tax services. KJPP did not conduct a review of the legal validity of the Planned Material Transaction or its tax implications. The Fairness Opinion on the Planned Material Transaction was only reviewed from an economic and financial perspective. The Fairness Opinion Report on the Planned Material Transaction is non-disclaimer and is open to the public, except for confidential information that may affect the Company's operations. Furthermore, KJPP also obtained information on the legal status of the Company and NETV based on the Company's and NETV's articles of association.

KJPP's work related to the Planned Material Transaction does not constitute and cannot be interpreted in any way as a review or audit, nor does it involve the performance of specific procedures on financial information. The work was also not intended to reveal weaknesses in internal controls, errors or irregularities in financial statements, or violations of the law. Additionally, KJPP is not authorized and is not in a position to obtain and analyze other transactions outside the Planned Material Transaction that may be available to the Company and the impact of such transactions on the Planned Material Transaction.

This Fairness Opinion was prepared based on market and economic conditions, general business and financial conditions, and government regulations related to the Planned Material Transaction as of the date of this Fairness Opinion.

In preparing this Fairness Opinion, KJPP used several assumptions, such as the fulfillment of all conditions and obligations by the Company and all parties involved in the Planned Material Transaction. The Planned Material Transaction will be carried out as described within the specified time frame, and the accuracy of the information regarding the Planned Material Transaction disclosed by the Company's management.

This Fairness Opinion should be viewed as a whole, and the use of part of the analysis and information without considering the entire analysis and information as a whole can lead to misleading views and conclusions about the process underlying the Fairness Opinion. The preparation of this Fairness Opinion is a complex process and may not be conducted through incomplete analysis.

KJPP also assumes that from the date of issuance of the Fairness Opinion until the date of the Transaction, there will be no material changes affecting the assumptions used in preparing this Fairness Opinion. KJPP is not responsible for reaffirming or updating the opinion due to changes in assumptions and conditions, as well as events occurring after the date of this report. The calculations and analysis for providing the Fairness Opinion have been carried out correctly, and KJPP is responsible for the Fairness Opinion Report.

The conclusion of this Fairness Opinion is valid if there are no changes that have a material impact on the Planned Material Transaction. Such changes include, but are not limited to, changes in conditions both internally within the Company and externally, namely market and economic conditions, general business, trade, and financial conditions, as well as Indonesian government regulations and other related regulations after the date of this Fairness Opinion Report. If changes occur after the date of this Fairness Opinion Report, the Fairness Opinion on the Planned Material Transaction may differ.

e. Appraisal Method and Approach of the Material Transaction Plan

In evaluating the Fairness Opinion on the Planned Material Transaction, KJPP has conducted an analysis through the Fairness Opinion approach and procedures on the following:

- i. Analysis of the Planned Material Transaction;
- ii. Qualitative and Quantitative Analysis of the Planned Transaction; and
- iii. Analysis of the Fairness of the Planned Transaction.

f. Conclusion

Based on the scope of work, assumptions, data, and information obtained from the Company's management used in preparing this report, and the review of the financial impact of the Planned Material Transaction as disclosed in the Fairness Opinion Report, KJPP is of the opinion that the Planned Transaction is **fair**.

## SUMMARY OF VALUATION REPORT

The following is a summary of the valuation report as presented in the valuation report No. 0110/2.0162-00/BS/05/0153/1/VIII/2024 dated 23 August 2024 as prepared by the KJPP:

a. Parties Involved in the Proposed Material Transaction

The parties involved in the Material Transaction Plan are the Company, NETV, IIH, SLM, Loan Seller, TI, and PSG.

b. Transaction Object

The Transaction Object is the market value of 100.00% of NETV's shares.

c. Purpose and Objectives

The purpose of the valuation is to obtain an independent opinion on the market value of the Transaction Object, expressed in Rupiah currency and/or its equivalent as of 30 April 2024.

The objective of the valuation is to provide an overview of the market value of the Transaction Object, which will then be used as a reference and consideration by the Company's management in implementing the Material Transaction Plan and to comply with POJK 17/2020.

d. Limitations and Key Assumptions

This valuation is prepared based on market and economic conditions, general business and financial conditions, and applicable government regulations up to the date of issuance of this valuation report.

The valuation of the Transaction Object conducted using the discounted cash flow method is based on the financial projections of NETV, KIK, and NMTV prepared by the management of NETV, KIK, and NMTV. In preparing the financial projections, various assumptions were developed based on the past performance of NETV, KIK, and NMTV and the management's future plans. KJPP has made adjustments to these financial projections to more accurately reflect the operating conditions and performance of NETV, KIK, and NMTV at the time of this valuation. Generally, no significant adjustments were made by KJPP to the performance targets of NETV, KIK, and NMTV, and the projections are deemed to reflect their achievement capabilities (fiduciary duty). KJPP is responsible for conducting the valuation and ensuring the fairness of the financial projections based on the historical performance of NETV, KIK, and NMTV and the management information provided by NETV. KJPP is also responsible for the valuation report of NETV and the conclusion of the final value.

In this valuation assignment, KJPP assumes the fulfillment of all conditions and obligations of the Company. KJPP also assumes that from the valuation date to the date of issuance of the valuation report, there are no material changes that would affect the assumptions used in the valuation. KJPP is not responsible for reaffirming, supplementing, or updating its opinion due to changes in assumptions and conditions and events occurring after the date of this report.

In conducting the analysis, KJPP assumes and relies on the accuracy, reliability, and completeness of all financial information and other information provided to KJPP by the Company and NETV or that is publicly available and is inherently true, complete, and not misleading. KJPP is not responsible for independently verifying this information. KJPP also relies on assurances from the management of the Company and NETV that they are not aware of any facts that would cause the information provided to KJPP to be incomplete or misleading.

The analysis of the Transaction Object's valuation is prepared using the data and information disclosed above. Any changes to this data and information may materially affect KJPP's final opinion. KJPP is not responsible for changes in KJPP's valuation conclusions or for any loss, damage, costs, or expenses caused by incomplete or misleading information, leading to incomplete and/or misinterpreted data obtained by KJPP.

As KJPP's valuation results heavily depend on the data and assumptions underlying it, changes in the data sources and assumptions according to market data will alter KJPP's valuation results. Therefore, KJPP states that changes in the data used can affect the valuation results and that the differences may be material. Although the contents of this valuation report have been prepared in good faith and professionally, KJPP cannot accept responsibility for any differences in conclusions resulting from additional analysis, the application of valuation results as a basis for analyzing transactions, or changes in the data used as the basis for valuation. The Transaction Object valuation report is a non-disclaimer opinion and is publicly available unless there is confidential information that may affect the operations of the Company and NETV.

KJPP's work related to the valuation of the Transaction Object does not constitute and cannot be interpreted in any form as a review or audit or as the execution of specific procedures on financial information. The work also cannot be intended to disclose weaknesses in internal controls, errors, or irregularities in financial statements, or violations of law. Furthermore, KJPP has also obtained information on the legal status of NETV based on NETV's articles of association.

e. Valuation Approaches and Methods

The valuation of the Transaction Object is based on both internal and external analyses. Internal analysis is based on data provided by management, historical analysis of NETV's financial position and comprehensive income statements, a review of NETV's operating and management conditions, and NETV's resources. The future prospects of NETV are evaluated by KJPP based on the business plan and financial projections provided by management, which have been reviewed for reasonableness and consistency by KJPP. External analysis is based on a brief review of external factors considered as value drivers, including a brief review of the prospects of the relevant industry.

In applying valuation methods to determine the market value indication of a "business interest," it is necessary to refer to the financial statements (balance sheets and comprehensive income statements) that are representative. Therefore, adjustments are required to the book value of the balance sheets and the normalization of profits in the comprehensive income statements, usually prepared by management based on historical values. However, the book value of a company reflected in the balance sheets and comprehensive income statements is the acquisition value and does not fully reflect the economic value that can be used as a reference for market value at the time of valuation.

The valuation methods used in the valuation of the Transaction Object are the discounted cash flow (DCF) method, the adjusted net asset method, the guideline publicly traded company method, and the capitalized excess earnings method.

The discounted cash flow method was chosen given that the business activities carried out by NETV, KIK, and NMTV in the future will still fluctuate according to the anticipated development of NETV, KIK, and NMTV. In conducting the valuation with this method, the operations of NETV, KIK, and NMTV are projected according to the anticipated development of NETV, KIK, and NMTV. The cash flows generated based on the projections are converted into present value using a discount rate appropriate to the risk level. The value indication is the total present value of these cash flows.

In conducting the valuation with the adjusted net asset method, the value of all asset components and liabilities/debts must be adjusted to their market value, except for components that already show their market value (such as cash/bank or bank debts). The overall market value of the company is then obtained by calculating the difference between the market value of all assets (tangible and intangible) and the market value of liabilities.

The guideline publicly traded company method is used in this valuation because although no comparable information is obtained in the stock market for publicly listed companies with similar business scale and assets, it is estimated that the stock data of existing publicly listed companies can be used as comparative data for the value of shares owned by NETV.

The capitalized excess earnings method used in the valuation of NMTV is a valuation method based on the asset approach. With this method, the value of all asset components and liabilities must be adjusted to their market value, except for components that already show their market value (such as cash/bank or bank debts).

Besides tangible assets, the market value of intangible assets such as patents, licenses, research and development costs, trained and ready-to-work employees, and customer lists must also be calculated. The market value of these intangible assets is obtained by valuing

each of these assets separately. The market value of equity (net worth) is then obtained by calculating the difference between the total value of adjusted assets and liabilities.

As a further step, the net cash flow of the company being valued must be calculated. The difference between net cash flow and expected revenue represents the excess earnings generated by net tangible assets. The value of intangible assets is then calculated by capitalizing these excess earnings with an appropriate capitalization rate. The next step is to calculate the market value indication of shares by adding the value of net tangible assets and the value of intangible assets.

The above approaches and valuation methods are those that KJPP considers most suitable to be applied in this assignment and have been agreed upon by the management of the Company and NETV. It is not ruled out that other valuation approaches and methods may be applied, which could yield different results.

Subsequently, the values obtained from each of these methods are reconciled by applying weightings.

f. Valuation Conclusion

Based on the analysis of all data and information received by KJPP and considering all relevant factors affecting the valuation, in KJPP's opinion, the market value of the Transaction Object as of 30 April 2024, is IDR 612.56 billion.

## INFORMATION ON ADDITION OF MAIN BUSINESS ACTIVITIES

### 1. Explanation, Consideration and Background of the Addition of Main Business Activities

This addition of main business activities is carried out for the reason that the completion of the Proposed Material Transaction will cause the Company to become the new controller of NETV given that the Company will hold more than 50% shares in NETV.

Given that according to the consolidated proforma financial information as reviewed by Jamaludin, Ardi, Sukimto, & Rekan, an independent auditor registered with the OJK, NETV is expected to provide income contribution for at least 20% of the Company's income, hence, in compliance with POJK No. 17/2020, the Company must, among others:

- a. obtain prior approval from the shareholders of the Company in respect of the Proposed Addition of Main Business Activities; and
- b. use KJPP to carry out a feasibility study on the Proposed Addition of Main Business Activities.

### 2. Availability of Experts in relation to the Addition of Main Business Activities

In implementing the addition of main business activities, the Company will optimize the use of existing teams who have the capability in television broadcasting sector. The proposed business activities is closely related to the existing business of the Company thus avoiding the need to hire additional workers.

### 3. Impact of the Addition of Main Business Activities on the Company's Financial Condition

Addition of Main Business Activities is expected to provide positive impact on the Company's going concern going forward as well as additional value to the shareholders of the Company.

## SUMMARY OF FEASIBILITY STUDY REPORT ON ADDITION OF MAIN BUSINESS ACTIVITIES

The following is a summary of the feasibility study report as presented in the feasibility study No. 00113/2.0162-00/BS/05/0153/1/VIII/2024 dated 26 August 2024 as prepared by the KJPP:

a. Purpose and Objectives

The purpose of this Feasibility Study Report is to assess the business prospects of NETV in connection with the Plan to Add Main Business Activities in the future, reviewed from various aspects, including:

- Market feasibility;
- Technical feasibility;
- Business model feasibility;
- Management model feasibility; and
- Financial feasibility,

in relation to the Plan to Add Main Business Activities. The objective of the Feasibility Study Report is to provide an overview of the feasibility of the Plan to Add Main Business Activities, which will then be used as a reference and consideration by the Company's management to comply with POJK 17/2020.

b. Limitations and Key Assumptions

This feasibility study is prepared based on market and economic conditions, general business and financial conditions, and applicable government regulations up to the date of issuance of this Feasibility Study Report.

The feasibility study for the Plan to Add Main Business Activities was conducted using the discounted cash flow (DCF) method, referring to the net present value (NPV) based on financial projections prepared by NETV management. Various assumptions were developed in preparing the financial projections based on management's future plans. KJPP has made adjustments to these financial projections to more accurately reflect NETV's operational conditions and performance as assessed at the time of this feasibility study. In general, KJPP has made no significant adjustments to NETV's performance targets, which reflect its ability to achieve them (fiduciary duty). KJPP is responsible for conducting the feasibility study and ensuring the fairness of the financial projections based on the information provided by NETV management.

In this feasibility study assignment, KJPP assumes that all conditions and obligations of the Company are met. KJPP also assumes that from the date of the feasibility study until the issuance of the Feasibility Study Report, there will be no material changes affecting the assumptions used in the feasibility study. KJPP is not responsible for reaffirming or updating its opinion due to changes in assumptions, conditions, or events occurring after the date of this report. The calculations and analyses in the feasibility study have been conducted accurately, and KJPP is responsible for the Feasibility Study Report on the Plan to Add Main Business Activities.

In conducting the analysis, KJPP assumes and relies on the accuracy, reliability, and completeness of all financial information and other information provided to KJPP by the Company and NETV or publicly available information that is essentially true, complete, and not misleading. KJPP is not responsible for conducting an independent verification of this information. KJPP also relies on assurances from the Company's and NETV's management that they are not aware of any facts that would cause the information provided to KJPP to be incomplete or misleading.

The feasibility study analysis for the Plan to Add Main Business Activities is prepared using the data and information disclosed above. Any changes to this data and information could



materially affect KJPP's final opinion. KJPP is not responsible for changes in the conclusions of its feasibility study or any loss, damage, costs, or expenses arising from the nondisclosure of information, resulting in incomplete or misinterpreted data received by KJPP.

Because the results of KJPP's feasibility study are highly dependent on the data and assumptions underlying them, changes to the data sources and market-based assumptions will alter KJPP's feasibility study results. Therefore, KJPP states that changes to the data used may affect the feasibility study results and that any differences may be materially significant. Although the contents of this Feasibility Study Report have been carried out in good faith and professionally, KJPP cannot accept responsibility for the possibility of differing conclusions due to additional analysis, the application of the feasibility study results as a basis for transaction analysis, or changes in the data used as the basis for the feasibility study. The Feasibility Study Report is a non-disclaimer opinion and is open to the public, except for confidential information that could affect NETV's operations.

KJPP's work related to the feasibility study for the Plan to Add Main Business Activities does not constitute, nor can it be interpreted as, a review or audit, or the implementation of specific procedures on financial information. The work is also not intended to disclose weaknesses in internal controls, errors, or irregularities in financial statements, or legal violations. Additionally, KJPP has obtained information on NETV's legal status based on NETV's articles of association.

c. Methodology

The feasibility analysis in this assignment uses the discounted cash flow (DCF) method, referring to the net present value (NPV), so the Plan to Add Main Business Activities can be considered feasible or profitable if the NPV is greater than zero. Additionally, a payback period and discounted payback period analysis is included to provide an overview of how long the investment costs can be recovered from the investment's operational returns.

d. Conclusion

Based on the analysis of all the data and information KJPP has received and considering all relevant factors affecting the feasibility analysis, KJPP concludes that the Plan to Add Main Business Activities, in terms of market feasibility, technical feasibility, business model feasibility, management model feasibility, and financial feasibility, is feasible. Specifically, for the market feasibility aspect, the investment criteria values considered over the 10 years and 8 months projection period are as follows:

NPV: IDR 1,333.05 billion

In connection with this feasibility study, KJPP wishes to emphasize that the feasibility analysis calculated using the discounted cash flow method is based on assumptions regarding revenue levels, expenses, and balance sheet accounts developed by the Company's and NETV's management through analysis of historical performance and management's statements about future plans before the Plan to Add Main Business Activities. KJPP has reviewed these assumptions and, in KJPP's opinion, they are reasonable. However, KJPP is not responsible for achieving these assumptions. Any changes in these assumptions will affect the feasibility study's results. Because there is no certainty that these bases and assumptions will materialize, KJPP cannot guarantee that the projected results will be achieved.

This feasibility was determined by KJPP based on the data and information obtained from the Company's and NETV's management and other relevant parties related to the assignment. KJPP assumes that all this information is accurate and that there are no undisclosed circumstances or factors that would materially affect the feasibility.

The final conclusion above applies as long as there are no material changes affecting the Plan to Add Main Business Activities. Such changes include, but are not limited to, changes in conditions both internally within the Company and externally, such as market and economic conditions, general business, trade, and financial conditions, as well as Indonesian government regulations and other related regulations after the issuance date of this Feasibility Study Report.

If any of these changes occur after the issuance date of this Feasibility Study Report, the feasibility of the Plan to Add Main Business Activities may differ.

#### **COMPANY'S BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS' STATEMENTS**

1. This Disclosure of Information is complete and made in accordance with the requirements under POJK No. 17/2020.
2. The Proposed Material Transaction and the Proposed Addition of Main Business Activities does not constitute as an affiliated party transaction and/or conflict-of-interest transaction as referred to in POJK No. 42/2020.
3. The execution of the Proposed Material Transaction and the Proposed Addition of Main Business Activities are for the best interest of the Company and will not potentially disrupt the Company' business activities.
4. Information disclosed in this disclosure of information is true and there are no misstatements of material facts that or no omission of material facts that may cause the material information in this disclosure of information become inaccurate and/or misleading.

#### **EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS**

Below is the indicative timeline for the execution of the Company's EGMS in connection with the Proposed Material Transaction:

- Notification of the EGMS agenda to OJK : 20 August 2024
- Announcement of the plan to convene EGMS and Disclosure of Information on Material Transaction and Addition of Main Business Activities : 28 August 2024
- Recording date : 11 September 2024
- EGMS Invitation : 12 September 2024
- Announcement of changes and/or addition to the Disclosure of Information on Material Transaction and Addition of Main Business Activities : 2 October 2024
- EGMS : 4 October 2024
- Announcement of the summary of the minutes of EGMS : 8 October 2024
- Submission of the minutes of EGMS : 1 November 2024

The EGMS will be held both physically and electronically through the Electronic General Meeting System provided by KSEI on:

Day : Friday, 4 October 2024

Time : 10.00 A.M. onwards

Venue : MD Place Tower I Jalan Setiabudi Selatan No. 7, Setiabudi, Jakarta Selatan

The agendas of the EGMS in relation to the Proposed Material Transaction and the Proposed Addition of Main Business Activities will be as follows:

1. Approval on the implementation of the proposed Material Transaction as referred to in POJK 17/2020 by the Company in relation to the proposed acquisition of PT Net Visi Media Tbk.
2. Approval on the proposed addition of business activities of television broadcasting resulting from the acquisition of PT Net Visi Media Tbk as supported by the discussion of feasibility study on such addition of business activities.

Particularly for the agenda on the proposed addition of business activities of television broadcasting, if such agenda is not approved by the shareholders of the Company, such agenda can only be submitted for approval from the shareholders of the Company after 12 (twelve) months as of its disapproval by the Company.

## **ADDITIONAL INFORMATION**

To obtain further information, the shareholders of the Company may submit their requests to the Company's Corporate Secretary, during normal business hours at the following address:

**PT MD Entertainment Tbk**

**Head Office:**

MD Place Tower I

Jalan Setiabudi Selatan No. 7, Setiabudi, Jakarta Selatan

Telephone: +62-21 29855777

Facsimile: +62-21 29055777

Email: [corporatesecretary@mdentertainment.com](mailto:corporatesecretary@mdentertainment.com)

Website: <https://mdentertainment.com/>