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THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY PERSON IN THE UNITED STATES. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

The following Offering Circular is not a prospectus for the purposes of the European Union’s Directive 2003/71/EC (and any amendments thereto) as implemented in member states of the European Economic Area.

CONFIRMATION OF YOUR REPRESENTATION: IN ORDER TO BE ELIGIBLE TO VIEW THE OFFERING CIRCULAR, INVESTORS MUST COMPLY WITH THE FOLLOWING PROVISIONS. YOU HAVE BEEN SENT THIS DOCUMENT AT YOUR REQUEST AND ON THE BASIS THAT YOU HAVE CONFIRMED TO CITIGROUP GLOBAL MARKETS LIMITED, CREDIT SUISSE (SINGAPORE) LIMITED AND PT INDO PREMIER SECURITIES (TOGETHER, THE “JOINT GLOBAL COORDINATORS”) THAT YOU (1) ARE OUTSIDE THE UNITED STATES (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)) AND, TO THE EXTENT THAT YOU PURCHASE THE SECURITIES DESCRIBED IN THE FOLLOWING OFFERING CIRCULAR, YOU WILL BE DOING SO IN AN OFFSHORE TRANSACTION (AS DEFINED IN REGULATION S) IN COMPLIANCE WITH REGULATION S; AND (2) CONSENT TO DELIVERY OF THE FOLLOWING OFFERING CIRCULAR AND ANY AMENDMENTS OR SUPPLEMENTS THERETO BY ELECTRONIC TRANSMISSION.

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The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Joint Global Coordinators or any of their respective affiliates is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Joint Global Coordinators or such affiliate on behalf of PT Prodia Widyahusada Tbk (the “Company”) or PT Prodia Utama and Bio Majesty Pte. Ltd. (together, the “Selling Shareholders”) in such jurisdiction.

The Offering Circular has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently none of the Company, the Selling Shareholders, the Joint Global Coordinators or any person who controls any of them or any of their respective commissioners, directors, officers, employees, agents or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the Offering Circular distributed to you in electronic format and the hard copy version available to you on request from the Joint Global Coordinators.



PT PRODIA WIDYAHUSADA Tbk

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

234,375,000 Offer Shares
Offer Price: Rp.6,500 per Share

This offering circular ("Offering Circular") has been prepared by PT Prodia Widyahusada Tbk (the "Company" or "we") in connection with the global offering of 234,375,000 shares (the "Offer Shares") of the Company's ordinary shares of par value Rp. 100 per share, consisting of a primary offering of 187,500,000 shares (the "Primary Shares") by the Company and a secondary offering of 46,875,000 shares (the "Secondary Shares") by PT Prodia Utama and Bio Majesty Pte. Ltd. (the "Selling Shareholders").

The Primary Shares are being offered (i) in connection with a public offer of shares in the Republic of Indonesia (the "Indonesian Offering") and (ii) in connection with a private placement of shares to eligible investors resident outside of the Republic of Indonesia (the "Primary International Offering") and, together with the Indonesian Offering, the "Primary Offering"). The Secondary Shares are being offered in connection with a private placement of shares to eligible investors resident outside of the Republic of Indonesia (the "Secondary Offering") and together with the Primary International Offering, the "International Offering"), as described in this Offering Circular. The Primary Offering and the Secondary Offering are collectively referred to as the "Offering." The completion of the Secondary Offering is conditional upon the completion of the Primary Offering.

This Offering Circular is being made available with respect to the International Offering only. In connection with the International Offering, Citigroup Global Markets Limited and Credit Suisse (Singapore) Limited (the "International Selling Agents") are soliciting applications from eligible investors resident outside Indonesia on the Selling Shareholders' behalf and on behalf of PT Indo Premier Securities, PT Citigroup Securities Indonesia and PT Credit Suisse Securities Indonesia (the "Lead Domestic Underwriters"). The Indonesian Offering will be conducted by a group of underwriters (the "Underwriters") in Indonesia represented by and including the Lead Domestic Underwriters.

We have applied to have the Company's shares (including the Offer Shares) listed on the Indonesia Stock Exchange (the "IDX") on completion of the Indonesian Offering. The Primary Offering is the Company's initial public offering, and no public market currently exists for the Company's shares. The Offer Price may not reflect the market price of the Primary Shares or the Secondary Shares after the closing of the Offering.

This Offering Circular may only be distributed outside Indonesia to persons who are neither citizens of Indonesia (wherever located) nor residents of Indonesia.

Investing in the Offer Shares involves a high degree of risk. Before purchasing any of the Offer Shares, prospective purchasers should carefully read "Risk Factors" beginning on page 24 of this Offering Circular.

Indonesian regulations permit the cancellation of the Offering only in limited circumstances, and you may be required to complete your acquisition of the Offer Shares if the Offering is required to proceed despite the occurrence of a material adverse change in conditions. See "Plan of Distribution" and "Risk Factors—Risks Relating to Ownership of Our Shares—You may be required to complete your acquisition of the Offer Shares if the Offering is required to proceed despite the occurrence of a material adverse change in international or national monetary, financial, political or economic conditions or other force majeure events or any material adverse change in matters including our business or financial condition."

The International Selling Agents expect to deliver the Primary Shares to purchasers on or about December 6, 2016 and the Secondary Shares to purchasers on or about December 7, 2016. The Offer Shares will begin trading on the IDX on the listing date (the "Listing Date"), which is expected to be December 7, 2016.

The Offer Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. The Offer Shares are being offered and sold only outside the United States in offshore transactions in accordance with and in reliance on the exemption from registration provided by Regulation S under the Securities Act ("Regulation S"). The Offer Shares are not transferable except in accordance with certain restrictions on transfer described under "Plan of Distribution" and "Transfer Restrictions."

Joint Global Coordinators and Bookrunners

Citigroup



Credit Suisse (Singapore) Limited



PT Indo Premier Securities



International Selling Agents

Citigroup



Credit Suisse (Singapore) Limited



Lead Domestic Underwriters

PT Citigroup Securities Indonesia



PT Credit Suisse Securities Indonesia



PT Indo Premier Securities



Financial Advisers

AvantGarde Capital



The date of this Offering Circular is November 18, 2016.

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You should rely only on the information contained in this Offering Circular. Neither we nor the Selling Shareholders nor any of our respective affiliates have authorized anyone to provide you with different information, and if anyone provides you with different or inconsistent information, you should not rely on it. None of us, the Selling Shareholders, the International Selling Agents, the Lead Domestic Underwriters nor the Financial Advisers (as defined below) nor any affiliates of any of us or then are making an offer of these securities in any jurisdiction where the offer is not permitted. Unless otherwise indicated, you should not assume that the information contained in this Offering Circular is accurate as of any date other than the date on the front of this Offering Circular.

The United States Securities and Exchange Commission and state securities regulators have not approved of, disapproved of or recommended the Offer Shares, nor have any of the foregoing authorities renewed, passed upon, determined or endorsed the merits of the offering of the Offer Shares or the accuracy or adequacy of this Offering Circular. Any representation to the contrary may be a criminal offense in certain jurisdictions. In addition, the Indonesian Financial Services Authority or *Otoritas Jasa Keuangan* (“OJK”) does not declare its approval or disapproval of the Offer Shares, nor does it declare the accuracy or adequacy of this Offering Circular. Any statement to the contrary is a violation of Indonesian law. With effect from December 31, 2012, OJK replaced and assumed the function, duty and authority of the Indonesian Capital Markets and Financial Supervisory Agency (*Badan Pengawas Pasar Modal dan Lembaga Keuangan*) (“BAPEPAM-LK”). For the purposes of the Indonesian Offering, the formal offering document is the Indonesian prospectus.

This Offering Circular is strictly confidential and has been prepared by us solely for use in connection with the proposed offer of the Offer Shares to eligible investors outside of the Republic of Indonesia by way of the International Offering. This Offering Circular is personal to each offeree and does not constitute an offer to any other person or to the public generally to purchase, or otherwise acquire, the Offer Shares. Distribution of this Offering Circular to any person other than the offeree is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each prospective purchaser, by accepting delivery of this Offering Circular, agrees to the foregoing.

The Company has prepared this Offering Circular and is solely responsible for its contents. You are responsible for making your own examination of us and your own assessment of the merits and risks of investing in the Offer Shares. By purchasing Offer Shares, you will be deemed to have made the acknowledgements, representations and agreements forth under “*Plan of Distribution*” and “*Transfer Restrictions*.”

No representation or warranty, expressed or implied, is made by the International Selling Agents, the Lead Domestic Underwriters or Financial Advisers nor any of their respective affiliates as to the accuracy or completeness of the information contained in this Offering Circular. Neither the delivery of this Offering Circular nor the offer of the Offer Shares shall, under any circumstances, constitute a representation or create any implication that there has been no change in our affairs since the date of this Offering Circular or that any information contained herein is correct as of any date subsequent to the date hereof.

None of us or the Selling Shareholders, the International Selling Agents, the Lead Domestic Underwriters or the Financial Advisers, nor any affiliate or representative of ours, the Selling Shareholders, the International Selling Agents, the Lead Domestic Underwriters or the Financial Advisers, are making any representation to any purchaser of shares regarding the legality of an investment by such purchaser under applicable laws. In addition, you should not construe the contents of this Offering Circular as legal, business or tax advice. You should be aware that you may be required to bear the financial risks of an investment in the Offer Shares for an indefinite period of time. You should consult with your own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

In making an investment decision, each prospective purchaser must rely on its own examination of us and the terms of the International Offering, including the merits and risks involved. By receiving this Offering Circular, each prospective purchaser acknowledges that (i) it has been afforded an opportunity to request from us and has received all information considered necessary to verify the accuracy of, or to supplement, the information contained in this Offering Circular, (ii) it has not relied on any of the International Selling Agents, the Lead Domestic Underwriters or the Financial Advisers or any person affiliated with the International Selling Agents, the Lead Domestic Underwriters or the Financial Advisers in connection with its investigation of the accuracy of any information in this Offering Circular or its investment decision, and (iii) no person has been authorized to give any information or to make any representation concerning us or the Company's shares other than as contained in this Offering Circular, and, if given or made, any such other information or representation should not be relied upon as having been authorized by us, the International Selling Agents, the Lead Domestic Underwriters or the Financial Advisers.

This Offering Circular does not constitute an offer to sell or an invitation by or on behalf of us or the Selling Shareholders, the International Selling Agents, the Lead Domestic Underwriters or the Financial Advisers or any affiliate or representative of any of ours or the Selling Shareholders, the International Selling Agents, the Lead Domestic Underwriters or the Financial Advisers to purchase any of the Offer Shares and may not be used for the purpose of an offer to, or a solicitation by, anyone, in each case, in any jurisdiction or in any circumstances in which such offer or solicitation is not authorized or is unlawful. There are restrictions on the distribution of this Offering Circular and the making of solicitations pursuant thereto in certain jurisdictions, further details of which are set out under "Plan of Distribution." Recipients of this Offering Circular are required to inform themselves about and observe any applicable restrictions.

Each purchaser of the Offer Shares must comply with all applicable laws and regulations in force in each jurisdiction in which it purchases, offers or sells such shares or possesses or distributes this Offering Circular and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of such shares under the laws and regulations in force in any jurisdictions to which it is subject or in which it makes such purchases, offers or sales, and none of us, the Selling Shareholders, the International Selling Agents, the Lead Domestic Underwriters or the Financial Advisers shall have any responsibility therefor.

The Offer Shares have not been, and will not be, registered under the Securities Act or any United States state securities laws. Unless so registered, the Offer Shares may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable United States state securities laws. The Offer Shares are being offered or sold outside the United States in reliance on Regulation S. Each purchaser of the Offer Shares in making its purchase will be required to make or will be deemed to have made certain acknowledgements, representations and agreements. For a description of these and certain further restrictions on offers, sales and transfers of our shares, see "*Plan of Distribution*" and "*Transfer Restrictions*."

PT Avantgarde Lumbung Sejahtera ("AvantGarde" or the "Financial Advisers") has acted as the Company's financial advisor in connection with this offering. AvantGarde is not acting as an underwriter in this offering and accordingly it is neither purchasing shares nor offering shares to the public in connection with this offering. Neither AvantGarde nor any of its affiliates is engaged in the solicitation or distribution of this offering.

CONVENTIONS THAT APPLY TO THIS OFFERING CIRCULAR

In this Offering Circular, unless otherwise specified or the context otherwise requires:

- “we,” “us,” “our” and “the Company” refer to PT Prodia Widyahusada, on a consolidated basis or a standalone basis, as the context may require;
- “Bio Majesty” refers to Bio Majesty Pte. Ltd.;
- “Prodia Utama” refers to PT Prodia Utama;
- “Selling Shareholders” refers to Prodia Utama and Bio Majesty;
- the “Prodia Group” refers to Prodia Utama and its subsidiaries, including the Company;
- “shares,” “common shares” and “our shares” refer to the common shares, par value Rp. 100 per share, in the share capital of the Company; “Greater Jakarta” includes Jakarta, Bogor, Depok, Tangerang and Bekasi;
- “clinical laboratory” refers to a facility that performs laboratory testing on specimens obtained from individuals for the purpose of providing information for health assessment and for the diagnosis, prevention, or treatment of disease;
- “customer visit” or “visit” refers to a single visit to one of our outlets by a walk-in customer, doctor-referral customer or a covered person of a corporate customer or a sample referred to one of our clinical laboratories by a referral customer;
- “sample” refers to biological material of a customer that has been processed for testing; and
- “specimen” refers to biological material collected from a customer that has not yet been processed for testing.

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

For convenience, certain Rupiah amounts have been translated into U.S. dollar amounts. Unless otherwise indicated, such translations have been made based on the exchange rate on June 30, 2016, of Rp. 13,180 = US\$1.00, being the middle exchange rate announced by Bank Indonesia on that date. Such translations should not be construed as representations that the Indonesian Rupiah or U.S. dollar amounts referred to could have been, or could be, converted into Rupiah or U.S. dollars, as the case may be, at that or any other rate or at all. See “*Exchange Rates and Exchange Controls*” for further information regarding rates of exchange between Rupiah and U.S. dollars.

In May and June 2015, we undertook a series of transactions to focus our business on our core clinical laboratory services under which we spun-off a number of our subsidiaries and businesses to our parent company, Prodia Utama. As a result, we sold our interest in our four subsidiaries, PT Prodia OHI International (the “POHI”), PT Prodia Stemcell Indonesia (“PROSTEM”), PT Prodia Diagnostic Line (“PROLINE”) and PT Innovasi Diagnostika (“INNODIA”), to Prodia Utama (the “Spin-off Transaction”). Therefore, this Offering Circular contains financial information prepared on a

consolidated basis as of and for the years ended December 31, 2013 and 2014 and as of and for the six months ended June 30, 2015, and on a standalone basis as of and for the year ended December 31, 2015 and as of and for the six months ended June 30, 2016 (collectively, the “Consolidated Financial Statements”)

In this Offering Circular, references to “2013,” “2014” and “2015” refer to the fiscal years ended December 31, 2013, 2014 and 2015, respectively. Our consolidated financial statements as of and for the years ended December 31, 2013 and 2014 and our standalone financial statements as of and for the year ended December 31, 2015 and as of and for the six months ended June 30, 2016, have been audited by KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan (“RSM Indonesia”) and our consolidated financial statements as of and for the six months ended June 30, 2015 have been reviewed by RSM Indonesia. In our standalone financial statements as of and for the year ended December 31, 2015 and for the six months ending June 30, 2016, we do not report consolidated financials as there are no subsidiaries under the Company post the completion of the Spin Off Transaction.

Our core business of clinical laboratory testing services is contained in the Company, while our other businesses were predominately contained in our erstwhile subsidiaries. As a result, we have included standalone financial information as of and for the years ended December 31, 2013, 2014 and 2015 and as of and for the six months ended June 30, 2016, which has been audited by RSM Indonesia, and standalone financial information as of and for the six months ended June 30, 2015, which was reviewed by RSM Indonesia (collectively, the “Standalone Financial Information”) for the convenience of the reader. We believe that Standalone Financial Information is reflective of our business going forward after the Spin-off Transactions. Unless otherwise stated, all financial information used in this Offering Circular will be for the Company and its erstwhile subsidiaries on a consolidated basis.

In this Offering Circular, certain information, including percentages, has been rounded for convenience. Accordingly, totals of columns or rows of numbers in tables may not be equal to the apparent total of the individual items, and actual numbers may differ from those contained herein due to such rounding.

By receiving this Offering Circular, prospective purchasers acknowledge that the Consolidated Financial Statements included in this Offering Circular have been prepared in accordance with Indonesian Financial Accounting Standards (“Indonesian FAS”), which differ in certain respects from International Financial Reporting Standards (“IFRS”), and are subject to Indonesian auditing standards and are not comparable to the financial statements of a company prepared under IFRS. See *“Summary of Certain Differences Between Indonesian FAS and IFRS.”*

NON-GAAP FINANCIAL MEASURES

EBITDA refers to income before depreciation, provision of future employee benefits, allowance for impairment in value, corporate income taxes and other expenses and/or income (consisting primarily of gain/loss of fixed assets sale, income from insurance claim and interest on bank loans). EBITDA and the related ratios presented in this Offering Circular are supplemental measures of our performance that are not required by, or presented in accordance with, Indonesian FAS or IFRS. EBITDA is not a measurement of financial performance or liquidity under Indonesian FAS or IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with Indonesian FAS or IFRS or as an alternative to cash flow from operating activities as a measure of liquidity. In addition, EBITDA is not a standardized term; hence, a direct comparison between companies using such a term may not be possible.

We believe that EBITDA facilitates comparisons of operating performance from period to period and company to company by eliminating potential differences caused by variations in capital structures (affecting interest and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and booked depreciation and amortization of assets (affecting relative depreciation and amortization of expense). EBITDA has been presented because we believe that it is frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-IFRS financial measures when reporting their results. Nevertheless, EBITDA has limitations as an analytical tool, and you should not consider it in isolation from, or as a substitute for, analysis of our financial condition or results of operations, as reported under Indonesian FAS. Because of these limitations, EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business.

See “*Summary Financial Information and Operating Data*” and “Selected Financial Information and Operating Data” for a reconciliation of profit under Indonesian FAS to our definition of EBITDA.

INDUSTRY AND MARKET DATA

This Offering Circular includes market share and industry data and forecasts that we have obtained from industry publications and surveys, including the “Industry” report prepared by Frost & Sullivan and reports of governmental agencies. Industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. While we have taken reasonable actions to ensure that the information is extracted accurately and used in its proper context, none of us, the Selling Shareholders, the International Selling Agents, the Lead Domestic Underwriters or the Financial Advisers have independently verified any of the data from third-party sources or ascertained the underlying economic assumptions they relied upon.

AVAILABLE INFORMATION

We will furnish annual and interim reports in English and Bahasa Indonesia to our shareholders through our website and the IDX. These reports will include a review of our business and operations, our annual reports and our audited financial statements, which will be prepared in accordance with Indonesian FAS. We will also furnish to the IDX and our website all notices of shareholders’ meetings in English and Bahasa Indonesia that we make available to our shareholders.

FORWARD-LOOKING STATEMENTS

Certain statements in this Offering Circular constitute “forward-looking statements,” including statements regarding our expectations and projections for future operating performance and business prospects. The words “believe,” “expect,” “anticipate,” “estimate,” “project,” “will,” “aim,” “will likely result,” “will continue,” “intend,” “plan,” “contemplate,” “seek to,” “future,” “objective,” “goal,” “should,” “will pursue” and similar expressions or variations of these expressions identify forward-looking statements. In addition, all statements other than statements of historical fact included in this Offering Circular, including without limitation those regarding our financial position and results, business strategies, plans and objectives of management for future operations (including development plans and objectives relating to its services), are forward-looking statements. Such forward-looking statements involve, among other things:

- our plans, targets, objectives or goals, including those related to our services and operations, such as projected dates by which we plan to open laboratories, increase capacity at our laboratories or convert laboratories to clinics;
- the number and type of tests we perform;
- our sales and profitability;

- our future economic performance;
- the growth of our businesses;
- future and budgeted capital expenditures and investments;
- the size of the Indonesian healthcare industry and clinical laboratory testing industry segment; and
- a variety of additional market, operational, licensing and labour-related factors.

Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future. Important factors that could cause some or all of those assumptions not to occur or cause our actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things:

- our ability to recruit, train and retain qualified personnel;
- our ability to execute our expansion strategy;
- our ability to obtain the various licenses or approvals from the Government and local governments to carry out our operations and open, expand or convert laboratories;
- our ability to effectively manage relationships with a greater number of patients, customers, suppliers, contractors, lenders and other parties;
- significant capital expenditure requirements;
- changes in accounting practices; and
- other factors which may or may not be within our control.

This list of important factors is not exhaustive. Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed under “Risk Factors.” When relying on forward-looking statements, prospective purchasers should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. Such forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise. We do not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. Accordingly, prospective purchasers should not place undue reliance on any forward-looking statements.

ENFORCEABILITY OF CIVIL LIABILITIES

We are a limited liability company incorporated in Indonesia. All of our commissioners, directors and executive officers reside in Indonesia. All of our assets and substantially all of the assets of our Indonesian-citizen/resident commissioners, directors and executive officers are located in Indonesia. As a result, it may be difficult for purchasers to effect service of process upon such persons or to enforce against us or any of them any court judgments obtained in courts outside of Indonesia.

We have been advised by our Indonesian legal counsel, Hadiputranto, Hadinoto & Partners, that judgments of courts outside Indonesia, which include the judgments of U.S. courts based on the civil liability provisions of the federal securities laws of the United States, are not recognized or directly enforceable in Indonesia, although such judgments could be admissible as evidence in a proceeding on the underlying claim in an Indonesian court with respect to the matter of law of the jurisdiction of such non-Indonesian court and may be given evidentiary weight if the Indonesian court, in its sole discretion, deems it appropriate. Accordingly, in order to obtain an order of an Indonesian court in respect of a claim, a successful party in a foreign proceeding must commence a new action in an Indonesian court and reargue the matter on its merits. Re-examination of the underlying claim *de novo* would be required before an Indonesian court. There can be no assurance that the claims or remedies available under Indonesian law will be the same, or as extensive, as those available in other jurisdictions. In addition, there is doubt as to whether Indonesian courts will enter judgments on original actions brought in Indonesian courts based solely upon the civil liability provisions of the federal securities laws of the United States.

SUMMARY

This summary does not contain all the information that may be important to prospective purchasers in deciding to invest in the Offer Shares. Prospective purchasers should read the entire Offering Circular, including the section entitled “Risk Factors” and the financial statements and related notes included in this Offering Circular before making an investment decision.

Overview

We are an industry pioneer and the leading private independent clinical laboratory chain in Indonesia, with a market share of approximately 35% by revenue in 2015 and the largest number of clinical laboratories in Indonesia, according to Frost & Sullivan. We started our operation in 1973 when our founders opened their first clinical laboratory in Solo. Our operation continued to expand to a nationwide network of 251 outlets, including 128 clinical laboratories. Our Prodia National Reference Laboratory (“PNRL”) is the only laboratory in Indonesia accredited by the College of American Pathologists (“CAP”), which we believe is the highest global accreditation for clinical laboratories. We offer customers and healthcare providers approximately 500 types of clinical laboratory tests and services for use in prevention, diagnosis, monitoring and treatment of diseases and other health conditions. In addition, we have access to approximately 3,000 additional tests through partnerships with NUH Referral Laboratories Pte. Ltd. (“NUH Laboratories”) and Quest Diagnostics Inc. (“Quest”). As a leader in clinical laboratory research, we have researched and introduced numerous types of clinical tests into Indonesia. The customer groups that we serve include walk-in customers, customers with doctor referrals, referrals from hospitals and clinics as well as corporate customers. In 2015 and the six-month period ended June 30, 2016, we collected and processed approximately 14.0 million tests and 7.0 million tests and approximately 2.4 million customer visits and 1.2 million customer visits, respectively.

The clinical laboratory testing industry is an essential and growing part of healthcare in Indonesia. As clinical laboratory testing services provide customers and healthcare service providers with important information to assist in making medical decisions, more and more Indonesian doctors, hospitals and individuals are using these services as an essential tool. According to Frost and Sullivan, the size of the Indonesian clinical laboratory testing market is expected to grow at a CAGR of 12.9% from US\$1,437 million in 2015 to US\$1,830 million in 2017, of which the private independent clinical laboratory testing market is the fastest growing segment, with an expected CAGR of 16.3% between 2015 and 2017. We believe that the increasing use of clinical laboratory tests by healthcare providers in Indonesia, combined with increasing prevalence of chronic and lifestyle diseases, as well as more and more individuals focusing on disease prevention and wellness, creates immediate growth opportunities for us. In addition, personalized medicine, or the tailoring of medical treatment to individual customer needs and conditions, creates a long-term opportunity for advanced clinical laboratory testing.

We use the latest technologies to provide a broad menu of high quality, innovative and accurate clinical laboratory testing services to our customers. We believe that we provide the broadest menu of routine and esoteric clinical laboratory tests in Indonesia. Our PNRL is the central hub of our network of outlets. It has also received numerous international accreditations and recognitions. In the last five years, we have introduced 37 innovative clinical laboratory tests into Indonesia, which we have rolled out across our network of outlets and as they have over time become routine tests, in addition to numerous new tests used in clinical research. We continue to introduce new tests and are working to bring the next generation of clinical laboratory tests into the country. For example, we were the first clinical laboratory in Indonesia to introduce “TORCH panels” to screen for panels for toxoplasmosis, rubella, cytomegalovirus and herpes simplex infections in pregnant women and “highly sensitive C-reactive protein” tests for cardiovascular disease.

We received 56% of the votes from a sample of Indonesian consumers in the 2015 Top-Brand Survey by the Frontier Consulting Group, and have been the “Top-Brand” for laboratories for seven consecutive years (from 2009 to 2015). We believe that our brand’s recognition for quality clinical laboratory testing services and the largest menu of tests available in Indonesia results in individuals and healthcare providers choosing us for their testing needs. In Indonesia, customers generally have the freedom to choose the clinical laboratory that they use, instead of being directed to it by a doctor or insurance provider, and customers and healthcare providers seek quality clinical laboratories, due to what we believe is a wide range in quality and reliability of clinical laboratories in Indonesia. We believe our high quality clinical laboratory test offering is the most comprehensive in Indonesia. We offer routine testing, from lipids profiles, renal and liver function profiles, to esoteric testing, such as hormone profiles and molecular clinical laboratory testing for infectious diseases or cancers.

We have built a nationwide, “hub and spoke” network that is centered around the PNRL in Jakarta. As of June 30, 2016, our network includes 128 clinical laboratories (including our PNRL), one Prodia Health Care clinic (“PHC Clinic”) and one clinic that provides specialty services, as well as 114 point of care (“POC”) outlets that we operate in doctor’s offices and seven laboratories we operate in hospitals. We wholly-own all of the clinical laboratories, the PHC Clinic and the specialty clinic. All of our clinical laboratories and other outlets are operated by us, which we believe allows us to maintain better control and ensure consistency in our quality standards. We believe our “hub and spoke” model, whereby specimens are collected across multiple locations for delivery to a local clinical laboratory or the PNRL for centralized clinical laboratory testing, provides greater quality and reliability and economies of scale and offers a scalable platform for the continued growth of our business. As of June 30, 2016, our 3,648 employees included 31 staff members with PhDs or master’s degrees in biomedical science, 234 medical doctors, 781 medical technologists and over 400 phlebotomists.

Our management team has extensive experience in the healthcare industry, and under their leadership, we have grown over the last several years. The number of total customer visits in our network increased at a CAGR of 3.2% from 2.2 million in 2013 to 2.4 million in 2015. During the same period, our revenues increased at a CAGR of 9.6% from Rp. 998.0 billion in 2013 to Rp. 1,197.7 billion in 2015 and our adjusted EBITDA increased at a CAGR of 17.0% from Rp. 128.1 billion in 2013 to Rp. 175.2 billion in 2015.

Competitive Strengths

Our key competitive strengths are:

As the market leader and a pioneer in the independent clinical laboratory industry in Indonesia, we are at the forefront of a significant market growth opportunity.

We are the market leader and a pioneer in the independent clinical laboratory industry in Indonesia. According to Frost & Sullivan, in 2015, we were the largest company in terms of revenue with a 35% market share in the private independent laboratory testing market in Indonesia and our nationwide network of clinical laboratories was larger than those of our next five competitors combined, with 128 clinical laboratories. As the leading independent clinical laboratory in Indonesia, we are uniquely positioned to take advantage of the growth of the Indonesian clinical laboratory market, with a large geographical footprint and established platform.

Frost and Sullivan values Indonesia’s clinical laboratory testing market at US\$ 1.4 billion in 2015 and expects it to grow at a CAGR of 12.9% to reach US\$ 1.8 billion by 2017. Within the overall market, Frost & Sullivan expects the private independent laboratory segment in which the Company operates to grow at a CAGR of 16.3% between 2015 and 2017, which makes it one of the fastest growing healthcare services markets in the rapidly developing Indonesia healthcare industry. This growth will be driven by a large population of 255 million, a rapidly growing middle class, strong GDP growth and the transformation of the healthcare sector with the implementation of universal health coverage and initiatives to expand access. Moreover, Indonesia has historically contributed less of its GDP to

healthcare spending than other countries in Southeast Asia. In 2015, healthcare spending as a percentage of GDP was 3.0% in Indonesia, which we expect to grow significantly in the future. As the Indonesian healthcare industry develops, Frost & Sullivan believes demand for our services will continue to increase given the importance of clinical laboratory testing in healthcare infrastructure. This importance is driven by the increased focus on evidence-based treatments by physicians, as well as the increase in cases of chronic diseases that become more prevalent with increased economic development, such as heart disease and diabetes.

When we started operations in 1973, we were among the very first independent clinical laboratories in Indonesia, and our founders had a vision to make the best quality clinical laboratory services available across the country. Since then, we have continued to be a pioneer in the industry, having constantly invested in our capabilities. We have also been a leader in educating the medical community and the public and raising awareness about clinical laboratory testing. In particular, in the last five years, we introduced 37 innovative clinical laboratory tests to Indonesia. We were also the first organization in Indonesia to receive internationally recognized quality assurance certifications, such as accreditation from CAP and National Glycohemoglobin Standardization Program.

We have the largest nationwide network of clinical laboratories and employ a scalable “hub-and-spoke” model centered around the largest national reference lab in the country.

Our clinical laboratory network is the largest in Indonesia by number of outlets and is organized around a “hub-and-spoke” model, which is centered around our PNRL in Jakarta. As of June 30, 2016, our network consists of 128 clinical laboratories (including our PNRL), one PHC Clinic and one specialty clinic, as well as 114 point of care (“POC”) outlets that we operate in doctor’s offices and seven laboratories we operate in hospitals. We wholly-own all of the clinical laboratories, the PHC Clinic and the specialty clinic. All of our clinical laboratories and other outlets are operated by us. With these 251 outlets, we operate in 104 cities, representing 30 out of the 34 provinces in Indonesia as of June 30, 2016.

Our leading position in the market is supported by the PNRL, which is the only clinical laboratory in Indonesia to have received CAP accreditation, which is considered as a leading global authority in laboratory quality assurance. Our PNRL is the center of our network and is equipped with state-of-the-art equipment and the latest technologies. We believe our PNRL is the backbone of the clinical laboratory industry in Indonesia because we also serve as the reference laboratory for many of the other laboratories in the country, including hospital laboratories.

Our “hub-and-spoke” model allows us to ensure consistency in our quality standards, and the “spokes” facilitate deeper penetration within regions, strengthening our brand and driving higher test volume. We own, operate and manage all of our clinical laboratories and operate and manage all of our POC collection centers, which allow us to more closely monitor and maintain our high quality standards, particularly when compared to other clinical laboratories that operate franchises. We undertook 74, 83 and 79 administered proficiency testing/external quality schemes in 2013, 2014 and 2015, respectively, under the external quality assurance services programs of a number of institutions and organizations, including CAP, National Glycohemoglobin Standardization Program and Biorad, among others.

We have a centralized information technology platform that fully integrates our network of outlets with a nationwide logistics and payments system, thereby allowing us to collect specimens, monitor specimen delivery, report results and process payments efficiently. Our patients, doctors and other healthcare providers have highly convenient, real-time online access to diagnostic results, which are accessible through our website and mobile applications. Our systems also allow us to gather patient demographic and medical information across our network, which allow us to better serve our customers. We believe the foregoing network and relationships with medical community and leading testing capability that we have developed over the last 43 years would be difficult to replicate.

We are the most-recognized clinical laboratory brand in the country, and this recognition is supported by a consistent focus on quality.

In addition to being the largest independent clinical laboratory company in Indonesia by revenue and size of laboratory network, according to Frost & Sullivan, our Prodia brand is recognized as the strongest clinical laboratory brand in Indonesia by customers. We received 56% of the votes from a sample of Indonesian consumers in the 2015 Top-Brand Survey by the Frontier Consulting Group, and have been the “Top-Brand” for laboratories for seven consecutive years (2009-2015). Our brand has also received significant industry recognition. In 2015, we received 12 prestigious industry awards, which evidence our recognition by all market participants, including doctors and individual customers, many of which we have received for consecutive years.

We have dedicated marketing strategies to enhance our brand with each customer segment, led by our team of over 400 marketing and LIS personnel, which undertake a broad range of marketing activities to reach the general public, doctors and corporates. This effort is underpinned by our long-term engagement and trust established with the Indonesian medical community since the founding of our Company, when clinical laboratory tests were not widely adopted. We engage with the medical community, not only by means of traditional advertising and marketing, but through our scientific marketing activities, which include supporting clinicians and their research in clinical laboratory medicine, conducting seminars and other marketing activities to educate doctors, hospitals, corporates and the general public on healthcare issues and the benefits of clinical testing and educating and collaborating with doctors on the development and implementation of tests.

The strength of our brand rests on our focus on quality, which is of critical importance given our belief that patients and healthcare providers generally prioritize quality when choosing a clinical laboratory services provider, in addition to the size and strength of our network. We have received the highest clinical laboratory accreditations available, including becoming the only laboratory in Indonesia to receive CAP accreditation (in 2012), NGSP certification or OHSAS accreditation, as well as receiving numerous ISO and other certifications. We believe that this has helped us become one of Indonesia’s most admired companies. Our approach to our business also allows us to maintain the quality of our operations across our single-brand network of clinical laboratories, because, among other things, we have not expanded through franchising (which risks losing control of key functions) and seek to ensure consistency in our operations with, for example, our calibration laboratory. We believe that our customer service is another differentiating factor, as we provide customers with a consistent and high quality service across our single brand network. We achieve this through rigorous employee training and established protocols set up to provide a quality experience for customers, from registration and doctor consultation to sample collection and report collection. This includes efficient customer processing, pleasant surroundings and customer-oriented service. We also offer home collection services to expand our offering to stay-at-home customers. In addition, we plan to offer online channels for test booking and payment, which make each customer’s visit more convenient, as well as for better visualization of diagnostic results. We believe that these factors contribute to our strong brand image and help to build customer loyalty. The size of our network also provides us with branding advantages because it allows us to interact with a large number of customers, doctors and other healthcare professionals across the entire Indonesian archipelago, and broadens our brand’s reach.

We focus on providing a comprehensive service offering that targets multiple customer segments and is supported by strong relationships with healthcare practitioners and institutions across all related disciplines

We believe we offer the most comprehensive range of clinical laboratory tests in Indonesia, with a menu of over 500 tests. Customers can come to us for all of their clinical laboratory testing needs, as we provide both routine and esoteric tests, and also have access to an additional 3,000 tests, which are in addition to our menu of 500 tests, through our relationships with international clinical

laboratories outside of Indonesia, such as Quest and NUH Laboratories. This comprehensive offering allows us to meet the needs of a wide range of customers, including individual customers whether they walk in or are referred by doctors, corporate customers seeking to offer health checks to employees, or hospitals and other clinical laboratories that refer tests to us.

We are also expanding our offering to include preventative health services through our PHC Clinics, which provide wellness services such as nutritional and sports medicine services. Our offering is further enhanced by our specialty clinical laboratories, namely our Prodia Children's Health Center and Prodia Women's Health Center, which focus on the specific clinical testing needs of children and women.

We continuously strive to introduce new and technologically sophisticated tests and have pioneered the introduction of numerous tests in Indonesia. We believe that our new tests and esoteric tests attract new patients, who also purchase other tests and services. For example, we were the first clinical laboratory in Indonesia to introduce "TORCH panels" to screen for panels for toxoplasmosis, rubella, cytomegalovirus and herpes simplex infections in pregnant women and cystatin C renal function tests.

Over our 43-year history, we have developed long-term relationships and trusted partnerships with many healthcare practitioners in Indonesia, including with 23 medical faculties, as well as medical professional associations and laboratory medicine associations. During this period, we have consistently provided doctors and other healthcare professionals with our quality services, fast turnaround times and comprehensive range of offerings, which gives us an unparalleled reputation in clinical laboratory services. These relationships have generated an ongoing source of referrals and scientific breakthroughs. In 2016, we received referrals from over 60,000 doctors.

We have also worked with the medical and scientific community to develop scientific collaborations for introducing new diagnostic tests and to develop our medical professional recruitment pipeline. For example, we have invested in developing long term relationships with members of the medical community across Indonesia. Our research collaborations have resulted in the introduction of new tests, such as a paediatric allergy panel, 17-OH progesterone test, and other tests. We have further developed these relationships through the work of our 400 marketing personnel and laboratory information service ("LIS") personnel. We regularly give doctors updates on new tests and other trends in the medical community. We have also partnered with medical associations, such as paediatric associations and obstetrics and gynaecology associations to actively market our services.

We have a proven track record of strong growth and financial performance.

We have grown consistently in the last three years. We have opened seven new clinical laboratories since 2013. The number of total customer visits in our network increased at a CAGR of 3.2% from 2.2 million in 2013 to 2.4 million in 2015. During the same period, our revenues increased at a CAGR of 9.6% from Rp. 998.0 billion in 2013 to Rp. 1,197.7 billion in 2015 and our adjusted EBITDA increased at a CAGR of 17.0% from Rp. 128.1 billion in 2013 to Rp. 175.2 billion in 2015. We have been strategic in our growth strategy and as a result, our return on invested capital was 28.6%, 18.5% and 30.5% for the years ended December 31, 2013, 2014 and 2015, respectively. Our return on equity was 67.7%, 41.2% and 46.7% for the years ended December 31, 2013, 2014 and 2015, respectively. We believe we have a strong, defensible revenue stream due to our diversified customer base and brand name, supported by our effective marketing efforts across all customer segments, particularly as a result of our scientific marketing.

We have an experienced senior leadership and management team with deep experience in clinical, clinical lab services and healthcare and a proven graduate recruitment pipeline.

Our senior management team, led by our directors, has extensive experience in the clinical laboratory industry in Indonesia. Our directors have practical experience, such as laboratory experience, research or academic backgrounds, with advanced degrees in biomedical sciences or finance. Our directors have long-term experience with Prodia and in healthcare and an average of 22 years each with the

Company. Our senior management team is led by our President Director, Dr. Dewi Muliaty, who has been with the Company for over 25 years and has successfully managed our growth by executing our strategies and further developing our “Prodia” brand’s recognition. We believe that our experienced and effective management team is an important competitive advantage in managing the growth of our business in the future.

Our founder Dr. Andi Widjaja is a prominent and visionary leader in laboratory medicine in Indonesia. He is a founder, and has served as an advisory board member, of several notable Indonesian industry associations, including: the Indonesian Society of Atherosclerosis and Vascular Diseases, the Indonesian Society for the Study of Obesity, and Indonesian Association for Clinical Chemistry. He had a vision to make high quality clinical laboratory services available across Indonesia, and our management team continues to implement this vision. Our management team has grown under his leadership and has developed the requisite skills and experience necessary to navigate the fast-growing Indonesian clinical laboratory industry. While Dr. Widjaja is no longer involved in day-to-day operations of the Company, he is still a leading figure in the healthcare industry giving lectures and guidance to doctorate students in notable medical faculties as well as participating in seminars and symposiums in domestic and international forums, which further enhances our company’s standing, reputation and brand.

Our founder and senior management team have built a mission-driven culture of success that has attracted many of Indonesia’s top laboratory personnel to work at the Company. We have succeeded in hiring the best graduates of medical faculties in Indonesia by developing strong relationships with schools and their students. We work with 23 medical faculties in Indonesia in research and education to develop our medical professional recruitment pipeline. We also have close cooperation with 54 educational institutions across Indonesia to recruit recent medical technologist graduates. We establish relationships with potential employees early in their education, for example by sponsoring information events at their schools and by offering scholarships in medical laboratory studies. In addition, we host medical students as researchers in our laboratories to support their academic studies. We believe that these programs give potential employees a positive experience with the Company and encourage them to consider our company upon graduation.

Our Strategy

The key elements of our business strategy are as follows:

Continue to expand our presence and grow our network of outlets in both existing and new markets in Indonesia.

We intend to continue to grow and expand our network of outlets in Indonesia. We currently plan to open a total of four regional reference laboratories and up to 33 additional clinical laboratories over the next five years, in order to capture clinical testing demand in regions with attractive growth opportunities. We expect to open up to 20 new POC collection centers and up to five new hospital laboratories per year. We also expect to open an additional 13 specialty clinics over the next five years. We also will continue to explore and to consider acquisition opportunities as a means of growing our clinical laboratory network.

We expect the total of four regional reference laboratories will be located in Surabaya, Medan, Makassar and Semarang and will serve as regional hubs for our clinical laboratories in those regions. These regional reference laboratories will perform routine and esoteric tests not conducted by clinical laboratories in the region, thereby allowing us to reduce the turnaround time for these tests and improve test yields by shortening the transportation time for samples, which currently must be sent to our PNRL. We currently expect that our new clinical laboratories will be located in areas not yet served by us or underserved by our competitors, such as West Papua, Papua, North Kalimantan and Bengkulu. We also plan on increasing the number of clinics in certain existing markets, such as Jakarta.

Upgrade existing clinical laboratories to provide wider range of tests and services and increase volume.

We plan to continue to introduce new clinical laboratory tests and other services to further expand the range of services that we offer. We will continue to work to introduce new tests, including new esoteric tests to be performed at our PNRL, our new regional reference laboratories as well as across our network of clinical laboratories. We believe that our menu of esoteric tests is already the most comprehensive in Indonesia and includes many tests that our competitors are unable to perform in a timely, efficient and cost-effective manner. We are planning to offer more preventive healthcare screenings and chronic and lifestyle management services, such as preventative health testing, and nutritional and sports medicine at our PHC Clinics. We also expect to upgrade some of our clinical laboratories to PHC Clinics outlets by introducing a range of non-clinical laboratory tests, such as radiology, imaging, echocardiograms and treadmill tests.

We also intend to grow our operations by expanding the footprint of up to 24 of our existing clinical laboratories, including by relocating certain clinical laboratories to larger premises because our growth is constrained by the existing space.

Continue to enhance internal operating efficiency.

We believe that our “hub-and-spoke” model offers us a scalable platform for reducing costs and turn-around times for our clinical laboratory tests. We opened a new regional reference laboratory in July 2016 and intend to open three more regional reference laboratories in the next few years to increase our esoteric testing capacity as we increase the size of our customer base, including based on the number of referrals from our clinical laboratories and other clinical laboratories in Indonesia, as well as our POC outlets. We will continue to enhance our internal operating efficiencies by optimizing our model and the delivery of our services. For example, the four regional reference laboratories, as additional hubs in our hub-and-spoke model, will enable us to shorten delivery time to the testing sites, thereby enabling us to increase further our turnaround time and further reduce our operating costs. Similarly, we believe we have strong bargaining power with our vendors as a result of our large volume of tests, which gives us economies of scale that reduce our cost of raw materials. In addition, we are, and will continue, implementing a vendor-managed inventory system and improving productivity by upgrading our laboratory information systems. We also plan to continue to evaluate the need to upgrade the technology and equipment we employ in our laboratories, in light of our focus on remaining a market leader in clinical laboratory testing in Indonesia. We strive to consolidate laboratory tests to increase the operational productivity of our testing. For example, we plan to integrate our systems at PNRL to increase the number of test results produced to improve test turnaround, which we believe will also enhance our cost efficiency and result in greater economies of scale.

Continue to focus on providing quality diagnostic and related healthcare tests and services and attracting quality laboratory personnel.

We believe that that the Prodia brand is synonymous with quality. We plan to continue our focus on providing quality clinical laboratory and related healthcare tests and services. We constantly monitor the quality and accuracy of our clinical laboratory tests and regularly undertake quality assurance programs to further improve our quality. We seek to upgrade our clinical laboratory testing equipment to improve efficiency and accuracy. For example, we utilize automated testing systems to quickly perform tests with minimal human interference, which ensures both speed and accuracy. We are also dedicated to providing customers with a quality experience. For example, we provide one-stop services from counselling to results analysis with on-site doctors available to provide preliminary consultations. We have built an online set of tools, such as our web portal and mobile application so that our customers and doctors can easily check their results. We intend to further develop these online initiatives by developing an online registration and payments portal for our customers. We regularly

consult with leading international clinical laboratories, such as Quest and the NUH Laboratories, both directly and through industry events and channels, to broaden our testing menu, incorporate industry best practices and generally learn from the experiences of leading international laboratories in an effort to enhance the quality of our services.

We will also continue to focus on attracting high quality laboratory technicians and doctors to work at the Company. We will continue our close collaborations with 23 medical faculties and 54 other educational institutions to recruit the talent we need to support our growth. We believe by supporting students while they are in school we establish positive relationships with them when they graduate and show that the Company is a quality place to work. We aim to strengthen our relationships with students who will be general practitioners or doctor specialists by providing our laboratory services to support their studies. We believe that this will encourage them to become our future customers because they will have a long positive and in-depth association with our brand. In addition, we continue to enhance the quality of our employees by providing various internal and external educational trainings through conferences or workshops.

Focus on the development of next-generation diagnostic technologies for precision medicine.

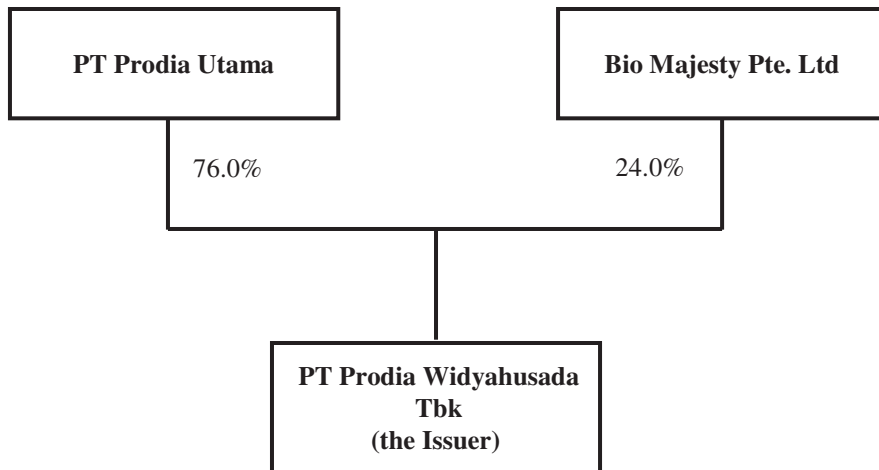
As a pioneer and market leading clinical laboratory in Indonesia, we have been the first to introduce many clinical laboratory tests and technologies to Indonesia. We intend to continue to be at the forefront of introducing new technologies and tests. For example, we are investing in and upgrading our ability to offer precision medicine services, also known as personalized medicine. Precision medicine is an emerging approach for disease treatment and prevention that takes into account an individual's genetic makeup, environment and lifestyle when prescribing treatment. With precision medicine, an individual is treated in accordance with his or her specific characteristics, with the hope that such treatments will be more effective, given that treatments determined to be ineffective for certain types of individuals can be avoided. The key to the successful offering of precision medicine is the availability of diagnostic information, such as individual gene sequencing. We have a solid foundation for precision medicine with our existing laboratories that focus on advanced molecular diagnostics, chromatography-mass spectrometry, anatomical pathology and immunology and flow cytometry), among others, which are the fundamental technologies of precision medicine.

Principal Offices

Our principal executive offices and registered office are located at Prodia Tower, Jalan Kramat Raya No. 150, Jakarta Pusat 10430. Our telephone number at this address is +(62) 21 3144 182. Our main website is <http://www.prodia.co.id/>. The information contained on our website is not a part of this Offering Circular.

CORPORATE STRUCTURE

The following chart sets forth our corporate structure as of the date of the Offering Circular.



SUMMARY OF THE OFFERING

The following summary contains basic information about the Offer Shares and is not intended to be complete. It does not contain all the information that is important to prospective purchasers. For a more complete understanding of the Offer Shares, please refer to the sections entitled “Plan of Distribution,” “Description of Our Common Shares” and “Indonesian Capital Markets” in this Offering Circular.

The Company	PT Prodia Widyahusada Tbk
The Selling Shareholders	PT Prodia Utama and Bio Majesty Pte. Ltd.
Offer Shares	234,375,000 shares comprising 187,500,000 Primary Shares to be offered by us and 46,875,000 Secondary Shares to be offered by the Selling Shareholders (35,625,000 Secondary Shares from PT Prodia Utama and 11,250,000 Secondary Shares from Bio Majesty Pte. Ltd.).
Offer Price	Rp.6,500 per share.
Offering	The Offering comprises the concurrent Indonesian Offering and International Offering.
Indonesian Offering	The Offering of Primary Shares being offered in Indonesia through the Underwriters by way of a public offering in Indonesia. There is no offering of secondary shares in Indonesia.
International Offering	The offering of (i) Primary Shares being offered in the Primary International Offering to persons outside Indonesia and the United States through the Lead Domestic Underwriters’ arrangements with the International Selling Agents by way of a private placement and (ii) the Secondary Shares being offered in the Secondary Offering outside Indonesia to eligible investors resident outside of Indonesia, in each case in offshore transactions in reliance on Regulation S under the Securities Act. The Secondary Shares may not be offered or sold in Indonesia or to Indonesian citizens wherever they are domiciled, or to Indonesian residents, in a manner which constitutes a public offering under the laws and regulations of Indonesia.
Clawback and Re-allocation	The Offer Shares may be re-allocated from the Indonesian Offering to the International Offering and vice versa.
Use of Proceeds	We expect the net proceeds we will receive from the Offering, after deducting underwriting fees and commissions and other expenses related to the Offering, to be approximately Rp.1,144.8 billion (US\$86.9 million). We intend to use the proceeds as set forth in “Use of Proceeds.” We will not receive any of the proceeds from the sale of the Secondary Shares by the Selling Shareholders.

Payment for and Delivery of the Primary Shares	Payment to us for the Primary Shares is expected to be made on or about December 6, 2016, in immediately available funds.
	Delivery of the Primary Shares to successful applicants will be made in electronic (scripless) form for their administration in Collective Depository of the Indonesian Central Securities Depository, PT Kustodian Sentral Efek Indonesia (“KSEI”). See “ <i>Indonesian Capital Markets</i> ” and “ <i>Plan of Distribution—Registration of the Securities in KSEI</i> .” We expect that the Primary Shares will be delivered on or about December 6, 2016.
Payment and Delivery of the Secondary Shares	The completion of the Secondary Offering is conditional upon the completion of the Primary Offering and the listing of the Company’s Shares on the IDX. Assuming these conditions are satisfied, payment to the Selling Shareholders for the Secondary Shares is expected to take place on or about December 7, 2016 in immediately available funds, and delivery of the Secondary Shares will be made against payment therefor in electronic (scripless) form for their administration in KSEI on or about December 7, 2016.
Listing and Trading	We have received in-principle approval from the IDX for the admission of our common shares for trading on the IDX. Prior to the Offering, there has been no public market for our shares. Trading in the Offer Shares on the IDX is expected to commence on or about December 7, 2016.
Outstanding Shares	750,000,000 common shares outstanding prior to the Offering and 937,500,000 common shares outstanding immediately following the offering.
Share Ownership	Immediately following the completion of the Offering, PT Prodia Utama, our controlling shareholder, will own approximately 57.0% of our total outstanding ordinary shares, assuming all of the Offer Shares are sold.
Lock-up	The Company has agreed that, without the prior written consent of the International Selling Agents, it will not, for a period of 12 months from the date the registration statement relating to the Offering is declared effective by OJK (the “Effective Date”), (A) offer, pledge, sell, accept subscription for issue, contract to sell, mortgage, charge, assign, sell any option, warrant or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to subscribe for or purchase, lend, or otherwise transfer or dispose of or create encumbrance over, directly or indirectly, conditionally or unconditionally, or otherwise, any Shares or interests therein or any other securities convertible into or exercisable or exchangeable for or which carry rights to subscribe or purchase any Shares or any interests therein or file any registration statement with respect to any of the foregoing, (B) enter into any swap, hedge, derivative or other transactions or other arrangement that transfers to another, in

whole or in part, directly or indirectly, any of the economic consequences of ownership of the Shares or any interest in the Shares, (C) deposit any of the Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe or purchase any Shares or any interests therein in any depository receipt facilities or (D) publicly announce any intention to do any of the above, whether any such transaction described in clause (A), (B) or (C) above is to be settled by delivery of Shares or such other securities, in cash or otherwise. The foregoing restriction does not apply to the issuance and sale of the Offer Shares or any shares allocated or transferred to any manager or employees under any manager and employee stock option plan.

Each of the Selling Shareholders, on its own behalf and on behalf of its shareholders, affiliates and nominees of trustees holding Shares in trust for or on its behalf, has agreed to similar restrictions for a period of six months from the Effective Date. These restrictions do not apply to any Secondary Shares to be offered and sold in the Secondary Offering.

See “*Plan of Distribution—Lock-Up Arrangements.*”

Voting Rights	Owners of shares purchased in the Offering will be entitled to the same voting rights as other holders of our shares. See “ <i>Description of Our Common Shares—Shareholders’ Meetings and Voting Rights.</i> ”
Dividends	The declaration, amount and payment of future dividends on our shares, if any, are discretionary and will be subject to the recommendation of our Board of Directors and approval at a general meeting of our shareholders. See “ <i>Dividends</i> ” and “ <i>Description of Our Common Shares—Dividends.</i> ”
Subscription of Offer Shares	The International Selling Agents and the Underwriters and/or any of their affiliates may subscribe for Offer Shares in the Offering for their own account.
Selling Restrictions	The Offer Shares will be subject to certain distribution and selling restrictions as described in “ <i>Plan of Distribution — Selling Restrictions</i> ”.
Transfer Restrictions	The Offer Shares will be subject to certain transfer restrictions as described in “ <i>Transfer Restrictions.</i> ”
Risk Factors	Investing in the Offer Shares involves risks. See “ <i>Risk Factors.</i> ”
Timetable	An indicative timetable in respect of the Offering is set forth in “ <i>Plan of Distribution—Important Events.</i> ”

SUMMARY FINANCIAL INFORMATION AND OPERATING DATA

Prospective purchasers should read the summary financial information presented below in conjunction with our Consolidated Financial Statements and the notes to the Consolidated Financial Statements included in this Offering Circular. Prospective purchasers should also read the section of this Offering Circular entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

In May and June 2015, we undertook a series of transactions pursuant to which we spun-off all of our subsidiaries and their businesses to our parent company, Prodia Utama. As a result, we sold our interests in our only four subsidiaries, POHI, PROSTEM, PROLINE and INNODIA (the “Spun-off Subsidiaries”), to Prodia Utama. Our Consolidated Financial Statements reflect contributions of the Spun-Off Subsidiaries to our financial results for the years ended December 31, 2013, 2014 and 2015 (until the date of consummation of the Spin-Off Transaction), and for the six months ended June 30, 2015. We believe that the standalone financial results of the Company, which exclude the contributions of the Spun-Off Subsidiaries, reflect the operations of our core business. Therefore, we have included the Standalone Financial Information for the convenience of the reader.

We have prepared and presented our consolidated financial statements in accordance with Indonesian FAS, which differs in certain respects from IFRS. See “Summary of Certain Differences Between Indonesian FAS and IFRS.”

The Consolidated Financial Statements

The tables below present our summary financial information and operating data as of the dates or for each of the periods indicated. The summary statements of comprehensive income and cash flows and other financial data for the years ended December 31, 2013, 2014 and 2015, and for the six months ended June 30, 2015 and 2016, and the summary financial position data as of December 31, 2013, 2014 and 2015 and June 30, 2016, in the tables below have been derived from our historical Consolidated Financial Statements included elsewhere in this Offering Circular and are qualified in their entirety by reference to those Consolidated Financial Statements and the related notes thereto. The Consolidated Financial Statements as of and for the years ended December 31, 2013, 2014 and 2015 and as of and for the six months ended June 30, 2016 have been audited, and as of and for the six months ended June 30, 2015 have been reviewed, by RSM Indonesia, independent public accountants.

Consolidated Statement of Profit or Loss and Comprehensive Income

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp.	Rp.	Rp.	US\$	Rp.	Rp.	US\$
	(Rp. in billions and US\$ in millions)						
REVENUES — NET	998.0	1,101.0	1,197.7	90.9	591.2	648.6	49.2
COST OF REVENUES							
Direct Cost of Revenues	341.4	390.4	429.2	32.6	207.1	223.8	17.0
Indirect Cost of Revenues	54.6	73.6	82.0	6.2	41.1	45.1	3.4
Total Cost of Revenues.	<u>396.0</u>	<u>464.0</u>	<u>511.2</u>	<u>38.8</u>	<u>248.2</u>	<u>268.9</u>	<u>20.4</u>
GROSS PROFIT	<u>602.0</u>	<u>637.0</u>	<u>686.5</u>	<u>52.1</u>	<u>343.0</u>	<u>379.7</u>	<u>28.8</u>
Operating Expenses	(508.8)	(560.4)	(606.5)	(46.0)	(300.4)	(325.8)	(24.7)
Other Income.	4.5	15.0	35.4	2.7	12.3	6.9	0.5
Other Expenses	(3.8)	(0.8)	(18.5)	(1.4)	(2.2)	(1.7)	(0.1)
OPERATING INCOME	<u>93.9</u>	<u>90.8</u>	<u>96.9</u>	<u>7.4</u>	<u>52.7</u>	<u>59.1</u>	<u>4.5</u>
Portion of Subsidiaries Loss							
Before Disposal	—	—	(1.4)	(0.1)	(1.4)	—	—
Financial Cost — Net.	(6.3)	(14.5)	(18.5)	(1.4)	(9.6)	(3.6)	(0.3)
INCOME BEFORE TAX	<u>87.6</u>	<u>76.3</u>	<u>77.0</u>	<u>5.9</u>	<u>41.7</u>	<u>55.5</u>	<u>4.2</u>
INCOME TAX BENEFIT (EXPENSES)							
Current Tax.	(27.6)	(28.2)	(29.5)	(2.2)	(20.2)	(22.9)	(1.7)
Deferred Tax	(0.2)	7.2	11.5	0.8	10.6	6.5	0.5
Total Income Tax Expenses	<u>(27.8)</u>	<u>(21.0)</u>	<u>(18.0)</u>	<u>(1.4)</u>	<u>(9.6)</u>	<u>(16.4)</u>	<u>(1.2)</u>
INCOME FOR THE YEAR	<u>59.8</u>	<u>55.3</u>	<u>59.0</u>	<u>4.5</u>	<u>32.1</u>	<u>39.1</u>	<u>3.0</u>
OTHER COMPREHENSIVE INCOME							
Items that Will Not be Reclassified into Profit or Loss							
Remeasurement on							
Employee Benefits Program.	37.6	(13.9)	10.0	0.8	(12.0)	(49.1)	(3.7)
Income Tax on							
Remeasurement							
on Employee Benefits							
Program	(9.4)	3.4	(2.5)	(0.2)	3.0	12.3	0.9
Other Comprehensive Income							
After Tax	<u>28.2</u>	<u>(10.5)</u>	<u>7.5</u>	<u>0.6</u>	<u>(9.0)</u>	<u>(36.8)</u>	<u>(2.8)</u>
TOTAL COMPREHENSIVE INCOME							
FOR THE YEAR	<u>88.0</u>	<u>44.8</u>	<u>66.5</u>	<u>5.1</u>	<u>23.1</u>	<u>2.3</u>	<u>0.2</u>

Consolidated Statement of Financial Position

	As of December 31,				As of June 30,	
	2013	2014	2015		2016	
	Rp.	Rp.	Rp.	US\$	Rp.	US\$
	(Rp. in billions and US\$ in millions)					
ASSETS						
CURRENT ASSETS						
Cash on Hand and in Banks	34.6	45.1	45.0	3.4	44.9	3.4
Accounts Receivable — Third Parties	62.5	74.5	78.4	5.9	57.4	4.3
Other Current Financial Assets						
— Third Parties	9.7	9.2	6.8	0.5	9.4	0.7
Inventories	15.1	19.7	25.8	1.9	30.0	2.3
Advances	21.6	11.2	16.8	1.3	19.2	1.5
Prepaid Taxes	2.6	2.7	2.4	0.2	—	—
Prepaid Expenses	15.9	21.1	20.9	1.6	28.2	2.1
Other Current Non-Financial Assets					0.7	0.1
Total Current Assets	<u>162.0</u>	<u>183.5</u>	<u>196.1</u>	<u>14.8</u>	<u>189.8</u>	<u>14.4</u>
NON-CURRENT ASSETS						
Prepaid Expenses	22.9	25.0	35.7	2.7	99.7	7.6
Deferred Tax Asset	41.8	52.4	60.8	4.6	79.5	6.0
Due from Related Parties	1.7	2.7	83.7	6.4	0.4	—
Fixed Assets	272.6	362.9	196.3	14.9	214.6	16.3
Intangible Assets	8.9	7.1	3.5	0.3	2.9	0.2
Other Non-Current Non-Financial Assets	3.7	0.7	1.8	0.1	1.4	0.1
Total Non-Current Assets	<u>351.6</u>	<u>450.8</u>	<u>381.8</u>	<u>29.0</u>	<u>398.5</u>	<u>30.2</u>
TOTAL ASSETS	<u><u>513.6</u></u>	<u><u>634.3</u></u>	<u><u>577.9</u></u>	<u><u>43.8</u></u>	<u><u>588.3</u></u>	<u><u>44.6</u></u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-Term Bank Loans	4.8	5.7	1.0	0.1	3.6	0.3
Accounts Payable						
— Related Parties	0.5	0.2	0.7	0.1	0.4	—
— Third Parties	31.9	30.5	42.4	3.2	28.2	2.1
Taxes Payable	22.3	13.3	15.0	1.1	13.0	1.0
Accrued Expenses	44.2	43.9	34.7	2.6	23.2	1.8
Short-Term Employees' Benefits						
— Liabilities	0.2	0.5	1.5	0.1	2.3	0.2
Customers' Deposits	1.0	0.7	1.0	0.1	0.5	—
Other Current Financial Liabilities						
— Related Parties	4.1	0.6	0.5	—	18.4	1.4
— Third Parties	10.9	18.9	29.4	2.2	8.9	0.7
Long-Term Liabilities that Mature within One Year:						
— Bank Loans	14.8	28.0	13.5	1.0	37.1	2.8
— Financial Leases	1.6	3.6	5.3	0.4	6.5	0.5
Total Current Liabilities	<u>136.3</u>	<u>145.9</u>	<u>145.0</u>	<u>10.9</u>	<u>142.1</u>	<u>10.8</u>

	As of December 31,				As of June 30,	
	2013	2014	2015		2016	
	Rp.	Rp.	Rp.	US\$	Rp.	US\$
	(Rp. in billions and US\$ in millions)					
NON-CURRENT LIABILITIES						
Long-Term Liabilities that Has Been Deducted with Current Maturity:						
Bank Loans	111.5	122.7	50.4	3.8	64.0	4.8
Financial Leases	1.2	6.0	4.8	0.4	4.8	0.4
Other Non Current Financial Liabilities . . .						
Related Parties	—	3.9	0.8	0.1	—	—
Third Parties	3.9	7.0	0.7	0.1	0.7	0.1
Long-Term Employees' Benefits Liabilities	172.3	214.6	249.9	18.9	323.1	24.5
Total Non Current Liabilities	288.9	354.2	306.6	23.3	392.6	29.8
TOTAL LIABILITIES	<u>425.2</u>	<u>500.1</u>	<u>451.6</u>	<u>34.2</u>	<u>534.7</u>	<u>40.6</u>
EQUITY						
Equity Attributable to the Owners of the Parent:						
Capital Stock - Par Value						
Rp 1,000,000 per Share						
Authorized - 75,000 Shares						
Issued and						
Fully Paid -75,000 Shares (2013: 18,000 Shares) ⁽¹⁾	18.0	75.0	75.0	5.7	75.0	5.7
Additional Paid in Capital	—	—	25.4	1.9	25.4	1.9
Other Comprehensive Income	(56.2)	(66.6)	(59.1)	(4.5)	(95.9)	(7.3)
Retained Earnings	125.5	126.0	85.0	6.5	49.1	3.7
Equity Attributable to the Owners of the Parent:	87.3	134.4	126.3	9.6	53.6	4.1
Non-Controlling Interest	1.1	(0.2)	—	—	—	—
TOTAL EQUITY	<u>88.4</u>	<u>134.2</u>	<u>126.3</u>	<u>9.6</u>	<u>53.6</u>	<u>4.1</u>
TOTAL LIABILITIES AND EQUITY	<u>513.6</u>	<u>634.3</u>	<u>577.9</u>	<u>43.8</u>	<u>588.3</u>	<u>44.6</u>

Note:

- (1) On July 28, 2016, we amended the nominal par value of our Shares from Rp.1 million per Share to Rp.100 per Share. On August 24, 2016, we increased our authorized share capital from Rp.75 billion to Rp.300 billion. As of August 24, 2016, we had 750 million issued and fully paid Shares, with a par value of Rp.100 per Share.

Consolidated Statement of Cashflows

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp	Rp	Rp	US\$	Rp	Rp	US\$
	(Rp. in billions and US\$ in millions, except percentages)						
Total Consolidated Cash Flows							
Net Cash Provided by Operating Activities	82.7	105.6	158.2	12.0	165.5	55.0	4.2
Net Cash Provided by (Used in) Investing Activities	(58.9)	(122.6)	63.4	4.8	(137.6)	(39.0)	(3.0)
Net Cash Provided by (Used in) Financing Activities	(14.2)	27.5	(219.2)	(16.6)	(36.0)	(16.1)	(1.2)
NET INCREASE IN CASH ON HAND AND IN BANKS.	9.6	10.5	2.4	0.2	(8.1)	(0.1)	—
CASH ON HAND AND IN BANKS OF DISPOSAL OF SUBSIDIARIES.	—	—	(2.5)	(0.2)	(2.5)	—	—
CASH ON HAND AND IN BANKS AT THE END OF PERIOD	34.6	45.1	45.0	3.4	34.5	44.9	3.4

Consolidated Non-GAAP Financial Information

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp.	Rp.	Rp.	US\$	Rp.	Rp.	US\$
	(Rp. in billions and US\$ in millions, except percentages)						
NON-GAAP FINANCIAL DATA							
EBITDA ⁽¹⁾	128.1	142.0	175.2	13.3	99.9	100.4	7.6
EBITDA Margin ⁽²⁾	12.8%	12.9%	14.6%	14.6%	16.9%	15.5%	15.5%
Net Income Margin ⁽³⁾	6.0%	5.0%	4.9%	4.9%	5.4%	6.0%	6.0%

(1) EBITDA refers to income before depreciation, provision of future employee benefits, allowance for impairment in value, corporate income taxes and other expenses and/or income (consisting primarily of gain/loss of fixed assets sale, income from insurance claim and interest on bank loans). EBITDA and the related ratios presented in this Offering Circular are supplemental measures of our performance that are not required by, or presented in accordance with, Indonesian FAS, U.S. GAAP or IFRS. EBITDA is not a measurement of financial performance or liquidity under Indonesian FAS, U.S. GAAP or IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with Indonesian FAS, U.S. GAAP or IFRS or as an alternative to cash flow from operating activities as a measure of liquidity. In addition, EBITDA is not a standardized term; hence, a direct comparison between companies using such a term may not be possible. Set forth below is a reconciliation of our profit for the period under Indonesian FAS to our definition of EBITDA for the periods indicated.

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp.	Rp.	Rp.	US\$	Rp.	Rp.	US\$
	(Rp. in billions and US\$ in millions)						
NON-GAAP FINANCIAL DATA							
Net Income for the period.	59.8	55.3	59.0	4.5	32.1	39.1	3.0
Add:							
Depreciation : Cost of Revenues	7.3	8.3	10.1	0.7	5.1	5.3	0.4
Depreciation and Amortization:							
General and Administrative Expenses.	26.2	30.7	36.3	2.8	15.0	16.4	1.2
Provision of Post Employment Benefits	1.1	26.2	48.1	3.6	37.1	24.1	1.8
Allowance for Impairment in Value	0.3	0.2	0.8	0.1	0.1	0.7	0.1
Portion of Subsidiaries Loss Before Disposal	—	—	1.4	0.1	1.4	—	—
Taxes	27.8	21.0	18.0	1.4	9.6	16.4	1.2
Interest expense (income)	6.4	14.5	18.5	1.4	9.6	3.7	0.3
Other expense (income)	(0.8)	(14.2)	(17.0)	(1.3)	(10.1)	(5.3)	(0.4)
EBITDA	128.1	142.0	175.2	13.3	99.9	100.4	7.6

(2) EBITDA margin refers to EBITDA divided by revenue.

(3) Net income margin refers to net income divided by revenue.

The Standalone Financial Information

The tables below present the summary financial information of the Company on a standalone basis. The summary statements of comprehensive income and cash flows and other financial data for the years ended December 31, 2013, 2014 and 2015, and for the six months ended June 30, 2015 and 2016, and the summary financial position data as of December 31, 2013, 2014 and 2015 and June 30, 2016, in the tables below have been derived from the Standalone Financial Information included in the notes to the Consolidated Financial Statements and are qualified in their entirety by reference to those notes to the Consolidated Financial Statements and the related notes thereto. The Standalone Financial Information as of and for the years ended December 31, 2013, 2014 and 2015 and as of and for the six months ended June 30, 2016 has been audited, and as of and for the six months ended June 30, 2015 has been reviewed, by RSM Indonesia, independent public accountants.

Standalone Statement of Profit or Loss and Comprehensive Income

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp.	Rp.	Rp.	US\$	Rp.	Rp.	US\$
	(Rp. in billions and US\$ in millions)						
REVENUES - NET	985.9	1,080.6	1,197.7	90.9	591.2	648.6	49.2
COST OF REVENUES							
Direct Cost of Revenues	336.6	381.6	429.2	32.6	207.1	223.8	17.0
Indirect Cost of Revenues	47.1	72.3	82.0	6.2	41.1	45.1	3.4
Total Cost of Revenues.	383.7	453.9	511.2	38.8	248.2	268.9	20.4
GROSS PROFIT	602.2	626.7	686.5	52.1	343.0	379.7	28.8
Operating Expenses	(500.6)	(539.3)	(606.5)	(46.0)	(300.4)	(325.8)	(24.7)
Other Income.	5.1	16.5	35.4	2.7	12.3	6.9	0.5
Other Expenses	(3.2)	(1.5)	(18.5)	(1.4)	(2.2)	(1.7)	(0.1)
OPERATING INCOME	103.5	102.4	96.9	7.4	52.7	59.1	4.5
Financial Cost — Net.	(6.1)	(14.0)	(18.5)	(1.4)	(9.6)	(3.6)	(0.3)
INCOME BEFORE TAX	97.4	88.4	78.4	6.0	43.1	55.0	4.2
INCOME TAX BENEFIT (EXPENSES)							
Current Tax	(27.6)	(28.2)	(29.5)	(2.2)	(20.2)	(22.9)	(1.7)
Deferred Tax	(0.2)	6.5	11.5	0.8	10.6	6.5	0.5
Total Income Tax Expenses	(27.8)	(21.7)	(18.0)	(1.4)	(9.6)	(16.4)	(1.2)
INCOME FOR THE YEAR	69.6	66.7	60.4	4.6	33.5	39.1	3.0
OTHER COMPREHENSIVE INCOME							
Items that Will Not be Reclassified into Profit or Loss							
Remeasurement on							
Employee Benefits Program	37.6	(13.8)	10.0	0.8	(12.0)	(49.1)	(3.7)
Income Tax on Remeasurement on Employee Benefits Program	(9.4)	3.5	(2.5)	(0.2)	3.0	12.3	0.9
Other Comprehensive Income After Tax	28.2	(10.3)	7.5	0.6	(9.0)	(36.8)	(2.8)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	97.8	56.4	67.9	5.2	24.5	2.3	0.2

Standalone Statement of Financial Position

	As of December 31,				As of June 30,	
	2013	2014	2015		2016	
	Rp.	Rp.	Rp.	US\$	Rp.	US\$
	(Rp. in billions and US\$ in millions)					
ASSETS						
CURRENT ASSETS						
Cash on Hand and in Banks	33.0	42.6	45.0	3.4	44.9	3.4
Accounts Receivable						
Related Parties	15.7	—	—	—	—	—
Third Parties	57.4	69.1	78.4	5.9	57.4	4.3
Other Current Financial Assets	9.7	9.7	6.8	0.5	9.4	0.7
Inventories	12.6	15.4	25.8	1.9	30.0	2.3
Advances	21.1	10.4	16.8	1.3	19.2	1.5
Prepaid Taxes	2.4	2.4	2.4	0.2	—	—
Prepaid Expenses	15.9	20.5	20.9	1.6	28.2	2.1
Other Current Non-Financial Assets	—	—	—	—	0.7	0.1
Total Current Assets	<u>167.8</u>	<u>170.1</u>	<u>196.1</u>	<u>14.8</u>	<u>189.8</u>	<u>14.4</u>
NON-CURRENT ASSETS						
Prepaid Expenses	22.6	24.5	35.7	2.7	99.7	7.6
Deferred Tax Asset	41.8	51.7	60.8	4.6	79.5	6.0
Due from Related Parties	13.0	22.6	83.7	6.4	0.4	—
Investment in Shares of Subsidiaries	29.8	32.2	—	—	—	—
Fixed Assets	240.8	332.1	196.3	14.9	214.6	16.3
Intangible Assets	5.7	3.5	3.5	0.3	2.9	0.2
Other Non-Current Non-Financial Assets	3.1	0.2	1.8	0.1	1.4	0.1
Total Non-Current Assets	<u>356.8</u>	<u>466.8</u>	<u>381.8</u>	<u>29.0</u>	<u>398.5</u>	<u>30.2</u>
TOTAL ASSETS	<u><u>524.6</u></u>	<u><u>636.9</u></u>	<u><u>577.9</u></u>	<u><u>43.8</u></u>	<u><u>588.3</u></u>	<u><u>44.6</u></u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-Term Bank Loans	3.3	3.3	1.0	0.1	3.6	0.3
Accounts Payable						
Related Parties	0.6	0.1	0.7	0.1	0.4	—
Third Parties	31.4	28.8	42.4	3.2	28.2	2.1
Taxes Payable	22.1	13.1	15.0	1.1	13.0	1.0
Accrued Expenses	42.6	38.5	34.7	2.6	23.2	1.8
Short-Term Employees' Benefits						
Liabilities	—	0.5	1.5	0.1	2.3	0.2
Customers' Deposits	0.8	0.7	1.0	0.1	0.5	—
Other Current Financial Liabilities						
Related Parties	0.3	0.1	0.5	—	18.4	1.4
Third Parties	15.4	17.8	29.4	2.2	8.9	0.7
Long-Term Liabilities that Mature within One Year:						
Bank Loans	14.6	27.9	13.5	1.0	37.1	2.8
Financial Leases	1.6	3.6	5.3	0.4	6.5	0.5
Total Current Liabilities	<u>132.7</u>	<u>134.4</u>	<u>145.0</u>	<u>10.9</u>	<u>142.1</u>	<u>10.8</u>

	As of December 31,				As of June 30,	
	2013	2014	2015		2016	
	Rp.	Rp.	Rp.	US\$	Rp.	US\$
	(Rp. in billions and US\$ in millions)					
NON-CURRENT LIABILITIES						
Long-Term Liabilities that Has Been						
Deducted with Current Maturity:						
Bank Loans	111.5	121.7	50.4	3.8	64.0	4.8
Financial Leases	1.1	6.0	4.8	0.4	4.8	0.4
Other Non-Current Financial Liabilities						
Related Parties	0.8	0.8	0.8	0.1	—	—
Third Parties	3.2	3.9	0.7	0.1	0.7	0.1
Long-Term Employees' Benefits						
Liabilities	172.3	211.7	249.9	18.9	323.1	24.5
Total Non-Current Liabilities	288.9	344.1	306.6	23.3	392.6	29.8
TOTAL LIABILITIES	<u>421.6</u>	<u>478.5</u>	<u>451.6</u>	<u>34.2</u>	<u>534.7</u>	<u>40.6</u>
EQUITY						
Capital Stock - Par Value						
Rp 1,000,000 per Share						
Authorized - 75,000 Shares						
Issued and Fully Paid -75,000 Shares						
(2013: 18,000 Shares) ⁽¹⁾	18.0	75.0	75.0	5.7	75.0	5.7
Additional Paid in Capital	25.4	1.9	25.4	1.9		
Other Comprehensive Income	(56.2)	(66.6)	(59.1)	(4.5)	(95.9)	(7.3)
Retained Earnings	141.2	150.0	85.0	6.5	49.1	3.7
TOTAL EQUITY	<u>103.0</u>	<u>158.4</u>	<u>126.3</u>	<u>9.6</u>	<u>53.6</u>	<u>4.1</u>
TOTAL LIABILITIES AND EQUITY	<u>524.6</u>	<u>636.9</u>	<u>577.9</u>	<u>43.8</u>	<u>588.3</u>	<u>44.6</u>

Note:

(1) On July 28, 2016, we amended the nominal par value of our Shares from Rp.1 million per Share to Rp.100 per Share. On August 24, 2016, we increased our authorized share capital from Rp.75 billion to Rp.300 billion. As of August 24, 2016, we had 750 million issued and fully paid Shares, with a par value of Rp.100 per Share.

Standalone Statement of Cashflows

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp	Rp	Rp	US\$	Rp	Rp	US\$
	(Rp. in billions and US\$ in millions, except percentages)						
Total Statement Cash Flows							
Net Cash Provided by Operating Activities	83.6	30.9	158.2	12.0	165.5	55.0	4.2
Net Cash Provided by (Used in) Investing							
Activities	(58.6)	(42.1)	63.4	4.8	(137.6)	(39.0)	(3.0)
Net Cash Provided by (Used in) Financing							
Activities	(14.2)	20.8	(219.2)	(16.6)	(36.0)	(16.1)	(1.2)
NET INCREASE (DECREASE) IN CASH							
AND CASH EQUIVALENTS	10.8	9.5	2.4	0.2	(8.1)	(0.1)	0.0
CASH ON HAND AND IN BANKS AT							
THE END OF PERIOD	<u>33.0</u>	<u>42.5</u>	<u>45.0</u>	<u>3.4</u>	<u>34.5</u>	<u>44.9</u>	<u>3.4</u>

Standalone Non-GAAP Financial Information

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp.	Rp.	Rp.	US\$	Rp.	Rp.	US\$

(Rp. in billions and US\$ in millions, except percentages)

NON-GAAP FINANCIAL DATA

EBITDA ⁽¹⁾	131.8	148.1	175.2	13.3	99.9	100.4	7.6
EBITDA Margin ⁽²⁾	13.4%	13.7%	14.6%	14.6%	16.9%	15.5%	15.5%
Net Income Margin ⁽³⁾	7.1%	6.2%	5.0%	5.0%	5.7%	6.0%	6.0%

- (1) EBITDA refers to income before depreciation, provision of future employee benefits, allowance for impairment in value, corporate income taxes and other expenses and/or income (consisting primarily of gain/loss of fixed assets sale, income from insurance claim and interest on bank loans). EBITDA and the related ratios presented in this Offering Circular are supplemental measures of our performance that are not required by, or presented in accordance with, Indonesian FAS, U.S. GAAP or IFRS. EBITDA is not a measurement of financial performance or liquidity under Indonesian FAS, U.S. GAAP or IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with Indonesian FAS, U.S. GAAP or IFRS or as an alternative to cash flow from operating activities as a measure of liquidity. In addition, EBITDA is not a standardized term; hence, a direct comparison between companies using such a term may not be possible. Set forth below is a reconciliation of our profit for the period under Indonesian FAS to our definition of EBITDA for the periods indicated.

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp.	Rp.	Rp.	US\$	Rp.	Rp.	US\$

(Rp. in billions and US\$ in millions)

NON-GAAP FINANCIAL DATA

Net Income for the period	69.6	66.7	60.4	4.6	33.6	39.1	3.0
Add:							
Depreciation : Cost of Revenues	6.4	7.6	10.1	0.7	5.1	5.3	0.4
Depreciation and Amortization:							
General and Administrative Expenses	22.4	26.6	36.3	2.8	15.0	16.4	1.2
Provision of Post Employment Benefits	1.1	26.2	48.1	3.6	37.1	24.1	1.8
Allowance for Impairment in Value	0.3	0.2	0.8	0.1	0.1	0.7	0.1
Taxes	27.8	21.7	18.0	1.4	9.6	16.4	1.2
Interest expense (income)	6.1	14.0	18.5	1.4	9.6	3.7	0.3
Other expense (income)	(1.9)	(14.9)	(17.0)	(1.3)	(10.1)	(5.3)	(0.4)
EBITDA	131.8	148.1	175.2	13.3	99.9	100.4	7.6

- (2) EBITDA margin refers to EBITDA divided by revenue.
- (3) Net income margin refers to net income divided by revenue.

Key Performance Indicators

OPERATING DATA	Year ended December 31,			Six-month period ended June 30	
	2013	2014	2015	2015	2016
Number of tests ⁽¹⁾ (<i>millions</i>)	13.7	13.7	14.0	6.8	7.0
Number of samples ⁽¹⁾ (<i>millions</i>) . .	5.4	5.6	5.7	2.0	2.0
Number of visits ('000)	2,236.3	2,305.2	2,382.5	1,183.2	1,191.6
Tests per customer visit ⁽²⁾	6.1	6.0	5.9	5.7	5.9
Revenue per visit (<i>in Rp.</i>)	440,843.2	468,791.7	502,713.8	499,630.9	544,340.1
Revenue per test (<i>in Rp.</i>)	72,056.4	78,711.7	85,717.9	87,288.0	93,244.2

Notes:

- (1) Includes samples and tests, as the case may be, for individual customers as well as samples and tests in respect of customers referred to us by other clinical laboratories, hospitals or other healthcare service providers.
- (2) "Customer visits" refers to visits to one of our outlets by a walk-in customer, doctor-referral customer or a covered person of a corporate customer or a sample referred to one of our clinical laboratories by a referral customer.

RISK FACTORS

An investment in the Offer Shares involves risks. You should consider carefully all of the information contained in this Offering Circular, especially the following risk factors, in evaluating whether to purchase the Offer Shares. Additional risks not presently known to us or that we currently deem immaterial may also materially and adversely impair our business, cash flows, results of operations, financial condition or prospects. The market price of the Offer Shares could decline due to any one of these risks, and you may lose all or part of your investment. You should also note that certain of the statements set forth below constitute “forward-looking statements” as discussed in “Forward-Looking Statements.” The risks described below are not the only ones that may affect us or the Offer Shares. In general, investing in securities of companies in emerging-market countries such as Indonesia involves risks not typically associated with investing in the securities of companies in more developed economies. To the extent the description in this section relates to the Government, Indonesian macroeconomic data or information regarding the industry we operate in, such information has been extracted from official Government publications or other third-party sources and has not been independently verified by us.

Risks Relating to Our Business and Industry

We operate in a competitive and fragmented business environment, and our inability to compete effectively could have a material and adverse impact on our business.

The clinical laboratory services industry in Indonesia is competitive and fragmented. Factors upon which we compete with other clinical laboratory services providers include, among others, our ability to offer services similar to, or superior to, those of our competitors; the breadth of our testing offerings; acceptance of our products and services by healthcare providers; the geographical reach of our network; our ability to process samples and report data accurately and in a timely manner; our historical experience and customer relationships; and the quality of our facilities. Moreover, the competitive business environment of our industry is compounded by the fact that we compete with all clinical laboratory service providers in Indonesia, including, among others, hospital-based laboratories; independent clinical laboratories; smaller-scale providers or diagnostic healthcare companies with a more established local or regional presence in certain geographies; international competitors that may establish or expand existing operations in Indonesia; and new entrants, including other healthcare providers, pathology and radiology laboratories and preventive care providers, each of which already are located in regions in which we operate or will operate in the future. In addition, while we compete directly with hospitals and other healthcare providers for customers, because we are the only clinical laboratory service provider with access to, or that can provide, certain esoteric tests, some of our clinical laboratory service competitors may also send referrals to us for certain tests. Our inability to compete effectively upon any one or more of these and other factors, as well as with the multitude of organized and unorganized players in our industry, could have a material and adverse effect on our business, financial condition, results of operations and prospects.

Moreover, the competitive dynamics of our industry, particularly pricing-related competition, may intensify in the coming years, which could have a material and adverse effect on our results of operations, including our profit margins. For example, as a result of the clinical laboratory services industry receiving substantial investments in recent years, other clinical laboratory chains have been able to increase cost efficiencies afforded by automated testing, which results in their ability to charge more aggressive prices. New or existing competitors also may price their services at a significant discount to ours, or offer greater convenience or better services or amenities than we provide. An increase in the number of comparable clinical laboratory facilities may exert additional pricing pressures on some or all of our services. Moreover, pricing-related competition may result in fee schedules that vary in different areas of Indonesia, which could, in turn, lead to dissatisfaction among customers. In addition, hospitals that have physician practices generally require these physicians to refer tests to the given hospital’s laboratory. We also may face changes in fee schedules, competitive bidding for clinical laboratory services or other actions or pressures that reduce payment schedules.

We cannot assure you that we will be able to compete effectively in our industry. If for any reason we are unable to compete effectively, our business, financial condition, results of operations and prospects could be materially and adversely affected.

Our ability to attract individual customers is largely dependent on the disposable income and increasing general health awareness and willingness to spend on healthcare of Indonesia's general population, which could decline due to a variety of factors.

Our key sources of income are walk-in customers and customers who are referred to us by doctors. Such customers generally pay for medical diagnostics out-of-pocket. The growth of these customers is dependent on brand recognition, wider acceptance of our business in the communities in which we operate and our ability to compete effectively within our industry, all of which may negatively affect us for a wide variety of reasons. For example, individual decisions regarding when to access healthcare services may be impaired by the absence of a developed health insurance sector or the lack of appropriate government programs to cover the costs of health-care. Moreover, given the small proportion of people in Indonesia presently with health insurance, customers in Indonesia generally are responsible for all or part of the cost of clinical laboratory services on an out-of-pocket basis, which means that a decrease in disposable income that can be allocated for healthcare services, or even the perception thereof, such as during times of economic downturn, can lead to a reduction in individuals' expenditures for healthcare services. In addition, we cannot assure you that the current increasing trend in health awareness and demand for preventive healthcare services will continue, and it may even reverse. Any of the above reasons may affect our ability to maintain or increase growth in walk-in customers, which may adversely affect our business, financial condition, results of operations and prospects.

The trust and confidence of our customers in the "Prodia" brand are fundamental to our business, and any failure to establish or maintain confidence in our brand and the quality of our clinical laboratory services provided under it could materially and adversely affect our business.

The reputation of the "Prodia" brand is fundamental to all aspects of our business. The "Prodia" brand, in turn, is dependent upon the quality of, and customer confidence in, our clinical laboratory services, which are impacted by several factors, including our ability to maintain or improve the quality and efficiency of our existing clinical laboratory tests and services and our ability to introduce new tests and services with a high level of quality and efficiency and to maintain good relationships with and acceptance by healthcare professionals and other health-care providers. In addition, the quality and reputation of our services can be adversely impacted if our clinical pathologists, phlebotomists, medical technologists and other healthcare professionals are not properly and adequately trained; if they make errors in the handling and labelling of patient samples as well as in the operation of our complex clinical laboratory equipment, even if properly trained; if they misuse or ineffectively use the complex clinical laboratory equipment in our laboratories; or if they inadequately extract specimens from patients, causing bodily harm or affecting our ability to properly conduct the required testing.

Furthermore, the delivery of clinical laboratory services involves certain inherent risks. Our clinical laboratory services are intended to provide information to healthcare providers when providing patient care and to individuals caring for their own health or seeking to prevent disease and other health conditions. Any delays or inaccuracies in the results we provide (including "false positive" or "false negative" test results) may result in the wrong course of action being undertaken and cause the patient undue stress and potential harm. In addition, our "hub-and-spoke" model requires the transportation of sample across long distances. The failure to track samples or to maintain the proper transport procedures may increase the risk that samples are contaminated, spoiled or otherwise prone to error. As a result, users of our clinical laboratory services have a greater sensitivity to errors than users of services or products that are not intended for the diagnosis, treatment and prevention of diseases. In addition, our quality certifications and accreditations are critical to the reputation of our brand. If our clinical laboratories and testing services fail to meet accreditation standards or we otherwise fail to adapt to evolving diagnostic standards, we could lose one or more of our accreditations, which may

materially and adversely affect our reputation and business. Similarly, negligence in performing our clinical laboratory services can lead to injury or other adverse events, and we may become liable under health-care or other laws for acts or omissions by our employees. For more information on legal proceedings involving us, see the section entitled "*Business—Legal Proceedings.*"

Any such errors or omissions, acts of negligence, lawsuits or other factors could result in significant costs as well as negative publicity that would reduce customer confidence in the quality of our clinical laboratory services and, in turn, our brand. The occurrence of any one or more of these events or the materializing of any such risks could negatively affect our "Prodia" brand and materially and adversely affect our business, financial condition, results of operations and prospects. Further, as we expand into new geographic markets within Indonesia, and as the market becomes increasingly competitive, maintaining and enhancing our brand image may become increasingly difficult and expensive.

Our success depends heavily on maintaining good relationships with and acceptance by healthcare professionals who prescribe and recommend our services. A failure to maintain good relationships with or a high level of confidence among healthcare professionals in our services could materially and adversely affect our business.

We maintain customer relationships with numerous primary care physicians, specialist physicians and other health-care professionals. Revenues from doctor referrals accounted for 33.0%, 34.7%, 33.3%, 34.9% and 35.7% of total revenues in 2013, 2014 and 2015 and in the six months ended June 30, 2015 and 2016, respectively. We believe that the demand of our tests and services depends significantly on these healthcare professionals' confidence in, and recommendations of, our services. The Indonesian Medical Code of Ethics prohibits the payment of fees to doctors for referrals, which may cause the loss of such doctors' freedom and the independence of their profession. However, we rent space from physicians and clinics for use of space for our operations in their offices and clinics for our POC outlets, and we have revenue sharing arrangements with hospitals for our hospital laboratories. In addition, we sponsor events and conferences targeted to doctors and the scientific research of doctors. A significant part of our marketing efforts are focused on educating physicians and healthcare professionals on the latest developments in clinical laboratory and in healthcare, generally. Failure to maintain these existing relationships, develop new relationships and/or sustain a high-quality, professional reputation would result in a decrease in the number of customers referred to us and therefore a decrease in our revenue. If our marketing and outreach programs with doctors are not effective in building doctor loyalty or are discontinued, we might lose some or all of the revenue attributable to those doctors. Any of these events could have a material adverse effect on our business, financial condition, results of operations and prospects.

We may be unable to successfully implement or manage our expansion strategy.

As part of our growth strategy, we plan to construct and open several new clinical laboratories, including four additional reference laboratories and up to 33 additional clinical laboratories and a number of new POC collection centers and hospital laboratories, in addition to upgrading and relocating a number of existing clinical laboratories. We will also begin offering preventive health and wellness services at a number of our clinical laboratories. We will require significant capital investments and cash outlays, which is likely to have a material impact on our results of operations during the period of the laboratories' construction and the initial post-opening period. Our ability to successfully execute these expansion plans, to the extent they proceed, will depend on various factors, including, among others:

- our ability to identify suitable locations, the availability of which is outside our control;
- our ability to educate the community and potential customers on the benefits of the tests and services we offer;
- our new branches may attract customers from our existing branches reducing revenues of our existing branches;

- successful integration of new laboratories and customer service locations into our existing operations;
- obtaining or renewing required statutory and regulatory approvals and licenses;
- developing relationships with local doctors, hospitals and healthcare providers;
- the availability, terms and costs of financing required to fund construction or acquisitions or complete expansion plans;
- unexpected delays in completing constructions or acquisitions;
- our ability to negotiate commercially viable leasing terms;
- expanding the awareness of the “Prodia” brand into new geographic areas;
- demand for our services;
- our ability to train and manage existing and new staff; and
- general economic conditions.

We cannot assure you that we will be able to execute our plans and, to the extent they proceed, that we will be able to complete them within our budget or desired timelines, achieve an adequate return on our investment or maintain current or prospective growth rates. Even if we are able to implement some or all of the initiatives of our business strategy successfully, our operating results may not improve to the extent we anticipate, or at all.

Even if we are successful in obtaining new business, failure to manage our growth could adversely affect our financial condition. We may experience extended periods of very rapid growth, and if we are not able to manage our growth effectively, our business and financial condition could materially suffer. Our growth may significantly strain our managerial, operational and financial resources and systems. To manage our growth effectively, we will have to continue to implement and improve our operational, financial and management controls, reporting systems and procedures. In addition, we must effectively expand, train and manage our employees. We will be unable to manage our businesses effectively if we are unable to alleviate the strain on resources caused by growth in a timely and successful manner.

We may not be able to develop and successfully market new tests and services.

Our success depends on our ability to anticipate industry trends and identify, develop and market in a timely and cost-effective manner new clinical laboratory tests and value-added services that meet customer demand. For example, we were the first clinical laboratory in Indonesia to introduce Apolipoprotein B protein tests for lipid profiles, infectious disease tests, hormone tests, and osteoporosis markers. Developing new tests in a timely and cost-effective manner can be challenging, particularly because there is no existing demand in Indonesia for these new tests and the successful commercialization of the new tests depends on customer acceptance of such new tests. Our understanding of the market and evolving customer preferences may not lead to new tests that are commercially successful. We may also experience delays or be unsuccessful in any stage of service development, introduction or implementation. We may not be able to successfully market our new tests or our end customers may not be receptive to our new tests. Our competitors’ test development capabilities may be more effective than ours, and their new tests may reach the market before ours. Our competitors’ tests may also be more effective or less expensive than ours. The introduction of new or similar tests by our competitors may result in price reductions on our services or reduced margins or loss of market share. Our new tests may impact our gross margins depending on the level of market acceptance and pricing environment for each service.

The success of any of our new tests also depends on several other factors, including our ability to:

- optimize our staffing and procurement processes to predict and control costs;
- integrate new offerings into our network in a timely manner;
- minimize the time and costs required to obtain required regulatory clearances or approvals;
- anticipate and compete effectively with competitors, including pricing our services competitively; and
- increase end customer awareness and acceptance of our services;
- communicate the clinical benefits of new tests to customers and doctors; and
- educate potential customers about the features and benefits of these new tests.

If we are unable to develop new services in a timely manner to meet market demand, or if there is insufficient demand for our new services, our business, financial condition, results of operations and prospects may be materially and adversely affected.

Business interruptions at our PNRL may adversely affect our ability to process clinical tests and highly complex tests.

We perform a portion of our clinical laboratory tests at our PNRL, including more complex tests and substantially all the specialized tests we currently offer. In 2013, 2014 and 2015, we performed approximately 11.4%, 11.4% and 11.0% of our tests at the PNRL. The normal functioning of our business depends significantly not just on our employees, but on the continuous and uninterrupted functioning of our PNRL. In particular, we rely automatic testing equipment, such as our Siemens WorkCell machine, which performs many routine blood tests, to quickly and efficiently perform tests. If this facility sustains business interruptions or otherwise fails to function, in whole or in part, because of fire, natural disaster or other factors or accidents beyond our control or otherwise, our capacity to provide our clinical laboratory services may be materially and adversely affected or suspended for an indefinite period of time. While we have built a regional reference laboratory in Surabaya and plan to build three additional reference laboratories in the next few years, we do not expect these laboratories to have the same range of tests and services as the PNRL. In the event of any disruption in operations of our PNRL, we may decide to outsource a large volume of clinical tests, our ability to correctly and efficiently deliver testing results may be compromised, we may lose customers and we may face significant increases in costs for test processing, transport and logistics. Any failure, malfunction or partial or complete destruction of our PNRL would materially and adversely affect our business, financial condition, results of operations and prospects.

Any customer complaints or litigation brought against us as a result of our services or otherwise may damage our reputation and brand, result in our incurring material legal expenses, result in substantial damage awards against us and divert the attention of our management from our operations, any of which would have a material and adverse effect on our business, financial condition, results of operations and prospects.

Our laboratories are concentrated on the island of Java, which makes us sensitive to regulatory, economic, environmental and competitive conditions and changes in that region.

While we are present across Indonesia, the majority of our service locations are located on the island of Java (which we geographically segment as Regions III to VI in our financial statements), with the PNRL, 73 clinical laboratories, 93 POC outlets and six laboratories in hospitals located in Java. Our operations in Java have historically accounted for a substantial portion of our revenue. For the year ended December 31, 2015, Regions III to VI accounted for 75.2% of our revenue from external

customers. This concentration makes us particularly sensitive to regulatory, economic, environmental and competitive conditions and changes in those areas. Any material change in the current payment procedures or regulatory, economic, environmental or competitive conditions in those areas could have a significant effect on our business, financial condition, results of operations and prospects.

We operate a hub-and-spoke model. Failure or delay in the delivery of specimens to our laboratories could compromise or destroy the integrity of our tests, which could adversely affect our business, financial condition, results of operations and cash flows.

The specimen collection process is highly distributed, fragmented, and labour-intensive, and dependent on the skill and focus of front-end employees and transportation providers, such as independent couriers, which is exacerbated by the fact that Indonesia is a large archipelago. Any mix-ups, losses or errors in the sample collection process can result in erroneous or non-results and adversely affect our reputation and the business of our Company.

We depend on the smooth transportation of specimens from different sources to our laboratories, the logistics of which are subject to various uncertainties and risks. A key challenge in the operation of a laboratory network is the maintenance of sample integrity and turnaround time when tests are conducted by laboratories far away from the specimen collection point or otherwise difficult to reach from the POC outlet. The timely pickup, transportation and delivery of specimens depend on numerous factors beyond our control, including weather and road conditions and transportation schedule delays. Disruptions of transportation services because of weather-related problems, strikes, lock-outs, terrorism, inadequacies in the road infrastructure and port facilities, or other events could impair our ability to receive test samples or any other supplies and generate test results for our customers in a timely manner.

In addition, as we rely on third-party courier services for some of our intercity and interregional deliveries, we may sometimes experience loss of specimens, delays and inefficiencies that are not within our control. If we are unable to deliver test specimens to our clinical laboratories in a timely manner, their integrity may be compromised, or the reporting of results of clinical laboratory testing to customers may be delayed, which could adversely affect our reputation and result in a loss of customers and income which could adversely affect our business, financial condition, results of operations and prospects. Further, specimens may be lost, damaged or contaminated due to mishandling while in transit. In the event specimens are lost, destroyed, damaged or contaminated, we may incur additional costs, such as the cost of re-administering tests, legal liability from producing erroneous results or from delays in the generation of critical test results, and damage to our reputation and business.

Changes in or noncompliance with government regulations could negatively impact our business.

Health-care is an area that is subject to extensive government regulation and dynamic regulatory changes. Our clinical laboratories, specialty clinics and POCs collection centers, clinical pathologists, phlebotomists, medical technologists and other health-care professionals are subject to laws and regulations, including, but not limited to, those relating to licensing, facility inspections and waste disposal. There may be periodic inspections by governmental and other authorities to ensure continued compliance with such laws and regulations.

We are required to possess various licenses or approvals from regulators to carry out our operations, including, among others, general corporate licenses, establishment licenses and operational licenses, equipment licenses and certain clinical licenses. We must renew all licenses and approvals as they expire, as well as obtain new licenses and approvals for our new clinical locations, which offer additional services, such as our PHC Clinics and specialty laboratories. There can be no assurance that we will be able to secure any other necessary licenses that have not been obtained yet and are currently pending or those that need to be obtained in the future. For example, due to the difficulties in obtaining clinical licenses based on the varied implementation of regulations in each district or city, certain of our clinical laboratory licenses have expired while we were still in the process of applying for new

licenses. We may be subject to sanctions arising from the failure to renew such licenses before expiration or to obtain any necessary licenses, which could materially affect our business, financial condition, results of operations and prospects. If we fail to obtain, maintain or renew the licenses or approvals required by the central Government or any provincial or local government to conduct our business, financial condition, results of operations and prospects could also be materially adversely affected. In particular, we are subject to a number of government regulations that affect the type of clinical laboratory services we provide to our customers. Any change in the existing regulations or adoption of new regulations or more stringent regulations may have an adverse effect on the scope of services we provide to our customers or increase the costs of providing services to our customers. While we have not been subject to any penalties and other sanctions for such noncompliance in the past, we may be subject to penalties and other sanctions in the future if we are unable to comply with the relevant rules and regulations. If we are unable to comply, the resulting sanctions or penalties could result in a material and adverse effect on our business, financial condition, results of operations and prospects.

In addition, we may be in technical breach of national and regional rules as a result of the varied application, implementation and interpretation of national and regional rules and regulations at the local level. Further, we may be unable to comply with such regulations due to circumstances outside of our control. For instance, under Ministry of Health Regulation No. 411 of 2010 (“Regulation 411”) on clinical laboratories, we are obliged to file quarterly reports with local authorities. However, in some areas, local authorities have refused to receive our reports because they have not fully implemented their own internal standard operational procedures for receiving and reviewing such reports. Similarly, under article 6(b) of Regulation 411, all clinical laboratories in Indonesia are required to be accredited according to Indonesia Commission on Accreditation of Clinical Laboratory (*Komite Akreditasi Laboratorium Kesehatan*, or “KALK”) standards. However, many local health authorities have not fully implemented the KALK accreditation process in their local jurisdiction. As a result, while we have modelled our own quality standards on those for ISO 15189, which we believe provides for more specific requirements compared to what is required for KALK accreditation, we have been unable to apply for or receive KALK accreditation for a number of our laboratories. We are also experiencing similar issues in respect of local environmental regulations for our laboratories’ environmental licenses, where we have been unable to obtain a specific type of license, which we are obliged to obtain under the relevant national environmental laws and regulations due to the uneven local implementation of standards. While we believe that our standards of quality control and environmental compliance are sufficient to meet with Indonesian regulations, we may be, and may continue to be, in technical breach of such regulations. Accordingly, there can be no assurance that such technical breaches, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects.

Furthermore, we are not in compliance with the 2014 Negative List and 2016 Negative List (each as defined below) in relation to our PHC Clinic in Pekanbaru. Under Indonesian regulations, clinics are categorized as (i) clinics that provide general healthcare services for customers and (ii) clinics that provide specialized healthcare services for customers. In September 2015, we obtained a clinic license for general healthcare services from the government of Pekanbaru for, and began operations of, our PHC Clinic. Under the Minister of Health Regulation No. 9 of 2014 on Clinics (“Regulation 9”), this license is referred to as a basic clinic license (*izin klinik pratama*). However, under Presidential Regulation No. 39 of 2014 (“2014 Negative List”), which was valid when we obtained our clinic license (for Pekanbaru) and began operations of our PHC Clinic, and Presidential Regulation No. 44 of 2016 (“2016 Negative List”), which amends the 2014 Negative List, foreigners are prohibited from owning interests in clinics that exclusively provide general healthcare services to customers. As we (i) had some foreign ownership through Bio Majesty, which was incorporated in Singapore, when we began operations of our PHC Clinic and (ii) currently have some foreign ownership, we (i) were not in compliance with the 2014 Negative List when we began operations of our PHC Clinic and (ii) currently are not in compliance with the 2016 Negative List. To comply with the 2016 Negative List, we are in the process of applying to the Minister of Health to upgrade the license at this clinic to a clinic license that would give us the qualification to provide both specialized healthcare services and general healthcare services, which are activities we can carry out under the 2016 Negative List. Under

Regulation 9, such license is referred to as a main clinic license (*izin klinik utama*). Following the delivery of the Offer Shares, which would result in the Company becoming a public company, the 2016 Negative List would not apply to the Company so long as the Company is not controlled by a foreign party. If we are unable to obtain a main clinic license and the government enforces the 2016 Negative List against us, we may be prohibited from operating our existing PHC Clinic and our existing basic clinic license for this PHC Clinic may be revoked. There can be no assurance that we can obtain the main clinic license. If the existing basic clinical license is revoked, we may suffer harm to our “Prodia” brand for perceived non-compliance with relevant regulations, which could materially and adversely affect our business, financial condition, results of operations and prospects. See “*Regulatory Overview—Regulation of Health-care Industry—Clinics*” and “*Regulatory Overview—Investment Regulations*”.

Technological advances may lead to development of more cost-effective technologies or non-invasive clinical laboratory tests that would reduce demand for our services or our margins.

Advances in technology may lead to the development of more cost-effective technologies or non-invasive clinical laboratory tests that are more convenient and less expensive than our current services, such as point-of-care testing equipment that can be operated by doctors or other health-care providers in their offices or by customers themselves without requiring the services of clinical laboratories. Development of such technology and its use by our customers could reduce the demand for our clinical laboratory services or the prices we can charge for our services and negatively affect our income. Further, manufacturers of laboratory equipment and test kits could seek to increase their sales by marketing point-of-care laboratory equipment to physicians and by selling test kits approved for home use to both physicians and customers. Increased testing by physicians in their offices and home use by customers could affect the market for our laboratory testing services and negatively affect our income. For instance, we may be unable to competitively price tests that currently form a substantial portion of our revenue if technological developments lead to these tests being conducted at the point-of-care, or if certain specialized tests become routine, as this would affect our ability to charge a premium for such tests. Moreover, advancements in the availability of testing equipment that can be operated locally and that does not require free-standing clinical laboratories or advancements in self-testing kits that can be operated by customers themselves for such tests could also result in a decrease in the volume of tests, from which we receive a substantial portion of our revenue. For example, in 2013, 2014 and 2015 and in the six months ended June 30, 2015 and 2016, 34.7%, 33.2%, 34.2%, 35.1% and 35.9% of our total revenues are from walk-in customers not referred by a doctor or corporate client, and these customers could opt for self-testing if available. Any of these scenarios may have a significant adverse effect on our business, financial condition, results of operations and prospects.

We depend on third-party manufacturers for our testing equipment and reagents such that price increases for testing equipment and/or reagents, and the discontinuation or recall of existing testing equipment and/or reagents as well as the failure or malfunction of any of our equipment could adversely affect our business.

We obtain our testing equipment and reagents from third-party suppliers under lease agreements and reagent supply agreements. The majority of reagents are produced by overseas suppliers, as there are only a limited number of local producers. Our agreements with these providers are typically for three to five year terms and specify fixed prices in Rupiah, subject to certain adjustment mechanisms. If procurement costs for foreign-produced consumables or the price of equipment increase, for example due to depreciation of the Rupiah, suppliers may demand to renegotiate our supply contracts with us regardless of our contractual terms. If we fail to achieve favourable pricing on reagent supplies or equipment rental or are unable to pass on any cost increases to our payers, our profitability could be materially and adversely affected. In addition, if there is any disruption in the supply of foreign reagents, either due to any logistical issue or rules or regulations on the importation of certain chemicals, we may not be able to obtain the relevant reagents or chemicals at a reasonable price, or at all.

In addition, under the lease and reagent supply agreements, the supplier generally has the discretion to terminate the agreement with written notice in the event of a breach of any material term or condition of such agreement, including but not limited to defaults in the purchase of minimum obligations of reagents or payment of the rent or lease fee. In addition, manufacturers may discontinue or recall reagents, test kits, instruments or equipment which could adversely affect our test results and credibility, costs, testing volume and income. Any such recall or termination and consequent removal of the installed equipment could adversely affect our operations.

Furthermore, the reagent rental agreements under which we obtain our testing equipment and reagents are exclusive in nature with respect to the instruments supplied by each of our suppliers, and we are bound to purchase all our reagents, test kits, consumables and disposables for a certain minimum quantity or value of purchases from the suppliers with whom we have contracted, or their authorized agents. Any disruption in our business could result in us not meeting our minimum purchase obligations under these agreements, consequently resulting in an event of default under these agreements. Such a default could potentially disrupt our supply of reagents, and thereby materially and adversely affect our business, financial condition, results of operations and prospects.

Our business exposes us to liability risks that are inherent in the operation of complex clinical laboratory equipment, which may experience failures or cause injury either because of defects, faulty maintenance or repair, or improper use. Extended downtime of our clinical laboratory equipment or significant quality deterioration in our suppliers' products, services or equipment could materially and adversely affect customer experience, which in turn could result in lost revenues, dissatisfaction on the part of customers and damage to our reputation. Any injury caused by our clinical laboratory equipment in our laboratories due to equipment defects, improper maintenance or improper operation could subject us to liability claims. Regardless of their merit or eventual outcome, such liability claims could result in significant legal defence costs for us, harm our reputation, and otherwise have a material adverse effect on our business, financial condition, results of operations and prospects.

The continued implementation and expansion of the national health insurance (Jaminan Kesehatan Nasional) ("JKN") program could have unexpected effects on our business.

On January 1, 2014, JKN became effective across Indonesia and, among other things, requires all Indonesian residents, including foreigners working in Indonesia for more than six months, to register themselves with JKN and be covered by the national health insurance program. The implementation of JKN is still in its early stages and the overall impact to the healthcare industry is still not fully known, and changes may negatively affect our business. The Indonesian government has stated that it expects all private hospitals and clinics in Indonesia to serve patients covered by JKN by 2019. Although it is not currently mandatory for all private hospitals and clinics to be healthcare providers under JKN, it is mandatory for private hospitals and clinics in some cities and many private hospitals and clinics in Indonesia have already started participating. Although we cannot predict the effect that participation in JKN would have on our business, we believe that customers using JKN currently do not have coverage for many of our diagnostic tests, especially the higher value and more complex tests. However, to the extent that changes in JKN would cover all or most of our services in the future and patients do seek our services, it is likely that our revenue per test and revenue per patient would be lower for patients covered by JKN given the fee limitations that would apply, which could have an adverse effect on our revenues and margins. In addition, the implementation of JKN could also impact our business in other ways. For example, we believe that the introduction of JKN caused certain patient segments to utilize certain government health services instead of hospitals where we provide clinical laboratory services. It is possible that more patients may do the same in the future, which could further impact our patient volumes. Since the implementation of JKN is still in its early stages, there is significant uncertainty about the effect that its implementation will have and any changes the government may make in the future. Further changes to JKN, or its implementation, could materially and adversely affect our business, financial condition, results of operations and prospects.

Technological advances related to our clinical laboratory equipment, and our reliance on a limited number of suppliers of clinical laboratory equipment, could adversely affect our business.

We use sophisticated and expensive clinical laboratory equipment in our laboratories to perform our clinical laboratory tests. Clinical laboratory equipment often needs to be upgraded, as innovation can rapidly make existing equipment obsolete or unable to provide services that customers require or demand. Replacement, upgrading or maintenance of equipment may involve significant costs. Clinical pathologists, phlebotomists, medical technologists and other health-care professionals will also need to be trained on how to use the new equipment. If we are unable to keep up with technological advances, our doctors, corporate clients and customers may turn to other clinical laboratories with more advanced equipment, and our competitive edge will be reduced, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We obtain our clinical laboratory equipment from various vendors through either lease agreements or reagent supply arrangements. We usually purchase other supporting equipment. For most clinical laboratory equipment, we prefer to use one major supplier for each type of clinical laboratory equipment. We seek to develop long-term partnerships with global major diagnostic and medical equipment manufacturers to support the migration, transition and commissioning of our laboratories under development as well as support our currently operating laboratories. We source our clinical laboratory equipment from six main suppliers: Roche, Abbott, Siemens, Biomerieux Biorad and Sysmex (either directly or through their local distributors). We have developed long-term relationships with these manufacturers and our other suppliers; however, we do not have long-term agreements in place with these suppliers. As a result, if our relationships with our suppliers are adversely affected or if our suppliers increase costs, we may need to purchase at higher prices or from different suppliers. If our suppliers no longer utilize or offer the latest technology, we may need to enter into relationships with different suppliers. Any of the foregoing could involve significant costs and, in the case of purchases from new suppliers, be disruptive to our operations during the transition period to the new equipment and may require us to conduct training on the use of such new equipment.

In addition, if our equipment is not properly maintained or we experience equipment failures, our services could be disrupted, which could materially and adversely affect our business, financial condition, results of operations and prospects.

We outsource some of the tests that we offer to third-party laboratories. Any lapse by such third-party laboratories may have adverse consequences on our business and reputation.

We have agreements with the NUH Laboratories and Quest, which together give us access to up to 3,000 tests that we do not perform. We also have agreements with other clinical laboratories in Indonesia, including potential competitors, to whom we refer certain tests. For certain tests that we offer our customers, we believe that it is more cost-effective to outsource the performance of such tests to these laboratories than to perform such tests ourselves. For the year ended December 31, 2015, such outsourced tests represented 0.2% of our total revenues. We conduct reviews and assessments of our third-party laboratories in order to determine their ability to continue to meet their obligations to us. However, we do not have control over the actions of our third-party laboratories and cannot guarantee that our third-party laboratories will continue to perform such services to our satisfaction. Accordingly, we are exposed to the risk that our third-party laboratories may be unable to fulfil their contractual obligations to us. Any failure by our third-party laboratories to perform as required under our contractual or any termination of such arrangements may materially and adversely affect our reputation and our operations, especially if we are unable to find suitable replacement laboratories in a timely manner or at all.

We rely on the regulatory licenses of other parties at our POC outlets and hospital laboratories.

Under Indonesian regulations, the operation of a specimen collection point or a hospital laboratory falls under the licensing of the relevant doctor's clinic or hospital. As we operate POC outlets in doctor's clinics and laboratories in hospitals, the operations of these outlets fall under the respective

clinic or hospital license. If the hospitals or doctor's clinics that host our outlets are unable to maintain their licenses we may be obliged to close the respective outlet or cease operations in that area, which may materially and adversely affect our business, financial condition, results of operations and prospects.

Failure to comply with privacy laws and regulations may negatively impact our profitability and cash flows.

We must comply with privacy laws and regulations with respect to the use, storage and disclosure of protected patient health information, as well as laws pertaining to the electronic transmission of such information, such as the Regulation of the Minister of Health No. 36/2012 on Medical Confidentiality vis-à-vis Law No. 29 of 2004 on Medical Practice and Law No. 36 of 2009 on Health, the Minister of Health Regulation No. 269/MENKES/PER/III/2008 on Medical Record and Law No. 11 of 2008 on Electronic Information and Transaction.

In the ordinary course of our business, we receive certain personal information about our customers and their patients, including by electronic means. Accordingly, we depend upon our internal information technology system for the storage and transmission of such confidential information. A compromise in our security systems that results in customer or patient personal information being obtained by unauthorized persons or our failure to comply with security requirements for use, storage and/or transmission of sensitive information could adversely affect our reputation with our customers and result in litigation against us or the imposition of penalties and fines, all of which may materially and adversely impact our business, results of operations, financial condition and liquidity. Furthermore, new requirements for additional security and protection of the privacy of patient information could prove technically difficult, time-consuming or expensive to implement.

Challenges that affect the health-care industry may also have a material adverse effect on our operations.

We are impacted by the challenges currently facing the healthcare industry. We believe that the key ongoing industry-wide challenges are providing high-quality patient care in a competitive environment and managing costs.

In addition, our business, financial condition, results of operations and prospects may be affected by other factors that affect the entire industry, including us, such as:

- technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for, health-care;
- general economic and business conditions at local, regional, national and international levels;
- demographic changes;
- changes in the supply distribution chain or other factors that increase the cost of supplies;
- stricter regulations governing protection of sensitive or confidential patient information from unauthorized disclosure;
- stricter regulations governing the purchase of medical treatments;
- the rate of expansion of health insurance coverage in Indonesia;
- seasonal cycles of illness as a function of varying climate, weather conditions and disease outbreaks;
- recruitment and retention of qualified health-care professionals; and

- competition from overseas healthcare providers and clinical laboratories.

In particular, the customer volumes and operating income of our service outlets are subject to economic and seasonal variations caused by a number of factors, including, but not limited to:

- unemployment levels;
- the number of uninsured and underinsured customers in local communities;
- seasonal cycles of illness; and
- climate and weather conditions.

Our success depends, in large part, upon our senior management team and the loss of key members or a failure to attract skilled personnel or retain such persons may adversely affect our business.

Our success is significantly dependent on the efforts, expertise and continued performance of our senior management team. Our commissioners, directors and other members of our senior management provide expertise which enables us to make well-informed decisions in relation to our business. In particular, we rely on the expertise, experience and leadership ability of our founder Dr. Andi Widjaja and our Directors, who have been instrumental to the development of our business. There is no assurance, however, that these individuals or any other member of our senior management team will not leave us or join a competitor. The loss of their services, failure to recruit suitable or comparable replacements in a timely manner or need to incur additional expenses to recruit and train new personnel could disrupt, or otherwise have a material adverse effect on, our business, financial condition, results of operations and prospects. In addition, if any of our executive officers or key employees joins a competitor or forms a competing company, we may lose know-how, trade secrets, customers and key professionals and staff.

We may be unable to retain or recruit trained clinical pathologists, phlebotomists, medical technologists and other healthcare professionals, which may adversely impact the quality of our service and materially and adversely affect our results of operations and cash flows.

Our sustained growth depends on our ability to attract, train, motivate and retain qualified and experienced laboratory professionals, including clinical pathologists, phlebotomists, medical technicians and other health-care professionals. For example, in 2015, our attrition level for total employees was 5.6% of our total employees as of December 31, 2015. In addition, as of June 30, 2016, we employed 366 contract workers, including 234 doctors. Our inability to attract and retain such skilled personnel could result in a decrease in the quality of our services and could have a material adverse effect on our results of operations. For example, the high utilization of key personnel at some locations may create a bottleneck for our growth. Moreover, in Indonesia, especially in smaller cities, there is a shortage of such qualified health-care professionals and medical technologists, which has made it challenging for us to attract and retain such employees, who may be attracted to employment opportunities with our competitors. The effects of this shortage would be amplified by our strategy to significantly increase the size of our network, as the need for qualified health-care professionals and technicians becomes even greater. Furthermore, since the demand and competition for talent is intense in our industry, particularly for qualified health-care professionals, and since the availability of suitable and qualified candidates is limited, we may need to offer higher compensation and other benefits in order to attract and retain key personnel in the future, which could increase our compensation expenses. We also may need to increase our total compensation costs to attract and retain the experienced management and sales personnel required to achieve our business objectives, and the failure to do so could severely disrupt our business and growth. The growth and success of our business depends, in part, on the personal relationships and professional reputations of our health-care professionals and medical technologists with our customers. Accordingly, the failure to attract and/or retain qualified health-care professionals and technicians could have a material adverse effect on our business, financial condition, results of operations and prospects.

We do not own the premises for the majority of our clinical laboratories or our POC outlets and hospital laboratories, which subjects us to certain risks.

We lease the majority of our clinical laboratory premises from landlords. In addition, the premises of our POC outlets and hospital laboratories are owned by the respective doctor's clinic or hospital. While we generally endeavour to enter into long-term lease arrangements for our clinical laboratories, we cannot assure you that we will be able to renew any such leases on favourable terms or at all when the term of the original lease expires, or that any such leases will not be prematurely terminated (including for reasons that may be beyond our control). If any of the property owners or managers do not renew the lease agreements under which we occupy our clinical laboratories or other business premises, or only renew such agreements on terms and conditions unfavourable to us, or if the property owners terminate our leases, we may not be able to procure properties similar to the ones where we currently operate and may suffer a disruption in our operations or have to pay increased rental rates, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Also, in the event that our leases are not renewed, and we are required to change the locations of our laboratories or other business premises, we may be unable to recover the costs of setting up or customizing laboratories. Additionally, we may be required to obtain fresh regulatory licenses and approvals. Until we receive fresh regulatory approvals and licenses, we may suffer disruptions in our operations and our business which may adversely affect our business, financial condition, results of operations and prospects.

Moreover, we may be subject to restrictive provisions regarding our property under municipal zoning or other property-related laws and regulations, or under our lease agreements, or our properties may be subject to legal proceedings with regard to such restrictions on use involving regulatory authorities.

We operate our POC outlets and hospital laboratories on the premises of doctor's clinics and hospitals. We rent the space we operate in from doctor's clinics or are provided the space rent-free by hospitals under a revenue sharing arrangement. Our ability to operate out of these locations is dependent upon our agreements with these entities. If our agreements with the doctor's clinics or hospitals expire or are terminated, we will be obliged to close the location. As our operations in these locations are dependent upon the referrals from the respective host organization, it is unlikely that we will be able to relocate the POC outlets or laboratory to a new office or hospital. Further, as we operate within the premises of these organizations, we are dependent upon them for the upkeep and maintenance of the facilities. If the host organization fails to maintain the premises, our own brand and reputation may be harmed by association with these premises. Furthermore, we are dependent upon the ongoing relationship of the doctor's clinic and hospital with their own respective landlords. If the doctor's clinic and hospital fails to continue to rent these premises, they may be forced to relocate to premises that may be unsuitable for our continued involvement at their locations. In addition, because we operate these outlets on the premises of other medical organizations, we are dependent upon their licenses for these facilities. See "*—We rely on the regulatory licenses of other parties at our POC outlets and hospital laboratories.*"

Any such factors may affect the peaceful and uninterrupted possession and use of our properties or our use of the properties of the doctor's clinics or hospitals, or require us to incur significant additional compliance costs or rental expenses, or may curtail our future expansion, which may adversely affect our business, financial condition, results of operations and prospects.

Our growth strategy entails setting up clinical laboratories in different geographical areas, for which we would be required to execute new lease agreements. If we are able to find suitable premises for our laboratories, rent may be significantly higher or be on less favourable terms than those of our current laboratories, which may adversely affect our business, financial condition, results of operations and prospects.

The levy of value added tax on the healthcare services industry in Indonesia in general, or on clinical laboratory or other healthcare services in particular, may adversely affect our business, financial condition, results of operations, prospects and cash flows.

While healthcare services, including by way of diagnosis, treatment or care, provided by clinical establishments or authorized medical practitioners or paramedics are currently exempt from value added tax in Indonesia, there have been instances of tax authorities levying or contemplating the levy of taxes or disallowing or investigating claimed exemptions or deductions. Although we know of no plans to introduce any value added tax, we cannot assure you that value added tax will not be levied on healthcare service providers in Indonesia in the future, or that any such levy will not be introduced or any such exemption presently in force will not be investigated or disallowed by the tax authorities, with retrospective effect. If such an event occurs, we may be required to obtain Taxable Entrepreneur registrations for the provision of healthcare services, or incur significant costs on account of value added tax liability.

We have entered into certain related party transactions, and we may continue to do so in the future.

In 2015, we undertook a series of transactions to focus our business on our core clinical laboratory services under which we spun-off a number of our subsidiaries and businesses to our parent, Prodia Utama. As a result, we sold our interest in our four subsidiaries, POHI, PROSTEM, PROLINE and INNODIA, to Prodia Utama for a total consideration of Rp. 32.2 billion (the “Spin-off Transaction”). Subsequent to the Spin-off Transaction, we enter into transactions with these subsidiaries in the ordinary course of our business. For example, we conduct clinical laboratory tests and imaging diagnostic tests for corporate clients that are referred to us by POHI, which is an occupational healthcare service provider. We bill the customer directly for the services, and POHI receives a management fee for its role in marketing and coordination. While we do not charge POHI for any of the services, it provides a significant amount of our referral business. While our agreement with POHI will continue unless terminated by us or POHI, there can be no assurances that POHI will not terminate the agreement at some point in the future or that POHI may not otherwise cease to conduct business with us, which may materially and adversely affect our business, financial condition, results of operations and prospects.

In addition, we lease certain of the premises of our clinical laboratories from PT Grhanis Putra Propertindo and its subsidiaries, which are all directly and indirectly owned by Prodia Utama and family members of Dr. Andi Widjaja, Mr. Gunawan P. Soeharto, Mr. J. Hamdono Widjojo, Mr. Elias Nugroho, Mr. Ichsan Hidajat and Ms. Arjati Utami (the “Founder’s Group”). For more information on our related party transactions, see the section entitled “*Related Party Transactions.*” For more information on the Spin-off Transaction, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Major Factors Affecting our Results of Operations and Financial Condition—The Spin-off Transaction and the Sale and Lease Transactions.*”

There can be no assurance that we will be able to maintain existing terms, or in case of any future transactions with related parties, that such transactions will be on terms favourable to us. While we believe that all of our related party transactions have been conducted on an arm’s length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is also likely that we will enter into related party transactions in the future. Any future transactions with our related parties could potentially involve conflict of interests. Accordingly, there can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects.

We may receive customer complaints and be subject to litigation relating to our clinical laboratory services.

We have received complaints from customers in the course of providing our clinical laboratory services on various grounds, including alleged delays in providing test results and incorrect results or misdiagnoses. In addition, we may be subject to complaints based on unfounded rumours regarding our services or testing results. Such events may generate negative publicity about our business, reduce customer confidence in the quality of our clinical laboratory services and negatively impact our reputation. While we have established systems and protocols to help minimize errors that can arise during the collection of specimens and the testing and the delivery of reports, any failure in those systems and protocols may lead to the delivery of inaccurate or untimely results to the customers, and in serious cases, may expose us to civil and criminal charges.

Similarly, our staff of clinical pathologists, phlebotomists, medical technologists and other health-care providers may from time to time be subject to malpractice claims, and we may be impleaded in such claims as co-defendants. Although our business does not constitute the practice of medicine, claims or complaints relating to our clinical laboratory services nevertheless may be asserted against us and our employees. In addition, we may be subject to professional liability claims, including, without limitation, for improper use or malfunction of our clinical laboratory equipment, the failure to track specimens, for accidental contamination or injury from exposure to radiation or for infections or other complications arising from the specimen collection process.

In addition, our operations involve the handling of hazardous materials, including bio-hazardous materials and chemicals. Any such materials are hazardous unless properly managed and contained. While some of our laboratories have facilities for the proper disposal of such materials and wastes, in some locations, we contract third parties for disposal. However, we cannot completely eliminate the risk of contamination or injury from these materials. In the event of contamination or injury resulting from our use of hazardous materials, we could be held liable for any resulting damages, and any liability could exceed our resources. We also could incur significant costs associated with civil or criminal fines and penalties.

Technology failures and other challenges related to our information systems could adversely affect our operations, financial controls and financial reporting.

The performance of our information technology and systems is critical to our business operations. Our information systems are essential to a number of critical areas of our operations, including:

- laboratory systems;
- tracking of samples and reporting results to customers;
- medical records and document storage;
- accounting, financial controls and financial reporting;
- billing and collecting accounts;
- inventory management;
- negotiating, pricing and administering customer contracts and supply contracts;
- fixed asset management; and
- customer management.

Although we have not experienced systems failures in the past there can be no assurance that we will not encounter serious business interruptions in the future. Disruptions of service could occur for a

variety of reasons, including, but not limited to, an increase in usage that strains our systems' capacities, failure of key software and hardware, the sudden loss of our network connection, other technological and power failures, computer viruses and natural disasters. Moreover, any security compromises of technology systems we use that result in customers' personal information being obtained by unauthorized persons, or misuse of such information by our employees, could adversely affect our reputation and result in litigation or legal proceedings against us and the potential imposition of penalties. If we experience future system interruptions or other disruptions to our technology platform, our ability to conduct our business would be materially and adversely affected. In the event of system malfunctions, we may also be required to utilize manual systems that may have a higher error rate than our automated functions. While we regularly backup our systems, there can be no assurances that our systems fully protect us from disruption in the event of a catastrophic event. We are currently in the process of developing our information technology risk assessment system and disaster recovery plan and expect to fully implement the plan in 2017. The occurrence of any of these events, or the failure or inadequacy of any disaster recovery plan, could result in interruptions, delays, the loss or corruption of data, cessations in the availability of systems or liability under privacy and security laws, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Compliance with, and changes in, health, safety and environmental laws and various labour, workplace and related laws and regulations applicable in jurisdictions in which we operate could result in increased capital requirements and operating costs.

In addition to the regulations governing the operation of clinical laboratories, we are subject to a broad range of safety, health and environmental laws and various labour, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, bio-medical waste, air and water discharges, on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For further details, see the section entitled "*Regulatory Overview*".

Compliance with, and changes in, safety, health and environmental laws and various labour, workplace and related laws and regulations may increase our compliance costs and as such adversely affect our business, prospects, results of operations and financial condition. Although we believe that our operations are materially in compliance with currently applicable environmental, health and safety regulations, violations of such laws or regulations can lead to fines and penalties. In addition, the risk of substantial costs and liabilities, including for the investigation and remediation of past or present contamination or other environmental restoration, at laboratories currently or formerly owned or operated by us, or where wastes have been disposed, are inherent in our operations, and there can be no assurance that substantial costs and liabilities will not be incurred in the future. In addition, stricter laws and regulations, or a stricter interpretation of existing laws and regulations may impose new liabilities or require additional investment in environmental protection equipment, either of which could adversely affect our business, financial condition, results of operations and prospects.

As of June 30, 2016, we had 3,648 employees and 366 contractors, including 234 doctors. Labor laws in Indonesia are fairly stringent and may restrict our ability to have human resource policies that would allow us to react swiftly to the needs of our business. In addition, some of our non-management employees are represented by a union, *Serikat Pekerja Prodia* ("SP Prodia"). The collective bargaining agreement with SP Prodia expired in 2010; however, as a matter of Indonesian laws and regulations, the terms of the agreement are still in effect by mutual agreement of the parties. While we believe that we maintain good relationships with our employees and their union, there can be no assurance that we will be able to satisfactorily negotiate a new collective bargaining agreement, or that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may materially and adversely affect our business, prospects, results of operations and financial condition. In the event of a labour dispute, protracted negotiations and/or work stoppages may impair our ability to carry on our day-to-day operations which would materially and adversely affect our business, financial condition, results of operations and prospects.

We have significant employee benefit liabilities.

As an employer in a human capital intensive service business, we have incurred significant employee benefit liabilities. In addition, recent changes in Indonesian rules and regulations, such as the implementation of BPJS Ketenagakerjaan, the universal pension scheme, have resulted in increased employee benefit liabilities. Our long-term employee benefit liabilities increased from Rp. 172.3 billion as of December 31, 2013 to Rp.323.1 billion as of June 30, 2016. Before 2012, we predominately financed the payment of our employee benefit liabilities directly out of our cashflows. However, in 2012, we instituted a defined benefit asset program managed by a professional asset management company. In the years ended December 31, 2013, 2014 and 2015, we contributed Rp. 20.0 billion, Rp. 5.0 billion and Rp. 5.0 billion, respectively, to such benefit asset program (which was recorded as “severance insurance premium” on our statement of profit and loss). In order to control or reduce our employee benefit liabilities, we may have to make additional contributions to our employee benefit assets, which would reduce the cashflows available for other uses, and could have a material adverse effect on our business, financial condition, results of operations and prospects for any particular reporting period.

We depend on certain kinds of routine and esoteric tests for a large portion of our revenue.

We derive a portion of our revenue from our esoteric tests and a certain subset of our routine tests. Our esoteric tests, which generally have a higher price than our routine tests, accounted for approximately 2.5% to 3.2% of the total number of tests we perform each year, but contribute to a higher portion of our total revenues. In addition, certain routine tests, such as haematology tests, also contributed to a portion of our revenues. While, as of June 30, 2016, we have a portfolio of approximately 500 tests, we still expect this subset of esoteric and routine tests to continue to constitute a significant portion of our revenues in the future. However, our brand positioning and revenue generated from such specific test segments may be adversely affected by various factors that may be beyond our control. For instance, we may be unable to price the tests we are reliant on competitively due to a variety of reasons, including an increase in the cost of the technology required to conduct such tests, an increase in our operating costs, or certain specialized tests becoming routine which would affect our ability to charge a premium for such tests. Further, advancements in the availability of testing equipment that can be operated locally and that does not require clinical laboratories or advancements in self-testing kits that can be operated by customers themselves could also result in a decrease in the volume of tests that are conducted at our laboratories. In light of our reliance on these tests, these factors may have a significant adverse effect on our business, financial condition, results of operations and prospects.

Our business is subject to seasonality.

We experience seasonal fluctuations in our revenue, expenses and profitability. We generally experience a higher volume of demand and earn more revenue in the second half of the year than in the first half of the year, as a result of increased volumes of corporate health checks, which are typically undertaken at the end of the year. Indonesian festivals and holidays also have an effect on our business, as we typically experience lower volumes during Ramadan, which is a month of fasting, which could affect the number of specimens taken during this period. In addition, we experience seasonal fluctuations relating to our expenses. For example, in Indonesia, employers pay annual religious holiday allowances, typically amounting to one month’s salary, to employees before the religious holiday of their choice (i.e. Lebaran or Christmas). The dates for Lebaran, which celebrates the end of Ramadan, are determined according to the lunar calendar. In 2015, we paid the Lebaran allowance in July for our employees and our outsourced contract workers. In 2016, due to the timing of Lebaran, we paid this allowance in June in respect of our own employees and in July in respect of our outsourced contract workers. The timing of the recognition of such payments on our income statement will affect our results for the relevant period. Our employee turnover, employee benefits payments and severance expenses also increase immediately following the payment of a religious

holiday allowance, as retiring and resigning employees typically resign after the receipt of the allowances. Such fluctuations in revenue, expenses and profitability could have a material adverse effect on our business, financial condition, results of operations and prospects for any particular reporting period.

Our insurance coverage may be inadequate to fully protect us from all losses.

We are exposed to liability risks that are inherent to the clinical laboratory services industry. Further, our operations are subject to the risk of loss due to fire as many materials used in our laboratories are flammable. We are also subject to the risk of other natural calamities or general disruptions affecting our facilities. While we maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations and risks, including general liability insurance, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or in a timely manner, or that we have purchased sufficient insurance to cover all material losses. Further, successful assertion of one or more large claims against us for events for which we are not insured or that exceed our available insurance coverage or result in changes in our insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition, results of operations and prospects. For further details, see the section entitled “*Business—Insurance*”.

We may be unable to obtain, maintain or enforce our intellectual property rights and may be subject to intellectual property litigation that could adversely impact our business.

We may be unable to obtain, maintain or enforce our intellectual property rights, including for our “Prodia” brand, which is fundamental to our business. We currently have the trademark for “Prodia” in all 45 trademark classes in Indonesia. The registered or unregistered trademarks or trade names that we own or license may be challenged, infringed, circumvented, declared generic, lapse or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks and trade names, which we need in order to build name recognition with potential partners. In addition, third parties may in the future file for registration of trademarks similar or identical to our trademarks and there can be no assurance that we will be successful in defending our claim to such trademarks. If third parties succeed in registering or developing other legal rights in such trademarks, and if we are not successful in challenging such third-party rights, we may not be able to use these trademarks to commercialize our technologies or products in certain markets or contexts. If we are unable to maintain our name recognition or enforce our trademarks, trade names or other intellectual property, we may not be able to compete effectively and our business, financial condition, results of operations and prospects may be adversely affected.

Our tests and business processes may infringe on the intellectual property rights of others, which could cause us to engage in costly litigation, pay substantial damages or prohibit us from selling certain of our tests.

Other companies or individuals, including our competitors, may obtain patents or other property rights that would prevent, limit or interfere with our ability to develop, perform or sell our tests or operate our business. As a result, we may be involved in intellectual property litigation and we may be found to infringe on the proprietary rights of others, which could force us to do one or more of the following:

- cease performing or selling services that incorporate the challenged intellectual property;
- obtain and pay for licenses from the holder of the infringed intellectual property right;
- redesign or reengineer our tests;
- change our business processes; or

- pay substantial damages, court costs and legal fees, including potentially increased damages for any infringement held to be wilful.

Infringement and other intellectual property claims, regardless of their merit, can be expensive and time-consuming to litigate. In addition, any requirement to reengineer our tests or change our business processes could substantially increase our costs, force us to interrupt product sales or delay new test releases. Infringement claims could also arise in the future as patents could be issued on tests or processes that we may be performing, particularly in such emerging areas as gene-based testing and other specialty testing.

Risks Relating to Indonesia

We are subject to the political, economic, legal and regulatory environment in Indonesia. All of our operations and assets are located in Indonesia. We could be adversely affected by changes in government policies, social instability, natural disasters or other political, economic, legal, regulatory or international developments in or affecting Indonesia which are not within our control, examples of which are described below. These could, in turn, have an adverse effect on our business, financial condition, results of operations and prospects.

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

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

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

Generally, investment in emerging markets is only suitable for sophisticated investors who fully appreciate the significance of the risks involved in investing in such markets. You should also note that political and related social developments in Indonesia that were unpredictable in the past, are subject to rapid change and, consequently, the information set out in this Offering Circular may

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

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

Indonesian legal principles and their practical implementation by Indonesian courts differ materially from those that would apply within the United States or the European Union. Indonesia's legal system is a civil law system based on written statutes as well as judicial and administrative decisions that do not constitute binding precedent and are not systematically published or made publicly available. Indonesia's commercial and civil laws were historically based on Dutch law as in effect prior to Indonesia's independence in 1945, and some have not been revised to reflect the complexities of modern financial transactions and instruments. Indonesian courts may be unfamiliar with sophisticated commercial or financial transactions, leading in practice to uncertainty in the interpretation and application of Indonesian legal principles. The application of Indonesian law depends upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy, the practical effect of which is difficult or impossible to predict. Indonesian judges operate in an inquisitorial system, have very broad fact-finding powers and a high level of discretion in relation to the manner in which those powers are exercised. In practice, Indonesian court decisions may omit a clear articulation of the legal and factual analysis of the issues presented in a case. As a result, the administration and enforcement of laws and regulations by Indonesian courts and Indonesian governmental agencies may be subject to considerable discretion and uncertainty, which may render our judgments inaccurate on enforcement of certain contracts we enter into, or the impacts a development or interpretation of Indonesian laws may have on us. In addition, there is no certainty as to how long it will take for proceedings in Indonesian courts to be concluded, and the outcome of proceedings in Indonesian courts may be more uncertain than that of similar proceedings in other jurisdictions. Accordingly, it may not be possible for investors to obtain swift and equitable enforcement of their legal rights.

The interpretation and implementation of legislation on regional governance in Indonesia is uncertain and may adversely affect us.

Indonesia is a large and diverse nation, covering a multitude of ethnicities, religions, languages, traditions and customs. Prior to 1999, the Government controlled almost all aspects of national and regional administration. The period following the end of the administration of former President Soeharto was marked by widespread demand for greater regional autonomy. In response to such demand, in 1999, the Indonesian Parliament passed Law No. 22 of 1999 on Regional Government, which was later replaced by Law No. 23 of 2014 on the same subject matter (as lastly amended by Law No. 9 of 2015), and Law No. 25 of 1999 on Financial Balances Between the Central and Regional Governments, which was later replaced by Law No. 33 of 2004 on the same subject matter. Under these laws, regional autonomy was expected to give regional governments greater powers and responsibilities over the use of national assets and to create a balanced and equitable financial relationship between the central and regional governments. Regional autonomy laws and regulations have changed the regulatory environment for companies in Indonesia by decentralizing certain regulatory, taxing and other powers from the Government to regional governments, and this creates uncertainty. These uncertainties include a lack of regulations on areas of regional autonomy and a lack of government personnel with relevant sector experience at some regional government levels. Moreover, limited precedent or other guidance exists on the interpretation and implementation of the regional autonomy laws and regulations. In addition, pursuant to the regional autonomy laws, regional governments are given the authority to adopt their own regulations and under the pretext of regional autonomy, certain regional governments have put in place various restrictions, taxes and levies which may differ from restrictions, taxes and levies put in place by other regional governments and/or are in addition to restrictions, taxes and levies stipulated by the central Government. Recently, the Minister of Home Affairs of the Republic of Indonesia has issued two Ministerial Instructions on February 16, 2016 and April 4, 2016, respectively, which mainly instruct all Governor and

Mayor/Head of Regency in Indonesia to revoke/amend every regional regulations and decrees issued by both the regional government and the Mayor/Head of Regency which impede investment bureaucracy and licenses. Our business and operations are located throughout Indonesia and may be adversely affected by conflicting or additional restrictions, taxes and levies that may be imposed by the applicable regional authorities.

Political and social instability in Indonesia may adversely affect us.

Since the collapse of President Soeharto's regime in 1998, Indonesia has experienced a process of democratic change, resulting in political and social events that have highlighted the unpredictable nature of Indonesia's changing political landscape. As a new democratic country, Indonesia continues to face various socio-political issues and has, from time to time, experienced political instability and social and civil unrest. Such instances of unrest have highlighted the unpredictable nature of Indonesia's changing political landscape. Indonesia also has many political parties, without any one party winning a clear majority to date. These events have resulted in political instability, as well as general social and civil unrest on certain occasions in recent years.

For example, since 2000, thousands of Indonesians have participated in demonstrations in Jakarta and other Indonesian cities both for and against former President Abdurrahman Wahid, former President Megawati Sukarnoputri, and former President Susilo Bambang Yudhoyono as well as in response to specific issues, including fuel subsidy reductions, privatization of state assets, anti-corruption measures, decentralization and provincial autonomy and the American-led military campaigns in Afghanistan and Iraq. Although demonstrations in Indonesia since 2000 have been generally peaceful, some have turned violent. There can be no assurance that such demonstrations or future sources of discontent will not lead to further political and social instability. In addition, separatist movements and clashes between religious and ethnic groups have resulted in social and civil unrest in parts of Indonesia.

In 2004, Indonesians directly elected the President, Vice-President and representatives in the Indonesian Parliament for the first time. Indonesians have also begun directly electing heads and representatives of local and regional governments. It is likely that increased electoral activity will be accompanied by increased political activity in Indonesia. In April 2009, elections were held to elect the representatives in the Indonesian Parliament (including national, regional and local representatives). The Indonesian Presidential elections, held in July 2009, resulted in the re-election of President Susilo Bambang Yudhoyono.

Indonesian elections were held in July 2014, and Joko Widodo was elected as the President of the Republic of Indonesia. Although the April 2009, July 2009 and July 2014 elections were conducted in a peaceful manner, the recent challenge from the losing candidate in the 2014 presidential election and the delay of the conclusion of the election result, as well as political campaigns in Indonesia, may bring a degree of political and social uncertainty to Indonesia. In August 2014, the Constitutional Court of the Republic of Indonesia decided in favour of the elected president, based on the Decision No.1/PHPU.PRES-XII/2014 dated August 8, 2014. Political and related social developments in Indonesia can result in civil disturbances that could directly or indirectly, materially and adversely affect our businesses, financial condition, results of operations and prospects.

Labor activism and strikes, or failure to maintain satisfactory labour relations may adversely affect us.

Laws and regulations which facilitate the formation of labour unions, combined with weak economic conditions, have resulted, and may continue to result, in labour unrest and activism in Indonesia. In 2000, the Indonesian government issued Law No. 21/2000 (the "Labor Union Law"). The Labor Union Law permits employees to form unions without employer intervention. On February 25, 2003, a

committee of the Indonesian Parliament, the People's Representative Council, or Dewan Perwakilan Rakyat passed Law No. 13/2003 (the "Labor Law"). The Labor Law took effect on March 25, 2003 and requires further implementation of regulations that may substantively affect labour relations in Indonesia.

The Labor Law increased the amount of mandatory severance, service and compensation payments payable to terminated employees. Under the Labor Law, employees who voluntarily resign are entitled to payments for, among other things, (i) unclaimed annual leave, (ii) relocation expenses (if any), (iii) compensation which amounts to 15% of the severance payment and/or reward for years of service (for those who are eligible), and (iv) certain other expenses. Employees who resign in connection with a change of control of their employer are also entitled, under the Labor Law, to severance and service payment. The Labor Law requires bipartite forums with participation from employers and employees and the participation of more than 50.0% of the employees of a company in order for a collective labour agreement to be negotiated, and also creates procedures that are more permissive to the staging of strikes. Following the enactment, several labour unions urged the Indonesian Constitutional Court to declare the Labor Law unconstitutional and order the government to revoke it. The Indonesian Constitutional Court declared the Labor Law valid except for certain provisions, including (i) the procedures for termination of employment of an employee who commits a serious mistake, (ii) criminal sanctions against an employee who instigates or participates in an illegal labour strike whether in the form of imprisonment of, or imposition of a monetary penalty, (iii) for labour unions in companies which have more than one labour union, the need for 50.0% employee representation before such labour unions are eligible to conduct negotiations with the employer, and (iv) the ability of businesses to enter into outsourcing arrangements with specified terms that do not contain provisions that protect outsourced employees upon the replacement of the outsourcing company. Accordingly, we may not be able to rely on certain provisions of the Labor Law.

The Government subsequently proposed to amend the Labor Law in a manner which, in the view of labour activists, would result in reduced pension benefits, the increased use of outsourced employees and prohibitions on unions to conduct strikes. In April 2006, thousands of workers across Indonesia protested against these proposed revisions to the Labor Law. In January 2007, the Government attempted to formulate a draft regulation relating to termination payments which would redefine the entitlement of employees to termination payments. The proposed regulation would have introduced salary caps that would limit the eligibility of employees to termination payments under the Labor Law. This initiative also met with significant opposition from labour unions and workers' interest groups. Discussions relating to the proposed regulation have been suspended indefinitely.

Moreover, the Labor Law provides that an employer is not allowed to pay an employee wages below the minimum wage stipulated annually by the provincial, regional or city government. The minimum wage is set in accordance with the need for a decent standard of living, taking into consideration the productivity and growth of the economy. However, as there are no specific provisions on how to determine the amount of a minimum wage increase, minimum wage increases can be unpredictable. For instance, recently, the provincial government of Jakarta, through the Governor of DKI Jakarta Regulation No. 230 of 2015, which became effective on January 1, 2016, stipulated that the minimum wage for Jakarta for 2016 is Rp. 3.1 million per month, which represents an increase from the Rp. 2.7 million minimum wage of 2015.

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

The Indonesian archipelago is one of the most volcanically active regions in the world. Because Indonesia is located in the convergence zone of three major lithospheric plates, it is subject to significant seismic activity that can lead to destructive earthquakes and tsunamis, or tidal waves. In recent years, a number of natural disasters have occurred in Indonesia, including major earthquakes, which resulted in tsunamis and volcanic activity. In addition to these geological events, Indonesia has also been struck by other natural disasters such as heavy rains and flooding. All of the above resulted in loss of life, the displacement of large numbers of people and widespread destruction of property.

While these events did not have a significant economic impact on the Indonesian capital markets, the Government has had to expend significant amounts of resources on emergency aid and resettlement efforts. Most of these costs have been underwritten by foreign governments and international aid agencies. However, such aid may not continue to be forthcoming, and may not be delivered to recipients on a timely basis. If the Government is unable to deliver foreign aid to affected communities in a timely manner, it could result in political and social unrest. Additionally, recovery and relief efforts are likely to continue to strain the Government's finances and may affect its ability to meet its obligations on its sovereign debt. Any such failure on the part of the Government, or declaration of a moratorium on its sovereign debt, could trigger an event of default under numerous private-sector borrowings, impacting our operations and those of our suppliers, and indirectly impact customer demand for medical services, thereby materially and adversely affecting our businesses, financial condition, results of operations and prospects.

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

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

In Indonesia during the last two decades, there have been various bombings directed towards the Government, foreign governments and public and commercial buildings frequented by foreigners, including the Jakarta Stock Exchange Building in 2000. In 2002, over 200 people were killed in a bombing at a tourist area in Bali. In 2003, a bomb exploded at the JW Marriott Hotel in Jakarta, killing at least 13 people and injuring 149 others. In 2004, a car bomb exploded at the Australian Embassy in Jakarta, killing more than six people. In 2005, bomb blasts in Central Sulawesi killed at least 22 people and injured at least 60 people. Also in 2005, bomb blasts in Bali killed at least 23 people and injured at least 101 others. Indonesian, Australian and U.S. government officials have indicated that these bombings may be linked to an international terrorist organization. Demonstrations have also taken place in Indonesia in response to plans for and subsequent to U.S., British and Australian military action in Iraq. On July 17, 2009, bombs exploded at the Ritz Carlton and JW Marriott Hotel in Jakarta, killing seven people and injuring more than 50 others. Most recently, on January 14, 2016, multiple explosions and gunfire took place near the Sarinah shopping mall and bomb blast in a cafe outside the mall in Central Jakarta that killed eight people and injured 23 people. The Islamic State of Iraq and the Levant claimed responsibility.

There can be no assurance that further terrorist acts will not occur in the future. Such terrorist acts could destabilize Indonesia and increase internal divisions within the Government as it considers responses to such instability and unrest, thereby adversely affecting investors' confidence in Indonesia and the Indonesian economy. Violent acts arising from and leading to instability and unrest have in the past had, and could continue to have, a material adverse effect on investment and confidence in, and the performance of, the Indonesian economy, and in turn our businesses. In addition, future terrorist acts may target our assets or our customers or facilities and our insurance policies generally do not cover terrorist attacks. Any terrorist attack, including damage to our infrastructure or attacks on our customers, could interrupt parts of our businesses and materially and adversely affect our business, financial condition, results of operations and prospects.

We face risks related to public health epidemics in Indonesia.

Our business could be materially and adversely affected by the outbreak of public health epidemics in Indonesia. In April 2009, an outbreak of the H1N1 virus, commonly referred to as "swine flu", occurred in Mexico and spread to other countries, including Indonesia. In 2004, an outbreak of the H5N1 virus, also known as "bird flu", occurred in Southeast Asia and other regions, resulting in hundreds of deaths worldwide and significantly affecting Southeast Asia's economy. Vietnam, a

regional neighbour of Indonesia, reported two human fatalities caused by bird flu in January 2012. In 2013, an outbreak of the H7N9 virus, a different strain of “bird flu”, occurred in China. If an outbreak of swine flu or bird flu were to occur again and become widespread in Indonesia, it could have an adverse effect on economic activity in Indonesia, and could materially and adversely affect our business, financial condition and results of operations. Any future public health epidemics in Indonesia could materially and adversely affect our business, financial condition, results of operations and prospects.

Indonesian accounting standards differ from those in other jurisdictions.

Our financial statements, and in particular the Consolidated Financial Statements, are prepared in accordance with Indonesian FAS, which differ in certain respects from IFRS and U.S. GAAP. As a result, our financial statements, Consolidated Financial Statements and reported earnings could be different from those which would be reported under IFRS or U.S. GAAP. Such differences may be material. This Offering Circular does not contain a reconciliation of our financial statements to IFRS or U.S. GAAP. Had our financial statements and other financial information been prepared in accordance with IFRS or U.S. GAAP, the results of operations and financial position may have been materially different. Because differences exist between Indonesian FAS and IFRS or U.S. GAAP, the financial information in respect of us contained in this Offering Circular may not be an effective means to compare us with other companies that prepare their financial information in accordance with IFRS or U.S. GAAP. See “*Summary of Certain Differences Between Indonesian FAS and IFRS.*” In making an investment decision, investors must rely upon their own examination of us, the terms of the Offering and the financial information contained in this Offering Circular. Potential investors should consult their own professional advisors for an understanding of the differences between Indonesian FAS and IFRS or U.S. GAAP, and how such differences might affect the financial information contained herein.

Indonesian regulations may affect the ability of non-bank corporations to obtain financing.

On December 29, 2014, Bank Indonesia issued Regulation No. 16/21/PBI/2014 on Application of Prudential Principles in Management of Offshore Loan of Non-Bank Corporations (“PBI 16/21/2014”) which revokes Bank Indonesia Regulation No.16/20/PBI/2014 and on March 6, 2016, Bank Indonesia issued the implemented circular letters, as amended by Bank Indonesia Regulation No. 12/4/PBI/2016. PBI 16/21/2014, as amended, requires borrowers who are non-bank corporations in Indonesia to strengthen their risk management when obtaining offshore foreign currency denominated debt by ensuring that such entities adopt certain prudential principles to mitigate the risks related to such offshore foreign currency denominated debt. Pursuant to PBI 16/21/2014, as amended, non-bank corporations that have offshore loans in foreign currency are required to adopt prudential principles including complying with certain requirements relating to (i) hedging ratio, (ii) liquidity ratio and (iii) credit ratings as follows:

- Hedging ratio. Minimum hedging ratio set at 25% of (i) the negative difference between the foreign exchange assets and the foreign exchange liabilities that will become due within three months from the end of the relevant quarter and (ii) the negative difference between the foreign exchange assets and the foreign exchange liabilities that will become due in the period between the commencement of the fourth and the end of the sixth month after the end of the relevant quarter. After January 1, 2017, hedging transactions shall be undertaken with banks in Indonesia;
- Liquidity ratio. Minimum liquidity ratio (of at least 70% liquidity) by reserving sufficient foreign exchange assets against foreign exchange liabilities that will become due within three months from the end of the relevant quarter; and

- Credit rating. Minimum credit rating of “BB-” issued by a rating agency recognized by Bank Indonesia. Such credit rating will be in the form of a rating over the relevant corporation and/or bonds. Transactions exempted from this requirement are (i) the refinancing of offshore loans in foreign currency; (ii) offshore loans in foreign currency from (a) international bilateral/multilateral institutions; and (b) syndicated loan with the contribution of international bilateral/multilateral institution exceeding 50%, in relation to financing for infrastructure projects; (iii) offshore loans in foreign currency in relation to Government (central and regional) infrastructure projects; (iv) offshore loans in foreign currency that are guaranteed by international bilateral/multilateral institution; (v) offshore loans in foreign currency that are in the form of trade credit, which refers to debt arising from credit that is granted by offshore suppliers over transactions relating to goods and/or services; (vi) offshore loans in foreign currency that are in the form of other loans, which refer to any loan other than a loan agreement, debt securities and trade credit that are, among others, payment of insurance claim and unpaid dividend; (vii) offshore loans in foreign currency of financing companies, as long as (a) the offshore loans have a minimum “sound” financial soundness rating which were last issued by OJK; and (b) the offshore loans fulfil the maximum gearing ratio as regulated by the OJK; and (viii) offshore loans in foreign currency of Indonesian Export Financing Institution (*Lembaga Pembiayaan Ekspor Indonesia* or LPEI).

Non-bank corporations that have offshore loans in foreign currency must report to Bank Indonesia on the implementation of prudential principles and the exemptions, along with the relevant supporting documents. The procedure for submitting the report and supporting documents have to be conducted in line with Bank Indonesia regulations on the reporting of foreign exchange traffic activities and on the reporting of the implementation of prudential principles in the management of offshore loans by non-bank corporations. Failure to comply with the implementation of prudential principles will subject non-bank corporations to administrative sanctions in the form of warning letters. PBI 16/21/2014 is effective as of January 1, 2015, except that (i) the administrative sanction requirement will only be effective from the fourth quarter of 2015, and (ii) the minimum credit rating requirement will only apply to offshore loans that are signed or issued on or after January 1, 2016.

As a result of these developments and imposition of restrictions, there can be no assurance that to the extent our current strategy changes and we seek financing in the future we will be able to obtain adequate financing, either on a short-term or long-term basis.

This Offering Circular contains information from an industry report which we have commissioned from Frost & Sullivan.

This Offering Circular includes information that is derived from an industry report titled “*Independent Market Research on the Clinical Laboratory Market in Indonesia*” prepared by Frost & Sullivan pursuant to an engagement with the Company. We commissioned these reports for the purpose of confirming our understanding of the clinical laboratory industry in Indonesia. Neither we, nor any of the International Selling Agent, Lead Domestic Underwriters or the Financial Advisers, nor our or their respective affiliates nor any other person connected with the Offer has verified the information in the commissioned report. Frost & Sullivan has advised that while it has taken due care and caution in preparing the commissioned report, which is based on information obtained from sources that it considers reliable (“Information”), it does not guarantee the accuracy, adequacy or completeness of the Information and disclaims responsibility for any errors or omissions in the Information or for the results obtained from the use of the Information. The commissioned report also highlights certain industry and market data, which may be subject to assumptions. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions vary widely among different industry sources. Further, such assumptions may change based on various factors. We cannot assure you that Frost & Sullivan’s assumptions are correct or will not change and, accordingly, our position in the market may differ from that presented in this Offering Circular. Further, the commissioned report is not a recommendation to invest or disinvest in our Company. Frost & Sullivan has disclaimed all financial liability towards the subscribers, users, transmitters or distributors of the commissioned report. You are advised not to unduly rely on the commissioned report or extracts thereof as included in this Offering Circular when making their investment decisions.

Risks Relating to Ownership of Our Shares

The price of our shares may fluctuate widely.

The price of our shares after the Offering may fluctuate widely, depending on many factors, including:

- perceived prospects for our business and operations and the health-care industry in general;
- changes in general economic, political or market conditions in Indonesia;
- differences between our actual financial and operating results and those expected by investors and analysts;
- changes in analysts' recommendations or perceptions of us or Indonesia;
- announcements by us of significant acquisitions, strategic alliances, joint ventures or divestments;
- changes in prices of equity securities of foreign (particularly Asian) and emerging markets companies;
- additions or departures of key personnel;
- involvement in litigation; and/or
- broad stock market price fluctuations.

Our shares may trade at prices significantly below the Offer Price.

Downgrades of the credit ratings of Indonesia and Indonesian companies could materially and adversely affect us and the market price of the Offering Shares.

Currently, Indonesia's sovereign foreign currency long-term debt is rated "Baa3 (stable)" by Moody's, "BB+ (positive)" by Standard & Poor's, and "BBB- (stable)" by Fitch. These ratings reflect an assessment of the Government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due. While the recent trend in Indonesian sovereign ratings has been positive, no assurance can be given that Moody's, Standard & Poor's, Fitch or any other rating agencies will not downgrade the credit ratings of Indonesia or Indonesian companies in general in the future. These rating agencies have in the past downgraded Indonesia's sovereign rating and the credit ratings of various credit instruments of the Government and a large number of Indonesian banks and other companies. Any such downgrade could have an adverse impact on liquidity in the Indonesian financial markets, the ability of the Government and Indonesian companies, including us, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on us and the market price of the Shares.

You may be required to complete your acquisition of the Offer Shares if the Offering is required to proceed and complete despite the occurrence of a material adverse change in international or national monetary, financial, political or economic conditions or other force majeure events or any material adverse change in matters including our business or financial condition.

Indonesian regulations permit the cancellation of the Offering only in limited circumstances. See “*Plan of Distribution*” for a discussion of these circumstances. If a material adverse change in the international or national monetary, financial, political or economic conditions or other force majeure events were to occur, or any material adverse change in matters including our business or financial condition were to arise after we have obtained the OJK effective statement and prior to the completion of the Offering and the listing of our common shares, the Company may request permission from OJK to cancel the Offering. However, there can be no assurance that the Company will request such a cancellation or that OJK will grant the cancellation, and OJK may require the Offering to proceed and be completed pursuant to Indonesian regulations. In this situation, investors who have been allocated Offer Shares may be required to complete their acquisition of the Offer Shares even if such events may limit their ability to sell the shares after the Offering or cause the trading price of the shares after the Offering to be at prices significantly below the Offer Price.

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

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

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

Even if our listing application is approved, our shares will not be listed on the IDX immediately after the allocation period for the Indonesian Offering. During that period, purchasers will be exposed to movements in the price of our shares without the ability to dispose of the purchased shares through the IDX. See “*Indonesian Capital Markets—Scriptless Trading*” and “*Description of Our Common Shares.*”

Our ability to pay dividends in the future will depend upon future retained earnings, financial condition, cash flows and working capital requirements.

The amount of our future dividend payments, if any, will depend on our future retained earnings, financial condition, cash flows and working capital requirements, as well as our capital expenditures, contractual commitments and expenses incurred in connection with our expansion. In addition, we may also enter into financing agreements in the future which could further limit our ability to pay dividends, and we may incur expenses or liabilities that would reduce or eliminate the cash available for the distribution of dividends.

Any of these factors may affect our ability to pay dividends to our shareholders. Accordingly, we cannot assure you that we will be able to pay dividends or that our board will declare dividends.

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

After the completion of this Offering, we will become a publicly listed company subject to the reporting requirements of the IDX, the stock exchange on which our Shares will be listed. IDX rules and regulations require, among other things, that we maintain effective disclosure controls and procedures and relevant internal controls over financial reporting to provide regular financial and other material business updates to IDX and our investors. Commencing with year ending December 31, 2016, we will need to comply with listing requirements and implement risk management and related practices, which will require that we incur substantial additional professional fees and internal costs to expand our accounting and finance functions and that we expend significant management efforts. We would also need to employ sufficient personnel with an appropriate level of accounting knowledge, experience and training commensurate with our financial reporting requirements and a segregation of duties in our finance and accounting functions. We have not had to comply with these types of obligations in the past, and they may place a significant strain on us. Moreover, because we have many service outlets through which we conduct our operations, and plan to open additional service locations in the future, we may face additional challenges relating to implementing effective disclosure and internal controls. If we are not able to comply with the listing requirements of IDX, or if we are unable to maintain proper and effective internal controls, and otherwise implement other relevant risk management and related practices, we could be required to incur additional costs, our business and financial condition and operating results could be harmed, and we could be prevented from meeting our reporting obligations. Ineffective disclosure and internal controls and risk management and related practices also could cause our shareholders and potential investors to lose confidence in our reported financial information, which would likely have a negative effect on the trading price of our Shares. In addition, investors relying upon any misinformation could make an uninformed investment decision, and we could be subject to sanctions or investigations by the IDX, OJK or other regulatory authorities.

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

The Offer Price is substantially higher than the net asset value per share of the outstanding shares issued to our existing shareholders. Therefore, purchasers of the Offer Shares will experience immediate and substantial dilution and our existing shareholders will experience a material increase in the net asset value per share of the shares they own. See “*Dilution.*”

The application of OJK conflict of interest rules may cause us to forego transactions that are in our best interests.

In order to protect the rights of minority shareholders, the BAPEPAM-LK issued BAPEPAM-LK Rule No. IX.E.1, Attachment of Decision of the Chairman of BAPEPAM-LK No. KEP-412/BL/2009 dated November 25, 2009, regarding Affiliated Party Transactions and Conflict of Interest in Certain Transactions (“BAPEPAM-LK Rule No. IX.E.1”). BAPEPAM-LK Rule No. IX.E.1 afford independent shareholders of Indonesian public companies the right to vote to approve or disapprove any transactions, whether or not material, which entail a “conflict of interest” under the BAPEPAM-LK rules unless fulfilling certain exemption, including the conflict existed before a company became listed on the IDX and was fully disclosed in the relevant Indonesian share offering documents. Transactions between us and our controlling shareholder or other companies owned or controlled by our controlling shareholder or other companies with the same director or commissioner where there is a conflict between the economic interests of ours and such persons would constitute conflict of interest transactions under the BAPEPAM-LK rule. As a result, the approval of holders of a majority of shareholders who do not have a conflict of interest in relation to the transaction and/or are not the affiliates of the directors, commissioners, or principal shareholders (defined as a holder of 20.0% or

more of the issued shares) who have a conflict of interest over that transaction (“disinterested shareholders”) would have to be obtained if a conflict of interest were to exist. OJK has the power to enforce this rule and our shareholders may also be entitled to seek enforcement or bring enforcement action based on BAPEPAM-LK Rule No. IX.E.1.

The requirement to obtain independent shareholder approval could be burdensome to us in terms of time and expense and could cause us to forego entering into certain transactions which we might otherwise consider to be in our best interests. Moreover, there can be no assurance that approval of disinterested shareholders would be obtained if sought.

The interests of our controlling shareholders may conflict with the interests of purchasers of the Offer Shares.

After the Offering, Prodia Utama and Bio Majesty will own approximately 57.0% and 18.0%, respectively, of our outstanding shares. Prodia Utama and Bio Majesty are directly and indirectly controlled by the Founder’s Group and their respective families. As a result, the Founder’s Group has generally been able to exercise effective control of our Company, including the power to elect our directors and commissioners and determine the outcome of any action requiring shareholders’ approval. Given that the Founder’s Group has other business interests outside of our Company and its subsidiaries, they may individually or jointly take actions that favour the interests of such other businesses over our interests, which could have a material adverse effect on our business, financial condition, results of operations and prospects. See “*Principal Shareholders.*” Consequently, the Founder’s Group has, and will continue to have, the significant influence over our company, including influence in relation to:

- approving any merger, consolidation, or dissolution;
- exercising significant influence over our business policies and affairs;
- electing a majority of our directors and commissioners; and
- determining the outcome of any action requiring shareholder approval (other than the approval of conflict of interest transactions from which a controlling shareholder who has a conflict of interest or is affiliated with a director, commissioner or principal shareholder (defined as a direct/indirect holder of 20.0% or more of the voting rights) who has a conflict of interest is required to abstain under OJK rules), including the timing and payment of any future dividends.

Prodia Utama may have other business and other interests outside of our operations, and may take actions that may or may not involve us that prefer or benefit them or other companies over us, which could materially and adversely affect our business, financial condition, results of operations and prospects. Although we are currently not aware of any holdings by Prodia Utama in competing clinical laboratory companies in Indonesia, we do not have noncompetition agreements with any of our affiliates prohibiting them from engaging in the clinical laboratory business.

From time to time, we enter into, and expect to continue to enter into, transactions with entities controlled by Prodia Utama and other related parties in the ordinary course of business. For example, we are currently undergoing the process to enter into a new cooperation agreement with POHI, which regularly refers customers to us. The previous agreement expired on March 31, 2016. Customers referred to us by the POHI accounted for 6.3% of our total revenues in 2015, for example. No assurances can be made that such transactions will be on terms that benefit us. If Prodia Utama ceases to effectively control us in the future, there can be no assurance that we will continue to benefit from our business relationships with our non-subsidiary affiliates. See “*—Risks Relating to Our Business and Industry—We have entered into certain related party transactions, and we may continue to do so in the future*” and “*Related Party Transactions.*”

Although any conflict of interest transaction (as defined under OJK rules) that we undertake with related parties after the Offering must be approved by our independent shareholders in accordance with OJK regulations as stipulated in BAPEPAM-LK Rule No. IX.E.1, whether or not a conflict of interest exists may be open to interpretation by us and our affiliates. In addition, there can be no assurance that any amount we may pay in these transactions would necessarily reflect the prices that would be paid by an independent third party in comparable transactions.

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

Fluctuations in the exchange rates between the Rupiah and other currencies will affect the foreign currency equivalent of the Rupiah price of our shares on the IDX. See “*Exchange Rates and Exchange Controls.*” Such fluctuations will also affect the amount that holders of our shares will receive in foreign currency upon conversion of (i) any cash dividends or other distributions we pay in Rupiah on our shares, and (ii) any proceeds paid in Rupiah from any sale of our shares in a secondary trading market.

Future sales of our shares by us and our current shareholders could adversely affect the market price of our shares.

Future sales of substantial amounts of our shares in the public market, or the perception that such sales may occur, could adversely affect the prevailing market price of our shares or our ability to raise capital through a public offering or rights issue of additional equity or equity-linked securities. Immediately following the Offering, approximately 75.0% of our total outstanding shares is expected to be held collectively by Prodia Utama and Bio Majesty (which are both controlled by the Founder’s Group). We, Prodia Utama and Bio Majesty, have each agreed to certain restrictions on our respective abilities to transfer or otherwise dispose of our shares for limited periods following the date our shares are listed on the IDX. See “*Plan of Distribution.*” Future sales of large blocks of our shares, or the perception that such sales could occur, could cause the price of our shares to decrease and make it more difficult for us to raise capital through equity offerings.

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

We are a limited liability company incorporated under the laws of Indonesia. All of our commissioners, directors and executive officers reside in Indonesia. All of our assets and most of the assets of our commissioners, directors and executive officers are located in Indonesia.

It may not be possible for investors to effect service of process outside Indonesia upon us or such persons to enforce against us or such persons outside Indonesia. In addition, judgments obtained in non-Indonesian courts are not enforceable in Indonesian courts. As a result, holders of our shares may be required to pursue claims against us in Indonesia under Indonesian law. Re-examination of the issue of *de novo* would be required before an Indonesian court in order to enforce a foreign judgment in Indonesia.

The claims and remedies available under Indonesian law may not be as extensive as those available in other jurisdictions. There can be no assurance that the Indonesian courts would protect the interests of investors in the same manner or to the same extent as would courts in more developed countries outside Indonesia.

Indonesia’s legal system is a civil law system based on written statutes, in which judicial and administrative decisions do not constitute binding precedent and are not systematically published. The application of Indonesian law depends, in large part, upon subjective criteria such as the parties’ good faith and public policy. Indonesian judges operate in an inquisitorial legal system and have very broad fact-finding powers and a high level of discretion in relation to the manner in which those powers are exercised. The administration of laws and regulations by courts and Government agencies may be subject to considerable discretion and uncertainty. In addition, because relatively few disputes relating

to commercial matters and modern financial transactions and instruments are brought before Indonesia's courts, such courts do not necessarily have the expertise and experience in dealing with such matters, leading in practice to uncertainty in the interpretation and application of Indonesian legal principles. There is no certainty as to how long it will take for proceedings in Indonesian courts to be concluded, and the outcome of proceedings in Indonesian courts may be more uncertain than that of similar proceedings in other jurisdictions. Accordingly, it may not be possible for purchasers to obtain swift and equitable enforcement of their legal rights. See "*—Risks Relating to Indonesia—The Indonesian legal system is subject to considerable discretion and uncertainty.*"

You may be subject to limitations on minority shareholders rights.

The obligations under Indonesian law of the majority shareholders, commissioners and directors with respect to minority shareholders may be more limited than those in other countries. Consequently, minority shareholders may not be able to protect their interests under current Indonesian law to the same extent as in other countries. Principles of corporate law relating to such matters as the validity of corporate procedures, the fiduciary duties of our management, commissioners, directors and controlling shareholders, and the rights of our minority shareholders are governed by Indonesian Company Law No. 40 of 2007 (the "Company Law") and its accompanying regulations, the regulations of OJK, the rules of the IDX and our Articles of Association. Such principles of law differ from those that would apply if we were incorporated in a jurisdiction other than Indonesia. In particular, concepts relating to the fiduciary duties of management are untested in Indonesian courts. Derivative actions brought in connection with the activities of directors and commissioners have almost never been brought on behalf of companies or been tested in Indonesian courts, and minority shareholders' rights have only been defined since 1995 and are unproven in practice. Even if the conduct were actionable under Indonesian law, the absence of judicial precedents could make prosecution of such civil proceedings considerably more difficult. Accordingly, there can be no assurance that legal rights or remedies of minority shareholders will be the same, or as extensive, as those available in other jurisdictions or sufficient to protect the interests of minority shareholders.

Corporate governance standards in Indonesia may differ from those in certain other countries.

Corporate governance standards in Indonesia differ from those applicable in other jurisdictions in significant ways including the independence of the board of directors, the board of commissioners and the audit committee, and internal and external reporting standards. Corporate governance standards and practices may not be as strict, particularly with regard to the independence of boards of directors, the board of commissioners and audit and other committees. Because of this, the directors of Indonesian companies may be more likely to have interests that conflict with the interests of shareholders generally, which may result in them taking actions that are contrary to the interests of shareholders.

There may be less company information available on Indonesian securities markets than on securities markets in developed countries.

There is a difference between the level of regulation and monitoring of the Indonesian securities markets and the activities of investors, brokers and other participants and that of certain developed economies. OJK and the stock exchanges are responsible for improving disclosure and other regulatory standards for the Indonesian securities markets. OJK has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may still, however, be less publicly available information about Indonesian companies than is regularly made available by public companies in developed countries.

In addition, corporate governance standards and practices may not be as strict, including with regard to the independence of boards of directors and audit and other committees. Because of this, the directors of Indonesian companies may be more likely to have interests that conflict with the interests of shareholders generally, which may result in them taking actions that are contrary to the interests of shareholders.

Your rights to participate in any future rights offerings by us could be limited, which would cause dilution to your shareholding.

Under OJK Regulation No. 32/POJK.04/2015 on Capital Increases in Public Company with Pre-emptive Rights, a publicly listed company must offer the holders of its equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentage prior to the issuance of any new shares.

To the extent that we offer our shareholders pre-emptive rights to purchase or subscribe for new shares or otherwise distribute shares to our holders, you may be unable to exercise such rights or we may be unable to extend to holders such rights for the shares unless securities laws in your jurisdiction are complied with. For instance, holders from certain jurisdictions may be unable to exercise such rights or we may be unable to extend to holder such rights for the shares unless a registration statement under the relevant securities laws of such jurisdictions is effective with respect to the new shares or an exemption from registration under such laws is available.

Whenever we make a rights or similar offering of shares, we will evaluate the costs and potential liabilities associated with, and our ability and financial viability to comply with, non-Indonesian regulations, as well as any other factors we consider appropriate. However, we may choose not to comply with the securities laws in some jurisdictions and if we do so, and no exemption from registration or filing requirements are available, then holders of the Offer Shares in such jurisdictions would be unable to participate in rights or similar offerings and would suffer dilution of their shareholdings. Consequently, we cannot assure you that you will be able to maintain your proportional equity interests in us. Because rights issues in Indonesia generally enable participants to purchase shares at a large discount to the recent trading price, the inability to participate could cause holders of the Offer Shares material economic harm.

Indonesian law may operate differently from the laws of other jurisdictions with regards to the convening of, and the right of shareholders to attend and vote at general meetings of shareholders.

We are subject to Indonesian law and the continuing listing requirements of the IDX. In particular, the convening and conduct of general meetings of our shareholders will continue to be governed by Indonesian law.

The procedure and notice periods in relation to the convening of general meetings of our shareholders, as well as the ability of our shareholders to attend and vote at such general meetings, may be different from those of jurisdictions outside Indonesia. For instance, our shareholders who would be entitled to attend and vote at general meetings of shareholders are, by operation of Indonesian law, those shareholders appearing in our register of shareholders on the market day immediately preceding the day, or record date, on which the notice of general meeting is issued, regardless of whether such shareholders may have disposed of their shares following the record date and prior to the general meeting of the shareholders. In addition, investors who may have acquired their Shares after the record date (and before the day of the general meeting) would not be entitled to attend and vote at the general meeting. For further details on the procedure for the convening and conduct of general meetings of our shareholders under Indonesian law, please see “*Description of Our Common Shares.*” Accordingly, potential investors should note that they may be subject to procedures and rights with regards to general meetings of our shareholders that are different from those to which they may be accustomed in other jurisdictions.

USE OF PROCEEDS

We intend to use our proceeds from the Offering of Rp.1,218.8 billion (US\$92.5 million), or approximately Rp.1,144.8 billion (US\$86.9 million) after deduction of fees and commissions and certain expenses incurred in connection with the Offering, as follows:

- approximately 67% of the net proceeds, or Rp.767.0 billion is intended to be used to expand and develop outlets in Indonesia, whether in existing or new markets through organic or inorganic growth plans, including for the purchase of land, buildings, furniture and/or equipment relating to (i) new clinical outlets, regional reference laboratories and specialty clinics; (ii) upgrading existing clinical laboratories into Prodia Health Centers and other renovations, and/or (iii) relocating existing locations into larger facilities. We will also consider inorganic growth opportunities by way of asset purchases or investments in other companies in a similar business or other relevant industry;
- approximately 19% of the net proceeds, or Rp.217.5 billion is intended to be used to increase the capability and quality of our service through the purchase of (i) next-generation diagnostic technologies to increase the capabilities of our molecular diagnostic, immunology, mass-spectrometry, chromatography and pathology laboratories; (ii) equipment for non-laboratory testing, such as x-ray and imaging equipment; and (iii) information technology infrastructure; and
- approximately 14% of the net proceeds, or Rp.160.3 billion is intended to be used for working capital and operational and general corporate purposes.

The foregoing represents our current intentions and our best estimate of our allocation of the net proceeds of the Offering based upon our current plans and estimates regarding our anticipated expenditures. We may find it necessary or advisable to reallocate the net proceeds within the categories described above or to use portions of the net proceeds for other business related purposes. Pending the use of our proceeds from the Offering in the manner described above, we may place the funds in fixed deposits with banks and financial institutions or invest the funds in short-term money market instruments, as our Board of Directors may deem appropriate.

The estimated fees, commissions and expenses that we expect to incur in connection with the Offering are approximately 6.1% of our gross proceeds from the Offering.

Pursuant to OJK Regulation No. 30/POJK.04/2015 dated December 22, 2015 on Reports on the Realization of Use of Public Offering Proceeds, we are responsible for reporting the use of the proceeds of the Offering until all amounts of the proceeds have been utilized. Such reports shall be submitted to the OJK semi-annually within 15 days following June 30 and December 31 each year and also reported at general meetings of shareholders. If any change to the use of proceeds is proposed, we will need to obtain our shareholders' approval for such changes at a general meeting of shareholders and by OJK.

If we use our proceeds from the Offering in a manner which constitutes an affiliated transaction, conflict of interest transaction or a material transaction, we will comply with prevailing capital market regulations as stipulated in BAPEPAM-LK Rule No. IX.E.1 and BAPEPAM-LK Rule No. IX.E.2.

We will not receive any of the proceeds from the sale of the Secondary Shares by the Selling Shareholders.

DIVIDENDS

All of our shares, including the Offer Shares, have the same and equal rights, including in relation to dividends, in accordance with our Articles of Association and the Company Law.

We paid dividends totalling Rp. 74.5 billion, or Rp. 4.1 million per Share, in 2013, Rp. 58.0 billion, or Rp. 0.8 million per Share, in 2014, Rp. 100.0 billion, or Rp. 1.3 million per Share, in 2015, and Rp. 75.0 billion, or Rp. 1.0 million per share, in the six months ended June 30, 2016.

Under Indonesian law, the decision with regards to dividends is made by a resolution of the shareholders at the annual or general meeting of shareholders upon the recommendation of the Board of Directors. We may declare dividends in any year if we have positive retained earnings. Our Articles of Association allow for the distribution of interim dividends provided that the interim dividend does not result in its net assets becoming less than the total issued and paid up capital and the compulsory reserves fund. Such distribution is determined by our Board of Directors after first being approved by our Board of Commissioners. If, after the end of the relevant financial year, we suffer losses, the distributed interim dividend must be returned by the shareholders to us, and our Board of Directors and Board of Commissioners will be jointly and severally responsible if the interim dividend is not returned.

We intend to pay dividends at a rate of a maximum of 30.0% of our consolidated net income for the previous year, after provisioning for all statutory reserves, starting from 2017.

The rate of dividends will be subject to our cash flow and investment plans, as well as regulatory restrictions. See “*Description of Our Common Shares—Dividends*” and “*Risk Factors—Risks Relating to Ownership of Our Shares—Our ability to pay dividends in the future will depend upon future retained earnings, financial condition, cash flows and working capital requirements.*”

To the extent a decision is made to declare dividends, dividends will be paid in Indonesian Rupiah. Holders of our shares on the applicable record dates will be entitled to the full amount of dividends approved, subject to any Indonesian withholding tax imposed. Dividends received by a non-Indonesian holder of shares will be subject to 20% Indonesian withholding tax. For further information relating to Indonesian taxation, see “*Taxation.*”

An investor acquiring shares in the Offering will be entitled to the same and equal rights as our existing shareholders, including the right to receive dividends.

Our dividend policy is a statement of present intention and not legally binding as it is subject to modification by our Board of Directors’ and shareholders’ approval at a general meeting of shareholders.

EXCHANGE RATES AND EXCHANGE CONTROLS

Exchange Rates

Bank Indonesia is the sole issuer of the Rupiah and is responsible for maintaining its stability. Since 1970, Indonesia has implemented three exchange rate systems: (i) a fixed rate between 1970 and 1978, (ii) a managed floating exchange rate system between 1978 and 1997 and (iii) a free-floating exchange rate system since August 14, 1997. Under the second system, Bank Indonesia maintained the stability of the Rupiah through a trading band policy, pursuant to which Bank Indonesia would enter the foreign currency market and buy or sell Rupiah, as required, when trading in the Rupiah exceeded bid and offer prices announced by Bank Indonesia on a daily basis. On August 14, 1997, Bank Indonesia terminated the trading band policy and permitted the exchange rate for the Rupiah to float without an announced level at which it would intervene, which resulted in a substantial decrease in the value of the Rupiah relative to the U.S. Dollar. Under the current system, the exchange rate of the Rupiah is determined by the market, reflecting the interaction of supply and demand in the market. Bank Indonesia may take measures, however, to maintain a stable exchange rate.

The table below sets forth the exchange rate of Rupiah to U.S. Dollars based on the middle exchange rates at the end of each month during the periods indicated. The Rupiah middle exchange rate is calculated based on Bank Indonesia's buying and selling rates. None of us, the Selling Shareholders, the International Selling Agents, the Lead Domestic Underwriters or the Financial Advisers makes any representations that the U.S. Dollar amounts referred to in this Offering Circular could have been or could be converted into Rupiah at the rate indicated or any other rate or at all.

	Exchange rates			
	Low	High	Average	Period End
	(Rp. per US\$)			
2011	8,460	9,185	8,779	9,068
2012	8,892	9,707	9,380	9,670
2013	9,634	12,270	10,451	12,189
2014	11,271	12,900	11,878	12,440
2015	12,444	14,728	13,458	13,795
2016:	13,020	13,946	13,373	13,094
January	13,835	13,946	13,889	13,846
February	13,333	13,757	13,516	13,395
March	13,020	13,367	13,193	13,276
April	13,096	13,238	13,180	13,204
May	13,162	13,671	13,420	13,615
June	13,166	13,695	13,355	13,180
July	13,086	13,172	13,116	13,094
August	13,079	13,300	13,165	13,300
September	12,926	13,269	13,118	12,998
October	12,969	13,054	13,017	13,051
November (through November 16)	13,036	13,358	13,168	13,347

Source: Bank Indonesia.

- (1) For full years, the high and low amounts are determined, and the average shown is calculated, based upon the middle exchange rate announced by Bank Indonesia on the last day of each month during the year indicated.
- (2) For each month, the high and low amounts are determined, and the average shown is calculated, based on the daily middle exchange rate announced by Bank Indonesia during the month indicated.

The middle exchange rate on June 30, 2016 was Rp. 13,180 = US\$1.00.

The Federal Reserve Bank of New York does not certify for customs purposes a noon buying rate for cable transfers in Indonesian Rupiah.

Exchange Controls

Indonesia has limited foreign exchange controls. The Indonesian Rupiah has been, and in general is, freely convertible within or from Indonesia. However, to maintain the stability of the Rupiah and to prevent the utilization of the Rupiah for speculative purposes by non-residents, Bank Indonesia has introduced regulations to restrict the movement of Indonesian Rupiah from banks within Indonesia to offshore banks, an offshore branch of an Indonesian bank or any investment denominated in Rupiah with foreign parties and/or Indonesian parties domiciled or permanently residing outside Indonesia, thereby limiting offshore trading to existing sources of liquidity. In addition, Bank Indonesia has the authority to request information and data concerning the foreign exchange activities of all persons and legal entities that are domiciled, or who plan to be domiciled, in Indonesia for at least one year.

Pursuant to Bank Indonesia Regulation No. 16/22/PBI/2014 regarding Reporting on Foreign Exchange Activities and Reporting on the Implementation of Prudential Principles in the Management of Non-Bank Corporation Offshore Borrowings, all Indonesian residents who engage in foreign exchange traffic activities, whether individuals or legal entities, must report to Bank Indonesia: (i) trade activities in goods, services and other transactions between residents and non-residents of Indonesia, (ii) the position and changes in the balance of foreign financial assets and/or foreign financial liabilities and (iii) offshore borrowing transactions. Bank Indonesia requires reports to be submitted monthly through an online system by the 15th day of the following month, at the latest. In the event a correction is required, the correction must be submitted through the online system no later than the 20th day of the reporting month. For offshore borrowings, the report shall be submitted at the beginning of each year, no later than March 15, and any amendment thereto by no later than July 1.

Purchasing of Foreign Currencies against Rupiah through Banks

Pursuant to Bank Indonesia Regulation No. 16/16/PBI/2014 dated September 17, 2014 concerning the Foreign Currency Exchange Transactions Against Rupiah between Banks and Domestic Parties as most recently amended by Bank Indonesia Regulation No. 17/15/PBI/2015 dated October 2, 2015 (“PBI 17/15/2015”), as implemented by the Circular Letter of Bank Indonesia No. 16/14/DPM as most recently amended with Circular Letter Bank Indonesia No. 17/49/DPM dated December 21, 2015, the conversion of Rupiah to foreign currencies or the purchase of foreign currency in an amount exceeding a specified threshold must be based on an underlying transaction, which is defined as an activity the basis for which foreign currencies are purchased. These thresholds are: (i) a purchase of foreign exchange against Rupiah of more than US\$25,000 or its equivalent per month per customer for spot transactions; (ii) the purchase of foreign exchange against Rupiah of more than US\$100,000 or its equivalent per month per customer for derivative transactions, and (iii) the sales of foreign currency against Rupiah of more than US\$5,000,000 or its equivalent per transaction per customer for forward transactions; and (iv) the sales of foreign currency against Rupiah of more than US\$1,000,000 or its equivalent per transaction per customer for option transactions.

The following transactions may be deemed underlying transactions under PBI 17/15/2015: (i) domestic and international trade of goods and services; and/or (ii) investments such as direct investment, portfolio investments, loans, capital and other investments inside and outside Indonesia. Underlying transactions do not include: (i) the placement of funds in banks in the form of, among others, saving accounts, demand deposit accounts, time deposits, and negotiable certificate deposits; (ii) money transfer activities by remittance companies; and (iii) granting of undisbursed credit facilities (i.e. in form of standby loan and undisbursed loan).

Indonesian companies purchasing foreign currencies in excess of the threshold stipulated under the PBI 17/15/2015 will be required to submit certain supporting documents to the selling bank, including among others, the relevant underlying transaction document and a duly stamped statement confirming that the underlying agreement is valid and that the foreign currency purchased will only be used for settlement of the payment obligations under the underlying agreement. For purchases of foreign currency not exceeding the threshold stipulated under the PBI 17/15/2015, such company must declare in a duly stamped letter or an authenticated letter stating that its aggregate foreign currency purchases do not exceed the threshold stipulated under the PBI 17/15/2015 in the Indonesian banking system.

On September 17, 2014, Bank Indonesia issued Bank Indonesia Regulation No. 16/17/PBI/2014 regarding Foreign Exchange Transactions Against Rupiah between Banks and Foreign Parties as amended by: (i) Bank Indonesia Regulation No. 17/7/PBI/2015 dated May 29, 2015, (ii) Bank Indonesia Regulation No. 17/14/PBI/2015 dated August 25, 2015, and (iii) Bank Indonesia Regulation No. 17/16/PBI/2015 (“PBI 17/16/2015”) dated October 2, 2015, as implemented by the Circular Letter of Bank Indonesia No. 16/15/DPM dated September 17, 2014 as amended by: (i) Circular Letter No. 17/16/DPM dated June 12, 2015, (ii) Circular Letter No. 17/21/DPM dated August 28, 2015, and (iii) Circular Letter No. 17/50/DPM dated December 21, 2015. While PBI 17/15/2015 and PBI 17/16/2015 collectively govern foreign exchange transactions against Rupiah in Indonesia, PBI 17/15/2015 governs Indonesian bank customers, whereas PBI 17/16/2015 governs foreign exchange transactions by banks and foreign parties.

Similar to PBI 17/15/2015, PBI 17/16/2015 also requires an underlying transaction for a foreign exchange transaction against Rupiah if it exceeds specified thresholds. These thresholds are: (i) a purchase of foreign exchange against Rupiah of more than US\$25,000 per month per customer for spot transactions; and (ii) the purchase of foreign exchange against Rupiah of more than US\$1 million per month per customer for derivative transactions. PBI 17/16/2015 has a single threshold amount for derivative transactions of US\$1 million per month per customer for any kind of derivative transaction, and (iii) specifically for forward transactions, of more than US\$5 million or its equivalent per transaction per foreign party or per outstanding sale or purchase per bank.

The following transactions may be deemed underlying transactions under PBI 17/16/2015: (i) domestic and international trade of goods and services; and/or (ii) investments in the forms of foreign direct investment, portfolio investments, loans, capital and other investments inside and outside Indonesia; including income and expense estimation. Underlying transactions do not include, among other things, (a) the use of Bank Indonesia Certificate for foreign currency derivative transactions against Rupiah and (b) placement of funds in banks (vostro) in the form of, among others, regular deposits, demand deposits, term deposits, and negotiable certificate deposits.

Currency Law and Obligation to Use Rupiah in Indonesian Territory

On June 28, 2011, the Government issued Law No. 7 of 2011 (the “Currency Law”) concerning the use of Rupiah, and on March 31, 2015, Bank Indonesia issued Regulation No. 17/3/PBI/2015 on the Obligation to Use Rupiah in the Territory of Indonesia (“PBI 17/3/2015”) which was implemented by a Bank Indonesia Circular Letter No. 17/11/DKSP dated June 1, 2015. Under PBI 17/3/2015, each party is required to use Rupiah for cash and non-cash transactions conducted within the territory of Indonesia, including for (i) each transaction with the purpose of payment, (ii) settlement of other obligations which must be satisfied with money or (iii) other financial transactions (including deposits of Rupiah in various amounts and types from customers to banks). Subject to further requirements under PBI 17/3/2015, the obligation to use Rupiah does not apply to (i) certain transactions relating to the implementation of state revenue and expenditure, (ii) the receipt or provision of grants either from or to an overseas source, (iii) international trade transactions, including (a) export or import of goods to or from outside Indonesia and (b) activities relating to cross border trade in services, (iv) bank deposits denominated in foreign currencies, (v) international financing transactions and (vi) transactions in a currency other than Rupiah conducted in accordance with applicable laws, including, among others (x) a bank’s business activities in a currency other than Rupiah conducted based on applicable laws regarding conventional and sharia banks, (y) securities in a currency other than

Rupiah issued by the Government in a primary or secondary market based on applicable laws and (z) other transactions in a currency other than Rupiah conducted based on applicable laws, including the law regarding Bank Indonesia, the law regarding investment and the law regarding Indonesian Export Financing Institution (*Lembaga Pembiayaan Ekspor Indonesia* or LPEI).

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

A failure to comply with the obligation to use Rupiah in cash transactions will result in criminal sanctions against the offender, in the form of fines and imprisonment. While a failure to comply with the obligation to use Rupiah in non-cash transactions will be subjected to administrative sanctions in the form of (i) written warnings, (ii) fines, or (iii) prohibition from undertaking payment activities. Bank Indonesia may also recommend to the relevant authority to revoke the business license or stop the business activities of the party which fails to comply with the obligation to use Rupiah in non-cash transactions.

CAPITALIZATION

The table below sets forth our cash and cash equivalents and capitalization as of June 30, 2016 and as adjusted to give effect to the Offering, after deduction of underwriting fees and commissions and other estimated expenses.

Prospective purchasers of the Offer Shares should read this table in conjunction with our Consolidated Financial Statements contained elsewhere in this Offering Circular and the sections in this Offering Circular entitled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” and “*Use of Proceeds*.”

	As of June 30, 2016	
	Actual	As adjusted for the Offering ⁽¹⁾
	(Rp. in billions)	
Cash on Hand and in Banks	44.9	1,189.6
Bank Loans — Net of Current Portion	64.0	64.0
Current Portion of Bank Loans	37.1	37.1
Total Interest Bearing Debt	101.1	101.1
Equity:		
Capital Stock	75.0	93.8
Additional Paid in Capital	25.4	1,151.4
Other comprehensive Income	(95.9)	(95.9)
Retained Earnings	49.1	49.1
Total Equity	53.6	1,198.4
Total Capitalization (excluding Cash on Hand and in Banks)	154.7	1,299.5

Notes:

- (1) As adjusted to reflect the issuance and sale of 187,500,000 newly issued ordinary shares by us at a price of Rp.6,500 per share, after deduction of fees and commissions and certain expenses incurred in connection with the issuance and sale, estimated to be approximately Rp.74.0 billion. Up to 2.0% such newly issued ordinary shares (3,750,000 shares) will be allocated to certain qualified employees of the Company in accordance with the ESA Program.

Except as disclosed in this Offering Circular, there have been no material adverse changes in our capitalization since June 30, 2016.

DILUTION

If you purchase our shares in the Offering, your interest will be diluted to the extent of the difference between the Offer Price per share and the pro forma net assets book value per share of our shares after the Offering. Net assets book value per share is calculated by dividing our net assets book value (total assets less total liabilities) by our number of outstanding common shares.

Our net asset book value as of June 30, 2016 was Rp. 53.6 billion, or Rp. 0.7 million per share, based on 75,000 common shares outstanding on that date. On July 28, 2016, we amended the nominal par value of our Shares from Rp.1 million per Share to Rp.100 per Share. On August 24, 2016, we increased our authorized share capital from Rp.75 billion to Rp.300 billion. As of August 24, 2016, we had 750 million issued and fully paid Shares, with a par value of Rp.100 per Share. After giving effect to an increase in our issued share capital to 750 million common shares and the sale of 187,500,000 Offer Shares by us at an Offer Price of Rp.6,500 per share, less the estimated underwriting fees and commissions and other offering-related expenses, resulting in estimated net proceeds to us from the Offering of Rp.1,144.8 billion (US\$86.9 million), our pro forma net asset book value as of June 30, 2016 would increase to Rp.1,278 per share. This represents an immediate increase in the net asset book value or Rp.1,207 per share to existing shareholders and an immediate dilution of Rp.5,222 per share to investors in the Offering.

The table below illustrates the per share dilution:

Offer Price per share	Rp.6,500
Net asset book value per share as of June 30, 2016 ⁽¹⁾	Rp.71.5
Pro forma net asset book value per share after the Offering	Rp.1,278
Increase in net asset book value per share after the Offering	Rp.1,207
Dilution per share to new investors	Rp.5,222
Dilution per share to new investors (as a percentage of the Offer Price)	80.3%

Note:

(1) Computed on the basis of 750,000,000 common shares outstanding

SELECTED FINANCIAL INFORMATION AND OPERATING DATA

Prospective purchasers should read the selected financial information presented below in conjunction with our Consolidated Financial Statements and the notes to the Consolidated Financial Statements included in this Offering Circular. Prospective purchasers should also read the section of this Offering Circular entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”

In May and June 2015, we undertook a series of transactions pursuant to which we spun-off all of our subsidiaries and their businesses to our parent company, Prodia Utama. As a result, we sold our interests in our only four subsidiaries, POHI, PROSTEM, PROLINE and INNODIA (the “Spun-off Subsidiaries”), to Prodia Utama. Our Consolidated Financial Statements reflect contributions of the Spun-Off Subsidiaries to our financial results for the years ended December 31, 2013, 2014 and 2015 (until the date of consummation of the Spin-Off Transaction), and for the six months ended June 30, 2015. We believe that the standalone financial results of the Company, which exclude the contributions of the Spun-Off Subsidiaries, reflect the operations of our core business. Therefore, we have included the Standalone Financial Information for the convenience of the reader.

We have prepared and presented our consolidated financial statements in accordance with Indonesian FAS, which differs in certain respects from IFRS. See “Summary of Certain Differences Between Indonesian FAS and IFRS.”

The Consolidated Financial Statements

The tables below present our summary financial information and operating data as of the dates or for each of the periods indicated. The summary statements of comprehensive income and cash flows and other financial data for the years ended December 31, 2013, 2014 and 2015, and for the six months ended June 30, 2015 and 2016, and the summary financial position data as of December 31, 2013, 2014 and 2015 and June 30, 2016, in the tables below have been derived from our historical Consolidated Financial Statements included elsewhere in this Offering Circular and are qualified in their entirety by reference to those Consolidated Financial Statements and the related notes thereto. The Consolidated Financial Statements as of and for the years ended December 31, 2013, 2014 and 2015 and as of and for the six months ended June 30, 2016 have been audited, and as of and for the six months ended June 30, 2015 have been reviewed, by RSM Indonesia, independent public accountants.

Consolidated Statement of Profit or Loss and Comprehensive Income

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp.	Rp.	Rp.	US\$	Rp.	Rp.	US\$
	(Rp. in billions and US\$ in millions)						
REVENUES — NET	998.0	1,101.0	1,197.7	90.9	591.2	648.6	49.2
COST OF REVENUES							
Direct Cost of Revenues	341.4	390.4	429.2	32.6	207.1	223.8	17.0
Indirect Cost of Revenues	54.6	73.6	82.0	6.2	41.1	45.1	3.4
Total Cost of Revenues.	<u>396.0</u>	<u>464.0</u>	<u>511.2</u>	<u>38.8</u>	<u>248.2</u>	<u>268.9</u>	<u>20.4</u>
GROSS PROFIT	<u>602.0</u>	<u>637.0</u>	<u>686.5</u>	<u>52.1</u>	<u>343.0</u>	<u>379.7</u>	<u>28.8</u>
Operating Expenses	(508.8)	(560.4)	(606.5)	(46.0)	(300.4)	(325.8)	(24.7)
Other Income.	4.5	15.0	35.4	2.7	12.3	6.9	0.5
Other Expenses	(3.8)	(0.8)	(18.5)	(1.4)	(2.2)	(1.7)	(0.1)
OPERATING INCOME	<u>93.9</u>	<u>90.8</u>	<u>96.9</u>	<u>7.4</u>	<u>52.7</u>	<u>59.1</u>	<u>4.5</u>
Portion of Subsidiaries Loss							
Before Disposal	—	—	(1.4)	(0.1)	(1.4)	—	—
Financial Cost — Net.	(6.3)	(14.5)	(18.5)	(1.4)	(9.6)	(3.6)	(0.3)
INCOME BEFORE TAX	<u>87.6</u>	<u>76.3</u>	<u>77.0</u>	<u>5.9</u>	<u>41.7</u>	<u>55.5</u>	<u>4.2</u>
INCOME TAX BENEFIT (EXPENSES)							
Current Tax.	(27.6)	(28.2)	(29.5)	(2.2)	(20.2)	(22.9)	(1.7)
Deferred Tax	(0.2)	7.2	11.5	0.8	10.6	6.5	0.5
Total Income Tax Expenses	<u>(27.8)</u>	<u>(21.0)</u>	<u>(18.0)</u>	<u>(1.4)</u>	<u>(9.6)</u>	<u>(16.4)</u>	<u>(1.2)</u>
INCOME FOR THE YEAR	<u>59.8</u>	<u>55.3</u>	<u>59.0</u>	<u>4.5</u>	<u>32.1</u>	<u>39.1</u>	<u>3.0</u>
OTHER COMPREHENSIVE INCOME							
Items that Will Not be Reclassified into Profit or Loss							
Remeasurement on							
Employee Benefits Program.	37.6	(13.9)	10.0	0.8	(12.0)	(49.1)	(3.7)
Income Tax on							
Remeasurement							
on Employee Benefits							
Program	(9.4)	3.4	(2.5)	(0.2)	3.0	12.3	0.9
Other Comprehensive Income							
After Tax	<u>28.2</u>	<u>(10.5)</u>	<u>7.5</u>	<u>0.6</u>	<u>(9.0)</u>	<u>(36.8)</u>	<u>(2.8)</u>
TOTAL COMPREHENSIVE INCOME							
FOR THE YEAR	<u>88.0</u>	<u>44.8</u>	<u>66.5</u>	<u>5.1</u>	<u>23.1</u>	<u>2.3</u>	<u>0.2</u>

Consolidated Statement of Financial Position

	As of December 31,				As of June 30,	
	2013	2014	2015		2016	
	Rp.	Rp.	Rp.	US\$	Rp.	US\$
	(Rp. in billions and US\$ in millions)					
ASSETS						
CURRENT ASSETS						
Cash on Hand and in Banks	34.6	45.1	45.0	3.4	44.9	3.4
Accounts Receivable — Third Parties	62.5	74.5	78.4	5.9	57.4	4.3
Other Current Financial Assets						
— Third Parties	9.7	9.2	6.8	0.5	9.4	0.7
Inventories	15.1	19.7	25.8	1.9	30.0	2.3
Advances	21.6	11.2	16.8	1.3	19.2	1.5
Prepaid Taxes	2.6	2.7	2.4	0.2	—	—
Prepaid Expenses	15.9	21.1	20.9	1.6	28.2	2.1
Other Current Non-Financial Assets					0.7	0.1
Total Current Assets	<u>162.0</u>	<u>183.5</u>	<u>196.1</u>	<u>14.8</u>	<u>189.8</u>	<u>14.4</u>
NON-CURRENT ASSETS						
Prepaid Expenses	22.9	25.0	35.7	2.7	99.7	7.6
Deferred Tax Asset	41.8	52.4	60.8	4.6	79.5	6.0
Due from Related Parties	1.7	2.7	83.7	6.4	0.4	—
Fixed Assets	272.6	362.9	196.3	14.9	214.6	16.3
Intangible Assets	8.9	7.1	3.5	0.3	2.9	0.2
Other Non-Current Non-Financial Assets	3.7	0.7	1.8	0.1	1.4	0.1
Total Non-Current Assets	<u>351.6</u>	<u>450.8</u>	<u>381.8</u>	<u>29.0</u>	<u>398.5</u>	<u>30.2</u>
TOTAL ASSETS	<u><u>513.6</u></u>	<u><u>634.3</u></u>	<u><u>577.9</u></u>	<u><u>43.8</u></u>	<u><u>588.3</u></u>	<u><u>44.6</u></u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-Term Bank Loans	4.8	5.7	1.0	0.1	3.6	0.3
Accounts Payable						
— Related Parties	0.5	0.2	0.7	0.1	0.4	—
— Third Parties	31.9	30.5	42.4	3.2	28.2	2.1
Taxes Payable	22.3	13.3	15.0	1.1	13.0	1.0
Accrued Expenses	44.2	43.9	34.7	2.6	23.2	1.8
Short-Term Employees' Benefits						
— Liabilities	0.2	0.5	1.5	0.1	2.3	0.2
Customers' Deposits	1.0	0.7	1.0	0.1	0.5	—
Other Current Financial Liabilities						
— Related Parties	4.1	0.6	0.5	—	18.4	1.4
— Third Parties	10.9	18.9	29.4	2.2	8.9	0.7
Long-Term Liabilities that Mature within One Year:						
— Bank Loans	14.8	28.0	13.5	1.0	37.1	2.8
— Financial Leases	1.6	3.6	5.3	0.4	6.5	0.5
Total Current Liabilities	<u>136.3</u>	<u>145.9</u>	<u>145.0</u>	<u>10.9</u>	<u>142.1</u>	<u>10.8</u>

As of December 31,				As of June 30,	
2013	2014	2015		2016	
Rp.	Rp.	Rp.	US\$	Rp.	US\$

(Rp. in billions and US\$ in millions)

NON-CURRENT LIABILITIES

Long-Term Liabilities that Has Been Deducted with Current Maturity:						
Bank Loans	111.5	122.7	50.4	3.8	64.0	4.8
Financial Leases	1.2	6.0	4.8	0.4	4.8	0.4
Other Non Current Financial Liabilities						
Related Parties	—	3.9	0.8	0.1	—	—
Third Parties	3.9	7.0	0.7	0.1	0.7	0.1
Long-Term Employees' Benefits Liabilities	172.3	214.6	249.9	18.9	323.1	24.5
Total Non Current Liabilities	288.9	354.2	306.6	23.3	392.6	29.8
TOTAL LIABILITIES	425.2	500.1	451.6	34.2	534.7	40.6

EQUITY

Equity Attributable to the Owners of the Parent:

Capital Stock - Par Value						
Rp 1,000,000 per Share						
Authorized - 75,000 Shares						
Issued and						
Fully Paid -75,000 Shares (2013:						
18,000 Shares) ⁽¹⁾	18.0	75.0	75.0	5.7	75.0	5.7
Additional Paid in Capital	—	—	25.4	1.9	25.4	1.9
Other Comprehensive Income	(56.2)	(66.6)	(59.1)	(4.5)	(95.9)	(7.3)
Retained Earnings	125.5	126.0	85.0	6.5	49.1	3.7
Equity Attributable to the Owners of the Parent:	87.3	134.4	126.3	9.6	53.6	4.1
Non-Controlling Interest	1.1	(0.2)	—	—	—	—
TOTAL EQUITY	88.4	134.2	126.3	9.6	53.6	4.1
TOTAL LIABILITIES AND EQUITY	513.6	634.3	577.9	43.8	588.3	44.6

Note:

- (1) On July 28, 2016, we amended the nominal par value of our Shares from Rp.1 million per Share to Rp.100 per Share. On August 24, 2016, we increased our authorized share capital from Rp.75 billion to Rp.300 billion. As of August 24, 2016, we had 750 million issued and fully paid Shares, with a par value of Rp.100 per Share.

Consolidated Statement of Cashflows

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp	Rp	Rp	US\$	Rp	Rp	US\$
	(Rp. in billions and US\$ in millions, except percentages)						
Total Consolidated Cash Flows							
Net Cash Provided by Operating Activities	82.7	105.6	158.2	12.0	165.5	55.0	4.2
Net Cash Provided by (Used in) Investing Activities	(58.9)	(122.6)	63.4	4.8	(137.6)	(39.0)	(3.0)
Net Cash Provided by (Used in) Financing Activities	(14.2)	27.5	(219.2)	(16.6)	(36.0)	(16.1)	(1.2)
NET INCREASE IN CASH ON HAND AND IN BANKS.	9.6	10.5	2.4	0.2	(8.1)	(0.1)	—
CASH ON HAND AND IN BANKS OF DISPOSAL OF SUBSIDIARIES.	—	—	(2.5)	(0.2)	(2.5)	—	—
CASH ON HAND AND IN BANKS AT THE END OF PERIOD	34.6	45.1	45.0	3.4	34.5	44.9	3.4

Consolidated Non-GAAP Financial Information

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp.	Rp.	Rp.	US\$	Rp.	Rp.	US\$
	(Rp. in billions and US\$ in millions, except percentages)						
NON-GAAP FINANCIAL DATA							
EBITDA ⁽¹⁾	128.1	142.0	175.2	13.3	99.9	100.4	7.6
EBITDA Margin ⁽²⁾	12.8%	12.9%	14.6%	14.6%	16.9%	15.5%	15.5%
Net Income Margin ⁽³⁾	6.0%	5.0%	4.9%	4.9%	5.4%	6.0%	6.0%

- (1) EBITDA refers to income before depreciation, provision of future employee benefits, allowance for impairment in value, corporate income taxes and other expenses and/or income (consisting primarily of gain/loss of fixed assets sale, income from insurance claim and interest on bank loans). EBITDA and the related ratios presented in this Offering Circular are supplemental measures of our performance that are not required by, or presented in accordance with, Indonesian FAS, U.S. GAAP or IFRS. EBITDA is not a measurement of financial performance or liquidity under Indonesian FAS, U.S. GAAP or IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with Indonesian FAS, U.S. GAAP or IFRS or as an alternative to cash flow from operating activities as a measure of liquidity. In addition, EBITDA is not a standardized term; hence, a direct comparison between companies using such a term may not be possible. Set forth below is a reconciliation of our profit for the period under Indonesian FAS to our definition of EBITDA for the periods indicated.

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp.	Rp.	Rp.	US\$	Rp.	Rp.	US\$
	(Rp. in billions and US\$ in millions)						
NON-GAAP FINANCIAL DATA							
Net Income for the period.	59.8	55.3	59.0	4.5	32.1	39.1	3.0
Add:							
Depreciation : Cost of Revenues	7.3	8.3	10.1	0.7	5.1	5.3	0.4
Depreciation and Amortization:							
General and Administrative							
Expenses.	26.2	30.7	36.3	2.8	15.0	16.4	1.2
Provision of Post Employment							
Benefits	1.1	26.2	48.1	3.6	37.1	24.1	1.8
Allowance for Impairment in							
Value	0.3	0.2	0.8	0.1	0.1	0.7	0.1
Portion of Subsidiaries Loss							
Before Disposal	—	—	1.4	0.1	1.4	—	—
Taxes	27.8	21.0	18.0	1.4	9.6	16.4	1.2
Interest expense (income)	6.4	14.5	18.5	1.4	9.6	3.7	0.3
Other expense (income)	(0.8)	(14.2)	(17.0)	(1.3)	(10.1)	(5.3)	(0.4)
EBITDA	128.1	142.0	175.2	13.3	99.9	100.4	7.6

(2) EBITDA margin refers to EBITDA divided by revenue.

(3) Net income margin refers to net income divided by revenue.

The Standalone Financial Information

The tables below present the summary financial information of the Company on a standalone basis. The summary statements of comprehensive income and cash flows and other financial data for the years ended December 31, 2013, 2014 and 2015, and for the six months ended June 30, 2015 and 2016, and the summary financial position data as of December 31, 2013, 2014 and 2015 and June 30, 2016, in the tables below have been derived from the Standalone Financial Information included in the notes to the Consolidated Financial Statements and are qualified in their entirety by reference to those notes to the Consolidated Financial Statements and the related notes thereto. The Standalone Financial Information as of and for the years ended December 31, 2013, 2014 and 2015 and as of and for the six months ended June 30, 2016 has been audited, and as of and for the six months ended June 30, 2015 has been reviewed, by RSM Indonesia, independent public accountants.

Standalone Statement of Profit or Loss and Comprehensive Income

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp.	Rp.	Rp.	US\$	Rp.	Rp.	US\$
	(Rp. in billions and US\$ in millions)						
REVENUES - NET	985.9	1,080.6	1,197.7	90.9	591.2	648.6	49.2
COST OF REVENUES							
Direct Cost of Revenues	336.6	381.6	429.2	32.6	207.1	223.8	17.0
Indirect Cost of Revenues	47.1	72.3	82.0	6.2	41.1	45.1	3.4
Total Cost of Revenues.	383.7	453.9	511.2	38.8	248.2	268.9	20.4
GROSS PROFIT	602.2	626.7	686.5	52.1	343.0	379.7	28.8
Operating Expenses	(500.6)	(539.3)	(606.5)	(46.0)	(300.4)	(325.8)	(24.7)
Other Income.	5.1	16.5	35.4	2.7	12.3	6.9	0.5
Other Expenses	(3.2)	(1.5)	(18.5)	(1.4)	(2.2)	(1.7)	(0.1)
OPERATING INCOME	103.5	102.4	96.9	7.4	52.7	59.1	4.5
Financial Cost — Net.	(6.1)	(14.0)	(18.5)	(1.4)	(9.6)	(3.6)	(0.3)
INCOME BEFORE TAX	97.4	88.4	78.4	6.0	43.1	55.0	4.2
INCOME TAX BENEFIT (EXPENSES)							
Current Tax	(27.6)	(28.2)	(29.5)	(2.2)	(20.2)	(22.9)	(1.7)
Deferred Tax	(0.2)	6.5	11.5	0.8	10.6	6.5	0.5
Total Income Tax Expenses	(27.8)	(21.7)	(18.0)	(1.4)	(9.6)	(16.4)	(1.2)
INCOME FOR THE YEAR	69.6	66.7	60.4	4.6	33.5	39.1	3.0
OTHER COMPREHENSIVE INCOME							
Items that Will Not be Reclassified into Profit or Loss							
Remeasurement on							
Employee Benefits Program	37.6	(13.8)	10.0	0.8	(12.0)	(49.1)	(3.7)
Income Tax on Remeasurement on Employee Benefits Program	(9.4)	3.5	(2.5)	(0.2)	3.0	12.3	0.9
Other Comprehensive Income After Tax	28.2	(10.3)	7.5	0.6	(9.0)	(36.8)	(2.8)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	97.8	56.4	67.9	5.2	24.5	2.3	0.2

Standalone Statement of Financial Position

	As of December 31,				As of June 30,	
	2013	2014	2015		2016	
	Rp.	Rp.	Rp.	US\$	Rp.	US\$
	(Rp. in billions and US\$ in millions)					
ASSETS						
CURRENT ASSETS						
Cash on Hand and in Banks	33.0	42.6	45.0	3.4	44.9	3.4
Accounts Receivable						
Related Parties	15.7	—	—	—	—	—
Third Parties	57.4	69.1	78.4	5.9	57.4	4.3
Other Current Financial Assets	9.7	9.7	6.8	0.5	9.4	0.7
Inventories	12.6	15.4	25.8	1.9	30.0	2.3
Advances	21.1	10.4	16.8	1.3	19.2	1.5
Prepaid Taxes	2.4	2.4	2.4	0.2	—	—
Prepaid Expenses	15.9	20.5	20.9	1.6	28.2	2.1
Other Current Non-Financial Assets	—	—	—	—	0.7	0.1
Total Current Assets	<u>167.8</u>	<u>170.1</u>	<u>196.1</u>	<u>14.8</u>	<u>189.8</u>	<u>14.4</u>
NON-CURRENT ASSETS						
Prepaid Expenses	22.6	24.5	35.7	2.7	99.7	7.6
Deferred Tax Asset	41.8	51.7	60.8	4.6	79.5	6.0
Due from Related Parties	13.0	22.6	83.7	6.4	0.4	—
Investment in Shares of Subsidiaries	29.8	32.2	—	—	—	—
Fixed Assets	240.8	332.1	196.3	14.9	214.6	16.3
Intangible Assets	5.7	3.5	3.5	0.3	2.9	0.2
Other Non-Current Non-Financial Assets	3.1	0.2	1.8	0.1	1.4	0.1
Total Non-Current Assets	<u>356.8</u>	<u>466.8</u>	<u>381.8</u>	<u>29.0</u>	<u>398.5</u>	<u>30.2</u>
TOTAL ASSETS	<u><u>524.6</u></u>	<u><u>636.9</u></u>	<u><u>577.9</u></u>	<u><u>43.8</u></u>	<u><u>588.3</u></u>	<u><u>44.6</u></u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-Term Bank Loans	3.3	3.3	1.0	0.1	3.6	0.3
Accounts Payable						
Related Parties	0.6	0.1	0.7	0.1	0.4	—
Third Parties	31.4	28.8	42.4	3.2	28.2	2.1
Taxes Payable	22.1	13.1	15.0	1.1	13.0	1.0
Accrued Expenses	42.6	38.5	34.7	2.6	23.2	1.8
Short-Term Employees' Benefits						
Liabilities	—	0.5	1.5	0.1	2.3	0.2
Customers' Deposits	0.8	0.7	1.0	0.1	0.5	—
Other Current Financial Liabilities						
Related Parties	0.3	0.1	0.5	—	18.4	1.4
Third Parties	15.4	17.8	29.4	2.2	8.9	0.7
Long-Term Liabilities that Mature within One Year:						
Bank Loans	14.6	27.9	13.5	1.0	37.1	2.8
Financial Leases	1.6	3.6	5.3	0.4	6.5	0.5
Total Current Liabilities	<u>132.7</u>	<u>134.4</u>	<u>145.0</u>	<u>10.9</u>	<u>142.1</u>	<u>10.8</u>

	As of December 31,				As of June 30,	
	2013	2014	2015		2016	
	Rp.	Rp.	Rp.	US\$	Rp.	US\$
	(Rp. in billions and US\$ in millions)					
NON-CURRENT LIABILITIES						
Long-Term Liabilities that Has Been						
Deducted with Current Maturity:						
Bank Loans	111.5	121.7	50.4	3.8	64.0	4.8
Financial Leases	1.1	6.0	4.8	0.4	4.8	0.4
Other Non-Current Financial Liabilities						
Related Parties	0.8	0.8	0.8	0.1	—	—
Third Parties	3.2	3.9	0.7	0.1	0.7	0.1
Long-Term Employees' Benefits						
Liabilities	172.3	211.7	249.9	18.9	323.1	24.5
Total Non-Current Liabilities	288.9	344.1	306.6	23.3	392.6	29.8
TOTAL LIABILITIES	421.6	478.5	451.6	34.2	534.7	40.6
EQUITY						
Capital Stock - Par Value						
Rp 1,000,000 per Share						
Authorized - 75,000 Shares						
Issued and Fully Paid -75,000 Shares						
(2013: 18,000 Shares) ⁽¹⁾	18.0	75.0	75.0	5.7	75.0	5.7
Additional Paid in Capital	25.4	1.9	25.4	1.9		
Other Comprehensive Income	(56.2)	(66.6)	(59.1)	(4.5)	(95.9)	(7.3)
Retained Earnings	141.2	150.0	85.0	6.5	49.1	3.7
TOTAL EQUITY	103.0	158.4	126.3	9.6	53.6	4.1
TOTAL LIABILITIES AND EQUITY	524.6	636.9	577.9	43.8	588.3	44.6

Note:

(1) On July 28, 2016, we amended the nominal par value of our Shares from Rp.1 million per Share to Rp.100 per Share. On August 24, 2016, we increased our authorized share capital from Rp.75 billion to Rp.300 billion. As of August 24, 2016, we had 750 million issued and fully paid Shares, with a par value of Rp.100 per Share.

Standalone Statement of Cashflows

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp	Rp	Rp	US\$	Rp	Rp	US\$
	(Rp. in billions and US\$ in millions, except percentages)						
Total Statement Cash Flows							
Net Cash Provided by Operating Activities	83.6	30.9	158.2	12.0	165.5	55.0	4.2
Net Cash Provided by (Used in) Investing							
Activities	(58.6)	(42.1)	63.4	4.8	(137.6)	(39.0)	(3.0)
Net Cash Provided by (Used in) Financing							
Activities	(14.2)	20.8	(219.2)	(16.6)	(36.0)	(16.1)	(1.2)
NET INCREASE (DECREASE) IN CASH							
AND CASH EQUIVALENTS	10.8	9.5	2.4	0.2	(8.1)	(0.1)	0.0
CASH ON HAND AND IN BANKS AT							
THE END OF PERIOD	33.0	42.5	45.0	3.4	34.5	44.9	3.4

Standalone Non-GAAP Financial Information

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp.	Rp.	Rp.	US\$	Rp.	Rp.	US\$

(Rp. in billions and US\$ in millions, except percentages)

NON-GAAP FINANCIAL DATA

EBITDA ⁽¹⁾	131.8	148.1	175.2	13.3	99.9	100.4	7.6
EBITDA Margin ⁽²⁾	13.4%	13.7%	14.6%	14.6%	16.9%	15.5%	15.5%
Net Income Margin ⁽³⁾	7.1%	6.2%	5.0%	5.0%	5.7%	6.0%	6.0%

- (1) EBITDA refers to income before depreciation, provision of future employee benefits, allowance for impairment in value, corporate income taxes and other expenses and/or income (consisting primarily of gain/loss of fixed assets sale, income from insurance claim and interest on bank loans). EBITDA and the related ratios presented in this Offering Circular are supplemental measures of our performance that are not required by, or presented in accordance with, Indonesian FAS, U.S. GAAP or IFRS. EBITDA is not a measurement of financial performance or liquidity under Indonesian FAS, U.S. GAAP or IFRS and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with Indonesian FAS, U.S. GAAP or IFRS or as an alternative to cash flow from operating activities as a measure of liquidity. In addition, EBITDA is not a standardized term; hence, a direct comparison between companies using such a term may not be possible. Set forth below is a reconciliation of our profit for the period under Indonesian FAS to our definition of EBITDA for the periods indicated.

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp.	Rp.	Rp.	US\$	Rp.	Rp.	US\$

(Rp. in billions and US\$ in millions)

NON-GAAP FINANCIAL DATA

Net Income for the period	69.6	66.7	60.4	4.6	33.6	39.1	3.0
Add:							
Depreciation : Cost of Revenues	6.4	7.6	10.1	0.7	5.1	5.3	0.4
Depreciation and Amortization:							
General and Administrative Expenses	22.4	26.6	36.3	2.8	15.0	16.4	1.2
Provision of Post Employment Benefits	1.1	26.2	48.1	3.6	37.1	24.1	1.8
Allowance for Impairment in Value	0.3	0.2	0.8	0.1	0.1	0.7	0.1
Taxes	27.8	21.7	18.0	1.4	9.6	16.4	1.2
Interest expense (income)	6.1	14.0	18.5	1.4	9.6	3.7	0.3
Other expense (income)	(1.9)	(14.9)	(17.0)	(1.3)	(10.1)	(5.3)	(0.4)
EBITDA	131.8	148.1	175.2	13.3	99.9	100.4	7.6

- (2) EBITDA margin refers to EBITDA divided by revenue.
- (3) Net income margin refers to net income divided by revenue.

Key Performance Indicators

OPERATING DATA	Year ended December 31,			Six-month period ended	
	2013	2014	2015	2015	2016
Number of tests ⁽¹⁾ (<i>millions</i>)	13.7	13.7	14.0	6.8	7.0
Number of samples ⁽¹⁾ (<i>millions</i>) . .	5.4	5.6	5.7	2.0	2.0
Number of visits ('000)	2,236.3	2,305.2	2,382.5	1,183.2	1,191.6
Tests per customer visit ⁽²⁾	6.1	6.0	5.9	5.7	5.9
Revenue per visit (<i>in Rp.</i>)	440,843.2	468,791.7	502,713.8	499,630.9	544,340.1
Revenue per test (<i>in Rp.</i>)	72,056.4	78,711.7	85,717.9	87,288.0	93,244.2

Notes:

- (1) Includes samples and tests, as the case may be, for individual customers as well as samples and tests in respect of customers referred to us by other clinical laboratories, hospitals or other healthcare service providers.
- (2) "Customer visits" refers to visits to one of our outlets by a walk-in customer, doctor-referral customer or a covered person of a corporate customer or a sample referred to one of our clinical laboratories by a referral customer.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis in conjunction with “Selected Financial Information and Operating Data” and our Consolidated Financial Statements and related notes as of and for the years ended December 31, 2014, 2014 and 2015 and as of and for the six months ended June 30, 2015 and 2016 included elsewhere in this Offering Circular. The following discussion contains forward-looking statements that reflect our current views with respect to future events and financial performance. These statements are subject to certain risks, uncertainties and assumptions, such as those set forth under “Forward-Looking Statements,” “Risk Factors” and described elsewhere in this Offering Circular, that could cause our actual results to differ materially from those anticipated in these forward-looking statements. These financial statements have been prepared in accordance with Indonesian FAS. See “Risk Factors—Risks Relating to Indonesia—Indonesian accounting standards differ from those in other jurisdictions.”

Overview

We are an industry pioneer and the leading private independent clinical laboratory chain in Indonesia, with a market share of approximately 35% by revenue in 2015 and the largest number of clinical laboratories in Indonesia, according to Frost & Sullivan. We started our operation in 1973 when our founders opened their first clinical laboratory in Solo. Our operation continued to expand to a nationwide network of 251 outlets, including 128 clinical laboratories. Our PNRL is the only laboratory in Indonesia accredited by CAP, which we believe is the highest global accreditation for clinical laboratories. We offer customers and healthcare providers approximately 500 types of clinical laboratory tests and services for use in prevention, diagnosis, monitoring and treatment of diseases and other health conditions. In addition, we have access to approximately 3,000 additional tests through partnerships with NUH Laboratories and Quest. As a leader in clinical laboratory research, we have researched and introduced numerous types of clinical tests into Indonesia. The customer groups that we serve include walk-in customers, customers with doctor referrals, referrals from hospitals and clinics as well as corporate customers. In 2015 and the six-month period ended June 30, 2016, we collected and processed approximately 14.0 million tests and 7.0 million tests and approximately 2.4 million customer visits and 1.2 million customer visits, respectively.

Our management team has extensive experience in the healthcare industry, and under their leadership, we have grown over the last several years. The number of total customer visits in our network increased at a CAGR of 3.2% from 2.2 million in 2013 to 2.4 million in 2015. During the same period, our revenues increased at a CAGR of 9.6% from Rp. 998.0 billion in 2013 to Rp. 1,197.7 billion in 2015 and our adjusted EBITDA increased at a CAGR of 17.0% from Rp. 128.1 billion in 2013 to Rp. 175.2 billion in 2015.

Major Factors Affecting Our Results of Operations and Financial Condition

Number of Customer Visits

The number of customer visits in our network of outlets and the number of clinical laboratory tests that we perform are among the primary factors affecting our revenues. The number of total customer visits in our network increased at a CAGR of 3.2% from 2.2 million in 2013 to 2.4 million in 2015, and the number of tests we performed increased at a CAGR of 1.1% from 13.7 million in 2013 to 14.0 million in 2015. During the same period, our revenues increased at a CAGR of 9.6% from Rp. 998.0 billion in 2013 to Rp. 1,197.7 billion in 2015. We believe that this increase in number of customer visits is due to a greater utilization of our existing outlets as well as the growth of our network across various regions. The number of our clinical laboratories increased from 122 as of December 31, 2013 to 128 as of June 30, 2016, as we expanded into new geographic markets and opened additional clinical laboratories in urban areas to meet growing demand.

We experienced an overall increase in individual customer visits at our outlets between 2013 and 2015 across all our customer segments, with the exception of doctor referrals, where the number of visits was steady between 2013 and 2015. We believe that this is the consequence of the implementation of JKN, the national insurance program, in the beginning of 2014, which resulted in greater utilization of public healthcare services, and hence in lower demand for private clinics and associated clinical lab testing referrals. While growth in the Jakarta (Region III) remained resilient, a decline in total doctor referral visits occurred in some other regions, such as the West, Central and East Java (Regions IV, V and VI).

In addition, the growth in the number of customer walk-in-visits slowed across several regions, resulting in a CAGR of 1.0% between 2013 and 2015, as the result of both JKN implementation and the national elections in 2014, which increased economic and political uncertainty. We believe that the growth of these two customer segments is an important driver of our long-term growth, and these two segments will continue to grow because of the expanding Indonesian middle class, the increasing prevalence of non-communicable diseases such as heart disease, cancer and diabetes, and greater awareness generally among Indonesians of the importance of preventive healthcare services. We believe that continued growth across our walk-in customer and doctor referral customer segments depends on our ability to maintain our “Prodia” brand, which could be impacted by several factors, including our ability to maintain or improve the quality and efficiency of our clinical laboratory services, the strength of our relationships with doctors and other healthcare providers that provide us with referrals and our ability to introduce new tests and services.

We recorded stronger growth in the number of visits in the external referral and corporate clients segments between 2013 and 2015, with CAGRs of 6.2% and 12.9%, respectively. In the external referral segment, we entered into a partnership with BPJS Kesehatan for cervical cancer screenings in 2015, which resulted in increased number of external referral customers. In the corporate customer segment, we achieved strong growth as the result of our effective marketing efforts, such as the development of software interoperability between our results reporting systems and our customers’ human resources records, and value added services such as post-medical check-up seminars based on the results from corporate health checks. In addition, occupational health collaborations with our affiliate, POHI, have increased our corporate customer volumes. As the result of the faster increase in external referral and corporate customers, compared to walk-in and doctor referral customers, the total number of tests performed increased at a slower rate than the number of visits. Specifically, our corporate customers reduced the number of tests provided for annual employee check-up as a result of their internal budgetary pressures. In addition, BPJS Kesehatan paid for only a single test per customer under its cervical cancer screening program. As the result of this, the average number of tests per customer visits decreased from 6.0 in 2013 to 5.9 in 2015. We believe that the potential implementation of the Coordination of Benefits Scheme, which would allow private insurance companies to supplement JKN using a top-up scheme, will create further opportunities for the private healthcare services sector, and result in additional referrals of samples to independent clinical laboratories, like the Company, for testing.

While we expect the number of customer visits to grow with the expansion of our network and the healthcare market in Indonesia, generally, greater competition could adversely impact the rate of growth of our customers served and clinical laboratory tests performed. The demand for our services is also dependent on demand for private healthcare services, such as at private hospitals and clinics, which are important sources of referrals for us. In addition, the expansion of our network of outlets is subject to constraints such as the availability of sufficiently qualified personnel, our ability to obtain licenses and approvals, as well as the availability of healthcare infrastructure in certain regions.

Revenue per Visit

The revenue generated per each customer visit depends on the prices we charge for our tests and services, the number of tests per visit as well as the mix of tests conducted. The revenue per visit

increased at a CAGR of 6.8% from Rp. 440,483.2 in 2013 to Rp. 502,713.8 in 2015. During the same period, we generally were able to increase our price levels at least in line with inflation, while the overall number of tests conducted per visit decreased and had the opposite effect on our revenue per visit.

We evaluate the prices we charge for our tests and services on an annual basis. We introduce new pricing schedules in January of each year. We consider a number of factors when establishing prices for our tests and services, including the demand for our tests, the costs of the raw materials used in the tests and the effects of foreign exchange rates and inflation on our cost of raw materials. We apply our price changes across all outlets and across all tests. However, our price schedules do vary based on local factors, such as relative costs of living for the areas around our outlets. In addition, we do undertake periodic sales promotions, when we offer our services at a discounted rate. In particular, we offer discounts each May and November to celebrate the Company's "birthday" and National Health Day, respectively.

We increased our prices for 2013, 2014, 2015 and the first half of 2016 by a volume weighted average of approximately 8.1%, 7.0%, 8.3% and 8.7%, respectively. According to World Bank, the rate of inflation in Indonesia was 8.4%, 8.4% and 3.4% in 2013, 2014 and 2015, respectively. Bank Indonesia has announced that the target rate of inflation for 2016 is 3.0% to 5.0%.

The Expansion of Our Network of Clinical Laboratories and Other Outlets

Our results of operations and financial condition have been, and will continue to be, affected by investments in and the timing of the expansion of our network of outlets. Since 2013 and on a net basis, we have opened seven new clinical laboratories, including three opened in the Greater Jakarta, Palembang and Lampung region, in order to capture growth opportunities in those regions. Our expansion strategy during this period was the cautious and deliberate focus on new outlets that reached the breakeven point quickly, because of the uncertain effects of the implementation of JKN. We calibrate our expansion plans based on expected demand in different regions of the country. We plan to accelerate the expansion of our network in order to take advantage of our expectation that the market for our services will continue to grow. We plan to open a total of four regional reference laboratories, 33 additional clinical laboratories, 13 additional specialty clinics and upgrade 39 clinical laboratories into PHC Clinic locations. We intend to open outlets in new geographic locations as well as in areas where we already have network infrastructure, such as in Java. We have opened our first regional reference laboratory in Surabaya in July 2016 and are working to open regional reference laboratories in Medan and Makassar. We expect to open the reference laboratory in Makassar in the last quarter of 2016. We have identified sites on the Island of Java (Regions III to VI) for new clinical laboratories.

The process for opening a new outlet begins with market studies to identify suitable locations, and takes into account, among other factors (i) the demographics of the location, including the financial profile of the population; (ii) the number of, and concentration of, doctors and other healthcare providers in the region, particularly local faculties of medicine; (iii) the competitive landscape; and (iv) the local regulatory environment. The amount of time it takes to open a new outlet depends upon a number of factors, including the availability of suitable locations, the time it takes to receive the required regulatory approvals, and fitting work required. Significant capital investments are necessary to construct clinical laboratories, particularly regional reference laboratories. It has typically taken us six to eight months to open a new clinical laboratory and six to 12 months for such laboratory to reach positive EBIT. However, any variation in our expansion plan can affect our results of operations. For example, any delays in receiving the necessary regulatory approvals would cause us to incur expenses, such as rent and employee-related expenses, while postponing the receipt of any revenues, thereby adversely affecting our financial results. See *"Risk Factors—Risks Relating to Our Business and Industry— We may be unable to successfully implement or manage our expansion strategy."*

The Introduction of New Tests and Services

As the pioneer and market leading clinical laboratory in Indonesia, we have been the first to introduce many clinical laboratory tests in Indonesia. In the last five years, we introduced 37 innovative clinical laboratory tests in Indonesia. We believe that our ability to introduce new tests and services has an impact on our revenues. We believe that the introduction of new esoteric is also a driver for the purchase of routine tests, as esoteric tests are not performed in isolation but as part of panels of other routine and esoteric tests. In some cases, when the market for esoteric tests has not fully developed, such esoteric tests may operate as a loss-leader for the purchase of additional routine tests that compensate for low-margins or a loss on an individual esoteric test. In addition, new tests, which are introduced as esoteric tests, typically command higher prices than routine tests. Our esoteric tests accounted for approximately 2.5% to 3.2% of the total number of tests we performed between 2013 and 2015, but contributed to a higher portion of our total revenues. We believe that by opening the regional reference laboratories, we will be able to increase our revenues from such new and esoteric tests in the future. We also believe that offering specialty services is important to attracting customers. In 2016, we opened the first of our 13 planned specialty clinics, Prodia Children's Health Center in Jakarta. Our specialty clinics will focus on, and expand our offerings in, areas such as paediatrics, women's health and gerontology. We have also opened our first PHC Clinic, are currently in the process of opening two additional PHC Clinics and intend to upgrade 39 additional clinical laboratories into PHC Clinics. At PHC Clinics, we offer additional non-clinical laboratory services, such as radiology, imaging, electrocardiogram and treadmill tests and consultations with sports medicine and nutritional specialists. We are also working to be the first laboratory in Indonesia to provide a full suite of precision medicine laboratory services, which include genomic, proteomic and metabolomics analysis. We believe that our ability to develop the foregoing will be important to our future growth prospects.

Costs of Raw Materials and Other Expenses

Costs of raw materials, which include the reagents, chemicals and other consumables used in our clinical testing services, have historically been our largest expense, representing 17.2%, 16.1%, 15.8% and 14.8% of our total revenues, net, for 2013, 2014 and 2015 and the six-month periods ended June 30, 2016, respectively. We seek to continue to reduce our costs as a percentage of our revenues given the economies of scale that we have as the largest clinical laboratory network in Indonesia. We have a centralized procurement system, and because we purchase significant volumes of test kits, reagents and other supplies, we are able to negotiate favourable rates for our raw materials. Because of our size, we also benefit from operational efficiencies. For example, because we test large batches of samples at a time, we are able to reduce the amount of reagent and chemicals we use on a per sample basis.

We have experienced cost pressures in relation to our employee costs, such as employee benefits and salaries. In 2014 and 2015, the Indonesian government implemented JKN, the universal insurance program, which comprises BPJS Kesehatan, the universal health insurance scheme, and BPJS Ketenagakerjaan, the universal pension scheme. For the year ended December 31, 2015, the implementation of BPJS Kesehatan required us to provide health benefits to our employees, their spouses and up to three children, in amounts up to Rp. 59,000 per person, which increased our employee benefits costs. Also for the year ended December 31, 2015, the implementation of BPJS Ketenagakerjaan increased our short-term benefits expenses. In addition, in 2014, we increased the wages of many of our lower salaried employees because the city of Jakarta implemented a minimum wage increase, and we increased our salary levels correspondingly to maintain our salary levels at a premium to the minimum wage.

Our costs of raw materials and other expenses are also directly and indirectly affected by macroeconomic conditions in Indonesia. Most of our agreements for chemicals and reagents are medium- to long-term agreements where the negotiated prices are periodically adjusted based on the rate of inflation in Indonesia. In addition, we regularly make cost-of-living adjustments to the salaries we pay our employees. According to the World Bank, the rate of inflation in Indonesia was 8.4%, 8.4% and 3.4% in 2013, 2014 and 2015, respectively. In addition, our costs of raw materials and other

supplies are indirectly affected by foreign exchange rates. While we pay our vendors in Rupiah, many of our vendors source their reagents, chemicals and other supplies from overseas. As a result, foreign exchange rates have an indirect effect on the prices charged to us. For example, most of our reagents are purchased from vendors who source their produces from overseas. While under the terms of our agreements with our vendors, we pay for the materials in Rupiah, the vendor's own costs are affected by exchange rates and such costs are passed on to us.

Employee Benefits Obligations and Remeasurement of Employee Benefits Programs

Our employee benefits obligations have caused, and will continue to cause, variability in our financial results, in particular our total comprehensive income. Under Labor Law No. 13/2003 ("Law 13/2003"), we are obligated to provide defined benefit pensions to all full-time employees who have retired at age 55, or, in the case of early retirement for employees with over 20 years of service, at age 45 or older.

We calculate the present value of our defined employee benefits liabilities based on assumptions including expected retirement age, annual salary increases, gold price, mortality, disability and resignation rates and a discount rate. We calculate the present value of our defined employee benefits assets based on discount rate, returns on our plan assets (such as dividends on stocks in the asset portfolios) and changes to our assets as a result of the asset ceiling. Return on plan assets comprises gains such as dividends in the stocks in our asset portfolio.

The net movement on the long term employee benefits liabilities can be attributable to the below

	Year ended December 31,			Six-month period ended	
	2013	2014	2015	June 30 2015	2016
	(Rp. in billion)				
Long-term employees' benefits liabilities - beginning	208.8	172.3	214.6	214.6	249.9
Contributions to plan made by the Company	(20.0)	(5.0)	(5.0)	0.0	0.0
Benefits paid - excluding excess benefits paid.	(10.9)	(8.3)	(9.5)	(5.3)	(7.2)
Current Service Cost	26.9	23.9	25.9	12.0	13.9
Interest Expense (net of gain) . . .	10.6	14.6	18.6	10.3	11.4
Recalculation of benefit liability due to change in discount rate, salary increase and resignation rates	(45.8)	14.6	(12.2)	14.0	55.3
Estimated (Gains) Losses on Assets.	2.8	0.2	1.1	0.5	(0.3)
Excess employee benefit paid by asset manager	—	—	19.1	18.9	0.3
Long-term employees' benefits liabilities - ending	172.3	214.6	249.9	260.9	323.1

In accordance with PSAK 24, the actuarial gains and losses of our employee benefits assets, which is the difference between the fair value of our benefit plan assets at the beginning of the period and the end of the period due to changes in assumptions or "experience adjustments" (which are difference

between the actuarial assumptions underlying the scheme and the actual experience during the period), are recognized as remeasurement of the employee benefits program. Other comprehensive income after tax comprises remeasurement of employee benefits programs and the income tax on remeasurement of employee benefits programs.

For the years ended December 31, 2013 and 2015, we recognized gains from remeasurement of employee benefit programs of Rp. 37.6 billion and Rp. 10.0 billion, respectively, primarily due to actuarial gains on our benefit plan assets related to a change in the discount rate assumption used to calculate the fair value of our employee benefit assets. When the discount rate assumption increases, the fair value of our benefit plan assets increases and we recognize an actuarial gain. When the discount rate assumption decreases, the fair value of our benefit plan assets decreases and we recognize an actuarial loss. For the year ended December 31, 2013, our discount rate assumption increased to 8.8%, from the assumed discount rate of 5.6% for 2012. For the year ended December 31, 2015, our discount rate assumption increased to 9.2% from the assumed discount rate of 8.5% for 2014. The discount rate assumption is determined by our independent actuary and is based on macroeconomic factors such as the interest rate in Indonesia. On the other hand, we recognized a loss from remeasurement of employee benefits of Rp. 13.9 billion for the year ended December 31, 2014, primarily due to experience adjustments to our benefit plan assets, as the actual financial performance of our benefit plan assets was below the performance estimated through the use of our assumed discount rate. The decrease in the assumed discount rate to 8.5% for the year ended December 31, 2014 from 8.8% for the year ended December 31, 2013 also contributed to the loss.

In the last three years, actuarial gains (or losses) have been a significant factor contributing to our other comprehensive income and the variability of our total comprehensive income. For the years ended December 2013 and 2015, our other comprehensive income accounted for Rp. 28.2 billion and Rp. 7.5 billion, respectively, which represented 11.3% and 32.0%, respectively, of our total comprehensive income for the year. For the year ended December 31, 2014, our other comprehensive income was a loss of Rp. 10.5 billion, which, in absolute terms, represented 23.4% of our total comprehensive income for the year.

We expect that our employee benefits liabilities, as well as any income or loss recognized as other comprehensive income, will continue to have a significant impact on our results of operations. In 2012, we instituted a defined benefit asset program managed by a professional asset management company to help pay these liabilities. We intend to increase our payments into this program to help control the fluctuation of our employee benefit liabilities. While we did not recognize any payments into the benefit asset program in the first half of 2016, as of the date of this Offering Circular, we have made additional investments in our benefit asset program, which will be recognized as “severance insurance premium” on our statement of profit and loss for the second half of 2016.

Seasonality

Our revenues and results of operations fluctuate significantly due to seasonal and other factors. However, quarter-to-quarter variations have historically been offsetting. For example, the Indonesian national holiday of Lebaran, which celebrates the end of Ramadan, has historically been associated with a reduction in customer volumes. Certain other months have been historically busy. We offer discounts each May and November to celebrate the Company’s “birthday” and National Health Day, respectively, which have typically increased our customer volumes and revenues during these months. In addition, the employee health checks we provide for our corporate customers typically occur in the first quarter of the financial year, resulting in higher revenue from corporate customers during this period. However, recent years have not experienced the usual pattern. We believe that as the result of economic and political uncertainty from the presidential elections in 2014 and due to corporate budgeting issues in 2016, some of our corporate clients have delayed check-ups to the first half of the year, instead of the second half of the year. Our results also are impacted by “change of weather” seasonality, such as in the monsoon season, during which there is greater prevalence of malaria and dengue, as well as gastrointestinal and respiratory diseases, resulting in increased clinical laboratory testing volumes.

In addition, we experience seasonal fluctuations relating to our expenses. For example, in Indonesia, employers pay annual religious holiday allowances, typically amounting to one month's salary, to employees before the religious holiday of their choice (i.e. Lebaran or Christmas). The dates for Lebaran are determined according to the lunar calendar. In 2015, we paid the Lebaran allowance in July for our employees and our outsourced contract workers. In 2016, due to the timing of Lebaran, we paid this allowance in June in respect of our own employees and in July in respect of our outsourced contract workers. The timing of the recognition of such payments on our income statement will affect our results for the relevant period. Our employee turnover, employee benefits payments and severance expenses also increase immediately following the payment of a religious holiday allowance, as retiring and resigning employees typically resign after the receipt of the allowances. For example, we experienced a number of retirements in July 2016, with the result that such expenses were above the monthly average for the year in July 2016. On the other hand, certain of our expenses are less impacted by seasonal factors, as a significant portion of our costs and expenses — such as salaries and rent — are fixed, unlike our costs of raw materials. We expect such seasonal patterns in our results of operations to continue in the foreseeable future.

The Spin-off Transaction and Sale and Lease Transactions

In preparation for this Offering, we undertook a number of transactions to focus on our core clinical laboratory services business. In particular, in 2015, we undertook a series of transactions to sell off our interest in the Spun-off Subsidiaries to our parent Prodia Utama. While subsidiaries of the Company, the Spun-off Subsidiaries were at an early stage of development and as a result were generally not yet profitable. Excluding the results of the Spun-off Subsidiaries, our operating income and income for the periods prior to their disposal would have been higher and our expenses would have been lower. In addition, our total assets would have been lower. The total consideration paid to us by Prodia Utama was Rp. 32.2 billion. Since the transaction was conducted among entities under common control, we incurred no additional tax liability for this transaction. In addition, because this transaction was between entities under common control, we recorded a Rp. 25.4 billion increase in the additional paid in capital of the Company, which represents the difference between our share on net asset value of the spun-off subsidiaries of Rp. 6.8 billion and the disposal price of Rp. 32.2 billion.

Our financial statements as of and for the year ended December 31, 2015 reflect the inclusion of the financial results of the Spun-off Subsidiaries for the period up to the date on which the dispositions took effect as “portion of subsidiary loss before disposal”. However, the financial results of the Spun-off Subsidiaries are consolidated with the relevant line items for the years ended December 31, 2013 and 2014. Accordingly, our final statements for the year ended December 31, 2015 are not directly comparable to the financial statements as of and for the years ended December 31, 2013 and 2014, which include the effects of a full year of operations of such subsidiaries. For more information, see “*Presentation of Financial Information and Comparability of Results*”, below.

In addition, in November 2015 we divested a number of our properties to related third-parties and leased the premises back (the “Sale and Lease Transactions”). The Sale and Lease Transactions covered 12 properties, including our headquarter and PNRL building in Jakarta, the real estate and buildings for our Surabaya regional reference laboratory and seven clinical laboratory buildings, and the real estate for our Semarang and Medan regional reference laboratories and one clinical laboratory. We employed an independent party to assess the value of these properties and the terms of the Sale and Lease Transactions, including, among others, the rental amount payable by us. The real estate and buildings were sold for a total amount of Rp. 435.2 billion, of which we received Rp. 353.0 billion in 2015 and recognized Rp. 82.2 billion as rent prepayment in the first six months of 2016. We are currently leasing nine of the properties for a period of seven years for a total aggregate rent of Rp. 24.2 billion annually. In respect of the remaining three properties, we are currently developing facilities onsite of two, including our Medan regional reference laboratory, in accordance with build-operate-transfer agreements with the respective affiliate landowner. The last property will be the site of our Semarang regional reference laboratory and will be developed in the future. All of these transactions were undertaken on an arm's length basis. We used the proceeds from the sales to pay-back our bank loans, including loans undertaken in 2013 for the purchase of some of these

properties, reduce our financial liabilities and pay dividends to our shareholders. As a result, our long term financial liabilities decreased from Rp. 122.7 billion as of December 31, 2014 to Rp. 50.4 billion as of December 31, 2015. See “*Related Party Transactions—Transactions with PT Grhanis Putra Proptertindo and its Subsidiaries*”. As a result of these transactions, we also reduced our interest expense relating to these bank loans and recognized gain on sales of fixed assets — net from the proceeds of the sales. Our current liabilities to third parties for rental expense, and rental expense also increased. Our financial cost - net decreased by 61.5% to Rp. 3.7 billion (US\$ 0.3 million) for the six months ended June 30, 2016 from Rp. 9.6 billion for the six months ended June 30, 2015. Our rental expense for building, vehicle and office supplies increased by 87.0% to Rp. 30.1 billion (US\$ 2.3 million) for the six months ended June 30, 2016 from Rp. 16.1 billion for the six months ended June 30, 2015.

Also in preparation for this Offering, we hired a number of consultants and accountants to help prepare our business for the transaction, including improving our operational and financial management. The expense for these advisers will become payable and be recognized on our statement of profit and loss in the second half of 2016.

Critical Accounting Policies

The preparation of financial statements requires us to apply estimates and assumptions as well as complex judgments relating to accounting items. The estimates and assumptions we use and the judgments we make in applying our accounting policies may have a significant impact on our financial position and operating results. Our management continually re-evaluate such estimates, assumptions and judgments based on past experience and on various other assumptions that are believed to be reasonable under the circumstances.

Set forth below are discussions of the accounting policies that we believe involve the most significant estimates, assumptions and judgments used in the preparation of our financial statements. Our significant accounting policies, estimates, assumptions and judgments, which are important for understanding our financial condition and results of operations, are set forth in detail in Note 2 to the Consolidated Financial Statements included elsewhere in this Offering Circular.

Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to our company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Tax (VAT). The following specific recognition criteria must also be met before revenue is recognized:

Revenues from services

Revenue from services is recognized when services are rendered by reference to the stage of completion of the transaction.

Interest, royalties and dividends

Interest is recognized using the effective interest method. Royalties are recognized on an accrual basis in accordance with the substance of the relevant agreement. Dividends are recognized when the shareholder’s right to receive payment is established.

Inventories

Inventories are carried at the lower of cost and net realizable value. The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write-down of inventories to net realizable value and all losses of inventories shall be recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

Income tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. Current tax and deferred tax is recognized in profit or loss, except for income tax arising from transactions or events that are recognized in other comprehensive income or directly in equity. In this case, the tax is recognized in other comprehensive income or equity, respectively.

Current tax for current and prior periods shall, to the extent unpaid, be recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset. Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax benefits relating to tax loss that can be carried back to recover current tax of a previous periods is recognized as an asset. Deferred tax asset is recognized for the carryforward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

A deferred tax liability shall be recognized for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- (a) the initial recognition of goodwill; or
- (b) the initial recognition of an asset or liability in transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which we expect, at the end of the reporting period, to recover or settle the carrying amount of our assets and liabilities.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. We reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

We offset deferred tax assets and deferred tax liabilities if, and only if:

- (a) we have a legally enforceable right to set off current tax assets against current tax liabilities; and

- (b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
 - (i) the same taxable entity; or
 - (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

We offset current tax assets and current tax liabilities if, and only if, we:

- (a) have legally enforceable right to set off the recognized amounts; and
- (b) intend either to settle on a net basis, or to realize the assets and settle liabilities simultaneously.

Impairment of Assets

At the end of each reporting period, we assess whether there is any indication that an asset may be impaired. If any such indication exists, we will estimate the recoverable amount of the asset. Recoverable amount is determined for an individual asset, and if it is not possible, we will determine the recoverable amount of the asset's cash-generating unit.

The recoverable amount is the higher of fair value less costs to sell and its value in use. Value in use is the present value of the estimated future cash flows of the asset or cash generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset or unit whose impairment is being measured.

If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. The reduction is an impairment loss and is recognized immediately in profit or loss.

An impairment loss recognized in prior period for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss.

Employee Benefits

Short-term Employee Benefits

Short-term employee benefits are recognized when an employee has rendered service during accounting period, at the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service. Short-term employee benefits include but are not limited to wages, salaries, bonus and incentive.

Post-employment Benefits

Post-employment benefits such as retirement, severance and service payments are calculated based on Law 13/2003. We recognize the amount of the net defined benefits liability at the present value of the defined benefits obligation at the end of the reporting period less the fair value of plan assets which is calculated by independent actuaries using the projected-unit-credit method. Present value of benefits obligation is determined by discounting the benefit.

We account not only for our legal obligation under the formal terms of a defined benefits plan, but also for any constructive obligation that arises from our informal practices.

Current service cost, past service cost and gain or loss on settlement, and net interests on the net defined benefits liability (asset) are recognized in profit and loss. We recognize an expense and a liability for contribution payable to a defined contribution plan, when an employee has rendered service to us during a period.

Overall, the gains and losses from the remeasurement of employee benefit programs is reflected on our statement of profit and loss and total comprehensive income in two offsetting ways. First, it is a component in our total employee benefits cost that affects our statement of profit and loss and is reconciled to our balance sheet as part of our net employment benefit liabilities. Second, it is an item of other comprehensive income that reconciles to our shareholder's equity.

Termination Benefits

We recognize a liability and expense for termination benefits at the earlier of the following dates:

- (a) When we can no longer withdraw the offer of those benefits; and
- (b) When we recognize costs for a restructuring that is within the scope of PSAK No. 57 and involves payment of termination benefits.

We measure termination benefits on initial recognition, and measure and recognize subsequent changes, in accordance with the nature of the employee benefits.

Presentation of Financial Information and Comparability of Results

In 2015, we undertook a series of transactions pursuant to which we spun-off all of our subsidiaries and their businesses to our parent, Prodia Utama. As a result, we sold our interests in the Spun-off Subsidiaries, our only four subsidiaries, to Prodia Utama for a total consideration of Rp. 32.2 billion. Our financial statements as of and for the year ended December 31, 2015 reflect the inclusion of the financial results of the Spun-off Subsidiaries for the period up to the date on which the dispositions took effect as "portion of subsidiary loss before disposal". However, the financial results of the Spun-off Subsidiaries are consolidated with the relevant line items for the years ended December 31, 2013 and 2014. Accordingly, our final statements for the year ended December 31, 2015 are not directly comparable to the financial statements as of and for the years ended December 31, 2013 and 2014, which include the effects of a full year of operations of such subsidiaries.

Our core business of clinical laboratory testing services is contained in the Company, while our other businesses were predominately contained in our erstwhile subsidiaries. As a result, we have included the Standalone Financial Information of the Company for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2015 and 2016 in this Offering Circular because we believe that this financial information is reflective of our business going forward after the Spin-off Transactions.

The following table sets forth the breakdown of our results of operations for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2015 and 2016. This information has been derived from the Standalone Financial Information included in Appendices I to VI of the Consolidated Financial Statements.

Standalone Financials Information

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp.	Rp.	Rp.	US\$	Rp.	Rp.	US\$
	(Rp. in billions and US\$ in millions)						
REVENUES — NET	985.9	1,080.6	1,197.7	90.9	591.2	648.6	49.2
COST OF REVENUES							
Direct Cost of Revenues	336.6	381.6	429.2	32.6	207.1	223.8	17.0
Indirect Cost of Revenues	47.1	72.3	82.0	6.2	41.1	45.1	3.4
Total Cost of Revenues.	383.7	453.9	511.2	38.8	248.2	268.9	20.4
GROSS PROFIT	602.2	626.7	686.5	52.1	343.0	379.7	28.8
Operating Expenses	(500.6)	(539.3)	(606.5)	(46.0)	(300.4)	(325.8)	(24.7)
Other Income.	5.1	16.5	35.4	2.7	12.3	6.9	0.5
Other Expenses	(3.2)	(1.5)	(18.5)	(1.4)	(2.2)	(1.7)	(0.1)
OPERATING INCOME	103.5	102.4	96.9	7.4	52.7	59.1	4.5
Financial Cost — Net.	(6.1)	(14.0)	(18.5)	(1.4)	(9.6)	(3.6)	(0.3)
INCOME BEFORE TAX	97.4	88.4	78.4	6.0	43.1	55.5	4.2
INCOME TAX BENEFIT (EXPENSES)							
Current Tax	(27.6)	(28.2)	(29.5)	(2.2)	(20.2)	(22.9)	(1.7)
Deferred Tax	(0.2)	6.5	11.5	0.8	10.6	6.5	0.5
Total Income Tax Expenses	(27.8)	(21.7)	(18.0)	(1.4)	(9.6)	(16.4)	(1.2)
INCOME FOR THE YEAR	69.6	66.7	60.5	4.6	33.5	39.1	3.0
OTHER COMPREHENSIVE INCOME							
Items that Will Not be Reclassified into Profit or Loss							
Remeasurement on							
Employee Benefits Program	37.6	(13.8)	10.0	0.8	(12.0)	(49.1)	(3.7)
Income Tax on Remeasurement on Employee Benefits Program	(9.4)	3.5	(2.5)	(0.2)	3.0	12.3	0.9
Other Comprehensive Income After Tax	28.2	(10.3)	7.5	0.6	(9.0)	(36.8)	(2.8)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	97.8	56.4	67.9	5.2	24.5	2.3	0.2

Results of Operations

The following table sets forth the breakdown of our results of operations for the years ended December 31, 2013, 2014 and 2015 and for the six months ended June 30, 2015 and 2016, which have been derived from our audited Consolidated Financial Statements included elsewhere in this Offering Circular.

	For the Year Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp.	Rp.	Rp.	US\$	Rp.	Rp.	US\$
	(Rp. in billions and US\$ in millions)						
REVENUES-NET	998.0	1,101.0	1,197.7	90.9	591.2	648.6	49.2
COST OF REVENUES							
Direct Cost of Revenues	341.4	390.4	429.2	32.6	207.1	223.8	17.0
Indirect Cost of Revenues	54.6	73.6	82.0	6.2	41.1	45.1	3.4
Total Cost of Revenues	396.0	464.0	511.2	38.8	248.2	268.9	20.4
GROSS PROFIT	602.0	637.0	686.5	52.1	343.0	379.7	28.8
Operating Expenses	(508.8)	(560.4)	(606.5)	(46.0)	(300.4)	(325.8)	(24.7)
Other Income	4.5	15.0	35.4	2.7	12.3	6.9	0.5
Other Expenses	(3.8)	(0.8)	(18.5)	(1.4)	(2.2)	(1.7)	(0.1)
OPERATING INCOME	93.9	90.8	96.9	7.4	52.7	59.1	4.5
Portion of Subsidiaries Loss							
Before Disposal	—	—	(1.4)	(0.1)	(1.4)	—	—
Financial Cost — Net	(6.3)	(14.5)	(18.5)	(1.4)	(9.6)	(3.6)	(0.3)
INCOME BEFORE TAX	87.6	76.3	77.0	5.9	41.7	55.5	4.2
INCOME TAX BENEFIT (EXPENSES)							
Current Tax	(27.6)	(28.2)	(29.5)	(2.2)	(20.2)	(22.9)	(1.7)
Deferred Tax	(0.2)	7.2	11.5	0.8	10.6	6.5	0.5
Total Income Tax Expenses	(27.8)	(21.0)	(18.0)	(1.4)	(9.6)	(16.4)	(1.2)
INCOME FOR THE YEAR	59.8	55.3	59.0	4.5	32.1	39.1	3.0
OTHER COMPREHENSIVE INCOME							
Items that Will Not be Reclassified into Profit or Loss							
Remeasurement of Employee Benefits Program	37.6	(13.9)	10.0	0.8	(12.0)	(49.1)	(3.7)
Income Tax on Remeasurement on Employee Benefits Program	(9.4)	3.4	(2.5)	(0.2)	3.0	12.3	0.9
Other Comprehensive Income After Tax	28.2	(10.5)	7.5	0.6	(9.0)	(36.8)	(2.8)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	88.0	44.8	66.5	5.1	23.1	2.3	0.2

Description of the Key Line Items of Our Income Statement

Revenues — net

Our revenues — net primarily comprise payments in the form of cash (from walk-in customers and customers with doctor referrals) or credit (from our corporate customers and external referral customers), as a result of our provision of clinical laboratory testing and preventive healthcare services. In 2013 and 2014, we recognized revenue from our fees derived from revenue sharing agreements with hospitals and doctors in respect of the laboratories in hospitals and POC outlets as marketing management fees. In 2015, these revenues were recognized as revenues from laboratory. Our revenues — net are net of discounts that we provided to our customers and sales returns resulting from tests where we collected payment up-front but provision of the services has been cancelled.

The following table sets forth information on the breakdown of our revenues and each item as a percentage of our revenues-net for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2015 and 2016.

	For the Year Ended December 31,						For the Six Months Ended June 30,					
	2013		2014		2015		2015		2016			
	Rp.	%	Rp.	%	Rp.	US\$	%	Rp.	%	Rp.	US\$	%
	(Rp. in billions and US\$ in millions except percentages)											
Revenues from Laboratory . . .	890.7	89.3%	975.8	88.6%	1,081.0	82.0	90.3%	538.5	91.1	597.8	45.4	92.2%
Revenues from												
Non-Laboratory	120.8	12.1%	141.3	12.8%	136.0	10.4	11.3%	62.2	10.5	62.6	4.7	9.6%
Marketing management fee . . .	0.2	—	3.1	0.3%	—	—	—	—	—	—	—	—
Gross revenue	1,011.7	101.4%	1,120.2	101.7%	1,217.0	92.4	101.6%	600.7	101.6	660.4	50.1	101.8%
Discount	—	—	—	—	—	—	—	—	—	—	—	—
Sales returns	(13.7)	(1.4)%	(19.2)	(1.7)%	(19.3)	(1.5)	(1.6)%	(9.5)	(1.6)	(11.8)	(0.9)	(1.8)%
Revenue — net	998.0	100.0%	1,101.0	100.0%	1,197.7	90.9	100.0%	591.2	100.0	648.6	49.2	100.0%

Cost of revenues

Our cost of revenues comprises primarily direct cost of sales, as well as indirect cost of sales, each related to the operations of our clinical laboratories, including the PNRL, our POC outlets and hospital laboratories, in connection with the performance of clinical tests and procedures of diagnostic imaging and other specialties.

Direct cost of sales primarily comprises cost of raw materials, salaries of laboratory personnel, cost of supporting materials and cost of referring samples to third-party laboratories for testing. The most significant raw materials that we use are reagents and other chemicals used in the testing process. Supporting materials mainly include consumable medical supplies, supplies used in specimen collection, and other consumables used in the testing process. The most significant supporting materials cost was for materials used during the process of collecting specimens from patients, such as gloves and needles. “Referrals to third parties” means the costs charged to us by third-parties, and primarily comprise fees paid to outside doctors to analyse the results of non-laboratory tests.

Indirect cost of sales primarily comprises salaries of non-laboratory employees, such as customer service employees, and depreciation for medical and laboratory equipment. Our other categories of indirect costs of sales comprise: equipment and maintenance costs, equipment rental costs, waste costs, and quality control costs, among others.

The following table sets forth key components of our total cost of revenues and each item as a percentage of our cost of revenues for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2015 and 2016.

	For the Year Ended December 31,						For the Six Months Ended June 30,					
	2013		2014		2015		2015		2016			
	Rp.	%	Rp.	%	Rp.	US\$	%	Rp.	%	Rp.	US\$	%
(Rp. in billions and US\$ in millions except percentages)												
Direct cost of sales:												
Raw Materials	171.2	43.2%	176.7	38.1%	189.5	14.4	37.1%	89.7	36.1%	95.8	7.3	35.6%
Salaries	73.6	18.6%	96.4	20.8%	110.6	8.4	21.6%	54.6	22.0%	60.5	4.6	22.5%
Supporting materials	43.5	11.0%	50.7	10.9%	57.6	4.4	11.3%	27.8	11.2%	30.8	2.3	11.5%
Referrals to third parties	53.1	13.4%	66.6	14.3%	71.5	5.4	14.0%	35.0	14.1%	36.7	2.8	13.6%
Sub-total	341.4	86.2%	390.4	84.1%	429.2	32.6	84.0%	207.1	83.4%	223.8	17.0	83.2%
Indirect cost of sales:												
Salaries	32.0	8.1%	42.5	9.2%	49.7	3.8	9.7%	24.4	9.8%	27.2	2.1	10.1%
Depreciation	7.3	1.8%	8.3	1.8%	10.1	0.8	2.0%	5.1	2.1%	5.3	0.4	2.0%
Others ⁽¹⁾	15.3	3.9%	22.8	4.9%	22.2	1.6	4.3%	11.6	4.7%	12.6	1.0	4.7%
Subtotal	54.6	13.8%	73.6	15.9%	82.0	6.2	16.0%	41.1	16.6%	45.1	3.5	16.8%
Total	396.0	100.0%	464.0	100.0%	511.2	38.8	100.0%	248.2	100.0%	268.9	20.5	100.0%

Notes:

(1) Others comprises equipment and maintenance, rental equipment, waste, programme used, quality control, laboratory outfits, supplies waste and others.

Operating expenses

Our operating expenses primarily comprise general and administrative expenses, as well as marketing expenses.

General and administrative expenses primarily comprise salaries and allowances (for management and administrative employees), employee benefits, consultant fees (which includes fees to legal advisors, financial advisors, as well as outsourced employees, such as security personnel and cleaning staff), depreciation and amortization on our office equipment, buildings and other equipment, utilities (including electricity, water and telecommunications expenses), rental and expenses arising from maintenance of building, vehicles and office inventories, official travel and transportation, and payments to BPJS Ketenagakerjaan (which classified as “retirement plan”).

The following table sets forth key components of our operating expense and each item as a percentage of our total operating expense for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2015 and 2016.

	For the Year Ended December 31,						For the Six Months Ended June 30,					
	2013		2014		2015		2015		2016			
	Rp.	%	Rp.	%	Rp.	US\$	%	Rp.	%	Rp.	US\$	%
(Rp. in billions and US\$ in millions except percentages)												
Marketing Expenses												
Total Marketing Expenses	32.7	6.4%	33.4	6.0%	36.0	2.7	5.8%	15.9	5.3%	15.9	1.2	4.9%
General and Administrative Expenses												
Salaries and Allowance	160.8	31.6%	160.4	28.6%	165.2	12.5	27.2%	80.5	26.8%	86.7	6.6	26.6%
Consultant	58.3	11.5%	66.4	11.8%	70.5	5.4	11.7%	30.6	10.2%	38.2	2.9	11.7%
Depreciation and Amortization	26.2	5.1%	30.7	5.5%	36.3	2.8	6.0%	15.0	5.0%	16.4	1.2	5.0%
Electricity, Water and Telecommunication	26.3	5.2%	33.8	6.0%	34.7	2.6	5.7%	18.0	6.0%	20.0	1.5	6.1%
Building, Vehicle and Office Inventories Rent	25.4	5.0%	31.1	5.5%	34.0	2.6	5.7%	16.1	5.4%	30.1	2.3	9.2%
Tax Expense	1.6	0.3%	1.7	0.3%	2.1	0.2	0.3%	0.7	0.2%	1.0	0.1	0.3%
Employee Benefit	1.1	0.2%	26.2	4.7%	48.1	3.6	7.9%	37.1	12.4%	24.1	1.8	7.4%
Severance	10.9	2.2%	8.6	1.5%	9.6	0.7	1.6%	5.4	1.8%	7.2	0.5	2.2%
Severance Insurance Premium	20.0	3.9%	5.0	0.9%	5.0	0.4	0.8%	—	—	—	—	—
Retirement Plan	7.8	1.5%	6.9	1.2%	9.0	0.7	1.5%	4.1	1.4%	6.4	0.5	2.0%
Others ⁽¹⁾	137.7	27.1%	156.2	27.9%	156.1	11.8	25.8%	77.0	25.5%	79.5	6.1	24.6%
Subtotal	476.1	93.6%	527.0	94.0%	570.5	43.3	94.2%	284.5	94.7%	309.9	23.5	95.1%
Total	508.8	100.0%	560.4	100.0%	606.5	46.0	100.0%	300.4	100.0%	325.8	24.7	100.0%

Notes:

- (1) Others comprises travel and official transport, office consumption, stationary and printing, asset management, delivery expense, office utilities, bank administration, medicine and receipt, seminar and training, human resource development, insurance, permission office uniform, bad debt expense, quality control, environment responsibilities and other office expense.

Marketing expenses primarily comprise expenses relating to customer education and customer relations. Expenses for customer education include the costs of attending seminars, conferences and participation in health education and campaigns. Expenses for customer relations include printing costs and expenses related to addressing customers complaints.

Employee Benefit, Severance and Severance Insurance Premium

Under Labor Law No. 13/2003 (“Law 13/2003”), we are obligated to provide defined benefit pensions to all fulltime employees who have retired at age 55, or, in the case of early retirement for employees with over 20 years of service, at age 45 or older.

We differentiate the cost of providing for defined benefit pensions to eligible staff, based on whether it was a cash or a non-cash item. In this context, employee benefits costs are reflected in the following line-items: employee benefit, severance, severance insurance premium. Employee benefits expense is

a non-cash expense, which comprises employee benefits cost, net of severance and severance insurance premium. Severance is the actual cash payments of our employee benefits liabilities in a period. Severance insurance premium is the contribution to our defined benefits plan made in the current year, made to offset or prepay future employee benefits liabilities.

The following table sets forth the apportionment of our total benefits costs on our statement of profit and loss for the periods indicated.

	Year ended December 31,			Six-month period ended June 30	
	2013	2014	2015	2015	2016
	(Rp. in billions)				
Employee benefit	1.1	26.2	48.1	37.1	24.1
Severance	10.9	8.6	9.6	5.4	7.2
Severance insurance premium . . .	20.0	5.0	5.0	—	—
Employee benefits cost	32.0	39.8	62.7	42.5	31.2

The cost of providing for defined benefit pensions to eligible staff can also be divided into the following components: service cost, interest expense (net) on our employee benefits assets and liabilities, gains and losses to the net present value of the assets and benefits caused by recalculating the present value under new actuarial assumptions, gains and losses on the value of the employee benefits assets and actuarial gains and losses on benefit plan assets, and excess benefits paid out by the company or asset management.

The following table sets forth the components of providing for defined benefit pensions to eligible staff for the periods indicated.

	Year ended December 31,			Six-month period ended June 30	
	2013	2014	2015	2015	2016
	(Rp. in billions)				
Service cost ⁽¹⁾	26.9	23.9	25.9	12.1	13.9
Interest Expense (net) ⁽²⁾	10.6	14.6	18.6	10.0	11.2
(Gain) loss from the recalculation of present value of employee benefit liabilities due to changes in assumptions ⁽³⁾	(45.7)	14.6	(12.2)	14.0	55.2
Remeasurement of employee benefits program ⁽⁴⁾	37.6	(13.8)	10.0	(12.0)	(49.1)
Estimated (gains) losses on assets	2.8	0.2	1.1	(0.5)	(0.3)
Excess employee benefits paid by the company	—	0.3	0.1	—	—
Excess employee benefits paid by asset management ⁽⁵⁾	—	—	19.2	18.9	0.3
Employee benefit costs	32.0	39.8	62.7	42.5	31.2

Notes:

- (1) Service cost is the liability incurred from employee benefit obligations accrued during the period as a result of the employment of an individual during such period.
- (2) Interest expense (net) comprises interest expense on employee benefit liabilities and interest gain on employee benefit assets.
- (3) The relevant assumptions include change of assumptions related to financial assumptions, such as the assumed discount rate, adjustment of work experience, such as the disability and resignation rates, and the demographic assumptions, such as the mortality tables.
- (4) Remeasurement of employee benefit programs comprises actuarial gains and losses of our employee benefits assets, returns on our plan assets (such as dividends on stocks in the asset portfolios) and changes to our assets as a result of the asset ceiling.
- (5) Excess employee benefits paid by asset managers of the employee benefit plan beyond the expected plan payments. For the year ended December 31, 2015, this payment was a result of the retirement of several high-level employees and the payment of their retirement benefits.

In accordance with PSAK 24, the remeasurement of employee benefits program is also recorded as a component of other comprehensive income. For more information on remeasurement of employee benefits program, see “—*Other Comprehensive Income After Tax*” below. See also “—*Critical Accounting Policies—Employee Benefits*”.

Other income

Our other income comprises gain on sale of fixed assets — net, free raw materials received from vendors, sale of our magazines and seminars and interest income on bank accounts, gains from foreign currency translations related to sending referrals to laboratories outside of Indonesia and the purchase of other equipment and supplies denominated in currencies other than Rupiah and other income, which primarily comprises income from sponsorships and the reimbursement of employee benefits from private insurance companies.

Other expense

Our other expense comprises tax expenses and loss from foreign currency translations related to sending referrals to laboratories outside of Indonesia and from other purchases of equipment and supplies denominated in currencies other than Rupiah.

Portion of subsidiaries loss before disposal

In 2015, we undertook the Spin-off Transaction to sell our interest in our four subsidiaries to our parent, Prodia Utama. While subsidiaries of the Company, these companies were still in development and as a result were generally not yet profitable. In accordance with PSAK 38, the revenues and expenses of the Spun-off Subsidiaries could no longer be consolidated with the relevant line items of the Company when preparing the consolidated financial results. Instead, the net losses of these subsidiaries for the period from January 1, 2015 to respective date of disposal for each of the subsidiaries is recognized as portion of subsidiaries loss before disposal.

Financial cost — net

Financial cost — net comprises interest expense on our borrowings and lease expenses.

Other Comprehensive Income after Tax

Other comprehensive income after tax comprises remeasurement of employee benefits programs and the income tax on remeasurement of employee benefits programs. In accordance with PSAK 24, the remeasurement of the employee benefit programs is recognized as other comprehensive income. Such remeasurement comprises actuarial gains and losses, the return on plan assets, and any change in effect of the asset ceiling. Actuarial gains and losses of our employee benefits assets are the difference

between the fair value of our benefit plan assets at the beginning of the period and the end of the period due to changes in assumptions or experience adjustments. Return on plan assets comprises gains such as dividends in the stocks in our asset portfolio. See “—Critical Accounting Policies—Employee Benefits” and “—Employee Benefits Costs.”

Revenues by Geography and Customer Type

The table below sets forth our revenue by geographical region for the years ended December 31, 2013, 2014 and 2015 and the six-month periods ended June 30, 2015 and 2016.

	Year ended December 31,			Six-month period ended	
	2013	2014	2015	2015	2016
	(Rp. in billions)				
I. North Sumatera	51.0	60.0	66.0	31.8	33.7
II. Central Sumatera	47.0	50.7	55.7	28.3	28.2
III. Greater Jakarta, Palembang and Lampung	376.6	428.5	462.1	226.6	256.1
IV. West Java	87.1	95.5	101.8	49.4	52.9
V. Central Java	120.5	130.6	145.3	73.9	77.7
VI. East Java, Bali and Nusa Tenggara	166.6	177.3	191.9	94.2	103.6
VII. Kalimantan	46.7	50.6	54.9	26.0	27.9
VIII. Sulawesi and Maluku	101.4	106.2	118.6	60.2	67.4
Specialty Clinics	1.1	1.6	1.4	0.8	1.1
Total	998.0	1,101.0	1,197.7	591.2	648.6

As the Greater Jakarta, Palembang and Lampung regions have the highest regional GDP and are the most developed areas of Indonesia, we intend to focus our expansion of outlets on Region III to accelerate near-term growth. Revenues from the Greater Jakarta, Palembang and Lampung region increased at a CAGR of 12.6% from Rp. 376.6 billion in 2013 to Rp. 428.5 billion and Rp. 462.1 billion in 2014 and 2015, respectively, and by 13.0% from Rp. 226.6 billion for the six months ended June 30, 2015 to Rp. 256.1 billion for the six months ended June 30, 2016. The revenue growth was mainly attributable to the steady growth in the number of patient visits and the rapid increase in revenue per visit, in particular among doctor referral customers.

We service four customer groups: (1) walk-in customers, (2) customers with doctor referrals, (3) external referrals; and (4) corporate clients. The table below sets forth our revenues from each customer group for the years ended December 31, 2013, 2014 and 2015 and the six-month periods ended June 30, 2015 and 2016.

	Year ended December 31,			Six-month period ended	
	2013	2014	2015	June 30,	2016
	(Rp. in billions)				
Walk-in Customers ⁽¹⁾	341.9	358.6	410.1	207.5	232.7
Doctor Referrals ⁽¹⁾⁽²⁾	325.0	374.5	399.0	206.1	231.4
External Referrals ⁽³⁾	166.7	179.2	196.6	97.0	107.3
Corporate Clients	164.4	188.7	192.0	80.6	77.2
Total	<u>998.0</u>	<u>1,101.0</u>	<u>1,197.7</u>	<u>591.2</u>	<u>648.6</u>

Notes:

- (1) Revenue from our seven hospital laboratories is classified under walk-in customers or doctor referrals based on the source of the customer referrals.
- (2) Revenue from our POC outlets is included under doctor referrals.
- (3) We have certain agreements for service with insurance providers. Where an insurance provider pays for a walk-in customer or a customer with a doctor referral, such revenue is classified under external referrals.

Revenue from our corporate clients declined slightly in the six months ended June 30, 2016, compared to June 30, 2015, because we had unusually high volumes of employee health checks in the first half of 2015. As a result of economic uncertainty related to the 2014 presidential elections, many of our corporate customers pushed employee health checks from the end of 2014 to the beginning of 2015. In addition, in the first half of 2016, some of our customers, particularly in the oil and gas and mining industries, reduced their employee health check budgets as a result of slowdowns in their respective industries.

Results of Operations by Period

Six months ended June 30, 2016 compared to the six months ended June 30, 2015

Revenues — net

Our revenues - net increased by 9.7% to Rp. 648.6 billion (US\$ 49.2 million) for the six months ended June 30, 2016 from Rp. 591.2 billion for the six months ended June 30, 2015 primarily due to the increase revenue per visit and in the volume of customer visits. Our revenue per visit also increased by 8.9% to Rp. 544,340.1 for the six months ended June 30, 2016 from Rp. 499,630.9 for the six months ended June 30, 2016 primarily due to increased prices for our services. We increased our test prices by a volume weighted average of approximately 8.7%, compared to the rate of inflation in the first half of 2016 of 3.8% per annum. The number of customer visits increased by 0.7% to 1.2 million for the six months ended June 30, 2016 from 1.18 million for the six months ended June 30, 2015. We had an increased number of walk-in customers (a 4.0% increase) and doctor referral customers (a 4.4% increase), while we had a decreased number of corporate clients (a 14.9% decrease) and external referrals (a 2.5% decrease). The revenue per visit of our walk-in customers and doctor referral customers is typically higher than that for our other customer types, which helped us increase our overall net revenues, even though our overall customer growth was flat between periods. The volume of our corporate customers decreased because many of our customers moved their employee health checks from the second half of 2014 to the first half of 2015, as a result of economic uncertainty in

2014 relating to the presidential elections, which resulted in an unusually high number of visits in the six months ending June 30, 2015. In addition, some corporate customers, particularly those in the oil and gas and mining industries, reduced their employee health check budgets in the first half of 2016 as a result of slowdowns in their respective industries.

Cost of revenues

Our cost of revenues increased by 8.3% to Rp. 268.9 billion (US\$ 20.4 million) for the six months ended June 30, 2016 from Rp. 248.2 billion for the six months ended June 30, 2015 primarily due to increases in expenses relating to raw materials and salaries. Our raw materials increased by 6.8% to Rp. 95.8 billion (US\$ 7.3 million) for the six months ended June 30, 2016 from Rp. 89.7 billion for the six months ended June 30, 2015 primarily due to price increases in our raw materials and the higher prices for endocrine, immunoserology and microbiology raw materials in particular. Our salary expenses related to direct cost of sales (for laboratory employees) increased by 10.8% to Rp. 60.5 billion (US\$ 4.6 million) for the six months ended June 30, 2016 from Rp. 54.6 billion for the six months ended June 30, 2015. Our salaries related to indirect cost of sales (for customer service employees) increased by 11.5% to Rp. 27.3 billion (US\$ 2.1 million) for the six months ended June 30, 2016 from Rp. 24.5 billion for the six months ended June 30, 2015. These salary expenses increased primarily due to annual increases to employee benefit liabilities and the timing of our mid-year holiday allowances. In Indonesia, employers pay annual religious holiday allowances, typically amounting to one month's salary, to employees before the religious holiday of their choice (i.e. Lebaran or Christmas). In 2015, in respect of Lebaran, which celebrates the end of Ramadan, we paid this allowance to our employees in July. In 2016, due to the timing of Lebaran, we paid this allowance to our employees in June 2016.

Gross profit

As a result of the foregoing, our gross profit increased by 10.7% to Rp. 379.7 billion (US\$ 28.8 million) for the six months ended June 30, 2016 from Rp. 343.0 billion for the six months ended June 30, 2015.

Operating expenses

Our operating expenses increased by 8.5% to Rp. 325.8 billion (US\$ 24.7 million) for the six months ended June 30, 2016 from Rp. 300.4 billion for the six months ended June 30, 2015 primarily due to increases in rental expenses for buildings, vehicles and office supplies, consultant expense, and salaries and allowances. Our rental expense for building, vehicle and office supplies increased by 87.0% to Rp. 30.1 billion (US\$ 2.3 million) for the six months ended June 30, 2016 from Rp. 16.1 billion for the six months ended June 30, 2015 primarily due to the rent now being paid to our affiliates to occupy the buildings we sold to them at the end of 2015. The total rent payable under these leases is approximately Rp.24.2 billion per year. Our consultant expense increased by 24.8% to Rp. 38.2 billion (US\$ 2.9 million) for the six months ended June 30, 2016 from Rp. 30.6 billion for the six months ended June 30, 2015 primarily due to the increased outsourcing costs primarily related to maintenance and management fees relating to new locations of certain of our clinical laboratories, which we had expanded into new buildings. For both the 2015 and 2016 Lebaran holidays, we paid holiday allowances to our outsourced contract workers in July. Our salaries and allowance increased by 7.7% to Rp. 86.7 billion (US\$ 6.6 million) for the six months ended June 30, 2016 from Rp. 80.5 billion for the six months ended June 30, 2015 primarily due to annual salary increase in the payment of holiday allowances in June 2015 and July 2016. Offsetting this increase in operating expenses was the 35.1% decrease in employee benefit expenses to Rp. 24.1 billion (US\$ 1.8 million) for the six months ended June 30, 2016 from Rp. 37.1 billion for the six months ended June 30, 2015 primarily due to a significantly decreased amount of excess benefits paid from plan assets in the six months ended June 30, 2016. Excess benefits paid from plan assets were Rp. 18.9 billion for the six months

ended June 30, 2015, compared to Rp. 0.2 billion for the six months ended June 30, 2016, because of the retirement payments for employees was paid out of the benefit plan assets. We expect the percentage of our general and administrative expenses (other than salaries, employee benefit and rental expenses) as a percentage of our total revenue to decrease going forward.

Other income

Our other income decreased by 43.6% to Rp. 6.9 billion (US\$ 0.5 million) for the six months ended June 30, 2016 from Rp. 12.3 billion for the six months ended June 30, 2015 primarily due to a 43.1% decrease in the others category to Rp. 6.6 billion (US\$ 0.5 million) for the six months ended June 30, 2016 from Rp. 11.6 billion for the six months ended June 30, 2015 related to payments to us from our asset manager to reimburse our out-of-pocket payments of employee benefits liabilities in the first six months ended June 30, 2015. In the first six months ended June 31, 2016, the asset manager paid these funds directly out of our employee benefit assets, so no reimbursements were necessary.

Other expenses

Our other expenses decreased by 22.7% to Rp. 1.7 billion (US\$ 0.1 million) for the six months ended June 30, 2016 from Rp. 2.2 billion for the six months ended June 30, 2015.

Operating income

As a result of the foregoing, our operating income increased by 12.3% to Rp. 59.1 billion (US\$ 4.5 million) for the six months ended June 30, 2016 from Rp. 52.7 billion for the six months ended June 30, 2015

Portion of subsidiaries loss before disposal

We did not recognize portion of subsidiaries loss before disposal in the six months ended June 30, 2016, compared to portion of subsidiaries loss before disposal of Rp. 1.4 billion for the six months ended June 30, 2015, because the Spin-off Transaction was completed before the period began. For the six months ended June 30, 2016, in accordance with PSAK 38, the revenues and expenses of the Spun-off Subsidiaries could no longer be consolidated with the relevant line items of the Company's financial statements when preparing the consolidated financial results. Instead, the net losses of these subsidiaries for the period from January 1, 2015 to June 30, 2015 is recognized as portion of subsidiaries loss before disposal, which appears below operating income on the statement of profit and loss. Therefore, there is no difference between the our consolidated and standalone financial results for all the items on our statement of profit and loss and total consolidated income above and including operating income. Our portion of subsidiaries loss before disposal for the six months ended June 30, 2015 accounts for a decrease in our income before tax, income for the period, and total comprehensive income for the period.

Financial costs — net

Our financial cost — net decreased by 61.5% to Rp. 3.6 billion (US\$ 0.3 million) for the six months ended June 30, 2016 from Rp. 9.6 billion for the six months ended June 30, 2015 primarily due to the repayment of short term loans used for working capital purposes and bank loans used to finance the construction of new buildings for use as clinical laboratories, at the end of 2015, which reduced the interest payable during the six months ended June 30, 2016, compared to the six months ended June 30, 2015.

Financial costs — net for the Company on a standalone basis decreased by 61.5% to Rp. 3.6 billion (US\$ 0.3 million) for the six months ended June 30, 2016 from Rp. 9.6 billion for the six months ended June 30, 2015.

Income before tax

Our income before tax increased by 33.1% to Rp. 55.5 billion (US\$ 4.2 million) for the six months ended June 30, 2016 from Rp. 41.7 billion for the six months ended June 30, 2015 primarily because our revenues increased at a faster rate than our total costs of revenues and our operating expenses. For the six months ended June 30, 2016, our revenues — net increased by 9.7% or Rp. 57.4 billion, compared to an increase in our total costs of revenues of 8.3% or Rp. 20.7 billion and an increase in our operating expenses of 8.5% or Rp. 25.4 billion. Our revenues-net increased at a faster rate than our costs of sales and operating expenses primarily as a result of the increases in our revenue per customer in line with our price increases. In addition, for the six months ended June 30, 2016, we also reduced our finance costs — net because we paid off a significant portion of our bank debt at the end of 2015 and because the Spin-off Transaction, which also closed at the end of 2015, reduced the effect of our subsidiaries on our financial results.

Income before tax for the Company on a standalone basis increased by 28.7% to Rp. 55.5 billion (US\$ 4.2 million) for the six months ended June 30, 2016 from Rp. 43.1 billion for the six months ended June 30, 2015.

Income tax benefit (expenses)

Our total income tax expenses increased by 71.5% to Rp. 16.4 billion (US\$ 1.2 million) for the six months ended June 30, 2016 from Rp. 9.6 billion for the six months ended June 30, 2015 primarily due to the 38.7% decrease in our deferred tax, which decreased to Rp. 6.5 billion for the six months ended June 30, 2016 from Rp. 10.6 billion for the six months ended June 30, 2015. Our deferred tax benefits are primarily related to our employee benefit costs. Our employee benefit costs decreased 35.1% in the six months ended June 30, 2016 from the costs in the comparative period, which similarly decreased our deferred tax benefits.

Income tax for the Company on a standalone basis income tax expenses increased by 71.5% to Rp. 16.4 billion (US\$ 1.2 million) for the six months ended June 30, 2016 from Rp. 9.6 billion for the six months ended June 30, 2015.

Income for the period

Our income for the year increased by 21.7% to Rp. 39.1 billion (US\$ 3.0 million) for the six months ended June 30, 2016 from Rp. 32.1 billion for the six months ended June 30, 2015.

Income for the period for the Company on a standalone basis increased by 16.5% to Rp. 39.1 billion (US\$ 3.1 million) for the six months ended June 30, 2016 from Rp. 33.5 billion for the six months ended June 30, 2015.

Other Comprehensive Income (Loss) after Tax

Our other comprehensive income after tax increased by 308.9% to a loss of Rp. 36.8 billion (US\$ 2.8 million) for the six months ended June 30, 2016 from a loss of Rp. 9.0 billion for the six months ended June 30, 2015 because of a Rp. 49.1 billion loss on remeasurement of employee benefits program. In comparison, for the six months ended June 30, 2015, we had a loss from remeasurement of employee benefit program of Rp.12.1 billion. The difference between the two periods is primarily due to a reduction in excess benefits paid from plan assets in the six months ended June 30, 2016, compared to the six months ended June 30, 2015. This loss was slightly offset by the recognition of a Rp. 12.3 billion tax benefit from the net loss from remeasurement.

Other comprehensive income after tax for the Company on a standalone basis increased by 308.9% to Rp. 36.8 billion (US\$ 2.8 million) for the six months ended June 30, 2016 from Rp. 9.0 billion for the six months ended June 30, 2015.

Total comprehensive income for the period

As the result of the foregoing, our total comprehensive income for the year decreased by 90.1% to Rp. 2.3 billion (US\$ 0.2 million) for the six months ended June 30, 2016 from Rp. 23.1 billion for the six months ended June 30, 2015.

Total comprehensive income for the period for the Company on a standalone basis decreased by 90.6% to Rp. 2.3 billion (US\$ 0.2 million) for the six months ended June 30, 2016 from Rp. 24.5 billion for the six months ended June 30, 2015.

Year ended December 31, 2015 compared to the year ended December 31, 2014

Revenues — net

Our revenues-net increased by 8.8% to Rp. 1,197.7 billion (US\$90.9 million) for the year ended December 31, 2015 from Rp. 1,101.0 billion for the year ended December 31, 2014 primarily due to the increase in the volume of customer visits and revenue per visit. The number of customer visits increased by 3.4% to 2.4 million for the year ended December 31, 2015 from 2.3 million for the year ended December 31, 2014 primarily due to growth in customers across the walk-in customers (a 6.6% increase), external referrals (a 12.0% increase) and corporate customers (a 2.2% increase). Our revenue per visit also increased by 5.3% to Rp. 502,713.8 for the year ended December 31, 2015 from Rp. 468,791.7 for the year ended December 31, 2014 primarily due to increased prices for our services. We increased our test prices by a volume weighted average of approximately 8.0%, compared to the rate of inflation in 2015 of 3.4% per annum.

Revenues-net for the Company on a standalone basis increased by 10.8% to Rp. 1,197.7 billion (US\$90.9 million) for the year ended December 31, 2015 from Rp. 1,080.6 billion for the year ended December 31, 2014.

Cost of revenues

Our total cost of revenues increased by 10.2% to Rp. 511.2 billion (US\$38.8 million) for the year ended December 31, 2015 from Rp. 464.0 billion for the year ended December 31, 2014 primarily due to increases in expenses relating to raw materials, salaries and referrals to third parties. Our expenses for raw materials increased by 7.2% to Rp. 189.5 billion (US\$14.4 million) for the year ended December 31, 2015 from Rp. 176.7 billion for the year ended December 31, 2014 primarily due to the 1.8% increase in the volume of tests that we performed, as well because of a rise in the prices of raw materials generally in 2015 due primarily to inflation. Our salary expenses related to direct cost of sales (for laboratory employees) increased by 14.7% to Rp. 110.6 billion (US\$8.4 million) for the year ended December 31, 2015 from Rp. 96.4 billion for the year ended December 31, 2014. Our salaries related to indirect cost of sales (for non-lab employees such as customer service employees) increased by 16.9% to Rp. 49.7 billion (US\$3.8 million) for the year ended December 31, 2015 from Rp. 42.5 billion for the year ended December 31, 2014. These salary expenses increased primarily because we hired additional fulltime laboratory and customer service employees, as well as because of the implementation of the Indonesia's national pension fund benefits program, BPJS Ketenagakerjaan, which required us to increase our short-term benefits payments, which we recognize as salaries expenses. In addition, our expenses for referrals to third party laboratories increased by 7.4% to Rp. 71.5 billion (US\$5.4 million) for the year ended December 31, 2015 from Rp. 66.6 billion for the year ended December 31, 2014, primarily due to an increase in the number of tests referred to external parties.

Total cost of revenues for the Company on a standalone basis increased by 12.6% to Rp. 511.2 billion (US\$38.8 million) for the year ended December 31, 2015 from Rp. 453.9 billion for the year ended December 31, 2014.

Gross profit

As a result of the foregoing, our gross profit increased by 7.8% to Rp. 686.5 billion (US\$52.1 million) for the year ended December 31, 2015 from Rp. 637.0 billion for the year ended December 31, 2014.

Gross profit for the Company on a standalone basis increased by 9.5% to Rp. 686.5 billion (US\$52.1 million) for the year ended December 31, 2015 from Rp. 626.7 billion for the year ended December 31, 2014.

Operating expenses

Our operating expenses increased by 8.2% to Rp. 606.5 billion (US\$46.0 million) for the year ended December 31, 2015 from Rp. 560.4 billion for the year ended December 31, 2014 primarily due to increases in employee benefits costs and salaries and allowances. Our employee benefits costs increased by 57.5% to Rp. 62.7 billion (US\$4.8 million) for the year ended December 31, 2015 from Rp. 39.8 billion for the year ended December 31, 2014 primarily due to a one-time Rp. 19.2 billion charge classified as “excess employee benefits paid by asset management”, which comprises retirement benefits paid to certain high level employees that retired in 2015. On our statement of profit and loss, for the year ended December 31, 2015, our employee benefits costs comprise Rp. 48.1 billion (US\$3.7 million) of employee benefits expense, Rp. 9.5 billion (US\$0.7 million) of severance and Rp. 5.0 billion (US\$0.4 million) of severance insurance premium. For the year ended December 31, 2014, our employee benefits costs comprise Rp. 26.2 billion of employee benefits expense, Rp. 8.6 billion of severance and Rp. 5.0 billion of severance insurance premium. See “—Description of Key Line Items of Our Income Statement—Operating Expenses—Employee Benefits Costs”. Our salaries and allowances (salaries for administrative and management personnel) increased by 3.0% to Rp. 165.2 billion (US\$12.5 million) for the year ended December 31, 2015 from Rp. 160.4 billion for the year ended December 31, 2014 as a result of the implementation of the Indonesia’s national pension fund benefits program, BPJS Ketenagakerjaan, which required us to increase defined benefits payments, which we recognize as salary expenses. This gain was also offset by the employee salaries of the Spun-off Subsidiaries no longer being included in our costs.

Operating expenses for the Company on a standalone basis increased by 12.5% to Rp. 606.5 billion (US\$46.0 million) for the year ended December 31, 2015 from Rp. 539.3 billion for the year ended December 31, 2014.

Other income

Our other income increased by 136.6% to Rp. 35.4 billion (US\$2.7 million) for the year ended December 31, 2015 from Rp. 15.0 billion for the year ended December 31, 2014 primarily due to the 404.3% increase on gain on sale of fixed assets-net to Rp. 23.2 billion (US\$1.8 million) for the year ended December 31, 2015 from Rp. 4.6 billion for the year ended December 31, 2014 related to the Sale and Lease Transactions.

Other income for the Company on a standalone basis increased by 115.2% to Rp. 35.4 billion (US\$2.7 million) for the year ended December 31, 2015 from Rp. 16.5 billion for the year ended December 31, 2014.

Other expenses

Our other expenses increased significantly to Rp. 18.5 billion (US\$1.4 million) for the year ended December 31, 2015 from Rp. 0.8 billion for the year ended December 31, 2014 primarily due to a tax expense related proceeds from the sale of fixed assets related to real estate and land.

Other expenses for the Company on a standalone basis increased significantly to Rp. 18.5 billion (US\$1.4 million) for the year ended December 31, 2015 from Rp. 1.5 billion for the year ended December 31, 2014.

Operating income

Our operating income increased by 6.7% to Rp. 96.9 billion (US\$7.4 million) for the year ended December 31, 2015 from Rp. 90.8 billion for the year ended December 31, 2014 as a result of the foregoing and the Spun-off Transaction. As a result of the Spun-off Transaction, the results of operations for the year ended December 31, 2015 are not directly comparable to the results of operations for the year ended December 31, 2014. In accordance with PSAK 38, the revenues and expenses of these subsidiaries could no longer be consolidated with the relevant line items of the Company when preparing the consolidated financial results. Instead, the net losses of these subsidiaries for the period from January 1, 2015 to respective date of disposal for each of the subsidiaries is recognized as portion of subsidiaries loss before disposal, which appears below operating income on the statement of profit and loss. Therefore, the increase in our operating income, on a consolidated basis, reflects the exclusion of what would have been the Spun-off Subsidiaries negative contribution to operating income in 2015.

Operating income for the Company on a standalone basis decreased by 5.3% to Rp. 96.9 billion (US\$7.4 million) for the year ended December 31, 2015 from Rp. 102.4 billion for the year ended December 31, 2014 primarily due to 12.5% increase in operating expenses.

Portion of subsidiaries loss before disposal

As a result, the net losses of these four subsidiaries for the period from January 1, 2015 to the relevant day of the disposal of each respective subsidiary was recognized as the portion of subsidiaries loss before disposal of Rp. 1.4 billion (US\$0.1 million) for the year ended December 31, 2015.

Financial costs — net

Our financial cost — net increased by 27.5% to Rp. 18.5 billion (US\$1.4 million) for the year ended December 31, 2015 from Rp. 14.5 billion for the year ended December 31, 2014 primarily due to interest expense on drawdowns of our revolving credit facilities, which we used for working capital purposes and to finance renovations of certain of our clinical laboratories. We paid back these short-term loans within the year so they are not reflected on our statement of assets and liabilities as of December 31, 2015. We also had interest expense on our bank loans used to finance the construction of new buildings for use as clinical laboratories. The majority of these bank loans were repaid in November 2015 and, as a result, our bank loans outstanding decreased from Rp. 5.7 billion as of December 31, 2014 to Rp. 1.0 billion as of December 31, 2015.

Financial cost—net for the Company on a standalone basis increased by 32.1% to Rp. 18.5 billion (US\$1.4 million) for the year ended December 31, 2015 from Rp. 14.0 billion for the year ended December 31, 2014.

Income before tax

Our income before tax increased by 0.9% to Rp. 77.0 billion (US\$5.9 million) for the year ended December 31, 2015 from Rp. 76.3 billion for the year ended December 31, 2014 primarily because our total cost of sales and our operating expenses increased at a faster rate than our revenues-net. For the year ended December 31, 2015, our total costs of sales increased by 10.2% or Rp. 47.1 billion and our operating expenses increased by 8.2% or Rp. 46.2 billion, compared to the increase in revenues-net of 8.8% or Rp. 96.7 billion. Our costs of sales and operating expenses increased at a faster rate than our revenues-net primarily as a result of the increases in salaries expense as a result of the implementation of the universal pension scheme BPJS Kesehatan, and employee benefits expense as a result of increased benefits paid due to the retirement of certain employees and classified as “excess employee benefits paid by asset management”.

Income before tax for the Company on a standalone basis decreased by 11.3% to Rp. 78.4 billion (US\$6.0 million) for the year ended December 31, 2015 from Rp. 88.4 billion for the year ended December 31, 2014.

Income tax benefit (expenses)

Our total income tax expenses decreased by 14.3% to Rp. 18.0 billion (US\$1.4 million) for the year ended December 31, 2015 from Rp. 21.0 billion for the year ended December 31, 2014 primarily due to the 61.2% increase in our deferred tax benefits to Rp. 11.5 billion (US\$0.8 million) for the year ended December 31, 2015 from Rp. 7.2 billion for the year ended December 31, 2014. Our deferred tax benefits are primarily related to our employee benefit costs. Our employee benefit costs increased 57.6% in the year ended December 31, 2015 from the year ended December 31, 2014, which similarly increased our deferred tax benefits.

Total income tax expenses for the Company on a standalone basis decreased by 17.0% to Rp. 18.0 billion (US\$1.4 million) for the year ended December 31, 2015 from Rp. 21.7 billion for the year ended December 31, 2014.

Income for the year

Our income for the year increased by 6.7% to Rp. 59.0 billion (US\$4.5 million) for the year ended December 31, 2015 from Rp. 55.3 billion for the year ended December 31, 2014.

Income for the year for the Company on a standalone basis decreased by 9.3% to Rp. 60.4 billion (US\$4.6 million) for the year ended December 31, 2015 from Rp. 66.7 billion for the year ended December 31, 2014.

Other Comprehensive Income after Tax

Other comprehensive income after tax was a gain of Rp. 7.5 billion (US\$0.6 million) for the year ended December 31, 2015 compared to a loss of Rp. 10.5 billion for the year ended December 31, 2014 because of Rp. 10.0 billion of the recognition of income from the remeasurement of employee benefits program. In comparison, for the year ended December 31, 2014, we had a loss from remeasurement of employee benefits program of Rp. 13.9 billion. The difference between 2014 and 2015 is primarily due to the change in our discount rate assumption to 9.2% for 2015 from 8.5% for 2014, and the corresponding effect on our actuarial gains. This gain was slightly offset by the recognition of a Rp. 2.5 billion tax expense owned on the net gain from remeasurement. ”—*Description of Key Line Items of Our Income Statement—Other Comprehensive Income after Tax*”.

Other comprehensive income after tax for the Company on a standalone basis was a gain of Rp. 7.5 billion (US\$0.6 million) for the year ended December 31, 2015 compared to a loss of Rp. 10.3 billion for the year ended December 31, 2014.

Total comprehensive income for the year

As a result of the foregoing, our total comprehensive income was Rp. 66.5 billion (US\$5.1 million) for the year ended December 31, 2015, representing an increase of 48.4% from Rp. 44.8 billion for the year ended December 31, 2014.

Total comprehensive income for the year for the Company on a standalone basis increased 20.4% to Rp. 67.9 billion (US\$5.2 million) for the year ended December 31, 2015 from Rp. 56.4 billion for the year ended December 31, 2014.

Year ended December 31, 2014 compared to the year ended December 31, 2013

Revenues — net

Our revenues-net increased by 10.3% to Rp. 1,101.0 billion for the year ended December 31, 2014 from Rp. 998.0 billion for the year ended December 31, 2013 primarily due to increases in the volume of customer visits and revenue per visit. The number of customer visits increased by 3.1% to 2.3 million for the year ended December 31, 2014 from 2.2 million for the year ended December 31, 2013 primarily due to growth in customers across the doctor referral customers (a 5.2% increase) and corporate customers (a 24.7% increase). Our revenue per visit also increased by 6.3% to Rp. 468,791.7 for the year ended December 31, 2014 from Rp. 440,843.0 for the year ended December 31, 2013 primarily due to increased prices for our services. We increased our test prices by a volume weighted average of approximately 7.0%, compared to the rate of inflation in 2014 of 8.4% per annum.

Revenues-net for the Company on a standalone basis increased by 9.6% to Rp. 1,080.6 billion for the year ended December 31, 2014 from Rp. 985.9 billion for the year ended December 31, 2013.

Cost of revenues

Our total cost of revenues increased by 17.2% to Rp. 464.0 billion for the year ended December 31, 2014 from Rp. 396.0 billion for the year ended December 31, 2013 primarily due to increases in raw materials costs, salaries and referrals to third parties. Our expenses for raw materials increased by 3.2% to Rp. 176.7 billion for the year ended December 31, 2014 from Rp. 171.2 billion for the year ended December 31, 2013 because of price increases due primarily to inflation. Our salary expenses also increased. Our salaries related to direct cost of sales (for laboratory employees) increased by 30.9% to Rp. 96.4 billion for the year ended December 31, 2014 from Rp. 73.6 billion for the year ended December 31, 2013. Our salaries related to indirect cost of sales (for customer service employees) increased by 32.8% to Rp. 42.5 billion for the year ended December 31, 2014 from Rp. 32.0 billion for the year ended December 31, 2013. These salary expenses increased primarily because we increased the wages of several levels of employees following an increase in the regulatory required minimum wage in Jakarta. While most of these employees were paid above minimum wage, we nevertheless increased wages to keep the relative salary bands roughly consistent with the previous scale. In addition, our salaries increased because we hired additional permanent laboratory and customer service employees in anticipation of further growth in tests performed and customers served. In addition, our referrals to third parties increased by 25.4% to Rp. 66.6 billion for the year ended December 31, 2014 from Rp. 53.1 billion for the year ended December 31, 2013 primarily due to an increase in the number of tests referred to external parties.

Total cost of revenues for the Company on a standalone basis increased by 18.3% to Rp. 453.9 billion for the year ended December 31, 2014 from Rp. 383.7 billion for the year ended December 31, 2013.

Gross profit

As a result of the foregoing, our gross profit increased by 5.8% to Rp. 637.0 billion for the year ended December 31, 2014 from Rp. 602.0 billion for the year ended December 31, 2013.

Gross profit for the Company on a standalone basis increased by 4.1% to Rp. 626.7 billion for the year ended December 31, 2014 from Rp. 602.2 billion for the year ended December 31, 2013.

Operating expenses

Our operating expenses increased by 10.1% to Rp. 560.4 billion for the year ended December 31, 2014 from Rp. 508.8 billion for the year ended December 31, 2013 primarily due to increases in electricity, water and telecommunications expense and building, vehicle and office inventories rent expense, employee benefits and consultant expense. Our electricity, water and telecommunication expense increased by 28.5% to Rp. 33.8 billion for the year ended December 31, 2014 from Rp. 26.3 billion for the year ended December 31, 2013.

Our building, vehicle and office inventories rent expense increased by 22.5% to Rp. 31.1 billion for the year ended December 31, 2014 from Rp. 25.4 billion for the year ended December 31, 2013. The increases in both our electricity, water and telecommunication expense and our building, vehicle and office inventories rent expense increased as a result of Government policies that ended subsidies for gasoline and fuel prices, which increased utility and fuel costs. Our employee benefits costs increased by 24.4% to Rp. 39.8 billion for the year ended December 31, 2014 from Rp. 32.0 billion for the year ended December 31, 2013 primarily due to increased interest costs on benefit plan liabilities due to higher interest rates in 2014 compared to 2013. On our statement of profit and loss, for the year ended December 31, 2014, our employee benefits costs comprise Rp. 26.2 billion of employee benefits expense, Rp. 8.3 billion of severance and Rp. 5.0 billion of severance insurance premium. For the year ended December 31, 2013 our employee benefits costs comprise Rp. 1.1 billion of employee benefits expense, Rp. 10.9 billion of severance and Rp. 20.0 billion of severance insurance premium. Our severance insurance premium, which increases our benefit plan assets, was higher in 2013 than 2014 because prior to 2012 we had not set aside funds to pay for future benefit plan liabilities. We began setting aside such funds in 2012 and made initial large payments in 2012 and 2013. See “—*Description of Key Line Items of Our Income Statement—Operating Expenses—Employee Benefits Costs*”. Our consultant expenses increased by 14.0% to Rp. 66.4 billion for the year ended December 31, 2014 from Rp. 58.3 billion for the year ended December 31, 2013 as a result of the applicability of BPJS Kesehatan regulations on our outsourced employees, which increased the wages of such employees and therefore the costs of hiring outsourcing firms to provide these services.

Operating expenses for the Company on a standalone basis increased by 7.7% to Rp. 539.3 billion for the year ended December 31, 2014 from Rp. 500.6 billion for the year ended December 31, 2013.

Other income

Our other income increased by 233.3% to Rp. 15.0 billion for the year ended December 31, 2014 from Rp. 4.5 billion for the year ended December 31, 2013 primarily because we had income of Rp. 9.0 billion primarily consisting of reimbursement of employee benefits from our asset management company for the pension we paid to our employees directly. We also had other income of Rp. 4.6 billion from the sale of land, which was originally purchased by us to be a new location for an existing clinical laboratory. However, we decided to sell the location because we determined that the new site was inconvenient for our existing local customer base.

Other income for the Company on a standalone basis increased by 223.5% to Rp. 16.5 billion for the year ended December 31, 2014 from Rp. 5.1 billion for the year ended December 31, 2013.

Other expenses

Our other expenses decreased by 78.9% to Rp. 0.8 billion for the year ended December 31, 2014 from Rp. 3.8 billion for the year ended December 31, 2013 primarily due to tax payments in the year ended December 31, 2013 related to a late filing penalty assessed in 2013 for the Company's 2010 income tax return. In addition, in the year ended December 31, 2013, we also experienced a loss of forex — net, primarily due to transactions in Proline, as a result of the depreciation of the Rupiah against the U.S. dollar.

Other expenses for the Company on a standalone basis decreased by 52.2% to Rp. 1.5 billion for the year ended December 31, 2014 from Rp. 3.2 billion for the year ended December 31, 2013.

Operating income

As a result of the foregoing, our operating income decreased by 3.3% to Rp. 90.8 billion for the year ended December 31, 2014 from Rp. 93.9 billion for the year ended December 31, 2013.

Operating income for the Company on a standalone basis decreased by 1.1% to Rp. 102.4 billion for the year ended December 31, 2014 from Rp. 103.5 billion for the year ended December 31, 2013.

Financial costs—net

Our financial cost-net increased by 126.6% to Rp. 14.5 billion for the year ended December 31, 2014 from Rp. 6.4 billion for the year ended December 31, 2013 primarily due to the full year of interest expense on bank loans incurred at the end of 2013. These funds were borrowed for the purpose of developing buildings as sites for our clinical laboratories.

Financial cost-net for the Company on a standalone basis increased by 129.5% to Rp. 14.0 billion for the year ended December 31, 2014 from Rp. 6.1 billion for the year ended December 31, 2013.

Income before tax

Our income before tax decreased by 12.9% to Rp. 76.3 billion for the year ended December 31, 2014 from Rp. 87.6 billion for the year ended December 31, 2013 primarily because our total cost of sales and our operating expenses increased at a faster rate than our revenues-net. For the year ended December 31, 2014, our total costs of sales increased by 17.2% or Rp. 68.1 billion and our operating expenses increased by 10.1% or Rp. 51.6 billion, compared to the increase in revenues-net of 10.3% or Rp. 103.1 billion primarily due to increased financial costs in the year ended December 31, 2014 related to loans taken for the purpose of developing buildings as sites for our clinical laboratories.

Income before tax for the Company on a standalone basis decreased by 9.3% to Rp. 88.4 billion for the year ended December 31, 2014 from Rp. 97.4 billion for the year ended December 31, 2013.

Income tax benefit (expenses)

Our total income tax expenses decreased by 24.4% to Rp. 21.0 billion for the year ended December 31, 2014 from Rp. 27.8 billion for the year ended December 31, 2013 primarily due to the deferred tax benefit of Rp. 7.2 billion for the year ended December 31, 2014 compared to a deferred tax expense of Rp. 0.2 billion for the year ended December 31, 2013. Our deferred tax benefits are primarily related to our employee benefit costs. Our employee benefit costs increased 24.4% in the year ended December 31, 2014 from the year ended December 31, 2013, which similarly increased our deferred tax benefits.

Total income tax expenses for the Company on a standalone basis decreased by 21.8% to Rp. 21.7 billion for the year ended December 31, 2014 from Rp. 27.8 billion for the year ended December 31, 2013.

Income for the year

Our income for the year decreased by 7.5% to Rp. 55.3 billion for the year ended December 31, 2014 from Rp. 59.8 billion for the year ended December 31, 2013.

Income for the year for the Company on a standalone basis decreased by 4.2% to Rp. 66.7 billion for the year ended December 31, 2014 from Rp. 69.6 billion for the year ended December 31, 2013.

Other Comprehensive Income after Tax

Other comprehensive income after tax was a loss of Rp. 10.5 billion for the year ended December 31, 2014 compared to income of Rp. 28.2 billion for the year ended December 31, 2013 because of the Rp. 13.9 billion loss recognized as other comprehensive income as a result of the remeasurement of employee benefits program. In comparison, for the year ended December 31, 2013, we had other comprehensive income of Rp. 37.6 billion. The difference between 2013 and 2014 is primarily due to the change in our discount rate assumption to 8.5% for 2014 from 8.8% for 2013, and the corresponding effect on our actuarial gains. This gain was slightly offset by the recognition of a Rp. 3.5 billion tax benefit from the expense from the remeasurement. See “—Description of Key Line Items of Our Income Statement—Other Comprehensive Income after Tax”.

Other comprehensive income after tax for the Company on a standalone basis was a loss of Rp. 10.3 billion for the year ended December 31, 2014 compared to income of Rp. 28.2 billion for the year ended December 31, 2013.

Total comprehensive income for the year

As the result of the foregoing, our total comprehensive income was Rp. 44.8 billion for the year ended December 31, 2014, representing a decrease of 49.0% from Rp. 88.0 billion for the year ended December 31, 2013.

Total comprehensive income for the Company on a standalone basis was Rp. 56.4 billion for the year ended December 31, 2014, representing a decrease of 42.4% from Rp. 97.8 billion for the year ended December 31, 2013.

Liquidity and Capital Resources

We have historically financed our capital requirements primarily through funds generated from our operations and financing from banks. Our primary capital requirements have been to purchase properties, and to fund general working capital requirements used to open new outlets and otherwise expand our operations. We believe that we will have sufficient capital resources from our operations, the net proceeds of the Offering and financing from banks and other financial institutions to meet our capital requirements for at least the next 12 months.

As of June 30, 2016, we had cash and cash equivalents of Rp. 44.9 billion and had available undrawn working capital credit lines of Rp. 72.0 billion.

The following table sets forth information regarding our cash flows for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2015 and 2016, and our cash and cash equivalents at the end of each period:

	For the Years Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp	Rp	Rp	US\$	Rp	Rp	US\$
	(Rp. in billions and US\$ in millions, except percentages)						
Total Cash Flows							
Net Cash Provided by Operating Activities	82.7	105.6	158.2	12.0	165.5	55.0	4.2
Net Cash Provided by (Used in) Investing Activities	(58.9)	(122.6)	63.4	4.8	(137.6)	(39.0)	(3.0)
Net Cash Provided by (Used in) Financing Activities	(14.2)	27.5	(219.2)	(16.6)	(36.0)	(16.1)	(1.2)
NET INCREASE IN CASH ON HAND AND IN BANKS.	9.6	10.5	2.4	0.2	(8.1)	0.1	0.0
CASH ON HAND AND IN BANKS OF DISPOSAL OF SUBSIDIARIES.	—	—	(2.5)	(0.2)	(2.5)	—	—
CASH ON HAND AND IN BANKS AT THE END OF PERIOD	34.6	45.1	45.0	3.4	34.5	44.9	(3.4)

Cash flows provided by operating activities

Our cash flow provided by operating activities for the six months ended June 30, 2016 was Rp. 55.0 billion (US\$4.2 million), primarily comprising cash received from customers of Rp. 669.0 billion (US\$50.8 million), partially offset by cash paid to employees, supplier and third parties of Rp. 597.8 billion (US\$45.4 million) and cash paid for income tax of Rp. 16.5 billion (US\$1.25 million).

Our cash flow provided by operating activities for the year ended December 31, 2015 was Rp. 158.2 billion (US\$12.0 million), primarily comprising cash received from customers of Rp. 1,188.8 billion (US\$90.2 million), partially offset by cash paid to employees, supplier and third parties of Rp. 1,001.6 billion (US\$76.0 million) and cash paid for income tax of Rp. 29.7 billion (US\$2.3 million).

Our cash flow provided by operating activities for the year ended December 31, 2014 was Rp. 105.6 billion, primarily comprising cash received from customers of Rp. 1,088.7 billion, partially offset by cash paid to employees, supplier and third parties of Rp. 951.0 billion and cash paid for income tax of Rp. 33.4 billion.

Our cash flow provided by operating activities for the year ended December 31, 2013 was Rp. 82.7 billion primarily comprising cash received from customers of Rp. 998.5 billion, partially offset by cash paid to employees, supplier and third parties of Rp. 882.1 billion and cash paid for income tax of Rp. 34.0 billion.

Cash flows provided by (used in) investing activities

Our cash flow used in investing activities for the six months ended June 30, 2016 was Rp. 39.0 billion (US\$3.0 million), primarily comprising cash used in acquisition of fixed assets of Rp. 46.2 billion (US\$3.5 million) relating to the acquisition of finished buildings for our clinical outlets, partially offset by proceeds from fixed assets disposal of Rp. 7.2 billion (US\$0.5 million).

Our cash flow provided by investing activities for the year ended December 31, 2015 was Rp. 63.4 billion (US\$4.8 million), primarily comprising proceeds from fixed assets disposal of Rp. 353.0 billion (US\$26.8 million) relating to the Sale and Lease Transactions, partially offset by cash used in acquisition of fixed assets of Rp. 320.5 billion (US\$24.3 million) relating to the acquisition of finished buildings for our clinical outlets.

Our cash flow used in investing activities for the year ended December 31, 2014 was Rp. 122.6 billion, primarily comprising cash used in acquisition of fixed assets of Rp. 128.7 billion relating to the construction of buildings for our clinical laboratories and the acquisition of electronics, laboratory and non-laboratory equipment and lease assets use to outfit new clinical laboratories and other outlets, partially offset by proceeds from fixed assets disposal of Rp. 6.5 billion.

Our cash flow used in investing activities for the year ended December 31, 2013 was Rp. 58.9 billion, primarily comprising cash used in acquisition of fixed assets of Rp. 65.7 billion relating to the construction of buildings for our clinical laboratories and the acquisition of electronics, laboratory and non-laboratory equipment and lease assets use to outfit new clinical laboratories and other outlets, partially offset by proceeds from fixed assets disposal of Rp. 10.0 billion relating to the disposal of real estate and buildings and outdated laboratory and non-laboratory equipment, which were replaced by more current models.

Cash flows provided by (used in) financing activities

Our cash flow used in financing activities for the six months ended June 30, 2016 was Rp. 16.1 billion (US\$1.2 million), primarily comprising payment of cash dividends of Rp. 57.0 billion (US\$4.3 million) which we declared in 2015, and payment of bank loans used to finance the construction of new buildings for our outlets of Rp. 7.8 billion (US\$0.6 million) to PT Bank Danamon Indonesia Tbk (“Bank Danamon”) and PT Bank Central Asia Tbk (“Bank BCA”), which were partially offset by proceeds from bank loans of Rp. 49.0 billion (US\$3.7 million) received from Bank Danamon, Bank BCA and Bank Panin.

Our cash flow used in financing activities for the year ended December 31, 2015 was Rp. 219.2 billion (US\$16.6 million), primarily comprising payment of cash dividends of Rp. 100.0 billion (US\$7.6 million) which we declared in 2015, and payment of bank loans used to finance the construction of new buildings for our outlets of Rp. 178.5 billion (US\$13.5 million) to Bank Danamon and Bank BCA, which were partially offset by proceeds from bank loans of Rp. 65.3 billion (US\$5.0 million) received from Bank Danamon, Bank BCA and Bank Panin.

Our cash flow provided by financing activities for the year ended December 31, 2014 was Rp. 27.5 billion, primarily comprising additional paid-in capital of Rp. 57.0 billion contributed by Prodia Utama, and proceeds from bank loans of Rp. 44.5 billion received from Bank Danamon and Bank BCA, which were partially offset by payment of cash dividends of Rp. 58.0 billion relating to the dividends for fiscal year 2013, as well as payment of bank loans of Rp. 16.3 billion to Bank Danamon, Bank BCA, RaboBank and Bank Panin.

Our cash flow used in financing activities for the year ended December 31, 2013 was Rp. 14.2 billion, primarily comprising payment of cash dividends of Rp. 74.5 billion we declared in 2013, and payment of bank loans of Rp. 17.2 billion to Bank Danamon and Bank BCA, which were partially offset by proceeds from bank loans of Rp. 79.2 billion received from Bank Danamon and Bank BCA.

Indebtedness

As of June 30, 2016, we had total indebtedness outstanding of Rp. 104.7 billion. Our indebtedness has historically consisted of working capital facilities and other bank loans, which we used to finance the purchase of land and construction of buildings for our clinical laboratories. Our current existing loans and facilities are described below.

PT Bank Pan Indonesia Tbk (“Bank Panin”)

As of June 30, 2016, we have three loan agreements with Bank Panin.

On August 12, 2015, we entered into a working capital instalment plan credit agreement for a total principal amount of Rp. 5.5 billion, with an initial floating interest rate of 11.5% interest rate p.a., due in August 12, 2020. The loan was used for working capital to finance receivables and the purchase of stocks of supplies. As of June 30, 2016, we had Rp. 4.6 billion outstanding.

On May 29, 2015, we entered into a credit agreement with Bank Panin for a total principal amount of Rp. 10.2 billion, with an initial floating interest rate of 11.5% interest rate p.a., due May 28, 2020. The loan was used to finance the investment of land and building in Kembangan, West Jakarta. As of June 30, 2016, we had Rp. 8.0 billion outstanding.

On August 12, 2015, we entered into a credit agreement with Bank Panin for a total principal amount of Rp. 12.6 billion, with an initial floating interest rate of 11.5% interest rate p.a., due August 12, 2020. The loan was used to refinance the asset of land and building in Lebak Bulus, South Jakarta. As of June 30, 2016, we had Rp. 10.5 billion outstanding.

PT Bank Danamon Indonesia Tbk

We first obtained a secured, long-term investment credit facility from Bank Danamon in 2005, which was extended and amended several times, with the latest extension occurring in August 2016. Under the current terms, the facility agreement has a maximum loan value of Rp. 138.0 billion and will expire in 2017. Any loans under this agreement are secured by certain of our land and buildings.

As of June 30, 2016, we had four tranches outstanding under the credit agreement with Bank Danamon. The first tranche, called *Kredit Rekening Koran*, Uncommitted, Revolving Facility, has a maximum ceiling of Rp. 5.0 billion and was undertaken for working capital purposes. As of June 30, 2016, the tranche had a fixed interest rate of 11.25% per annum and effective November 1, 2016, it had an interest rate of 10.75% per annum. As of June 30, 2016, we had Rp.3.6 billion outstanding. The tranche is due in July 2017 (“KRK Facility”). The second tranche, called *Kredit Modal Kerja* or Working Capital Credit, Uncommitted, Revolving Facility, has a maximum ceiling of Rp.20.0 billion and was undertaken for the purpose of our working capital. As of June 30, 2016, the tranche had a fixed interest rate of 11.25% per annum and effective November 1, 2016, it had an interest rate of 10.75% per annum. As of June 30, 2016, we had Rp. 20.0 billion outstanding. The tranche is due in July 2017 (“KMK Facility”). The third tranche is a periodic instalment, uncommitted, non-revolving facility. This loan is to finance the purchase and construction of land and building and has a maximum ceiling of Rp. 96 billion. As of June 30, 2016, the tranche had a fixed interest rate of 11.75% per annum and effective November 1, 2016, it had an interest rate of 11.00% per annum. As of June 30, 2016, we had Rp.24.0 billion outstanding. The tranche is due eight years after the first drawdown, which is June 28, 2023. The fourth tranche, called *Kredit Angsuran Berjangka 20* or periodic instalment credit 20, has a maximum ceiling of Rp. 17.0 billion and was undertaken for the purpose of financing the construction of clinical laboratory in Sunter, DKI Jakarta. As of June 30, 2016, the tranche had a fixed interest rate of 11.75% per annum and effective November 1, 2016, it had an interest rate of 11.00% per annum. As of June 30, 2016, we had Rp. 15.3 billion outstanding.

PT Bank Central Asia Tbk

We first obtained a secured, long-term investment credit facility from Bank BCA in 2012, which was extended and amended several times. Under the current terms, the agreement has a maximum loan value of Rp. 26.0 billion and will expire in 2020. Any loans under this agreement are secured by certain of our land and buildings.

As of June 30, 2016, we had two tranches outstanding under the agreement. The first tranche is an instalment working capital loan. This loan is for working-capital purposes and has a maximum ceiling of Rp. 6.0 billion. The second tranche was undertaken for the purpose of financing the construction of our building located in Surabaya and has a maximum ceiling of Rp.20.0 billion. Both tranches have a fixed interest rate of 11.75% per annum. The first tranche is due May 24, 2017. The second tranche is due November 19, 2020.

Capital Expenditure

Our capital expenditure generally relates to the costs associated with opening new clinical laboratories, including land and buildings, electronics, laboratory equipment and software, among others. The following table sets forth our capital expenditure for the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2015 and 2016.

	For the Year Ended December 31,				For the Six Months Ended June 30,		
	2013	2014	2015		2015	2016	
	Rp.	Rp.	Rp.	US\$	Rp.	Rp.	US\$
	(Rp. in billions and US\$ in millions)						
Land and buildings	25.7	6.2	273.3	20.7	119.9	27.2	2.1
Vehicle	4.0	12.3	7.3	0.6	3.1	4.0	0.3
Office Equipment	4.2	3.8	7.1	0.5	2.5	2.9	0.2
Electronics	17.5	9.7	18.6	1.4	4.8	8.8	0.7
Other Office Equipment	0.8	0.3	0.8	0.1	0.1	0.1	0.0
Laboratory Equipment	4.6	12.1	7.0	0.5	5.2	0.8	0.1
Non-laboratory Equipment	4.9	6.4	6.2	0.5	1.1	2.3	0.2
Software	3.0	0.2	1.3	0.1	1.0	—	—
Total	<u>64.6</u>	<u>50.9</u>	<u>321.8</u>	<u>24.4</u>	<u>137.7</u>	<u>46.2</u>	<u>3.5</u>

We expect our total capital expenditure for all of 2016 to be approximately Rp. 90.0 billion (US\$6.8 million), which we plan to use primarily for laboratory and non-laboratory equipment, IT projects, the improvement of existing clinical laboratories and for the construction of our regional reference laboratory building in Medan. See “*Contractual Obligations and Commitments*” below. We expect our total capital expenditure for 2017 to be between Rp. 400 billion (US\$30.3 million) and Rp. 450 billion (US\$34.1 million), which we plan to use primarily for the establishment of the Makassar regional reference laboratory, up to eight of 33 planned clinical laboratories and up to 6 of 14 planned specialty clinics. We also plan to use the proceeds of the Offering to relocate up to 24 clinical laboratories to better facilities and to upgrade up to seven clinical laboratories to PHC Clinics, out of 39 planned PHC Clinics, and to purchase additional equipment for our hospital laboratories.

Contractual Obligations and Commitments

The following table sets forth our contractual obligations and commitments based on undiscounted contractual payments as of June 30, 2016:

	Payment Due by Period				
	Total	Less Than 1 Year	1-2 Years	3-5 Years	More than 5 Years
	Rp.	Rp.	Rp.	Rp.	Rp.
	(Rp. in billions)				
Financial leases	4.8	2.8	5.3	4.9	—
Total	4.8	2.8	5.3	4.9	—

In connection with the construction of the the regional reference laboratory buildings and supporting facilities in Medan, we entered into an agreement on construction management and return of land, building and supporting facilities, under which we have agreed, on a best-efforts basis, to invest up to Rp. 59.0 billion for the construction of the facilities. As of the date of this Offering Circular, we have financed half of our commitment. Other than the above, we currently do not have any material capital expenditures commitments.

Accounts Receivable

Set out below are certain details of our accounts receivable, advances and prepaid expenses and trade receivable turnover days as of the periods indicated:

	As of December 31,			As of
	2013	2014	2015	June 30,
				2016
	(Rp. in billions, except for days)			
Trade Receivables:				
Accounts Receivable — Third Parties	62.5	74.5	78.4	57.4
Trade Receivable Turnover Days ⁽¹⁾	22.9	24.7	23.9	15.9

Notes:

- (1) Trade receivable turnover days are calculated by dividing the ending balances of account receivables by the revenue per day for the relevant period. Revenue per day for the relevant period is calculated by dividing revenues for the relevant period by 365 days for the years ended December 31, 2013, 2014 and 2015 and for the six months ended June 30, 2016 is calculated by dividing ending account receivables by the annualized revenue per day for the relevant period.

Trade receivables primarily comprise service fees payable to us from corporate customers, insurance companies or credit card companies in connection with payments from walk-in customers and customers with doctor referrals. As of December 31, 2013, 2014, 2015 and June 30, 2016, we made allowance for impairment losses of Rp. 222.6 million, Rp. 222.6 million, Rp. 94.7 million and Rp. 79.4 billion, respectively. These allowances for impairment losses were made as a result of our assessment that the recovery of certain receivables was doubtful.

The following table sets out an aging analysis of our trade receivables that are past due but not impaired:

	As of December 31,			As of
	2013	2014	2015	June 30, 2016
(Rp. in billions)				
Trade receivables that are past due but not impaired:				
1 to 30 days.....	16.1	34.3	36.3	29.0
31 to 60 days.....	17.5	23.2	27.1	21.2
More than 60.....	29.0	17.0	15.0	7.2
Total	62.5	74.5	78.4	57.4

To minimize credit risk, we have a dedicated team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow up action is taken to recover overdue debts. We review the recoverable amount of each individual trade debt at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts.

Accounts Payable

Set out below are certain details of our trade and other payables, accrued expenses and trade payable turnover days as of the periods indicated:

	As of December 31,			As of
	2013	2014	2015	June 30, 2016
(Rp. in billions, except for days)				
Trade and Other Payables:				
Accounts Payables.....	32.5	30.7	43.1	28.7
Other Payables ⁽¹⁾	15.1	19.5	30.0	27.3
Accrued Expenses ⁽²⁾	44.2	43.9	34.7	23.2
Trade Payable Turnover Days ⁽³⁾	29.9	24.2	30.7	19.5

Notes:

- (1) Other payables comprise other current financial liabilities of related and third parties.
- (2) Accrued expenses comprise professional fees, land rentals, electricity and water, and other expenses.
- (3) Trade payable turnover days are calculated by dividing ending accounts payables for the period by the cost of sales per day for the relevant period. Cost of sales per day for the relevant period is calculated by dividing cost of sales for the relevant period by 365 days for the years ended December 31, 2013, 2014 and 2015 and for the six months ended June 30, 2016 is calculated by dividing ending account payables by the annualized cost of sales per day for the relevant period.

Trade payables mainly comprise amounts outstanding for purchases of reagents and other raw materials and laboratory equipment as well as consumables. Our trade and other payables are unsecured and non-interest bearing. Depending on the commercial terms we are able to reach with our suppliers, and as part of our cash management, we typically plan for an average credit period of 45 days from our suppliers.

Contingent Liabilities Not Provided For

As of June 30, 2016, we did not have any contingent liabilities not provided for.

Off Balance Sheet Arrangements

As of June 30, 2016, we did not have any off-balance sheet arrangements with unconsolidated entities.

Quantitative and Qualitative Analysis of Market Risks

We are exposed to a variety of market risks, including credit risk, liquidity risk, interest rate risk and foreign exchange risk. The following discussion summarizes our exposure to such market risks and our policies to address these risks. For additional details, see Note 32 to the Consolidated Financial Statements included elsewhere in this Offering Circular.

Credit risk

We control credit risk exposure through our banking risk policies; we deposit our cash and cash equivalents only at reputable banks with good ratings. In addition, our policy is not to restrict the deposit of cash and cash equivalents only at one particular bank, so that we hold cash and cash equivalents at the various financial institutions. Our policies allow us to have trade receivables only with trusted third parties and related parties. As of June 30, 2016, our maximum exposure to credit risk included cash on hand and in bank of Rp. 44.9 billion, accounts receivable of Rp. 57.4 billion primarily relating to amounts owed by corporate customers and external referrals customers, other current financial asset of Rp. 9.4 billion, which consisted of employees' receivables, key management receivables and research collaboration's receivables, and amounts due from related parties of Rp. 0.4 billion.

Liquidity risk

We expect to pay all liabilities at maturity. To meet cash commitments, we manage liquidity risk by maintaining cash and deposits for normal operation.

Interest rate risk

We have interest rate risk mainly arising from the impact of changes in interest rates on bank loans. We monitor the movement of interest rates in order to minimize the negative impact of any changes in interest rates on us.

Our financial liabilities on June 30, 2016 have a floating interest rate.

Foreign Exchange Risk

We conduct transactions using foreign currency in terms of sales of services and cash held. We believe that we are particularly not exposed to the effect of exchange rate fluctuations of foreign currency transactions because substantially all of our expenses are denominated in Indonesian Rupiah, which is also the primary currency for our revenues. We manage currency risk by monitoring fluctuations in currency exchange rates continuously.

Recent Accounting Pronouncements

The following are new standards, amendments of standards and interpretation of standard issued by the Institute of Indonesian Chartered Accountants and effectively applied for the period starting on or after January 1, 2015, as follows:

- PSAK No. 1 (Revised 2013) “Presentation of Financial Statements”;
- PSAK No. 4 (Revised 2013) “Separate Financial Statements”;
- PSAK No. 15 (Revised 2013) “Investments in Associates and Joint Ventures”;
- PSAK No. 24 (Revised 2013) “Employee Benefits”;
- PSAK No. 46 (Revised 2013) “Income Taxes”;
- PSAK No. 48 (Revised 2014) “Impairment of Assets”;
- PSAK No. 50 (Revised 2014) “Financial Instruments: Presentation”;
- PSAK No. 55 (Revised 2014) “Financial Instruments: Recognition and Measurement”;
- PSAK No. 60 (Revised 2014) “Financial Instruments: Disclosures”;
- PSAK No. 65 “Consolidated Financial Statements”;
- PSAK No. 66 “Joint Arrangements”;
- PSAK No. 67 “Disclosure of Interests in Other Entities”;
- PSAK No. 68 “Fair Value Measurement”; and
- ISAK No. 26 “Reassessment of Embedded Derivatives”.

INDUSTRY OVERVIEW

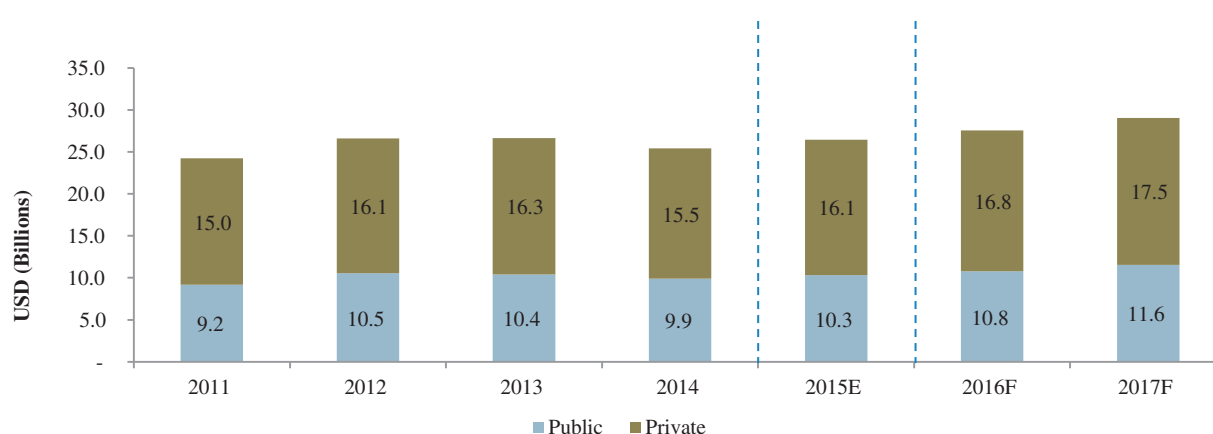
This section, including all data (actual, estimated and forecast) relating to, among other things, demand and market share information, has been prepared by Frost & Sullivan. Neither the Company, the International Selling Agents, the Lead Domestic Underwriters nor the Financial Advisers make any representation as to the accuracy of this information. This information has not been independently verified by the Company, the International Selling Agents, the Lead Domestic Underwriters or the Financial Advisers. Data included in this section with respect to a year denoted with the letter “F” means the data is forecasted by Frost & Sullivan based on its available sources and internal analyses. Forecasts, estimates, predictions and other forward-looking statements contained in this section and throughout the Offering Circular are inherently uncertain because of changes in factors underlying their assumptions, or events or combinations of events that cannot be reasonably foreseen. Actual results and future events could differ materially from such forecasts, estimates or predictions. Prospective investors should not place undue reliance on such statements, or on the ability of Frost & Sullivan or any third party, to accurately predict future industry trends or performance.

Healthcare Market in Indonesia

Driven by increasing per capita disposable income and public health awareness as well as the roll-out of JKN in the beginning of 2014, total healthcare expenditure in Indonesia grew from USD 24.2 billion in 2011 to USD 26.4 billion in 2015, representing a CAGR of 2.2%. The investment made as part of the hospital re-classification plan started by the Indonesian government in 2011 has dramatically increased the number of public and private hospitals from 2012 onwards, which resulted in the increase in total healthcare market size. Total expenditure decreased slightly in 2014 due to slower economic growth, elections and uncertainties with JKN implementation and the consolidation of various public insurance schemes in the beginning of 2014. Frost & Sullivan estimates that total healthcare expenditure will grow at a CAGR of 4.8% between 2015 and 2017 to reach USD 29.1 billion.

The chart below sets forth, for the years indicated, the total actual, estimated and forecast healthcare expenditure in Indonesia:

Total Healthcare Expenditure, Indonesia, 2011-2017F



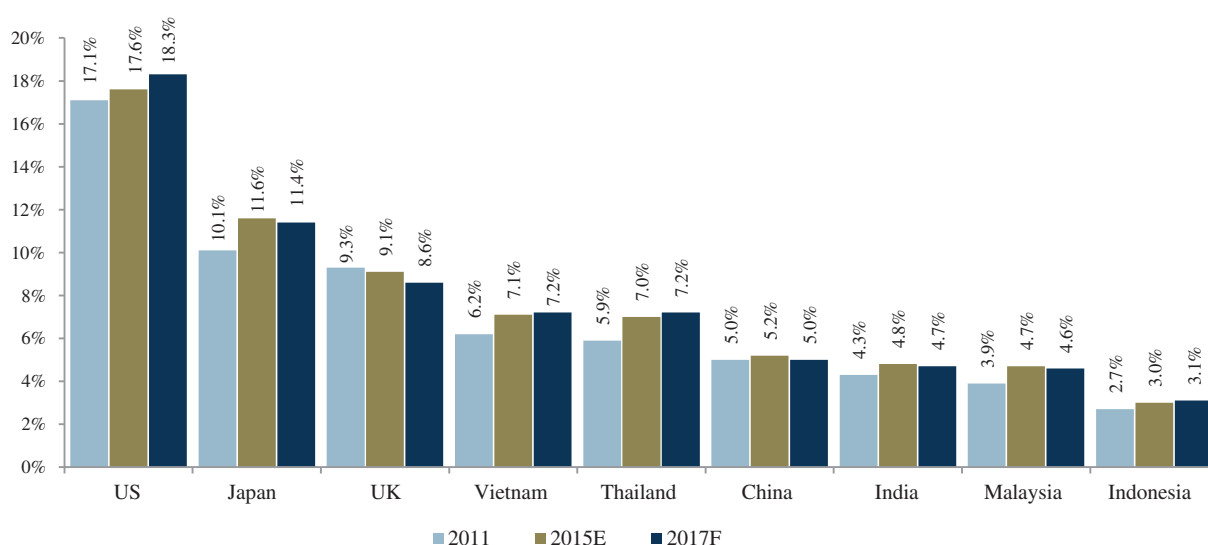
	CAGR (2011 - 2013)	CAGR (2013 — 2015E)	CAGR (2015E - 2017F)
Indonesia	4.9%	-0.3%	4.8%

Source: Frost & Sullivan Analysis

The Indonesian healthcare market remains relatively underdeveloped compared to other countries. Indonesia has the fourth lowest total healthcare expenditure and the lowest percentage of GDP contribution to healthcare expenditure among both developed markets such as the US, UK and Japan, as well as developing Asian countries such as China, India, Thailand, Malaysia and Vietnam. As the Indonesian government is working towards providing access to healthcare services to all Indonesians by 2019 through the JKN program, the demand for more hospital beds, therapeutic drugs, clinical laboratory testing, diagnostic imaging services and medical devices will lead to the growth of healthcare expenditure's contribution to GDP.

Indonesia's total healthcare expenditure as a percentage of GDP has increased from 2.7% in 2011 to 3.0% in 2015. Frost & Sullivan expects the total healthcare expenditure as a percentage of GDP in Indonesia to further increase to 3.1% in 2017. The chart below sets forth, for the years indicated, the total actual, estimated and forecast total healthcare expenditure as a percentage of GDP in nine markets in both developed economies and developing Asia:

Total Healthcare Expenditure as % of GDP in Selected Target Markets, 2011-2017F

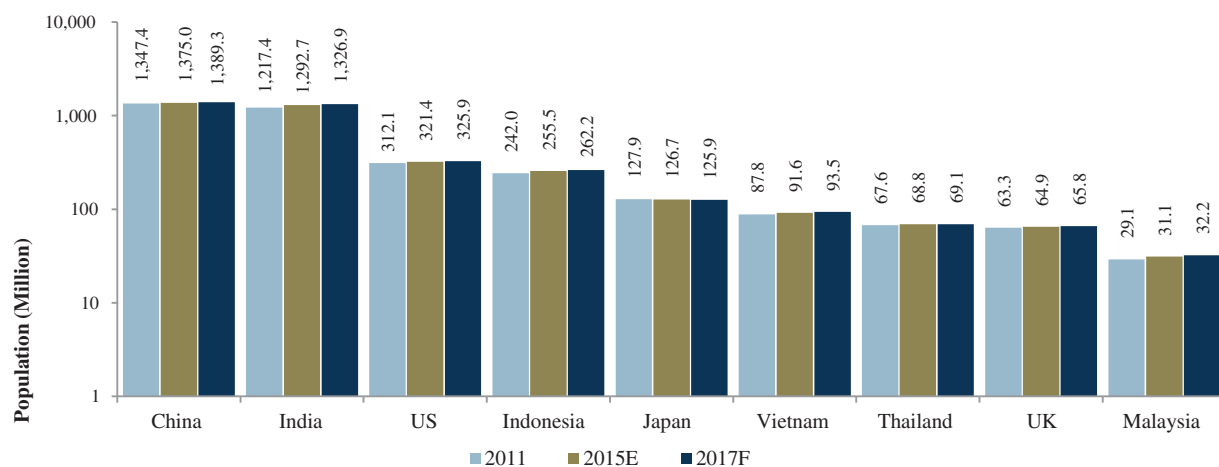


Source: Global Healthcare Expenditure Database, WHO at <http://apps.who.int/nha/database> and Frost & Sullivan analysis

As of the end of 2015, Indonesia was the fourth most populous country in the world with a total population of 255.5 million, close to the total population of the US with a population of 321.4 million. Despite the similarity in population size, there is significant catch-up need in terms of healthcare spending between Indonesia and the US, with the per capita healthcare expenditure in the US being

over 95 times of that of Indonesia. Indonesia per capita healthcare expenditure is also relatively lower when compared to other developing Asia markets such as Malaysia, Thailand and China. The chart below sets forth, for the years indicated, the total actual, estimated and forecast total population in the nine markets:

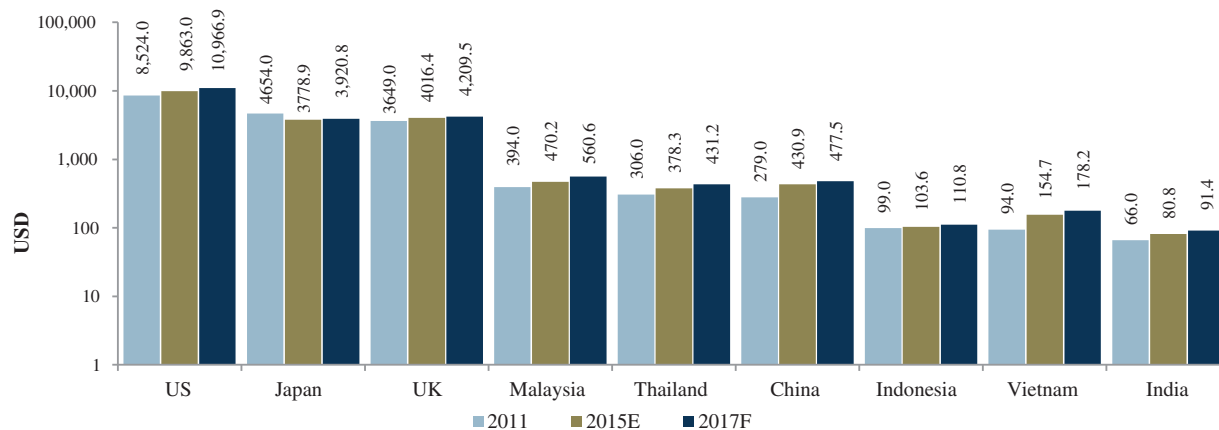
Total Population in Selected Markets, 2011-2017F



Source: Global Healthcare Expenditure Database, WHO at <http://apps.who.int/nha/database>

From 2011 to 2015, the per capita healthcare expenditure in Indonesia grew from USD 99.0 to USD 103.6, representing a CAGR of 1.1%. Frost & Sullivan estimates the per capita healthcare expenditure to further increase to USD 110.8 in 2017, representing a CAGR of 3.4% from 2015 to 2017. The chart below sets forth, for the years indicated, the total actual, estimated and forecast per capita healthcare expenditure in the nine markets:

Per Capita Healthcare Expenditure in Selected Markets, 2011-2017F

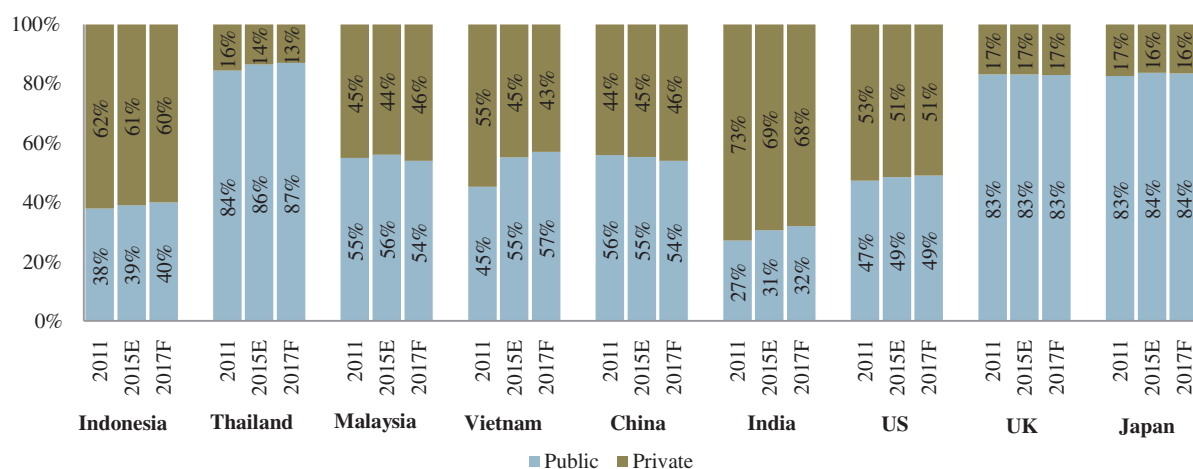


Source: Global Healthcare Expenditure Database, WHO at <http://apps.who.int/nha/database> and Frost & Sullivan analysis

Compared to the selected markets, Indonesia has a relatively higher percentage of private expenditure on healthcare due to the lack of a government-funded public healthcare system. With the roll-out of the JKN program, Frost & Sullivan expects Indonesia's public healthcare expenditure to increase at a CAGR of 5.8% between 2015 and 2017 to reach USD 11.6 billion. This includes the coverage of about 92 million poor and near-poor people under the JKN program which the government fully subsidises without individual contribution. Frost & Sullivan estimates the private healthcare expenditure to grow at a CAGR of 4.1% between 2015 and 2017 due to the rising middle class segment

as patients seek a better quality of health care. In addition, patients from public healthcare facilities are foreseen to migrate to private healthcare facilities as the public facilities become increasingly crowded. The chart below sets forth, for the years indicated, the total actual, estimated and forecast percentage of public and private healthcare expenditure in the same nine markets:

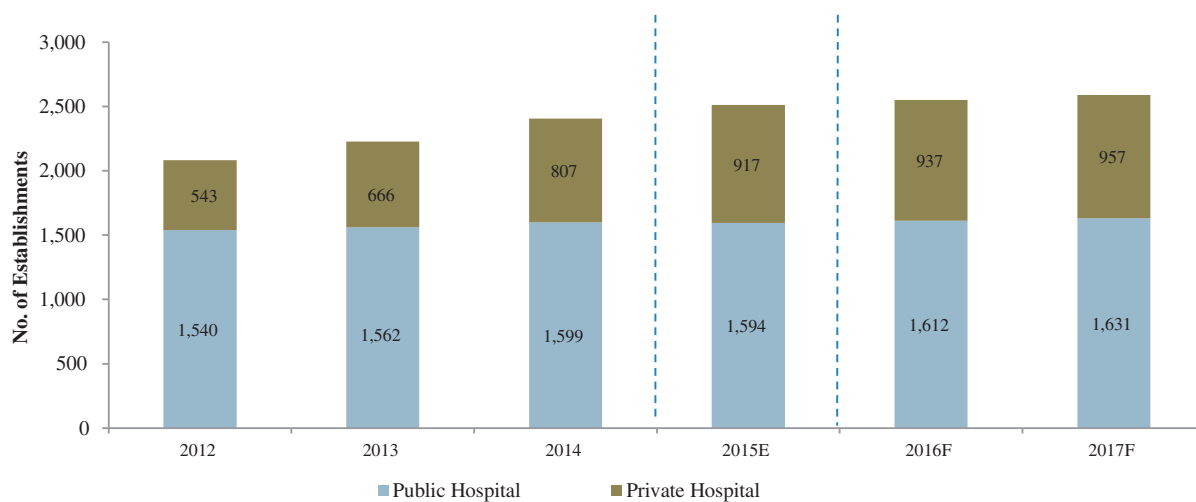
Public and Private Healthcare Expenditure in Selected Target Markets, 2011-2017F



Source: Global Healthcare Expenditure Database, WHO at <http://apps.who.int/nha/database> and Frost & Sullivan analysis

In 2015, there were a total of 2,511 hospitals in Indonesia, with almost 50% located on the island of Java, and the remainder spread across the country. Private hospitals accounted for only 36.5% of the 2,511 hospitals in Indonesia in 2015. Keeping the JKN program in mind, the total number of hospitals is projected to increase from 2,511 in 2015 to 2,588 in 2017 with a CAGR of 1.5%, based on Frost & Sullivan estimation. The chart below sets forth, for the years indicated, the total actual, estimated and forecast number of public and private hospitals in Indonesia:

Total Number of Public and Private Hospitals in Indonesia, 2012-2017F



	CAGR (2012 — 2015E)	CAGR (2015E — 2017F)
Public Hospitals	1.2%	1.2%
Private Hospitals	19.1%	2.2%

Source: 2014 Profil Kesehatan, 2015, Ministry of Health Indonesia at <http://www.depkes.go.id/resources/download/pusdatin/profil-kesehatan-indonesia/profil-kesehatan-indonesia-2014.pdf> and Frost & Sullivan Analysis

Key Growth Drivers of Indonesia Healthcare Services Market

- *Steady Implementation of JKN Scheme Drives Demand across All Sectors in Healthcare:* With the implementation of the JKN Scheme, the people will have greater access to healthcare services throughout the nation. Hence, the overall healthcare landscape in Indonesia is expected to change.
- *Lifestyle Changes and Rise in Incidence of Non-communicable/Chronic Diseases Creates Demand for Specialised Hospitals:* Alteration in the epidemiological profile as a result of lifestyle changes and rising incidence of non-communicable/ chronic diseases will drive demand for more drugs and hospital based care, especially specialised hospitals, particularly those focusing on cardiology and oncology. According to the World Bank and Frost & Sullivan estimation, with the rapid trend of urbanization which will continue to grow at an estimated CAGR of 2.4% between 2015 and 2020, 57% of Indonesians are predicted to live in urban areas by 2020.

The chart below shows the changes of Disability-adjusted Life Year (DALYs) of chronic diseases in Indonesia from 1990 to 2010:

Disability-adjusted Life Year (DALYs) of Chronic Diseases in Indonesia, 2012-2017F



Source: Global Burden of Disease Study 2010 (Institute for Health Metrics and Evaluation, University of Washington)

- *Ageing Population Creates Opportunities for Specialised Health Care Services (HCS):* Indonesia has experienced an increase in the number of ageing population of more than 65 years old. This will create opportunities for healthcare service providers in segments such as elderly care and chronic illness management.
- *Increasing Demand for Quality Healthcare Fuelled by Emerging Middle Class and Increased Awareness:* Economic growth in Indonesia will continue to increase the middle-class population to 168 million by 2020 from an estimated 128 million in 2015. The middle class in Indonesia is characterised not only by its purchasing power, but also its generally higher levels of skills and education. An expanding middle class with rising incomes and awareness will boost healthcare demand as the number of consumers with the spending power on discretionary items, such as better healthcare services, continues to increase.

- *Growing Healthcare Expenditure:* Increased public spending in healthcare will depend on the successful implementation of the JKN Scheme in the next 3-5 years. However, Frost & Sullivan predicts that private healthcare expenditure will continue to grow ahead of the public healthcare expenditure in the years to come.

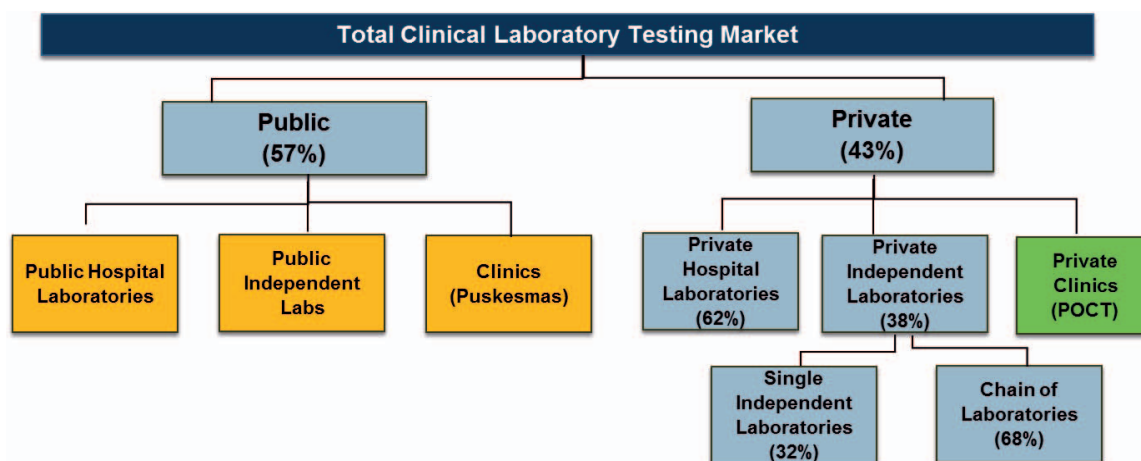
Clinical Laboratory Testing Market in Indonesia

A clinical laboratory refers to a center where tests are conducted on clinical specimens in order to obtain information about the health of a patient as pertaining to the diagnosis, treatment, and prevention of diseases. Clinical laboratory testing can be performed in many settings such as hospitals, clinics, and independent laboratories.

The total clinical laboratory testing market is segmented into the public and private sectors. The private sector is composed of hospital laboratories, independent laboratories and clinics. The major chain private clinics with basic clinical laboratory equipment may conduct routine clinical laboratory tests such as glucose tests, urine tests and lipid profile, however, the vast majority of tests are outsourced to private independent clinical laboratories, either via doctor referrals or by referring samples which have been collected onsite. Private independent laboratories are further segmented into single independent laboratories and chains of laboratories. The public sector consists of public hospital laboratories, public independent laboratories and Puskesmas clinics. In 2015, there are a total of 3,428 registered clinical laboratories in Indonesia, of which 1,594 are owned by public hospitals, 917 are private independent laboratories and 917 are owned by private hospitals. About 80% of the total labs in Indonesia are located in the Sumatra and Java regions.

The table below sets forth the market segmentation and market share by revenue of the clinical laboratory testing market in Indonesia:

Total Clinical Laboratory Testing Market Segmentation, Indonesia, 2015



Source: Frost & Sullivan Analysis

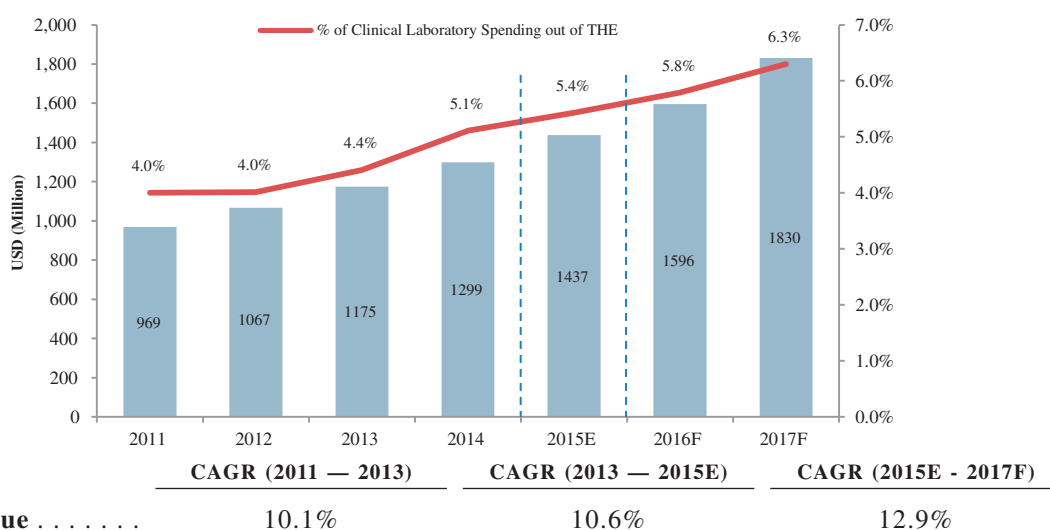
Note:

- 1) Breakdown of the public clinical laboratory market is not covered in the report
- 2) Puskesmas is the government primary health clinics, serves as the primary point of contact for patients to receive primary care
- 3) Private clinics market revenue only includes Point of Care Testing (POCT), and POCT is not included in the total clinical laboratory testing market.
- 4) The percentage breakdown shown in the chart above refers to market share by revenue. The percentage breakdown between private hospital laboratories and private independent laboratories adds up to the total private sector.

In hospitals, the most common routine tests like routine hematology, cholesterol and urine tests are done in-house while specialized tests like microbiology, immunology and anatomical pathology tests are usually referred to other laboratories. Private independent laboratories conduct both high volume routine and specialized testing.

The total clinical laboratory testing market size by revenue in Indonesia was valued at USD 1,437 million in 2015 and based on Frost & Sullivan’s estimation, the market is expected to grow at a CAGR of 12.9% to USD 1,830 million in 2017. Frost & Sullivan estimated that there were about 383 million tests were conducted in 2015 and predicts the annual test volume to grow to 451 million by 2017, representing a CAGR of 8.5%. The chart below sets forth, for the years indicated, the total actual, estimated and forecast clinical laboratory testing market size by revenue in Indonesia:

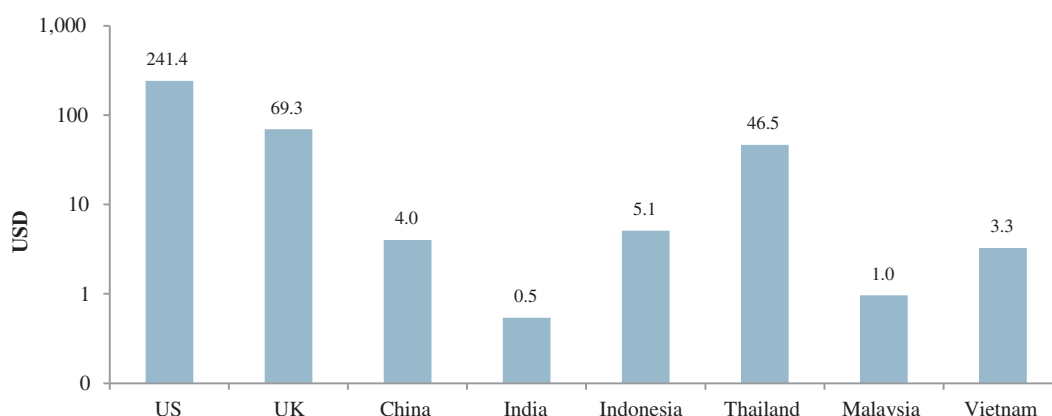
Total Clinical Laboratory Testing Market Size by Revenue, Indonesia, 2011-2017F



Source: Frost & Sullivan Analysis

Compared to peer countries, Indonesia’s clinical laboratory testing market is still underpenetrated with large growth potential relative to more developed markets. The chart below sets forth, for the years indicated, the per capita clinical laboratory test spending in eight markets:

Per Capita Clinical Laboratory Test Spending in Selected Target Markets, 2015

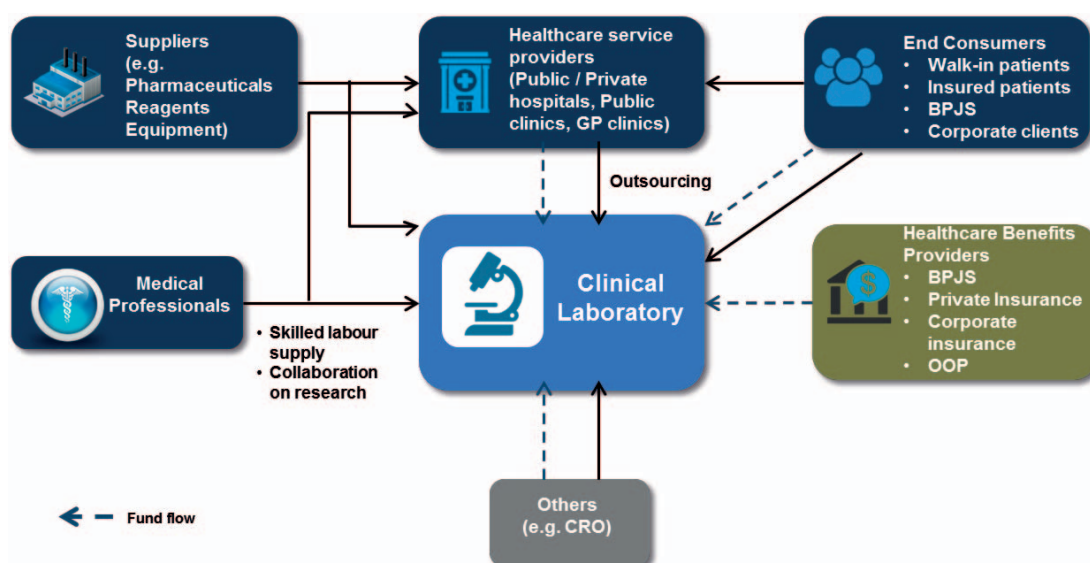


Source: Frost & Sullivan analysis

Note: The data is calculated by dividing the market size of clinical laboratory market by the population of each country.

Clinical laboratory testing plays a central role in the healthcare value chain, providing critical information for medical decision-making by both individuals and medical practitioners, and serving both the public and private healthcare segments which make up the overall healthcare system. As more people are enrolled into the JKN program and income levels rise, leading to more people obtaining access to private or other forms of healthcare insurance, there will be an increasing demand for quality healthcare services and faster disease screening. Growing income levels and healthcare accessibility combined with a rising incidence of communicable and non-communicable diseases such as cardiovascular disease, cancer and diabetes are expected to drive the clinical laboratory testing market.

Clinical Laboratory Market Value Chain



Source: Frost & Sullivan analysis

Key Growth Drivers of Indonesian Clinical Laboratory Testing Market

- *Universal Health Coverage (UHC) increases the demand for clinical laboratory testing:* Greater Universal Health Coverage increases accessibility to health care services, leading to a rising number of the population seeking treatment and thereby increasing laboratory testing. The UHC scheme is expected to increase the demand for basic and specialized testing
- *Rising incidence / prevalence of Non-communicable Diseases (NCDs) and Communicable Diseases (CDs):* According to the World Health Organization, in 2014, cardiovascular, cancer and diabetes accounted for 56% of disease mortality in Indonesia, which also had one of the largest numbers of TB cases of globally with 10%. Rising major illness of NCDs and CDs will drive the demand for cardiovascular tests, tumor markers, metabolic test, malaria and TB tests
- *Rising awareness of preventive health care and rising disposable income resulting in increasing demand for health check-ups:* Rising personal disposable income will lead to higher spending on healthcare services including clinical testing. Frost & Sullivan predicts that there will be an increase in middle to high income earners seeking preventive health check-ups. Health check-ups are driven by walk-in patients and corporate clients which together contribute up to 50% of the total test volume of a private independent laboratory. Frost & Sullivan expects the number of people taking up health check-ups to grow by ~2.2% on a yearly basis as more emphasis is given to the promotion of preventive health
- *Introduction of new specialized tests:* Wider range of tests from routine tests to more specialized tests, including genomic platform with multiplexing capabilities able to support different classes of patients with precise diagnosis and speed up the treatment consultation

Private Clinical Laboratory Testing Market in Indonesia

From 2011 to 2015, the total private clinical laboratory testing market increased from USD 386 million to USD 615 million, representing a CAGR of 12.4%. Frost & Sullivan predicts the market to grow at a CAGR of 15.2% to USD 817 million by 2017. Although private hospital laboratories accounted for the largest share of the total private market (62%) in 2015, Frost & Sullivan predicts that private independent laboratories will grow faster than hospital laboratories. The private independent laboratories will gain market share through an increase in the number of clinical laboratories country wide and by capturing demand from different customer segments.

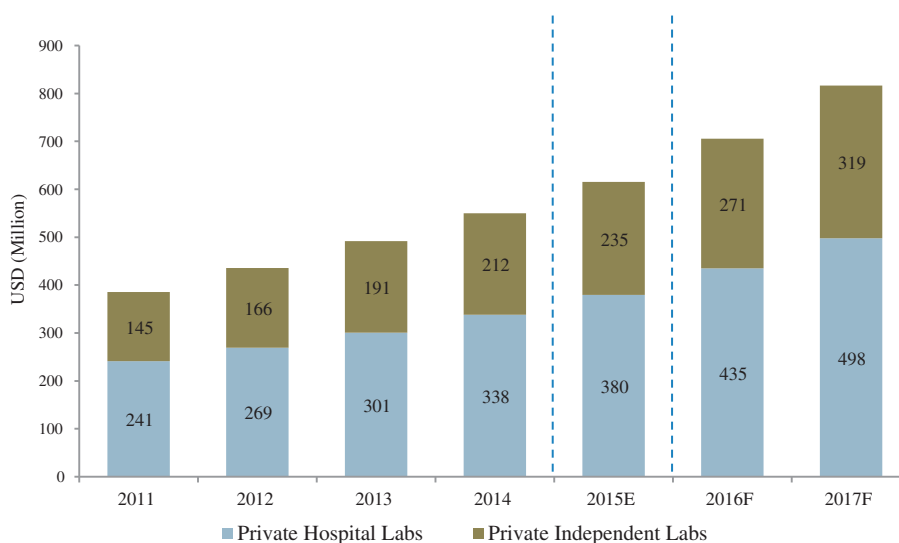
The roll-out of JKN at the beginning of 2014 immediately increased the population's access to healthcare which resulted in greater utilization of public healthcare services, and a decline in patient visits to private hospitals and clinics. For private independent laboratories, this meant fewer patient visits from both walk-ins and doctor referrals, as well as fewer clinical laboratory tests through external referrals from private clinics and hospitals. In addition, many private independent laboratories decided not to actively participate in the JKN program mainly because of perceived low reimbursement rates. This resulted in the market's 2013-2015 CAGR being lower than the CAGR during 2011-2013.

As JKN coverage increases, there will be more pressure on the capacity of public sector infrastructure, causing longer waiting times and longer turn-around times. This creates opportunities for business in the private sector through doctor referrals, walk-ins and referrals of samples for testing. The growing middle class segment, with increasing disposable income to spend on walk-ins, clinical laboratory visits and preventive health check-ups, will also create a significant growth opportunity in the private independent laboratories market.

The decrease in the growth of patient volumes at the initial stage of JKN scheme implementation, also impacted the expansion plan of many private laboratory chains. There was no major expansion during that time by the key private independent laboratories players as there were uncertainties around the impact of JKN implementation as well as related to the concurrent economic slowdown. However, by the end of 2014 and beginning of 2015, private independent laboratories market has gained momentum as patients started to switch to the private independent laboratories and growth was witnessed in the walk-in and doctor referrals. The key leading players of private independent laboratories foresee this trend to continue.

The chart below sets forth, for the years indicated, the total actual, estimated and forecast private clinical laboratory testing market size by revenue in Indonesia:

Total Private Clinical Laboratories Testing Market Size by Revenue, Indonesia, 2011-2017F



CAGR	Revenue			Segment market share (Revenue)		
	Total	Private Hospital Labs	Private Independent Labs	2015	Private Hospital Labs	Private Independent Labs
2011 - 2013	12.9%	11.7%	14.8%			
2013 - 2015E	11.9%	12.4%	11.1%	2015	62%	38%
2015E - 2017F	15.2%	14.5%	16.3%	2017	61%	39%

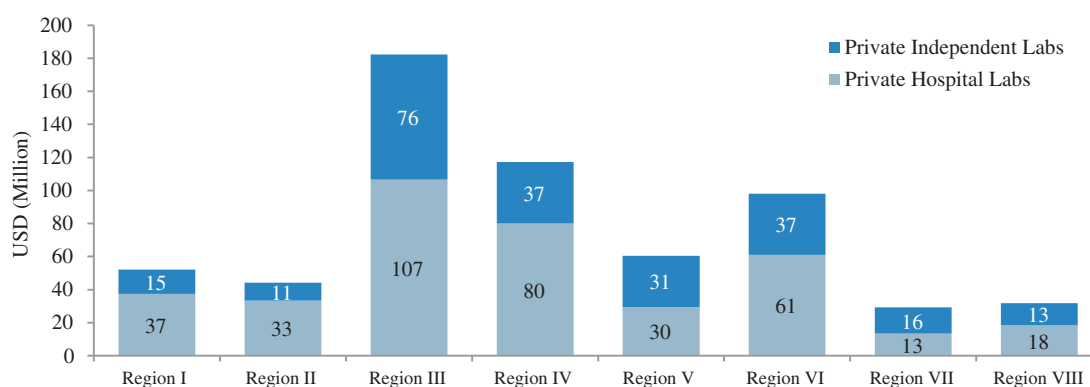
Source: Frost & Sullivan Analysis

With 70% of public and private hospitals in Indonesia located in Java and Sumatra, these regions have the highest number of total general practitioners (GPs) and specialists, thereby representing the biggest source of referrals for clinical laboratory testing. These regions also have a high rate of urbanization and more affluent population, which creates greater access and demand for private clinical laboratory testing services. In 2015, 86% of total private clinical laboratory testing revenue in Indonesia was generated in Java and Sumatra.

Key private independent laboratory players are also clustered in Java and Sumatra island. Independent laboratories in key cities in Java and Sumatra offer a wider range of clinical laboratory testing services and modern equipment, but most of Kalimantan, Sulawesi and Papua are largely underserved, indicating opportunities for high growth. Hence, there are opportunities for private, independent laboratories to increase their network in the underserved areas. Customers have a high regard for key players in respect to their comprehensive service offerings and test quality. Although test prices may vary across provinces in Indonesia, test quality performed by key players is perceived to be similar across the country.

The chart below sets forth, the total private clinical laboratory revenue by province in Indonesia in 2015:

Total Private Clinical Laboratories Revenue by Provinces, Indonesia, 2015



Source: Frost & Sullivan Analysis

Note:

The figures in the chart only cover private hospitals and private independent laboratories. The POCT market is not included. Highlighted provinces located in Java and Sumatra.

Classification of provinces by regions consists of:

Region I: Nanggroe Aceh Darussalam and North Sumatra

Region II: West Sumatera, Riau and Jambi

Region III: South Sumatera, Lampung, Bangka Belitung, DKI Jakarta, Banten and West Java (Bogor, Bekasi dan Cikarang)

Region IV: West Java

Region V: Central Java, DI Yogyakarta and East Java (Madiun)

Region VI: East Java, Bali, Nusa Tenggara Barat and Nusa Tenggara Timur

Region VII: Kalimantan

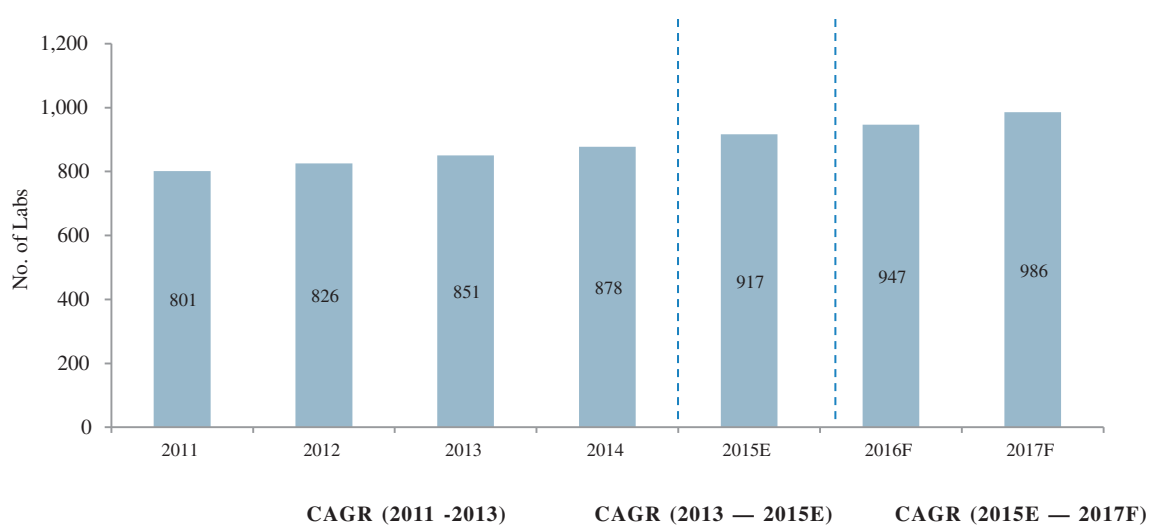
Region VIII: Sulawesi, Gorontalo, Maluku and North Maluku

Private Independent Laboratory Market

Independent labs across Indonesia operate on a hub-and-spoke model. In this model, companies operate with central laboratories, also known as hubs, with comprehensive clinical laboratory testing capabilities located in key cities and smaller laboratories, known as spokes, with limited diagnostic capabilities in smaller cities/provinces. Besides conducting routine tests, spokes act as collection centers for more specialized test samples that are directed to the reference laboratories at the hubs. Specialized tests in microbiology, anatomical pathology and esoteric testing are usually conducted in the reference labs.

In 2015, there were 917 private independent clinical laboratories in Indonesia. Frost & Sullivan estimates the total private independent laboratories to increase to 986 by 2017, representing a CAGR of 3.7%. The chart below sets forth, for the years indicated, the total actual, estimated and forecast number of private independent clinical laboratories in Indonesia:

Total Number of Private Independent Laboratories, Indonesia, 2011-2017F

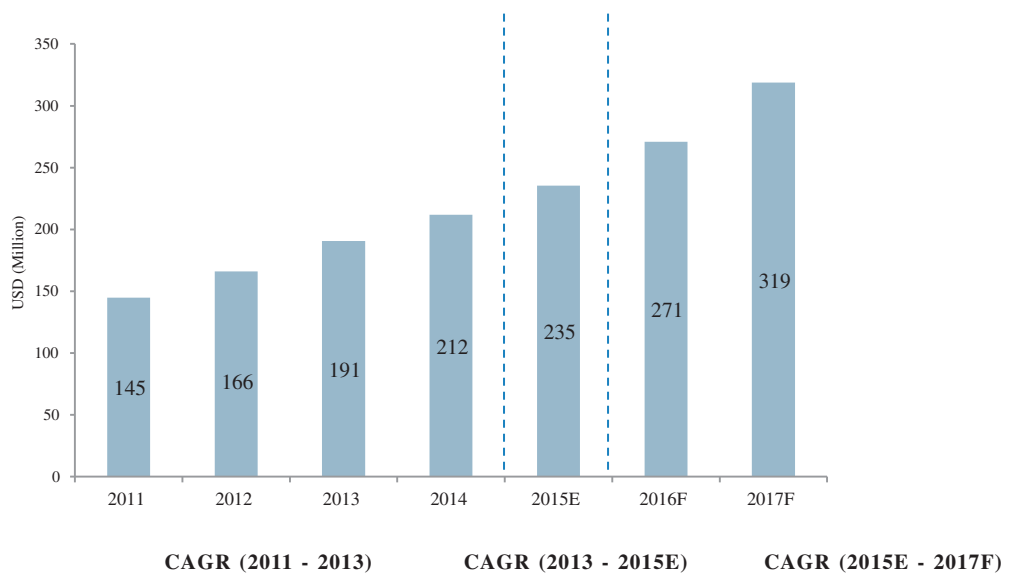


Total	3.1%	3.8%	3.7%
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Source: Frost & Sullivan Analysis

The private independent clinical laboratory market size by revenue grew from USD 145 million in 2011 to USD 235 million in 2015 and Frost & Sullivan predicts the market to grow at a CAGR of 16.3% to reach USD 319 million in 2017, thereby becoming one of the fastest growing healthcare services markets in Indonesia. There were 39 million clinical tests performed in 2015 and the annual test volume is expected to further increase to 45 million by 2017, representing a CAGR of 8.0%. The chart below sets forth, for the years indicated, the total actual, estimated and forecast total private independent laboratory market revenue in Indonesia:

Total Private Independent Laboratories Testing Market Size by Revenue, Indonesia, 2011-2017F



	CAGR (2011 - 2013)	CAGR (2013 - 2015E)	CAGR (2015E - 2017F)
Total Revenue	14.8%	11.1%	16.3%

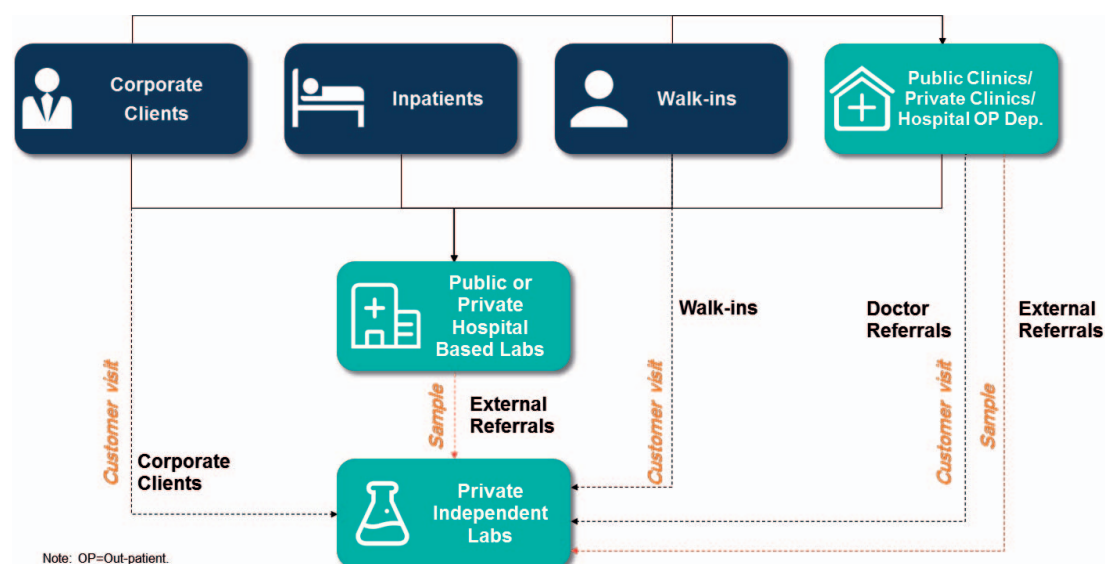
Source: Frost & Sullivan Analysis

The private independent clinical laboratory market is highly fragmented and is composed of both chain laboratories and stand-alone laboratories. The chain laboratories are the leading market players in Indonesia. There are six leading players collectively accounting for about 68% of revenue and 62% of test volume of the overall private independent laboratory market in 2015. These major chain laboratories undergoing geographic expansion beyond key cities and into underdeveloped areas, their growth will further increase their market share of the overall private independent laboratory market in Indonesia.

Private independent laboratories have four distinct customer segments, namely walk-in patients (patients who come without any referrals), doctor referrals (patients who are referred by their doctors), external referrals (patients and test samples referred from healthcare providers such as hospitals and other clinical laboratories), and corporate clients (customers/patients who are sponsored by a corporate company for their annual medical check-up program).

Private and public hospital labs find it more cost-effective to refer out low demand, specialized tests, such as microbiology, anatomical pathology and esoteric tests due to the high cost for the laboratory equipment. Hospitals usually have MoUs with one or more referral labs, where the key preference is usually the private independent laboratories. On the other hand, private clinics usually perform Point of Care Testing (POCT) which includes routine tests such as glucose, lipid profile and urine tests conducted using POCT devices. In most cases, samples are withdrawn from the patients and referred out to hospitals or independent labs for clinical testing.

Sources of Clinical Laboratory Testing



Source: Frost & Sullivan

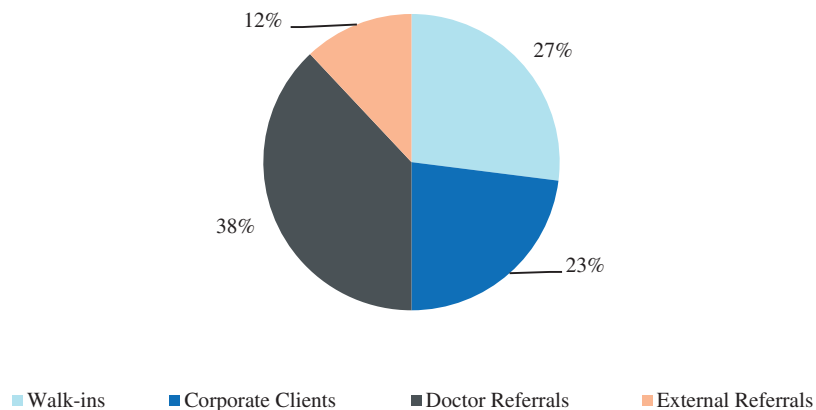
In 2015, 38% of the test volume in private independent laboratories came from doctor referrals, followed by 27% from walk-ins. 23% of their customers are corporate clients who have tie ups for their annual employee health check-ups and the remaining through external referrals from other healthcare providers.

In key cities, where the major clinical laboratory testing chain laboratories are concentrated, in addition to patient walk-ins, doctor and external referrals, clinical laboratory testing providers can also form partnerships with corporates and insurance firms to provide test services for their employees and policy applicants. However, the majority of customers in non-key cities come from hospital and doctor referrals as there are limited clinical laboratory facilities in such areas and most of the tests are referred out to private independent laboratories.

JKN contributed to the increase of patient volume and greater utilization of public sector facilities, which has resulted in overcrowding, high occupancy rates and greater demand for laboratory testing in the public sector. The situation will likely get worse with the full implementation of JKN by 2019. To overcome these challenges, it is likely that more public hospitals will refer samples to private independent laboratories for clinical testing, resulting in growth of external referrals in the private independent laboratories market. Moreover, as there is a switch of patients from the public sector to the private sector, doctor referrals will also increase in the private independent laboratories market.

Although the standardisation of the Coordination of Benefits (CoB) agreement between private insurers and JKN has been under negotiation since the implementation of JKN in 2014 and is expected to be finalized by the end of 2016, currently there is no indication that CoB will be able to be utilized in private independent laboratories. However, the CoB scheme would still create opportunities for the private independent laboratories through collaboration with private hospitals through external referrals. Private hospitals without facilities to perform specialised or esoteric tests will be able to refer out these tests to the private independent laboratories for those patients who require these tests and are covered through CoB scheme.

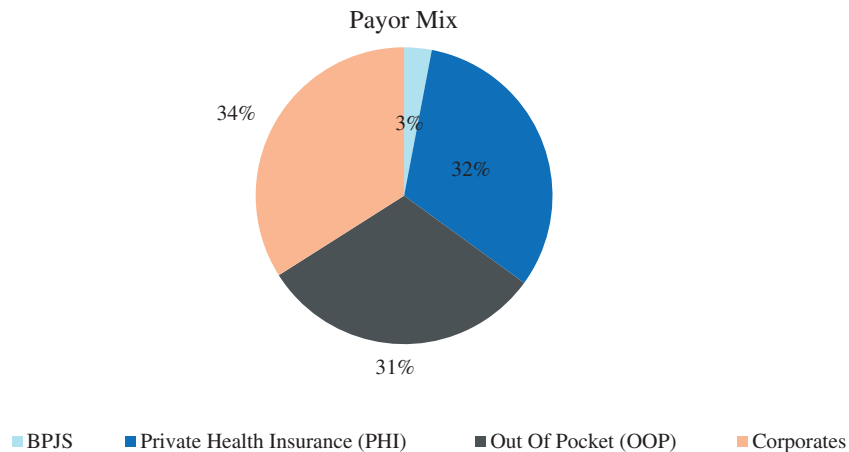
Total Private Independent Laboratories Test Volume Split by Customer Segments, 2015



Source: Frost & Sullivan Analysis

On average, corporate clients, private health insurance and out-of-pocket customers contribute almost equally to the test volume of private independent laboratories, with 34%, 32% and 31% respectively. However, the majority of private insurance companies do not cover walk-in patients who come for health check-ups. Only 3% of test volumes are contributed by BPJS patients as there are very limited partnerships between JKN and independent laboratories. JKN has collaborated with independent laboratories mainly for preventative diagnosis such as stage IVA (IVA) tests and Pap smear tests for cervical cancer. According to Frost & Sullivan, more key players are expected to partner with JKN in the future.

Total Private Independent Laboratories Test Volume Split by Key Payers, 2015



Source: Frost & Sullivan Analysis

Key Indicators of Success in the Indonesian Private Independent Clinical Laboratory Testing Market

- *Brand Equity:* Laboratory reputation is usually one of the most important decision factors for hospital-to-lab and lab-to-lab referrals. Hospitals and independent laboratories look for third party laboratories that have a reputation for reliable results with high accuracy and competitive prices. Customers also look to visit independent laboratories that have a good brand name
- *Network & Location:* The development of a laboratory network is also crucial to maximize referrals, and to be able to capture visits across customer segments. For example, setting up a branch within the vicinity of few hospitals provides the opportunity to capture referrals from these hospitals. Similarly, setting up a branch near industrial areas or business districts provides the opportunity to capture additional corporate clients as it becomes convenient for their employees to visit
- *Cost Efficiency:* JKN coverage for the whole population will put pressure on the profitability of the hospitals. Cost is usually the deciding factor for shortlisting private independent laboratories for referred out tests after brand name and hospital accreditation.
- *Services (test offerings, logistics, and customer service):* For hospitals or independent laboratories looking to select a referral laboratory, it is crucial for laboratories offer logistic services in terms of pickup and delivery of test results. Improving customer services, introducing new tests and using online services are also crucial
- *Accreditation:* Hospitals, clinics and independent laboratories that refer their tests to other private independent laboratory usually prefer to refer to laboratories which have either national or international accreditation to ensure consistent high quality results.

Key Trends in the Private Independent Laboratory Market in Indonesia

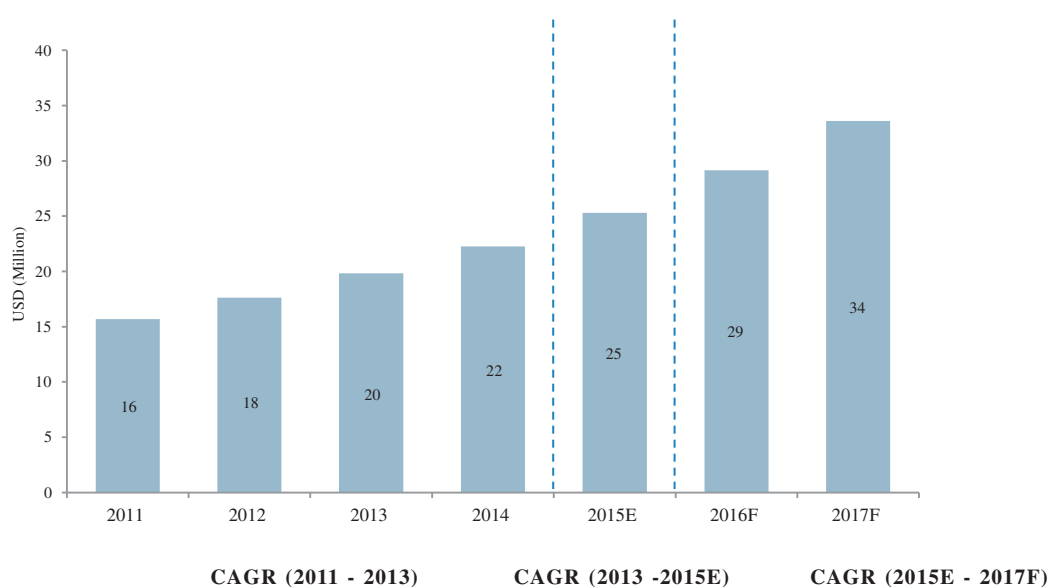
- *Create new business opportunities through network expansion outside Java:* As private hospitals are expanding beyond Java, there will be a huge demand for medical services including diagnostic testing, especially in East Indonesia
- *Focus on preventive & wellness care services:* According to Frost & Sullivan, rising awareness of preventive health care results in an increasing demand for early diagnosis testing in order to deliver effective therapeutic interventions. A trend towards testing in specific disciplines, which includes testing for metabolic and cardiovascular diseases, consultations with nutritionists and sports medicine specialists, is expected to grow.
- *Improve esoteric testing capabilities and expand test segments to include precision medicine:* It is not cost-effective for most hospitals, clinics or stand-alone private laboratories to conduct low-volume esoteric testing in-house as these facilities also have limited in-house capabilities for esoteric testing. Personalised medicine can help identify the right treatment, at the right dosage to effectively improving treatment
- *Introduce process efficiency measures to ensure sustainable and profitable growth:* Increased competition, especially among key players leads to development of differentiation factors to grow the business. Improving efficiency can lead to cost reduction and higher profit margins and/or higher competitiveness

Private Diagnostic Imaging Market

Apart from clinical laboratory services, private independent laboratories also offer diagnostic imaging services. In 2015, the private diagnostic imaging market size in Indonesia was valued at USD 25 million, Frost & Sullivan estimates the market to grow at a CAGR of 15.5% between 2015 and 2017 to reach USD 34 million in 2017. The growth is a result of an increasing number of private independent clinical laboratories offering diagnostic imaging services. By offering both clinical laboratory and non-laboratory services such as diagnostic imaging, independent laboratories seek to provide more comprehensive health check-up packages.

The chart below sets forth, for the years indicated, the total actual, estimated and forecast market size by revenue of the private diagnostic imaging market in Indonesia:

Total Private Diagnostic Imaging Market Size by Revenue, Indonesia, 2011-2017F



Total Revenue	12.4%	13.0%	15.3%
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Source: Frost & Sullivan Analysis

Note: This includes only USG and X-rays test services at private independent laboratories

Competitive Landscape

The private independent clinical laboratory market is highly fragmented, with the six leading players accounting for about 68% of the revenue in the overall private independent laboratory market in 2015. The six leading players are Prodia, Kimia Farma, Pramita, Parahita, Cito and Biomedika. According to Frost & Sullivan, based on a recent survey conducted in 2016 to research consumer behaviour in clinical laboratory testing, Prodia is the most recognised laboratory for health check-ups and walk-in laboratory visits. Prodia is perceived as having generally high brand image among its customers (about 55% of respondents recalled Prodia's brand as being the top laboratory brand in their mind and about 97% of total respondents are aware of Prodia's brand image) and is strongly associated with having advanced clinical laboratory testing services and offering a wide range of tests.

The six leading players collectively had 244 clinical laboratories as of December 31, 2015. Prodia is the dominant market leader with 128 clinical laboratories across Indonesia as of December 31, 2015. In addition, Prodia is supported by 111 collection centres at doctors' clinics, 16 POC centers at doctors' clinics and 11 laboratories that are affiliated with a hospital.

Number of Clinical laboratories of 6 Key Players in Indonesia, 2015

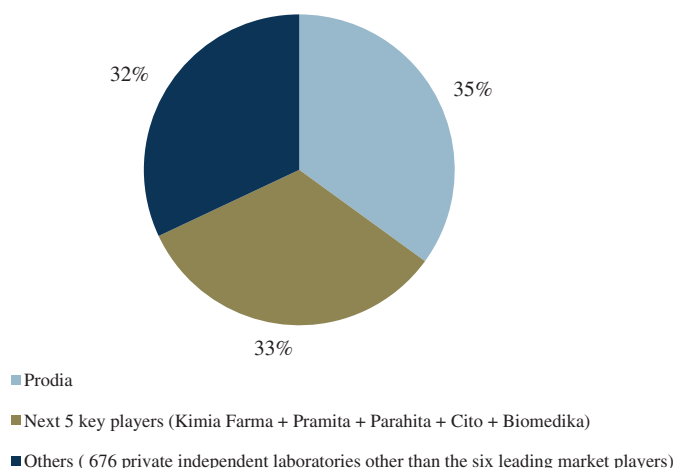
Key Players	No. of Clinical Laboratories		
	Java	Outside Java	Total
Prodia	70	58	128
Kimia Farma	29	14	43
Pramita	18	5	23
Cito	19	2	21
Parahita	14	1	15
Biomedika	13	1	14

Source: Company websites. Compiled by Frost & Sullivan

Note: The data is as of 31st December 2015. Key players are arranged according to the largest number of total clinical laboratories to the smallest

According to Frost & Sullivan, in 2015, Prodia was the largest company in terms of revenue with a 35% market share in the private independent laboratory testing market in Indonesia. Its nationwide network of clinical laboratories was also larger than the next five competitors combined. The remaining laboratories other than the six key players account for about 32% of the market in terms of revenue. Kimia Farma is Prodia’s nearest competitor in terms of the size of its network of branches. Kimia Farma, a state-owned enterprise, provides integrated health services including pharmacy services, health clinics, laboratory clinics and optic centres with the concept of One Stop Health Care Solution (OSHcS). Unlike other key players, Kimia Farma clinical laboratories mainly serve BPJS patients indirectly through referred out samples from their own network of private clinics, as well as walk-ins and doctor referrals. In order to gain market share, private independent laboratory players have been increasing their sources of revenue through geographical expansion, the introduction of new tests and services and marketing across various customer segments.

Market Share by Revenue of Key Players, 2015



Source: Frost & Sullivan Analysis

Note: The shares at each level are cumulative shares of the players

Service Offerings and Quality Control

The six key players offer both clinical laboratory testing services and non-laboratory services such as diagnostic imaging services. Most players offer services such as online viewing of laboratory test results, however Cito also currently allows online shopping for their health check-up packages.

While key players also offer mobile services/home-care, which allow withdrawing patient's samples at the customers' home, only Prodia and Cito offer online appointments for their home collection services through their websites. Prodia is the only player who operates a specialised clinic focusing on a specific patient type. Prodia's Children Health Center is the first of their specialty clinics and the company also intends to open additional specialty clinics in areas such as paediatrics, women's health and gerontology.

Prodia has one of the most rigorous quality assurance programs for clinical laboratories in Indonesia, being the only clinical laboratory in Indonesia to have received accreditation by the College of American Pathologists ("CAP"), which is an international standard accreditation authority in laboratory quality assurance. This accreditation was received by Prodia's reference laboratory in Jakarta which is better known as Prodia National Reference Laboratory (PNRL). Prodia is also the first clinical laboratory in Indonesia to receive the ISO 15189 international accreditation certification, which is specifically designed for medical laboratories. 25 of their laboratories have received the certification for the quality of their systems. In addition, Prodia's PNRL received ISO 17025 accreditation for calibration laboratory in 2015. Prodia's calibration laboratory was established in 2004 to ensure the quality of Prodia's testing services.

BUSINESS

Overview

We are an industry pioneer and the leading private independent clinical laboratory chain in Indonesia, with a market share of approximately 35% by revenue in 2015 and the largest number of clinical laboratories in Indonesia, according to Frost & Sullivan. We started our operation in 1973 when our founders opened their first clinical laboratory in Solo. Our operation continued to expand to a nationwide network of 251 outlets, including 128 clinical laboratories. Our PNRL is the only laboratory in Indonesia accredited by CAP, which we believe is the highest global accreditation for clinical laboratories. We offer customers and healthcare providers approximately 500 types of clinical laboratory tests and services for use in prevention, diagnosis, monitoring and treatment of diseases and other health conditions. In addition, we have access to approximately 3,000 additional tests through partnerships with NUH Laboratories and Quest. As a leader in clinical laboratory research, we have researched and introduced numerous types of clinical tests into Indonesia. The customer groups that we serve include walk-in customers, customers with doctor referrals, referrals from hospitals and clinics as well as corporate customers. In 2015 and the six-month period ended June 30, 2016, we collected and processed approximately 14.0 million tests and 7.0 million tests and approximately 2.4 million customer visits and 1.2 million customer visits, respectively.

The clinical laboratory testing industry is an essential and growing part of healthcare in Indonesia. As clinical laboratory testing services provide customers and healthcare service providers with important information to assist in making medical decisions, more and more Indonesian doctors, hospitals and individuals are using these services as an essential tool. According to Frost and Sullivan, the size of the Indonesian clinical laboratory testing market is expected to grow at a CAGR of 12.9% from US\$1,437 million in 2015 to US\$1,830 million in 2017, of which the private independent clinical laboratory testing market is the fastest growing segment, with an expected CAGR of 16.3% between 2015 and 2017. We believe that the increasing use of clinical laboratory tests by healthcare providers in Indonesia, combined with increasing prevalence of chronic and lifestyle diseases, as well as more and more individuals focusing on disease prevention and wellness, creates immediate growth opportunities for us. In addition, personalized medicine, or the tailoring of medical treatment to individual customer needs and conditions, creates a long-term opportunity for advanced clinical laboratory testing.

We use the latest technologies to provide a broad menu of high quality, innovative and accurate clinical laboratory testing services to our customers. We believe that we provide the broadest menu of routine and esoteric clinical laboratory tests in Indonesia. Our PNRL is the central hub of our network of outlets. It has also received numerous international accreditations and recognitions. In the last five years, we have introduced 37 innovative clinical laboratory tests into Indonesia, which we have rolled out across our network of outlets and as they have over time become routine tests, in addition to numerous new tests used in clinical research. We continue to introduce new tests and are working to bring the next generation of clinical laboratory tests into the country. For example, we were the first clinical laboratory in Indonesia to introduce “TORCH panels” to screen for panels for toxoplasmosis, rubella, cytomegalovirus and herpes simplex infections in pregnant women and “highly sensitive C-reactive protein” tests for cardiovascular disease.

We received 56% of the votes from a sample of Indonesian consumers in the 2015 Top-Brand Survey by the Frontier Consulting Group, and have been the “Top-Brand” for laboratories for seven consecutive years (from 2009 to 2015). We believe that our brand’s recognition for quality clinical laboratory testing services and the largest menu of tests available in Indonesia results in individuals and healthcare providers choosing us for their testing needs. In Indonesia, customers generally have the freedom to choose the clinical laboratory that they use, instead of being directed to it by a doctor or insurance provider, and customers and healthcare providers seek quality clinical laboratories, due

to what we believe is a wide range in quality and reliability of clinical laboratories in Indonesia. We believe our high quality clinical laboratory test offering is the most comprehensive in Indonesia. We offer routine testing, from lipids profiles, renal and liver function profiles, to esoteric testing, such as hormone profiles and molecular clinical laboratory testing for infectious diseases or cancers.

We have built a nationwide, “hub and spoke” network that is centered around the PNRL in Jakarta. As of June 30, 2016, our network includes 128 clinical laboratories (including our PNRL), one PHC Clinic and one specialty clinic, as well as 114 POC outlets that we operate in doctor’s offices and seven laboratories we operate in hospitals. We wholly-own all of the clinical laboratories, the PHC Clinic and the specialty clinic. All of our clinical laboratories and other outlets are operated by us, which we believe allows us to maintain better control and ensure consistency in our quality standards. We believe our “hub and spoke” model, whereby specimens are collected across multiple locations for delivery to a local clinical laboratory or the PNRL for centralized clinical laboratory testing, provides greater quality and reliability and economies of scale and offers a scalable platform for the continued growth of our business. As of June 30, 2016, our 3,648 employees included 31 staff members with PhDs or master’s degrees in biomedical science, 234 medical doctors, 781 medical technologists and over 400 phlebotomists.

Our management team has extensive experience in the healthcare industry, and under their leadership, we have grown over the last several years. The number of total customer visits in our network increased at a CAGR of 3.2% from 2.2 million in 2013 to 2.4 million in 2015. During the same period, our revenues increased at a CAGR of 9.6% from Rp. 998.0 billion in 2013 to Rp. 1,197.7 billion in 2015 and our adjusted EBITDA increased at a CAGR of 17.0% from Rp. 128.1 billion in 2013 to Rp. 175.2 billion in 2015.

Competitive Strengths

Our key competitive strengths are:

As the market leader and a pioneer in the independent clinical laboratory industry in Indonesia, we are at the forefront of a significant market growth opportunity.

We are the market leader and a pioneer in the independent clinical laboratory industry in Indonesia. According to Frost & Sullivan, in 2015, we were the largest company in terms of revenue with a 35% market share in the private independent laboratory testing market in Indonesia and our nationwide network of clinical laboratories was larger than those of our next five competitors combined, with 128 clinical laboratories. As the leading independent clinical laboratory in Indonesia, we are uniquely positioned to take advantage of the growth of the Indonesian clinical laboratory market, with a large geographical footprint and established platform.

Frost and Sullivan values Indonesia’s clinical laboratory testing market at US\$ 1.4 billion in 2015 and expects it to grow at a CAGR of 12.9% to reach US\$ 1.8 billion by 2017. Within the overall market, Frost & Sullivan expects the private independent laboratory segment in which the Company operates to grow at a CAGR of 16.3% between 2015 and 2017, which makes it one of the fastest growing healthcare services markets in the rapidly developing Indonesia healthcare industry. This growth will be driven by a large population of 255 million, a rapidly growing middle class, strong GDP growth and the transformation of the healthcare sector with the implementation of universal health coverage and initiatives to expand access. Moreover, Indonesia has historically contributed less of its GDP to healthcare spending than other countries in Southeast Asia. In 2015, healthcare spending as a percentage of GDP was 3.0% in Indonesia, which we expect to grow significantly in the future. As the Indonesian healthcare industry develops, Frost & Sullivan believes demand for our services will continue to increase given the importance of clinical laboratory testing in healthcare infrastructure. This importance is driven by the increased focus on evidence-based treatments by physicians, as well as the increase in cases of chronic diseases that become more prevalent with increased economic development, such as heart disease and diabetes.

When we started operations in 1973, we were among the very first independent clinical laboratories in Indonesia, and our founders had a vision to make the best quality clinical laboratory services available across the country. Since then, we have continued to be a pioneer in the industry, having constantly invested in our capabilities. We have also been a leader in educating the medical community and the public and raising awareness about clinical laboratory testing. In particular, in the last five years, we introduced 37 innovative clinical laboratory tests to Indonesia. We were also the first organization in Indonesia to receive internationally recognized quality assurance certifications, such as accreditation from CAP and National Glycohemoglobin Standardization Program.

We have the largest nationwide network of clinical laboratories and employ a scalable “hub-and-spoke” model centered around the largest national reference lab in the country.

Our clinical laboratory network is the largest in Indonesia by number of outlets and is organized around a “hub-and-spoke” model, which is centered around our PNRL in Jakarta. As of June 30, 2016, our network consists of 128 clinical laboratories (including our PNRL), one PHC Clinic and one specialty clinic, as well as 114 point of care (“POC”) outlets that we operate in doctor’s offices and seven laboratories we operate in hospitals. We wholly-own all of the clinical laboratories, the PHC Clinic and the specialty clinic. All of our clinical laboratories and other outlets are operated by us. With these 251 outlets, we operate in 104 cities, representing 30 out of the 34 provinces in Indonesia as of June 30, 2016.

Our leading position in the market is supported by the PNRL, which is the only clinical laboratory in Indonesia to have received CAP accreditation, which is considered as a leading global authority in laboratory quality assurance. Our PNRL is the center of our network and is equipped with state-of-the-art equipment and the latest technologies. We believe our PNRL is the backbone of the clinical laboratory industry in Indonesia because we also serve as the reference laboratory for many of the other laboratories in the country, including hospital laboratories.

Our “hub-and-spoke” model allows us to ensure consistency in our quality standards, and the “spokes” facilitate deeper penetration within regions, strengthening our brand and driving higher test volume. We own, operate and manage all of our clinical laboratories and operate and manage all of our POC collection centers, which allows us to more closely monitor and maintain our high quality standards, particularly when compared to other clinical laboratories that operate franchises. We undertook 74, 83 and 79 administered proficiency testing/external quality schemes in 2013, 2014 and 2015, respectively, under the external quality assurance services programs of a number of institutions and organizations, including CAP, National Glycohemoglobin Standardization Program and Biorad, among others.

We have a centralized information technology platform that fully integrates our network of outlets with a nationwide logistics and payments system, thereby allowing us to collect specimens, monitor specimen delivery, report results and process payments efficiently. Our patients, doctors and other healthcare providers have highly convenient, real-time online access to diagnostic results, which are accessible through our website and mobile applications. Our systems also allow us to gather patient demographic and medical information across our network, which allow us to better serve our customers. We believe the foregoing network and relationships with medical community and leading testing capability that we have developed over the last 43 years would be difficult to replicate.

We are the most-recognized clinical laboratory brand in the country, and this recognition is supported by a consistent focus on quality.

In addition to being the largest independent clinical laboratory company in Indonesia by revenue and size of laboratory network, according to Frost & Sullivan, our Prodia brand is recognized as the strongest clinical laboratory brand in Indonesia by customers. We received 56% of the votes from a sample of Indonesian consumers in the 2015 Top-Brand Survey by the Frontier Consulting Group, and

have been the “Top-Brand” for laboratories for seven consecutive years (2009-2015). Our brand has also received significant industry recognition. In 2015, we received 12 prestigious industry awards, which evidence our recognition by all market participants, including doctors and individual customers, many of which we have received for consecutive years.

We have dedicated marketing strategies to enhance our brand with each customer segment, led by our team of over 400 marketing and LIS personnel, which undertake a broad range of marketing activities to reach the general public, doctors and corporates. This effort is underpinned by our long-term engagement and trust established with the Indonesian medical community since the founding of our Company, when clinical laboratory tests were not widely adopted. We engage with the medical community, not only by means of traditional advertising and marketing, but through our scientific marketing activities, which include supporting clinicians and their research in clinical laboratory medicine, conducting seminars and other marketing activities to educate doctors, hospitals, corporates and the general public on healthcare issues and the benefits of clinical testing and educating and collaborating with doctors on the development and implementation of tests.

The strength of our brand rests on our focus on quality, which is of critical importance given our belief that patients and healthcare providers generally prioritize quality when choosing a clinical laboratory services provider, in addition to the size and strength of our network. We have received the highest clinical laboratory accreditations available, including becoming the only laboratory in Indonesia to receive CAP accreditation (in 2012), NGSP certification or OHSAS accreditation, as well as receiving numerous ISO and other certifications. We believe that this has helped us become one of Indonesia’s most admired companies. Our approach to our business also allows us to maintain the quality of our operations across our single-brand network of clinical laboratories, because, among other things, we have not expanded through franchising (which risks losing control of key functions) and seek to ensure consistency in our operations with, for example, our calibration laboratory. We believe that our customer service is another differentiating factor, as we provide customers with a consistent and high quality service across our single brand network. We achieve this through rigorous employee training and established protocols set up to provide a quality experience for customers, from registration and doctor consultation to sample collection and report collection. This includes efficient customer processing, pleasant surroundings and customer-oriented service. We also offer home collection services to expand our offering to stay-at-home customers. In addition, we plan to offer online channels for test booking and payment, which make each customer’s visit more convenient, as well as for better visualization of diagnostic results. We believe that these factors contribute to our strong brand image and help to build customer loyalty. The size of our network also provides us with branding advantages because it allows us to interact with a large number of customers, doctors and other healthcare professionals across the entire Indonesian archipelago, and broadens our brand’s reach.

We focus on providing a comprehensive service offering that targets multiple customer segments and is supported by strong relationships with healthcare practitioners and institutions across all related disciplines

We believe we offer the most comprehensive range of clinical laboratory tests in Indonesia, with a menu of over 500 tests. Customers can come to us for all of their clinical laboratory testing needs, as we provide both routine and esoteric tests, and also have access to an additional 3,000 tests, which are in addition to our menu of 500 tests, through our relationships with international clinical laboratories outside of Indonesia, such as Quest and NUH Laboratories. This comprehensive offering allows us to meet the needs of a wide range of customers, including individual customers whether they walk in or are referred by doctors, corporate customers seeking to offer health checks to employees, or hospitals and other clinical laboratories that refer tests to us.

We are also expanding our offering to include preventative health services through our PHC Clinics, which provide wellness services such as nutritional and sports medicine services. Our offering is further enhanced by our specialty clinical laboratories, namely our Prodia Children's Health Center and Prodia Women's Health Center, which focus on the specific clinical testing needs of children and women.

We continuously strive to introduce new and technologically sophisticated tests and have pioneered the introduction of numerous tests in Indonesia. We believe that our new tests and esoteric tests attract new patients, who also purchase other tests and services. For example, we were the first clinical laboratory in Indonesia to introduce "TORCH panels" to screen for panels for toxoplasmosis, rubella, cytomegalovirus and herpes simplex infections in pregnant women and cystatin C renal function tests.

Over our 43-year history, we have developed long-term relationships and trusted partnerships with many healthcare practitioners in Indonesia, including with 23 medical faculties, as well as medical professional associations and laboratory medicine associations. During this period, we have consistently provided doctors and other healthcare professionals with our quality services, fast turnaround times and comprehensive range of offerings, which gives us an unparalleled reputation in clinical laboratory services. These relationships have generated an ongoing source of referrals and scientific breakthroughs. In 2016, we received referrals from over 60,000 doctors.

We have also worked with the medical and scientific community to develop scientific collaborations for introducing new diagnostic tests and to develop our medical professional recruitment pipeline. For example, we have invested in developing long term relationships with members of the medical community across Indonesia. Our research collaborations have resulted in the introduction of new tests, such as a paediatric allergy panel, 17-OH progesterone test, and other tests. We have further developed these relationships through the work of our 400 marketing personnel and laboratory information service ("LIS") personnel. We regularly give doctors updates on new tests and other trends in the medical community. We have also partnered with medical associations, such as paediatric associations and obstetrics and gynaecology associations to actively market our services.

We have a proven track record of strong growth and financial performance.

We have grown consistently in the last three years. We have opened seven new clinical laboratories since 2013. The number of total customer visits in our network increased at a CAGR of 3.2% from 2.2 million in 2013 to 2.4 million in 2015. During the same period, our revenues increased at a CAGR of 9.6% from Rp. 998.0 billion in 2013 to Rp. 1,197.7 billion in 2015 and our adjusted EBITDA increased at a CAGR of 17.0% from Rp. 128.1 billion in 2013 to Rp. 175.2 billion in 2015. We have been strategic in our growth strategy and as a result, our return on invested capital was 28.6%, 18.5% and 30.5% for the years ended December 31, 2013, 2014 and 2015, respectively. Our return on equity was 67.7%, 41.2% and 46.7% for the years ended December 31, 2013, 2014 and 2015, respectively. We believe we have a strong, defensible revenue stream due to our diversified customer base and brand name, supported by our effective marketing efforts across all customer segments, particularly as a result of our scientific marketing.

We have an experienced senior leadership and management team with deep experience in clinical, clinical lab services and healthcare and a proven graduate recruitment pipeline.

Our senior management team, led by our directors, has extensive experience in the clinical laboratory industry in Indonesia. Our directors have practical experience, such as laboratory experience, research or academic backgrounds, with advanced degrees in biomedical sciences or finance. Our directors have long-term experience with Prodia and in healthcare and an average of 22 years each with the Company. Our senior management team is led by our President Director, Dr. Dewi Muliaty, who has been with the Company for over 25 years and has successfully managed our growth by executing our strategies and further developing our "Prodia" brand's recognition. We believe that our experienced and effective management team is an important competitive advantage in managing the growth of our business in the future.

Our founder Dr. Andi Widjaja is a prominent and visionary leader in laboratory medicine in Indonesia. He is a founder, and has served as an advisory board member, of several notable Indonesian industry associations, including: the Indonesian Society of Atherosclerosis and Vascular Diseases, the Indonesian Society for the Study of Obesity, and Indonesian Association for Clinical Chemistry. He had a vision to make high quality clinical laboratory services available across Indonesia, and our management team continues to implement this vision. Our management team has grown under his leadership and has developed the requisite skills and experience necessary to navigate the fast-growing Indonesian clinical laboratory industry. While Dr. Andi Widjaja is no longer involved in day-to-day operations of the company, he is still a leading figure in the healthcare industry giving lectures and guidance to doctorate students in notable medical faculties as well as participating in seminars and symposiums in domestic and international forums, which further enhances our company's standing, reputation and brand.

Our founder and senior management team have built a mission-driven culture of success that has attracted many of Indonesia's top laboratory personnel to work at the Company. We have succeeded in hiring the best graduates of medical faculties in Indonesia by developing strong relationships with schools and their students. We work with 23 medical faculties in Indonesia in research and education to develop our medical professional recruitment pipeline. We also have close cooperation with 54 educational institutions across Indonesia to recruit recent medical technologist graduates. We establish relationships with potential employees early in their education, for example by sponsoring information events at their schools and by offering scholarships in medical laboratory studies. In addition, we host medical students as researchers in our laboratories to support their academic studies. We believe that these programs give potential employees a positive experience with the Company and encourage them to consider our company upon graduation.

Our Strategy

The key elements of our business strategy are as follows:

Continue to expand our presence and grow our network of outlets in both existing and new markets in Indonesia.

We intend to continue to grow and expand our network of outlets in Indonesia. We currently plan to open a total of four regional reference laboratories and up to 33 additional clinical laboratories over the next five years, in order to capture clinical testing demand in regions with attractive growth opportunities. We expect to open up to 20 new POC collection centers and up to five new hospital laboratories per year. We also expect to open an additional 13 specialty clinics over the next five years. We also will continue to explore and to consider acquisition opportunities as a means of growing our clinical laboratory network.

We expect the total of four regional reference laboratories will be located in Surabaya, Medan, Makassar and Semarang and will serve as regional hubs for our clinical laboratories in those regions. These regional reference laboratories will perform routine and esoteric tests not conducted by clinical laboratories in the region, thereby allowing us to reduce the turnaround time for these tests and improve test yields by shortening the transportation time for samples, which currently must be sent to our PNRL. We currently expect that our new clinical laboratories will be located in areas not yet served by us or underserved by our competitors, such as West Papua, Papua, North Kalimantan and Bengkulu. We also plan on increasing the number of clinics in certain existing markets, such as Jakarta.

Upgrade existing clinical laboratories to provide wider range of tests and services and increase volume.

We plan to continue to introduce new clinical laboratory tests and other services to further expand the range of services that we offer. We will continue to work to introduce new tests, including new esoteric tests to be performed at our PNRL, our new regional reference laboratories as well as across our

network of clinical laboratories. We believe that our menu of esoteric tests is already the most comprehensive in Indonesia and includes many tests that our competitors are unable to perform in a timely, efficient and cost-effective manner. We are planning to offer more preventive healthcare screenings and chronic and lifestyle management services, such as preventative health testing, and nutritional and sports medicine at our PHC Clinics. We also expect to upgrade some of our clinical laboratories to PHC Clinics outlets by introducing a range of non-clinical laboratory tests, such as radiology, imaging, echocardiograms and treadmill tests.

We also intend to grow our operations by expanding the footprint of up to 20 of our existing clinical laboratories, including by relocating certain clinical laboratories to larger premises because our growth is constrained by the existing space.

Continue to enhance internal operating efficiency.

We believe that our “hub-and-spoke” model offers us a scalable platform for reducing costs and turn-around times for our clinical laboratory tests. We opened a new regional reference laboratory in July 2016 and intend to open three more regional reference laboratories in the next few years to increase our esoteric testing capacity as we increase the size of our customer base, including based on the number of referrals from our clinical laboratories and other clinical laboratories in Indonesia, as well as our POC outlets. We will continue to enhance our internal operating efficiencies by optimizing our model and the delivery of our services. For example, the four regional reference laboratories, as additional hubs in our hub-and-spoke model, will enable us to shorten delivery time to the testing sites, thereby enabling us to increase further our turnaround time and further reduce our operating costs. Similarly, we believe we have strong bargaining power with our vendors as a result of our large volume of tests, which gives us economies of scale that reduce our cost of raw materials. In addition, we are, and will continue, implementing a vendor-managed inventory system and improving productivity by upgrading our laboratory information systems. We also plan to continue to evaluate the need to upgrade the technology and equipment we employ in our laboratories, in light of our focus on remaining a market leader in clinical laboratory testing in Indonesia. We strive to consolidate laboratory tests to increase the operational productivity of our testing. For example, we plan to integrate our systems at PNRL to increase the number of test results produced to improve test turnaround, which we believe will also enhance our cost efficiency and result in greater economies of scale.

Continue to focus on providing quality diagnostic and related healthcare tests and services and attracting quality laboratory personnel.

We believe that that the Prodia brand is synonymous with quality. We plan to continue our focus on providing quality clinical laboratory and related healthcare tests and services. We constantly monitor the quality and accuracy of our clinical laboratory tests and regularly undertake quality assurance programs to further improve our quality. We seek to upgrade our clinical laboratory testing equipment to improve efficiency and accuracy. For example, we utilize automated testing systems to quickly perform tests with minimal human interference, which ensures both speed and accuracy. We are also dedicated to providing customers with a quality experience. For example, we provide one-stop services from counselling to results analysis with on-site doctors available to provide preliminary consultations. We have built an online set of tools, such as our web portal and mobile application so that our customers and doctors can easily check their results. We intend to further develop these online initiatives by developing an online registration and payments portal for our customers. We regularly consult with leading international clinical laboratories, such as Quest and the NUH Laboratories, both directly and through industry events and channels, to broaden our testing menu, incorporate industry best practices and generally learn from the experiences of leading international laboratories in an effort to enhance the quality of our services.

We will also continue to focus on attracting high quality laboratory technicians and doctors to work at the Company. We will continue our close collaborations with 23 medical faculties and 54 other educational institutions to recruit the talent we need to support our growth. We believe by supporting students while they are in school we establish positive relationships with them when they graduate and show that the Company is a quality place to work. We aim to strengthen our relationships with students who will be general practitioners or doctor specialists by providing our laboratory services to support their studies. We believe that this will encourage them to become our future customers because they will have a long positive and in-depth association with our brand. In addition, we continue to enhance the quality of our employees by providing various internal and external educational trainings through conferences or workshops.

Focus on the development of next-generation diagnostic technologies for precision medicine.

As a pioneer and market leading clinical laboratory in Indonesia, we have been the first to introduce many clinical laboratory tests and technologies to Indonesia. We intend to continue to be at the forefront of introducing new technologies and tests. For example, we are investing in and upgrading our ability to offer precision medicine services, also known as personalized medicine. Precision medicine is an emerging approach for disease treatment and prevention that takes into account an individual's genetic makeup, environment and lifestyle when prescribing treatment. With precision medicine, an individual is treated in accordance with his or her specific characteristics, with the hope that such treatments will be more effective, given that treatments determined to be ineffective for certain types of individuals can be avoided. The key to the successful offering of precision medicine is the availability of diagnostic information, such as individual gene sequencing. We have a solid foundation for precision medicine with our existing laboratories that focus on advanced molecular diagnostics, chromatography-mass spectrometry, anatomical pathology and immunology and flow cytometry), among others, which are the fundamental technologies of precision medicine.

Key Performance Indicators

The table below sets forth information regarding our operations for the years ended December 31, 2013, 2014 and 2015 and the six-month periods ended June 30, 2015 and 2016:

OPERATING DATA	Year ended December 31,			Six-month period ended June 30	
	2013	2014	2015	2015	2016
Number of tests ⁽¹⁾ (<i>millions</i>)	13.7	13.7	14.0	6.8	7.0
Number of samples ⁽¹⁾ (<i>millions</i>)	5.4	5.6	5.7	2.0	2.0
Number of visits ('000)	2,236.3	2,305.2	2,382.5	1,183.2	1,191.6
Tests per customer visit ⁽²⁾	6.1	6.0	5.9	5.7	5.9
Revenue per visit (in Rp.)	440,843.2	468,791.7	502,713.8	499,630.9	544,340.1
Revenue per test (in Rp.)	72,056.4	78,711.7	85,717.9	87,288.0	93,244.2

Notes:

- 1) Includes samples and tests, as the case may be, for individual customers as well as samples and tests in respect of customers referred to us by other clinical laboratories, hospitals or other healthcare service providers.
- (2) "Customer visits" refers to visits to one of our outlets by a walk-in customer, doctor-referral customer or a covered person of a corporate customer or a sample referred to one of our clinical laboratories by a referral customer

Mission and Vision

Our mission is to provide better diagnosis for our customers, whether “for him or her”, which is an English translation of the Bahasa Indonesia phrase from which the Company takes its name, “*pro dia*”. Our name also means “for diagnostics”. Our vision is to maintain our position as the centre of excellence in clinical laboratory testing, while transforming into a reliable next-generation healthcare service provider.

With a firm belief that quality is a way of life, we put our customers first and are dedicated to providing high-quality diagnostic services. We strive to be highly transparent both about our business and services, and maintain the balance between business and healthcare, business and science, and amongst all stakeholders. We value our high-performing teams and are dedicated to practicing the spirit of Prodia with a positive attitude.

Our Network of Outlets

We have an extensive nationwide network of outlets, with a presence in 30 of the 34 provinces in Indonesia, that has been developed over our 43-year history. All of our clinical laboratories are owned and operated by us, which we believe allows us to maintain better control and ensure consistency in our quality standards. As of June 30, 2016, we wholly-own all 128 clinical laboratories, including our PNRL in Jakarta, as well as the PHC Clinic and the specialty clinic, our Prodia Children’s Health Centre. We operate 114 POC outlets, comprising 11 POC centers and 103 POC collection centers, and seven hospital laboratories, all of which are located on the premises of other healthcare providers. We are also in the process of opening multiple PHC clinics by converting existing clinical laboratories. PHC Clinics focus on wellness and offer a broad range of preventive care services, including testing for metabolic and cardiovascular diseases and consultations with nutritionists and sport medicine specialists, as well as regular clinical laboratory services.

The map below depicts the geographical spread of our facilities as of June 30, 2016:



The table below sets forth the number of our outlets by type as of December 31, 2013, 2014 and 2015 and June 30, 2016:

	As of December 31			As of June 30
	2013	2014	2015	2016
Clinical Laboratories ⁽¹⁾	122	125	128	128
PHC Clinics	—	—	—	1
Specialty Clinics	—	—	—	1
POC Outlets				
POC Centers ⁽²⁾	14	16	16	11
POC Collection Centers ⁽³⁾	103	96	111	103
Hospital Laboratories	14	12	11	7
Total	253	249	266	251

Notes:

- (1) Includes the PNRL.
- (2) POC Centers are located in doctor's clinics and have laboratory equipment to conduct certain routine tests, otherwise samples are sent to one of our nearby clinical laboratories for testing.
- (3) POC Collection Centers are located in doctors' clinics and send all samples to one of our nearby clinical laboratories for testing.

We are constantly reevaluating the coverage of our network and the appropriate composition and locations of our outlets. Our strategy is to open smaller clinical laboratories, POC centers or POC collection centers to test markets we believe have growth potential. For more on our branch expansion strategy, see “—*Network Expansion Plans*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Major Factors Affecting Our Results of Operations and Financial Condition— The Expansion of Our Network of Clinical Laboratories and Other Outlets.*”

In 2014, we opened two new clinical laboratories and reclassified one of our hospital laboratories as a clinical laboratory because we moved the laboratory to a nearby location outside of the hospital to increase the space available in the laboratory. In addition, in 2014, we opened one new laboratory in a hospital, while we closed down two other hospital laboratories because we decided to focus on growing other nearby clinical laboratories. Similarly, we opened two new POC centers and four new POC collection centers, while relinquishing our affiliation with 11 POC collection centers, which are still operating at doctor's offices, but no longer managed by us.

In 2015, we opened four new clinical laboratories and reclassified one POC center laboratory as a clinical laboratory because we had sufficient volumes to upgrade the laboratory and move the equipment to a separate standalone facility. We also opened two additional hospital laboratories, while we closed two hospital laboratories because one was acquired by a new hospital management company and the other hospital laboratory was closed so that we could focus on other outlets. In addition, we opened one new POC center, upgraded on POC collection center to be a POC center and closed one POC center. We opened 17 new POC collection centers and closed one POC collection center.

In the six months ended June 30, 2016, we opened one clinical laboratory, converted one of our clinical laboratories into our Prodia Children's Health Centre specialty clinic and reclassified one hospital laboratory as a clinical laboratory because we transferred it to a separate facility outside of the hospital. We also opened one new clinical laboratory in a hospital, while closing four other laboratories in hospitals. In addition, we opened 19 POC collection centers while closing five POC centers and 25 POC collection centers.

Region	Clinical Labs	PHC Clinic	Specialty Clinics	POC Centers	POC		Total
					Collection Centers	Hospital Labs	
I. North Sumatera	15 ⁽¹⁾	—	—	—	2	1	18
II. Central Sumatera	7	1	—	—	6	—	14
III. Greater Jakarta, Palembang and Lampung	31 ⁽¹⁾	—	1	6	24	2	64
IV. West Java	20	—	—	1	22	1	44
V. Central Java	22	—	—	1	21	1	45
VI. East Java, Bali and Nusa Tenggara ⁽²⁾	16	—	—	2	13	1	32
VII. Kalimantan	5	—	—	—	1	—	6
VIII. Sulawesi and Maluku	12	—	—	1	14	1	28
Total	<u>128</u>	<u>1</u>	<u>1</u>	<u>11</u>	<u>103</u>	<u>7</u>	<u>251</u>

Notes:

(1) Includes the PNRL.

(2) Includes the Surabaya regional reference laboratory.

The table below sets forth the number of customer visits by geographical region for the years ended December 31, 2013, 2014 and 2015 and the six-month periods ended June 30, 2015 and 2016.

	Year ended December 31,			Six-month period ended June 30	
	2013	2014	2015	2015	2016
I. North Sumatera	114,726	130,684	132,983	60,135	62,472
II. Central Sumatera	99,217	106,583	107,077	54,333	52,325
III. Greater Jakarta, Palembang and Lampung	707,663	723,328	758,284	374,112	395,612
IV. West Java	272,613	284,211	309,785	151,075	144,796
V. Central Java	367,353	369,255	386,103	200,749	184,223
VI. East Java, Bali and Nusa Tenggara	351,934	357,306	355,800	176,397	177,465
VII. Kalimantan	83,183	90,950	95,808	46,155	47,215
VIII. Sulawesi and Maluku	237,318	238,651	234,170	118,873	125,481
Specialty Clinics	2,331	4,211	2,513	1,400	2,000
Total	<u>2,236,338</u>	<u>2,305,179</u>	<u>2,382,523</u>	<u>1,183,229</u>	<u>1,191,589</u>

The table below sets forth our revenue, on a standalone basis, by geographical region for the years ended December 31, 2013, 2014 and 2015 and the six-month periods ended June 30, 2015 and 2016.

	Year ended December 31,			Six-month period ended	
	2013	2014	2015	2015	2016
	(Rp. in billions)				
I. North Sumatera	51.0	60.0	66.0	31.8	33.7
II. Central Sumatera	47.0	50.7	55.7	28.3	28.2
III. Greater Jakarta, Palembang and Lampung	364.5	408.1	462.1	226.6	256.1
IV. West Java	87.1	95.5	101.8	49.4	52.9
V. Central Java	120.5	130.6	145.3	73.9	77.7
VI. East Java, Bali and Nusa Tenggara	166.6	177.3	191.9	94.2	103.6
VII. Kalimantan	46.7	50.6	54.9	26.0	27.9
VIII. Sulawesi and Maluku	101.4	106.2	118.6	60.2	67.4
Specialty Clinics	1.1	1.6	1.4	0.8	1.1
Total	<u>985.9</u>	<u>1,080.6</u>	<u>1,197.7</u>	<u>591.2</u>	<u>648.6</u>

Reference Laboratories

Prodia National Reference Laboratory (“PNRL”)

The PNRL, which we established in 2008, is the only CAP accredited laboratory in Indonesia. Located in Jakarta, it is the main hub of our network as well as a customer accessible clinical laboratory that accepts walk-in customers and takes specimens from customers. The PNRL offers the most comprehensive selection of routine and specialized tests among our network. It also offers the most types of tests among our clinical laboratory competitors in Indonesia. Certain tests that we offer, such as certain molecular clinical laboratory tests, immunology tests, mass spectrometry and other esoteric tests, are conducted only at the PNRL. We employ over 60 medical technologists and five clinical pathologists at the PNRL. The PNRL runs tests 24 hours a day, seven days a week, except for 12 hours on Sunday. There is also a customer-facing clinical laboratory located on-site.

Reference laboratories are defined by their operations as centers of high-volume and cost effective clinical laboratory testing for samples referred to them by other clinical laboratories or healthcare providers. As a result, reference laboratories have the capacity to perform high-cost and specialty tests at affordable prices. In Indonesia, there are no special qualifications or licenses to operate a reference laboratory, aside from the typical licenses for operating any clinical laboratory. We believe that our PNRL gives us a competitive advantage because it is fed by our extensive network of other outlets that refer samples to the PNRL and drive high test volumes. We believe that there are significant barriers that prevent other clinical laboratories from competing with the PNRL because of our extensive track record of quality and the limitations on sourcing the high degree of human resource competence and knowhow to operate a reference laboratory at the same level as the PNRL. The PNRL was accredited by CAP in 2012, which is among the most reputable accreditation standards available globally. Most of our work in pioneering new tests is also conducted at the same premises as the PNRL, which we believe makes the PNRL one of the most scientifically advanced clinical laboratories in the country.

As our main hub, samples for tests that cannot be conducted at a particular outlet are sent to the PNRL for testing. We believe that centralized testing generates economies of scale that have, in turn, allowed

us to deploy more efficient equipment and information technology systems, which have further improved the overall efficiency of our clinical laboratory testing operations. The PNRL supports all of our other clinical laboratories by centralizing all referred tests and operating as a cost-center with all revenues attributed to our clinical laboratories that referred the test to the PNRL.

The PNRL is equipped with our most scientifically advanced testing equipment and is the center for our esoteric testing platform. The PNRL currently has the capability to perform 330 of the approximately 500 tests that we offer, (130 esoteric and 200 routine). The other tests we offer are performed at our other clinical laboratories. We refer the other tests, which are not economical for us to perform to third parties, typically overseas clinical laboratories. The PNRL conducted over 2.5 million tests in 2015, which represented approximately 11% of total number of tests we conducted in 2015. At the PNRL, we employ advanced testing equipment including machines in respect of advanced molecular diagnostics, chromatography-mass spectrometry, anatomical pathology and immunology and flow cytometry. We also utilize a Siemens' WorkCell machine that automates the process for routine chemistry and immunology testing. The WorkCell machine can process approximately 800 tests per hour, compared to the machines at our clinical laboratories which typically process 200 tests per hour.

Regional Reference Laboratories

We opened a clinical laboratory in Surabaya in December 2015, and officially began operating it as the first of our four planned regional reference laboratories in July 2016. The other three regional reference laboratories will be opened in Medan, Makassar and Semarang. These regional reference laboratories will serve as regional hubs for local clinical laboratories and other outlets. As the demand for esoteric tests has increased, we believe we can best serve local customer demands by expanding our capacity to offer tests in regional locations, rather than sending samples to our PNRL. While in the past we have increased capacity at our PNRL, creating regional capacity has certain advantages. For example, regional reference laboratories will allow us to reduce the turnaround time for esoteric tests by shortening the transportation time for samples, which we expect will make our services more attractive to customers. We expect that the regional reference laboratories will initially offer all of our routine tests and certain esoteric tests that are in demand in that region, such as hormone panels, molecular diagnostics and microbiology tests. As the market for esoteric tests continues to grow, we will evaluate the additional esoteric tests to offer at each of our regional reference laboratories. The PNRL will continue act as our national hub and be equipped to offer a more extensive range of our tests.

Our Surabaya regional reference laboratory was first opened as a clinical laboratory in December 2015, and started to provide 24/7 services in March 2016. It has since been upgraded to become our first fully operational regional reference laboratory in July 2016. The laboratory mainly offers routine laboratory tests, hormone tests, molecular and microbiology laboratory services, with the capability to provide a total of 180 routine and esoteric tests. The laboratory offers pickup service to collect samples from all types of customers. The building that houses our Surabaya regional reference laboratory is the first clinical laboratory building in Indonesia designed to meet green building certification standards, and we are currently in the process of obtaining green building certification. We sold the location of our Surabaya regional reference laboratory to an affiliate and currently lease it under the Sale and Lease Transactions. This laboratory had strong sales growth in the first half of 2016.

We are currently constructing a new wing on our Makassar clinical laboratory for a regional reference laboratory. Our Makassar clinical laboratory has been operational for two years and we expect the regional reference laboratory located there to become fully operational in the last quarter of 2016. We began 24/7 reference laboratory operations in the third quarter of 2016. The Makassar regional reference laboratory will focus on serving Region VIII (i.e. Sulawesi, Maluku, and eventually Papua). We are currently marketing this reference laboratory to local doctors and hospitals. We are currently leasing the building from a non-affiliated party under a long term lease; however we intend to purchase a new site for the laboratory once our current lease expires.

We are currently constructing our Medan regional reference laboratory as an additional wing of our existing Medan clinical laboratory. We expect construction to be complete by mid-2017 and that regional reference laboratory to be fully operational by the last quarter of 2017. The laboratory will focus on serving Region I (North Sumatra) and Region II (Central Sumatra). We believe that many potential customers travel to Penang, Malaysia for treatment and our Medan regional reference laboratory will aim to better serve these customers. We sold the real estate for our Medan regional reference laboratory to an affiliate, which is currently constructing the buildings onsite under a build-operate-transfer arrangement under the Sale and Lease Transactions.

We expect that our Semarang regional reference laboratory will be fully operational in 2018. This clinical laboratory will focus on serving Region V (Central Java). The laboratory will be in close proximity to several prominent medical facilities, which we believe will allow collaboration in the development of more esoteric tests and strengthening our relationships with doctors. Construction has not yet commenced on the laboratory buildings. We sold the real estate for our Semarang regional reference laboratory under the Sale and Lease Transactions to an affiliate, which is currently developing the site. We intend to lease the buildings onsite once completed.

Clinical Laboratories

As of June 30, 2016, We had 128 clinical laboratories (including the PNRL described above) strategically located in 104 cities across Indonesia. We seek to locate our clinical laboratories in close proximity to residential areas that have substantial and growing middle-class populations and income levels. Many of our laboratories are situated near faculties of medicine and in areas with high concentrations of doctors.

Our clinical laboratories are typically open from 6:30 am to 9:00 pm. and customers can walk-in to our clinical laboratories with or without appointments for service. The clinical laboratories are staffed with at least one general-practitioner or a clinical pathologist, depending upon the tests performed at that particular location, and between three to 13 supporting staff members, including phlebotomists and medical technicians.

All of our clinical laboratories are equipped to conduct and process certain routine tests such as urinalysis, clinical chemistry and haematology. If a test can be processed onsite, our clinical laboratory staff will process the test and submit the results directly to our customer, allowing for a shorter overall turnaround time. At our clinical laboratories, it typically takes two to four hours to complete routine tests. If an esoteric test is required, or if the clinical laboratory does not perform a routine test that is requested, the sample is sent to the PNRL for testing. In certain circumstances, based on customer demand, we may equip a clinical laboratory with the ability to perform certain more commonly requested esoteric tests, such as thyroid tests and infectious disease panels. Certain clinical laboratories also may be equipped to perform non-laboratory tests, such as X-rays and imaging. See "*Our Tests and Services—Non-laboratory Testing.*"

Prodia Health Care Clinics

We opened our first PHC Clinic in the beginning of 2016. Over the next five years, we currently plan to upgrade up to 39 additional existing clinical laboratories into PHC Clinics. In addition to being fully functional clinical laboratories, our PHC Clinics will offer wellness services focusing on preventive care, such as testing for metabolic and cardiovascular diseases and providing consultations with nutritionists and sports medicine specialists. Our PHC Clinics are staffed with specialists to provide these services, such as nutritionists and sports doctors. We believe our PHC clinics will help broaden our customer base and increase customer visits.

Under Indonesian regulations, clinics are categorized as (i) clinics that provide general healthcare services for customers and (ii) clinics that provide specialized healthcare services for customers. In September 2015, we obtained a clinic license for our first PHC Clinic, and began operations of, our PHC Clinic, which has been providing general healthcare services for customers. Foreigners are

prohibited from owning interests in clinics that provide general healthcare services for customers. As we (i) had some foreign ownership when we began operations of our PHC Clinic and (ii) currently have some foreign ownership, we (i) were not in compliance with the 2014 Negative List when we began operations of our PHC Clinic and (ii) are not in compliance with the 2016 Negative List (which amends the 2014 Negative List). To comply with the 2016 Negative List, we are in the process of applying to the Ministry of Health to upgrade the license at this clinic to main clinic license, which would allow the clinic to provide specialized healthcare services for customers, which activities we can carry out under the 2016 Negative List. See “*Risk Factors—We are not in compliance with certain clinical licenses*”, “*Regulation of Health-care Industry—Clinics*” and “*Regulatory Overview—Investment Regulations*”.

Specialty Clinics

We are also developing specialized clinical facilities focusing on particular fields of medicine or specific customer types. Our first specialty facility opened in 2011 as the “Prodia Child Lab”. In 2016, Prodia Child Lab became the Prodia Children’s Health Center. We intend to open our Prodia women’s clinic, the Prodia Women’s Health Center, which will focus on women’s health issues, in the last quarter of 2016, and a specialty clinic for geriatric customers, the Prodia Senior Health Center, in 2017. We currently plan to open up to 13 specialty clinics in the next five years.

The Prodia Children’s Health Center, which is located at our headquarters in central Jakarta, focuses on providing general medical consultation services to paediatric customers, with specialized facilities and testing services. It is staffed with trained physicians and specialists in paediatric testing. The Prodia Children’s Health Center provides a child-friendly environment and its staff is specially trained to work with children. For example, the phlebotomists at our children’s laboratory are specially trained to collect specimens from children.

The Prodia Women’s Health Center, which will be opened in second half 2016, is a standalone facility located in southern Jakarta. The facility will be staffed with experts in women’s health issues, such as obstetrics and gynaecology. We expect to open the facility in the last quarter of 2016. The Prodia Senior’s Health Center will be staffed with general practitioners and geriatric internists who specialize in the assessment and care of older adults. It will also offer various services including acupuncture, physiotherapy, and senior exercise programs.

Point of Care Outlets (“POC”)

We operate 114 POC outlets that are located within doctor’s clinics that are not owned by the Company across Indonesia. These POC outlets are located in proximity to a clinical laboratory and provide customers with the convenience of having a specimen taken at the doctor’s clinic instead of having to travel to one of our clinical laboratories. Depending upon the arrangement with the relevant doctor’s office, clients either make payments directly to us for our tests or they pay the doctor for the test and the doctor then remits our share of the payment to us.

We have two types of POC outlets. One type consists of 103 POC collection centers that are staffed with phlebotomists and only collect specimens and send them to nearby clinical laboratories. The other type consists of 11 POC centers that also have clinical laboratory equipment and medical technologists onsite to perform certain routine tests, such as haematology and urinalysis. The 114 POC outlets provide doctors with greater efficiency since specimens can be collected, and in some cases processed, onsite instead of at the nearby clinical laboratory, which improves their own service offering. Our POC outlets are typically open during the same hours of operation as the clinic in which they are located.

Except when testing can be done at a POC center, specimens are delivered to the nearby clinical laboratory for processing and testing. Our typical turnaround time for routine tests sent to nearby

clinical laboratories is four hours. If the clinical laboratory is unable to perform the relevant test, the laboratory forwards the sample to the PNRL or a different clinical laboratory for testing. Tests sent to the PNRL are typically available the next day, except for certain tests with longer testing processes. In each case, results are available online or in printed form.

We manage the operations of our POC outlets and employ our own staff and equipment, just as with our clinical laboratories. We are responsible for all costs relating to personnel, equipment, consumables, transportation of samples and maintenance associated with our operations. However, we lease the space for our POC outlets from the doctors or clinics in which they are located. Our lease rate is calculated based upon an agreed proportion of our revenue from the relevant POC outlet, typically between 10% to 20% of revenues generated at that location.

We typically sign one to three year agreements with doctors or clinics for the operation of our POC outlets. POC outlets are not independently licensed and utilize the doctor's clinic's license. See "*Risk Factors—Risks Relating to Our Business and Industry—We rely on the regulatory licenses of other parties at our POC outlets and hospital laboratories.*" Historically, we have been successful at renewing our POC agreements.

Hospital Laboratories

We manage seven laboratories located in private hospitals on behalf of the respective hospital. In these cases, the hospitals have asked us to manage these hospitals' laboratories on their behalf and to apply our resources, know-how and scale onsite. In some cases, we have taken over the operations of existing hospital laboratories as well as established new hospital laboratories in new hospitals. We currently operate hospital laboratories only for private hospitals.

Our hospital laboratories typically serve hospital patients exclusively. While we do not market the hospital laboratories as walk-in locations, we can also accept walk-in customers. All specimens collected at the hospital, either from in-patient or out-patient customers, are collected by our phlebotomists, who operate in the hospital laboratory as well as in hospital wards. Our hospital laboratories are typically open 24 hours per day, seven days per week, in accordance with the relevant hospital's operating hours.

Our hospital laboratories are staffed with at least one general-practitioner or a clinical pathologist, depending upon the tests performed at that particular location, and five or six supporting staff members, including phlebotomists and medical technicians.

Our hospital laboratories typically have testing capabilities similar to our clinical laboratories. If a test can be processed onsite, our clinical laboratory staff will process the test and submit the results directly to the customer within two to four hours for most routine tests. Tests sent to the PNRL are typically available the next day, except for certain tests with longer testing processes.

We manage the operations of our hospital laboratories and employ our own staff and equipment, just as for our other clinical laboratories. We are responsible for all costs relating to personnel, equipment, consumables, transportation of samples and maintenance associated with our operations. The hospital typically provides rent-free space and access to utilities without charge.

We typically sign one to five year agreements with hospitals for the operation of hospital laboratories. We record revenue from revenue sharing arrangements, pursuant to which we typically receive 80% to 90% of the revenues generated from performing these tests. Under our agreements, we typically reserve the right to terminate the relationship if the revenue from the laboratory does not meet certain thresholds. Hospital laboratories are not independently licensed and utilize the hospital's license.

Network Expansion Plans

We intend to continue the growth and expansion of our service outlets. We currently plan to open three additional regional reference laboratories, thirteen specialty clinics and up to 33 additional clinical laboratories in the next five years. In addition, we plan make improvements to up to 24 clinical laboratories and upgrade up to 39 clinical laboratories into PHC Clinics. When expanding our clinical laboratories, we may also consider relocating certain clinical laboratories into larger premises. We also expect to open 20 new POC outlets and five new hospital laboratories per year.

We began operations of our first regional reference lab in Surabaya in July 2016. We plan to open three additional regional reference laboratories in Medan, Makassar and Semarang. We are opening the reference laboratories in Surabaya and Medan because they are the second and third largest cities in Indonesia, after Jakarta. Makassar and Semarang are the regional hubs for the eastern part of Indonesia and central Java, respectively, and would help better serve these regions, including reducing logistical challenges in sending samples from these areas to Jakarta.

We are also planning to open up to 33 new clinical laboratories across Indonesia. We have already opened clinical laboratories in most of the first tier and second tier cities in Indonesia, representing 30 of the 34 provinces in the country. We also plan on increasing the number of clinics in certain existing markets, such as Jakarta, which retain attractive growth potential. We intend to open these new clinical laboratories in areas not yet served by us or underserved by our competitors, such as West Papua, Papua, North Kalimantan and Bengkulu.

When we enter into a new market by opening a new clinical laboratory, we conduct a feasibility study and seek to secure sufficient space to support our current needs as well potential future growth. Meanwhile, as certain existing markets have grown over time, some of our clinical laboratories are no longer adequate to allow us to serve the market and capture potential future growth opportunities. We have identified 24 clinical laboratories for future capital improvements. In some locations, we can expand into adjacent premises, however, for many of our clinical laboratories, we will need to relocate to larger premises. We have opened our first regional reference laboratory in Surabaya in July 2016 and are preparing to open regional reference laboratories in Medan and Makassar. We expect to open the reference laboratory in Makassar in the last quarter of 2016. We have identified sites on the Island of Java (Regions III to VI) for new clinical laboratories.

We also expect to open up to 20 new POC outlets and up to five new hospital laboratories per year. The opening of a new POC outlet or a hospital laboratory is typically initiated upon the request of the relevant healthcare provider. Before opening a POC outlet or a hospital laboratory, we conduct a feasibility study, including determining whether the expected revenue and costs support a decision to proceed with the project. We have declined to proceed with certain opportunities because they did not meet our requirements.

We also will continue to explore and to consider acquisition opportunities as a means of growing our clinical laboratory network. We believe that the clinical laboratory industry in Indonesia is highly fragmented, with room for consolidation. We will consider opportunities with favourable valuations and scope for operational improvements.

Our Tests and Services

Through our nationwide network, we offer our customers a menu of over 500 tests, as well as services that cover a range of specialties and disciplines. We believe we have the most comprehensive range of tests of any clinical laboratory chain in Indonesia. We also seek to be the first laboratory in Indonesia to provide a full suite of precision medicine laboratory services, which include genomic, proteomic and metabolomics analysis.

We have entered into agreements with the NUH Laboratories and Quest pursuant to which we enjoy preferential rates for approximately 3,000 tests and clinical laboratory services. These tests are not frequently requested in Indonesia, so we believe that it is more cost efficient to outsource those to international laboratories than perform them in our own laboratories.

These agreements helped us to become a leader for international referrals for specialized testing in Indonesia. For example, the transfer of samples internationally is a complicated process that requires expertise and experience. As a result, other clinical laboratories in Indonesia, including those that we compete with locally, do not have the expertise or international connections to handle the international sample transfer. Instead, they will refer samples to us for onward referrals to international laboratories. In addition, if the volume of a requested test does not meet the volume thresholds required for us to perform the test profitably, we may also refer such tests to other laboratories in Indonesia. In the year ended December 31, 2015, we outsourced approximately 15,000 of our 14 million tests to external laboratories.

We generally categorize our services into three categories: routine testing, esoteric testing and non-laboratory testing.

The table below sets forth the number of tests by type of service for the years ended December 31, 2013, 2014 and 2015 and the six-month periods ended June 30, 2015 and 2016:

	Year ended December 31,			Six-month period ended	
	2013	2014	2015	June 30, 2015	2016
Routine	12,528,389	12,486,246	12,554,992	6,116,857	6,299,732
Esoteric	336,319	370,255	423,691	213,760	231,618
Non-laboratory	817,280	872,883	994,375	442,108	424,896
Total	13,681,988	13,729,384	13,973,058	6,772,725	6,956,246

In the years ended December 31, 2013, 2014 and 2015 and the six months ended June 30, 2015 and 2016, laboratory tests accounted for 90.3%, 90.3%, 90.3%, 91.1% and 92.2% of our revenues — net.

In addition to the laboratory services that we provide our customers, we are also capable of performing other tests for scientific research purposes. As of June 30, 2016, we can perform approximately 375 other tests that are not yet offered to our customers, as part of our research and development and for doctors and scientists for their scientific research. Some of these tests may not have been fully validated in Indonesia and are therefore not ready for commercialization. However, we believe, by offering these tests for research to doctors and scientists, we are building long-term relationships with doctors and potential customers and continuing to pioneer clinical laboratory science in Indonesia. We also believe that these collaborations may help us develop new tests that we can offer to our customers in the future.

Routine Testing

We generally perform routine testing on whole blood, serum, plasma and other body fluids and samples such as microbiology samples. These tests measure various important bodily health parameters such as the functions of the kidney, heart, liver, thyroid gland and other organs. We perform and report most routine testing procedures utilizing a variety of sophisticated and computerized testing instruments. We currently perform approximately 214 routine tests. Commonly ordered routine tests include the following:

- lipid profile;

- haematology;
- kidney function;
- hepatitis serologic marker;
- liver function;
- thyroid panel;
- endocrinology panel;
- glucose, HbA1c;
- urinalysis; and
- coagulation testing.

All of our clinical laboratories perform routine tests. At our clinical laboratories, it typically takes two to four hours to complete routine tests.

Esoteric Testing

Esoteric tests are specialized clinical laboratory tests that are less frequently prescribed by doctors. They are generally performed by skilled personnel and require more sophisticated technology, equipment and materials than routine tests. It is not practical, from a cost-efficiency or infrastructure perspective, for most hospitals, clinics or doctor's clinic laboratories to develop and perform a broad menu of these esoteric tests, or to perform low-volume esoteric testing in-house. As a result, such tests are often referred by these healthcare providers to independent laboratories, like ours, which possess the capabilities to perform more complex testing. All of our esoteric tests are currently performed at the PNRL.

We currently perform approximately 130 esoteric tests. Commonly ordered esoteric tests include the following:

- nutrition panel;
- trace element testing;
- vitamin D testing;
- molecular-infectious disease testing;
- molecular-genetic testing;
- osteoporosis panel;
- TORCH panel; and
- autoimmune panel.

We have been the pioneer in introducing many clinical laboratory tests and technologies into Indonesia. We are investing in, and upgrading our ability to offer, precision medicine services. We have been at the forefront of introducing these technologies to Indonesia and we expect to be the first

laboratory service provider in the country to offer a full suite of precision clinical laboratory services. We have a solid foundation for precision medicine with our existing laboratories that focus on advanced molecular diagnostics, chromatography-mass spectrometry, anatomical pathology and immunology and flow cytometry), amongst others.

As a pioneer of clinical laboratory testing in Indonesia, we have introduced a number of new tests in Indonesia. These tests typically start out as esoteric tests conducted only at our PNRL as we work to educate doctors throughout Indonesia on the uses and clinical benefits of these new tests. As the market begins to adopt these tests and volumes increase, we will consider these once esoteric tests to be routine tests. As an esoteric test becomes a routine test, we seek to equip our clinical laboratories to perform these tests, rather than have them conducted solely at the PNRL. For example, we introduced an APO B test, which was at the time a new lipid profile test, in 1980, which was performed exclusively at our PNRL. However, by the early 2000s, the test was so commonly ordered, that we now perform it at the PNRL as well as across all of our other 128 clinical laboratories and seven hospital laboratories. It typically takes two to four hours to complete esoteric tests.

Non-laboratory Testing

Certain of our clinical laboratories offer non-laboratory tests in addition to our suite of clinical laboratory tests. These services are primarily used by our corporate customers that use us to perform health check-ups on their employees. The table below sets forth the number of clinical laboratories that offered non-laboratory tests as of June 30, 2016.

	<u>Number of clinical laboratories</u>
Electrocardiogram	116
X-Rays	82
Audiometry	43
Spirometry	45
Ultrasonography	51
Treadmill testing	35

Logistics and Procedures

Logistics and Sample Tracking

Given that Indonesia is a large archipelago, timely and reliable logistics and samples transportation and tracking are essential to our operations. We continuously strive to improve our ability to timely collect, transport and track sample from patients to our laboratory locations. The use of logistics and sample tracking technology facilitates the timely transportation, monitoring, storage and processing of samples.

We have organized our network into a “hub-and-spoke” model, whereby samples are collected across multiple locations within a region for shipment to a clinical laboratory for centralized clinical laboratory testing. Samples are collected at our clinical laboratories and POC outlets. Once collected, a specimen is transported to a laboratory capable of processing the requested test, which could be a nearby clinical laboratory or, for esoteric tests or routine tests not conducted at that location, the PNRL.

Our outlets within each region are connected through a logistics ecosystem comprised of both our own transportation teams and third-party couriers. For transportation within a city and short distances, we typically use our own transportation teams, which carry samples in cooler bags. Transportation

between cities is typically conducted through independent air-freight couriers, which carry samples using dry-ice cooled Styrofoam boxes that we supply to them. We review the performance of our third-party transportation providers against international standards every six months and conduct regular evaluation meetings to ensure that the couriers meet our performance standards.

We have implemented procedures to ensure the timely delivery of samples. When the sample package reaches the PNRL, the receiving staff checks the samples against the information logged in the delivery documentation before signing the documentation to confirm receipt. The delivery documentation is then scanned and uploaded into our computer system, where the referring laboratory can confirm that the sample was received by the PNRL.

We have a dedicated team that monitors daily shipments from all locations, recording the status of the shipment from the time of collection or sample at the referring laboratories to its arrival at the intended destination. We use this tracking information to evaluate the transportation services we use.

Sample shipments are transported under temperature-controlled conditions. We transport our samples using boxes in accordance with a standard procedure that is monitored by our Central Technical Quality Assurance department located at our headquarters. The temperature is maintained at two to eight degrees Celsius or at frozen temperatures (using dry ice) to ensure that the samples can remain stable for up to 48 hours. To ensure the stability and integrity of the samples, our standard operating procedure requires the delivery person in charge to measure the temperature before delivery and upon arrival. The delivery person also records the sample condition upon arrival.

We maintain backup samples for each specimen that we collect from customers. These backup samples can be used in the event that any sample is lost or damaged in transit. We retain these samples for one month following testing.

Testing Procedures and Reporting

For clinical laboratories, our typical workflow begins when the customer comes in to one of our clinical laboratories. Walk-in customers first register with the registration desk, which will then refer them to one of our customer service doctor for an initial consultation and “in-house” referral. Customers that have been referred by a doctor first register with the registration desk and present their requisition form, which is a form provided by a doctor that specifies the requested test. Corporate customers present a requisition form that has been provided by the company paying for the test. We collect up-front payment in cash or by credit card from walk-in customers and customers with doctor referrals.

Customers are then directed to the specimen collection area of our laboratory, where our phlebotomist matches the customer’s identity to the unique identification label and the barcode on the collection tube. The phlebotomist then takes the specimen from the customer and sends it to the specimen distribution section of the laboratory for a quality check.

For specimens received from other hospitals, laboratories or clinics, our customer service department receives the specimen, input the identification information and sends it directly to the sample distribution section. The specimen distribution section inspects the sample for its integrity, volume, adequacy, and lipemic index, whereupon it is processed in a centrifuge, split into portions and distributed to the technical section, (after which the specimen is now referred to as a sample). If sample quality does not meet our standards, the sample is returned to the phlebotomist section and the customer will be called back to our outlets for a new sample.

Testing is an automated process using our specialized testing equipment. Our testing equipment reads the sample barcode and stores the information in Sistem Informasi Prodia (“SISPRO”), our laboratory information management system. For more information on SISPRO, see the section entitled “—Information Technology.” The analytical laboratory equipment automatically processes the samples and upload the results under the relevant barcode into SISPRO. The values from different

departments are then combined in our system into one test report. Our branch operation supervisor and quality validator review and clear the report. If there are values outside reference ranges and within a “panic range,” the values will be displayed in different colours and flagged for immediate follow-up with both doctors and customers. At the quality validator section, the validator may select certain results for retesting, such as, for example, when there is a positive test result for thalassemia, which is an inheritable blood disorder, or otherwise abnormally high or low test values or ambiguous results. Once the results are uploaded, customers, referring hospitals or doctors, corporates and other requesting entities have access to the report online. The results are also available to be printed and sent to the address of the requesting entities.

To facilitate additional tests, we may store certain samples for a specified length of time, in accordance with our standard operating procedures. Pursuant to waste management agreements with authorized third parties, samples are disposed of through a waste management system that complies with applicable environment and health and safety laws. For further details, see the section entitled “*Regulatory Overview.*”

We seek to provide same-day turnaround time for all of our routine tests. The turnaround time for our esoteric tests, as a result of the logistics of sending samples to the PNRL is typically same day or next day turnaround.

Quality Assurance

We believe that we have one of the most rigorous quality assurance programs for laboratories in Indonesia. We are focused on ensuring safety and accuracy in each of our tests. Our quality assurance team of 20 people based at our headquarters and over 200 people throughout our entire network is led by our technical quality assurance manager, who supports the quality, accreditation and training needs of our staff and generally oversees quality assurance processes. In addition to the elective and compulsory external inspections and proficiency testing programs required by Indonesia’s Ministry of Health, we have adopted international guidelines, such as those by the Clinical Laboratory Standard Institute (“CLIA”), CAP and ISO 15189 and regularly undertake internal quality assurance programs and testing. Our clinical laboratories and other facilities are designed to improve the processes for collection, handling, storage and transportation of customer specimens, as well as to assure accurate and timely test results and work environment of our employees in general. Our quality assurance efforts focus on positive customer identification of samples, reporting accuracy, proficiency testing, reference range relevance and process audits for all of our clinical laboratories, customer service centers and pickup points.

To ensure consistently high quality, we implement a three-step quality assurance process across pre-analytic, analytic and post-analytic stages of our diagnostic tests on a daily basis. At the pre-analytic stage (registration and sample collection), we verify all the procedures through our Audit Patient Safety program, ensure that we use the correct specimen delivery procedure, and ensure the use of correct types of test tubes using the SISPRO application. A specific team reviews samples, labelling and test tubes, examines specimen volume and identifies any icterus or lipemin in the specimen. At the analytic stage (sample testing), we consistently focus on instrument calibration and maintenance, and we conduct approximately 119 integrated programs both internally and externally in partnership with well-qualified quality assurance providers. Our internal quality assurance is also conducted on a daily basis. We use interfacing between Lab Information System (LIS) and instruments, thereby eliminating the risk of mismatched data and results. Test data is also analyzed in stages by analyst, supervisor and quality control validator. At the post-analytic stage, final test data is reviewed by specialized final result control teams, and our staff will check their data and verify whether the submitted data and the test results match. A technical manager is responsible for quality control in each clinical laboratory. Each technical manager is at least a medical doctor and possesses health laboratory management certifications. Our quality control validators and the final result control teams each have the technical training and necessary competencies to interpret the testing results.

Many of our clinical laboratories participate in numerous externally administered proficiency testing/external quality assurance programs. We are the only CAP accredited laboratory in Indonesia. CAP is the world's largest association composed exclusively of board-certified pathologists certified. CAP is an independent, non-governmental organization of board-certified pathologists in the United States which offers an accreditation program to which laboratories voluntarily subscribe. It is widely considered to be the leader in laboratory quality assurance and advocates for high-quality and cost-effective medical care. The CAP's PT/EQA program is the largest laboratory peer-comparison program in the world. It allows laboratories to evaluate their performance regularly and improve the accuracy of the customer results they provide. For more information, see "*Our Network of Outlets—Prodia National Reference Laboratory.*"

We undertook 74, 83 and 79 proficiency testing/external quality assurance schemes in 2013, 2014 and 2015, respectively, under the external quality assurance services programs of a number of institutions and organizations. We are the only clinic in Indonesia with National Glycohemoglobin Standardization Program ("NGSP") certification for HbA1c, under which we received a Level I laboratory certification, which is the highest level of quality achievement. In addition, 22 of our clinical laboratories received the highest tier of scores in the EQAS HbA1c tests. 70 of our clinical laboratories received scores in the highest tier in external quality assurance surveys by Biorad, an independent laboratory monitoring service provider in the United States. Other programs include those under the auspices of Randox International Quality Assessment Schemes, a United Kingdom based independent laboratory, Vitamin D External Quality Assessment Scheme, a United States based independent laboratory testing scheme, Royal College of Australian Pathologists programs, Euroimun in Autoimmune testing, a United States based independent laboratory, Medical Laboratory Evaluation in Microbiology, a proficiency testing service provided by CAP, and the National Program External Quality Assurance testing program of Indonesia's Ministry of Health.

In addition, 25 of our laboratories have achieved International Organization for Standardization, or ISO, 15189 for the quality of their systems, which certification is specifically designed for medical laboratories. Six of our laboratories and 10 of our administration offices have achieved ISO 9001:2008 for quality of their management systems. While we apply ISO level quality control standards across all of our laboratories and facilities, we plan to undertake the certification process at additional laboratories each year. The PNRL has also obtained ISO 17025 for calibration laboratories. We are the first clinical laboratory group in Indonesia to obtain all three of these ISO certifications. As part of our quality assurance program, we utilize internal proficiency testing, extensive quality control and rigorous process audits for our clinical laboratory information services. Our procedures include a daily quality control program, where we test the known values of an internal or third-party material control sample in parallel with customer samples to ensure the accuracy and consistency of our results. The results of tests on these quality control samples are monitored to identify trends, biases or imprecision in our analytical processes. This allows for real-time monitoring for any statistically and clinically significant analytical differences, and enables our medical technologists to take immediate and appropriate corrective action prior to reporting of a customer's results.

We conducted 22, 33 and 34 internal proficiency testing programs in 2013, 2014 and 2015 for clinical chemistry, haematology, urinalysis, immunoassay, serology, microbiology and microscopy. Each piece of laboratory equipment is tested on a regular basis. We determine the exact schedule being according to factors such as the type and complexity of the relevant test, the recommended schedule of our external quality assurance programs, the equipment manufacturer's recommendations and the availability of control samples. We used Six Sigma Metric Systems when designing and establishing our control programs for routine tests, such as routine chemistry, haematology and immunoassay tests. Where the frequency of the quality assurance program does not follow a regulation from the CLIA or CAP, we use individual quality control planning to design quality control and assurance test programs.

We have achieved increasing scores from both internal and external quality assurance programs in the aggregate, being 96.5%, 97.3% and 98.9% for internal programs, and 95.9%, 96.9%, 98.9% for external programs, for 2013, 2014 and 2015, respectively, representing an increase in accuracy of our diagnostic results against test samples.

Quality control also encompasses other facets of our services, including turnaround time, customers' satisfaction and billing. Using quality assessment techniques, our laboratories employ a variety of programs to monitor critical aspects of service to our customers. The use of logistics and sample tracking technology allows the timely transportation, monitoring, validation and storage of samples. We aim to improve our ability to timely collect, transport and track samples from customers and between our various laboratories and centers.

Calibration Laboratory

The accuracy of the equipment used for testing is an important part of providing accurate testing results. Therefore, we have established an internal calibration laboratory so that we can quickly and cost effectively test our supporting laboratory equipment to ensure that they meet the required parameters. For example, our calibration laboratory regularly tests our thermometers to ensure that they are correctly measuring temperatures. This helps ensure that we are correctly storing our samples and reduces spoilage. We calibrate all of our supporting equipment, such as the volumes of our glassware and the speed of our centrifuge tachometers. Calibration is done typically once a year. We have expanded the capacity of our calibration laboratory from 538 instruments tested in 2013 to 2,631 and 3,756 in 2014 and 2015, respectively, and the type of instruments tested have been expanded from micropipettes, glassware and sphygmomanometers in 2013 to include thermometers, thermohygrometers and tachometers in 2015.

We believe we are the only clinical laboratory in Indonesia with an in-house calibration laboratory. The advantage of maintaining our own calibration laboratory is that we do not need to rely on third-party calibration laboratories, which enables a faster turnaround of our calibrated equipment, according to our own usage schedule and at a reduced cost. Our calibration laboratory is certified by Komite Akreditasi Nasional (the national standardization agency of Indonesia) and has an ISO 17025 certificate (for testing and calibration). We offer free calibration services to some of our customers, such as hospitals which provide us with external referrals, as a value added service.

Our Customers

We service four customer groups: (1) walk-in customers, (2) customers with doctor referrals, (3) external referrals; and (4) corporate clients. The table below sets forth our revenues from each customer group for the specified period.

	Year ended December 31,			Six-month period ended	
	2013	2014	2015	June 30,	2016
	(Rp. in billions)				
Walk-in Customers ⁽¹⁾	341.9	358.6	410.1	207.5	232.7
Doctor Referrals ⁽¹⁾⁽²⁾	325.0	374.5	399.0	206.1	231.4
External Referrals ⁽³⁾	166.7	179.2	196.6	97.0	107.3
Corporate Clients	164.4	188.7	192.0	80.6	77.2
Total	998.0	1,101.0	1,197.7	591.2	648.6

Notes:

- (1) Revenue from our seven hospital laboratories is classified under walk-in customers or doctor referrals based on the source of the customer referrals.
- (2) Revenue from our POC outlets is included under doctor referrals.
- (3) We have certain agreements for service with insurance providers. Where an insurance provider pays for a walk-in customer or a customer with a doctor referral, such revenue is classified under external referrals.

The table below sets forth the number of customer visits from each customer group for the specified period.

	Year ended December 31,			Six-month period ended	
				June 30,	
	2013	2014	2015	2015	2016
Walk-in Customers	799,566	765,576	816,143	415,793	432,486
Doctor Referrals	739,638	778,108	743,661	388,245	405,384
External Referrals	451,385	454,978	509,359	249,538	243,394
Corporate Clients	245,749	306,517	313,360	129,653	110,325
Total	<u>2,236,338</u>	<u>2,305,179</u>	<u>2,382,523</u>	<u>1,183,229</u>	<u>1,191,589</u>

Notes: Approximately 20% of our customers in each of 2013, 2014 and 2015 were repeat customers, who received at least two tests on separate occasions within one year. Repeat customers accounted for 19.9% of our revenues in 2015, 19.6% in 2014 and 20.0% in 2013. To encourage repeat customers, we offer the Prodia Customers Club, which is a loyalty program that provides discounts and additional services to customers with high-spending profiles. As of June 30, 2016, we had approximately 9,000 Customer Club members.

Walk-in Customers

Walk-in customers visit us without a prior prescription from a doctor. These customers first consult with one of our service doctors prior to receiving a prescription for testing. Walk-in customers can visit one of our clinical laboratories, and we also offer home-phlebotomy services for an additional service fee to customers who cannot travel to one of our outlets.

We bill customers on a fee-for-service basis and in accordance with our customer fee schedule. We collect payment from customers in cash or by credit card prior to a specimen being taken. If a customer has private health insurance, they typically pay us cash out-of-pocket and seek reimbursement from their insurance provider.

Doctor Referrals

We also provide services to customers who have been referred for testing by doctors that work at clinics or hospitals. These patients include both customers who were referred by doctors to one of our laboratories and those who a doctor has referred to a different laboratory, but have chosen to use our laboratories instead. In Indonesia, customers who are prescribed tests, but have not been directed to our laboratories by any healthcare provider, can evaluate and choose between different providers. We market our laboratory services to doctors primarily through our scientific marketing activities. See “—Sales and Marketing—Scientific Marketing.”

We bill customers on a fee-for-service basis and in accordance with our customer fee schedule. We collect payment from customers in cash or by credit card prior to a specimen being taken. If a customer has private health insurance, they typically pay us cash out-of-pocket and seek reimbursement from their insurance provider.

At our hospital laboratories, inpatient or outpatient customers may pay for tests ordered by the hospital doctor either directly to us or to the hospital as part of the customer’s overall hospital bill depending on the workflow established at the relevant hospitals. Depending upon the arrangement with the relevant hospital, customers either make-payments directly to us for our tests or they pay the hospital for the test and the hospital then remits our share of the payment to us. The hospital laboratory service fee schedule is negotiated between us and the hospital under our agreements with them.

External Referrals

We accept sample referrals from other laboratories, hospitals and clinics. Other healthcare providers choose to refer samples to us for testing because they may not be able to perform a particular test or it may be more cost efficient for them to outsource the test to us than perform it themselves. In addition, many healthcare providers may refer test to us in order to have a third-party confirm the results of their own tests. These other healthcare providers collect the sample from their customer and deliver it to us for testing. We generally enter into agreements with these other laboratories and healthcare providers that specify the fee schedule for our clinical laboratory tests. We will then bill the customer, which is the entity that referred the test to us, for our services at the agreed rate and require payment within 60 to 90 days. In addition to sample referrals from other laboratories, hospitals and clinics, our external referrals also include a small number of insurance providers which we bill for services provided to their customers.

Corporate Clients

We serve other institutions, including corporate employers and state owned enterprises. Under Indonesian law, all employees shall be entitled to annual health check provided by their employers. Our corporate clients may choose additional checks, such as haematology, liver function, renal function, lipid profile, glucose profile, uric acid, hepatitis-b, pap-smear, prostate and cervical cancer screening, drug tests, physical examination and electrocardiograms. As part of these packages, we can provide pre- and post-check-up consultations with the employees and provide seminars on health topics. We also provide employers with reports and consultation on the general health of their workforce.

We provide occupational health testing programs to corporate clients, such as testing for employee fitness for certain jobs. We have an agreement with our affiliate, POHI, under which they refer their occupational health testing customers to us. We bill the corporate customers directly for these tests and pay POHI a management fee. See “*Related Party Transactions.*”

Corporate customers and other institutions typically negotiate fee arrangements with us. We bill them periodically and payment is due within 60 to 90 days. Customers who are covered by insurance companies with whom we have agreements are classified under corporate clients, even if they have referrals from doctors. For employment check-up tests, employers have the right to keep the confidential information and not disclose to their potential employees.

Customer Service

We believe that our customer service is a differentiating factor, as we provide customers with a consistent and high quality service across our single brand network. We achieve this through rigorous employee training and established protocols set up to provide a quality experience for customers, from registration and doctor consultation to sample collection and report collection. This includes efficient customer processing, pleasant surroundings and customer-oriented service. We also offer home collection services to expand our offering to stay-at-home customers. Our patients, doctors and other healthcare providers have real-time online access to diagnostic results through our website and mobile applications. In addition, we plan to offer online channels for test booking and payment, which make each customer’s visit more convenient. We believe that these factors contribute to our strong brand image and help to build customer loyalty.

Pricing and Fees

Our fee schedule for our customers is generally determined by several factors. Our considerations include inflation, exchange rates, the standard of living in the market being serviced by the relevant outlet and the logistical costs associated with operating in such market. Our prices are not subject to

governmental regulations. The costs of transporting specimens to clinical laboratories or the PNRL are included in the price of our test. As a result, our prices may vary across locations. For example, our prices in eastern Indonesia are generally higher than in Java, but there are not typically differences in prices for tests across Java.

Our prices do not vary between walk-in customers and customers with doctor referrals. However, the prices that customers pay at POC outlets are negotiated with the doctor's clinics. Our fee schedules at our hospital laboratories are negotiated with the hospital and specified under our agreements with the hospital. For our corporate clients, they generally receive bulk discounts based on negotiation, as they cover services for a large number of customers. Our discounts are in accordance with an established discounting policy.

Sales and Marketing

According to Frost and Sullivan, we developed a strong brand equity in the market that is highly regarded and trusted by customers among independent clinical laboratories. Our market efforts are led by our Jakarta based team of over 400 marketing and LIS personnel. We focus on scientific marketing activities as well as general marketing communication activities.

Scientific Marketing Activities

When we started operations in 1973, laboratory tests and other evidence based medical practices were not widely available or widely adopted by the Indonesian medical community. Therefore, our marketing efforts have always included a large educational component to educate medical providers and the public on the clinical laboratory tools available to them. Our main scientific marketing tools are seminars, round-table discussions and other promotional activities, such as scientific journals, bulletins and publications and informational brochures.

We regularly conduct educational seminars on relevant health related topics, including both advancements in the field of clinical laboratory testing and general health topics. We conduct these seminars for a wide range of audiences, from doctors and medical professionals to members of the general public. In 2015, we conducted over 300 seminars targeting doctors and over 800 seminars targeting hospitals, other clinics and corporate entities, and we organized or supported over 400 other events, such as conferences, for professional organizations.

We also have a number of other promotional activities focusing on scientific marketing. For example, we produce a number of publications for doctors, healthcare professionals and general public. We are the editors and publishers of *Indonesian Biomedical Journal*, Indonesia's only biomedical scientific journal. We also publish two other bulletins, *Forum Diagnosticum*, *Informasi Laboratorium* and one lifestyle magazine, *Smart Living*. In 2015, we made over 17,000 doctor visits to introduce new tests and maintain relationships.

We also engage in promotional activities, such as exhibiting at expositions and community events. For example, we have participated in wedding expositions to market our pre-marital health checks and hosted events at schools to promote general health and fitness. We distributed a total of 385,008 printed materials to doctors in 2015, an increase of 27.4% from 279,516 in 2014. We distributed a total of 140,436 printed materials at hospitals, clinics and corporate entities in 2015, an increase in 17.8% from 115,438 in 2014. We distributed a total of 8,320,392 printed materials to members of the general public in 2015, an increase in 32.9% from 5,582,983 in 2014.

To promote our specialty clinical laboratories, we conduct round-table discussions and seminars and prepare and make available brochures and educational materials with a view to educating communities and potential customers about issues relevant to their health in these areas. We also partner with

paediatric associations and obstetrics and gynaecology associations to enhance our activities. In addition, we work with researchers to develop and introduce new tests supporting these medical specialties. For example, we have developed new tests specifically for children such as a paediatric allergy panel and a 17-OH progesterone test, which is a paediatric endocrinology test.

Marketing Communication Activities

In Indonesia, customers are free to choose their laboratory service providers. Accordingly, we use our marketing communication activities to promote our brand and our services directly to potential customers. We undertake a broad range of marketing activities, including:

- *Media Placements:* We place articles, features and advertisements in print and online media and on the radio and TV. Our advertisements focus on creating brand equity, highlighting our corporate social responsibility programs, promoting certain tests or packages and advertising sales and promotions. In 2015, we made 137 media placements in newspapers and magazines, such as *Kompas*, *Media Indonesia*, *Marketing*, *SWA* and *Femina*, and on the radio. In the first six months of 2016, we made over 41 media placements. In the first half of 2016, we focused our placements in larger outlets with greater reach, instead of the smaller outlets we focused on during 2015.
- *Media Relations:* We have ongoing media relations programs, and we constantly provide information to the media on an informal basis. For example, we provide press briefings, press releases, media visits and media gatherings to build and maintain relationships with the press and media and to disseminate information about us and our offerings. In 2015, we held monthly media information sessions, which are informal communications sent to journalists, covering health information. Furthermore, in 2015, we issued 49 press releases, gave 13 press briefings, hosted five media visits (courtesy visits to maintain our relationship with some media companies) and one media gathering (an educational event with journalists and health community to educate on the importance of medical check-ups). Additionally, we undertook two media sponsorship activities, where we hosted booths or placed advertisements at events held by media companies. In total, there were 82 media relation activities in 2015. In the first six months of 2016, we issued 18 press releases, gave four press briefings, hosted one media visit.
- *Events:* We conduct seminars and events and attend conferences to promote our brand to other healthcare professionals and the general public. In 2015, we participated in 18 public seminars, 15 general practitioner and clinician seminars, four brand activation events (engaging activities such as “Tune up your health” — an event to educate car enthusiasts on the importance of not just tuning up their cars, but also their health). Additionally, in 2015, we also participated and supported 14 wedding expositions and 14 scientific events. For example, we were in charge of the audio visual presentation and presented slides at the HKKI congress (*Himpunan Kimia Klinik Indonesia or Indonesian Association for Clinical Chemistry*) and Patelki (*Perhimpunan Patologi Klinik Indonesia*). In the first six months of 2016, we participated in 15 public seminars and 12 general practitioner and clinician seminars.
- *Social Media:* We market the Prodia brand through our website, Facebook, Instagram and Twitter. We also have a Prodia mobile phone application for use by our customers and by doctors and other healthcare professionals. See “—*Information Technology*.”
- *Creative Management:* In 2015, we undertook 263 sales promotion item campaigns (i.e. banner, calendar, agenda, etc.). In the first six months of 2016, we undertook 122 sales promotions.
- *Doctors:* We market to doctors and other healthcare professionals through scientific journals and the provision of scientific information. See “—*Scientific Marketing Activities*.”

Information Technology

Our information technology systems serve our customers and help ensure the efficiency of our business by monitoring our network's performance, refining resource allocation, helping us respond to changes in our markets, tracking consumption patterns and proactively directing customers to certain locations and services. We have a scalable information technology infrastructure designed to satisfy the requirements of our operations, to support the growth of our business and to help ensure the reliability of our operations as well as the security of customer information. The main components of our technology architecture include the following:

- *Sistem Informasi Prodia ("SISPRO")*. SISPRO is our laboratory information system. It stores and manages all our clinical laboratory data, including all customer demographic, billing and medical information. SISPRO also allows us to track specimen collection, specimen distribution, testing and result handling in real time.
- *Enterprise Resource Planning ("ERP") System*. The ERP maintains records for accounts payable, accounts receivables, purchasing, inventory, fixed assets, as well as banking and general ledgers. The system, which is hosted at our main data center in our Jakarta office, operates based on a centralized model with integration capabilities for new applications. This ensures that the system is designed for scalability and connectivity, allowing us to grow our network while remaining connected via our private networks. This ERP system also allows us to better control our finances, inventory and purchasing through the provision of real-time data from our locations throughout Indonesia.
- *Customer Relationship Management ("CRM")*. The CRM processes our marketing activities, customer management, customer profiling and complaint handling. The system can be accessed by each of our laboratories and is centralized in Jakarta.

We have data centers in each of our clinical laboratories. However, we are currently migrating SISPRO information to a centralized data center at our Jakarta office. We expect the data migration project to be finished in the first quarter of 2017. As of the date of this Offering Circular, 90 of our outlets have migrated to the central server. All of our clinical laboratories are connected directly to the main data center through our private networks. While we have the relevant software licenses for the systems and locations that have implemented these information systems, we are currently negotiating additional licenses for future use. We are currently in the process of developing our information technology risk assessment system and disaster recovery plan and expect to fully implement the plan in 2017.

Equipment

We obtain our clinical laboratory equipment from various vendors either through purchase or through lease or operating arrangements. Our equipment for routine tests is typically leased, while our equipment for specialized tests is typically purchased. Our operating and finance lease agreements typically include minimum reagent purchase levels for each month. We select vendors by first identifying technologies we want to explore for our test and services and then solicit requests for proposals from the applicable vendors. All new equipment is validated by our test development division, technical/quality assurance division and business development division to substantiate the technological and business case for acquiring any new equipment. Our key suppliers are the manufacturers of clinical laboratory testing machines, automated analysers, reagents and laboratory kits. We decide to purchase specific laboratory equipment, when the equipment is not available under a reagent rental basis and/or when reagent supply arrangements for such equipment are less cost-effective.

We have strong relationships with top-tier clinical laboratory vendors who provide us with laboratory equipment. We also seek to develop long term partnerships with global major clinical laboratory and prominent medical equipment manufacturers to support the migration, transition and commissioning of our laboratories under development as well as support our currently operating laboratories. Our

arrangements cover pricing based on economies of scale, technology upgrades, training and education, planned and preventive maintenance and joint marketing. Our approach to equipment procurement allows for more effective and efficient management of our laboratories since our staff at each laboratory will be more familiar with a similar range of equipment.

We obtain laboratory equipment from various vendors. Our main suppliers include Roche, Abbott, Siemens, Biomerieux, Biorad and Sysmex. Roche provides clinical chemistry instruments and immunoassay platform instruments for some outlets and almost all of our urinalysis instruments and molecular diagnostic instruments at the PNRL. Abbott provides some clinical chemistry, haematology and immunoassay platform instruments. We use Siemens instruments for clinical chemistry and some immunoassay platform instruments at the PNRL. Biomerieux provides immunoassay and microbiology platform instruments. Biorad provides a high performance liquid chromatography platform. Sysmex provides haematology instruments.

Each of our vendor agreements typically governs a specific piece of machinery. The agreements may be with the vendor, directly, or its local distributor. These agreements are typically for three to five years. Our pricing arrangements with our vendors on a fixed price basis, paid monthly or under other payment mechanisms agreed with the relevant vendor. In general, under the agreements with the relevant vendors, we are not allowed to distribute, assign, rent or sell the relevant machine to any other third parties for any reason without the prior consent from our vendors.

The timely and effective maintenance of our equipment and instruments is essential for efficient provision of our clinical laboratory services. Rented equipment is maintained by the vendors in accordance with the terms of our operating lease and finance lease agreements. In addition, we recalibrate instruments regularly in accordance with the manufacturers' recommendations and schedule. We also have annual maintenance contracts or comprehensive maintenance contracts for most of our analysers with the respective manufacturers or their authorized dealers. Pursuant to the terms of the annual maintenance contracts, the manufacturer or distributor is responsible for the maintenance and repair of the analysers. A comprehensive maintenance contract, in addition, obliges the manufacturer or distributor to replace spare parts at its own cost.

Material Agreements

As part of our business we have entered into a number of agreements, which, on the whole, are material to our business. These agreements are described below. See also "Related Party Transactions" for descriptions of other of our agreements with related parties.

Operational Cooperation Agreement

In order to operate our laboratories in hospitals, we have entered into laboratory testing service cooperation agreements with such hospitals (each, an "Operational Cooperation Agreement"). According to these agreement, we are obligated (i) to provide laboratory equipment, collect blood sample of good quality and use sufficient reagents to provide the optimal clinical laboratory service; (ii) to provide sufficient and qualified experts; (iii) to provide good administration or management (including but not limited to an integrated quality control system and a referral and patient recording system; and (iv) to conduct laboratory testing for the patients of each hospital. The parties reserve the right to terminate these agreements prior to the expiration of the relevant agreement if, in the implementation of the agreement one or both parties cannot fulfill the provisions stipulated under the agreement.

We have Operational Cooperation Agreements with seven hospitals, including with (i) Rumah Sakit Ibu & Anak Buah Hati Pamulang (which will end on 17 January 2021), (ii) *Rumah Sakit Ibu dan Anak Permata Hati* (which will end on 13 July 2017); (iii) *Rumah Sakit Ibu dan Anak Bunda* (which will

end on 1 January 2017); (iv) *Rumah Sakit Ibu & Anak Sentosa* (which will end on 31 December 2091); (v) *Rumah Sakit Graha Husada* (which will end on 31 December 2017); (vi) *Rumah Sakit Umum Hadi Husada* (which will end on 31 October 2017); and (vii) *Rumah Sakit Ibu dan Anak Sentul* (which will continue to be in force unless terminated by the parties).

Medical Check-Up Cooperation Agreement

In order to provide the medical checkup service for corporate clients, we have entered into cooperation agreements with several companies (each, an “MCU Agreement”). Under a MCU Agreement, we will deliver medical check-ups to employees as agreed between us and our corporate clients. We are allowed to refuse additional examinations outside of the scope of the agreement. We can also refer the check-up to other medical services provider if our clinical laboratory were not able to conduct part or all of the examinations. The parties reserve the right to terminate these agreements prior to expiration of the relevant agreement if, in the implementation of the agreement, one or both parties cannot fulfill the provisions stipulated under the agreement.

We have established material cooperation with several parties in relation with our MCU Agreements, among others with (i) PT Jasa Raharja (which will expire on 31 December 2016); (ii) PT Pertamina EP (which will expire on 31 December 2016); (iii) PT Schneider Electric (which will expire on 31 December 2021); (iv) PT Shanghai Electric Power Construction (which will expire on 31 December 2016); (v) PT Cahayatiara Mustika Scientific Indonesia (which will expire on 31 December 2016).

Routine Referral Agreements

We have entered into referral agreements and cooperation agreements with hospitals, insurance providers and corporate clients in respect of, among others medical examination services, clinical medical examinations, diagnostic medical examination, blood and urine examinations (“Routine Referral Cooperation Agreements”). Under the Routine Referral Cooperation Agreements, we accept referrals for medical examination services, and are obliged to deliver the optimal medical service and present the examination results to the referral source. We typically receive payment from the referring party. The parties of these agreements reserve the right to terminate this agreement prior to the expiration of the relevant agreement if, in the implementation of the agreement, one or both parties cannot fulfill the provisions stipulated under the agreement.

We have established material cooperation with several parties in relation with the Routine Referral Cooperation Agreement, among others with (i) *Perkumpulan Hermina Hospital Group* (which will expire on 1 December 2018), (ii) PT Prudential Life Assurance (which will expire on 30 December 2020), (ii) PT AJ Central Asia Raya (which expires at 31 December 2015 and can be automatically extended); (iv) PT Asuransi Jiwa Manulife (which expires at 20 May 2016 and can be automatically extended); (v) PT PLN (Persero) Distribusi Jakarta Raya dan Tangerang (which will expire on 31 December 2016)..

Laboratory Testing Referral Agreements

We have entered into cooperation agreements with hospitals, regional governments, other laboratories, medical faculties and other healthcare service providers for laboratory and non-laboratory testing with hospitals/regional governments/laboratories/medical faculties/other healthcare service provider (“Laboratory Testing Referral Agreement”). Under the Laboratory Testing Referral Agreement, the parties will give referrals to each other to conduct examination services. The parties are obliged to deliver good quality, proper, accurate and trustworthy services and to keep the level of service quality in accordance with the predetermined standard. If according to the parties there is a doubtful result which requires the testing to be repeated, the parties performing such examination will repeat the testing without any additional fee, with certain requirements. The parties reserve the right to terminate this agreement prior to the expiration of the relevant agreement if, in the implementation of the agreement, one or both parties cannot fulfill the provisions stipulated under the Laboratory Testing Referral Agreement.

We have the Laboratory Testing Referral Agreement with several other organization, including with (i) Rumah Sakit Borromeus (which will expire on 3 February 2018); (ii) Rumah Sakit Paru Dr. H.A. Rotinsulu Bandung (which will expire on 7 August 2017); (iii) Provincial Government of West Java Province (*Pemerintah Daerah Provinsi Jawa Barat*) (which will expire on 8 May 2019); (iv) Medical Faculty of Universitas Padjajaran (which will expire at 30 June 2019) and (v) Regional Blood Transfusion Unit (*Unit Transfusi Darah Daerah*) Palang Merah Indonesia (which will expire at 28 February 2017).

Cooperation Agreement with International Laboratories

We have access to additional tests through our relationships with NUH Laboratories and Quest, as described below.

- *Memorandum of Understanding* dated September 7, 2005 between NUH Referral Laboratories Pte. Ltd. and us. Based on this agreement, NUH Laboratories and we intended to establish cooperation on several fields including (i) teaching and education; (ii) laboratory examination with special price; (iii) patient referrals; and (iv) seminar and promotions.
- *Care360 Labs and Meds User Agreement* dated August 25, 2015 between Quest Diagnostics Incorporated and us. Based on this agreement, Quest provides the service for laboratory testing facility for us without any fee. This agreement is valid from August 25, 2015 and will continue to be in force unless terminated.

Research and Development

We undertake two types of research and development activities. First, our research and development division seeks to expand on our existing test menu and improve our laboratory procedures, to improve sensitivity, specificity, time or costs of tests as compared to available conventional methods. For example, we conduct studies to validate new technologies and reagents. We also intend to continue to invest in advanced testing capabilities to provide our customers with advanced technologies in clinical laboratory testing. It generally takes two to three years to introduce a new test. Tests are generally certified by the national licensing agency in the country in which the test were developed. Our practice is to adopt the tests and validate them as scientifically accurate before implementing them in routine use. A significant hurdle for the development of a new test is educating doctors about the new test to encourage adoption. Scientific education of the medical community is a key part of our research and development process and marketing activities. See "*Sales and Marketing—Scientific Marketing Activities*". We have added, and expect to continue to add, new testing technologies and capabilities through a combination of internal development initiatives, technology licensing and partnerships with vendors and clinicians.

Secondly, our laboratories participate in scientific studies conducted by external researchers in Indonesia's medical and scientific communities. For example, we conduct laboratory evaluations to identify bio-markers for certain studies. Currently, we are working on projects researching pre-natal screening, acute ischemic stroke, and effect of heavy metals exposure, and vitamin and mineral panel on infant and maternal health. In the past, the Company has participated in scientific studies in among others, prenatal diseases, hepatitis, cardiovascular disease, diabetes, obesity, hypertension, autism and Down syndrome. These research efforts, in addition to pushing forward medical knowledge, are also a key part of our scientific marketing activities. We have a number of new tests in our research and validation pipeline, including tests for leukaemia, allergies and autoimmune disorders.

Our Affiliates

In 2015, we undertook the Spin-off Transaction, whereby we sold four of our subsidiaries to our parent, Prodia Utama, for a total consideration of Rp. 32.2 billion. While we no longer hold any

ownership interest in these companies, POHI, PROSTEM, PROLINE and INNODIA, we have engaged in certain related party transactions with them. For more information, see “*Related Party Transactions*” and “*Risk Factors—We have entered into certain related party transactions, and we may continue to do so in the future.*”

Our affiliates are described below.

PT Prodia OHI International (“POHI”)

The POHI is engaged in the marketing and management of occupational health, occupational medicine and industrial toxicology services. Services marketed by the POHI include:

- occupational health clinic management;
- biological monitoring;
- in-house clinic management for corporates;
- pre-recruitment check-up;
- medical surveillance for clients’ existing employees; and
- industrial toxicology testing.

While the POHI markets these services to its clients, they refer the customers to us as their exclusive clinical laboratory services provider. We bill the customers directly for our services and pay the POHI a management fee. We have entered into a cooperation agreement with POHI. Under the cooperation agreement, we will conduct clinical laboratory examination of POHI’s clients’ employees and/or prospective employees which POHI refers to us. POHI will be entitled for a management fee in amount of 7.0% net revenue for each client referred to by POHI to us.

PT Prodia Stemcell Indonesia (“PROSTEM”)

PROSTEM is the first company in Indonesia to be granted the license and accreditation from the Ministry of Health for stem cell banking. PROSTEM’s activities include stem cell research and development, the storage of stem cell samples and processing for stem cell banking and therapy. PROSTEM is one of our corporate clients, as it refers its customers to us, typically for routine tests and infectious diseases panels.

PT Prodia Diagnostic Line (“PROLINE”)

PROLINE imports and produces laboratory instruments and laboratory reagents for in-vitro diagnostics to INNODIA and other third-party agents in Indonesia. All of our purchases of PROLINE’s products are conducted through INNODIA or other third party agents.

PT Inovasi Diagnostika (“INNODIA”)

INNODIA distributes and sells healthcare-related materials, including reagents and laboratory equipment supplied by PROLINE. INNODIA supplies us with laboratory instruments and laboratory reagents for in-vitro diagnostics. Our purchases from INNODIA, which began in 2015, were Rp. 2.7 billion for the year.

PT Prodia Diacro Laboratories (“PRODIA CRO”)

PRODIA CRO provides clinical research services to companies or individuals conducting clinical trials, such as conducting pharmaceutical trials for major international pharmaceutical companies or research for health policy organizations. PRODIA CRO provides referrals to us.

Competition

The clinical laboratory business in Indonesia is fragmented with many small clinical laboratories, yet we believe there are barriers to entry because of customer trust required to attract customers, high quality controls and the high technical requirements. There are many small clinical laboratory players. According to Frost and Sullivan, among private laboratory market, our major competitors for clinical laboratory testing include: Pramita, Parahita, Kimia Farma, Cito and Biomedika, none of which have a network of locations as large as ours. However, as an integrated health services company, Kimia Farma has a number of other outlets to which clinical laboratory services can be added. In addition, we compete with many smaller, independent clinical and anatomical laboratories as well as laboratories owned by hospitals and doctors. For further information regarding the highly competitive nature of our industry, see the sections entitled “*Industry Overview—Competitive Landscape.*”

We believe that, in selecting a clinical laboratory healthcare service provider, customers often take into account many factors, including the following:

- reputation of the laboratory among customers and the medical community;
- accuracy, timeliness and consistency in reporting test results;
- service capability, quality and convenience offered by the laboratory;
- accessibility offered by the laboratory;
- pricing of the clinical laboratory’s services;
- range of clinical laboratory tests performed by the provider; and
- ability to exercise quality control throughout the testing process.

We believe that we compete favourably with our competitors in each of the above and other factors. We also believe that our broad clinical laboratory testing menu of routine, esoteric and next generation clinical laboratory tests provides us with a competitive advantage within the clinical laboratory services industry in Indonesia. Many of our competitors also refer samples to us for esoteric testing.

In addition, we believe that large scale clinical laboratory companies, like us, are better positioned to increase market share due to broad service networks and lower cost structures. We are the leading clinical laboratory chain in Indonesia, with a market share of approximately 35% by revenue in 2015 and the largest number of clinical laboratories in the private independent laboratory market in Indonesia, according to Frost & Sullivan. This size provides us with economies of scale. We believe that these advantages should enable us to more effectively serve our customers. However, a significant portion of clinical laboratory testing is likely to continue to be performed by hospitals and smaller-scale laboratories. As a result, we will continue to compete against hospital-affiliated and other laboratories, including on the bases of quality, service capability and pricing.

The clinical laboratory services industry is faced with changing technology and new product introductions. For example, we believe that our introduction of next generation clinical laboratory tests, such as genomic, proteomic and metabolomic testing to Indonesia, will further distinguish ourselves from our competitors. However, advances in technology may lead to the development of more cost-effective tests that can be performed outside of a clinical laboratory such as point-of-care tests that can be performed by physicians in their offices, complex tests that can be performed by hospitals in their own laboratories and home testing that can be carried out without requiring the services of clinical laboratories. Some of our competitors may now or in the future have access to greater financial resources than we do and may have access to newer, more advanced equipment. Developments of such technology and its use by our customers would reduce the demand for our

laboratory testing services and negatively impact our revenues. See the section entitled "Risk Factors—Risks Relating to Our Business and Industry—Failure to acquire new clinical laboratory equipment and technologies could adversely affect our business, financial condition, results of operations and prospects."

Environmental, Health and Safety Matters

We are subject to Indonesian laws and regulations relating to the protection of the environment and human health and safety, and laws and regulations relating to the handling, transportation and disposal of medical specimens and samples, infectious and hazardous waste and radioactive materials. All our laboratories are subject to applicable laws and regulations relating to biohazard disposal of all laboratory specimens and samples. For further details, see the section entitled "Regulatory Overview."

Employees

As of June 30, 2016, we had 3,282 permanent employees, 132 contract employees and 234 doctors. As of December 31, 2015, we had 3,253 permanent employees, 132 contract employees and 230 doctors. Our permanent employees include clinical pathologists, phlebotomists, medical technologists and radiographers. Our contract employees are primarily support staff and administrative personnel who are hourly workers or are hired on a project basis. Our doctors include doctors and other specialists, who may also practice medicine in other hospitals or clinics in addition to our company. Our laboratories are manned by qualified scientific staff and supervised by a team of clinical pathologists with specializations in relevant fields of laboratory medicine or radiology.

The table below sets forth the number of employees based on their functions as of the dates indicated:

	As of December 31,						As of June 30,	
	2013		2014		2015		2016	
	Employees	%	Employees	%	Employees	%	Employees	%
Functions								
Support Staff	637	18.6%	762	20.7%	676	18.7%	644	17.7%
Doctors ⁽¹⁾	214	6.3%	226	6.1%	230	6.4%	234	6.4%
Operational ⁽²⁾	1,199	35.0%	1,216	33.0%	1,226	33.9%	1,249	34.2%
Marketing	1,218	35.6%	1,297	35.2%	1,307	36.2%	1,337	36.7%
Others	154	4.5%	183	5.0%	176	4.9%	184	5.0%
Total	<u>3,422</u>	<u>100.0%</u>	<u>3,684</u>	<u>100.0%</u>	<u>3,615</u>	<u>100.0%</u>	<u>3,648</u>	<u>100.0%</u>

Notes:

- (1) Includes general practitioners and clinical pathologists and doctors who are hired to advise as medical consultants at our headquarters.
- (2) Includes phlebotomists, medical technologists, laboratory scientists, radiographers and others.

In 2013, the government promulgated regulations requiring support and administrative staff to be permanent or contract employees. As a result, we hired many of our outsourced staff as contract employees in 2014. In 2015, we received approval from the government to outsource some of our administrative and support staff roles, which allowed us to reduce our total number of contract employees in 2015.

The table below sets forth the number of employees based on their employment status as of the dates indicated:

	As of December 31,						As of June 30,	
	2013		2014		2015		2016	
	Employees	%	Employees	%	Employees	%	Employees	%
Work Status								
Permanent.	3,081	90.0%	3,195	86.7%	3,253	90.0%	3,282	90.0%
Contract.	127	3.7%	263	7.1%	132	3.7%	132	3.6%
Doctors ⁽¹⁾	214	6.3%	226	6.1%	230	6.4%	234	6.4%
Total.	3,422	100.0%	3,684	100.0%	3,615	100.0%	3,648	100.0%

Note:

- (1) Doctors are employed as non-full time workers and may also be employed by hospitals, clinics or other healthcare providers. Doctors employed by us on a contract basis include doctor consultants, general practitioners and clinical pathologists.

The table below sets forth the number of employees based on their education levels as of the dates indicated:

	As of December 31,						As of June 30,	
	2013		2014		2015		2016	
	Employees	%	Employees	%	Employees	%	Employees	%
Education								
PhDs and master degrees ⁽²⁾	174	5.1%	176	4.8%	172	4.5%	169	4.6%
Bachelor degree	789	23.1%	864	23.5%	879	24.3%	896	24.6%
Diplomas ⁽²⁾	1,498	43.8%	1,664	45.2%	1,690	46.7%	1,729	47.4%

Notes:

- (1) Includes graduate degrees in the fields of biomedical laboratory studies and medical studies.
(2) Includes diplomas in the fields of nursing and medical laboratory technology studies.

Our non-management employees are represented by SP Prodia. The collective bargaining agreement with SP Prodia expired in 2010. However, pursuant to the regulations of the Indonesian Ministry of Manpower, the agreement will remain in effect until a consensus for a new agreement has been reached. We believe that we have a good relationship with our employees and their union. We have not been subject to any work stoppages or strikes in the last three years.

We work with 23 medical faculties in Indonesia in research and education to develop our medical professional recruitment pipeline. We also have close cooperation with 54 educational institutions across Indonesia to recruit recent medical technologist graduates. We establish relationships with potential employees early in their education, for example, by sponsoring information events at their schools and by offering scholarships in medical laboratory studies. In addition, we host medical students as researchers in our laboratories to support their academic studies. We believe that these programs give potential employees a positive experience with our Company and encourage them to consider our company upon graduation.

We provide training for our employees both as a commitment to their career development and to help ensure quality service to our customers. For example, as of December 31, 2015, we have provided 235 scholarships for seven programs, including diplomas in medical technology and master and doctoral degrees in biomedical laboratory studies. We have established relationships with the major medical and medical technology schools in Indonesia, where we recruit our employees. Our senior management takes a special interest in developing our employees. Many of our senior managers and Directors are former students of our founder, Dr. Andi Widjaja.

We have established a training and career development system to address several aspects of employee training, from basic training for new personnel, continuous training through online learning and distance education, to technical and managerial development courses. Our internal library consists of more than 1,200 textbooks and subscriptions to 40 scientific journals so that our employees can stay up to date on developments in their respective fields. We believe that these programs have contributed to our low turnover. In 2015, employee turnover was 5.6%, compared to 6.5% in 2014. As of June 30, 2016, over 37% of our employees have worked for us for more than 10 years.

Insurance

We maintain various types of insurance coverage through policies from various insurance companies in Indonesia including policies for property all-risk, which covers building, office, inventory, laboratory equipment, reagent stocks and building equipment; earthquake; fire; movable vehicle; and public liability in amounts which we believe are sufficient, or as may be appropriate for our business and risks that we face. For 2015, the total annual premiums payable under our insurance policies was Rp. 2.2 billion, and we had Rp. 509.3 billion in insurance coverage under these policies covering our inventory and fixed assets. We will periodically review and assess the necessity and sufficiency of our insurance coverage. See the section entitled *“Risk Factors—Risks Relating to Our Business and Industry— Our insurance coverage may be inadequate to fully protect us from all losses.”*

Property

We own 29 properties, 22 of which house our outlets, including our corporate headquarters and the PNRL. The seven other properties are primarily used as regional offices and other support facilities. We lease the facilities house our PNRL and regional reference laboratories through the Sale and Lease Transactions. See *“Management’s Discussion and Analysis of Financial Condition and Results of Operations—Major Factors Affecting Our Results of Operations and Financial Condition—The Spin-off Transaction and Sale and Lease Transactions.”* The majority of our clinical laboratories and other business premises, including local corporate offices, are leased. Typically, our leases range from three to five years.

Intellectual Property Rights

We conduct our business and provide services using our “Prodia” brand. Our intellectual property rights have been registered with the Ministry of Law and Human Rights, Directorate of Intellectual Property Rights in all 45 trademark classes. Our primary trademark consists of “Prodia” and our logo and is registered under PT Prodia Widyahusada. Our trademarks are valid until June 28, 2025 and subject to renewal. See the section entitled *“Risk Factors—Risks Relating to Our Business and Industry—We may be unable to obtain, maintain or enforce our intellectual property rights and may be subject to intellectual property litigation that could adversely impact our business.”*

Awards and Achievements

Over the last 43 years, we have been a part of many significant milestones in the development of healthcare in Indonesia. Our company has received numerous awards. Examples of our awards are set forth below:

- “Top Brand” Award from Frontier for each year between 2009 and 2015;

- “Indonesia Healthcare Most Reputable Brand Award” from *Onbee Research bersama Majalah Swa dan Swanetwork* for 2014 and 2015;
- Indonesia Original Brand from *Business Digest* and *SWA Magazine* for each year between 2012 and 2015;
- Corporate Image Award from Frontier for each of 2012, 2013, 2014 and 2015;
- Indonesia Best Brand Award by Mars for 2013, 2014 and 2015;
- WOW brand from Markeeters with Markplus for 2015;
- Master Service Award from Majalah Makassar Terkini and Makassar Research for 2013, 2014 and 2015;
- Satria Brand Award from the Suara Merdeka Group for 2013, 2014 and 2015;
- Service Quality Award for clinical laboratories from Care Center for Customer Satisfaction & Loyalty and Majalah Service Excellence for 2013 and 2015;
- Frost and Sullivan Indonesia Excellence Award for diagnostic service company in 2015;
- Inclusion on the “Solo Best Brand Index” and “Jogja Best Brand Index” from PT Aksara Solo Pos and PT Aksara Dinamika, respectively, in 2015;
- Brand champion consumer award from *SWA Magazine* and the Center for Middle-Class Consumer Studies for 2015;
- Indonesia Best Brand Golden Award from MARS partnership and SWA Magazine for 2015;
- “Rekor Business Indonesia” from Koran SINDO and Tera Foundation for 2013;
- Service Excellence Award from Markplus Insight for 2013; and
- Service Quality Award for clinical laboratories from Carre Center for Customer Satisfaction & Loyalty for 2013 and 2015.

Legal Proceedings

We may be involved in legal proceedings from time to time in connection with our businesses. As of the date hereof, we are not party to any significant proceedings.

Corporate Social Responsibility

We take seriously our responsibility to the communities we serve. We have conducted various corporate social responsibility activities in the past few years including:

- providing blankets and monetary aid for the flood victims in the Senen sub-district of Central Jakarta;
- supporting the Indonesian Anyo Foundation (*Yayasan Anyo Indonesia*), a non-profit organization that helps children diagnosed with cancer, especially those from poor families in Indonesia;
- providing liquid cleaning agents and household cleaning tools for the flood victims in the Kampung Melayu sub-district of South Jakarta;

- partnering with the local government to conduct Thalassemia screening for 1,000 people (mainly senior high school students) in Tasikmalaya, West Java;
- partnering with the local Senen Government Authority to provide free glucose check-ups for residents of the Senen sub-district of Central Jakarta;
- providing free blood-type tests for the children at the Ministry of Health's National Health Day events in the Gelora Bung Karno Stadium (Indonesia's biggest stadium); and
- partnering with the Martha Tilaar Group to help residents in Depok, Jogjakarta create a waste container bank.

CORPORATE HISTORY AND STRUCTURE

Corporate History

We began the operation of our first laboratory in Solo in Central Java, in 1973, when our founders opened their first clinical laboratory. We were originally established as Yayasan Bhakti Husada, a not-for-profit foundation devised to support the Government's activity in strengthening public health. In 1988, we established PT Prodia Widyahusada Tbk in Central Jakarta, by Deed No. 14 dated February 8, 1988 made before Notary Sri Rahayu, S.H., Notary in Jakarta (as amended by Deed No. 48 dated January 20, 1989, made before Sri Rahayu, S.H., Notary in Jakarta), which was approved by the Minister of Justice of the Republic of Indonesia pursuant to Decree No. C2-1459HT.01.01.TH.91 dated April 27, 1991, registered in the Central Jakarta Court Office No. 760/1991 and No. 761/1991, both dated May 9, 1991, and which has been announced in the State Gazette No. 52, dated June 28, 1991 Supplement No. 1846. On 28 June 1995, per Company Sale and Purchase Deed No. 49 dated 28 June 1995 made before Notary Lukman Kirana, S.H., Notary in Jakarta, PT Prodia Widyahusada Tbk bought the foundation's business, which includes its assets (i.e. inventory, libraries, and laboratory equipment), all of the foundation's employees in the business, and all entitlements and authorities affixed to the foundation in operating its business based on permits issued by relevant authorities. The foundation itself ceased all activities as of 30 June 1995, per Deed of Statement of Meeting Resolution No. 178 dated 31 August 1998, made before Notary Agus Madjid, S.H., Notary in Jakarta, in which the foundation's Annual Meeting ceased all of the foundation's operation.

Set out below is a summary of significant events in our corporate history.

- 1973: Our founders established their first laboratory in Solo, in Central Java.
- 1975: Our founders established their first laboratories in Jakarta and Bandung.
- 1975-1985: Our founders opened a total of seven new branches in Semarang, Medan, Surabaya, Yogyakarta, Makassar, Denpasar and Manado. 1988: We were established as a limited liability company ("PT") in February 8, 1988.
- 1990: We established international partnerships with the National University Hospital of Singapore and Specialty Laboratories (now: Quest Diagnostics) in California.
- 1999: Our Central Jakarta laboratory received ISO 9002 certification, becoming the first diagnostic clinic in Indonesia to receive such certification.
- 2002: We began cooperative educational activities in biomedical sciences with Hasanuddin University.
- 2003: We began granting scholarships to employees in masters and Ph.D. programs in biomedical sciences as Hasanuddin University.
- 2006: We received BNSP (*Badan Nasional Sertifikasi Profesi*) certification for laboratory technologist competency.
- 2008: We established the Prodia National Reference Laboratory, which became the first laboratory in Indonesia to receive ISO 15189 certification.
- 2009: We received our first "Top Brand" award from Frontier.
- 2010: We received the "Service Excellence Award" from Markplus Insight.
- 2011: We established the "Prodia Child Lab", our first specialty laboratory, which is now referred to as the Prodia Children's Health Centre.

- 2011: We became the first laboratory in Indonesia to receive NGSP certification for HbA1c diagnostic service.
- 2012: We became the only laboratory in Indonesia to receive accreditation from CAP.
- 2015: We received SMK3 accreditation and OHSAS 2015.
- 2015: We were recognized as the “Diagnostic Services Company of the Year” by Frost & Sullivan.
- 2015: We opened our first green laboratory, which is located in Surabaya.

Subsidiaries

As the result of the Spin-off Transaction, we transferred our interest in our subsidiaries to our parent, Prodia Utama. As of June 30, 2016, we have no subsidiaries. See “*Management’s Discussion and Analysis of Financial Condition and Results of Operations—Major Factors Affecting Our Results of Operations and Financial Condition—The Spin-off Transaction and Other Reorganizations.*”

REGULATORY OVERVIEW

Regulation of Health-care Industry

In 2009, the Government of Indonesia enacted Law No. 36 of 2009 on Health (the “Health Law”). The Health Law is implemented through a series of regulations in the health sector, such as Presidential Regulation No. 72 of 2012 on National Healthcare System and Government Regulation No. 46 of 2014 on Health Information System.

In relation to clinics and laboratories, the Minister of Health issued several regulations, among others, Minister of Health Regulation No. 411/Menkes/Per/III/2010 on Clinical Laboratories (“Regulation 411”), and Minister of Health Regulation No. 9 of 2014 on Clinics (“Regulation 9”).

The Health Law widely regulates the general terms and conditions with regard to healthcare and medical systems, including medicine distribution and medical personnel. Under the Health Law, healthcare services can be provided by the central government, regional government or private parties. Healthcare services can be classified as healthcare services for customers and public healthcare services. Further, healthcare services, in general, can be classified into first, second and third rank services. The first rank healthcare services comprise the basic healthcare services; the second rank healthcare services comprise specialized healthcare services; and the third healthcare services comprise sub-specialized healthcare services. The classification and licensing of the healthcare services will follow the local government regulations.

The Health Law also generally regulates that the Minister of Health can impose administrative sanctions in form of written warning or revocation of license in performing its supervisory function for the breach under the Health Law.

Clinical Laboratories

Under Regulation 411, clinical laboratories can be established by the central government, regional government or private parties. A clinical laboratory which is established by the central government or regional government must be created in the form of a technical and operational unit, government agency or regional technical institution. A clinical laboratory established by a private party must be created in the form of legal entity. A clinical laboratory must have a clinical laboratory operation license to commence its operational activities. A clinical laboratory operation license shall be valid for a period of five years and may be extended for the next five years as long as the license holder fulfils all of the requirements.

Clinical laboratories are categorized as (i) general clinical laboratories, which provide examination of clinical sample services in haematology, pharmacy, microbiology, parasitology and immunology; and (ii) specialized clinical laboratories, which provide examination of clinical samples for a specific type of examination with special capability.

To maintain the quality of clinical laboratories, Regulation 411 requires clinical laboratories to renew their accreditation every five years. The accreditation is done by the Medical Laboratories Accreditation Committee (*Komite Akreditasi Laboratorium Kesehatan*). Aside to be accredited periodically, clinical laboratories must also submit periodical report every three months to the issuer of the license.

The Minister of Health, head of provincial health offices, regent/mayor and head of regent/city health offices will supervise the operation of clinical laboratories. For the supervision purposes, they may impose administrative sanctions in form of (i) verbal warning, (ii) written warning or (iii) revocation of licenses.

General Clinical Laboratories

General clinical laboratories are classified as (i) basic general clinical laboratories (*laboratorium klinik umum pratama*), (ii) intermediate general clinical laboratories (*laboratorium klinik umum madya*) and (iii) main general clinical laboratories (*laboratorium klinik umum utama*).

Basic general clinical laboratories have limited examination capabilities using simple technology. Basic general clinical laboratories must have (i) at least one doctor with relevant medical laboratory technical and management training and certification as the laboratory's technical manager (*penanggung jawab teknis*); and (ii) technical and administration personnel resources, which consist of at least two health analysts and one administration staff member. The license for a basic general clinical laboratory is issued by the head of relevant local city or regency health office.

Intermediate general clinical laboratories have the same examination capabilities as basic general clinical laboratories in addition to simple immunology examination capabilities. Intermediate general clinical laboratories must have (i) at least one doctor with pathology clinic specialization as the laboratory's technical manager; and (ii) technical and administration personnel resources, which consist of, at least, four health analysts and two administration staff members. The license for an intermediate general clinical laboratory is issued by the head of relevant local provincial health office, based on recommendation from the head of the health office of the relevant city or regency.

Main general clinical laboratories higher and more complete inspection capabilities than intermediate general clinic laboratories by using automated examination process. Main general clinical laboratories must have (i) at least one doctor with pathology clinic specialization as the laboratory's technical manager; and (ii) technical and administration personnel resources, which consist, of at least one doctor with pathology clinic specialization, six health analysts of which two must have microbiology training certification, one nurse and three administration staff members. The license for main general clinical laboratory is issued by the Director General of Healthcare Services Development (*Direktur Jenderal Bina Pelayanan Medik*) based on recommendation from the head of the provincial health office.

Clinical laboratories only need one of the three licenses, specifically the highest of relevant approval. For example, a main general clinical laboratory does not need to seek intermediate general clinical laboratory license or basic general clinical laboratory license from the relevant local city or provincial health office.

Specialized Clinical Laboratories

Specialized clinical laboratories can be classified as (i) microbiology clinical laboratories; (ii) parasitology clinical laboratories; and (iii) anatomy pathology laboratories. The license for specialized clinical laboratory is issued by the Director General of Healthcare Services Development (*Direktur Jenderal Bina Pelayanan Medik*) based on recommendation from the head of the provincial health office.

Microbiology clinical laboratories perform tests on microscopic culture for bacterial and viral identification and sensitivity examination. Microbiology clinical laboratories must have (i) at least one doctor with microbiology clinic specialization as the laboratory's technical manager; and (ii) technical and administration personnel resources, which consist of, at least, one doctor with microbiology clinic specialization, two health analysts who have microbiology training certification, one nurse and one administration staff member.

Parasitology clinical laboratories perform tests to identify parasites or stadium of parasites through microscopic examination either involving smears or not, breeds or immunoassays. Parasitology

clinical laboratories must have (i) at least one doctor with parasitology clinic specialization as the laboratory's technical manager; and (ii) technical and administration personnel resources, which consist of, at least, one doctor with parasitology clinic two health analysts who have parasitology training certification, one nurse and one administration staff member.

Anatomy pathology laboratories perform tests on histopathology samples, such as simple special spread, sitology sample and frozen cut samples. Anatomy pathology laboratories must have (i) at least one doctor with anatomy pathology clinic specialization as the laboratory's technical manager; and (ii) technical and administration personnel resources, which consist of, at least, one anatomy pathologist or analyst or a holder of a bachelor's degree in biology and one administration staff member.

Clinics

A clinic is a healthcare services facility which provides general and/or specialized healthcare services for customers. Under Regulation 9, clinics can be owned by the central government, regional government or public. Clinics, based on the scope of their services, are classified as (i) basic clinics (*klinik pratama*) and (ii) main clinics (*klinik utama*). Clinics are further categorized as (i) inpatient clinics and (ii) outpatient clinics.

Basic clinics must provide either general or specific basic services. Under Regulation 9, basic clinics must have a minimum of two doctors and/or dentists. Basic clinics can conduct basic clinical laboratories services, subject to prevailing laws and regulations, without receiving separate clinical laboratory licenses.

Main clinics must provide specialized healthcare services, in addition to any general healthcare services. Main clinics must have at a minimum one specialist doctor and one generalist doctor. Main clinics can carry out basic and intermediate clinical laboratories services, subject to prevailing laws and regulations.

The license of a clinical laboratory is integrated with the clinic license, unless the clinical laboratory has more advanced healthcare services than those required for basic and intermediate clinical laboratories. As a result, clinics do not require additional clinical laboratory licenses for the laboratory services they may offer.

Every medical personnel working in clinics, including doctors, must obtain a certificate of registration (*surat tanda registrasi*) and a medical practice license (*surat izin praktik*). Further, clinics are required to have a technical manager (person-in-charge) of the clinic. The technical manager must be a medical personnel who already obtained a medical practice license in the clinic. Medical personnel can become a technical manager in one clinic only.

Clinics must have an establishment license and an operational license. Establishment license is issued by the relevant local regency or city government while the operational license is issued by the relevant local regency or city government or head of relevant regency or city health office. The operational licenses are valid for five years and can be extended for as long as the clinic fulfills the requirements for the operation of clinics.

To maintain the quality of clinic services, Regulation 9 requires clinics to renew their accreditation every three years. The accreditation is done by an independent accreditor in health services, which has been approved by the Ministry of Health to give accreditations for clinics. Further, clinics are required to have annual internal and external medical audit conducted by professional organization.

The Minister of Health, governors, the heads of provincial health offices, regent/mayor and head of regent/city health offices will supervise the operation of clinics. For the supervision purposes, they may impose administrative sanctions in form of (i) verbal warning, (ii) written warning, (iii) revocation of medical personnel licenses and/or (iv) revocation clinic's license or recommendation.

Medical Personnel

In 2004, the Government enacted Law No. 29 of 2004 on Medical Practice (“Medical Practice Law”) as partly revoked by Law No. 36 of 2014 on Medical Personnel (“Medical Personnel Law”).

Based on the Medical Personnel Law, people working in health sectors can be classified as (i) medical personnel or (ii) assistant to medical personnel. Medical personnel are individuals who have the knowledge and capability to conduct healthcare services. An assistant to medical personnel is a person who works in healthcare services that have health education below 3-year diploma and will be supervised by medical personnel. Medical personnel include, among others, doctors, nurses, and medical laboratories technology expert.

The Medical Practice Law forms the Indonesian Doctors Council and Indonesian Dentistry Council, which later, along with another medical personnel council, will be part of the Indonesian Medical Council. Indonesian Medical Council shall function as the coordinator of each medical personnel council. Each medical personnel council shall conduct supervision, appointment, and management of medical personnel in performing the medical personnel practice to enhance the quality of healthcare services. The medical personnel council registers all medical personnel, including doctors and dentists that will practice in Indonesia. Each doctor and dentist that practices in Indonesia must obtain certificate of registration as a doctor or dentist. A certificate of registration is valid for five years and must be renewed every five years.

Aside from the registration, each medical personnel, including doctors and dentists that practice in Indonesia must obtain a medical practice license issued by the local authorities in the relevant regency or city where the medical practice is located based on recommendation from the authorized health official in the relevant regency/city.

Based on Medical Practice Law jo. Health Minister Regulation No. 2052/Menkes/Per/X/2011 regarding License Practice and Implementation of Medical Practice issued by the Indonesian Ministry of Health, a doctor or a dentist may practice at a maximum of three hospitals or individual practice health facilities, which can be either government-owned or privately owned.

Under Medical Practice Law and Medical Personnel Law, foreign medical personnel can be utilized by a healthcare services institution in Indonesia by taking into account the following matters: (a) the transfer of technology and knowledge; and (b) the availability of local health workers. To work in Indonesia, foreign medical personnel must undergo a competency evaluation and have a temporary certificate of registration and medical practice license. For foreign medical personnel, certificate of registration and medical practice license is only be valid for one year, and may be extended for maximum another year.

Based on the scope of Article 3 of Doctors Code of Ethics, a doctor is prohibited to, among others, (i) enter into agreement or receive honorarium from any medicine company or any healthcare facility that will reduce public trust to the profession; and (ii) receive honorarium of any reference of patients to doctor or other health facility, onshore or offshore. Breach of Doctors Code of Ethics will be subject to the disciplinary sanctions from the Honorary Body of Doctor Council. The disciplinary sanctions may be in form of (i) written sanction; (ii) revocation of certificate of registration or medical practice license; and/or (iii) obligation to attend a doctor or dentist training carried out by an education institution.

Under Medical Practice Law, anyone who hires a doctor or dentist who does not have a practice license or a registration letter will be subject to 10 years imprisonment or a penalty in a maximum amount of Rp.300 million. Further, a foreign medical personnel who does not have a temporary certificate of registration or medical practice license will be subject to Rp. 100 million.

Social Security Agency (*Badan Penyelenggara Jaminan Sosial*)

In October 2011, the House of Representatives passed a bill on the Social Security Agency (*Badan Penyelenggara Jaminan Sosial*) (“BPJS”). The law was registered as Law No. 24 of 2011 in the State Official Gazette (“Social Security Agency Law”). The law is an implementing regulation of Law No. 40 of 2004 on the National Social Security System. The main purpose of the Social Security Agency Law is to establish a national social security agency to organize the national social security system. The Social Security Agency Law has been in force since November 25, 2011. Pursuant to the Social Security Agency Law, the BPJS will organize the national social security system based on principles of mutual cooperation, non-profit principles, transparency, precautionary principles, accountability, portability, and mandatory participation. The Social Security Agency Law is intended to organize the health insurance program, work accident insurance program, life insurance program, insurance program for the elderly, and retirement insurance program. Two institutions have been established; one will organize the health insurance program, and the other will organize the labour insurance program. The newly-established institution is BPJS for Health, which is responsible for the health insurance program and began its operation on January 1, 2014; and BPJS for Labor, which is responsible for programs such as workers compensation, pensions and life insurance, and began its operations on July 1, 2015.

BPJS registers participants, collects contributions from participants, receives supplemental contributions from the Government, manages social security funds for participants, collects and manages participants’ data, pays for health services that are in accordance with the social security law and provides social security information to participants and the public. Furthermore, BPJS is authorized to invest social security funds in short-term and long-term investments. However, BPJS has to consider several factors such as liquidity, solvability, security and reasonable output in determining its investment plan.

Further, the President has issued Regulation No. 12 of 2013 on Public Health Insurance (“Public Health Insurance Regulation”), which implements Law No. 40 of 2004 concerning the National Social Security System and Social Security Agency Law. The Public Health Insurance Regulation establishes the public health insurance program for Indonesian citizens, which also affects the Government, informal sector workers, laborers, government officials, and employers. Under the Public Health Insurance Regulation, the Government is obliged to provide necessary medical facilities for the public health insurance program. The private sector may also be involved in providing medical facilities for the program. Government-owned medical facilities that meet the requirements are obliged to establish cooperation with BPJS for Health. Meanwhile, cooperation with BPJS for Health is not mandatory for private health facilities.

Land Ownership and Acquisition Regulation

Ownership of land in Indonesia is principally regulated under the Basic Agrarian Law (Law No. 5 of 1960). The Basic Agrarian Law and its implementing regulations (including Government Regulation No. 24 of 1997 and Government Regulation No. 40/1996 on Right to Cultivate, Right to Build (“HGB Title”), Right to Use (“Hak Pakai”)) provide various forms of land title and a registration system to protect legal ownership. The highest form of land title available in Indonesia is *right of ownership* (“Hak Milik”), which is also the closest to the internationally recognized concept of “freehold” title. Hak Milik titles are available only to Indonesian individuals and certain religious and social organizations and government bodies in Indonesia. Hak Milik titles are not available to companies (whether Indonesian or foreign owned) or foreign individuals. Hak Pakai is the only title that is open to be owned by foreign individuals domiciled in Indonesia.

Both Indonesian companies and foreign owned companies incorporated under Indonesian law and domiciled in Indonesia may acquire HGB Title. A holder of a HGB Title to a parcel of land has the right to use to build and to own any buildings on such parcel of land, including on land owned by another party, and to transfer and encumber all or part of such parcel. HGB Title is granted for a maximum initial term of 30 years. By application to the relevant local land office upon the expiration

of this initial term, HGB Title may be extended for an additional term not exceeding 20 years. The application for an extension must be made at the National Land Office no later than two years prior to the expiration of the initial term. Following the expiration of this additional term, an application for renewal may be made by the land owner and a new HGB Title may be granted on the same land to the same owner following the satisfaction of certain requirements. The application for the new HGB Title must be made no later than two years prior to the expiration of the additional term. The land office has discretion to grant the various extensions. The National Land Office tends to grant extensions and renewals of HGB Titles when there has been no change in the zoning policies of the government, abandonment or destruction of land, egregious breaches by the owners of the land of conditions under the existing HGB Title and revocation of the HGB Title due to public interest considerations.

The Basic Agrarian Law also recognizes a form of title based in Indonesian traditional law commonly referred to as the Hak Milik Adat (or other names depending on the region) or Communal Right. A Communal Right title arises as a result of occupation or residence on land and payment of taxes and retributions with respect to the land, or by renouncement of right by the previous holder of land covered by the Communal Right title. The Communal Right title is an unregistered form of title but may be evidenced by certificates registered in the books of the relevant local sub-district office. Such certificates include a brief description of the land and holder of the Communal Right title and provide details with respect to the payment of taxes and retributions with respect to the land.

Environmental Regulation

Under Regulation 9, clinics must comply with environmental regulations for their establishment and obtain its operational license. Further, under Regulation 411, clinical laboratories must comply with the requirements of the location, building, infrastructure, equipment, the examination capability and human resources with the specific qualification and environmental health requirements.

Environmental protection in Indonesia is governed by various laws, regulations, and decrees, including Law No. 32 of 2009 on Environmental Protection and Management (“Environmental Law”), which was enacted on October 3, 2009 and Government Regulation No. 27 of 2012 on Environmental Licenses (“Regulation 27/2012”). The Environmental Law stipulates that all business sectors that are required to obtain an Environmental Impact Analysis (*Analisis Mengenai Dampak Lingkungan* or “AMDAL”) or an Environment Management Effort and Environment Monitoring Effort (*Upaya Pengelolaan Lingkungan Hidup dan Upaya Pemantauan Lingkungan Hidup* or “UKL & UPL”) shall obtain an Environmental License. Environmental Licenses are issued by the State Minister of Environment (“MOE”), Governor, or Mayor/Regent (in accordance with their respective authorities).

Under Circular Letter of Minister of Environment No. B-5362/Dep.I-1/LH/07/2010, medical laboratories are required to obtain UKL & UPL. However, clinics are only required to submit Environmental Management Statement Letter (*Surat Pernyataan Pengelolaan Lingkungan*).

The granting of an Environmental License is based on either (i) an environmental feasibility study carried out by an independent third party, which is approved by the AMDAL Assessment Commission (*Komisi Penilai Amdal*), based on the recommendation of the MOE, governor, mayor or regent, as applicable, or (ii) a recommendation in a UKL and UPL issued by the appropriate central or regional government institution responsible for environmental management and control of the relevant area.

On October 17, 2014, the Indonesian Government issued Government Regulation No. 101 of 2014 on Management of Toxic and Hazardous Waste Substances (“Regulation 101/2014”).

In general, Regulation 101/2014 regulates the management and disposal procedures for toxic and hazardous waste substances (“hazardous waste”), covering:

- method of identifying, reducing, storing, collecting, transporting, utilizing, processing, and hoarding hazardous wastes;

- procedures for dumping hazardous wastes into the open sea or land;
- risk mitigation and emergency responses to address environmental pollution caused by hazardous waste; and
- sanctions for non-compliance.

Prior to Regulation 101/2014, the same matter was regulated under Government Regulation No. 18 of 1999, as amended by Government Regulation No. 85 of 1999 (“1999 Regulation”). Regulation 101/2014 repeals and replaces the 1999 Regulation.

Regulation 101/2014 is of relevance to producers, importers, exporters and managers of hazardous waste.

Storing hazardous waste is mandatory for every business which produces hazardous waste. Businesses must store their hazardous waste in storage facilities able to mitigate environment pollution and equipped to deal with emergency situations storage facilities that can be utilized by waste producers include:

- buildings;
- tanks and containers;
- silos;
- waste piles;
- waste impoundment; and/or
- other storage facilities.

To store hazardous waste, businesses must hold an Environmental License and secure a permit from the regent/mayor where the storage facility is located. A permit to store hazardous waste may be cancelled for any of the following reasons:

- permit expiry;
- revocation by issuer (regent/mayor);
- holder (company) of the permit is dissolved; or
- environment license of the permit holder is revoked.

Previously, the 1999 Regulation did not specify types of hazardous waste storage facilities as explained above.

Every business that produces hazardous waste must process their waste either by themselves or assign a third party to do so. Three types of processing methods are provided for under Regulation 101/2014, namely: 1) thermal; 2) stabilization and solidification; and/or 3) other methods in accordance with technological developments. Businesses or appointed third parties must secure a waste processing license from the Minister of Environmental Affairs. Applications for this license may only be submitted if the business or appointed third party has obtained the following documents:

- Environmental license; and
- Approval to perform hazardous waste processing tests (for thermal processing or other methods which do not have an Indonesian National Standard).

Under the Environmental Law, by October 3, 2011 all companies that have business licenses but do not have an AMDAL or UKL-UPL must complete an environmental audit, if they need an AMDAL, or prepare an environment management document, if they need a UKL-UPL. Furthermore, the Environmental Law requires companies to integrate their AMDAL, UKL-UPL, and any other types of licenses concerning environmental management into an Environmental License by October 3, 2010. Subject to note on Regulation 27/2012 below, companies that have obtained an AMDAL or UKL-UPL prior to the issuance of this regulation (i.e. February 23, 2012) do not need to obtain an Environmental License. Additionally, an Environmental License is prerequisite for companies wishing to obtain their operational business license and shall expire concurrently with such operational business license. Businesses that fail to comply are subject to criminal and administrative sanctions, which may be in the form of (i) a written warning; (ii) government coercion; (iii) suspension of the environmental license; or (iv) revocation of the environmental license.

The Environmental License application process includes (i) preparation of an AMDAL and UKL-UPL; (ii) evaluation of the AMDAL and UKL-UPL; and (iii) written application for and issuance of the Environmental License. The documents for the application for an Environmental License must include, among other things, the AMDAL documents or a UKL-UPL form, the corporate documents of the company and the company profile.

Regulation 27/2012 stipulates that environmental documents which have been approved prior to the effective date of Regulation 27/2012 will be declared valid documents and equivalent to an Environmental License. Therefore, any company and/or activity that have not obtained approval from the relevant authorities for their environmental documents when this regulation became effective are required to apply for an Environmental License (in addition to the AMDAL or UKL-UPL).

The application for an Environmental License will be announced to the public by the MOE, governor, mayor or regent (as applicable) through multimedia or an announcement board at the company and/or activity's location within either (i) five business days of the AMDAL, RKL and RPL documents being declared administratively complete or (ii) two business days of the UKL-UPL form documents being declared administratively complete. The public is allowed to provide comments or suggestions relating to the application in the maximum period of ten business days since it is declared. An Environmental License will be issued together with an environmental feasibility decision (i.e. the AMDAL approval) or an UKL-UPL recommendation.

Following the issuance of the Environmental License, a public announcement of the Environmental License must be made in the mass media and/or multimedia and shall be announced in the period of five business days since its issuance. An Environmental License contains (i) the requirements and obligations set out in the environmental feasibility decision or the UKL-UPL recommendation; (ii) the requirements and obligations set out by the MOE, governor, mayor or regent (as applicable); (iii) the expiration date of the Environmental License; and (iv) the number and type of the Environmental Protection and Management License (if required).

In addition, waste water disposal is further regulated by Government Regulation No. 82 of 2001 on Water Quality Management and Water Pollution Control ("Regulation 82/2001") and also by Environmental Minister Decree No. 111 year 2003 as amended with Environmental Minister Decree No. 142 year 2003 on Terms of Guidelines and Procedures for Licensing and Assessment of Wastewater Disposal into Water or Water Resources. Environmental Minister Ministry Decree No. 111 year 2003 requires parties to have a license for disposing of waste water into water or water resources. This license is issued based on the Environmental Impact Analysis or an Environment Management Effort and Environment Monitoring Effort.

Regulation 82/2001 requires responsible parties, including companies which business activities are on hospitals and clinics, to submit reports regarding their disposal of waste water detailing their compliance with the relevant regulations.

Such reports are to be submitted to the relevant mayor or regent, with a copy provided to the MOE, on a quarterly basis. Remedial and preventative measures and sanctions (such as the obligation to rehabilitate the relevant areas, the imposition of substantial criminal penalties and fines and the cancellation of approvals) may also be imposed to remedy or prevent pollution caused by operations.

Investment Regulation

On April 26, 2007, the Government issued Law No. 25 of 2007 on Investment (“Investment Law”). The Investment Law stipulates that all business fields or types of business are open for investment, except for certain specified business fields or types of business which are closed or conditionally open. On April 23, 2014, in view of the implementation of the Investment Law, the Government issued the negative list of investments based on the 2014 Negative List. The Government recently issued a new negative list under the 2016 Negative List. The Negative List stipulates the businesses that are closed for investments or open for investment subject to certain conditions.

Under the health laws and regulations, there is no specific regulation on the ownership of a clinic or laboratories clinic. Under the 2014 Negative List, the maximum foreign ownership for clinics and clinical laboratories are as follows:

Clinics (Classification Number: 86104)	Clinics are closed for foreign ownership.
Specialized clinics (Classification Number: 86104)	The maximum foreign ownership for specialist medical clinics is 67%. The foreign ownership, if owned by an investor from ASEAN countries, is open up to 70%, which can only be done in all capital cities in East Indonesia, but Makassar and Manado.
Medical Supporting Services, such as Clinical Laboratories and Medical Check-up Clinic (Classification Number: 86903)	Maximum foreign ownership for clinical laboratories and Medical Check-up Clinic are 67%.

Currently, under the 2016 Negative List, the maximum foreign ownership for clinics and clinical laboratories are as follows:

Basic Clinics (Classification Number: 86104)	Basic clinics are closed for foreign ownership.
Main Clinics (Classification Number: 86109)	The maximum foreign ownership for clinics is 67%. The foreign ownership, if owned by an investor from ASEAN countries, is open up to 70%, which can only be done in all capital cities in East Indonesia, but Makassar and Manado.
Bank and cells and tissue laboratories (Classification Number: 86903)	Subject to a special license from the Ministry of Health.

As the 2016 Negative List was issued on May 18, 2016, there is not yet clarity on the implementation of this regulation, especially with regard to the principle license with the line of business that requires special license from certain ministries.

Under the 2016 Negative List, changes of maximum foreign ownership in the 2016 Negative List will not be applicable to the investments that have been granted prior to the issuance of the 2016 Negative List, unless the new investment limitation is higher than the previous amount, in which case a foreign investment company may apply the new limitation.

In addition to the above, the Investment Law also requires an investment company to obtain a license or permit in accordance with the provisions of laws and regulations to carry out its business. To implement this licensing process, the Investment Coordinating Board (“BKPM”) has issued several regulations, which are Head of BKPM Regulation No. 14 of 2015 regarding Guidance and Procedure for Investment Principle License as amended by Head of BKPM Regulation No. 6 of 2016, Head of BKPM Regulation No. 15 of 2015 regarding Guidance and Procedure for Investment Licensing and Non-Licensing (“BKPM Regulation No. 15/2015”), Head of BKPM Regulation No. 16 of 2015 on the Guideline and Procedure for Investment Facility and Head of BKPM Regulation No. 17 of 2015 regarding Guidance and Procedure for Investment Supervision (“BKPM Regulation No. 17/2015”).

A foreign investment company, prior to conducting business in Indonesia, must obtain a principle license from BKPM. Under BKPM Regulation No. 15/2015, a foreign investment company is required to obtain a permanent business license from BKPM prior to the commencement of its commercial and/or production activities. Further, under Investment Law and BKPM Regulation No. 17/2015, foreign investment companies which have obtained permanent business license are obliged to submit Investment Activity Report (*Laporan Kegiatan Penanaman Modal/LKPM*) regarding progress of their investment activities every six months. This periodic report containing realisation progress on investment and obstacle that interfere the activities. Additionally, in the event that foreign companies which already have a permanent business license intend to expand into new business activities or operations that produce goods or services, they shall apply for business expansion license before conducting its business activities. Failure to comply with the investment laws and regulations may lead to administrative sanctions i.e. (i) written or online written warning; (ii) limitation of business activity; (iii) suspension of business activity or facility; or (iv) revocation of the business activities, as regulated under BKPM Regulation No. 17/2015.

MANAGEMENT

In accordance with Indonesian law, we have a Board of Directors and a Board of Commissioners. The two boards are separate and no individual may be a member of both boards.

The Board of Directors and Board of Commissioners are currently each composed of five members. Our directors and commissioners are elected for a term of five years, without prejudice to the rights of the general meeting of shareholders to dismiss a commissioner or director during his or her term of office or to reappoint a commissioner or director whose term of office has expired. Our officers serve at the discretion of the Board of Directors.

The rights and obligations of each member of the Board of Directors and Board of Commissioners are regulated by our Articles of Association and by the decisions of general meetings of our shareholders. Under our Articles of Association, the Boards of Directors must consist of at least two members. Any of the five directors can legally bind us.

Directors

The Board of Directors manages our day-to-day operations and is appointed by our shareholders at a general meeting of our shareholders. The Board of Directors is responsible for the management of our business and appoints our principal senior management.

The table below sets forth, as of the date of this Offering Circular, the names, positions and ages of our directors. The term of office for directors is until the next general meeting after their appointment, subject to the ability of shareholders at a general meeting to dismiss a director during his or her term of office or to reappoint a director whose term of office has expired. All of our directors were appointed at an extraordinary general meeting of shareholders. The business address of all our directors is our registered address in Jakarta.

<u>Name</u>	<u>Position</u>	<u>Age</u>	<u>Year of Board Appointment</u>
Dewi Muliaty	President Director	53	2009
Tetty Hendrawati	General Affairs Director and Independent Director	53	2014 / 2016
Andri Hidayat	Operations Director	43	2014
Liana Kuswandi	Finance Director	43	2007
Indriyanti Rafi Sukmawati	Marketing Director	44	2014

A brief biography of each of the directors is provided below.

Dewi Muliaty

Dr. Dewi Muliaty has been the President Director of the Company since 2009. She began her career at the Company in 1988 as a technical assistant manager in our quality control lab. She also served as the business development manager from 2003 to 2009 and the research and development manager from 1993 to 2002. Dr. Muliaty received her Bachelor's degree in 1987 and a Pharmacist Professional Certificate in 1988, each from Padjadjaran University. She received her doctorate in biomedical science from Sultan Hasanuddin University in 2010. Dr. Muliaty has published numerous research papers on biomedicine.

Tetty Hendrawati

Ms. Tetty Hendrawati has been the General Affairs Director of the Company since 2014. She has served as the Independent Director since 2016. She began her career at the Company in 1988 as the deputy head of the Denpasar branch for technical quality control. She also served as the Operations Director from 2003 to 2014. Ms. Hendrawati received her Bachelor's degree in 1987 and a Pharmacist Professional Certificate in 1988, each from the Bandung Institute of Technology. She received her master's degree in biomedical science from Hasanuddin University in 2007. She also published research on biomedicine.

Andri Hidayat

Dr. Andri Hidayat has been Operations Director since 2014. He began his career at the Company in 1997 as assistant manager of technical quality assurance. He also served as the regional head of Aceh and Sumatra Utara from 2005 to 2013 and managed various IT projects from 2012 to 2014. Dr. Hidayat received his Bachelor's degree in 1996 and a Pharmacist Professional Certificate in 1997, each from Padjadjaran University. He received his master's degree and a doctorate in biomedical science from Hasanuddin University in 2010. Mr. Hidayat has published numerous research papers on biomedicine.

Liana Kuswandi

Ms. Liana Kuswandi has been the Finance Director of the Company since 2007. She began her career at Tarumanegara University as a lecturer of accounting on the economics faculty. She also served as a lecturer at UPH University from 2001 to 2006 and served as the head of the accounting program from 2004 to 2005. Ms. Kuswandi received her Bachelor's degree from the Tarumanegara University in 1996 and obtained her master's degree in finance from RMIT University in 1999.

Indriyanti Rafi Sukmawati

Ms. Indriyanti Rafi Sukmawati has been the Marketing Director of the Company since 2014. She began her career at the Company in 1996 as an assistant manager of marketing. She also served as head of the PNRL from 2008 to 2014. Ms. Sukmawati received her Bachelor's degree in 1995 and her Pharmacist Professional Certificate in 1996, each from Padjadjaran University. Ms. Sukmawati obtained her doctorate in medical science from Hasanuddin University in 2010. Ms. Sukmawati has published numerous research papers on biomedicine.

Commissioners

The principal function of the Board of Commissioners is to give recommendations to, and supervise the policies of, the Board of Directors. Members of the Board of Commissioners are appointed by our shareholders at a general meeting of shareholders. The term of office for commissioners is until the next general meeting after their appointment, without prejudice to the ability of shareholders at a general meeting to dismiss a commissioner during his or her term of office or to reappoint a commissioner whose term of office has expired.

The table below sets forth, as of the date of this Offering Circular, the names, positions and ages of our commissioners.

Name	Position	Age	Year of Commission Appointment
Andi Widjaja	President Commissioner	80	2003
Endang W. Hoyaranda	Commissioner	65	2015
Joseph F.P. Luhukay.	Independent Commissioner	70	2016
Scott Andrew Merrillees.	Independent Commissioner	52	2016
Gunawan Prawiro Soeharto . . .	Commissioner	78	2003

A brief biography of each of the commissioners is provided below.

Andi Widjaja

Dr. Andi Widjaja has been President Commissioner of the Company since 2003. He was previously the President Director of the Company from its inception in 1988 to 2003. He is also a founder of, and currently the President Commissioner of, our affiliate companies, Prodia CRO, POHI, Prostem, Proline and Innodia. In addition to his business career, Dr. Widjaja concurrently had a career as an academic lecturer and a scientific researcher. His academic positions include being the head of the biochemical study program, postgraduate program of Hasanuddin University and roles as a clinical chemistry lecturer at Institut Teknologi Bandung and Padjadjaran University. In his career, he has mentored numerous master's and doctoral degree students at several public and private universities. As a result of his research, he has published over 250 articles in national and international academic journals. Dr. Widjaja received his Bachelor's degree from Institut Teknologi Bandung in 1963 and obtained his doctorate in molecular biology from the University of Munster, Germany, in 1978. He also received his master of business administration degree from the University of California, Los Angeles, in 1986. Dr. Widjaja has received numerous awards for his contributions to laboratory sciences in Indonesia, including the Clinical Laboratory Management Association Award for most outstanding contribution to the profession of clinical laboratory management, the Golden Academy Award from the National Academy of Clinical Biochemistry of the United States, the International Order of Merit IBC Cambridge, in honor of an outstanding contribution to the profession and development of clinical biochemistry, the Doctor Honoris Causa in Biomedical Science from the University of Birmingham in the United Kingdom, the Gold Record of Achievement in Science from the North American Chinese Clinical Chemists Association, Satya Karya Bhakti Pendidikan, an award for contribution in education, in appreciation of his service at the Padjadjaran University and Ganesha Widya Jasa Utama for agent of change and agent of development from Bandung Institute of Technology. Dr. Widjaja is also a founder, and has served as an advisory board member, of the Indonesian Society of Atherosclerosis and Vascular Diseases, Indonesian Society for the Study of Obesity and Indonesian Association for Clinical Chemistry.

Endang W. Hoyaranda

Ms. Endang W. Hoyaranda has been a Commissioner since 2015. She has been the President Director of the Company Utama since 2009. She began her career as a lecturer at the Institut Teknologi Bandung in 1976. She joined the Company in 1983 as a research and development manager. She was the Company's Operations Director from 1990 to 2002. She was the President Director of the Company from 2002 to 2009. Ms. Hoyaranda received her Bachelor's degree from the Institut Teknologi Bandung in 1976 and obtained her pharmacy degree from Institut Teknologi Bandung in 1977. In addition to her career at the Company, she also served as a standing committee or executive board member of several laboratory medicine associations at the national as well international level, including Persatuan Ahli Teknologi Laboratorium Medik Indonesia (Indonesian Association of Medical Laboratory Technologists), Lembaga Sertifikasi Profesi Tenaga Laboratorium Pengujian Indonesia (Indonesian Institute for Certification of Professional Laboratory Examiners), Himpunan Kimia Klinik Indonesia (Indonesian Association for Clinical Chemistry), the Indonesia Association for the Study of Medicinals, the ASEAN Association for Clinical Laboratory Sciences, the Asia Association of Medical Laboratory Scientists, the Asia Pacific Federation for Clinical Biochemistry and Laboratory Medicine and the International Federation of Clinical Chemistry and Laboratory Medicine. Ms. Hoyaranda was awarded the BNSP Competency Award in 2008 and the Woman Executive of the Year award at the 2013 BioPharma Industry Awards.

Joseph Luhukay

Mr. Joseph Luhukay has been Commissioner since 2016. He served as the Deputy President Director of Bank Danamon from 2008 to 2011. He was a partner at IndoConsult, a consulting firm in Indonesia from 2006 to 2008. He was the President Director of PT Bank Lippo, Tbk from 2003 to 2006. He has also served as a partner at Ernst & Young, the chief operating officer of the Jakarta Initiative Task

Force, a joint-Indonesian, World Bank initiative, and the chief operating officer of Bahana Pembinaan Usaha Indonesia, a government owned investment bank, among others. In 2006, he was also appointed by presidential decree to serve as an executive member of the National Council on Information & Communications Technologies, an advisory body tasked with advising the president of Indonesia on policy and strategy matters. From 2015 to 2016, Mr. Luhukay was the Independent Commissioner and Audit Committee Chairman, Board of Commissioners of Bank BNI, one of the largest lenders in Indonesia. Mr. Luhukay received his Bachelor's degree in electrical engineering from the University of Indonesia in 1972 and obtained his master's and doctoral degrees in computer science from the University of Illinois at Urbana-Champaign in 1982 and 1983, respectively.

Scott Andrew Merrillees

Mr. Scott Merrillees has been Commissioner since 2016. He has over 20 years of experience working in Indonesia as a specialist in equity research, equity capital markets and banking. He has extensive experience working in Indonesia's capital markets, with roles as the head of Indonesian equity research at James Capel (later part of HSBC), Morgan Grenfell (later part of Deutsche Bank) and UBS. He was the President Director of BNP Paribas Securities Indonesia from 1994 to 2006 and head of Southeast Asian natural resources banking for ANZ Bank from 2008 to 2010. He was also a director of Borneo Lumbang Energi & Metal from 2011 to 2012, director of Berau Coal & Energy from 2012 to 2013 and director and audit committee member of Bumi Plc from 2012 to 2013. Mr. Merrillees received his Bachelor's degree in accounting and Indonesian studies from the University of Melbourne in 1984.

Gunawan Prawiro Soeharto

Mr. Gunawan Prawiro Soeharto has been Commissioner since 2003. He was one of the original founders of the Company. He began his career as a pharmacist in Solo. Mr. Soeharto was the founding Marketing Director of the Company and served from inception to 2003. He also served as a lecturer at the Atma Jaya Faculty of Pharmacy in Solo. Mr. Soeharto received his Bachelor's degree in pharmacy 1964 from the Atma Jaya Faculty of Pharmacy. He also serves various social foundations, and is a patron of Yayasan Pendidikan 'Warga', a vocational school in Solo, that established the STIKES pharmacy college, in Solo. Mr. Soeharto has been the chairman of the board of STIKES since 2015. He also serves as a board member of Yayasan Kesehatan Panti Kosala, a foundation that has been operating a chain of hospitals in Central Java since 1974.

Compensation of Board Members and Management

During the year ended December 31, 2015, and the six months ended June 30, 2016, our directors and commissioners received aggregate remuneration of Rp. 15.4 billion (US\$1.2 million) and Rp. 7.9 billion (US\$0.6 million), respectively. Our directors may be given a salary and/or an allowance the amount of which is determined by our shareholders at a general meeting, however this authority has been delegated to our commissioners.

Internal Audit

In accordance with the OJK Regulation No. 56/POJK.04/2015 on Formation and Guidelines of Internal Audit Charter concerning Formation and Preparation Guideline of Internal Audit Unit Charter ("OJK Regulation No. 56/2015") and IDX Listing Regulation No. I-A, we have set up an internal audit division and appointed Budi Darmawan as the head of the internal audit division.

The main duties of the internal audit division include:

- preparing and implementing an annual internal audit plan;
- examining and evaluating the effectiveness of the internal control and risk management system in accordance with company policy;

- conducting audits on compliance of company budgeting and external audit processes with certain rules and regulations;
- reviewing and evaluating efficiency and effectiveness in the areas of finance, accounting, operations, human resources, marketing, information technology, and other activities;
- providing objective advice and information on audited operations at all management levels;
- reporting audit findings and furnishing such reports to the president director, Board of Commissioners and audit committee;
- overseeing, analyzing and reporting on the implementation of the suggestions;
- working closely with the audit committee;
- conducting checks on the scope of internal control assigned by the Board of Directors, the Board of Commissioners and the audit committee;
- developing programs to evaluate the quality of the internal audit actions performed by the internal audit division; and
- conducting special audits, where necessary.

The internal audit unit has authority to:

- prepare and implement internal audit policies, including the authority to allocate resources, determine focus and procedures and scope and schedule for audit work;
- obtain all relevant documents and records of the Company, and to request information in verbal or written form regarding the subject of the audit being conducted;
- verify and test information obtained in an effort to evaluate the effectiveness of the audit subject; and
- enforce management's implementation of the internal audit unit's recommendations for corrective action.

We have prepared an Internal Audit Charter which has been adopted by our Board of Directors and approved by our Board of Commissioners in accordance with OJK Regulation No. 56/2015, pursuant to Letter of Appointment No. 168/SKPJ/HR0D/VIII/16 dated June 16, 2016.

Audit Committee

We have established an Audit Committee, approved by our Board of Commissioners at the Board of Commissioners meeting on June 16, 2016, which is further declared pursuant to Decree No. 148/SKPJ/HR0D/VIII/16 dated June 16, 2016. The establishment of our Audit Committee conforms with OJK Regulation No. 55/POJK.04/2015 on the Formation and Working Guidelines of Audit Committees ("OJK Regulation No. 55/2015").

The members of the Company's Audit Committee are:

Chairman : Joseph F.P. Luhukay
 Member: Scott Andrew Merrillees
 Member : Dina Kharisma

The main duties of the audit committee include:

- reviewing financial information to be published by the Company, such as financial statements, projections and other financial information;
- providing independent opinions, should there be any difference in opinion between the Company and external auditors;
- providing recommendations on the appointment of external auditors;
- conducting reviews on the implementation of inspection by the internal audit unit as well as monitoring follow-ups on the internal audit findings;
- reporting to the Board of Commissioners on the risks faced by the Company and the implementation of risk management by the Board of Directors;
- reviewing and reporting to the Board of Commissioners on issues regarding the accounting and financial reporting process of the Company;
- reviewing and providing advice on any potential conflict of interest to the Board of Commissioners; and
- maintaining confidentiality of Company documents, data and information.

The audit Committee has the right to obtain records and information about employees, funds, assets as well as other Company resources that pertain to the execution of the responsibilities of the Audit Committee.

In carrying out the aforementioned responsibilities, the Audit Committee will be assisted by the internal audit unit of the Company.

The Audit Committee is required to conduct at least one meeting every three months. The matters discussed at such meetings are documented in meeting minutes which are signed by all committee members who are present. The Audit Committee is required to compile an annual report of its activities for the Board of Commissioners which would be included in the Company's annual report.

Nomination and Remuneration Committee

Under OJK Regulation No. 34/POJK.04/2014 on Nomination and Remuneration Committee of the Issuer or Public Company, dated December 8, 2014, for the purposes of implementing good corporate governance, an issuer or a public company is required to have the function of nomination and remuneration conducted by the board of commissioners. The board of commissioners may form a nomination and remuneration committee consisting of at least three members, with an independent commissioner acting as the head of the committee, while the other members may be: (i) members of the board of commissioners; (ii) outside the relevant issuer or public company; or (iii) serving managerial positions under the board of directors in charge of human resources.

We have appointed the members of our Nomination and Remuneration Committee, as approved by our Board of Commissioners at the Board of Commissioners meeting on June 16, 2016, which is further declared pursuant to Decree No. 150/SKPJ/HROD/VIII/16 dated June 16, 2016. The members of the Company's Nomination and Remuneration Committee are:

Chairman : Joseph F.P. Luhukay
Member: Andi Widjaja
Member : Endang W. Hoyaranda
Member : Gunawan Prawiro Soeharto

Corporate Secretary

In accordance with IDX Listing Regulation No. I-A and OJK Regulation No. 35/POJK 04/2014 on Corporate Secretary of Issuer or Public Company dated December 8, 2014, we have appointed Indriyanti Rafi Sukmawati as our Corporate Secretary to liaise (on our behalf) with OJK, IDX and other related public institutions, based on the Company's Board of Director Decree No. 149/SKPJ/HROD/VII/16 dated April 12, 2016 on the Corporate Secretary Appointment.

Employee Share Allocation Program and Management and Employees Stock Option Program

Pursuant to a meeting of our shareholders convened on June 6, 2016 and Letter No. 170/SK/HROD/IX/16 of the Board of Directors dated August 11, 2016, the Company created an employee share allocation program (the "ESA Program") and a Management and Employees Stock Option Program (the "MESOP Program"). Under the ESA Program, the Company will allocate up to 2.0% of the Primary Offer Shares (3,750,000 Shares) to certain qualifying employees of the Company.

Under the MESOP Program the Company will grant share purchase options to qualifying employees as part of their compensation package. The total number of shares that may be issued under the MESOP Program is up to 1.5% of the Company's issued and paid up capital (the "MESOP Shares"), which, immediately after the IPO, would be up to 14,062,500 Shares. The MESOP Program will be implemented in three phases, as follows:

- within 60 business days after the Listing Date, the Company will issue options for up to 35% of the MESOP Shares;
- on the first anniversary of the Listing Date, the Company will issue options for up to 35% of the MESOP Shares; and
- on the second anniversary of the Listing Date, the Company will issue options for up to 30% of the MESOP Shares.

PRINCIPAL SHAREHOLDERS

Our authorized share capital is Rp. 300 billion comprising 3 billion common shares of par value Rp. 100 each and as of the date hereof, our issued share capital comprised 750 million shares, all of which are fully subscribed and paid for and none of which have been listed on any securities exchange. After the completion of the Offering we will have 937,500,000 shares outstanding.

The table below sets forth certain information with respect to the share ownership of our controlling shareholders immediately prior to the Offering and as adjusted after giving effect to the Offering.

Shareholders	Actual		Adjusted for Offering	
	Number of shares	Percentage of shares	Number of shares	Percentage of shares
PT Prodia Utama	570,000,000	76.0	534,375,000	57.0
Bio Majesty Pte. Ltd.	180,000,000	24.0	168,750,000	18.0
Public shareholders	—	—	234,375,000	25.0
Total	<u>750,000,000</u>	<u>100.0%</u>	<u>937,500,000</u>	<u>100.0%</u>

Description of the Principal Shareholders

As of the date hereof, PT Prodia Utama, which a limited liability company incorporated in Indonesia, held 570,000,000 shares of the Company, representing 76.0% of our issued and outstanding shares. As of the date hereof, Bio Majesty Pte. Ltd., which is a limited liability company incorporated in the Republic of Singapore, held 180,000,000 shares of the Company, representing 24.0% of our issued and outstanding shares. Pt Prodia Utama is directly controlled by Dr. Andi Widjaja, Mr. Gunawan P. Soeharto, Mr. J. Hamdono Widjojo, Mr. Elias Nugroho, Mr. Ichsan Hidajat and Ms. Arjati Utami, who comprise the “Founder’s Group”. Bio Majesty Pte. Ltd. are controlled directly and indirectly by the members of the families of the Founder’s Group. Two of our Commissioners, Dr. Widjaja and Mr. Soeharto, are members of the Founder’s Group.

RELATED PARTY TRANSACTIONS

We are a party to a number of transactions with our affiliates, including the Prodia Group, and its affiliated companies.

Summarized below are material related party transactions that we have entered into with our direct and indirect shareholders and affiliates of our shareholders. We believe that each of these arrangements has been entered into on arm's length terms or on terms that we believe are at least as favourable to us as similar transactions with non-related parties would be.

Under BAPEPAM-LK Regulation No. IX.E.1, there are two types of related party transactions, namely affiliated transactions and conflict of interests transactions. Affiliated transactions (which do not involve a conflict of interest) do not require the approval of independent shareholders. BAPEPAM-LK Regulation No. IX.E.1 also provides exemptions for certain affiliated transactions, which only need to be reported to OJK by the end of the second business day after such affiliated transaction is conducted. The information required to be included in such report is regulated under the BAPEPAM-LK Regulation No. IX.E.1. Aside from such exemptions, BAPEPAM Regulation No. IX.E.1 also provides exemptions for certain affiliated transactions, where the company is not required to make disclosure to the public or a report to OJK. Any transaction by a company listed on the Indonesian Stock Exchange which entails a conflict of interest must be approved by a majority of the shareholders who do not have a conflict of interest in the proposed transaction. A "conflict of interest" is defined in BAPEPAM-LK regulations to mean a conflict between the economic interests of a company, on the one hand, and the personal economic interests of any member of the Board of Commissioners, Board of Directors or principal shareholders (defined as a holder of 20.0% or more of the issued shares) which results in losses to us. OJK has the power to enforce this rule, and our shareholders may also bring enforcement action based on this rule.

A brief description of our significant related party transactions (as described under BAPEPAM-LK Regulation No. IX.E.1) is provided below.

Transaction with PT Prodia Diacro Laboratories

In the ordinary course of business, we entered into an arm's length transaction with PT Prodia Diacro Laboratories ("Prodia Diacro"), a company controlled by the Founder's Group, for cooperation in the provision of clinical trial services. Pursuant to the agreement, Prodia Diacro will be entitled to a management fee in the amount of 17% of the net revenue for each clinical laboratory examination that it refers to us. The agreement has a term until February 28, 2018. Our transaction with Prodia Diacro was entered into on an arm's length basis.

Transaction with PT Prodia OHI International

In the ordinary course of business, we entered into an arm's length transaction with PT Prodia OHI International ("POHI"), a company controlled by Prodia Utama, whereby the Company will conduct clinical laboratory examination of employees and/or prospective employees of POHI's clients that POHI refers to us. POHI will be entitled to a management fee in amount of 7.0% net revenue for each client that it refers to us. Our agreement with POHI is valid until either party terminates the agreement. Our transaction with POHI was entered into on an arm's length basis.

Transaction with PT Prodia Stemlife Indonesia

In the ordinary course of business, we entered into an arm's length transaction with PT Prodia Stemcell Indonesia (previously known as PT Prodia Stemlife Indonesia) ("PROSTEM"), a company controlled by Prodia Utama, whereby PROSTEM will refer laboratory examination materials to us for our examination. Stemlife will be entitled to a 20% discount for certain examinations referred to us. The term of agreement with PROSTEM is until January 2, 2020. Our transaction with PROSTEM was entered into on an arm's length basis.

Transactions with Prodia Diacro, Prodia OHI, PT Prodia Diagnostic Line, PT Inovasi Diagnostika, and Prodia Stemcell

In the ordinary course of business, we entered into arm's length transactions with Prodia Diacro, POHI, PT Prodia Diagnostic Line ("PROLINE"), PT Inovasi Diagnostika ("INNODIA"), and PROSTEM; each of which a company controlled by Prodia Utama, for cooperation in the provision of healthcare services in the form of medical check-up services for each companies' employees. Our agreements with Prodia Diacro, POHI, PROLINE, INNODIA and PROSTEM will be automatically extended unless terminated by the applicable party and us. These transactions were entered into on an arm's length basis.

Transactions with PT Grhanis Putra Propertindo and its Subsidiaries

We entered into 10 lease agreements with PT Grhanis Putra Propertindo, a company controlled by Prodia Utama, and its subsidiaries, PT Grhanis Permata Propertindo, PT Grhanis Prima Propertindo, PT Grhanis Pusaka Propertindo, PT Grhanis Prakarsa Propertindo and PT Grhanis Putra Propertindo, for the lease of 10 buildings, located in Kramat, Pasar Minggu, Basuki Rahmat (Palembang), Gading Serpong, Bogor, Wastukencana (Bandung), Solo, Denpasar, Surabaya and Manado. We lease the buildings for a seven-year period with lease fee ranging from Rp.2.0 billion to Rp. 82.0 billion for the whole lease period for the respective buildings. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Major Factors Affecting Our Results of Operations and Financial Condition—The Spin-off Transaction and the Sale and Lease Transactions.*"

In the ordinary course of business, we also entered into two arm's length transactions with PT Grhanis Prima Propertindo, a subsidiary of PT Grhanis Putra Propertindo, in which we took the responsibility for the construction of buildings and supporting facilities in Medan and Palu on a build operate transfer basis for a period of 30 years. Under these agreements, we are required to invest a total amount of Rp. 59.0 billion and Rp. 14.0 billion in a best effort basis, for the construction of the buildings and supporting facilities, as well as the plots of land in Medan and Palu, respectively. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Major Factors Affecting Our Results of Operations and Financial Condition—The Spin-off Transaction and Sale and Lease Transactions.*"

The aforesaid transactions with PT Grhanis Putra Propertindo and its subsidiaries were entered into on an arm's length basis.

Transaction with PT Inovasi Diagnostika

In the ordinary course of business, we entered into an arm's length transaction with PT Inovasi Diagnostika, a company controlled by Prodia Utama and our Founder's Group, for the purchase of reagents of Proline R-910, alongside its equipment components for its utilization and maintenance and its calibrators and consumables. Our transaction with PT Inovasi Diagnostika was entered into on an arm's length basis.

Lease Agreements with Mrs. Grace Rooslandari Gunawan, Mr. Elias Nugroho, Mr. Gunawan Prawiro Soeharto and Mr. Ichsan Hidajat

In the ordinary course of business, we entered into two arm's length transactions with Mrs. Grace Rooslandari Gunawan, daughter of Mr. Gunawan Prawiro Soeharto, who is a shareholder of Prodia Utama; for the lease of two buildings in Klaten, Central Java, and Lebak Bulus (South Jakarta) which we utilized as our clinical laboratories for a lease fee of Rp.120.0 million and Rp. 150.0 million per annum, respectively; a lease agreement with Mr. Elias Nugroho in 2016 who is a shareholder of Prodia Utama for a lease of a building in Kebayoran, DKI Jakarta, which we utilized as a clinical laboratory for a lease fee of Rp. 12.0 billion for five years; a lease agreement with Mr. Gunawan Prawiro Soeharto in 2015, who is a shareholder of Prodia Utama and a member of our Board of Commissioners, for the lease of a building in Sragen, Central Java, which we utilized as a clinical laboratory for a lease fee of Rp. 66.6 million for two years; and a lease agreement with Mr. Ichsan Hidajat in 2016, who is a shareholder of Prodia Utama, for the lease of a building in Semarang, Central Java, which we utilized as a clinical laboratory for a lease fee of Rp. 3.2 billion for two years.

Our lease agreement with Mrs. Grace Rooslandari Gunawan, Mr. Elias Nugroho, Mr. Gunawan Prawiro Soeharto and Mr. Ichsan Hidajat were entered into on an arm's length basis.

DESCRIPTION OF OUR COMMON SHARES

Our authorized share capital is Rp. 300 billion comprising 3 billion common shares of par value Rp. 100 and our issued share capital was comprised of 750 million shares, all of which are fully subscribed and paid for as of the date hereof, and none of which have been listed on any securities exchange.

Our Articles of Association have been amended several times; The latest amendment is made based on Deed No. 46 dated August 22, 2016, made before Jose Dima Satria, SH, MKn, Notary in Jakarta Selatan, as approved by the Minister of Law and Human Right (“MOLHR”) under its letter No. AHU-0015163.AH.01.02.Tahun 2016 dated 24 August 2016, and registered under the Company Register maintained by the MOLHR No. AHU-0098400.AH.01.11.Tahun 2016 dated 24 August 2016 (“Deed No.46”).

The following is a summary of the material rights and restrictions related to our shares under the provisions of our Articles of Association. This description does not purport to be complete.

Common Shares

All of our Shares are registered and issued in the name of the owners listed in our register of shareholders (the “Register”). In addition, any transfer of our shares must comply with the laws and regulations relating to the Indonesian capital market, including but not limited to Law No. 8 of 1995 on Capital Market (“Indonesian Capital Market Law”) and of the IDX. Transfers of shares take effect only after the transfer is registered in the Register. The transferor of any shares will be treated as the owner of such shares until the name of the transferee has been recorded in the Register by our Board of Directors, through the Share Registrar. Under the scripless system, KSEI will be registered as the holder of the shares in the Register, in its capacity as the central securities depository institution which holds the shares on behalf of KSEI participants which in turn hold the shares on behalf of shareholders (“Beneficial Shareholders”).

The holders of shares whose names are recorded in the Register (such holders, the “Registered Shareholders”) are entitled to pre-emptive rights in the event we issue new shares, convertible bonds, warrants or other securities convertible into equity securities, in proportion to their share ownership. See *“Risk factors—Risks relating to Ownership of Our Shares—Your rights to participate in any future rights offerings by us could be limited, which would cause dilution of your shareholding.”* For shares deposited with KSEI, all ownership rights are automatically distributed by KSEI, through KSEI participants, to purchasers ultimately holding the shares as Beneficial Shareholders (or their assignees). Such pre-emptive rights may be sold and transferred to third parties without the consent of any party to the extent permitted by the Indonesian Capital Market Law and the rules and regulations of the IDX. If the Registered Shareholders or the Beneficial Shareholders (or their respective assignees) do not exercise their pre-emptive rights within a period of time determined by our Board of Directors (in accordance with the prevailing regulations) after the issuance of pre-emptive rights, our Board of Directors may issue such shares, convertible bonds, warrants or other securities to third parties on the same terms and conditions.

In accordance with OJK Regulation No. 38/POJK.04/2014 on Capital Increase Without Preemptive Rights and as provided for in our Articles of Association, we may increase our capital without providing a pre-emptive right to Registered Shareholders or beneficial Shareholders to subscribe for securities, provided that:

- if the purpose of the increase of capital is not to improve our financial position, then such increase in our issued share capital without pre-emptive rights shall be no more than 10.0% of the paid-in capital (i) within two years period after the approval by the general meeting of shareholders for an increase in our capital without pre-emptive rights; and (ii) within five years after the approval by the general meeting of shareholders for an increase of capital without pre-emptive rights in accordance with the share ownership program; or

- the main objective of the increase in our authorized share capital is to improve our financial position if we meet one of the following conditions:

we have negative net working capital and have liabilities of more than 80.0% of our assets at the time of the general meeting of shareholders approving the capital increase; or

we have defaulted or are not capable of avoiding default in payment of our liabilities with a non-affiliated provider of a loan, and the loan provider or non-affiliated investor agrees to receive our shares or convertible bonds to settle the loan.

Other than as described above, our authorized share capital may only be increased or decreased by a resolution of a general meeting of shareholders and an amendment of our Articles of Association. Any such amendment will be effective only after approval from the Minister of Law and Human Rights is obtained. In the case of a decrease in the authorized share capital, approval from the Minister of Law and Human Rights may only be given if (i) the decrease has been approved by a general meeting of shareholders; (ii) there are no written objections from the creditors within 60 days after the announcement; (iii) a settlement has been reached on any objection raised; and (iv) a final and binding judgment has been rendered by the court relating to any creditors' lawsuit as the result of objections by creditors.

Shareholders' Meetings and Voting Rights

Each share entitles the owner thereof to cast one vote in a general meeting of shareholders. In the case of shares held by KSEI, prior to us taking any corporate action, KSEI must provide us details concerning the share entitlements of all the Beneficial Shareholders on whose behalf shares are held. A KSEI participant holding shares on behalf of a Beneficial Shareholder is obliged to notify such Beneficial Shareholder of the issuance of any pre-emptive rights and deliver Offering Circulars and other notices, including notices of general meetings of shareholders, issued by us. Beneficial Shareholders or their legal representatives have the right to be present and vote at general meetings of shareholders. See "*Indonesian Capital Markets.*"

An annual general meeting of shareholders must be held by no later than June 30 of each year. Pursuant to the Company Law, our Board of Directors must submit an annual report at such annual general meeting of shareholders, which should include, at least (i) annual financial reports; a report on our activities; (iii) a report in relation to our corporate and social responsibility implementation; details regarding any problems arising during the financial year which affects our activities; (v) a report in relation to the supervisory duties which have been carried out by our Board of Commissioners during the preceding financial year; (vi) the names of the members of Board of Directors and our Board of Commissioners; and (vii) details on the salary and other remunerations of each member of our Board of Directors and our Board of Commissioners for the preceding year. Such annual report must be made available in our office for inspection by any shareholder from the day such shareholder is notified of the annual general meeting of shareholders through the date of the annual general meeting of shareholders.

Either our Board of Directors or our Board of Commissioners may convene an extraordinary general meeting of shareholders. An extraordinary general meeting of shareholders must be convened upon receipt of written notice requesting a meeting from one or more shareholders owning an aggregate of at least 10.0% of our issued shares. In the event neither our Board of Directors nor our Board of Commissioners convenes such a meeting within 30 days of receipt of such written notice, the relevant shareholders may call a meeting at our expense after obtaining the approval from the District Court.

Further, pursuant to OJK Regulation No. 32/POJK.04/2014 regarding Plan and Conduct of General Meeting of Shareholders for Public Company, we are required to notify the OJK at least five business days before an announcement of the extraordinary general meeting of shareholders (excluding the date of notice). Thereafter, at least 14 days (excluding the date of notice) prior to the invitation of both an extraordinary general meeting and an annual general meetings of shareholders, an announcement must

be made by placing an advertisement that a shareholders' meeting is to be called in (i) one daily newspaper published in Indonesia, which must have a wide circulation in Indonesia, in the stock exchange website and in the public company website that is in Bahasa Indonesia and English, if the company is listed in the stock exchange; or (ii) one daily newspaper published in Indonesia, which must have a wide circulation in Indonesia, and in the public company website that is in Bahasa Indonesia and English if the company is not listed in the stock exchange. One or more shareholders owning an aggregate of at least 5% of our issued shares may also propose an agenda of general meeting of shareholders at the latest seven days prior to the invitation of the general meeting of shareholders. Invitation to the shareholders of the meeting must also be made in the same manner as described previously, published at least 21 days before the date of and the meeting (excluding the date of the notice and the date of the meeting).

The quorum for an annual general meeting of shareholders is shareholders and/or authorized proxies representing more than 50.0% of our issued shares with voting rights to be represented either in person or by a power of attorney at such meeting. The quorum requirement may be greater, depending on the nature of the resolutions to be considered at such meeting. If a quorum is not reached at the second meeting, on the Company's request, the chairman of OJK may determine the quorum requirements for the third meeting.

If a quorum for such general meeting is not obtained, then no earlier than 10 days and no later than 21 days after such original general meeting, a second meeting may be held to render a legal and binding resolution on matters which were not resolved at the first meeting. The second meeting must be attended by shareholders representing at least one-third of the total issued shares. Resolutions adopted at such a meeting must be approved by more than 50% of the total votes present and cast at the meeting.

Shareholders may be represented at a general meeting of shareholders by any person holding a power of attorney, provided that if the proxy is one of our commissioners, directors or employees then the vote of any such proxy shall not be counted. In order to be adopted, resolutions must receive the affirmative votes of shareholders holding more than 50.0% of the shares which are either present or represented in the meeting (except for resolutions concerning certain transactions such as (i) the transfer or disposal of rights or encumbrances or the act of encumbering all or more than 50.0% of our total net assets, (ii) amendments to our Articles of Association, (iii) a merger, consolidation or acquisition, (iv) a liquidation, or (v) conflict of interest transactions, which have various voting thresholds above that level). In addition, for certain transactions involving a conflict of interest, approval from independent shareholders must be obtained in accordance with BAPEPAM-LK Regulation IX.E.1.

Dividends

A portion of our profits, as determined by an annual general meeting of shareholders, after deduction of corporate tax, must be used as a reserve fund up to an amount of at least 20.0% of the subscribed capital. This can be used only to cover losses suffered by us. Amounts in the reserve fund that exceed 20.0% of the subscribed capital may be used for working capital or other purposes in our interest, subject to the approval of our shareholders. Any interest or other profits earned from such reserve fund must be entered in our profit and loss account.

Dividends, if any, are paid in accordance with a resolution adopted by an annual general meeting of shareholders, which resolution must establish the amount, the time and manner of payment of the dividends. All shares which are fully paid and outstanding at the time a dividend or other distribution is declared are entitled to share equally in such dividend or other distribution. Dividends are payable to the persons whose names are recorded in the Register. Our Articles of Association provide that dividends unclaimed after a period of five years will be placed in a special reserve fund and any party entitled to the unclaimed dividends will have the right to claim such dividends from the fund within five years from the date the dividends are placed in such fund. After the lapse of the 10-year period, such unclaimed dividends shall belong to us.

Amendments to Our Articles of Association

Amendments to our Articles of Association can only be effected pursuant to a resolution at a general meeting of shareholders attended by shareholders or their lawful proxies representing at least two-thirds of the total issued shares. Resolutions adopted at such a meeting must be approved by more than two-thirds of the total valid votes cast at the meeting. Any amendment that would change our name, our objectives and purpose, our business activities or our term of establishment, or that would increase or reduce our authorized capital, reduce the issued and paid-up capital or change our status from a private company to become a public company or vice versa will only be effective upon approval by the Minister of Law and Human Rights. Any amendment to our Articles of Association must be made in the form of a notarial deed no later than 30 days from the date of the general meeting of the shareholders and be notified to the Minister of Law and Human Rights within 30 days from the date of the notarial deed. The change of status from a private company to a public limited liability company will only be effective upon the implementation of an initial of public offering. Any other amendments will only be effective as of the date of the letter from the Minister of Law and Human Rights confirming acceptance of notification of such amendments. A resolution reducing the capital must be delivered to our creditors and published in the State Gazette of the Republic of Indonesia and announced in at least two newspapers published in Indonesia with wide circulation within seven calendar days after such resolution.

Liquidation

We can be dissolved or liquidated pursuant to (i) a resolution passed at an extraordinary general meeting of shareholders in accordance with our Articles of Association, (ii) the expiry of our incorporation period, (iii) a court decision, (iv) a bankruptcy, when our assets are not sufficient to settle our obligations or if we are declared to be insolvent, or (v) a revocation of our business license, which requires us to be liquidated.

A resolution for our dissolution must be approved at a general meeting of shareholders attended by the holders of at least three-quarters of the total number of shares outstanding and approved by the holders of more than three-quarters of the total votes cast at the meeting. If we are wound up, dissolved or declared bankrupt, subject to insolvency or for any other reason provided under the Company Law, the general meeting of shareholders must appoint a liquidator to perform certain liquidation procedures. If the general meeting of shareholders fails to appoint a liquidator, our Board of Directors shall act as the liquidator.

The Company Law also provides that the board of directors, board of commissioners or shareholders of a company having at least 1/10 of all shares with voting rights may apply to a court for a company's dissolution if (a) the company does not engage in business activities for three years or more, which is substantiated by a letter of notification submitted to the tax agency, (b) the addresses of its majority shareholders are unknown after a notice has published in a daily newspaper having wide circulation in Indonesia and accordingly a general meeting of shareholders cannot be held, (c) the ownership of the company's shares is divided causing the general meeting of shareholders to fail to adopt a valid resolution, for example, two groups of shareholders each own 50% of the shares, or (d) the assets of a company have decreased in value so that it is not possible for the company to continue its business activities with its current assets.

The liquidators must register the resolution for our dissolution in the company's register maintained by the Minister of Law and Human Rights, publish it in the State Gazette and announce it in two daily newspapers published in Indonesia, notify our creditors and notify the Minister of Law and Human Rights (by no later than 30 calendar days from our dissolution), the IDX and OJK in accordance with prevailing regulations.

Rights of Shareholders

In general, Indonesian law has traditionally afforded shareholders fewer rights than those available in common law jurisdictions such as the United States. See “*Risk Factors — Risks Relating to Ownership of Our Shares — You may be subject to limitations on minority shareholders rights.*” The Company Law affords certain rights to shareholders, and certain additional rights to one or more shareholders collectively representing at least 10.0% of all voting shares of a company (“Minority Shareholders”).

A shareholder generally has the right to commence legal action against us if it has been harmed by any unfair and unreasonable action taken by us. In addition, each shareholder has the right to request us to repurchase its shares at the then prevailing market price if such shareholder disagrees with certain of our actions which harm the interests of such shareholder or us. Such actions include: (i) the amendment of our Articles of Association; transfer or disposal of rights or encumbrance of our assets amounting to more than 50% of our net assets; or a merger, consolidation, acquisition, or spin-off of us. Under the Company Law, we may repurchase shares; provided that such repurchase (a) must not cause our net assets (as stated in our most recent financial position, as approved by the shareholders within the last six months) to fall below its paid-in capital and reserves; (b) may not cause the aggregate of the number of our shares repurchased by us and the number of our shares that are pledged or otherwise encumbered for the benefit of us or any other company which shares are directly or indirectly owned by us, to become more than 10% of our outstanding shares, and (c) must be conducted in compliance with the procedures and the requirements stipulated in the Indonesian Capital Market Law and BAPEPAM-LK Regulation No. XI.B.2 attached to the decision of BAPEPAM-LK No. KEP-105/BL/2010 on Share Buy Back by the Issuer or Public Company dated April 13, 2010. To the extent that a request to repurchase shares exceeds these limitations, we are required to seek a third-party purchaser for such shares. Under Article 40 of the Company Law, shares repurchased by us may not be used to cast a vote in a general meeting of shareholders, and will not be counted in determining the quorum that has to be achieved in accordance with the Company Law and our Articles of Association.

Our Minority Shareholders have certain other rights. These include the rights to call a general meeting of shareholders in the event that the directors or commissioners fail to convene such meeting within the stipulated time. Minority Shareholders also have the right to lodge a derivative action on our behalf against directors or commissioners who, through error or negligence, have caused losses to us. Under the Company Law, directors and commissioners are obliged to act in good faith, with full responsibility and in our best interests when carrying out their corporate duties. The Minority Shareholders may request that we be examined by a court-appointed third party if there is any suspicion that we have committed an act contrary to law which damages our shareholders or a third party or if there is any suspicion that any of our directors or commissioners has committed an act contrary to law which damages us, the shareholders, or a third party. Minority Shareholders may also apply to a court for our dissolution. However, the Company Law does not specify the circumstances under which such an application may be made.

INDONESIAN CAPITAL MARKETS

The following information has been derived from publicly available information and has not been independently verified by us, the Selling Shareholders, the International Selling Agents, the Lead Domestic Underwriters, the Financial Advisers or any of their respective advisors.

Background and Development

In 1976, the Government established a regulatory agency, the Capital Market Executive Agency (*Badan Pelaksana Pasar Modal*, or "BAPEPAM"), the Capital Market Development Agency (*Badan Pembina Pasar Modal*) and a national investment trust company, PT Danareksa (Persero) to reactivate and promote the development of a securities market in Indonesia. In 1990, the Capital Market Executive Agency and the Capital Market Development Agency became the Capital Market Supervisory Board (*Badan Pengawas Pasar Modal*) or BAPEPAM. The first share issue listed on the Jakarta Stock Exchange (the "JSX") took place in August 1977. By the end of 1988, the shares of 24 companies were listed on the JSX and the volume of shares traded was relatively low.

Since 1988, a number of reform measures affecting the Indonesian capital markets were introduced. These have led to the privatization of the JSX and its establishment in December 1991 as a limited liability company, PT Bursa Efek Jakarta, incorporating 221 securities trading companies as its shareholders. On July 13, 1992, the operation of the JSX was transferred from BAPEPAM to PT Bursa Efek Jakarta with the principal goal of ensuring the orderly and fair operation of the securities exchanges. At that time, BAPEPAM operated under its new name, the Capital Markets Supervisory Board or *Badan Pengawas Pasar Modal*, and its principal function is to ensure the orderly and fair operation of the securities exchanges.

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

The various reforms over the past few years have sought to strengthen the operational and supervisory framework of the Indonesian securities market and to improve the Indonesian securities market's trading environment. The measures also established an over-the-counter market, or "Bursa Paralel," and private stock exchanges outside Jakarta, the first of which was the Surabaya Stock Exchange or PT Bursa Efek Surabaya (the "SSX") in Surabaya. In July 1995, the Bursa Paralel and the SSX were merged to form a single exchange intended to focus on small and medium sized companies. A company could elect to list shares on the JSX, the SSX or both.

On November 30, 2007, the JSX and the SSX were merged to form a single exchange. As the result of the merger, the JSX is now operating under the new name of PT Bursa Efek Indonesia (the "Indonesia Stock Exchange" or "IDX").

On November 22, 2011, the Government enacted Law No. 21 of 2011 concerning the Financial Services Authority (*Otoritas Jasa Keuangan* or "OJK") to take over certain functions, tasks and authorities relating to the supervision and regulation of financial service activities in the banking sector from Bank Indonesia effective December 31, 2013, as well as the supervision and regulation of financial service activities in capital markets, insurance, pension funds, finance companies and other financial service institutions sectors from the BAPEPAM-LK effective December 31, 2012. Law No. 21 of 2011 concerning the Financial Services Authority further stipulates that all existing licenses, approvals and decisions issued before the transfer of duties and authorities of BAPEPAM-LK to OJK will continue to be valid, while applications for licenses, approvals, and other decisions made, or outstanding, after December 31, 2012 will be processed by OJK.

Other reforms were also introduced to provide increased protection for minority shareholders, to improve disclosure requirements and to clarify listing procedures. As of June 30, 2016, 529 companies were listed on the IDX with a total market capitalization of approximately Rp. 5,387 trillion compared to 24 listed companies with a market capitalization of approximately Rp. 100.0 billion in December 1987, just prior to the introduction of the capital market reform measures.

Overview of the Indonesia Stock Exchange

As of June 30, 2016 the IDX comprised 529 members. Of these 529 members, the top 20 most active stocks in total trading volume handled transactions totalling 361.1 billion shares for the six months ended June 30, 2016, approximately 55.0% of total shares traded on the IDX during that period. In trading value, the top 20 most active members accounted for Rp. 424.7 trillion in trading, or approximately 59.4% of the overall value of buying and selling transactions on the IDX for the six months ended June 30, 2016. The rules and regulations governing the JSX are currently applied to the IDX in the same manner.

Trading rules on the IDX are, at present, generated in the form of decisions by the IDX. There are currently five daily trading sessions for the regular market, two daily trading sessions for the negotiated market, and one daily trading session for the cash market. The table below sets out the respective trading session:

Trading Session	Market	New Trading Hours
Pre-opening	Regular	Monday — Friday 08:45:00 — 08:59:59
1st session	Regular, Cash, and Negotiated	Monday — Thursday 09:00 — 12:00 Friday 09:00 — 11:30
2nd session	Regular	Monday — Thursday 13:30:00 — 15:49:59 Friday 14:00:00 — 15:49.59
Pre-closing session. . . .	Regular	Monday — Friday 15:50:00 — 16:04:59
Post-closing session. . . .	Regular	Monday — Friday 16:05:00 — 16:15:00
2nd session	Negotiation	Monday — Thursday 13:30:00 — 16:15:00 Friday 14:00:00 — 16:15:00

Trading of securities is divided into three market segments: regular market, negotiated market and cash market (except for rights issues which may only be traded in the cash market and in the first session of the negotiated markets). The regular market is the mechanism for trading stock in standard lots on a continuous auction market during exchange hours. Regular market and cash market trading must be carried out in unit lots of 100 shares. The price movements:

- for shares with a previous price less than Rp.200, in multiples of Rp. 1, and each price movement should be no more than Rp. 10;
- for shares with a previous price of at least Rp.200 but less than Rp. 500, in multiples of Rp.2, and each price movement should be no more than Rp.20;
- for shares with a previous price less than Rp. 500 but less than Rp.2,000, in multiples of Rp. 5, and each price movement should be no more than Rp. 50;
- for shares with a previous price of at least Rp.2,000 but less than Rp. 5,000, in multiples of Rp. 10 and each price movement should be no more than Rp. 100; and
- for shares with a previous price of Rp. 5,000 or more, in multiples of Rp.25 and each price movement should be no more than Rp.250.

Furthermore, the trading activities on IDX are subject to an auto rejection system. Pursuant to the IDX Rules No. II-A concerning Equity Trading, the IDX Trading System (JATS) automatically rejects trading activities on the regular market and the spot market under the following circumstances:

- The sale or purchase order entered into JATS is below Rp. 50;
- The sale or purchase order entered into JATS:
 - o is more than 35% above or 10% below the reference price, for shares with a price range between Rp. 50 and Rp. 200;
 - o is more than 25% above or 10% below the reference price, for shares with a price range between Rp. 200 and Rp. 5,000;
 - o is more than 20% above or 10% below the reference price, for shares with a price above Rp. 5,000.

IDX can amend the foregoing provisions through its director's decision duly approved by OJK after taking account into the trading condition in the market.

Auctioning takes place according to price priority and time priority. Price priority refers to the giving of priority to buying orders at a higher price or selling orders at a lower price. If buying or selling orders are placed at the same price, priority is given to the buying or selling according to the time the order is placed (i.e. time priority).

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

Transactions on the IDX regular market are required to be settled no later than the third trading day after the transactions except for cross trading. Transactions on the negotiated market are settled based on agreement between the (selling) exchange member and the (buying) exchange member, and are settled per transaction. In the event that the selling and buying exchange members do not determine the period of settlement, the settlement is required to be completed no later than the third trading day after the transaction. Transactions on the IDX cash market are required to be settled on the trading day of the transactions. In case of a default by an exchange member on settlement, cash market trading takes place, pursuant to which trading of securities by means of direct negotiation on cash and carry terms will be conducted. All cash market transactions must be reported to the IDX. An exchange member is obliged to pay a transaction cost as regulated by the IDX, and delay in payment of the transaction cost will be subject to a fine of 1.0% of the outstanding amount for each day of delay. For any violation of IDX rules, IDX may impose on an exchange member, any of the following sanctions: (i) a fine up to Rp. 500 million; (ii) a written warning; (iii) a written admonition; (iv) a temporary suspension from trading activities; or (v) a revocation of license as an exchange member.

All transactions involving shares listed only on the IDX which use the services of exchange members must be conducted through the IDX. In order for a trade (except a block trade) to be made on the IDX, both the cash and securities settlement must be conducted through the facilities of the IDX. Short selling and margin trading are allowed, subject to fulfillment of certain requirements such as: (i) the maintenance of a regular securities account that shows the transaction records of the trader, (ii) the maintenance of a margin trading or short selling financing securities account, and (iii) an initial deposit of Rp. 200 million into the margin trading or short selling financing securities account. Under the prevailing laws, only a member of the IDX that has obtained approval from the IDX can enter into a short selling transaction or margin transaction. Furthermore, the IDX may cancel a transaction if proof exists of fraud, market manipulation or the use of insider information. The IDX may also

suspend trading if there are indications of fraudulent transactions or artificial inflation of share prices, misleading information, use of insider information, counterfeit securities or securities blocked from trading, or any other material event. The IDX may suspend trading of certain securities or suspend certain members of the stock exchange.

Members of the IDX charge a brokerage fee for their services, based on agreement with their client, up to a maximum of 1.0% of the transaction value. When conducting share transactions on the IDX, exchange members are required to pay a transaction cost equal to 0.018% of the transaction value (for transactions in the regular and cash markets) and a transaction cost based on the exchange policy (for transactions in the negotiated markets). Exchange members generally pass on these costs to their clients. The transaction cost is a minimum of Rp. 20 million per month as contribution for the provision of exchange's facilities (which continues to apply for exchange members in suspension or with frozen membership). The clients are also responsible for paying a 10.0% value added tax on the amount of brokerage fee and transaction cost. Indonesian sellers are also required to pay a withholding tax of 0.1% (plus an additional 0.5% for founder shares) of the total transaction value. Additionally, a stamp duty of Rp. 3,000 is payable on any transaction with a value between Rp. 250,000 and Rp. 1 million and stamp duty of Rp. 6,000 is payable on every transaction with a value of more than Rp. 1 million. See "*Taxation.*"

Shareholders or their appointees may request at any time during working hours that the issuer, or a securities administration bureau appointed by the issuer, register their shares in the issuer's registry of shareholders. Reporting of share ownership to OJK is mandatory for: (i) members of the Board of Directors; (ii) members of the Board of Commissioners; and (iii) shareholders whose ownership has reached 5.0% or more of an issuer's issued and fully paid up capital. Those shareholders must report their ownership to OJK within 10 days after the transaction.

The table below sets forth certain information on the IDX for the periods or as of the dates indicated.

	For the Year Ended December 31,					For the Six Months Ended June 30,
	2011	2012	2013	2014	2015	2016
Market capitalization (Rp. trillion)	3,537	4,127	4,219	5,228	4,873	5,387
Trading volume (million shares)	1,203,550	1,053,762	1,342,657	1,327,016	1,446,314	656,739
Average daily trading volume (million shares) . .	4,873	4,284	5,503	5,484	5,928	5,296
Trading value (Rp. billion) . .	1,223,441	1,116,113	1,522,122	1,453,392	1,406,362	715,310
Average daily trading value (Rp. billion)	4,953	4,537	6,238	6,006	5,764	5,769
Number of listed companies.	440	459	483	506	521	529

Source: IDX summary statistics

Offering, Listing and Reporting Regulations

OJK regulates and monitors securities issues which are publicly offered or listed in Indonesia. Initial securities offerings are generally conducted as underwritten public offers for sale by subscription. OJK regulates offering and allocation procedures.

Unless waived, companies are required to meet certain requirements in order to become listed on the IDX which are set out in the Decision of the Indonesia Stock Exchange No. Kep-00001/BEI/01/2014 regarding the Amendment of Regulation No. I-A regarding Listing of Shares and Equity-Linked Securities other than Shares Issued by Listed Company issued on January 20, 2014, which came into force on January 30, 2014 (“IDX Listing Regulation No. I-A”), which revoked some of the provisions in the Decision of the Board of Directors of Indonesian Stock Exchanges No. Kep-305/BEJ/07-2004 dated July 19, 2004, regarding Listing of Shares and Equity-Linked Securities other than Shares Issued by Listed Company as the previous IDX Listing Regulation No. I-A.

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

- an annual report to be submitted not later than four months after the end of the financial year of the company;
- consolidated financial statements consisting of:
 - (i) an annual financial report audited by an accountant registered with OJK, to be submitted not later than three months after the date of such report;
 - (ii) any of the following mid-year reports: (a) a mid-year report (unaudited), to be submitted not later than one month after the date of such report; (b) a mid-year report with limited review by an accountant registered with OJK, to be submitted not later than two months after the date of such report; or (c) a midyear report audited by an accountant registered with OJK containing a full opinion on the fairness of such report, to be submitted not later than three months after the date of such report; and
 - (iii) quarterly reports, the preparation of which is required by the rules of the IDX, to be submitted to the IDX not later than one month after the date of such report for a non-audited report, two months after the date of such report for a limited audit report, and three months after the date of such report for a fully audited report;
- material information that is important and relevant according to BAPEPAM-LK regulations and which may affect the value of the security or an investment decision, such as a merger, acquisition, consolidation, stock split, distribution of a stock dividend, change in management, replacement of public accountant, replacement of trustee, material legal claims, and other important information possibly affecting share prices on the exchange; such information must be submitted to OJK and announced publicly no later than two working days after such information is revealed;
- a copy of any amendment to the company’s Articles of Association;
- the purpose of the utilization of net proceeds from the initial public offering;
- notice of any change in the composition of the company’s Board of Directors or Board of Commissioners;
- report on shareholding and any change in shareholding;
- notice on appointment and replacement of corporate secretary; and
- notice of any material deviation from projections published by such companies.

Based on the Circular Letter of the Chairman of BAPEPAM-LK No. SE-01/BL/2007, a company that consolidates its subsidiaries into its financial statements and that wishes to submit a registration to OJK in relation to a public offering or rights issue is required to submit the following documents:

- the consolidated financial statements of the company;
- individual/stand alone, unconsolidated financial statements of the company; and
- individual/stand alone, unconsolidated financial statements for each subsidiary whose financial statements are consolidated into the financial statements of the company.

In addition, the annual financial statements submitted to OJK for any subsidiary of a listed company must be audited by a public accountant if the subsidiary in question fulfills any of the following requirements:

- such subsidiary is a public company;
- such subsidiary is engaged in a line of business related to the generation of public funds;
- such subsidiary issues an acknowledgement of indebtedness;
- such subsidiary has assets equal to or greater than Rp.25.0 billion;
- the terms of any such subsidiary's existing debt require it to audit its annual financial statements;
- such subsidiary is a state enterprise; or
- such subsidiary is otherwise required by law to do so.

Insider trading, fraud and market manipulation of securities are prohibited under Indonesian capital markets laws. In such circumstances, a transaction may be cancelled or suspended by the IDX or OJK may suspend or revoke the license of the capital market supporting institution and supporting professionals involved. A party engaging in (i) misleading conduct, fraud or falsification in connection with the sale of securities; (ii) other actions to mislead the public regarding trading activities, market conditions or price or (iii) insider trading is liable for the loss incurred and faces a fine of up to Rp. 15.0 billion and imprisonment of up to 10 years.

Scripless Trading

On December 23, 1997, a private limited company, the Indonesian Central Securities Depository, PT Kustodian Sentral Efek Indonesia, or KSEI (See “—*KSEI*”), was established to serve as the central securities clearing house. On November 11, 1998, KSEI obtained a license from BAPEPAM to act as an approved central securities depository and settlement institution. The shareholders of KSEI are currently 27 securities firms, holding 31.2% of KSEI's shares, nine custodian banks, holding 35.6% of KSEI's shares, four Share Registrars (*Biro Administrasi Efek*), holding 4.0% of KSEI's shares, the IDX and KPEI, holding 28.2% of KSEI's shares and one Treasury Stock, holding 1% of KSEI's shares. In 2000, KSEI introduced the Central Depository and Book Entry Settlement System, or “C-Best,” a computerized system for the registration and settlement of securities.

In 2000, BAPEPAM implemented regulations to provide for a scripless trading system. Under the scripless system, a member broker, sub-broker or local custodian (the “KSEI Participant”), may deposit with KSEI certificates evidencing ownership of securities on an account kept for such purpose, making KSEI the registered holder of those securities. Any institution becoming a KSEI participant is required to open at least one account with KSEI for deposit, withdrawal or transfer of securities. After KSEI has accepted a deposit of any securities, it will hold such securities on behalf of its participant or the participant's clients and, as such, investors obtain a beneficial (rather than direct) interest in the shares, which is convertible into a physical share certificate at the direction of the investor. Thus, to establish ownership rights, each holder of an account for deposit, withdrawal and/or

transfer of securities (the “KSEI Account Holder”) is obliged to maintain a list of the owners of securities deposited with it. Sales and purchases of securities are settled on the relevant securities deposit account via a computer system. At the end of each trading day, KSEI delivers a statement showing the balance of securities held for each participant.

A company that intends to register their securities with KSEI enters into a standard registration agreement with KSEI. Subsequently, KSEI Account Holders or KSEI Participants must issue confirmations for the benefit of KSEI for the entire value of the securities deposited with KSEI.

Securities registered with KSEI are recorded and administered electronically in securities accounts opened with KSEI (“KSEI Securities Accounts”) and KSEI Account Holders and administer deposits, withdrawals and transfers of securities through their KSEI Securities Accounts. Parties that are eligible to become KSEI Account Holders are (i) securities companies (ii) custodian banks and (iii) other parties determined by the prevailing capital market laws and regulations. In addition, any institution becoming a KSEI Participant is required to open at least one securities account with KSEI. Each KSEI Account Holder who maintains subscribers’ securities and funds must also open sub-accounts for the deposit of securities and funds on behalf of their customers.

In accordance with the KSEI rules on Central Depository Services, C-Best is the central computerized system for depository services and the settlement of securities transactions by book entry settlement. C-Best is provided by KSEI to KSEI Account Holders. Sales, purchases and conveyances of securities are settled through the C-Best system by setting off the relevant securities in the appropriate KSEI Securities Accounts. At the end of each trading day, KSEI delivers, through the C-Best system, a statement to each KSEI Account Holder showing the balance of securities held by that KSEI Account Holder.

Pursuant to a Circular Letter issued by BAPEPAM No. 5E-01/PBI/2001 dated November 23, 2001, listed companies must register their shares in a central depository prior to June 30, 2002. Further, on January 15, 2003, BAPEPAM issued a new regulation, effective as of May 1, 2003, which requires each KSEI Participant holding securities on behalf of a client to:

- establish a securities sub-account on behalf of each client and record each client’s securities account in such sub-account;
- ensure that the balance in the customer’s security account in the KSEI Participant’s books is always equivalent with the balance in the sub-account with KSEI;
- take measures to ensure that the identity of each client is properly recorded by the KSEI Participant; and
- take measures to ensure that the securities sub-account balance of each client is and remains correct.

Transfers of Shares

Transfers of listed shares on the IDX are governed by the Company Law and IDX rules. Under the Company Law, as a general matter, ownership of shares is based on the registration of ownership in the relevant company’s share register. To be valid against the issuing company, a request for an entry of the transfer into a share registry must be received by the company. To be valid against a third party, the entry of the transfer must actually be made into the share register.

Transfer of scripless shares are made by way of appropriate instructions to the relevant brokers, sub-brokers or custodians with whom the transferor and the transferee involved maintain securities

accounts in accordance with the individual arrangements with such brokers, sub-brokers or custodians. Upon receipt of such instructions, the relevant brokers, sub-brokers or custodians will, in accordance with such arrangements, effect the relevant changes in the register they are required to maintain for rights and entitlements purposes.

Effective as of June 30, 2002, only shares held through KSEI (and which have not been pledged or foreclosed upon based on a court order, or seized for the purpose of criminal proceedings) may be traded on the JSX or SSX, now IDX.

Securities transaction settlement services are part of the central depository services provided for the fulfillment of the rights and obligations as the result of stock exchange transactions or over-the-counter transactions by means of the transfer of securities and or funds between securities accounts. The settlement of stock exchange transactions is performed by KSEI based on transfer instructions received from both a selling Clearing Member (defined as a member of a stock exchange registered as the KSEI Clearing Member) and a buying Clearing Member. Alternatively, KSEI may settle over-the-counter transactions based on transfer instructions from a selling KSEI Account Holder and acceptance from a buying KSEI Account Holder and the availability of sufficient securities in the sub-account. Over-the-counter transfer instructions must also state whether the transaction requires a payment or not. When a transfer of securities and/or funds is completed and settled, KSEI submits a report to KPEI or the Clearing Member on the settlement of a stock exchange transaction or provides a confirmation to the relevant KSEI Account Holder for an over-the-counter transaction.

Under BAPEPAM-LK Regulation No. IX.H.1 on Take Over of Public Companies (Regulation IX.H.1), an acquisition of more than 50% of the shares of a public company or acquisition of direct or indirect control of the management or policy of a public company will be deemed as an acquisition of a public company and thus trigger a tender offer by the new controlling shareholder. The new controlling shareholder will have to conduct a tender offer for all the other shares in the public company, except for: (i) shares owned by shareholders which conducted the acquisition in conjunction with the new controlling shareholders, (ii) shares owned by other parties which received an offer on the same terms and conditions with the new controlling shareholder, (iii) shares owned by other parties which are conducting a tender offer at the same time on the same public company's shares, (iv) shares owned by the majority shareholders, and (v) shares owned by the other controlling shareholders in the public company. If the tender offer results in the new controlling shareholder holding more than 80% of the total paid-up capital in the public company, the new controlling shareholder must transfer a certain amount of the shares to the public so that 20% of the total paid-up shares in the public company is owned by the public, and the shares must be owned by more than 300 parties within two years after the completion of the tender offer. If the acquisition results in the new controlling shareholder obtaining more than 80% of the total paid-up capital in the public company, the new controlling shareholder will have to transfer the shares to the public equal to the percentage of shares obtained in the tender offer, at a minimum, and the shares must be owned by at least 300 parties within two years after the completion of the acquisition.

KSEI

KSEI is a self-regulating organization and is licensed and regulated by OJK. Under KSEI's rules, securities companies or custodian banks fulfilling certain criteria and authorized by OJK may become KSEI Participants. The principal shareholders of KSEI are large custodian banks, securities companies, share registrars (*Biro Administrasi Efek*), IDX and KPEI. In the scripless system, the role of KSEI is to settle the transfer and receipt of securities and to act as the central securities depository. KPEI's role is to conduct fund settlement.

KSEI is managed by a Board of Directors as supervised by a Board of Commissioners who are subject to the provisions of the Company Law. KSEI is also a member of several international associations that are related to securities depositories, including the Association of National Numbering Agency, the International Society of Securities Administrators, and the Society for Worldwide Interbank Financial Telecommunication and Asia Pacific Central Securities Depositories Group.

OJK sets strict standards for the internal controls of KSEI. These standards call for daily reconciliation of account balances between KSEI and the issuers whose securities are held in the name of KSEI. This daily reconciliation is required to be verified continuously by the head of the audit unit of KSEI who must report this verification to the Internal Control Committee of KSEI, the Board of Directors of KSEI and OJK. Each KSEI Participant has the right to send auditors to KSEI to verify the reconciliation of its accounts with those of KSEI and the right to send auditors to verify the registry of the securities on the books of the issuer.

The internal control systems of KSEI are required to be audited annually by an independent auditor with international experience and reputation and to include a review of the protections against fraud, embezzlement, natural disruptions and electronic damage. This report is to be sent to all KSEI shareholders along with the annual report.

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

- access to data processing functions, record-keeping functions and customer account service areas of KSEI must be restricted;
- KSEI must have a primary computer and back-up computer at different locations that allow continued processing within two hours of a breakdown of the primary computer;
- duplicate electronic records must be maintained in repositories that are at least 30 kilometers away from each other;
- software development and maintenance are required to be segregated from data processing operations; and
- a special security division of KSEI's own funds is required to be segregated from data processing operations; all debits and credits to securities accounts must be based on instructions of account holders and controlled by a division that is separate from the data processing division.

In addition to the oversight of internal controls and specific regulations regarding recovery and security, the legal basis for securities accounts permits recovery of an investor's assets even in the event of destruction of all records of KSEI. This is done based on investor's confirmations and statements and records of the issuer, all of which are maintained independently from records of KSEI. With daily reconciliation of key records, strong internal control supervision by major banks, special security measures, and legal safeguards, recovery is possible even if there is a catastrophic occurrence.

IDX Listing, Relisting, Delisting and Corporate Governance Rules

The IDX listing rules for equity securities and regulations are aimed at enhancing good corporate governance and clarifying listing, relisting and delisting criteria, sanctions for violation of stock exchange rules and e-reporting and monitoring.

The listing rules also introduced the two board system, comprising the Main Board and the Development Board.

The Main Board serves as the flag-carrier of the IDX and is intended for companies fulfilling regional listing standards relating to size, track record and net tangible assets. The Development Board allows both large and small companies with prospects but that do not qualify to list on the Main Board yet, as well as companies in the recovery phase, to be listed on the IDX.

Under the listing rules, a company is deemed qualified to undertake an initial listing on the Main Board if it fulfills certain requirements, including having:

- a registration statement declared effective by OJK;
- been duly incorporated as a limited liability company and operated in the same core business for at least three consecutive years;
- record an operating profit for at least the latest 1 (one) financial year;
- net tangible assets of at least Rp. 100 billion;
- audited financial reports covering at least the last three years and unqualified audit opinions from the auditor covering the financial reports for the last two years and the last audited interim report;
- at least 1,000 shareholders, each holding a securities account with the stock exchange members; and
- shares owned by minority shareholders immediately after the initial listing within five stock exchange days before the listing application which are at least 300 million shares in number and meet the following conditions: (i) at least 20% shares of the paid up capital for a company which has an equity value of less than Rp. 500 billion before listing; (ii) at least 15% shares of the paid up capital for a company which has an equity value ranging from Rp. 500 billion to Rp.2 trillion before listing; or (iii) at least 10% shares of the paid up capital for a company which has an equity value of more than Rp.2 trillion before listing.

Under the listing rules, a company is deemed qualified to undertake an initial listing on the Development Board if it fulfills certain requirements, including having:

- a registration statement declared effective by OJK;
- been duly incorporated as a limited liability company and operated in the same core business for at least the last 12 consecutive months;
- net tangible assets of at least Rp. 5.0 billion;
- operated for at least the past 12 consecutive months in the same core area of business activity;
- unqualified audit opinions from the auditor covering the financial report for the last 12 months and the last audited interim report (if any);
- for a company which has experienced loss or has not booked any profit or has been operated for less than two years, (i) based on its financial forecast to be announced in the stock exchange at the latest at the end of the second financial year as of the listing date it has obtained operational and net profits; or (ii) based on its financial forecast by no later than at the end of the company's sixth financial year as of the listing date, it has obtained operational and net profits, especially if the proposed listed company is a company that by nature of its business will likely require a longer period of time to reach a breakeven point (such as infrastructure, plantation, forestry concession right, or industrial forest concession right or other business related to public service);
- at least 500 shareholders, each holding a securities account with the stock exchange members; and
- shares owned by minority shareholders immediately after the initial listing within five stock exchange days before the listing application which are at least 150 million shares in number and meet the following conditions: (i) at least 20% shares of the paid up capital for a company which

has an equity value of less than Rp. 500 billion before listing; (ii) at least 15% shares of the paid up capital for a company which has an equity value of more than Rp. 500 billion to Rp.2 trillion before listing; or (iii) at least 10% shares of the paid up capital for a company which has an equity value of more than Rp.2 trillion before listing.

The rules allow a company listed in the Development Board, to be promoted to the Main Board if it fulfills the requirements for listing on the Main Board.

A company can be delisted voluntarily or involuntarily by the stock exchange. A company can be delisted if it fulfills one of the following conditions, (i) suffers certain conditions which adversely affects the going concern of the company, financially or legally, or to adversely affect the continuing status of the company as a public listed company and the company has not shown any sufficient remedial actions; or (ii) its shares are suspended from the regular market and the cash market and may only be traded in the negotiation market for at least the last 24 months.

Under the IDX Listing Regulations No. I-A, all companies listed on the IDX must have:

- independent commissioners comprising of at least 30.0% of the total number of members of the Board of Commissioners, each serving a maximum of two consecutive terms in accordance with the Articles of Association terms of office;
- at least one independent director serving a maximum of two consecutive terms in accordance with the Articles of Association terms of office;
- an audit committee;
- an internal audit unit;
- a Board Directors and Board of Commissioners who have fulfilled the conditions in Decision of Chairman of OJK Regulation No. 33/POJK.04/2014 concerning the Directors and Commissioners of Listed Company and Public Company;
- a full underwriting commitment from underwriters;
- a corporate secretary;
- a nominal value of shares of at least Rp. 100;
- at least fifty million shares owned by parties other than the controller and majority shareholder, in which such shares must comprise of at least seven point five percent of the company's paid up capital; and
- the company's shares owned by at least 300 shareholders having a securities account as an exchange member.

Based on OJK Regulation No. 55/POJK.04/2015 concerning the Formation and Implementation Guidance for audit committee, issued in December 29, 2015, or "OJK Regulation No. 55," and IDX Listing Regulation No. I-A, an independent commissioner in a listed company must:

- come from outside the listed company;
- not own any shares of the listed company directly or indirectly;
- not have an affiliated relationship with the listed company, commissioners, directors or principal shareholders or controlling shareholders of the listed company;

- not hold a dual position as a director of another company which is an affiliate of the listed company;
- not have any business relationship which is directly or indirectly related to the listed company's business activity; and
- have adequate knowledge of all relevant capital markets regulations.

The audit committee must be comprised of at least three members, one of whom must be an Independent Commissioner of the listed company who will serve as chairman of the audit committee. The other members must also be independent persons, at least one of whom must be an expert in the field of accounting and/or finance.

Pursuant to the OJK Regulation No. 55, the following persons are prohibited from becoming members of the audit committees of a listed company:

- any insider person of the public accountant, legal counsel or other party who give audit, non-audit and/or other consultation services to the Company in the last six months before his appointment as a member of the audit committee;
- any party that has the authority and responsibility to plan, direct or control the activity of the listed company in the last six months before his appointment as a member of the audit committee, except an independent commissioner;
- any party which owns shares, either directly or indirectly, in the listed company, and in the event that a member of the audit committee acquires shares as the result of a legal action, then he must dispose of such shares within six months from such acquisition;
- any party which has a family relationship, either by marriage or blood, up to second degree vertically or horizontally with any commissioner, director or principal shareholder of the listed company; and/or
- any party which has business relationship which is directly or indirectly related to the listed company's business activity.

In addition to the above, each member of the audit committee must:

- have high integrity, ability, knowledge, and adequate experience (including any relevant educational qualifications) and good communications skills;
- be capable of reading and understanding financial reports, the company's business (particularly in relation to the service or business operations of the company), audit processes, risk management, and capital markets, and the prevailing rules and regulations, and at least one member of the audit committee must have an educational qualification in accountancy or finance;
- have at least 1 member with accounting and finance education and experience;
- comply with the code of ethics of the audit committee, as adopted by the company; and
- commit to enhancing his/her professional knowledge through education and training.

Pursuant to IDX Listing Regulation No. I-A, an independent director in a listed company:

- may not have an affiliated relationship with the company's controlling shareholders for at least six months before his appointment as a non-affiliated director in a listed company;
- may not have an affiliated relationship with any commissioner or other director of the listed company;
- may not act as a director of another company; and
- may not be an insider at a capital market supporting professional or institution of which his/her/its service was used by the listed company for six months before his appointment as a director of the listed company.

The function of a corporate secretary shall be performed by one of the directors of the listed company, or an official of the listed company designated to carry out such function. The corporate secretary acts as a liaison or contact person between the listed company, governmental authorities including OJK and the public. The corporate secretary must have access to material and relevant information relating to the listed company and must be familiar with all statutory regulations relating to capital markets, particularly on disclosure matters.

Reporting Requirements

According to OJK Regulation No. 60/POJK.04/2015 concerning the Disclosure Requirements for Certain Shareholders, the director or commissioner of a listed company or a public company must report to OJK with regard to their ownership and the changes of ownership of the shares in the listed company or public company within 10 days of the transaction. Such reporting obligation also applies to a shareholder that owns 5% or more of the paid up capital in the listed company or public company.

Any such report shall contain the following information:

- the name, address and nationality of the relevant person;
- the number of purchased or sold shares, as the case may be;
- the price of the shares purchased or sold;
- the date of the purchase or sale; and
- the purpose of the purchase or sale.

A copy of such report must be made available to the public and can be obtained at OJK's office.

Amended BAPEPAM-LK Regulation on Annual Reporting Requirements

Decision of Chairman of BAPEPAM-LK No. Kep-134/BL/2006 on Regulation No. X.K.6 concerning Annual Reporting Requirements for Issuer or Public Company which generally governs the submission timeframe and contents of the annual reports of public companies, was amended by Decision of Chairman of Bapepam-LK No. Kep-431/BL/2012 dated August 1, 2012 or "BAPEPAM-LK Regulation No. X.K.6". Recently, on July 29, 2016, OJK issued OJK Regulation No. 29/POJK.04/2016 on Annual Reports of Issuers or Public Companies ("OJK Regulation No. 29/2016") which will revoke BAPEPAM-LK Regulation No. X.K.6 effectively on January 1, 2017.

While for the most part BAPEPAM-LK Regulation No. X.K.6 deals with procedural/technical matters related to corporate and accounting information, it also introduces a number of new features. One new provision makes it mandatory for a public company to reveal its ultimate principal or controlling shareholder, clearly spelled out in diagrammatic or chart form. In addition, Bapepam-LK Regulation No. X.K.6 introduces a much broader reporting requirement for corporate social responsibility activities, and the mandatory reporting of any whistleblowing arrangements that may be in place.

Corporate Social Responsibility

BAPEPAM-LK Regulation No. X.K.6 includes a corporate social responsibility reporting requirement, including the need to supply information on environmental responsibility (use of environmentally friendly/recyclable materials, renewable energy, waste treatment, environmental classification, etc.), labour, and occupational health and safety issues (gender equality, employee turnover, training, occupational accidents, etc.), social and community development (employment of local manpower, community empowerment, provision of social infrastructure, donations, etc.), and product responsibility (product information, response to consumer complaints, etc.). In addition, corporate social responsibility activities must be reported in a dedicated section of the Annual Report.

This is a new development and ties in with Article 74(4) of the Company Law, as elaborated by Government Regulation No. 47 of 2012 concerning Companies Corporate Social Responsibility, which makes Indonesia one of the few countries in the world to practice mandatory corporate social responsibility. However, there is no oversight other than that provided by shareholders and the public at large. There are also no generally applicable sanctions that have been implemented for companies that fail to comply with this directive.

Additional Disclosures

BAPEPAM-LK Regulation No. X.K.6 also requires the disclosure of information on employee/management stock options, if any, including information on the amounts and timeframes involved, participation requirements, and the prices at which such options are exercised. In addition, a description must be given of the company's code of ethics (if any), including the key provisions of the code, how it is familiarized to employees, and information on corporate culture.

Further, OJK Regulation No. 8/POJK.04/2015 concerning Issuer or Public Company Websites requires issuer or public companies to serve information in Bahasa Indonesia and one other language, at least English Language. The minimum information disclosed in the website are general information of the company, information for investors, information concerning good corporate governance, and information concerning corporate social responsibility.

Corporate Governance of Public Companies

On November 17, 2015, OJK issued OJK Regulation No. 21/POJK.04/2015 on the Implementation of Corporate Governance Guidelines for Public Companies ("POJK No. 21/2015"), which set out several requirements on good corporate governance for public companies. Pursuant to POJK No. 21/2015, public companies are obliged to implement corporate governance guidelines made by the OJK ("GCG Guidelines") and required to disclose information on the implementation of the recommendation mentioned in the GCG Guidelines their annual report. The GCG Guidelines are contained in the OJK Circular Letter No. 32/SEOJK.04/2015 on the Corporate Governance Guidelines for Public Companies ("SEOJK No. 32/2015").

GCG Guidelines provide several recommendations to assist public companies to implement good corporate governance principles, inter alia, to set self-assessment procedures for the board of directors and board of commissioners, to issue an internal policy on whistleblowing system, to provide and retain summaries of the resolutions of the general meetings of the shareholders on the company's website for at least a year.

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

Failure to implement the GCG Guidelines may be subject to administrative sanctions imposed by the OJK in the form of written warning and fine, among other things.

TAXATION

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

Indonesian Taxation

The following is a summary of the principal Indonesian tax consequences of the ownership and disposition of shares for a non-resident individual or non-resident entity (a “Non-Indonesian Holder”) that holds shares in an Indonesian company. It does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase shares. A “non-resident individual” is a foreign national who does not reside in Indonesia or is not physically present in Indonesia for more than 183 days during any 12-month period, during which period, such non-resident individual receives income in respect of the ownership or disposition of the shares (unless an individual is deemed as a tax resident if he intends to reside in Indonesia, indicated by obtaining a working visa or limited stay permit card (KITAS) or having a contract of employment, business, or activities that are performed in Indonesia for more than 183 days), and a “non-resident entity” is a corporation or non-corporate body that is established under the laws of a jurisdiction other than Indonesia, is not domiciled in Indonesia and does not have a fixed place of business or permanent establishment in Indonesia during an Indonesian tax year in which such non-Indonesian entity receives income in respect of the ownership or disposition of shares.

Taxation of dividends

Dividends declared by the Company out of retained earnings and distributed to a Non-Indonesian Holder in respect of the Shares are subject to Indonesian withholding tax, currently at the rate of 20%, on the amount of the distribution or on the shareholders’ proportional share of the value of the distribution. A lower rate provided under certain double taxation treaties may be applicable provided that, among other things, the recipient is the beneficial owner of the dividend and is a resident of a treaty country. In order to benefit from the reduced rate under the relevant double taxation treaty, the Non-Indonesian Holder must confirm that it is the beneficial owner of the dividend (certain criteria must be met as regulated by the Indonesian Tax Authorities) by providing a Directorate General of Taxation (“DGT”) 1 Form or DGT 2 Form (for banking and certain institutions only) as regulated in DGT Regulation No. PER-61/PJ/2009 and PER-62/PJ/2009 (as amended by DGT Regulation No. PER-24/PJ/2010 and PER-25/PJ/2010). The competent tax authorities of the jurisdiction where the recipient Non-Indonesian Holder is domiciled must endorse page one of either form. Page one is effective for 12 months from the authorization date. If the DGT 1 Form is used, page two must be completed and signed by the Non-Indonesian Holder. There is no page two for the DGT 2 Form. Original Certification of Residency can be used in the case the competent tax authorities of the jurisdiction where the recipient Non-Indonesian Holder is domiciled refuses to endorse the DGT 1 form or DGT 2.

The Original Certificate of Residency is issued in the format of the tax treaty partner country with the following requirements:

- written in English language;
- issued in the year where dividend is distributed but prior to the date when the dividend is distributed;
- constituting the original document or a photocopy legalized by the Tax Office where one of the Tax Withholders/Collectors is registered as a taxpayer;

- stating at a minimum the name of the non-resident taxpayer; and
- containing the signature of the relevant authority, his authorized proxy, or the authorized official of the tax office in the tax treaty partner country or a mark deemed equivalent to a signature in accordance with common practice in the tax treaty partner country and the name of such officer.

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

The completed DGT-1 Form/DGT-2 Form and the Certificate of Tax Residence must be made available before the reporting deadline of tax due.

Tax treaties and Entitlement to Benefits

Indonesia has concluded double taxation treaties with a number of countries including Australia, Belgium, Canada, France, Germany, Japan, Luxembourg, the Netherlands, Singapore, Sweden, Switzerland, the United Kingdom and the United States of America. The relevant tax treaty may also affect the definition of non-resident party. Where a tax treaty exists, provided the eligibility requirements of that treaty are satisfied, there is no misuse of the tax treaty and the administrative requirements under the domestic tax regulations are met, a reduced rate of withholding tax may be applicable.

The Non-Indonesian Holder must not misuse the tax treaty, misuse being defined by the prevailing regulation as follows:

- A transaction does not have economic substance and is conducted through a structure/scheme which has the sole intention of benefiting from a tax treaty;
- A transaction is conducted through a structure/scheme the legal form of which differs from the economic substance for the sole purpose of benefiting from a tax treaty; or
- An income recipient is not the beneficial owner of the income (the criteria of beneficial owner as meant here only applies to income where in the relevant tax treaty article beneficial ownership requirements are mentioned).

In addition to the above, to obtain the benefit of an applicable tax treaty, the recipient of dividend income must also be the beneficial owner of the income and comply with the eligibility requirements of the treaty and the specific requirements in Indonesia. In respect of withholding tax on dividends, the tax treaty rate may be applied if the income recipient is not a tax resident of Indonesia, the administrative requirements for applying the tax treaty provisions are fulfilled and there has been no tax treaty abuse by the offshore taxpayer. DGT regulation PER-62/PJ/2009 (as amended by DGT Regulation No. PER-25/PJ/2010) stipulates that a tax treaty rate is not applicable in the case of “misuse” of a tax treaty, even if the recipient of the income is a tax resident of the tax treaty partner country.

If any of the above requirements are not satisfied, then according to the prevailing regulations issued by the Indonesian Directorate General of Taxation a taxpayer’s entitlement to withholding tax benefits under an applicable tax treaty will be voided and the Indonesian tax resident withholder is obliged to deduct 20% statutory withholding tax rate.

Taxation on the disposition of Shares

Pursuant to Government Regulation No. 41 of 1994 regarding Income Tax on Income from Share Trading Transactions on the Stock Exchange dated December 23, 1994, as amended by Government Regulation No. 14 of 1997 dated May 29, 1997, the sale of shares that are listed on an Indonesian stock exchange is subject to final withholding tax of 0.1% of the gross amount of the transaction value, which should be withheld by the broker handling the transaction.

Currently, the tax regulations for listed shares do not contain any provision in respect of treaty protections. In practice, the 0.1% final withholding tax is applied irrespective of the fact that there may be treaty exemptions. Indonesian tax authorities have a general rule regarding refunds, which may be used where there is an applicable treaty exemption.

Stamp duty

According to Government Regulation No. 24 of 2000, an agreement or document that effects a sale of Indonesian shares is subject to stamp duty of Rp. 6,000 (six thousand Indonesian Rupiah). The nominal amount of the Indonesian stamp duty for any kind of securities transaction having a value greater than Rp. 1 million is Rp. 6,000 but this is reduced to Rp.3,000 for transactions having a value between Rp.250,000 and Rp. 1 million. Generally, the stamp duty is due at the time the document is executed.

PLAN OF DISTRIBUTION

The Offering

We and the Selling Shareholders are offering 234,375,000 Offer Shares, comprising 187,500,000 Primary Shares to be offered by us in the Primary Offering and 46,875,000 Secondary Shares to be offered by the Selling Shareholders in the Secondary Offering, in each case at the Offer Price. The Offering consists of the Primary Offering and the Secondary Offering.

The Primary Offering consists of (i) a public offer of Primary Shares in the Republic of Indonesia (the “Indonesian Offering”) and (ii) a private placement of Primary Shares to eligible investors resident outside of the Republic of Indonesia (the “Primary International Offering”). The Secondary Offering consists of a private placement of Secondary Shares to eligible investors resident outside the Republic of Indonesia. The Primary International Offering and the Secondary Offering are herein referred to as the “International Offering.” As discussed below under “— *Allotment of Offer Shares*,” the Offer Shares may be reallocated between the International Offering and the Indonesian Offering in the event of an under-subscription in one and an over-subscription in the other. The completion of the International Offering is conditional upon the completion of the Indonesian Offering.

Citigroup Global Markets Limited and Credit Suisse (Singapore) Limited are the International Selling Agents in the International Offering. The underwriters in the Indonesian Offering and PT Citigroup Securities Indonesia, PT Credit Suisse Securities Indonesia and PT Indo Premier Securities, as the Lead Domestic Underwriters, and any additional underwriters (the “Additional Underwriters” and together with the Lead Domestic Underwriters, the “Underwriters”).

The Underwriters and the International Selling Agents, severally and not jointly, are procuring subscribers for or, in the event of under-subscription, purchasing the Offer Shares, subject to prior sale, when, as and if issued to and accepted by them, subject to the validity of the Offer Shares and other conditions contained in the Underwriting Agreement, the Selling Agency and Managers’ Agreement and the International Coordination Agreement (each as defined below).

In connection with the Secondary Offering, the Selling Shareholders have appointed the Lead Domestic Underwriters and the International Selling Agents, and the Lead Domestic Underwriters and the International Selling Agents have, severally and not jointly and subject to certain conditions, agreed to purchase and/or procure international purchasers to purchase the Secondary Shares at the Offer Price.

The International Selling Agents and the Underwriters and/or any of their affiliates may subscribe for Offer Shares in the Offering for their own account.

The International Offering

In connection with the International Offering, the Lead Domestic Underwriters and the International Selling Agents have entered into an agreement dated November 18, 2016, as may be amended or supplemented (the “Selling Agency and Managers’ Agreement”), which provides for the coordination of their activities.

In connection with the International Offering, we and the Selling Shareholders have entered into an agreement with the International Selling Agents dated November 18, 2016, as may be amended or supplemented (the “International Coordination Agreement”), which sets out the terms and conditions

upon which the International Selling Agents will solicit eligible investors residing outside Indonesia to subscribe for Offer Shares in the International Offering. The Offer Shares in the International Offering are being offered by the International Selling Agents only outside Indonesia and outside the United States in “offshore transactions” in accordance with Regulation S under the Securities Act.

Purchasers of Offer Shares in the International Offering may be required to pay stamp taxes and other similar charges in accordance with the laws and practices of their country of purchase, in addition to the Offer Price. Pursuant to the International Coordination Agreement, we and the Selling Shareholders have agreed to indemnify the International Selling Agents against certain liabilities in connection with the offer and sale of the Offer Shares, and to contribute to payments which the International Selling Agents may make in respect thereof. In addition, we have agreed to reimburse the International Selling Agents for certain expenses and taxes in connection with the International Offering.

The Indonesian Offering

In connection with the Indonesian Offering, we have entered into an agreement with the Lead Domestic Underwriters (for themselves and on behalf of the other Underwriters) dated September 19, 2016, as amended or supplemented on October 12, 2016 and as further amended on November 18, 2016 (the “Underwriting Agreement”), which sets out the terms and conditions upon which the Underwriters will offer the Primary Shares on our behalf at the Offer Price. If any of the Primary Shares are not subscribed for, purchased or paid for by subscribers pursuant to the Indonesian Offering, the Underwriters have agreed to subscribe for or purchase and pay for such Primary Shares at the Offer Price.

Pursuant to the Underwriting Agreement, we have agreed to indemnify the Underwriters against certain liabilities in connection with the offer and the sale of the Primary Shares.

No offer of Offer Shares is being made to citizens of Indonesia (wherever located) or to residents of Indonesia pursuant to this Offering Circular. The issue of Primary Shares to Indonesian citizens (wherever located) and/or residents of Indonesia will be made pursuant to a prospectus filed with the OJK.

Underwriting Commitments

The table below sets out the respective underwriting commitments of the International Selling Agents and the Underwriters pursuant to the Offering.

	<u>Underwriting Commitment</u>	
	<u>Number of Offer Shares</u>	<u>Approx. (%)</u>
International Selling Agents		
Citigroup Global Markets Limited	23,437,500	10.0%
Credit Suisse (Singapore) Limited	23,437,500	10.0%
Indonesian Underwriters		
PT Citigroup Securities Indonesia	70,312,500	30.0%
PT Credit Suisse Securities Indonesia	70,312,500	30.0%
PT Indo Premier Securities	46,875,000	20.0%
Sub-total	<u>187,500,000</u>	<u>80.0%</u>
Total	<u>234,375,000</u>	<u>100.0</u>

Fees and Expenses

As compensation for services performed in connection with the International Offering, we and the Selling Shareholders have agreed to pay to the International Selling Agents underwriting fees and commissions in an aggregate amount equal to 1.75% of the Offer Price per Offer Share sold in the International Offering, plus a discretionary incentive fee of up to 0.5% of the Offer Price per Offer Share sold in the International Offering. Investors in the International Offering will be required to pay a brokerage fee of 1.0% per Offer Share and may be required to pay stamp taxes and other similar charges in accordance with applicable regulations.

As compensation to the Lead Domestic Underwriters for their respective commitments to procure investors to purchase (or, in the event of under-subscription, to purchase) Primary Shares in the Indonesian Offering, we have agreed to pay to the Underwriters underwriting fees and commissions in an aggregate amount of 1.75% of the Offer Price per Offer Share sold in the Indonesian Offering, plus a discretionary incentive fee of up to 0.5% of the Offer Price per Primary Share sold in the Indonesian Offering.

We will reimburse the International Selling Agents and the Lead Domestic Underwriters for certain costs, fees and expenses incurred in connection with or incidental to the Offering.

Important Dates

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

Event	Date
Effective date of the OJK registration statement	November 29, 2016
Announcement of Final Abridged Prospectus	November 30, 2016
Commencement of offer period in Indonesian Offering	November 30, 2016
End of offer period in Indonesian Offering	December 2, 2016
Allotment of Primary Shares to successful applicants.	December 5, 2016
Payment due by investors in the Primary International Offering	December 6, 2016
Settlement Date for the Primary Offering	December 6, 2016
Listing of Offer Shares on the IDX	December 7, 2016
Payment due by purchasers in the Secondary Offering	December 7, 2016
Settlement Date for Secondary Offering	December 7, 2016

Registration with the OJK

We submitted a registration statement to the OJK on September 20, 2016 in accordance with Bapepam-LK Regulation No. IX.A.1 as attached to the Decision of the Chairwoman of Bapepam-LK No. KEP-690/BL/2011 dated December 30, 2011 and Bapepam-LK Regulation No. IX.A.2 as attached to the Decision of the Chairman of Bapepam-LK No. KEP-122/BL/2009 dated May 29, 2009. We expect to receive a letter from the Chairwoman of the OJK on or about November 29, 2016 declaring the registration statement effective, pursuant to which we will be permitted to proceed with the Indonesian Offering and, subject to the issuance of listing approval by the IDX, the listing of the Offer Shares.

Offering Period for the Indonesian Offering

The offering period for the Indonesian Offering will begin on or about November 30, 2016 and end on or about December 2, 2016 (the “Offering Period”).

The Underwriters and the International Selling Agents may offer their customers preferential allocations through a fixed allotment of Offer Shares (as described under “— *Allotment of Offer Shares*” below). We expect the International Selling Agents and the Underwriters, through the Lead Domestic Underwriters, to make payment of the net proceeds of the Primary Offering to us on or about December 6, 2016 and the listing of the Offer Shares on the IDX to occur on or about December 7, 2016.

Application for Primary Shares under the International Offering

Each non-Indonesian citizen and non-Indonesian resident must properly complete and submit a share subscription application form in order to be eligible to purchase Primary Shares in the International Offering. The International Selling Agents will be responsible for ensuring the preparation of share subscription forms on behalf of foreign investors purchasing Primary Shares through them in the International Offering. Share subscription applications and allocations in connection with the Indonesian Offering are regulated by OJK regulations.

Share applications must be for a minimum amount of 100 shares and multiples thereof. Each investor may only submit one share application form. The Lead Domestic Underwriters are entitled to accept or refuse a share application in full or in part. Multiple share applications submitted using more than one share application form may either be treated as a single application for allotment purposes or treated, in full or in part, as invalid applications at the sole discretion of the Lead Domestic Underwriters. If there is an over-subscription in the Offering, and if there are multiple share applications submitted by one subscriber using more than one share application form, the Underwriters and the International Selling Agents are only entitled to accept the first order which has been submitted by the subscriber.

Full payment by non-Indonesian citizens and non-Indonesian residents for the number of Offer Shares allocated to them is expected to be made on December 6, 2016. Information as to wire transfer instructions will be made available by the International Selling Agents or the Underwriters to eligible investors upon request. All bank and transfer charges with respect to these payments will be borne by the investors.

Allotment of Primary Shares

Fixed Allotment and Pooling

At the conclusion of the Offering Period, the allotment of the Primary Shares will be made by the Lead Domestic Underwriters, acting as the allotment manager (in such capacity, the “Allotment Manager”), using a combined system of “fixed allotment” and “pooling” in accordance with Bapepam-LK Regulation No. IX.A.7 as attached to the Decision of the Chairwoman of Bapepam-LK No. KEP-691/BL/2011 dated December 30, 2011. Under this rule, the Allotment Manager is required to first apportion the allotment of the Primary Shares using the “fixed allotment” system before using the “pooling” system. The last date by which the Allotment Manager will determine the number of Primary Shares allotted for each applicant is expected to be on or about December 5, 2016.

The Allotment Manager has determined that the Primary Shares will be offered pursuant to a mix of fixed allotment system and a system of pooling. The details of the allotment procedure are set-forth below:

Fixed allotment

The Allotment Manager has determined that the equivalent of up to 99.0% of the Primary Shares being offered will be subject to a fixed allotment system, subject to OJK approval by considering the interests of the individual subscriber or investor. Affiliated Applicants (as defined in “Allocation to Affiliated Parties” below) are prohibited from being allotted Primary Shares under the fixed allotment system.

Pooling allotment

In the event the Indonesian Offering is over-subscribed, the Allotment Manager must implement the pooling allotment procedure after allotments are made under the fixed allotment system, as follows:

1. If, after excluding subscriptions by Affiliated Applicants, the Offering is over-subscribed, non-Affiliated Applicants will have priority for allocations of Primary Shares. To the extent any Offer Shares remain unsubscribed following the allocation of Primary Shares to non-Affiliated Parties, such remaining Primary Shares will be allocated to Affiliated Applicants, pro rata based on the number of Primary Shares subscribed for by each such Affiliated Applicant.
2. If, after excluding subscriptions by Affiliated Applicants, the Offering is under-subscribed, Primary Shares will be allotted to Affiliated Applicants in accordance with the following procedures:
 - a. Each non-Affiliated Applicants will receive one round lot subject to the availability of Primary Shares; otherwise, the Primary Shares will be allocated by lottery; and
 - b. Any remaining Primary Shares will be allocated to Affiliated Applicants, in round lots, pro rata to the number of Primary Shares subscribed for by each such Affiliated Applicant.

Allotment to Affiliated Parties

“Affiliated Applicants” include our Commissioners, Directors (excluding our independent commissioners), our principal shareholders (*pemegang saham utama*), or employees seeking to purchase Primary Shares, or other parties holding at least 20% of the share capital in the Underwriters or any other party affiliated with persons involved in the Offering. Affiliated Applicants will only be allotted Primary Shares if there are excess Primary Shares. Once the applications of non-Affiliated Applicants are satisfied, Affiliated Applicants may be allocated the remaining Primary Shares on a pro rata basis.

Allotment to Foreign Institutions and Individuals

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

Delivery of Primary Shares

We expect that delivery of the Primary Shares will be made on or about December 6, 2016, which will be the business day immediately following the expected date of the final allotment of the Primary Shares in the Offering. The Offer Shares may not be traded by the purchasers thereof prior to the listing of the Offer Shares on the IDX.

The completion of the Secondary Offering is conditional upon the completion of the Primary Offering and the listing of the Company’s Shares on the IDX. Assuming these conditions are satisfied, payment to the Selling Shareholders for the Secondary Shares is expected to take place on or about December 7, 2016 in immediately available funds, and delivery of the Secondary Shares will be made against payment therefor in electronic (scripless) form for their administration in KSEI effected through a crossing of such shares on the IDX on or about December 7, 2016.

Cancellation of the Offering

Prior to the close of and during the Offering Period, we and the International Selling Agents retain the right to cancel the Offering under certain circumstances pursuant to the International Coordination Agreement. The completion of the International Offering is conditional upon the completion of the Indonesian Offering. In addition, the International Coordination Agreement may be terminated in certain circumstances.

Pursuant to Indonesian law requirements, from the date OJK declares the registration statement effective until the end of the public offer period, the Offering may only be terminated by an application made by the Company to OJK for its approval and only in the following circumstances:

- the Composite Index (Indeks Harga Saham Gabungan) on the IDX is down more than 10% on three consecutive days of trading on the IDX;
- a natural disaster, war, riot, fire or labour strike occurs which has a significant effect on our business; or
- an event occurs that, in the determination of the OJK, in accordance with its regulations, has a significant effect on our business.

In addition, the terms of the International Coordination Agreement and the Selling Agency and Managers' Agreement permit the International Selling Agents to terminate the International Offering prior to the date OJK declares the registration statement effective only in certain limited circumstances as provided therein and only with the prior written consent of the Company and, after OJK declares the registration effective, only by mutual agreement of the Company or if the Underwriting Agreement is terminated in any of the circumstances noted in the bullet points above. As a result, the International Selling Agents may not be able to terminate the Selling Agency and Managers' Agreement or the International Coordination Agreement even when there has occurred a material adverse change or development in our financial condition or business, a suspension of trading on certain securities exchanges, a disruption of commercial banking or securities settlement or clearance services or a national or international economic or other crisis or another material adverse event. Even if the International Selling Agents have the option to terminate the International Offering pursuant to the terms of the International Coordination Agreement or the Selling Agency and Managers' Agreement, they may elect not to do so. Any termination of the International Offering in circumstances where the Offering is not or cannot be terminated will result in re-allocation of Primary Shares from the International Offering to the Indonesian Offering, and if there is insufficient demand for the re-allocated Primary Shares under the Indonesian Offering, the Underwriters, which include affiliates of the International Selling Agents, will have to take up such excess Primary Shares.

Each investor subscribing for Offer Shares in the International Offering will be deemed to have acknowledged that it understands that (i) the circumstances under which the Offering may be terminated are more limited compared to initial public offerings in other jurisdictions (such as the United States, the United Kingdom, Hong Kong or Singapore), and (ii) the International Selling Agents may have the right but may not exercise their right to terminate the International Offering even upon the occurrence of events permitting the International Selling Agents to terminate the International Offering pursuant to the terms of the International Coordination Agreement and the Selling Agency and Managers' Agreement. As a result, an investor in the International Offering may be required to complete the acquisition of Offer Shares for which it has agreed to subscribe notwithstanding the occurrence of certain significant events that may result in termination of the initial public offerings in other jurisdictions.

Lock-up Arrangements

The Company has agreed that, without the prior written consent of the International Selling Agents, it will not, for a period of 12 months from the Effective Date, (A) offer, pledge, sell, accept subscription for issue, contract to sell, mortgage, charge, assign, sell any option, warrant or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to subscribe for or purchase, lend, or otherwise transfer or dispose of or create encumbrance over, directly or indirectly, conditionally or unconditionally, or otherwise, any Shares or interests therein or any other securities convertible into or exercisable or exchangeable for or which carry rights to subscribe or purchase any Shares or any interests therein or file any registration statement with respect to any of the foregoing, (B) enter into any swap, hedge, derivative or other transactions or other arrangement that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences

of ownership of the Shares or any interest in the Shares, (C) deposit any of the Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe or purchase any Shares or any interests therein in any depository receipt facilities or (D) publicly announce any intention to do any of the above, whether any such transaction described in clause (A), (B) or (C) above is to be settled by delivery of Shares or such other securities, in cash or otherwise. The foregoing restriction does not apply to the issuance and sale of the Offer Shares or any shares allocated or transferred to any manager or employees under any manager and employee stock option plan.

Each of the Selling Shareholders has agreed that, without the prior written consent of the International Selling Agents, it will not, and that it will procure that its shareholders, affiliates, and nominees of trustees holding Shares in trust for or on its behalf will not, for a period of six months from the Effective Date, (A) offer, pledge, sell, accept subscription for issue, contract to sell, mortgage, charge, assign, sell any option, warrant or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to subscribe for or purchase, lend, or otherwise transfer or dispose of or create encumbrance over, directly or indirectly, conditionally or unconditionally, or otherwise, any Shares or interests therein or any other securities convertible into or exercisable or exchangeable for or which carry rights to subscribe or purchase any Shares or any interests therein or file any registration statement with respect to any of the foregoing; (B) enter into any swap, hedge, derivative or other transactions or other arrangement that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of ownership of the Shares or any interest in the Shares, (C) deposit any of the Shares or any securities convertible into or exercisable or exchangeable for or which carry rights to subscribe or purchase any Shares or any interests therein in any depository receipt facilities or (D) publicly announce any intention to do any of the above, whether any such transaction described in clause (A), (B) or (C) above is to be settled by delivery of Shares or such other securities, in cash or otherwise. The foregoing restrictions do not apply to any Secondary Shares to be offered and sold in the Secondary Offering.

Registration of the Shares in KSEI

The Shares have been registered into the depository facilities of KSEI in accordance with the Agreement for the Registration of Shares into Central Deposit entered into between KSEI and us on September 13, 2016.

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

At the end of the Offering Period, the Allotment Manager will undertake the allotment in the manner set out above and report the allotment result to us. We will issue to KSEI a confirmation of registration in our Register, in the name of KSEI, of the number of Offer Shares allotted as part of the Offering. We will then instruct KSEI to credit the International Selling Agents' and the Lead Domestic Underwriters' securities accounts with KSEI to receive and hold the Offer Shares allotted to the successful applicants. The International Selling Agents and the Lead Domestic Underwriters will then instruct KSEI to distribute the number of Offer Shares allotted to each successful applicant from their securities accounts to the securities account of the relevant KSEI Participant.

As evidence of the allotment of the Offer Shares, the International Selling Agents and the Lead Domestic Underwriters will deliver allotment confirmation forms to the KSEI Participants, which must then be passed on to the relevant investor, in exchange for a subscription receipt. Distribution of the allotment confirmation forms is expected to occur at the latest two working days after the last day of the Offering Period. The International Selling Agents will receive the allotment confirmation forms on behalf of investors purchasing Offer Shares through them in the International Offering. Proof of ownership of the Offer Shares will be in the form of a written confirmation letter from KSEI or the KSEI Participant charged with managing the relevant investor's Offer Shares.

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

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

Prior to certain corporate actions being undertaken by us, KSEI must provide details to us concerning the share entitlements of all the beneficial shareholders on whose behalf Shares are held. A KSEI Participant is obliged to notify each of the beneficial shareholders of their right to exercise their pre-emptive rights, if any, and to have delivery of annual reports and other notices from us including notices of General Meetings of Shareholders. The beneficial shareholders, the KSEI Participant they hold their Shares through, or their legal representatives, have the right to be present and vote at our General Meetings of Shareholders.

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

- within one working day after the record date set for the purposes of assessing the identity of the Shareholders entitled to a dividend or other such rights attached to Shares that have been declared by us;
- prior to the holding of our General Meeting of Shareholders; or
- at our request, based on an instruction from an authorized person or agency to us in accordance with the prevailing laws and regulations.

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

No Public Trading Market for Our Shares

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

- the valuation multiples of publicly traded companies that the Lead Domestic Underwriters and the International Selling Agents believe to be comparable to us;

- our financial information;
- the history of, and the prospects for, us and the industry in which we operate;
- an assessment of our management, past and present operations, and the prospects for, and the timing of, our future revenues;
- the present state of our development; and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for our Shares may not develop. It is also possible that after the Offering, the Shares will not trade in the public market at or above the Offer Price.

Other Relationships

The International Selling Agents and the Lead Domestic Underwriters and certain of their respective affiliates have engaged in, and may in the future engage in, investment banking or financial consulting activities and other commercial dealings in the ordinary course of business with us. The International Selling Agents and the Underwriters and/or any of their affiliates may subscribe for Offer Shares in the Offering for their own account.

Selling Restrictions

General

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

Dubai International Financial Centre

This Offering Circular relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. This Offering Circular is intended for distribution only to Persons of a type specified in those rules. It must not be delivered to, or relied on by, any other Person.

The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The Dubai Financial Services Authority has not approved this Offering Circular nor taken steps to verify the information set out in it, and has no responsibility for it.

The Offer Shares to which this Offering Circular relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Offer Shares offered should conduct their own due diligence on the Offer Shares.

If you do not understand the contents of this Offering Circular you should consult an authorised financial adviser.

European Economic Area

In relation to each Member State of the European Economic Area that has implemented the Prospectus Directive (each a “Relevant Member State”), with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”), no Offer Shares have been offered or will be offered to the public in that Relevant Member State, except that offers of Offer Shares to the public may be made at any time with effect from and including the Relevant Implementation Date in a Relevant Member State in accordance with the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State, as permitted under the Prospectus Directive, subject to obtaining the prior consent of the International Selling Agents for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Offer Shares shall result in a requirement for the publication by the Company or any International Selling Agent of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression “an offer of the Offer Shares to the public” in relation to any of the Offer Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offering and the Offer Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Offer Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

Each subscriber for or purchaser of Offer Shares described in this Offering Circular located within a Relevant Member State will be deemed to have represented, acknowledged and agreed that it is a qualified investor within the meaning of Article 2(1)(e) of the Prospectus Directive. In the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will also be deemed to have represented, acknowledged and agreed that any Offer Shares subscribed for or acquired by it have not been subscribed for or acquired on a non-discretionary basis on behalf of, nor have they been subscribed for or acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Offer Shares to the public other than their offer or resale in a Relevant Member State to qualified investors as so defined in the Prospectus Directive or in circumstances in which the prior consent of the International Selling Agents has been obtained to each such proposed offer or resale.

Hong Kong

This Offering Circular has not been delivered for registration to the Registrar of Companies in Hong Kong and its contents have not been reviewed or authorized by any regulatory authority in Hong Kong. Accordingly: (i) the Offer Shares may not be offered or sold in Hong Kong by means of any document other than to persons that are considered “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made thereunder or in other circumstances which do not result in such document being a “prospectus” as defined in the

Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) or which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) and as permitted under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong); and (ii) no person may issue, or have in its possession for the purpose of issue, any invitation, advertisement or other document relating to the Offer Shares whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Offer Shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and any rules made thereunder.

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

Indonesia

This Offering Circular does not constitute a prospectus for a public offering of securities under Indonesian capital market law and regulations. This Offering Circular may not be distributed or passed on within Indonesia or to persons who are citizens of Indonesia or entities of or residents in Indonesia in a manner which constitutes a public offering of securities under Indonesian capital market law and regulations.

Japan

The Offer Shares have not been and will not be registered in Japan pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended, the “FIEL”) in reliance upon the exemption from the registration requirements since the offering constitutes the small number private placement as provided for in “ha” of Article 2, Paragraph 3, Item 2 of the FIEL.

Korea

The Company is not making any representation with respect to the eligibility of any recipients of this document to acquire the Offer Shares therein under the laws of Korea, including, but without limitation, the Foreign Exchange Transaction Law and Regulations thereunder.

The Offer Shares have not been and will not be registered under the Financial Investment Services and Capital Markets Act of Korea (the “FSCMA”). Accordingly, the Offer Shares may not be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to, or for the account or benefit of, any resident of Korea (as such term is defined under the Foreign Exchange Transaction Law of Korea and its Enforcement Decree), for a period of one year from the date of issuance of the Offer Shares, except (i) where relevant requirements are satisfied, the Offer Shares may be offered, sold or delivered to or for the account or benefit of a Korean resident which falls within certain categories of qualified professional investors as specified in the FSCMA, its Enforcement Decree and the Regulation on Securities Issuance and Disclosure promulgated thereunder, or (ii) as otherwise permitted under applicable Korean laws and regulations.

Furthermore, the Offer Shares may not be re-sold to Korea residents unless the purchaser of the Offer Shares complies with all applicable regulatory requirements (including, but not limited to, governmental approval requirements under the Foreign Exchange Transaction Law and its subordinate decrees and regulations) in connection with purchase of the Offer Shares.

Malaysia

This Offering Circular has not been and will not be registered as a prospectus with the Securities Commission Malaysia under the Malaysian Capital Markets and Services Act 2007 (as amended) (“CMSA”). No prospectus in relation to the Offer Shares which complies with the requirements of the CMSA and the guidelines of the Securities Commission Malaysia has been registered with the Securities Commission Malaysia under the CMSA or with any other regulatory body in Malaysia. Also, no approval or authorization of the Securities Commission Malaysia has been granted for making available, offering for subscription or purchase, or issuing an invitation to subscribe for or purchase the Offer Shares in Malaysia. As such, the Offer Shares will only be made available and offered for sale to persons falling within any of paragraphs 10(a) to (k) of Schedule 5 of the CMSA, provided that the distribution of such Offer Shares is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. This Offering Circular does not constitute and may not be used for the purpose of a public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring (a) the approval or authorization of Securities Commission Malaysia and (b) the registration of a prospectus with the Securities Commission Malaysia under the CMSA.

People’s Republic of China

This Offering Circular does not constitute a public offer of the Offer Shares, whether by sale or subscription, in the People’s Republic of China (the “PRC”). The Offer Shares are not being offered or sold directly or indirectly in the PRC to or for the benefit of legal or natural persons of the PRC.

Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Offer Shares or any beneficial interest therein without obtaining all prior PRC governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this offering circular are required by the Company and its representatives to observe these restrictions.

Singapore

This Offering Circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Offering Circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares may not be circulated or distributed, nor may the Offer Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289 of Singapore) (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Offer Shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Offer Shares pursuant to an offer made under Section 275 of the SFA except:

- (1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

Switzerland

The Offer Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under Article 652a or Article 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under Articles 27 ff. of the SIX Listing Manual or the listing rules of any other stock exchange or regulated trading facility in Switzerland.

Neither this document nor any other offering or marketing material relating to the Offer Shares or the Offering may be publicly distributed or otherwise made publicly available in Switzerland. Neither this document nor any other offering or marketing material relating to the Offer Shares or the Offering or us have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the Offering will not be supervised by the Swiss Financial Market Supervisory Authority FINMA ("FINMA"), and the Offering has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of the Offer Shares.

The Offer Shares are being offered in Switzerland by way of a private placement, i.e., to a small number of selected investors only, without any public offer and only to investors who do not purchase the Offer Shares with the intention to distribute them to the public. The investors will be individually approached from time to time. This document, as well as any other offering or marketing material relating to the Offer Shares, is confidential and it is exclusively for the use of the individually addressed investors in connection with the offer of the Offer Shares in Switzerland and it does not constitute an offer to any other person. This document may only be used by those investors to whom it has been handed out in connection with the Offering described herein and may neither directly nor indirectly be distributed or made available to other persons without our express consent. It may not be used in connection with any other offer and shall in particular not be copied and/or distributed to the public in or from Switzerland.

Taiwan

The Offer Shares have not and will not be registered with the Financial Supervisory Commission of Taiwan or any other governmental authorities of Taiwan, and are not being offered or sold and may not be offered or sold, directly or indirectly, in Taiwan or otherwise, to, or for the benefit of, any resident or entity of Taiwan, except (i) pursuant to the requirements of the securities related laws and regulations in Taiwan; and (ii) in compliance with any other applicable requirements of Taiwan laws.

United Arab Emirates (other than the Dubai International Financial Centre)

This document has not been, and is not intended to be, approved by the UAE Central Bank, the UAE Ministry of Economy, the Emirates Securities and Commodities Authority or any other authority in the United Arab Emirates (the “UAE”), or by the Dubai Financial Services Authority or any other authority in any of the free zones established and operating in the UAE (the “Free Zones”). It should not be assumed that any of us, the International Selling Agents or any placement agent (i) has received any authorization or license from the UAE Central Bank or any other authorities in the UAE or any Free Zone to sell or market the Offer Shares therein; (ii) is a licensed broker, dealer or investment adviser under the laws applicable in the UAE or any Free Zone; or (iii) advises residents of the UAE or any Free Zone as to the appropriateness of investing in or purchasing or selling securities or other financial products.

This document does not constitute a public offer of securities in the UAE under the UAE Commercial Companies Law (Federal Law No. 8 of 1984) (as amended) or otherwise. This document is being distributed to a limited number of selected institutional and other sophisticated investors in the UAE (a) upon their request and confirmation that they understand that the Offer Shares have not been approved or licensed by or registered with the UAE Central Bank or any other relevant licensing authorities or governmental agencies in the UAE and may not be offered or sold directly or indirectly to the public in the UAE; and (b) on the condition that this document will not be provided to any person other than the original recipient, is not for general circulation in the UAE and may not be reproduced or used for any other purpose. The information contained in this document is not intended to lead to the sale of any securities or the consummation of any agreement of any nature within the territory of the UAE.

United Kingdom

Each International Selling Agent has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) received by it in connection with the issue or sale of the Offer Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Offer Shares in, from or otherwise involving the United Kingdom.

United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Offer Shares are being offered and sold only outside the United States in accordance with Rule 903 of Regulation S.

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

- it is aware that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States;

- it is purchasing the Offer Shares in an offshore transaction meeting the requirements of Regulation S; and
- it will not offer, sell, pledge or transfer any Offer Shares, except in accordance with the U.S. Securities Act and any applicable laws of any state of the United States and any other jurisdiction.

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

TRANSFER RESTRICTIONS

As a result of the following restrictions, purchasers are advised to consult their own legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares offered hereby. The Offer Shares have not been and will not be registered under the Securities Act and may not be sold, except to persons outside the United States in offshore transactions in reliance on Regulation S. Terms used in this section that are defined in Regulation S under the Securities Act are used herein as defined therein.

Regulation S Restrictions

Each purchaser of the Offer Shares offered outside the United States pursuant to Regulation S under the Securities Act will be deemed to have represented, agreed and acknowledged that:

- (1) it is authorized to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;
- (2) it acknowledges (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer acknowledges) that such Offer Shares have not been and will not be registered under the Securities Act;
- (3) it certifies that either (A) it is, or at the time the Offer Shares are purchased will be, the beneficial owner of the Offer Shares and is located outside the United States (within the meaning of Regulation S) or (B) it is a broker-dealer acting on behalf of its customer and its customer has confirmed to it that (i) such customer is, or at the time the Offer Shares are purchased will be, the beneficial owner of the Offer Shares, and (ii) such customer is located outside the United States (within the meaning of Regulation S);
- (4) it agrees (or if it is a broker-dealer acting on behalf of a customer, its customer has confirmed to it that such customer agrees) that, it (or such customer) will not offer, sell, pledge or otherwise transfer such Offer Shares except (A) (i) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S, (ii) pursuant to any other available exemption from registration under the Securities Act or (iii) pursuant to an effective registration statement under the Securities Act and (B) in accordance with all applicable securities laws of the states of the United States and any other jurisdiction; and
- (5) we, the Joint Global Coordinators, the Lead Domestic Underwriters, the Underwriters, the International Selling Agents, their affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreement.

General

Each purchaser of the Offer Shares will be deemed to have represented and agreed that it is relying on this Offering Circular and not on any other information or representation concerning us or the Selling Shareholders or the Offer Shares and neither we nor the Selling Shareholders nor any other person responsible for this Offering Circular or any part of it, nor the Lead Domestic Underwriters nor the Underwriters nor the International Selling Agents, will have any liability for any other information or representation.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon for us by Skadden, Arps, Slate, Meagher & Flom LLP as to certain matters of English law and U.S. federal securities law and by Hadiputranto, Hadinoto & Partners as to certain matters of Indonesian law. Certain legal matters in connection with the Offering will be passed upon for the International Selling Agents by Clifford Chance Pte. Ltd. as to certain matters of English law and U.S. federal securities law and by Assegaf Hamzah & Partners as to certain matters of Indonesian law.

INDEPENDENT PUBLIC ACCOUNTANTS

Our consolidated financial statements as of and for the years ended December 31, 2013, 2014 and 2015 and as of and for the six months ended June 30, 2016 have been audited by RSM Indonesia and our consolidated financial statements as of and for the six months ended June 30, 2015 have been reviewed by RSM Indonesia, in each case as stated in their report appearing herein.

INDUSTRY CONSULTANT

Consultancy services firm Frost & Sullivan, was responsible for preparing the industry report dated September 6, 2016 included in this Offering Circular. Frost & Sullivan has given and not withdrawn its written consent to the issue of this Offering Circular with the inclusion herein of its name and all references thereto and to the inclusion of the “Industry” section in this Offering Circular, in the form and context in which they appear in this Offering Circular and to act in such capacity in relation to this Offering Circular.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN INDONESIAN FAS AND IFRS

Our consolidated financial statements included in this Offering Circular have been prepared in conformity with Indonesian FAS, which differs in certain significant respects from IFRS. The summary below should not be taken as an exhaustive list of all the differences between Indonesian FAS and IFRS. No attempt has been made to identify all disclosures, presentations or classification differences that would affect the manner in which transactions or events are presented in our consolidated financial statements (or notes thereto). Those differences that may have a material effect on our consolidated financial statements are summarized below. Management has not quantified the effects of the differences discussed below. Accordingly, we cannot assure you that our consolidated financial statements would not be materially different if prepared in accordance with IFRS.

The regulatory bodies that promulgate the Indonesian FAS are in the process of implementing a staged convergence project to minimize the differences between Indonesian FAS and IFRS. Significant advancements under this project have been made. In making an investment decision, investors must rely upon their own examination of us, the terms of the Offering and the financial information in this Offering Circular. Potential investors should consult their own professional advisors for an understanding of the differences between Indonesian FAS and IFRS, and how those differences might affect the financial information disclosed in this Offering Circular.

First-time Adoption of International Financial Reporting Standard

IFRS 1 (“First-time Adoption of International Financial Reporting Standard”) will not be adopted by Indonesian Financial Accounting Standards. Indonesia has been using a gradual approach in adopting IFRS and it has been considered or included in the transitional provisions in the individual standards/interpretations.

Business Combination

Under Indonesian FAS, acquisitions of subsidiaries and businesses are accounted for using the acquisition method similar to IFRS, except for acquisitions of entities under common control which are accounted for in the same manner as pooling of interest where net assets are transferred at book values. The difference between the acquisition cost and book value of the net assets, equity or other ownership instruments transferred is recorded under “Difference in value of restructuring transaction among entities under common control” under stockholders’ equity. Effective January 1, 2013, the difference between the acquisition cost and book value of the net assets, equity or other ownership instruments transferred is recorded under “Additional Paid-in Capital”.

Under IFRS, an entity should account for each business combination by applying the “acquisition method”. At acquisition date, all identifiable assets, liabilities and contingent liabilities acquired are measured at 100% of fair value (irrespective of the extent of non-controlling interest). All acquisition-related costs (e.g. finder’s fees, professional fees, cost of maintaining an internal acquisition department) are recognized in profit and loss, except for costs incurred to issue debt or equity securities. The acquirer should recognize goodwill as at the acquisition date measured as the excess of the aggregate of (a) the consideration transferred at the acquisition date, plus the amount of any non-controlling interests, plus in a business acquisition achieved in stages, the acquisition-date fair value of any previously-held equity interest in an entity acquired over (b) the net of acquisition-date amount of identifiable assets acquired and liabilities assumed (measured in accordance with IFRS 3). If the value of (b) exceeds (a), and after a review of the procedures used to measure the related accounts is performed to ensure that the measurements appropriately reflect consideration of all available information as of the acquisition date, and an excess remains, the

resulting gain is recognized as bargain purchase in profit and loss. Goodwill acquired in a business combination is not amortized but is tested for impairment annually. Also, under the revised IFRS 3, once control has been achieved, further transactions are accounted for as equity transaction when the parent company acquires further equity interest from non-controlling interest or disposes of an equity interest without losing control. Further, non-controlling interest is measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets (no goodwill is recorded for the non-controlling interest). Combination of entities under common control is outside the scope of IFRS 3.

Consolidated and Separate Financial Statements

Under Indonesian FAS, does not allow a parent entity to present its own separate financial statements as standalone general purpose financial statements. Indonesia FAS stipulates that the separate financial statements have to be presented as supplementary information to the consolidated financial statements.

Under IFRS, a parent entity is allowed to present its own separate financial statements as standalone general purpose financial statements.

Land Rights

Indonesian FAS 16 is consistent with IAS 16 in all significant respects, except that Indonesian FAS 16 made reference to Interpretation to Indonesian Financial Accounting Standard (ISAK) 25 on which land that is held under Right to Build (HGB) or Right to Cultivate (HGU) or Right to Use (Hak Pakai) is not amortized unless there is an indication that the renewal or extension of the rights is not probable or cannot be obtained. Cost to obtain those rights for the first time are capitalized as fixed assets but subsequent costs to extend or renew the rights are recognized as intangible assets and then amortized based on paragraph 11 of ISAK 25.

Under IFRS, land normally has a definite economic life. If title is not expected to pass to the lessee by the end of the lease term, the lessee normally does not receive substantially all the risks and rewards incidental to ownership, in which case the lease of land is an operating lease. For depreciable land, the depreciable amount (cost less residual value) should be allocated on a systematic basis over the asset's useful life similar to property, plant and equipment. Deferred legal expenses on land rights are amortized depending on whether the land right represents an operating lease or a finance lease.

Income Tax

Indonesian FAS, computation of income tax is on entity level and not on a consolidation level.

Under IFRS, in consolidated financial statements, temporary differences are determined by comparing the carrying amounts of assets and liabilities in the consolidated financial statements with the appropriate tax base. The tax base is determined by reference to a consolidated tax return in those jurisdictions in which such a return is filed. In other jurisdictions, the tax base is determined by reference to the tax returns of each entity in the group. A current tax asset of one entity in a group is offset against a current tax liability of another entity in the group if, and only if, the entities concerned have a legally enforceable right to make or receive a single net payment and the entities intend to make or receive such a net payment or to recover the asset and settle the liability simultaneously.

Events After the Reporting Period

Indonesian Financial Accounting Standards (PSAK 8 — Events after the Reporting Period), is consistent with IAS 10 in all material respects, except that IAS 10 requires disclosure in cases where owners or other parties have the power to amend financial statements after issue. PSAK does not require such disclosure.

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PT PRODIA WIDYAHUSADA Tbk

Laporan Keuangan

Untuk Periode Enam Bulan yang Berakhir Pada
30 Juni 2016 dan 2015 (Tidak Diaudit), dan
Untuk Tahun-tahun yang Berakhir Pada
31 Desember 2015, 2014 dan 2013

Financial Statements

*For The Six-Month Periods Ended
June 30, 2016 and 2015 (Unaudited), and
For The Years Ended
December 31, 2015, 2014 and 2013*



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Laporan Keuangan Untuk Periode Enam Bulan yang Berakhir Pada 30 Juni 2016 dan 2015 (Tidak Diaudit), dan Untuk Tahun-tahun yang Berakhir Pada 31 Desember 2015, 2014 dan 2013		<i>Financial Statements For The Six-Month Periods Ended June 30, 2016 and 2015 (Unaudited), and For The Years Ended December 31, 2015, 2014 and 2013</i>
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Board of Directors' Statement Letter

Tentang Tanggung Jawab atas Laporan Keuangan
Regarding the Responsibility for the Financial Statements

Untuk Periode Enam Bulan Yang Berakhir Pada 30 Juni 2016 dan 2015, dan
Tahun-tahun Yang Berakhir Pada 31 Desember 2015, 2014 dan 2013
For The Six-Month Periods Ended June 30, 2016 and 2015, and
For The Years Ended December 31, 2015, 2014 and 2013

PT PRODIA WIDYAHUSADA Tbk

No: 10/DIRKEU/e/X/2016

Kami yang bertanda tangan di bawah ini / We, the undersigned:

- | | | | |
|---|---|---|--|
| 1 | Nama / Name | : | Dewi Muliaty |
| | Alamat Kantor / Office Address | : | Jl. Kramat Raya No.150, Jakarta Pusat |
| | Alamat Domisili sesuai KTP /
Domicile as stated in ID Card | : | Jl.Gn. Merbabu No.23, Jatinegara Baru, RT/RW :004/016
Penggilingan, Cakung, Jakarta Timur |
| | Nomor Telepon / Phone Number | : | 021 – 3144182 |
| | Jabatan / Position | : | Direktur Utama / President Director |
| 2 | Nama / Name | : | Liana Kuswandi |
| | Alamat Kantor / Office Address | : | Jl. Kramat Raya No.150, Jakarta Pusat |
| | Alamat Domisili sesuai KTP /
Domicile as stated in ID Card | : | Perumahan Grand Orchard, Jl. Clover VII, RT/RW :006/011
Blok BH No.11, Sukapura, Cilincing, Jakarta Utara |
| | Nomor Telepon / Phone Number | : | 021 – 3144182 |
| | Jabatan / Position | : | Direktur / Director |

menyatakan bahwa:

- 1 Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan PT Prodia Widyahusada Tbk;
- 2 Laporan keuangan PT Prodia Widyahusada Tbk telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;
- 3 a) Semua informasi dalam laporan keuangan PT Prodia Widyahusada Tbk telah dimuat secara lengkap dan benar;
b) Laporan keuangan PT Prodia Widyahusada Tbk tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;
- 4 Kami bertanggung jawab atas sistem pengendalian internal dalam PT Prodia Widyahusada Tbk.

state that:

- 1 We are responsible for the preparation and the presentation of the financial statements of PT Prodia Widyahusada Tbk;
- 2 The financial statements of PT Prodia Widyahusada Tbk have been prepared and presented in accordance with Indonesia Financial Accounting Standards;
- 3 a) All information in the financial statements of PT Prodia Widyahusada Tbk have been disclosed in a complete and truthful manner;
b) The financial statements of PT Prodia Widyahusada Tbk do not contain any incorrect information or material fact, nor do they omit information or material fact;
- 4 We are responsible for internal control system of PT Prodia Widyahusada Tbk.

Demikian pernyataan ini dibuat dengan sebenarnya.

We certify the accuracy of this statement.

Jakarta, 6 Oktober / October 6, 2016
Atas Nama dan Mewakili Dewan Direksi / For and on Behalf of the Board of Directors


PT PRODIA WIDYAHUSADA

Dr. Dewi Muliaty, M.Si
Direktur Utama / President Director

Liana Kuswandi, S.E, M.Fin.
Direktur / Director


RSM

Amir Abadi Jusuf, Aryanto, Mawar & Rekan

Amir Abadi Jusuf, Aryanto, Mawar & Rekan
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Nomor/Number : R-1/630.AGA/raf.1/2016

Laporan Auditor Independen/ Independent Auditor's Report

Pemegang Saham, Dewan Komisaris dan Direksi/
The Stockholders, Board of Commissioners and Directors

PT Prodia Widyahusada Tbk

Kami telah mengaudit laporan keuangan PT Prodia Widyahusada Tbk terlampir, yang terdiri dari laporan posisi keuangan tanggal 30 Juni 2016 dan 31 Desember 2015; serta laporan laba rugi dan penghasilan komprehensif lain; laporan perubahan ekuitas; dan laporan arus kas untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2016 dan tahun yang berakhir pada tanggal 31 Desember 2015, serta laporan posisi keuangan konsolidasian tanggal 31 Desember 2014 dan 2013; serta laporan laba rugi dan penghasilan komprehensif lain konsolidasian; laporan perubahan ekuitas konsolidasian; dan laporan arus kas konsolidasian untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2014 dan 2013; dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan ini sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

We have audited the accompanying financial statements of PT Prodia Widyahusada Tbk, which comprise the statements of financial position as of June 30, 2016, and December 31, 2015; and the statements of profit or loss and other comprehensive income; statements of changes in equity; and statements of cash flows for the six-month period ended June 30, 2016 and the year ended December 31, 2015, and the consolidated statements of financial position as of December 31, 2014 and 2013; and the consolidated statements of profit or loss and other comprehensive income; consolidated statements of changes in equity; and consolidated statements of cash flows for the years ended December 31, 2014 and 2013; and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan ini berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan bebas dari kesalahan penyajian material.

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan dan laporan keuangan konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan PT Prodia Widyahusada Tbk tanggal 30 Juni 2016 dan 31 Desember 2015; serta kinerja keuangan dan arus kas untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2016 dan tahun yang berakhir pada tanggal 31 Desember 2015, serta posisi keuangan konsolidasian PT Prodia Widyahusada Tbk dan entitas anaknya tanggal 31 Desember 2014 dan 2013; serta kinerja keuangan dan arus kas konsolidasian untuk tahun-tahun yang berakhir pada tanggal 31 Desember 2014 dan 2013, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT Prodia Widyahusada Tbk as of June 30, 2016, and December 31, 2015; and its financial performance and cash flows for the six-month period ended June 30, 2016 and the year ended December 31, 2015, and the consolidated financial position of PT Prodia Widyahusada Tbk and its subsidiaries as of December 31, 2014 and 2013; and their consolidated financial performance and cash flows for the years ended December 31, 2014 and 2013, in accordance with Indonesian Financial Accounting Standards.

Hal-hal lain

Audit kami laksanakan dengan tujuan untuk menyatakan pendapat atas laporan keuangan secara keseluruhan. Informasi tambahan dalam Lampiran atas laporan keuangan PT Prodia Widyahusada Tbk, disajikan untuk tujuan analisis dan bukan merupakan bagian yang diharuskan dari laporan keuangan. Informasi tambahan tersebut telah menjadi obyek prosedur audit yang kami terapkan dalam audit atas laporan keuangan terlampir, dan menurut opini kami, informasi tersebut disajikan secara wajar, dalam semua hal yang material, berkaitan dengan laporan keuangan terlampir secara keseluruhan.

Kami tidak mengaudit atas laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, serta laporan arus kas PT Prodia Widyahusada Tbk untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2015, yang disajikan untuk tujuan perbandingan. Oleh karena itu, kami tidak menyatakan opini atau bentuk keyakinan lainnya atas informasi keuangan tersebut.

Laporan ini diterbitkan dengan tujuan untuk dicantumkan dalam prospektus sehubungan dengan rencana penawaran umum saham PT Prodia Widyahusada Tbk di Bursa Efek Indonesia, serta tidak ditujukan dan tidak diperkenankan untuk digunakan untuk tujuan lain.

Sebelum laporan ini, kami telah menerbitkan laporan auditor independen Nomor: R/630.AGA/raf.1/2016 bertanggal 19 Agustus 2016 atas laporan keuangan PT Prodia Widyahusada Tbk untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2016 dengan opini tanpa modifikasi. Dalam Rangka Penawaran Umum sebagaimana yang dijelaskan dalam Catatan 38 atas laporan keuangan, Perusahaan telah menerbitkan kembali laporan keuangan untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2016, serta untuk tahun-tahun yang berakhir pada 31 Desember 2015, 2014 dan 2013 dengan beberapa tambahan pengungkapan pada catatan atas laporan keuangan terdahulu.

Other matters

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplementary information in Appendix regarding financial statements of PT Prodia Widyahusada Tbk, is presented for the purpose of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the auditing procedures applied in our audit of the accompanying financial statements, and in our opinion, such information is fairly stated, in all material respects, in relation to the accompanying financial statements taken as a whole.

We have not audited the statements of profit or loss and other comprehensive income, changes in equity, and cash flow of PT Prodia Widyahusada Tbk for the six-month period ended June 30, 2015, which are presented for comparative purposes. Accordingly, we do not express an opinion nor other form of assurance on such financial information.

This report has been prepared solely for inclusion in the prospectus in connection with the proposed initial public offering of the shares of PT Prodia Widyahusada Tbk at Indonesia Stock Exchange, and is not intended to be and should not be used for any other purposes.

Previously, we have issued an independent auditors' report Number: R/630.AGA/raf.1/2016 dated August 19, 2016 on the financial statements of PT Prodia Widyahusada Tbk for the six-month period ended June 30, 2016 expressed an unmodified opinion on those statements. In connection with the Company's Public Offering as described in Note 38 to the financial statements, the Company has reissued the financial statements for the six-month period ended June 30, 2016, and for the years ended December 31, 2015, 2014 and 2013 with several additional disclosures on the notes to the previous financial statements.

Amir Abadi Jusuf, Aryanto, Mawar & Rekan



Riki Afrianof

Nomor Izin Akuntan Publik: AP.1017/
Public Accountant License Number: AP.1017

Jakarta, 6 Oktober / October 6, 2016

Amir Abadi Jusuf, Aryanto, Mawar & Rekan

Amir Abadi Jusuf, Aryanto, Mawar & Rekan
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Nomor/Number : R/018.ARC/raf/2016

Laporan Akuntan Independen/ Independent Accountant's Report

Pemegang Saham, Dewan Komisaris dan Direksi/
The Stockholders, Board of Commissioners and Directors

PT Prodia Widyahusada Tbk

Pendahuluan

Kami telah mereviu laporan keuangan PT Prodia Widyahusada Tbk terlampir, yang terdiri dari laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2015, dan suatu ikhtisar kebijakan akuntansi signifikan dan catatan penjelasan lainnya. Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan ini sesuai dengan Standar Akuntansi Keuangan di Indonesia. Tanggung jawab kami adalah untuk menyatakan suatu kesimpulan atas laporan keuangan ini berdasarkan reviu kami.

Ruang lingkup reviu

Kami melaksanakan reviu kami berdasarkan Standar Perikatan Reviu 2410, "Reviu atas Informasi Keuangan Interim yang Dilaksanakan oleh Auditor Independen Entitas", yang ditetapkan oleh Institut Akuntan Publik Indonesia. Suatu reviu atas informasi keuangan terdiri dari pengajuan pertanyaan, terutama kepada pihak yang bertanggung jawab atas bidang keuangan dan akuntansi, serta penerapan prosedur analitis dan prosedur reviu lainnya. Suatu reviu memiliki ruang lingkup yang secara substansial kurang daripada suatu audit yang dilaksanakan berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia, dan sebagai konsekuensinya, tidak memungkinkan kami untuk memperoleh keyakinan bahwa kami akan mengetahui seluruh hal signifikan yang mungkin teridentifikasi dalam suatu audit. Oleh karena itu, kami tidak menyatakan suatu opini audit.

Introduction

We have reviewed the accompanying financial statements of PT Prodia Widyahusada Tbk, which comprises the statements of profit or loss and other comprehensive income, statements of changes in equity, and statements of cash flows for the six-month periods ended June 30, 2015, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", established by the Indonesian Institute of Certified Public Accountants. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

Amir Abadi Jusuf, Aryanto, Mawar & Rekan**Kesimpulan**

Berdasarkan revidi kami, tidak ada hal-hal yang menjadi perhatian kami yang menyebabkan kami percaya bahwa laporan keuangan terlampir tidak menyajikan secara wajar, dalam semua hal yang material, kinerja keuangan dan arus kas PT Prodia Widyahusada Tbk untuk periode enam bulan yang berakhir pada tanggal 30 Juni 2015, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying financial statements do not present fairly, in all material respects, the financial performance and cash flows of PT Prodia Widyahusada Tbk for the six-month period ended June 30, 2015, in accordance with Indonesian Financial Accounting Standards.

Amir Abadi Jusuf, Aryanto, Mawar & Rekan

Riki Afrianof

Nomor Izin Akuntan Publik: AP.1017/
Public Accountant License Number: AP.1017

Jakarta, 19 Agustus / August 19, 2016

PT PRODIA WIDYAHUSADA Tbk
LAPORAN POSISI KEUANGAN
Per 30 Juni 2016, dan 31 Desember 2015,
2014 dan 2013
(Dalam Rupiah Penuh)

PT PRODIA WIDYAHUSADA Tbk
STATEMENTS OF FINANCIAL POSITION
As of June 30, 2016, and December 31, 2015,
2014 and 2013
(In Full Rupiah)

	Catatan / Note	30 Juni/June 30,		31 Desember/December 31,		
		2016 Rp	2015 Rp	2014* Rp	2013* Rp	
ASET						ASSETS
ASET LANCAR						CURRENT ASSETS
Kas dan Bank	3, 28, 32	44,884,318,563	44,976,920,673	45,112,170,081	34,583,531,564	Cash on Hand and in Banks
Piutang Usaha - Pihak Ketiga	4, 32	57,439,596,509	78,407,626,563	74,473,362,154	62,491,913,167	Accounts Receivable - Third Parties
Aset Keuangan Lancar Lainnya - Pihak Ketiga	5, 32	9,388,807,560	6,797,964,424	9,188,576,629	9,704,677,428	Other Current Financial Assets - Third Parties
Persediaan	6	30,033,621,215	25,785,616,043	19,732,082,484	15,056,198,441	Inventories
Uang Muka	7	19,161,241,323	16,756,097,274	11,173,141,418	21,613,667,880	Advance Payments
Pajak Dibayar di Muka	19.c	--	2,378,741,596	2,666,699,217	2,636,612,363	Prepaid Taxes
Biaya Dibayar di Muka	8	28,242,431,867	20,933,364,528	21,152,298,823	15,917,787,736	Prepaid Expenses
Aset Non Keuangan						Other Current
Lancar Lainnya	2.u	727,400,000	--	--	--	Non-Financial Assets
Total Aset Lancar		189,877,417,037	196,036,331,101	183,498,330,806	162,004,388,579	Total Current Assets
ASET TIDAK LANCAR						NON-CURRENT ASSETS
Biaya Dibayar di Muka	8	99,701,294,462	35,701,498,668	24,956,898,668	22,889,098,373	Prepaid Expenses
Aset Pajak Tangguhan	19.b	79,537,438,289	60,800,714,387	52,444,278,229	41,807,328,291	Deferred Tax Assets
Piutang Pihak Berelasi - Non Usaha	27, 32	385,078,196	83,745,575,348	2,656,959,253	1,667,024,151	Due from Related Parties
Aset Tetap	9	214,602,936,705	196,284,269,448	362,906,950,176	272,608,322,804	Fixed Assets
Aset Takberwujud	10	2,867,432,107	3,522,017,873	7,154,421,360	8,972,268,477	Intangible Assets
Aset Non Keuangan						Other Non-Current
Tidak Lancar Lainnya	11	1,357,146,636	1,775,621,823	713,576,583	3,689,822,304	Non-Financial Assets
Total Aset Tidak Lancar		398,451,326,395	381,829,697,547	450,833,084,269	351,633,864,400	Total Non-Current Assets
TOTAL ASET		588,328,743,432	577,866,028,648	634,331,415,075	513,638,252,979	TOTAL ASSETS
LIABILITAS DAN EKUITAS						LIABILITIES AND EQUITY
LIABILITAS JANGKA PENDEK						CURRENT LIABILITIES
Utang Bank Jangka Pendek	12, 32	3,635,423,874	1,000,000,000	5,731,684,721	4,791,979,057	Short-Term Bank Loans
Utang Usaha	13, 28, 32					Accounts Payable
Pihak Berelasi	27	427,402,390	701,250,478	223,434,416	533,744,807	Related Parties
Pihak Ketiga		28,235,075,933	42,359,391,573	30,491,621,831	31,922,932,563	Third Parties
Utang Pajak	19.d	12,986,708,151	14,989,044,356	13,284,127,781	22,265,141,813	Taxes Payable
Beban Akruwal	14, 32	23,233,281,891	34,709,974,520	43,925,316,753	44,204,544,923	Accrued Expenses
Liabilitas Imbalan Kerja						Short-Term Employees' Benefits
Jangka Pendek	32	2,322,436,828	1,484,616,282	537,023,326	213,730,747	Liabilities
Pendapatan Diterima di Muka		526,883,003	1,048,915,408	674,158,960	1,000,945,504	Unearned Revenue
Liabilitas Keuangan						Other Current Financial
Jangka Pendek Lainnya	15, 28, 32					Liabilities
Pihak Berelasi	27	18,392,227,663	510,757,964	600,000,000	4,143,490,101	Related Parties
Pihak Ketiga		8,864,862,327	29,436,811,461	18,862,952,550	10,942,358,543	Third Parties
Bagian Liabilitas Jangka Panjang yang Jatuh Tempo dalam Satu Tahun:						Long-Term Liabilities that Mature within One Year:
Utang Bank	17, 32	37,134,390,587	13,538,614,659	27,959,102,368	14,757,920,646	Bank Loans
Utang Sewa Pembiayaan	16, 32	6,476,477,700	5,316,540,529	3,581,539,935	1,583,476,629	Financial Leases Payable
Total Liabilitas Jangka Pendek		142,235,170,347	145,095,917,230	145,870,962,647	136,360,265,333	Total Current Liabilities
LIABILITAS JANGKA PANJANG						NON-CURRENT LIABILITIES
Utang Jangka Panjang - Setelah Dikurangi Bagian yang Jatuh Tempo dalam Setahun:						Long-Term Liabilities that Has Been Deducted with Current Maturity:
Utang Bank	17, 32	63,975,641,502	50,363,348,180	122,649,568,435	111,542,470,788	Bank Loans
Utang Sewa Pembiayaan	16, 32	4,785,372,913	4,785,372,913	5,963,382,670	1,147,068,180	Financial Leases Payable
Liabilitas Keuangan Jangka Panjang Lainnya	18, 28, 32					Other Non Current Financial Liabilities
Pihak Berelasi	27	--	766,807,849	3,916,807,849	--	Related Parties
Pihak Ketiga		656,666,880	656,766,881	7,038,454,853	3,945,019,229	Third Parties
Liabilitas Imbalan Kerja						Long-Term Employees' Benefits
Jangka Panjang	29	323,059,880,309	249,870,460,309	214,638,163,444	172,319,722,309	Liabilities
Total Liabilitas Jangka Panjang		392,477,561,604	306,442,756,132	354,206,377,251	288,954,280,507	Total Non-Current Liabilities
TOTAL LIABILITAS		534,712,731,951	451,538,673,362	500,077,339,892	425,314,545,840	TOTAL LIABILITIES
EKUITAS						EQUITY
Ekuitas yang Dapat Diatribusikan kepada Pemilik Entitas Induk:						Equity Attributable to the Owners of the Parent:
Modal Saham - Nilai Nominal						Capital Stocks - Par Value
Rp 1.000.000 per Saham						Rp 1,000,000 per Share
Modal Dasar - 75.000 Saham						Authorized - 75,000 Shares
Modal Ditempatkan dan Disetor Penuh - 75.000 Saham (2013: 18.000 Saham)	20	75,000,000,000	75,000,000,000	75,000,000,000	18,000,000,000	Issued and Fully Paid -75,000 Shares (2013: 18,000 Shares)
Tambahan Modal Disetor	21	25,370,362,828	25,370,362,828	--	--	Additional Paid in Capital
Penghasilan Komprehensif Lain	29	(95,882,269,500)	(59,079,986,250)	(66,596,118,990)	(56,197,758,000)	Other Comprehensive Income
Saldo Laba		49,127,918,153	85,036,978,708	126,011,984,286	125,451,752,831	Retained Earnings
Total Ekuitas yang Dapat Diatribusikan kepada Pemilik Entitas Induk		53,616,011,481	126,327,355,286	134,415,865,296	87,253,994,831	Equity Attributable to the Owners of the Parent:
Keperluan Non Pengendali		--	--	(161,790,113)	1,069,712,308	Non-Controlling Interest
TOTAL EKUITAS		53,616,011,481	126,327,355,286	134,254,075,183	88,323,707,139	TOTAL EQUITY
TOTAL LIABILITAS DAN EKUITAS		588,328,743,432	577,866,028,648	634,331,415,075	513,638,252,979	TOTAL LIABILITIES AND EQUITY

*) Konsolidasian / Consolidated

Catatan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan

The accompanying notes form an integral part of these financial statements

PT PRODIA WIDYAHUSADA Tbk
LAPORAN LABA RUGI DAN
PENGHASILAN KOMPREHENSIF LAIN
Untuk Periode Enam Bulan yang Berakhir Pada
30 Juni 2016 dan 2015 (Tidak Diaudit), dan
Untuk Tahun-tahun yang Berakhir Pada
31 Desember 2015, 2014 dan 2013
(Dalam Rupiah Penuh)

PT PRODIA WIDYAHUSADA Tbk
STATEMENTS OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
For The Six-Month Periods Ended
June 30, 2016 and 2015 (Unaudited), and
For The Years Ended
December 31, 2015, 2014 and 2013
(In Full Rupiah)

Catatan / Note	30 Juni/June 30,		31 Desember/December 31,				
	2016 Rp	2015 Rp	2015 Rp	2014* Rp	2013* Rp		
PENDAPATAN - BERSIH	23	648,629,680,286	591,177,824,257	1,197,727,222,012	1,101,043,712,612	997,986,700,079	REVENUES - NET
BEBAN POKOK PENDAPATAN	24						COST OF REVENUES
Beban Pokok Langsung		223,773,626,187	207,081,431,550	429,160,181,055	390,422,715,890	341,393,942,285	Direct Cost of Revenues
Beban Pokok Tidak Langsung		45,157,618,935	41,143,755,493	82,033,507,048	73,644,529,805	54,586,308,210	Indirect Cost of Revenues
Total Beban Pokok Pendapatan		268,931,245,122	248,225,187,043	511,193,688,103	464,067,245,695	395,980,250,495	Total Cost of Revenues
LABA KOTOR		379,698,435,164	342,952,637,214	686,533,533,909	636,976,466,917	602,006,449,584	GROSS PROFIT
Beban Usaha	25	(325,783,601,016)	(300,369,612,230)	(606,548,942,080)	(560,398,033,344)	(508,826,150,829)	Operating Expense
Pendapatan Lainnya	26	6,946,557,603	12,313,295,554	35,465,401,174	14,991,549,165	4,527,161,084	Other Income
Beban Lainnya	26	(1,666,797,621)	(2,165,754,712)	(18,508,409,496)	(761,216,371)	(3,778,970,051)	Other Expenses
LABA USAHA		59,194,594,132	52,730,565,826	96,941,583,507	90,808,766,367	93,928,489,788	OPERATING INCOME
Bagian Rugi Entitas Anak Sebelum Divestasi		--	(1,433,879,309)	(1,433,879,309)	--	--	Portion of Subsidiaries Loss Before Disposal
Beban Keuangan - Bersih		(3,674,372,493)	(9,584,704,015)	(18,517,781,968)	(14,521,651,286)	(6,367,569,450)	Financial Costs - Net
LABA SEBELUM PAJAK		55,520,221,639	41,711,982,502	76,989,922,230	76,287,115,081	87,560,920,338	INCOME BEFORE TAX
MANFAAT (BEBAN) PAJAK PENGHASILAN	19						INCOME TAX BENEFIT (EXPENSES)
Pajak Kini		(22,898,578,346)	(20,199,761,500)	(29,543,600,000)	(28,185,462,750)	(27,561,259,000)	Current Tax
Pajak Tangguhan		6,469,296,152	10,632,393,250	11,578,672,192	7,183,330,438	(210,819,599)	Deferred Tax
Total Beban Pajak Penghasilan - Bersih		(16,429,282,194)	(9,567,368,250)	(17,964,927,808)	(21,002,132,312)	(27,772,078,599)	Total Income Tax Expenses
LABA TAHUN BERJALAN		39,090,939,445	32,144,614,252	59,024,994,422	55,284,982,769	59,788,841,739	INCOME FOR THE YEAR
PENGHASILAN KOMPREHENSIF LAIN							OTHER COMPREHENSIVE INCOME
Pos-pos yang Tidak Akan Direklasifikasi ke Laba Rugi :							Items that Will Not be Reclassified Into Profit or Loss :
Pengukuran Kembali atas Program Imbalan Kerja	29	(49,069,711,000)	(12,057,118,000)	9,971,507,000	(13,908,234,225)	37,566,104,000	Remeasurement on Employee Benefits Program
Pajak Penghasilan atas Pengukuran Kembali atas Program Imbalan Kerja	19.b	12,267,427,750	3,014,279,500	(2,492,876,750)	3,453,619,500	(9,391,526,000)	Income Tax on Remeasurement on Employee Benefits Program
Penghasilan Komprehensif Lain Setelah Pajak		(36,802,283,250)	(9,042,838,500)	7,478,630,250	(10,454,614,725)	28,174,578,000	Other Comprehensive Income After Tax
TOTAL LABA KOMPREHENSIF TAHUN BERJALAN		2,288,656,195	23,101,775,752	66,503,624,672	44,830,368,044	87,963,419,739	TOTAL COMPREHENSIVE INCOME FOR THE YEAR
LABA TAHUN BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:							INCOME FOR CURRENT YEAR ATTRIBUTABLE TO:
Pemilik Entitas Induk					58,560,231,455	61,590,631,713	Owner of the Parent Entity
Kepentingan Non Pengendali					(3,275,248,686)	(1,801,789,974)	Non-Controlling Interest
Total					55,284,982,769	59,788,841,739	Total
LABA KOMPREHENSIF TAHUN BERJALAN YANG DAPAT DIATRIBUSIKAN KEPADA:							TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:
Pemilik Entitas Induk					48,161,870,465	89,765,209,713	Owner of the Parent Entity
Kepentingan Non Pengendali					(3,331,502,421)	(1,801,789,974)	Non-Controlling Interest
Total					44,830,368,044	87,963,419,739	Total
LABA PER SAHAM	30						EARNINGS PER SHARE
DASAR		521,212.53	428,594.86	786,999.93	1,045,718.42	3,421,701.76	BASIC
DILUSIAN		521,212.53	428,594.86	786,999.93	1,045,718.42	3,421,701.76	DILUTED

*) Konsolidasian / Consolidated

Catatan terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan secara keseluruhan

The accompanying notes form an integral part of these financial statements

PT PRODIA WIDYAHUSADA Tbk
LAPORAN PERUBAHAN EKUITAS

Untuk Periode Enam Bulan yang Berakhir Pada
30 Juni 2016 dan 2015 (Tidak Diaudit), dan
Untuk Tahun-tahun yang Berakhir Pada
31 Desember 2015, 2014 dan 2013
(Dalam Rupiah Penuh)

PT PRODIA WIDYAHUSADA Tbk
STATEMENTS OF CHANGES IN EQUITY
For The Six-Month Periods Ended
June 30, 2016 and 2015 (Unaudited), and
For The Years Ended
December 31, 2015, 2014 and 2013
(In Full Rupiah)

Catatan / Note	Ekuitas yang Dapat Diatribusikan Kepada Entitas Induk / Equity Attributable to Owners of the Parent Entity		Kepentingan Non Pengendali / Non Controlling Interest		Total Ekuitas / Total Equity	
	Rp	Rp	Rp	Rp	Rp	Rp
SALDO PER 31 DESEMBER 2012 *	18,000,000,000	138,377,787,785	72,005,451,785	1,971,502,282	73,976,954,066	
Dividen Tunai	--	--	(74,516,666,666)	--	(74,516,666,666)	Cash Dividend
Selisih Nilai Transaksi Pelepasan Entitas Anak Kepada Entitas Sepengendali	--	--	--	900,000,000	900,000,000	Paid up Capital by Non Controlling Interest in Subsidiary
Labas Tahun Berjalan	--	61,590,631,713	--	(1,801,789,974)	59,788,841,739	Income For The Year
Penghasilan Komprehensif Lain	--	28,174,578,000	--	--	28,174,578,000	Other Comprehensive Income
SALDO PER 31 DESEMBER 2013 *	18,000,000,000	125,451,752,831	87,253,994,831	1,069,712,308	88,323,707,139	BALANCE AS OF DECEMBER 31, 2013 *
Penambahan Modal Saham	57,000,000,000	--	57,000,000,000	--	57,000,000,000	Additional in Share Capital
Dividen Tunai	--	--	(56,000,000,000)	--	(56,000,000,000)	Cash Dividend
Selisih Nilai Transaksi Pelepasan Entitas Anak Kepada Entitas Sepengendali	--	--	--	2,100,000,000	2,100,000,000	Paid up Capital by Non Controlling Interest in Subsidiary
Labas Tahun Berjalan	--	56,560,231,465	--	(3,275,248,686)	53,284,982,769	Income For The Year
Penghasilan Komprehensif Lain	--	(10,398,360,990)	--	(56,253,735)	(10,454,614,725)	Other Comprehensive Income
SALDO PER 31 DESEMBER 2014 *	75,000,000,000	126,011,984,286	134,415,865,286	(161,790,113)	134,254,075,183	BALANCE AS OF DECEMBER 31, 2014 *
Dividen Tunai	--	--	(100,000,000,000)	--	(100,000,000,000)	Cash Dividend
Selisih Nilai Transaksi Pelepasan Entitas Anak Kepada Entitas Sepengendali	--	25,370,362,828	37,502,490	161,790,113	25,569,655,431	Difference in Value Resulting from Disposal of Subsidiaries Transactions Among Entities Under Common Control
Labas Tahun Berjalan	--	32,144,614,252	--	--	32,144,614,252	Income For The Year
Penghasilan Komprehensif Lain	--	(9,042,838,500)	--	--	(9,042,838,500)	Other Comprehensive Income
SALDO PER 30 JUNI 2015	75,000,000,000	25,370,362,828	58,156,596,536	82,925,506,366	82,925,506,366	BALANCE AS OF JUNE 30, 2015
SALDO PER 31 DESEMBER 2014 *	75,000,000,000	126,011,984,286	134,415,865,286	(161,790,113)	134,254,075,183	BALANCE AS OF DECEMBER 31, 2014 *
Dividen Tunai	--	--	(100,000,000,000)	--	(100,000,000,000)	Cash Dividend
Selisih Nilai Transaksi Pelepasan Entitas Anak Kepada Entitas Sepengendali	--	--	--	--	--	Difference in Value Resulting from Disposal of Subsidiaries Transactions Among Entities Under Common Control
Labas Tahun Berjalan	--	25,370,362,828	--	161,790,113	25,569,655,431	Income For The Year
Penghasilan Komprehensif Lain	--	7,478,630,250	--	--	7,478,630,250	Other Comprehensive Income
SALDO PER 31 DESEMBER 2015	75,000,000,000	25,370,362,828	85,036,975,708	126,327,335,286	126,327,335,286	BALANCE AS OF DECEMBER 31, 2015
Dividen Tunai	--	--	(75,000,000,000)	--	(75,000,000,000)	Cash Dividend
Labas Tahun Berjalan	--	--	39,090,939,445	--	39,090,939,445	Income For The Year
Penghasilan Komprehensif Lain	--	(36,802,283,250)	--	--	(36,802,283,250)	Other Comprehensive Income
SALDO PER 30 JUNI 2016	75,000,000,000	25,370,362,828	49,127,919,153	53,616,011,461	53,616,011,461	BALANCE AS OF JUNE 30, 2016

*) Konsolidasian / Consolidated

**) Keuntungan (Kerugian) Aktuaria / Actuarial Gain (Loss)

Catatan terlampir merupakan bagian yang tidak terpisahkan dari
laporan keuangan secara keseluruhan

The accompanying notes form an integral part of
these financial statements

PT PRODIA WIDYAHUSADA Tbk
LAPORAN ARUS KAS

Untuk Periode Enam Bulan yang Berakhir Pada
30 Juni 2016 dan 2015 (Tidak Diaudit), dan
Untuk Tahun-tahun yang Berakhir Pada
31 Desember 2015, 2014 dan 2013
(Dalam Rupiah Penuh)

PT PRODIA WIDYAHUSADA Tbk
STATEMENTS OF CASH FLOWS

For The Six-Month Periods Ended
June 30, 2016 and 2015 (Unaudited), and
For The Years Ended
December 31, 2015, 2014 and 2013
(In Full Rupiah)

Catatan / Note	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014* Rp	2013* Rp	
ARUS KAS DARI AKTIVITAS OPERASI						CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan Kas dari Pelanggan	669,075,677,935	587,620,575,425	1,188,775,478,887	1,088,735,477,081	998,450,124,489	Cash Received from Customers
Pembayaran Kas kepada Karyawan, Pemasok dan Pihak Ketiga	(597,818,020,990)	(407,811,946,340)	(1,001,595,246,705)	(951,027,899,871)	(882,124,343,497)	Cash paid to Employees, Supplier and Third Parties
Penghasilan Bunga	278,866,501	388,958,001	658,719,502	1,346,266,725	314,121,495	Interest Income
Pembayaran Pajak Penghasilan	(16,485,384,009)	(14,670,478,257)	(29,674,137,483)	(33,395,087,045)	(33,975,172,980)	Cash Paid for Income Tax
Arus Kas Bersih Diperoleh dari Aktivitas Operasi	55,051,139,436	165,527,108,829	158,164,814,201	105,658,756,890	82,664,729,507	Net Cash Flows Provided by Operating Activities
ARUS KAS DARI AKTIVITAS INVESTASI						CASH FLOWS FROM INVESTING ACTIVITIES
Hasil Penjualan Aset Tetap	7,155,667,066	60,912,200	352,974,171,130	6,472,175,906	10,005,996,978	Proceeds from Fixed Assets Disposal
Perolehan Aset Tetap	(46,195,583,309)	(136,663,316,380)	(320,468,406,836)	(128,681,106,695)	(65,710,684,705)	Acquisition of Fixed Assets
Perolehan Aset Takberwujud	--	(990,955,250)	(1,313,830,250)	(432,909,403)	(3,247,055,932)	Acquisition of Intangible Assets
Penjualan Investasi Saham di Entitas Anak	--	--	32,219,025,000	--	--	Disposal of Investment in Subsidiaries
Arus Kas Bersih Diperoleh dari (Digunakan untuk) Aktivitas Investasi	(39,039,916,242)	(137,593,359,430)	63,410,959,044	(122,641,840,192)	(58,951,743,659)	Net Cash Flows Provided by (Used in) Investing Activities
ARUS KAS DARI AKTIVITAS PENDANAAN						CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan Pinjaman	48,992,000,000	33,417,811,365	65,297,000,000	44,478,211,551	79,202,390,167	Proceeds from Bank Loans
Pembayaran Pinjaman	(7,783,930,751)	(15,121,205,371)	(178,512,362,606)	(16,299,899,703)	(17,212,052,654)	Payment of Bank Loans
Setoran Modal	--	--	--	57,000,000,000	--	Additional Paid up Capital
Setoran Modal oleh Kepentingan Non Pengendali	--	--	--	2,100,000,000	900,000,000	Paid up Capital by Non Controlling Interest
Pembayaran Utang Sewa Pembiayaan	(297,471,739)	(4,331,468,457)	(5,943,307,565)	(1,775,329,351)	(2,542,822,800)	Payment of Financial Lease
Pembayaran Dividen Tunai	(57,000,000,000)	(50,000,000,000)	(100,000,000,000)	(58,000,000,000)	(74,516,666,666)	Cash Dividend
Arus Kas Bersih Diperoleh dari (Digunakan untuk) Aktivitas Pendanaan	(16,089,402,490)	(36,034,862,463)	(219,158,670,171)	27,502,982,497	(14,169,151,953)	Net Cash Flows Provided by (Used in) Financing Activities
KENAIKAN (PENURUNAN) BERSIH KAS DAN BANK	(78,179,296)	(8,101,113,063)	2,417,103,074	10,519,899,195	9,543,833,895	NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS
DAMPAK PERUBAHAN KURS TERHADAP KAS DAN BANK	(14,422,814)	--	4,310,634	8,739,322	2,216,720	EFFECT OF FOREIGN EXCHANGE RATE ON CASH ON HAND AND IN BANKS
KAS DAN BANK PADA AWAL TAHUN	44,976,920,673	45,112,170,081	45,112,170,081	34,583,531,564	25,037,480,949	CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR
KAS DAN BANK ENTITAS ANAK YANG DIDIVESTASI	--	(2,556,663,116)	(2,556,663,116)	--	--	CASH ON HAND AND IN BANKS OF DISPOSAL OF SUBSIDIARIES
KAS DAN BANK PADA AKHIR TAHUN	44,884,318,563	34,454,393,902	44,976,920,673	45,112,170,081	34,583,531,564	AT THE END OF YEAR
Kas dan Bank terdiri dari:						Cash on Hand and in Banks consist of:
Kas	3,018,473,409	1,966,443,347	2,081,325,315	1,910,680,073	2,265,876,625	Cash on Hand
Bank	41,865,845,154	32,487,950,555	42,895,595,358	43,201,490,008	32,317,654,939	Cash in Banks
Total	44,884,318,563	34,454,393,902	44,976,920,673	45,112,170,081	34,583,531,564	Total

*) Konsolidasian / Consolidated

Tambahan informasi aktivitas yang tidak mempengaruhi arus kas disajikan pada Catatan 34 /
Additional information of non-cash activities is presented in Note 34.

Catatan terlampir merupakan bagian yang tidak terpisahkan dari
laporan keuangan secara keseluruhan

The accompanying notes form an integral part of
these financial statements

PT PRODIA WIDYAHUSADA Tbk
CATATAN ATAS LAPORAN KEUANGAN
Untuk Periode Enam Bulan yang Berakhir Pada
30 Juni 2016 dan 2015 (Tidak Diaudit), dan
Untuk Tahun-tahun yang Berakhir Pada
31 Desember 2015, 2014 dan 2013
(Dalam Rupiah Penuh)

PT PRODIA WIDYAHUSADA Tbk
NOTES TO FINANCIAL STATEMENT
For The Six-Month Periods Ended
June 30, 2016 and 2015 (Unaudited), and
For The Years Ended
December 31, 2015, 2014 and 2013
(In Full Rupiah)

1. Umum

1.a. Pendirian Perusahaan

PT Prodia Widyahusada Tbk ("Perusahaan") didirikan berdasarkan Akta Notaris Sri Rahayu, SH, No. 14 tanggal 8 Pebruari 1988. Akta pendirian tersebut disahkan oleh Menteri Kehakiman Republik Indonesia dalam Surat Keputusan No. C2-1459 HT.01.01.Th.91 tanggal 27 April 1991 dan telah diumumkan dalam Berita Negara Republik Indonesia No. 52 tanggal 28 Juni 1991, Tambahan No. 1846.

Anggaran dasar Perusahaan telah mengalami beberapa kali perubahan, terakhir dengan Keputusan Rapat Umum Pemegang Saham mengenai Perubahan Anggaran Dasar Perusahaan No. 83 tanggal 29 Juni 2016, yang dibuat dihadapan Jose Dima Satria, SH, M.Kn, Notaris di Jakarta. Perubahan anggaran dasar ini telah mendapat persetujuan Menteri Hukum dan Hak Asasi Manusia Republik Indonesia No. AHU-0087910.AH.01.11 Tahun 2016 tanggal 28 Juli 2016.

Sesuai dengan Anggaran Dasar, maksud dan tujuan Perusahaan adalah bergerak dalam bidang kesehatan dengan melaksanakan kegiatan usaha seperti mendirikan klinik, laboratorium kesehatan, pengelolaan rumah sakit, pusat penelitian dan pendidikan perawat serta menyelenggarakan pemeriksaan kesehatan masyarakat. Saat ini, kegiatan utama Perusahaan adalah menyediakan jasa pemeriksaan kesehatan. Perusahaan memulai operasi komersialnya pada tahun 1988.

Perusahaan berkedudukan di Jakarta dengan 130 kantor cabang serta outlet-outlet yang tersebar di seluruh Indonesia. Kantor pusat Perusahaan beralamat di Jl. Kramat Raya No. 150, Jakarta Pusat.

Perusahaan adalah anggota kelompok usaha Prodia Utama.

1.b. Dewan Komisaris, Dewan Direksi dan Karyawan

Susunan anggota Dewan Komisaris dan Dewan Direksi Perusahaan masing-masing berdasarkan Keputusan Rapat Umum Pemegang Saham mengenai Perubahan Anggaran Dasar Perusahaan No. 83 tanggal 29 Juni 2016, Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Luar Biasa No.8 tanggal 28 April 2015, No.5 tanggal 17 April 2014 dan No.1 tanggal 1 Mei 2009 dari notaris Rismalena Kasri, SH, adalah sebagai berikut:

1. General

1.a. Company's Establishment

PT Prodia Widyahusada Tbk (the Company) was established based on the Deed of Notary Sri Rahayu, SH, No. 14 dated February 8, 1988. The establishment deed was approved by Minister of Justice of the Republic of Indonesia in Decree No. C2-1459 HT.01.01.Th.91 dated 27 April 1991 and was published in State Gazette of the Republic of Indonesia No. 52 dated June 28, 1991, supplement No. 1846.

The Company's articles of association have been amended several times, most recently by the Resolution of General Shareholders Meeting Deed regarding amendment of articles of association No. 83 dated June 29, 2016, made before Jose Dima Satria, SH, M.Kn, Notary in Jakarta. This amendment has been approved by the Minister of Law and Human Rights Republic of Indonesia No. AHU-0087910. AH.01.11 Year 2016 dated July 28, 2016.

In accordance with the Articles of Association, the purpose and objectives of the Company is engaged in health laboratories by conducting business activities such as setting up clinics, health laboratories, the management of hospitals, research centers and education of nurses and community health examinations. Currently, the Company's principal activity is to provide health check up. The Company started commercial operations in 1988.

The Company is domiciled in Jakarta with 130 branches and outlets throughout Indonesia. The head office is located at Jl. Kramat Raya No. 150, Central Jakarta.

The Company is a member of Prodia Utama Group.

1.b. Board of Commissioners, Directors and Employees

The Board of Commissioners and Board of Directors of the Company based on Resolution of General Shareholders Meeting Deed regarding amendment of articles of association No. 83 dated June 29, 2016, the Deed of Extraordinary Shareholders General Meeting No.8 dated April 28, 2015, No.5 dated April 17, 2014 and No. 1 dated May 1, 2009 from notary Rismalena Kasri, SH, are as follows:

PT PRODIA WIDYAHUSADA Tbk
CATATAN ATAS LAPORAN KEUANGAN (Lanjutan)
 Untuk Periode Enam Bulan yang Berakhir Pada
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 Untuk Tahun-tahun yang Berakhir Pada
 31 Desember 2015, 2014 dan 2013
 (Dalam Rupiah Penuh)

PT PRODIA WIDYAHUSADA Tbk
NOTES TO FINANCIAL STATEMENT (Continued)
 For The Six-Month Periods Ended
 June 30, 2016 and 2015 (Unaudited), and
 For The Years Ended
 December 31, 2015, 2014 and 2013
 (In Full Rupiah)

	<u>2016</u>	<u>2015 dan/and 2014</u>	<u>2013</u>	
Dewan Komisaris				Board of Commissioners
Komisaris Utama	: Drs. Andi Wijaya, MBA	Drs. Andi Wijaya, MBA	Drs. Andi Wijaya, MBA	President Commissioner
Komisaris	: Drs. Gunawan Prawiro Soeharto Dra. Endang Wahjuningtyas Hoyeranda	Drs. Gunawan Prawiro Soeharto J. Hamdono Widjojo Drs. Elias Nugroho Ichsan Hidajat, SH Dra. Luscie Panggajaya Dra. Endang Wahjuningtyas Hoyeranda	Drs. Gunawan Prawiro Soeharto J. Hamdono Widjojo Drs. Elias Nugroho Ichsan Hidajat, SH	Commissioners
Komisaris Independen	: Scott Andrew Merrillees Jos Luhukay			Independent Commissioner
Dewan Direksi				Board of Directors
Direktur Utama	: Dr. Dewi Muliaty, M.Si	Dr. Dewi Muliaty, M.Si	Dr. Dewi Muliaty, M.Si	President Director
Direktur	: Liana Kuswandi, SE, M.Fin Dra. Tetty Hendrawati, M.Kes Andri Hidayat, M.Si Dr. Indriyanti Rafi Sukmawati, M.Si	Liana Kuswandi, SE, M.Fin Dra. Tetty Hendrawati, M.Kes Andri Hidayat, M.Si Dr. Indriyanti Rafi Sukmawati, M.Si	Liana Kuswandi, SE, M.Fin Dra. Tetty Hendrawati, M.Kes Dra. Luscie Panggajaya	Directors

Jumlah kompensasi kepada dewan komisaris dan direksi Perusahaan berupa gaji dan tunjangan adalah sebesar Rp7.933.976.800 dan Rp7.643.250.616 serta Rp15.410.670.216, Rp12.758.209.130 dan Rp11.588.628.471 masing-masing untuk periode enam bulan yang berakhir pada 30 Juni 2016 dan 2015, serta tahun-tahun yang berakhir pada 31 Desember 2015, 2014 dan 2013.

Total compensation to the board of commissioners and directors of the Company in the form of salary and benefits amounted to Rp7,933,976,800 and Rp7,643,250,616, and Rp15,410,670,216, Rp12,758,209,130 and Rp11,588,628,471 respectively for the six-month periods ended June 30, 2016 and 2015, and the years ended December 31, 2015, 2014 and 2013.

Pada tanggal 30 Juni 2016 dan 2015, serta 31 Desember 2015, 2014 dan 2013, jumlah karyawan Perusahaan (dan entitas anak) adalah 3.648 dan 3.738, serta 3615, 3.808 dan 3.409 karyawan tetap (tidak diaudit).

As of June 30, 2016 and 2015, and December 31, 2015, 2014 and 2013, the Company (and subsidiaries) have a total of 3,648 and 3,738, and 3,615, 3,808 and 3,409 permanent employees, respectively (unaudited).

Susunan Komite Audit Perusahaan pada tanggal 30 Juni 2016 adalah sebagai berikut:

Board of Audit Committee as of June 30, 2016 is as follows:

Ketua	Jos Luhukay	Chairman
Anggota	Scott Andrew Merrillees	Member
Anggota	Dina Kharisma	Member

Corporate secretary Perusahaan adalah Dr. Indriyanti Rafi Sukmawati, M.Si pada 30 Juni 2016

The Company's corporate secretary is Dr. Indriyanti Rafi Sukmawati, M.Si as of June 30, 2016.

Kepala Internal Audit Perusahaan pada 30 Juni 2016 dijabat oleh Budi Darmawan.

Head of Internal Audit as of June 30, 2016 is Budi Darmawan.

1.c. Entitas Anak

Penyertaan saham pada entitas anak pada tanggal 31 Desember 2014 dan 2013 adalah sebagai berikut:

1.c. Structure of the Company's Subsidiaries

Investments in shares in subsidiaries on December 31, 2014 and 2013 are as follows:

Entitas Anak/ Subsidiaries	Lokasi/ Location	Kegiatan Usaha Utama/ Main Business	Tahun Operasi Komersial/ Commercial	Persentase Kepemilikan/ Ownership		Total Aset/ Total Asset	
				2014 %	2013 %	2014 Rp	2013 Rp
PT Prodia OHI Internasional	Jakarta	Pelayanan Kesehatan	2009	40%	40%	12,962,557,800	10,567,141,661
PT Prodia Stemcell Indones	Jakarta	Pelayanan Penunjang Kesehatan	2014	95%	95%	14,416,355,788	16,170,078,808
PT Prodia Diagnostic Line	Cikarang	Perdagangan dan Industri	2012	80%	80%	19,375,465,101	18,817,270,431
PT Inovasi Diagnostika	Jakarta	Pelayanan Kesehatan	2014	52%	52%	5,661,907,579	264,755,205

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Pada tahun 2015, seluruh kepemilikan saham entitas anak dijual oleh Perusahaan kepada PT Prodia Utama, pemegang saham, sebagai berikut:

PT Prodia OHI International

Berdasarkan Akta No.13, tanggal 10 Juli 2015 yang dibuat dihadapan Rismalena Kasri, SH, notaris di Jakarta, Perusahaan telah menjual saham kepemilikannya di PT Prodia OHI International kepada PT Prodia Utama. Akta tersebut telah memperoleh persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusan No. AHU-3532018.AH.01.11.Tahun 2015 tanggal 10 Juli 2015.

PT Prodia Stemcell Indonesia (dahulu PT Prodia Stemlife Indonesia)

Berdasarkan Akta No.7, tanggal 17 Juni 2015 yang dibuat dihadapan Rismalena Kasri, SH, notaris di Jakarta, Perusahaan telah menjual saham kepemilikannya di PT Prodia Stemcell Indonesia kepada PT Prodia Utama. Akta tersebut telah memperoleh persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusan No. AHU-3522608.AH.01.11.Tahun 2015 Tanggal 22 Juni 2015.

PT Prodia Diagnostic Line

Berdasarkan Akta No.9, tanggal 13 Mei 2015 yang dibuat dihadapan Rismalena Kasri, SH, notaris di Jakarta, Perusahaan telah menjual saham kepemilikannya di PT Prodia Diagnostic Line kepada PT Prodia Utama. Akta tersebut telah memperoleh persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusan No. AHU-3507899.AH.01.11.Tahun 2015 tanggal 22 Mei 2016.

PT Inovasi Diagnostika

Berdasarkan Akta No.5, tanggal 13 Mei 2015 yang dibuat dihadapan Rismalena Kasri, SH, notaris di Jakarta, Perusahaan telah menjual saham kepemilikannya di PT Inovasi Diagnostika kepada PT Prodia Utama. Akta tersebut telah memperoleh persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusan No. AHU-3505872.AH.01.11 Tahun 2015 tanggal 18 Mei 2015.

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By 2015, the entire shareholding of subsidiaries was sold by the Company to PT Prodia Utama, shareholder, as follows:

PT Prodia OHI International

Based on the Deed No.13, dated July 10, 2015 made before Rismalena Kasri, SH, notary in Jakarta, the Company sold its ownership share in PT Prodia OHI International to PT Prodia Utama. The deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decree No. AHU-3532018.AH.01.11.Tahun 2015 dated July 10, 2015.

PT Prodia Stemcell Indonesia (formerly PT Prodia Stemlife Indonesia)

Based on the Deed No.7, dated June 17, 2015 were made before Rismalena Kasri, SH, notary in Jakarta, the Company sold its ownership share in PT Prodia Stemcell Indonesia to PT Prodia Utama. The deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decree No. AHU-3522608.AH.01.11.Tahun 2015 dated June 22, 2015.

PT Prodia Diagnostic Line

Based on the Deed No.9, dated May 13, 2015 made before Rismalena Kasri, SH, notary in Jakarta, the Company sold its ownership share to PT Prodia Utama. The deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decree No. AHU-3507899.AH.01.11.Tahun 2015 dated May 22, 2016.

PT Inovasi Diagnostika

Based on the Deed No. 5, dated May 13, 2015 made before Rismalena Kasri, SH, notary in Jakarta, the Company sold its ownership shares to PT Prodia Utama. The deed has been approved by the Minister of Law and Human Rights of the Republic of Indonesia in Decree No. AHU-3505872.AH.01.11 Tahun 2015 dated May 18, 2015.

2. Ikhtisar Kebijakan Akuntansi Signifikan

2.a. Kepatuhan Terhadap Standar Akuntansi Keuangan (SAK)

Laporan keuangan konsolidasian telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia yang meliputi Pernyataan Standar Akuntansi Keuangan (PSAK) dan Interpretasi Standar Akuntansi Keuangan (ISAK) yang diterbitkan oleh Dewan Standar Akuntansi Keuangan – Ikatan Akuntan Indonesia (DSAK – IAI), serta peraturan Pasar Modal yang berlaku antara lain Peraturan Otoritas Jasa Keuangan/Badan Pengawas Pasar Modal dan Lembaga Keuangan (OJK/Bapepam-LK) No. VIII.G.7 tentang pedoman penyajian laporan keuangan, keputusan Ketua Bapepam-LK No. KEP-347/BL/2012 tentang penyajian dan pengungkapan laporan keuangan emiten atau perusahaan publik.

2.b. Dasar Pengukuran dan Penyusunan Laporan Keuangan

Laporan keuangan disusun dan disajikan berdasarkan asumsi kelangsungan usaha serta atas dasar akrual, kecuali laporan arus kas. Dasar pengukuran dalam penyusunan laporan keuangan ini adalah konsep biaya perolehan, kecuali beberapa akun tertentu yang didasarkan pengukuran lain sebagaimana dijelaskan dalam kebijakan akuntansi masing-masing akun tersebut. Biaya perolehan umumnya didasarkan pada nilai wajar imbalan yang diserahkan dalam pemerolehan aset.

Laporan arus kas disajikan dengan metode langsung (*direct method*) dengan mengelompokkan arus kas dalam aktivitas operasi, investasi dan pendanaan.

Mata uang penyajian yang digunakan dalam penyusunan laporan keuangan ini adalah Rupiah yang merupakan mata uang fungsional Perusahaan. Perusahaan menetapkan mata uang fungsional dan unsur-unsur dalam laporan keuangan diukur berdasarkan mata uang fungsional tersebut.

2.c. Pernyataan dan Interpretasi Standar Akuntansi Baru dan Revisi yang Berlaku Efektif pada Tahun Berjalan

Berikut adalah perubahan dan penyesuaian atas standar dan interpretasi standar baru yang telah diterbitkan oleh DSAK-IAI dan berlaku efektif untuk tahun buku yang dimulai pada atau setelah 1 Januari 2016, yaitu:

2. Summary of Significant Accounting Policies

2.a. Compliance with the Financial Accounting Standards (SAK)

The consolidated financial statements were prepared and presented in accordance with Indonesian Financial Accounting Standards which include the Statement of Financial Accounting Standards (PSAK) and Interpretation of Financial Accounting Standards (ISAK) issued by the Financial Accounting Standard Board – Indonesian Institute of Accountant (DSAK – IAI), and regulations in the Capital Market include Regulations of Financial Services Authority/Capital Market and Supervisory Board and Financial Institution (OJK/Bapepam-LK) No. VIII.G.7 regarding guidelines for the presentation of financial statements, decree of Chairman of Bapepam-LK No. KEP-347/BL/2012 regarding presentation and disclosure of financial statements of the issuer or public company.

2.b. The Basis of Measurement and Preparation of Financial Statements

The financial statements have been prepared and presented based on going concern assumption and accrual basis of accounting, except for the consolidated statements of cash flows. Basis of measurement in preparation of these consolidated financial statements is the historical costs concept, except for certain accounts which have been prepared on the basis of other measurements as described in their respective policies. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The statements of cash flows are prepared using the direct method by classifying cash flows into operating, investing and financing activities.

The presentation currency used in the preparation of the financial statements is Indonesian Rupiah which is the functional currency of the Company. The Company determines its own functional currency and items included in the financial statements are measured using that functional currency.

2.c. New and Revised Statements and Interpretation of Financial Accounting Standards Effective in the Current Year

The following are amendment and improvement of standards and new interpretation of standard issued by DSAK - IAI and effectively applied for the period starting on or after January 1, 2016, as follows:

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- PSAK No. 5 (Penyesuaian 2015): "Segmen Operasi"
- PSAK No. 7 (Penyesuaian 2015): "Pengungkapan Pihak-pihak Berelasi"
- PSAK No. 13 (Penyesuaian 2015): "Properti Investasi"
- PSAK No. 16 (Penyesuaian 2015): "Aset Tetap"
- PSAK No. 19 (Penyesuaian 2015): "Aset Takberwujud"
- PSAK No. 22 (Penyesuaian 2015): "Kombinasi Bisnis"
- PSAK No. 25 (Penyesuaian 2015): "Kebijakan Akuntansi, Perubahan Estimasi Akuntansi dan Kesalahan"
- PSAK No. 53 (Penyesuaian 2015): "Pembayaran Berbasis Saham"
- PSAK No. 68 (Penyesuaian 2015): "Pengukuran Nilai Wajar"
- Amandemen PSAK No. 4: "Laporan Keuangan Tersendiri" tentang Metode Ekuitas dalam Laporan Keuangan Tersendiri
- Amandemen PSAK No. 15: "Investasi Pada Entitas Asosiasi dan Ventura Bersama" tentang Entitas Investasi: Penerapan Pengecualian Konsolidasi
- Amandemen PSAK No. 16: "Aset Tetap" tentang Klarifikasi Metode yang Diterima untuk Penyusutan dan Amortisasi
- Amandemen PSAK No. 19: "Aset Takberwujud" tentang Klarifikasi Metode yang Diterima untuk Penyusutan dan Amortisasi
- Amandemen PSAK No. 24: "Imbalan Kerja" tentang Program Imbalan Pasti: Iuran Pekerja
- Amandemen PSAK No. 65: "Laporan Keuangan Konsolidasian" tentang Entitas Investasi: Penerapan Pengecualian Konsolidasi
- Amandemen PSAK No. 66: "Pengaturan Bersama" tentang Akuntansi Akuisisi Kepentingan dalam Operasi Bersama
- Amandemen PSAK No. 67: "Pengungkapan Kepentingan Dalam Entitas Lain" tentang Entitas Investasi: Penerapan Pengecualian Konsolidasi
- ISAK No. 30: "Pungutan"

Berikut ini adalah dampak atas perubahan standar akuntansi diatas yang relevan terhadap laporan keuangan Perusahaan:

- PSAK No. 5 (Penyesuaian 2015): "Segmen Operasi"

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- *PSAK No. 5 (Improvement 2015): "Operating Segments"*
- *PSAK No. 7 (Improvement 2015): "Related Party Disclosures"*
- *PSAK No. 13 (Improvement 2015): "Investments Property"*
- *PSAK No. 16 (Improvement 2015): "Property, Plant and Equipment"*
- *PSAK No. 19 (Improvement 2015): "Intangible Assets"*
- *PSAK No. 22 (Improvement 2015): "Business Combination"*
- *PSAK No. 25 (Improvement 2015): "Accounting Policies, Changes in Accounting Estimates and Errors"*
- *PSAK No. 53 (Improvement 2015): "Share-based Payments"*
- *PSAK No. 68 (Improvement 2015): "Fair Value Measurement"*
- *Amendment of PSAK No. 4: "Separate Financial Statements" about Equity Method in Separate Financial Statements*
- *Amendment of PSAK No. 15: "Investment in Associates and Joint Venture" about Investment Entities: Applying the Consolidation Exception*
- *Amendment of PSAK No. 16: "Property, Plant and Equipment" about Clarification of Acceptable Methods of Depreciation and Amortization*
- *Amendment of PSAK No. 19: "Intangible Asset" about Clarification of Acceptable Methods of Depreciation and Amortization*
- *Amendment of PSAK No. 24: "Employee Benefits" about Defined Benefit Plans: Employee Contributions*
- *Amendment of PSAK No. 65: "Consolidated Financial Statements" about Investment Entities: Applying the Consolidation Exception*
- *Amendment of PSAK No. 66: "Joint Arrangements" about Accounting for Acquisitions of Interests in Joint Operation*
- *Amendment of PSAK No. 67: "Disclosures of Interest in Other Entities" about Investment Entities: Applying the Consolidation Exception*
- *ISAK No. 30: "Levies"*

The following is the impact of the amendments in accounting standards that are relevant and significant to the financial statements of the Company:

- *PSAK No. 5 (Improvement 2015): "Operating Segments"*

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Penyesuaian ini mengklarifikasi:

- Entitas mengungkapkan pertimbangan yang dibuat manajemen dalam penerapan kriteria agregasi PSAK 5 paragraf 12 termasuk penjelasan singkat segmen operasi yang digabungkan dan karakteristik ekonomi.
- Pengungkapan rekonsiliasi aset segmen terhadap total aset jika rekonsiliasi dilaporkan kepada pengambil keputusan operasional, demikian juga untuk pengungkapan liabilitas segmen.

Penerapan penyesuaian standar ini tidak memberikan pengaruh material terhadap laporan keuangan.

- PSAK No. 7 (Penyesuaian 2015): "Pengungkapan Pihak-pihak Berelasi"
Penyesuaian ini menambahkan persyaratan pihak-pihak berelasi dan mengklarifikasi bahwa entitas manajemen (entitas yang menyediakan jasa personil manajemen kunci) adalah pihak berelasi yang dikenakan pengungkapan pihak berelasi. Dan entitas yang memakai entitas manajemen mengungkapkan biaya yang terjadi untuk jasa manajemennya.

Perusahaan telah menerapkan PSAK ini dan telah melengkapi persyaratan mengenai informasi pihak berelasi.

- PSAK No. 16 (Penyesuaian 2015): "Aset Tetap" dan PSAK No. 19 (Penyesuaian 2015): "Aset Takberwujud"

Penyesuaian PSAK No. 16 dan PSAK No. 19 ini mengklarifikasi bahwa aset dapat direvaluasi dengan mengacu pada data pasar yang dapat diobservasi terhadap jumlah tercatat bruto ataupun neto. Sebagai tambahan, akumulasi penyusutan atau amortisasi adalah perbedaan antara jumlah tercatat bruto dan jumlah tercatat aset tersebut. Jumlah tercatat aset tersebut disajikan kembali pada jumlah revaluasiannya.

Penerapan PSAK-PSAK ini tidak memberikan pengaruh material terhadap laporan keuangan.

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The improvement clarifies that:

- *An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of PSAK 5 including a brief description of operating segments that have been aggregated and the economic characteristics.*
- *Disclose the reconciliation of segment assets to total assets if the reconciliation of segment assets to total assets if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.*

The adoption of this improvement of standard had no material effect to financial statements.

- *PSAK No. 7 (Improvement 2015): "Related Party Disclosures"*
The improvement add requirement of related parties and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

The Company had adopting this PSAK and had completed the requirement regarding the related parties information.

- *PSAK No. 16 (Improvement 2015): "Property, Plant and Equipment" and PSAK No. 19 (Improvement 2015): "Intangible Asset"*

The improvement of PSAK No. 16 and PSAK No. 19 clarifies that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortization is the difference between the gross and carrying amounts of the asset. Carrying amounts of the asset is restated by revalved amounts.

The adoption of these PSAKs had no material effect to financial statements.

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- Amandemen PSAK No. 16: "Aset Tetap" dan PSAK No. 19: "Aset Takberwujud" tentang Klarifikasi Metode yang Diterima untuk Penyusutan dan Amortisasi

Amandemen ini mengklarifikasi prinsip yang terdapat dalam PSAK No. 16 dan PSAK No. 19, bahwa pendapatan mencerminkan suatu pola manfaat ekonomik yang dihasilkan dari pengoperasian usaha (yang mana aset tersebut adalah bagiannya) dari pada manfaat ekonomik dari pemakaian melalui penggunaan aset. Sebagai kesimpulan, penggunaan metode penyusutan aset tetap yang berdasarkan pada pendapatan adalah tidak tepat.

Penerapan PSAK-PSAK ini tidak memberikan pengaruh material terhadap laporan keuangan.

- Amandemen PSAK No. 24: "Imbalan Kerja" tentang Program Imbalan Pasti: Iuran Pekerja

Amandemen PSAK No. 24 meminta entitas untuk memperhatikan iuran dari pekerja atau pihak ketiga ketika memperhitungkan program manfaat pasti. Ketika iuran tersebut sehubungan dengan jasa, harus diatribusikan pada periode jasa sebagai imbalan negatif. Amandemen ini mengklarifikasi bahwa, jika jumlah iuran tidak bergantung pada jumlah tahun jasa, entitas diperbolehkan untuk mengakui iuran tersebut sebagai pengurang dari biaya jasa dalam periode ketika jasa terkait diberikan, daripada alokasi iuran tersebut pada periode jasa.

Penerapan standar ini tidak memberikan pengaruh material terhadap laporan keuangan.

Perusahaan telah menerapkan PSAK ini dan telah melengkapi persyaratan pengungkapan yang diminta.

2.d. Prinsip-prinsip Konsolidasi

Laporan keuangan Perusahaan untuk tahun yang berakhir pada 31 Desember 2014 dan 2013, yang disajikan dalam laporan ini, merupakan laporan keuangan konsolidasian mencakup laporan keuangan Perusahaan dan entitas-entitas anak seperti disebutkan pada Catatan 1.c.

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- *Amendment of PSAK No. 16: "Property, Plant and Equipment" and PSAK No. 19: "Intangible Asset" about Clarification of Acceptable Methods of Depreciation and Amortization*

The amendments clarify the principle in PSAK No. 16 and PSAK No. 19, that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue based method cannot be used to depreciate the Property, Plant and Equipment.

The adoption of these PSAKs had no material effect to financial statements.

- *Amendment of PSAK No. 24: "Employee Benefits" about Defined Benefit Plans: Employee Contributions*

PSAK 24 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service.

The adoption of this standard had no material effect to financial statements.

The Company has adopted these PSAKs and had completed the required disclosures requirements.

2.d. Principles of Consolidation

The Company's financial statements for the years ended December 31, 2014 and 2013, as presented in this report are the consolidated financial statements which consist the financial statements of the Company and subsidiaries as described in Note 1.c.

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Entitas anak adalah entitas yang dikendalikan oleh Perusahaan, yakni Perusahaan terekspos, atau memiliki hak, atas imbal hasil variabel dari keterlibatannya dengan entitas dan memiliki kemampuan untuk mempengaruhi imbal hasil tersebut melalui kemampuan kini untuk mengarahkan aktivitas relevan dari entitas (kekuasaan atas *investee*).

Keberadaan dan dampak dari hak suara potensial dimana Perusahaan memiliki kemampuan praktis untuk melaksanakan (yakni hak substantif) dipertimbangkan saat menilai apakah Perusahaan mengendalikan entitas lain.

Laporan keuangan Perusahaan mencakup hasil usaha, arus kas, aset dan liabilitas dari Perusahaan dan seluruh entitas anak yang, secara langsung dan tidak langsung, dikendalikan oleh Perusahaan. Entitas anak dikonsolidasikan sejak tanggal efektif akuisisi, yaitu tanggal dimana Perusahaan secara efektif memperoleh pengendalian atas bisnis yang diakuisisi, sampai tanggal pengendalian berakhir.

Entitas induk menyusun laporan keuangan konsolidasian dengan menggunakan kebijakan akuntansi yang sama untuk transaksi dan peristiwa lain dalam keadaan yang serupa. Seluruh transaksi, saldo, laba, beban, dan arus kas dalam intra kelompok usaha terkait dengan transaksi antar entitas dalam Perusahaan dieliminasi secara penuh.

Perusahaan mengatribusikan laba rugi dan setiap komponen dari penghasilan komprehensif lain kepada pemilik entitas induk dan kepentingan nonpengendali meskipun hal tersebut mengakibatkan kepentingan nonpengendali memiliki saldo defisit. Perusahaan menyajikan kepentingan nonpengendali di ekuitas dalam laporan posisi keuangan konsolidasian, terpisah dari ekuitas pemilik entitas induk.

Perubahan dalam bagian kepemilikan entitas induk pada entitas anak yang tidak mengakibatkan hilangnya pengendalian adalah transaksi ekuitas (yaitu transaksi dengan pemilik dalam kapasitasnya sebagai pemilik). Ketika proporsi ekuitas yang dimiliki oleh kepentingan nonpengendali berubah, Perusahaan menyesuaikan jumlah tercatat kepentingan pengendali dan kepentingan nonpengendali untuk mencerminkan

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A subsidiary is an entity controlled by the Company, i.e., the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its current ability to direct the entity's relevant activities (power over the investee).

The existence and effect of substantive potential voting rights that the Company has the practical ability to exercise (i.e., substantive rights) are considered when assessing whether the Company controls another entity.

The Company's financial statements incorporate the results, cash flows, assets and liabilities of the Company and all of its directly and indirectly controlled subsidiaries. Subsidiaries are consolidated from the effective date of acquisition, which is the date on which the Company effectively obtains control of the acquired business, until that control ceases.

A parent prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. All intraCompany transactions, balances, income, expenses and cash flows are eliminated in full on consolidation.

The Company attributed the profit and loss and each component of other comprehensive income to the owners of the parent and non-controlling interest even though this results in the non-controlling interests having a deficit balance. The Company presents non-controlling interest in equity in the consolidated statement of financial position, separately from the equity owners of the parent.

Changes in the parent's ownership interest in a subsidiary that do not result in loss of control are equity transactions (i.e., transactions with owners in their capacity as owners). When the proportion of equity held by non-controlling interest change, the Company adjusted the carrying amounts of the controlling interest and non-controlling interest to reflect the changes in their relative interest in the subsidiaries. Any difference between the

perubahan kepemilikan relatifnya dalam entitas anak. Selisih antara jumlah dimana kepentingan nonpengendali disesuaikan dan nilai wajar dari jumlah yang diterima atau dibayarkan diakui langsung dalam ekuitas dan diatribusikan pada pemilik dari entitas induk.

amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

Jika Perusahaan kehilangan pengendalian, maka Perusahaan:

If the Company loses control, the Company:

- (a) Menghentikan pengakuan aset (termasuk goodwill) dan liabilitas entitas anak pada jumlah tercatatnya ketika pengendalian hilang;
- (b) Menghentikan pengakuan jumlah tercatat setiap kepentingan nonpengendali pada entitas anak terdahulu ketika pengendalian hilang (termasuk setiap komponen penghasilan komprehensif lain yang diatribusikan pada kepentingan nonpengendali);
- (c) Mengakui nilai wajar pembayaran yang diterima (jika ada) dari transaksi, peristiwa, atau keadaan yang mengakibatkan hilangnya pengendalian;
- (d) Mengakui sisa investasi pada entitas anak terdahulu pada nilai wajarnya pada tanggal hilangnya pengendalian
- (e) Mereklasifikasi ke laba rugi, atau mengalihkan secara langsung ke saldo laba jika disyaratkan oleh SAK lain, jumlah yang diakui dalam penghasilan komprehensif lain dalam kaitan dengan entitas anak;
- (f) Mengakui perbedaan apapun yang dihasilkan sebagai keuntungan atau kerugian dalam laba rugi yang diatribusikan kepada entitas induk.

- (a) Derecognize the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;*
- (b) Derecognize the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them);*
- (c) Recognize the fair value of the consideration received, if any, from the transaction, event or circumstances that resulted in the loss of control;*
- (d) Recognize any investment retained in the former subsidiary at fair value at the date when control is lost;*
- (e) Reclassify to profit or loss, or transfer directly to retained earnings if required by other SAKs, the amount recognized in other comprehensive income in relation to the subsidiary;*
- (f) Recognize any resulting difference as a gain or loss attributable to the parent.*

2.e. Kombinasi Bisnis

Kombinasi bisnis adalah suatu transaksi atau peristiwa lain dimana pihak pengakuisisi memperoleh pengendalian atas satu atau lebih bisnis. Kombinasi bisnis dicatat dengan menggunakan metode akuisisi. Imbalan yang dialihkan dalam suatu kombinasi bisnis diukur pada nilai wajar, yang dihitung sebagai hasil penjumlahan dari nilai wajar tanggal akuisisi atas seluruh aset yang dialihkan oleh Perusahaan, liabilitas yang diakui oleh Perusahaan kepada pemilik sebelumnya dari pihak yang diakuisisi dan kepentingan ekuitas yang diterbitkan oleh Perusahaan dalam pertukaran pengendalian dari pihak yang diakuisisi. Biaya-biaya terkait akuisisi diakui sebagai beban pada periode saat biaya tersebut terjadi dan jasa diterima.

2.e. Business Combination

Business combination is a transaction or other event in which an acquirer obtains control of one or more businesses. Business combination is accounted for by applying the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred by the Company, liabilities incurred by the Company to former owners of the acquiree, and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are recognized as expenses in the periods in which the costs are incurred and the services are received.

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Pada tanggal akuisisi, aset teridentifikasi yang diperoleh dan liabilitas yang diambil alih diakui pada nilai wajar kecuali untuk aset dan liabilitas tertentu yang diukur sesuai dengan standar yang relevan.

Komponen kepentingan nonpengendali pada pihak diakuisisi diukur baik pada nilai wajar ataupun pada bagian proporsional instrumen kepemilikan yang ada dalam jumlah yang diakui atas aset neto teridentifikasi dari pihak diakuisisi.

Bila suatu kombinasi bisnis dilakukan secara bertahap, kepemilikan terdahulu Perusahaan atas pihak terakuisisi diukur kembali ke nilai wajar pada tanggal akuisisi dan keuntungan atau kerugiannya, jika ada, diakui dalam laba rugi. Apabila dalam periode sebelumnya, perubahan nilai wajar yang berasal dari kepentingan ekuitasnya sebelum tanggal akuisisi telah diakui dalam penghasilan komprehensif lain, jumlah tersebut diakui dengan dasar yang sama sebagaimana dipersyaratkan jika Perusahaan telah melepas secara langsung kepentingan ekuitas yang dimiliki sebelumnya.

Jika akuntansi awal untuk kombinasi bisnis belum selesai pada akhir periode pelaporan saat kombinasi terjadi, Perusahaan melaporkan jumlah sementara untuk pos-pos yang proses akuntansinya belum selesai dalam laporan keuangannya. Selama periode pengukuran, pihak pengakuisisi menyesuaikan, aset atau liabilitas tambahan yang diakui, untuk mencerminkan informasi baru yang diperoleh tentang fakta dan keadaan yang ada pada tanggal akuisisi dan, jika diketahui, akan berakibat terhadap pengakuan aset dan liabilitas dimaksud pada tanggal tersebut.

Pada tanggal akuisisi, goodwill diukur pada harga perolehan yang merupakan selisih lebih antara (a) nilai gabungan dari imbalan yang dialihkan dan jumlah setiap kepentingan nonpengendali, atas (b) jumlah neto teridentifikasi dari aset yang diperoleh dan liabilitas yang diambil alih. Jika imbalan tersebut kurang dari nilai wajar aset neto entitas anak yang diakuisisi, selisih tersebut diakui dalam laporan laba rugi sebagai keuntungan dari akuisisi entitas anak setelah sebelumnya manajemen menilai kembali apakah telah mengidentifikasi dengan tepat seluruh aset yang diperoleh dan liabilitas yang diambil alih serta mengakui setiap aset atau liabilitas tambahan yang dapat diidentifikasi dalam penelaahan tersebut.

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At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value except for certain assets and liabilities that are measured in accordance with the relevant standards.

Component of non-controlling interests are measured either at fair value or at the present ownership instruments' proportionate share in the recognized amounts of the acquiree's identifiable net assets.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. When in prior periods, a change in the value of its equity interest in the acquiree prior to the acquisition date had been recognized in other comprehensive income, that amount shall be recognized on the same basis as would be required if the Company had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have resulted in the recognition of those assets and liabilities as of that date.

At acquisition date, goodwill is measured at its cost being the excess of (a) the aggregate of the consideration transferred and the amount of any non-controlling interest, over (b) the net of identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss as gain on bargain purchase after previously the management reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognize any additional assets or liabilities that are identified in that review.

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Setelah pengakuan awal, goodwill diukur pada jumlah tercatat dikurangi akumulasi kerugian penurunan nilai. Untuk tujuan pengujian penurunan nilai, goodwill yang diperoleh dari suatu kombinasi bisnis, sejak tanggal akuisisi dialokasikan kepada setiap Unit Penghasil Kas dari Perusahaan yang diperkirakan akan memberikan manfaat dari sinergi kombinasi bisnis tersebut, terlepas dari apakah aset atau liabilitas lain dari pihak yang diakuisi ditempatkan dalam Unit Penghasil Kas tersebut.

Jika goodwill telah dialokasikan pada suatu Unit Penghasil Kas dan operasi tertentu atas Unit Penghasil Kas tersebut dilepaskan, maka goodwill yang terkait dengan operasi yang dilepaskan tersebut termasuk dalam jumlah tercatat operasi tersebut ketika menentukan keuntungan atau kerugian dari pelepasan. Goodwill yang dilepaskan tersebut diukur berdasarkan nilai relatif operasi yang dihentikan dan porsi Unit Penghasil Kas yang ditahan.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination, from the acquisition date, be allocated to each of the Company's Cash Generating Units that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those Cash Generating Units.

If goodwill has been allocated to Cash Generating Units and certain operations on the Cash Generating Units is disposed, the goodwill associated with the operation disposed is included in the carrying amount of the operation when determining the gain or losses on disposal. Disposed goodwill is measured on the basis of relative values of the operation disposed of and the portion of the Cash Generating Units retained.

2.f. Transaksi dan Saldo Dalam Mata Uang Asing

Dalam menyiapkan laporan keuangan, Perusahaan mencatat dengan menggunakan mata uang dari lingkungan ekonomi utama di mana entitas beroperasi ("mata uang fungsional"). Mata uang fungsional Perusahaan adalah Rupiah.

Transaksi-transaksi selama tahun berjalan dalam mata uang asing dicatat dalam Rupiah dengan kurs spot antara Rupiah dan valuta asing pada tanggal transaksi. Pada akhir periode pelaporan, pos moneter dalam mata uang asing dijabarkan ke dalam Rupiah menggunakan kurs penutup, yaitu kurs tengah Bank Indonesia pada 30 Juni 2016 dan 2015, serta 31 Desember 2015, 2014, dan 2013 sebagai berikut:

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Dolar Amerika Serikat (USD)	13.180,00	13.332,00	13.795,00	12.440,00	12.189,00	United States Dollar (USD)
Euro (EUR)	14.650,90	14.919,86	15.069,68	15.133,27	16.821,44	Euro (EUR)

Selisih kurs yang timbul dari penyelesaian pos moneter dan dari penjabaran pos moneter dalam mata uang asing diakui dalam laba rugi.

2.f. Foreign Currency Transactions and Balances

In preparing financial statements, Company record by using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is Rupiah.

Transactions during the year in foreign currencies are recorded in Rupiah by applying to the foreign currency amount the spot exchange rate between Rupiah and the foreign currency at the date of transactions. At the end of reporting period, foreign currency monetary items are translated to Rupiah using the closing rate, middle rate of Bank of Indonesia as at June 30, 2016 and 2015, and December 31, 2015, 2014, and 2013 as follows:

Exchange differences arising on the settlement of monetary items or on translating monetary items in foreign currencies are recognized in profit or loss.

2.g. Transaksi dan Saldo dengan Pihak Berelasi

Pihak berelasi adalah orang atau entitas yang terkait dengan entitas pelapor:

- a) Orang atau anggota keluarga dekatnya mempunyai relasi dengan entitas pelapor

2.g. Related Parties Transactions and Balances

A related party is a person or an entity that is related to the reporting entity:

- a) A person or a close member of that person's family is related to a reporting

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jika orang tersebut:

- i. memiliki pengendalian atau pengendalian bersama atas entitas pelapor;
 - ii. memiliki pengaruh signifikan atas entitas pelapor; atau
 - iii. merupakan personil manajemen kunci entitas pelapor atau entitas induk dari entitas pelapor.
- b) Suatu entitas berelasi dengan entitas pelapor jika memenuhi salah satu hal berikut:
- i. Entitas dan entitas pelapor adalah anggota dari kelompok usaha yang sama (artinya entitas induk, entitas anak, dan entitas anak berikutnya saling berelasi dengan entitas lain);
 - ii. Satu entitas adalah entitas asosiasi atau ventura bersama dari entitas lain (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, yang mana entitas lain tersebut adalah anggotanya);
 - iii. Kedua entitas tersebut adalah ventura bersama dari pihak ketiga yang sama;
 - iv. Satu entitas adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga;
 - v. Entitas tersebut adalah suatu program imbalan pasca kerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan entitas pelapor. Jika entitas pelapor adalah entitas yang menyelenggarakan program tersebut, maka entitas sponsor juga berelasi dengan entitas pelapor;
 - vi. Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam huruf (a); atau
 - vii. Orang yang diidentifikasi dalam huruf (a) (i) memiliki pengaruh signifikan atas entitas atau merupakan personil manajemen kunci entitas (atau entitas induk dari entitas).
 - viii. Entitas, atau anggota dari kelompok yang mana entitas merupakan bagian dari kelompok tersebut, menyediakan jasa personil manajemen kunci kepada entitas pelapor atau kepada entitas induk dari entitas pelapor.

Seluruh transaksi dan saldo yang signifikan dengan pihak berelasi diungkapkan dalam catatan yang relevan.

entity if that person:

- i. has control or joint control over the reporting entity;*
 - ii. has significant influence over the reporting entity; or*
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.*
- b) An entity is related to the reporting entity if any of the following conditions applies:*
- i. The entity and the reporting entity are members of the same Company (which means that each parent, subsidiary and fellow subsidiary is related to the others);*
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Company of which the other entity is a member);*
 - iii. Both entities are joint ventures of the same third party;*
 - iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity;*
 - v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity in itself such a plan, the sponsoring employers are also related to the reporting entity;*
 - vi. The entity is controlled or jointly controlled by a person identified in (a); or*
 - vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).*
 - viii. Entities, or members of the Company to which the entity is part of the Company, providing services to the entity's key management personnel or to the parent entity of the reporting entity.*

All significant transactions and balances with related parties are disclosed in the relevant notes.

2.h. Instrumen Keuangan

Pengakuan dan Pengukuran Awal

Perusahaan mengakui aset keuangan atau liabilitas keuangan dalam laporan posisi keuangan, jika dan hanya jika, Perusahaan menjadi salah satu pihak dalam ketentuan pada kontrak instrumen tersebut. Pada saat pengakuan awal aset keuangan atau liabilitas keuangan, Perusahaan mengukur pada nilai wajarnya. Dalam hal aset keuangan atau liabilitas keuangan tidak diukur pada nilai wajar melalui laba rugi, nilai wajar tersebut ditambah atau dikurang dengan biaya transaksi yang dapat diatribusikan secara langsung dengan perolehan atau penerbitan aset keuangan atau liabilitas keuangan tersebut.

Biaya transaksi yang dikeluarkan sehubungan dengan perolehan aset keuangan dan penerbitan liabilitas keuangan yang diklasifikasikan pada nilai wajar melalui laba rugi dibebankan segera.

Pengukuran Selanjutnya Aset Keuangan

Pengukuran selanjutnya aset keuangan tergantung pada klasifikasinya pada saat pengakuan awal. Perusahaan mengklasifikasikan aset keuangan dalam salah satu dari empat kategori berikut:

- (i) **Aset Keuangan yang Diukur pada Nilai Wajar Melalui Laba Rugi (FVTPL)**
Aset keuangan yang diukur pada FVTPL adalah aset keuangan yang dimiliki untuk diperdagangkan atau yang pada saat pengakuan awal telah ditetapkan untuk diukur pada nilai wajar melalui laba rugi. Aset keuangan diklasifikasikan dalam kelompok diperdagangkan jika diperoleh atau dimiliki terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat, atau bagian dari portfolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti mengenai pola ambil untung dalam jangka pendek aktual saat ini, atau merupakan derivatif, kecuali derivatif yang ditetapkan dan efektif sebagai instrumen lindung nilai.

Setelah pengakuan awal, aset keuangan yang diukur pada FVTPL diukur pada nilai wajarnya. Keuntungan atau kerugian yang timbul dari perubahan nilai wajar aset keuangan diakui dalam laba rugi.

2.h. Financial Instrument

Initial Recognition and Measurement

The Company recognize a financial assets or a financial liabilities in the statement of financial position when, and only when, it becomes a party to the contractual provisions of the instrument. At initial recognition, the Company measure all financial assets and financial liabilities at its fair value. In the case of a financial asset or financial liability not at fair value through profit or loss, fair value plus or minus with the transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Transaction costs incurred on acquisition of a financial asset and issue of a financial liability classified at fair value through profit or loss are expensed immediately.

Subsequent Measurement of Financial Assets

Subsequent measurement of financial assets depends on their classification on initial recognition. The Company classifies financial assets in one of the following four categories:

- (i) **Financial Assets at Fair Value Through Profit or Loss (FVTPL)**
Financial assets at FVTPL are financial assets held for trading or upon initial recognition it is designated as at fair value through profit or loss. Financial asset classified as held for trading if it is acquired or incurred principally for the purpose of selling and repurchasing it in the near term, or it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or it is a derivative, except for a derivative that is a designated and effective hedging instrument.

After initial recognition, financial assets at FVTPL are measured at its fair value. Gains or losses arising from a change in the fair value of financial assets are recognized in profit or loss.

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- (ii) Pinjaman yang Diberikan dan Piutang
Pinjaman yang diberikan dan piutang adalah aset keuangan nonderivatif dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuota di pasar aktif, kecuali:
- (a) pinjaman yang diberikan dan piutang yang dimaksudkan untuk dijual dalam waktu dekat dan yang pada saat pengakuan awal ditetapkan sebagai aset keuangan yang diukur pada nilai wajar melalui laba rugi;
 - (b) pinjaman yang diberikan dan piutang yang pada saat pengakuan awal ditetapkan sebagai tersedia untuk dijual; atau
 - (c) pinjaman yang diberikan dan piutang dalam hal pemilik mungkin tidak akan memperoleh kembali investasi awal secara substansial kecuali yang disebabkan oleh penurunan kualitas pinjaman.

Setelah pengakuan awal, pinjaman yang diberikan dan piutang diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

- (iii) Investasi Dimiliki Hingga Jatuh Tempo (HTM)
Investasi HTM adalah aset keuangan nonderivatif dengan pembayaran tetap atau telah ditentukan dan jatuh temponya telah ditetapkan, serta Perusahaan mempunyai intensi positif dan kemampuan untuk memiliki aset keuangan tersebut hingga jatuh tempo.

Setelah pengakuan awal, investasi dimiliki hingga jatuh tempo diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

- (iv) Aset Keuangan Tersedia Untuk Dijual (AFS)
Aset keuangan AFS adalah aset keuangan nonderivatif yang ditetapkan sebagai tersedia untuk dijual atau yang tidak diklasifikasikan sebagai (a) pinjaman yang diberikan dan piutang, (b) investasi yang diklasifikasikan dalam kelompok dimiliki hingga jatuh tempo, atau (c) aset keuangan yang diukur pada nilai wajar melalui laba rugi.

- (ii) *Loans and Receivables*
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:
- (a) those that intends to sell immediately or in the near term and upon initial recognition designated as at fair value through profit or loss;*
 - (b) those that upon initial recognition designated as available for sale; or*
 - (c) those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.*

After initial recognition, loans and receivable are measured at amortized cost using the effective interest method.

- (iii) *Held-to-Maturity (HTM) Investments*
HTM investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intention and ability to hold to maturity.

After initial recognition, HTM investments are measured at amortized cost using the effective interest method.

- (iv) *Available-for-Sale (AFS) Financial Assets*
AFS financial assets are non-derivative financial assets that are designated as available for sale on initial recognition or are not classified as (a) loans and receivable, (b) held-to-maturity investment, or (c) financial assets at fair value through profit or loss.

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Setelah pengakuan awal, aset keuangan AFS diukur pada nilai wajarnya. Keuntungan atau kerugian yang timbul dari perubahan nilai wajar diakui dalam penghasilan komprehensif lain, kecuali untuk kerugian penurunan nilai dan keuntungan atau kerugian akibat perubahan kurs, sampai aset keuangan tersebut dihentikan pengakuannya. Pada saat itu, keuntungan atau kerugian kumulatif yang sebelumnya diakui dalam penghasilan komprehensif lain direklasifikasi dari ekuitas ke laba rugi sebagai penyesuaian reklasifikasi.

Investasi dalam instrumen ekuitas yang tidak memiliki harga kuotasi di pasar aktif dan nilai wajarnya tidak dapat diukur secara andal diukur pada biaya perolehan.

Pengukuran Selanjutnya Liabilitas Keuangan

Pengukuran selanjutnya liabilitas keuangan tergantung pada klasifikasinya pada saat pengakuan awal. Perusahaan mengklasifikasikan liabilitas keuangan dalam salah satu dari kategori berikut:

- (i) Liabilitas Keuangan yang Diukur pada Nilai Wajar Melalui Laba Rugi (FVTPL)
Liabilitas keuangan yang diukur pada FVTPL adalah liabilitas keuangan yang dimiliki untuk diperdagangkan atau yang pada saat pengakuan awal telah ditetapkan untuk diukur pada nilai wajar melalui laba rugi. Liabilitas keuangan diklasifikasikan dalam kelompok diperdagangkan jika diperoleh atau dimiliki terutama untuk tujuan dijual atau dibeli kembali dalam waktu dekat, atau bagian dari portfolio instrumen keuangan tertentu yang dikelola bersama dan terdapat bukti mengenai pola ambil untung dalam jangka pendek aktual saat ini, atau merupakan derivatif, kecuali derivatif yang ditetapkan dan efektif sebagai instrumen lindung nilai.

Setelah pengakuan awal, liabilitas keuangan yang diukur pada FVTPL diukur pada nilai wajarnya. Keuntungan atau kerugian yang timbul dari perubahan nilai wajar diakui dalam laba rugi.

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After initial recognition, AFS financial assets are measured at its fair value. Gains or losses arising from a change in the fair value is recognized on other comprehensive income, except for impairment losses and foreign exchange gains or losses, until the financial assets is derecognized. At that time, the cumulative gains or losses previously recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment.

Investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost.

Subsequent Measurement of Financial Liabilities

Subsequent measurement of financial liabilities depends on their classification on initial recognition. The Company classifies financial liabilities into one of the following categories:

- (i) *Financial Liabilities at Fair Value Through Profit or Loss (FVTPL)*
Financial liabilities at FVTPL are financial liabilities held for trading or upon initial recognition it is designated as at fair value through profit or loss. Financial liabilities classified as held for trading if it is acquired or incurred principally for the purpose of selling and repurchasing it in the near term, or it is a part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking, or it is a derivative, except for a derivative that is a designated and effective hedging instrument.

After initial recognition, financial liabilities at FVTPL are measured at its fair value. Gains or losses arising from a change in the fair value are recognized in profit or loss.

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- (ii) **Liabilitas Keuangan Lainnya**
Liabilitas keuangan yang tidak diklasifikasikan sebagai liabilitas keuangan yang diukur pada FVTPL dikelompokkan dalam kategori ini dan diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif.

Penghentian Pengakuan Aset dan Liabilitas Keuangan

Perusahaan menghentikan pengakuan aset keuangan, jika dan hanya jika hak kontraktual atas arus kas yang berasal dari aset keuangan berakhir atau Perusahaan mengalihkan hak kontraktual untuk menerima kas yang berasal dari aset keuangan atau tetap memiliki hak kontraktual untuk menerima kas tetapi juga menanggung kewajiban kontraktual untuk membayar arus kas yang diterima tersebut kepada satu atau lebih pihak penerima melalui suatu kesepakatan.

Jika Perusahaan secara substansial mengalihkan seluruh risiko dan manfaat atas kepemilikan aset keuangan, maka Perusahaan menghentikan pengakuan aset keuangan dan mengakui secara terpisah sebagai aset atau liabilitas untuk setiap hak dan kewajiban yang timbul atau yang masih dimiliki dalam pengalihan tersebut. Jika Perusahaan secara substansial tidak mengalihkan dan tidak memiliki seluruh risiko dan manfaat atas kepemilikan aset keuangan tersebut dan masih memiliki pengendalian, maka Perusahaan mengakui aset keuangan sebesar keterlibatan berkelanjutan dengan aset keuangan tersebut. Jika Perusahaan secara substansial masih memiliki seluruh risiko dan manfaat atas kepemilikan aset keuangan, maka Perusahaan tetap mengakui aset keuangan tersebut.

Perusahaan menghentikan pengakuan liabilitas keuangan, jika dan hanya jika, liabilitas keuangan tersebut berakhir, yaitu ketika kewajiban yang ditetapkan dalam kontrak dilepaskan atau dibatalkan atau kedaluwarsa.

Penurunan Nilai Aset Keuangan

Pada setiap akhir periode pelaporan, Perusahaan mengevaluasi apakah terdapat bukti objektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai. Aset keuangan atau kelompok aset keuangan diturunkan nilainya dan kerugian penurunan nilai telah terjadi, jika dan hanya jika, terdapat bukti objektif mengenai

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- (ii) **Other Financial Liabilities**
Financial liabilities that are not classified as financial liabilities at FVTPL are Companyed in this category and are measured at amortized cost using the effective interest method.

Derecognition of Financial Assets and Liabilities

The Company derecognize a financial asset when, and only when the contractual rights to the cash flows from the financial asset expire or the Company transfer the contractual rights to receive the cash flows of the financial asset or retains the contractual rights to receive the cash flows but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement.

If the Company transfers substantially all the risks and rewards of ownership of the financial asset, the Company derecognize the financial asset and recognize separately as asset or liabilities any rights and obligation created or retained in the transfer. If the Company neither transfer nor retains substantially all the risks and rewards of ownership of the financial asset and has retained control, the Company continue to recognize the financial asset to the extent of its continuing involvement in the financial asset. If the Company retains substantially all the risks and rewards of ownership of the financial asset, the Company continue to recognize the financial asset.

The Company remove a financial liability from its statement of financial position when, and only when, it is extinguished, i.e., when the obligation specified in the contract is discharged or cancelled or expires.

Impairment of Financial Assets

At the end of each reporting period, the Company assess whether there is any objective evidence that a financial asset or Company of financial assets is impaired. A financial asset or Company of financial assets is impaired and impairment lossess are incurred, if and only if, there is objective evidence of impairment as a result of one or

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penurunan nilai tersebut sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset tersebut (peristiwa yang merugikan), dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa depan dari aset keuangan atau kelompok aset keuangan yang dapat diestimasi secara andal.

Berikut adalah bukti objektif bahwa aset keuangan atau kelompok aset keuangan mengalami penurunan nilai:

- (a) Kesulitan keuangan signifikan yang dialami penerbit atau pihak peminjam;
- (b) Pelanggaran kontrak, seperti terjadinya gagal bayar atau tunggakan pembayaran pokok atau bunga;
- (c) Terdapat kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan lainnya;
- (d) Terdapat data yang dapat diobservasi yang mengindikasikan adanya penurunan yang dapat diukur atas estimasi arus kas masa depan dari kelompok aset keuangan sejak pengakuan awal aset, seperti memburuknya status pembayaran pihak peminjam atau kondisi ekonomi yang berkorelasi dengan gagal bayar.

Untuk investasi pada instrumen ekuitas, penurunan yang signifikan atau penurunan jangka panjang dalam nilai wajar instrumen ekuitas di bawah biaya perolehannya merupakan bukti objektif terjadinya penurunan nilai.

Jika terdapat bukti objektif bahwa kerugian penurunan nilai telah terjadi atas pinjaman yang diberikan dan piutang atau investasi dimiliki hingga jatuh tempo yang dicatat pada biaya perolehan diamortisasi, maka jumlah kerugian tersebut diukur sebagai selisih antara jumlah tercatat aset dan nilai kini estimasi arus kas masa depan yang didiskonto menggunakan suku bunga efektif awal dari aset tersebut dan diakui pada laba rugi.

Jika penurunan dalam nilai wajar atas aset keuangan tersedia untuk dijual telah diakui dalam penghasilan komprehensif lain dan terdapat bukti objektif bahwa aset tersebut mengalami penurunan nilai, maka kerugian kumulatif yang sebelumnya diakui dalam penghasilan komprehensif lain direklasifikasi dari ekuitas ke laba rugi sebagai penyesuaian reklasifikasi meskipun aset keuangan tersebut belum dihentikan pengakuannya. Jumlah kerugian kumulatif yang direklasifikasi adalah selisih antara biaya perolehan (setelah

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more events that occurred after the initial recognition of the asset (loss event), and that loss event has an impact on the estimated future cash flows of the financial asset or Company of financial assets that can be reliably estimated.

The following are objective evidence that a financial asset or Company of financial assets is impaired:

- (a) Significant financial difficulty of the issuer or obligor;*
- (b) A breach of contract, such as default or delinquency in interest or principal payments;*
- (c) It becoming probable that the borrower will enter bankruptcy or other financial reorganization;*
- (d) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a Company of financial assets since the initial recognition, such as adverse changes in the payment status of borrowers or economic condition that correlate with defaults.*

For investment in equity instrument, a significant and prolonged decline in the fair value of the equity instrument below its cost is an objective evidence of impairment.

If there is objective evidence that an impairment loss has been incurred on loans and receivable or held-to-maturity investments carried at amortized cost, the amount of impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate and recognized in profit or loss.

When a decline in the fair value of an available-for-sale financial asset has been recognized in other comprehensive income and there is objective evidence that the asset is impaired, the cumulative loss that had been recognized in other comprehensive income shall be reclassified from equity to profit or loss as a reclassification adjustment even though the financial assets has not been derecognized. The amount of the cumulative loss that is reclassified are the difference between the acquisition cost (net of any principal repayment

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dikurangi pelunasan pokok dan amortisasi) dan nilai wajar kini, dikurangi kerugian penurunan nilai aset keuangan yang sebelumnya telah diakui dalam laba rugi.

Metode Suku Bunga Efektif

Metode suku bunga efektif adalah metode yang digunakan untuk menghitung biaya perolehan diamortisasi dari aset atau liabilitas keuangan (atau kelompok aset atau liabilitas keuangan) dan metode untuk mengalokasikan pendapatan bunga atau beban bunga selama periode yang relevan.

Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi pembayaran atau penerimaan kas masa depan selama perkiraan umur dari instrumen keuangan, atau jika lebih tepat, digunakan periode yang lebih singkat untuk memperoleh jumlah tercatat neto dari aset keuangan atau liabilitas keuangan.

Pada saat menghitung suku bunga efektif, Perusahaan mengestimasi arus kas dengan mempertimbangkan seluruh persyaratan kontraktual dalam instrumen keuangan tersebut, seperti pelunasan dipercepat, opsi beli dan opsi serupa lain, tetapi tidak mempertimbangkan kerugian kredit masa depan.

Perhitungan ini mencakup seluruh komisi dan bentuk lain yang dibayarkan atau diterima oleh pihak-pihak dalam kontrak yang merupakan bagian takterpisahkan dari suku bunga efektif, biaya transaksi, dan seluruh premium atau diskonto lain.

Reklasifikasi

Perusahaan tidak mereklasifikasi derivatif dari diukur pada nilai wajar melalui laba rugi selama derivatif tersebut dimiliki atau diterbitkan dan tidak mereklasifikasi setiap instrumen keuangan dari diukur melalui laba rugi jika pada pengakuan awal instrumen keuangan tersebut ditetapkan oleh Perusahaan sebagai diukur pada nilai wajar melalui laba rugi.

Perusahaan dapat mereklasifikasi aset keuangan yang diukur pada nilai wajar melalui laba rugi, jika aset keuangan tidak lagi dimiliki untuk tujuan penjualan atau pembelian kembali aset keuangan tersebut dalam waktu dekat. Perusahaan tidak mereklasifikasi setiap instrumen keuangan ke diukur pada nilai wajar melalui laba rugi setelah pengakuan awal.

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and amortisation) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

The Effective Interest Method

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability (or Company of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period.

The effective interest rate is the rate that exactly discount estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the Company estimate cash flows considering all contractual terms of the financial instrument, for example, prepayment, call and similar option, but shall not consider future credit losses.

The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts.

Reclassification

The Company shall not reclassify a derivative out of the fair value through profit or loss category while it is held or issued and not reclassify any financial instrument out of the fair value through profit or loss category if upon initial recognition it was designated by the Company as at fair value through profit or loss.

The Company may reclassify that financial asset out of the fair value through profit or loss category if a financial asset is no longer held for the purpose of selling or repurchasing it in the near term. The Company shall not reclassify any financial instrument into the fair value through profit or loss category after initial recognition.

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Jika, karena perubahan intensi atau kemampuan Perusahaan, instrumen tersebut tidak tepat lagi diklasifikasikan sebagai investasi dimiliki hingga jatuh tempo, maka investasi tersebut direklasifikasi menjadi tersedia untuk dijual dan diukur kembali pada nilai wajar. Jika terjadi penjualan atau reklasifikasi atas investasi dimiliki hingga jatuh tempo dalam jumlah yang lebih dari jumlah yang tidak signifikan, maka sisa investasi dimiliki hingga jatuh tempo direklasifikasi menjadi tersedia untuk dijual, kecuali penjualan atau reklasifikasi tersebut dilakukan ketika aset keuangan sudah mendekati jatuh tempo atau tanggal pembelian kembali, terjadi setelah seluruh jumlah pokok telah diperoleh secara substansial sesuai jadwal pembayaran atau telah diperoleh pelunasan dipercepat; atau terkait dengan kejadian tertentu yang berada di luar kendali, tidak berulang, dan tidak dapat diantisipasi secara wajar.

Saling Hapus Aset Keuangan dan Liabilitas Keuangan

Aset keuangan dan liabilitas keuangan disalinghapuskan, jika dan hanya jika, Perusahaan saat ini memiliki hak yang dapat dipaksakan secara hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut; dan berintens untuk menyelesaikan secara neto atau untuk merealisasikan aset dan menyelesaikan liabilitasnya secara simultan.

Pengukuran Nilai Wajar

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar pada tanggal pengukuran.

Nilai wajar aset dan liabilitas keuangan diestimasi untuk keperluan pengakuan dan pengukuran atau untuk keperluan pengungkapan.

Nilai wajar dikategorikan dalam level yang berbeda dalam suatu hirarki nilai wajar berdasarkan pada apakah input suatu pengukuran dapat diobservasi dan signifikansi input terhadap keseluruhan pengukuran nilai wajar:

- (i) Harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik yang dapat diakses pada tanggal pengukuran (Level 1)

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If, as a result of a change in Company's intention or ability, it is no longer appropriate to classify an investment as held to maturity, it shall be reclassified as available for sale and remeasured at fair value. Whenever sales or reclassification of more than an insignificant amount of held-to-maturity investments, any remaining held-to-maturity investments shall be reclassified as available for sale, other than sales or reclassification that are so close to maturity or the financial asset's call date, occur after all the financial asset's original principal has been collected substantially through scheduled payments or prepayments, or are attributable to an isolated event that is beyond control, non-recurring, and could not have been reasonably anticipated.

Offsetting a Financial Asset and a Financial Liability

A financial asset and financial liability shall be offset when and only when, the Company currently has a legally enforceable right to set off the recognized amount; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- (i) *Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed at the measurement date (Level 1)*

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- (ii) Input selain harga kuotasian yang termasuk dalam Level 1 yang dapat diobservasi untuk aset atau liabilitas, baik secara langsung maupun tidak langsung (Level 2)
- (iii) Input yang tidak dapat diobservasi untuk aset atau liabilitas (Level 3)

Dalam mengukur nilai wajar aset atau liabilitas, Perusahaan sebisa mungkin menggunakan data pasar yang dapat diobservasi. Apabila nilai wajar aset atau liabilitas tidak dapat diobservasi secara langsung, Perusahaan menggunakan teknik penilaian yang sesuai dengan keadaannya dan memaksimalkan penggunaan input yang dapat diobservasi yang relevan dan meminimalkan penggunaan input yang tidak dapat diobservasi.

Perpindahan antara level hirarki wajar diakui oleh Perusahaan pada akhir periode pelaporan dimana perpindahan terjadi.

2.i. Kas dan Setara Kas

Kas dan setara kas termasuk kas, kas di bank (rekening giro), dan deposito berjangka yang jatuh tempo dalam jangka waktu tiga bulan atau kurang pada saat penempatan yang tidak digunakan sebagai jaminan atau tidak dibatasi penggunaannya.

2.j. Persediaan

Persediaan dinyatakan berdasarkan jumlah terendah antara biaya perolehan dan nilai realisasi neto. Biaya persediaan terdiri dari seluruh biaya pembelian, biaya konversi, dan biaya lain yang timbul sampai persediaan berada dalam kondisi dan lokasi saat ini. Biaya perolehan ditentukan dengan metode rata-rata tertimbang. Nilai realisasi neto merupakan taksiran harga jual dalam kegiatan usaha biasa dikurangi estimasi biaya penyelesaian dan estimasi biaya yang diperlukan untuk membuat penjualan.

Setiap penurunan nilai persediaan di bawah biaya perolehan menjadi nilai realisasi neto dan seluruh kerugian persediaan diakui sebagai beban pada periode terjadinya penurunan atau kerugian tersebut. Setiap pemulihan kembali penurunan nilai persediaan karena peningkatan kembali nilai realisasi neto, diakui sebagai pengurangan terhadap jumlah beban persediaan pada periode terjadinya pemulihan tersebut.

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- (ii) *Inputs other than quoted prices included in Level 1 that are observable for the assets or liabilities, either directly or indirectly (Level 2)*
- (iii) *Unobservable inputs for the assets or liabilities (Level 3)*

When measuring the fair value of an asset or a liability, the Company uses market observable data to the extent possible. If the fair value of an asset or a liability is not directly observable, the Company uses valuation techniques that appropriate in the circumstances and maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs.

Transfers between levels of the fair value hierarchy are recognised by the Company at the end of the reporting period during which the change occurred.

2.i. Cash and Cash Equivalent

Cash and cash equivalent are cash on hand, cash in banks (current accounts) and time deposits with maturity periods of three months or less at the time of placement that are not used as collateral or are not restricted.

2.j. Inventories

Inventories are carried at the lower of cost and net realizable value. The cost of inventories comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write-down of inventories to net realisable value and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

2.k. Biaya Dibayar di Muka

Biaya dibayar di muka diamortisasi sesuai masa manfaat masing-masing beban dengan menggunakan metode garis lurus (*straight-line method*).

2.l. Aset Tetap

Aset tetap pada awalnya diakui sebesar biaya perolehan yang meliputi harga perolehannya dan setiap biaya yang dapat diatribusikan langsung untuk membawa aset ke kondisi dan lokasi yang diinginkan agar aset siap digunakan sesuai intensi manajemen.

Apabila relevan, biaya perolehan juga dapat mencakup estimasi awal biaya pembongkaran dan pemindahan aset tetap dan restorasi lokasi aset tetap, kewajiban tersebut timbul ketika aset tetap diperoleh atau sebagai konsekuensi penggunaan aset tetap selama periode tertentu untuk tujuan selain untuk memproduksi persediaan selama periode tersebut.

Setelah pengakuan awal, aset tetap kecuali tanah dinyatakan sebesar biaya perolehan dikurangi akumulasi penyusutan dan akumulasi rugi penurunan nilai.

Tanah diakui sebesar harga perolehannya dan tidak disusutkan.

Penyusutan aset tetap dimulai pada saat aset tersebut siap untuk digunakan sesuai maksud penggunaannya dan dihitung dengan menggunakan metode garis lurus berdasarkan estimasi masa manfaat ekonomis aset sebagai berikut:

	<u>Tahun / Years</u>	
Bangunan	10-20	<i>Building</i>
Kendaraan	4-8	<i>Vehicle</i>
Inventaris Kantor	4	<i>Office Equipments</i>
Peralatan	4-8	<i>Equipments</i>

Aset tetap yang dikonstruksi sendiri disajikan sebagai bagian aset tetap sebagai "Aset dalam Penyelesaian" dan dinyatakan sebesar biaya perolehannya. Semua biaya, termasuk biaya pinjaman, yang terjadi sehubungan dengan konstruksi aset tersebut dikapitalisasi sebagai bagian dari biaya perolehan aset tetap dalam penyelesaian. Biaya perolehan aset tetap dalam penyelesaian tidak termasuk setiap laba internal, jumlah tidak normal dari biaya pemborosan yang terjadi dalam pemakaian bahan baku, tenaga kerja atau sumber daya lain.

2.k. Prepaid Expenses

Prepaid expenses are amortized over the useful life of each expense on a straight-line method (straight-line method).

2.l. Fixed Assets

Fixed assets are initially recognized at cost, which comprises its purchase price and any cost directly attributable in bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

When applicable, the cost may also comprises the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

After initial recognition, fixed assets, except land, are carried at its cost less any accumulated depreciation, and any accumulated impairment losses.

Lands are recognized at its cost and are not depreciated.

Depreciation of fixed assets starts when its available for use and its computed by using straight-line method based on the estimated useful lives of assets as follows:

Self-constructed fixed assets are presented as part of the fixed assets under "Construction in Progress" and are stated at its cost. All costs, including borrowing costs, incurred in relation with the construction of these assets are capitalized as part of the cost of assets in construction. Cost of assets in construction shall exclude any internal profits, cost of abnormal amounts of wasted material, labour, or other resources incurred.

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Akumulasi biaya perolehan yang akan dipindahkan ke masing-masing pos aset tetap yang sesuai pada saat aset tersebut selesai dikerjakan atau siap digunakan dan disusutkan sejak beroperasi.

Nilai tercatat dari suatu aset tetap dihentikan pengakuannya pada saat pelepasan atau ketika tidak terdapat lagi manfaat ekonomik masa depan yang diharapkan dari penggunaan atau pelepasannya. Keuntungan atau kerugian yang timbul dari penghentian pengakuan tersebut (yang ditentukan sebesar selisih antara jumlah hasil pelepasan neto, jika ada, dan jumlah tercatatnya) dimasukkan dalam laba rugi pada saat penghentian pengakuan tersebut dilakukan.

Pada akhir periode pelaporan, Perusahaan melakukan penelaahan berkala atas masa manfaat, nilai residu, metode penyusutan, dan sisa umur pemakaian berdasarkan kondisi teknis.

2.m. Aset Takberwujud

Aset takberwujud diukur sebesar nilai perolehan pada pengakuan awal. Setelah pengakuan awal, aset takberwujud dicatat pada biaya perolehan dikurangi akumulasi amortisasi dan akumulasi rugi penurunan nilai. Umur manfaat aset takberwujud dinilai apakah terbatas atau tidak terbatas.

Aset takberwujud dengan umur manfaat terbatas

Aset takberwujud dengan umur manfaat terbatas diamortisasi selama umur manfaat ekonomi dengan metode garis lurus. (atau metode lainnya sepanjang mencerminkan pola manfaat ekonomik masa depan yang diperkirakan dikonsumsi oleh entitas)

Amortisasi dihitung sebagai penghapusan biaya perolehan aset, dikurangi nilai residunya, atas umur ekonomisnya sebagai berikut:
Program Komputer : 25 % garis lurus

Periode amortisasi dan metode amortisasi untuk aset takberwujud dengan umur manfaat terbatas ditelaah setidaknya setiap akhir tahun buku.

Aset takberwujud dengan umur manfaat tidak terbatas

Aset takberwujud dengan umur manfaat tidak terbatas tidak diamortisasi. Masa manfaat aset takberwujud dengan umur tak terbatas ditelaah setiap tahun untuk menentukan apakah peristiwa dan keadaan dapat terus mendukung

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The accumulated costs will be transferred to the respective fixed assets items at the time the asset is completed or ready for use and are depreciated since the operation.

The carrying amount of an item of fixed assets is derecognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition (that determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item) is included in profit or loss when item is derecognized.

At the end of each reporting period, the Company made regular review of the useful lives, residual values, depreciation method and residual life based on the technical conditions.

2.m. Intangible Asset

Intangible asset is measured on initial recognition at cost. After initial recognition, intangible asset is carried at cost less any accumulated amortization and any accumulated impairment loss. The useful life of intangible asset is assessed to be either finite or indefinite.

Intangible asset with finite useful life

Intangible asset with finite life is amortized over the economic useful life by using a straight-line method. (or other method as it reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity.

*Amortisation is calculated so as to write off the cost of the asset, less its estimated residual value, over its useful economic life as follows:
Computer Licences 25 % straight line*

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

Intangible asset with indefinite useful life

Intangible asset with indefinite life is not amortized. The useful life of an intangible asset with an indefinite that is not being amortized is reviewed annually to determine whether events and circumstances continue to support

penilaian bahwa umur manfaat tetap tidak terbatas. Jika tidak, perubahan masa manfaat dari tidak terbatas menjadi terbatas diterapkan secara prospektif

Aset takberwujud dengan umur tidak terbatas diuji untuk penurunan nilai setiap tahun dan kapanpun terdapat suatu indikasi bahwa aset takberwujud mungkin mengalami penurunan nilai.

2.n. Penurunan Nilai Aset

Pada setiap akhir periode pelaporan, Perusahaan menilai apakah terdapat indikasi aset mengalami penurunan nilai. Jika terdapat indikasi tersebut, Perusahaan mengestimasi jumlah terpulihkan aset tersebut. Jumlah terpulihkan ditentukan atas suatu aset individual, dan jika tidak memungkinkan, Perusahaan menentukan jumlah terpulihkan dari unit penghasil kas dari aset tersebut.

Jumlah terpulihkan adalah jumlah yang lebih tinggi antara nilai wajar dikurangi biaya pelepasan dengan nilai pakainya. Nilai pakai adalah nilai kini dari arus kas yang diharapkan akan diterima dari aset atau unit penghasil kas. Nilai kini dihitung dengan menggunakan tingkat diskonto sebelum pajak yang mencerminkan nilai waktu uang dan risiko spesifik atas aset atau unit yang penurunan nilainya diukur.

Jika, dan hanya jika, jumlah terpulihkan aset lebih kecil dari jumlah tercatatnya, maka jumlah tercatat aset diturunkan menjadi sebesar jumlah terpulihkan. Penurunan tersebut adalah rugi penurunan nilai dan segera diakui dalam laba rugi.

Rugi penurunan nilai yang telah diakui dalam periode sebelumnya untuk aset selain goodwill dibalik jika, dan hanya jika, terdapat perubahan estimasi yang digunakan untuk menentukan jumlah terpulihkan aset tersebut sejak rugi penurunan nilai terakhir diakui. Jika demikian, jumlah tercatat aset dinaikan ke jumlah terpulihkannya. Kenaikan ini merupakan suatu pembalikan rugi penurunan nilai.

2.o. Sewa

Penentuan apakah suatu perjanjian sewa atau suatu perjanjian yang mengandung sewa merupakan sewa pembiayaan atau sewa operasi didasarkan pada substansi transaksi dan bukan pada bentuk kontraknya pada tanggal awal sewa.

an indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

Intangible asset with indefinite life is tested for impairment annually and whenever there is an indication that the intangible asset may be impaired.

2.n. Impairment of Assets

At the end of each reporting period, the Company assess whether there is any indication that an asset may be impaired. If any such indication exists, the Company shall estimate the recoverable amount of the asset. Recoverable amount is determined for an individual asset, if its is not possible, the Company determines the recoverable amount of the asset's cash-generating unit.

The recoverable amount is the higher of fair value less costs to sell and its value in use. Value in use is the present value of the estimated future cash flows of the asset or cash generating unit. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset or unit whose impairment is being measured.

If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount. The reduction is an impairment loss and is recognized immediately in profit or loss.

An impairment loss recognized in prior period for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset shall be increased to its recoverable amount. That increase is a reversal of an impairment loss.

2.o. Lease

The determination of whether a lease agreement or an agreement containing with a lease is a finance lease or an operating lease depends on the substance of transaction rather than the form of the contract at the inception date of lease.

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Suatu sewa diklasifikasikan sebagai sewa pembiayaan jika sewa tersebut mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset. Suatu sewa diklasifikasikan sebagai sewa operasi jika sewa tersebut tidak mengalihkan secara substansial seluruh risiko dan manfaat yang terkait dengan kepemilikan aset.

Pada awal masa sewa, Perusahaan mengakui sewa pembiayaan sebagai aset dan liabilitas dalam laporan posisi keuangan sebesar nilai wajar aset sewaan atau sebesar nilai kini dari pembayaran sewa minimum, jika nilai kini lebih rendah dari nilai wajar. Penilaian ditentukan pada awal masa sewa. Tingkat diskonto yang digunakan dalam perhitungan nilai kini dari pembayaran sewa minimum adalah tingkat suku bunga implisit dalam sewa, jika dapat ditentukan dengan praktis, jika tidak, digunakan tingkat suku bunga pinjaman inkremental lessee. Biaya langsung awal yang dikeluarkan lessee ditambahkan ke dalam jumlah yang diakui sebagai aset. Kebijakan penyusutan aset sewaan adalah konsisten dengan aset tetap yang dimiliki sendiri.

Dalam sewa operasi, Perusahaan mengakui pembayaran sewa sebagai beban dengan dasar garis lurus selama masa sewa.

2.p. Pajak Penghasilan

Beban pajak adalah jumlah gabungan pajak kini dan pajak tangguhan yang diperhitungkan dalam menentukan laba rugi pada suatu periode. Pajak kini dan pajak tangguhan diakui dalam laba rugi, kecuali pajak penghasilan yang timbul dari transaksi atau peristiwa yang diakui dalam penghasilan komprehensif lain atau secara langsung di ekuitas. Dalam hal ini, pajak tersebut masing-masing diakui dalam penghasilan komprehensif lain atau ekuitas.

Jumlah pajak kini untuk periode berjalan dan periode sebelumnya yang belum dibayar diakui sebagai liabilitas. Jika jumlah pajak yang telah dibayar untuk periode berjalan dan periode-periode sebelumnya melebihi jumlah pajak yang terutang untuk periode tersebut, maka kelebihannya diakui sebagai aset. Liabilitas (aset) pajak kini untuk periode berjalan dan periode sebelumnya diukur sebesar jumlah yang diperkirakan akan dibayar kepada (direstitusi dari) otoritas perpajakan, yang dihitung menggunakan tarif pajak (dan undang-undang pajak) yang telah berlaku atau secara substantif telah berlaku pada akhir periode pelaporan.

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A lease is classified as finance leases if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

At the commencement of the lease term, Company recognizes finance leases as assets and liabilities in the statement of financial position at amounts equal to the fair value of leased asset or the present value of the minimum lease payments, if the present value is lower than fair value. Assessment is determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, if not, the lessee's incremental borrowing is used. Any initial direct costs of the lessee are added to the amount recognized as an asset. The depreciation policy for depreciable leased assets is consistent with the fixed assets that are owned.

Under an operating lease, Company recognizes the lease payments as an expense on a straight-line basis over the lease term.

2.p. Income Tax

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax. Current tax and deferred tax is recognized in profit or loss, except for income tax arising from transactions or events that are recognized in other comprehensive income or directly in equity. In this case, the tax is recognized in other comprehensive income or equity, respectively.

Current tax for current and prior periods shall, to the extent unpaid, be recognized as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess shall be recognized as an asset. Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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Manfaat terkait dengan rugi pajak yang dapat ditarik untuk memulihkan pajak kini dari periode sebelumnya diakui sebagai aset. Aset pajak tangguhan diakui untuk akumulasi rugi pajak belum dikompensasi dan kredit pajak belum dimanfaatkan sepanjang kemungkinan besar laba kena pajak masa depan akan tersedia untuk dimanfaatkan dengan rugi pajak belum dikompensasi dan kredit pajak belum dimanfaatkan.

Seluruh perbedaan temporer kena pajak diakui sebagai liabilitas pajak tangguhan, kecuali perbedaan temporer kena pajak yang berasal dari:

- a) pengakuan awal goodwill; atau
- b) pengakuan awal aset atau liabilitas dari transaksi yang bukan kombinasi bisnis dan pada saat transaksi tidak mempengaruhi laba akuntansi atau laba kena pajak (rugi pajak).

Aset pajak tangguhan diakui untuk seluruh perbedaan temporer dapat dikurangkan sepanjang kemungkinan besar laba kena pajak akan tersedia sehingga perbedaan temporer dapat dimanfaatkan untuk mengurangi laba dimaksud, kecuali jika aset pajak tangguhan timbul dari pengakuan awal aset atau pengakuan awal liabilitas dalam transaksi yang bukan kombinasi bisnis dan pada saat transaksi tidak mempengaruhi laba akuntansi atau laba kena pajak (rugi pajak).

Aset dan liabilitas pajak tangguhan diukur dengan menggunakan tarif pajak yang diharapkan berlaku ketika aset dipulihkan atau liabilitas diselesaikan, berdasarkan tarif pajak (dan peraturan pajak) yang telah berlaku atau secara substantif telah berlaku pada akhir periode pelaporan. Pengukuran aset dan liabilitas pajak tangguhan mencerminkan konsekuensi pajak yang sesuai dengan cara Perusahaan memperkirakan, pada akhir periode pelaporan, untuk memulihkan atau menyelesaikan jumlah tercatat aset dan liabilitasnya.

Jumlah tercatat aset pajak tangguhan ditelaah ulang pada akhir periode pelaporan. Perusahaan mengurangi jumlah tercatat aset pajak tangguhan jika kemungkinan besar laba kena pajak tidak lagi tersedia dalam jumlah yang memadai untuk mengkompensasikan sebagian atau seluruh aset pajak tangguhan tersebut. Setiap pengurangan tersebut dilakukan pembalikan atas aset pajak tangguhan hingga kemungkinan besar laba kena pajak yang tersedia jumlahnya memadai.

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Tax benefits relating to tax loss that can be carried back to recover current tax of a previous periods is recognized as an asset. Deferred tax asset is recognized for the carryforward of unused tax losses and unused tax credit to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilized.

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:

- a) the initial recognition of goodwill; or*
- b) the initial recognition of an asset or liability in transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).*

A deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and deferred tax assets shall reflect the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

The carrying amount of a deferred tax asset reviewed at the end of each reporting period. The Company shall reduce the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

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Perusahaan melakukan saling hapus aset pajak tangguhan dan liabilitas pajak tangguhan jika dan hanya jika:

- a) Perusahaan memiliki hak yang dapat dipaksakan secara hukum untuk melakukan saling hapus aset pajak kini terhadap liabilitas pajak kini; dan
- b) aset pajak tangguhan dan liabilitas pajak tangguhan terkait dengan pajak penghasilan yang dikenakan oleh otoritas perpajakan yang sama atas:
 - i. entitas kena pajak yang sama; atau
 - ii. entitas kena pajak yang berbeda yang bermaksud untuk memulihkan aset dan liabilitas pajak kini dengan dasar neto, atau merealisasikan aset dan menyelesaikan liabilitas secara bersamaan, pada setiap periode masa depan dimana jumlah signifikan atas aset atau liabilitas pajak tangguhan diperkirakan untuk diselesaikan atau dipulihkan.

Perusahaan melakukan saling hapus atas aset pajak kini dan liabilitas pajak kini jika dan hanya jika, Perusahaan:

- a) memiliki hak yang dapat dipaksakan secara hukum untuk melakukan saling hapus atas jumlah yang diakui; dan
- b) bermaksud untuk menyelesaikan dengan dasar neto atau merealisasikan aset dan menyelesaikan liabilitas secara bersamaan.

2.q. Imbalan Kerja

Imbalan Kerja Jangka Pendek

Imbalan kerja jangka pendek diakui ketika pekerja telah memberikan jasanya dalam suatu periode akuntansi, sebesar jumlah tidak terdiskonto dari imbalan kerja jangka pendek yang diharapkan akan dibayar sebagai imbalan atas jasa tersebut.

Imbalan kerja jangka pendek mencakup antara lain upah, gaji, bonus dan insentif.

Imbalan Pascakerja

Imbalan pascakerja seperti pensiun, uang pisah dan uang penghargaan masa kerja dihitung berdasarkan Undang-Undang Ketenagakerjaan No.13/2003 ("UU 13/2003").

Perusahaan mengakui jumlah liabilitas imbalan pasti neto sebesar nilai kini kewajiban imbalan pasti pada akhir periode pelaporan dikurangi nilai wajar aset program yang dihitung oleh aktuaris independen dengan menggunakan metode *Projected Unit Credit*. Nilai kini

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The Company offset deferred tax assets and deferred tax liabilities if, and only if:

- a) *the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and*
- b) *the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:*
 - i. *the same taxable entity; or*
 - ii. *different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.*

The Company offset current tax assets and current tax liabilities if, and only if, the Company:

- a) *has legally enforceable right to set off the recognized amounts; and*
- b) *intends either to settle on a net basis, or to realize the assets and settle liabilities simultaneously.*

2.q. Employee Benefit

Short-term Employee Benefits

Short-term employee benefits are recognized when an employee has rendered service during accounting period, at the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service.

Short term employee benefits include such as wages, salaries, bonus and incentive.

Post-employment Benefits

Post-employment benefits such as retirement, severance and service payments are calculated based on Labor Law No. 13/2003 ("Law 13/2003").

The Company recognizes the amount of the net defined benefit liability at the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets which calculated by independent actuaries using the Projected Unit Credit

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kewajiban imbalan pasti ditentukan dengan mendiskontokan imbalan tersebut.

Perusahaan mencatat tidak hanya kewajiban hukum berdasarkan persyaratan formal program imbalan pasti, tetapi juga kewajiban konstruktif yang timbul dari praktik informal entitas.

Biaya jasa kini, biaya jasa lalu dan keuntungan atau kerugian atas penyelesaian, serta bunga neto atas liabilitas (aset) imbalan pasti neto diakui dalam laba rugi.

Pengukuran kembali atas liabilitas (aset) imbalan pasti neto yang terdiri dari keuntungan dan kerugian aktuarial, imbal hasil atas aset program dan setiap perubahan dampak batas atas aset diakui sebagai penghasilan komprehensif lain.

Perusahaan mengakui jumlah beban dan liabilitas atas iuran terutang kepada program iuran pasti, ketika pekerja telah memberikan jasa kepada entitas selama suatu periode.

Pesangon

Perusahaan mengakui pesangon sebagai liabilitas dan beban pada tanggal yang lebih awal di antara:

- (a) Ketika Perusahaan tidak dapat lagi menarik tawaran atas imbalan tersebut; dan
- (b) Ketika Company mengakui biaya untuk restrukturisasi yang berada dalam ruang lingkup PSAK No. 57 dan melibatkan pembayaran pesangon.

Perusahaan mengukur pesangon pada saat pengakuan awal, dan mengukur dan mengakui perubahan selanjutnya, sesuai dengan sifat imbalan kerja.

2.r. Pengakuan Pendapatan dan Beban

Pendapatan diakui bila besar kemungkinan manfaat ekonomi akan diperoleh oleh Perusahaan dan jumlahnya dapat diukur secara handal. Pendapatan diukur pada nilai wajar pembayaran yang diterima, tidak termasuk diskon, rabat dan Pajak Pertambahan Nilai (PPN).

Kriteria spesifik berikut juga harus dipenuhi sebelum pendapatan diakui:

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method. Present value benefit obligation determine by discounting the benefit.

The Company account not only for its legal obligation under the formal terms of a defined benefit plan, but also for any constructive obligation that arises from the entity's informal practices.

Current service cost, past service cost and gain or loss on settlement, and net interests on the net defined benefit liability (asset) are recognized in profit and loss.

The remeasurement of the net defined benefit liability (assets) comprises actuarial gains and losses, the return on plan assets, and any change in effect of the asset ceiling are recognized in other comprehensive income.

Company recognizes an expense and a liability for contribution payable to a defined contribution plan, when an employee has rendered service to the entity during a period.

Termination Benefits

The Company recognizes a liability and expense for termination benefits at the earlier of the following dates:

- (a) When the Company can no longer withdraw the offer of those benefits; and*
- (b) When the Company recognizes costs for a restructuring that is within the scope of PSAK No. 57 and involves payment of termination benefits.*

The Company measures termination benefits on initial recognition, and measures and recognizes subsequent changes, in accordance with the nature of the employee benefits.

2.r. Revenues and Expenses Recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and Value Added Tax (VAT).

The following specific recognition criteria must also be met before revenue is recognized:

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Penjualan jasa

Pendapatan jasa diakui saat jasa diberikan dengan mengacu pada tingkat penyelesaian transaksi.

Pendapatan bunga, royalty dan dividen

Bunga diakui dengan menggunakan metode suku bunga efektif, royalty diakui dengan dasar akrual sesuai dengan substansi perjanjian yang relevan, dan dividen diakui jika hak pemegang saham untuk menerima pembayaran ditetapkan.

Beban diakui pada saat terjadinya dengan dasar akrual.

2.s. Biaya Pinjaman

Biaya pinjaman yang dapat diatribusikan langsung dengan perolehan, pembangunan atau pembuatan aset kualifikasian, dikapitalisasi sebagai bagian biaya perolehan aset tersebut. Biaya pinjaman lainnya diakui sebagai beban pada saat terjadi. Biaya pinjaman dapat mencakup beban bunga, beban keuangan dalam sewa pembiayaan atau selisih kurs yang berasal dari pinjaman dalam mata uang asing sepanjang selisih kurs tersebut diperlakukan sebagai penyesuaian atas biaya bunga.

Kapitalisasi biaya pinjaman dimulai pada saat Perusahaan telah melakukan aktivitas yang diperlukan untuk mempersiapkan aset agar dapat digunakan atau dijual sesuai dengan intensinya serta pengeluaran untuk aset dan biaya pinjamannya telah terjadi. Kapitalisasi biaya pinjaman dihentikan ketika secara substansial seluruh aktivitas yang diperlukan untuk mempersiapkan aset kualifikasian agar dapat digunakan atau dijual sesuai dengan intensinya telah selesai.

2.t. Provisi

Provisi diakui bila Perusahaan memiliki kewajiban kini (baik bersifat hukum maupun konstruktif) sebagai akibat peristiwa masa lalu dan kemungkinan besar penyelesaian kewajiban menyebabkan arus keluar sumber daya serta jumlah kewajiban tersebut dapat diestimasi secara andal.

Jumlah yang diakui sebagai provisi merupakan estimasi terbaik pengeluaran yang diperlukan untuk menyelesaikan kewajiban kini pada akhir periode pelaporan, dengan mempertimbangkan berbagai risiko dan ketidakpastian yang selalu mempengaruhi

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Revenues from services

Revenue from services is recognized when services are rendered by reference to the stage of completion of the transaction.

Interest, royalties and dividends

Interest is recognized using the effective interest method, royalty is recognized on an accrual basis in accordance with the substance of the relevant agreement, and dividend is recognized when the shareholder's right to receive payment is established.

Expenses are recognised as incurred on an accrual basis.

2.s. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset, are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense when incurred. Borrowing costs may include interest expense, finance charges in respect of finance leases, or exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

Capitalization of borrowing costs commences when the Company undertakes activities necessary to prepare the asset for its intended use or sale and expenditures for the asset and its borrowing costs has been incurred. Capitalization of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for its intended use or sale are complete.

2.t. Provision

A provision is recognized when Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

The amount recognized as a provision shall be the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, by taking into account the risks and uncertainties that inevitably surround many events and circumstances. Where a

berbagai peristiwa dan keadaan. Apabila suatu provisi diukur menggunakan arus kas yang diperkirakan untuk menyelesaikan kewajiban kini, maka nilai tercatatnya adalah nilai kini dari arus kas.

Jika sebagian atau seluruh pengeluaran untuk menyelesaikan provisi diganti oleh pihak ketiga, maka penggantian itu diakui hanya pada saat timbul keyakinan bahwa penggantian pasti akan diterima jika Perusahaan menyelesaikan kewajiban. Penggantian tersebut diakui sebagai aset yang terpisah. Jumlah yang diakui sebagai penggantian tidak boleh melebihi provisi.

Provisi ditelaah pada setiap tanggal pelaporan dan disesuaikan untuk mencerminkan estimasi terbaik yang paling kini. Jika arus keluar sumber daya untuk menyelesaikan kewajiban kemungkinan besar tidak terjadi, maka provisi dibatalkan.

2.u. Biaya Emisi Saham Ditangguhkan

Berdasarkan Peraturan Nomor VIII.G.7 (Lampiran dari Surat Keputusan Ketua BAPEPAM No. Kep-06/PM/2000 tanggal 13 Maret 2000), biaya emisi saham dicatat sebagai pengurang modal disetor dan disajikan sebagai bagian dari ekuitas dalam akun "Tambahkan Modal Disetor" yang berlaku efektif untuk penyusunan laporan keuangan yang dimulai pada atau setelah tanggal 1 Januari 2000.

Penawaran umum perdana saham Perusahaan masih dalam proses. Biaya-biaya yang telah dikeluarkan sehubungan dengan penawaran umum tersebut disajikan sebagai biaya emisi saham yang ditangguhkan yang nantinya akan dicatat sebagai pengurang tambahan modal disetor pada kelompok ekuitas apabila pernyataan pendaftaran telah dinyatakan efektif.

2.v. Laba per Saham

Laba per saham dasar dihitung dengan membagi laba atau rugi yang dapat diatribusikan kepada pemegang saham biasa entitas induk dengan jumlah rata-rata tertimbang saham biasa yang beredar dalam suatu periode.

Untuk tujuan penghitungan laba per saham dilusian, Perusahaan menyesuaikan laba atau rugi yang dapat diatribusikan kepada pemegang saham biasa entitas induk dan

provision is measured using the estimated cash flows to settle the present obligation, its carrying amount is the present value of those cash flows.

Where some or all of the expenditure to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized when, it is virtually certain that reimbursement will be received when the Company settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognized for the reimbursement shall not exceed the amount of the provisions.

Provisions are reviewed at each reporting date and adjusted to reflect the most current best estimate. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is reversed.

2.u. Deferred Stock Issuance Cost

According to Regulation No. VIII.G.7 (Appendix of Decision Letter of Head of Bapepam No. Kep-06/PM/2000 dated March 13, 2000), the stock issuance cost is recorded as a deduction of proceed from paid in capital and presented as part of stockholders' equity under "Additional Paid in Capital" account. The Regulation was applied for financial statements which cover periods beginning on or after January 1, 2000.

The Company's shares Initial Public Offering still on process. Cost incurred related to the public offering is presented as a deferred stock issuance cost and subsequently will be recorded as a deduction of paid in capital as part of stockholders' equity when the statement of registration are became effective.

2.v. Earnings per Share

Basic earnings per share is computed by dividing the profit or loss attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculationg diluted earnings per share, the Company shall adjust profit or loss attributable to ordinary equity holders of the parent entity, and the weighted

jumlah rata-rata tertimbang saham yang beredar, atas dampak dari seluruh instrument berpotensi saham biasa yang bersifat dilutif.

average number of shares outstanding, for the effect of all dilutive potential ordinary shares.

2.w.Segmen Operasi

Perusahaan menyajikan segmen operasi berdasarkan informasi keuangan yang digunakan oleh pengambil keputusan operasional dalam menilai kinerja segmen dan menentukan alokasi sumber daya yang dimilikinya. Segmetasi berdasarkan aktivitas dari setiap kegiatan operasi entitas legal didalam Perusahaan.

Segmen operasi adalah suatu komponen dari entitas:

- yang terlihat dalam aktivitas bisnis yang memperoleh pendapatan dan menimbulkan beban (termasuk pendapatan dan beban yang terkait dengan transaksi dengan komponen lain dari entitas yang sama);
- hasil operasinya dikaji ulang secara berkala oleh kepala operasional untuk pembuatan keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya; dan
- tersedia informasi keuangan yang dapat dipisahkan.

2.x.Sumber Ketidakpastian Estimasi dan Pertimbangan Akuntansi yang Penting

Penyusunan laporan keuangan Perusahaan mengharuskan manajemen untuk membuat pertimbangan, estimasi dan asumsi yang mempengaruhi jumlah yang dilaporkan dari pendapatan, beban, aset dan liabilitas, dan pengungkapan atas liabilitas kontinjensi, pada akhir periode pelaporan. Ketidakpastian mengenai asumsi dan estimasi tersebut dapat mengakibatkan penyesuaian material terhadap nilai tercatat pada aset dan liabilitas dalam periode pelaporan berikutnya.

i. Estimasi dan Asumsi Akuntansi yang Penting

Asumsi utama masa depan dan sumber utama estimasi ketidakpastian lain pada tanggal pelaporan yang memiliki risiko signifikan bagi penyesuaian yang material terhadap nilai tercatat aset dan liabilitas untuk periode/tahun berikutnya diungkapkan di bawah ini. Perusahaan mendasarkan asumsi dan estimasi pada parameter yang tersedia pada saat laporan keuangan disusun. Asumsi dan situasi mengenai perkembangan masa depan

2.w. Operating Segment

The Company presented operating segments based on the financial information used by the chief operating decision maker in assessing the performance of segments and in the allocation of resources. The segments are based on the activities of each of the operating legal entities within the Company.

An operating segment is a component of the entity:

- *that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to the transactions with other components of the same entity);*
- *whose operating results are regularly reviewed by chief operating decision maker to make decisions about resources to be allocated to the segment and assesses its performance; and*
- *for which separate financial information is available.*

2.x. Source of Estimation Uncertainty and Critical Accounting Judgments

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future periods.

i. Critical Accounting Estimates and Assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period/year are disclosed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing

mungkin berubah akibat perubahan pasar atau situasi di luar kendali Perusahaan. Perubahan tersebut dicerminkan dalam asumsi terkait pada saat terjadinya.

Estimasi Umur Manfaat Aset Tetap

Perusahaan melakukan penelaahan berkala atas masa manfaat ekonomis aset tetap berdasarkan faktor-faktor seperti kondisi teknis dan perkembangan teknologi di masa depan. Hasil operasi di masa depan akan dipengaruhi secara material atas perubahan estimasi ini yang diakibatkan oleh perubahan faktor yang telah disebutkan di atas (Nilai tercatat aset tetap disajikan dalam Catatan 9).

Imbalan Pasca Kerja

Nilai kini liabilitas imbalan pasca tergantung pada beberapa faktor yang ditentukan dengan dasar aktuarial berdasarkan beberapa asumsi. Perubahan asumsi ini akan mempengaruhi jumlah tercatat imbalan pasca kerja.

Perusahaan menentukan tingkat diskonto yang sesuai pada akhir periode pelaporan, yakni tingkat suku bunga yang harus digunakan untuk menentukan nilai kini arus kas keluar masa depan estimasian yang diharapkan untuk menyelesaikan liabilitas. Dalam menentukan tingkat suku bunga yang sesuai, Perusahaan mempertimbangkan tingkat suku bunga obligasi pemerintah yang didenominasikan dalam mata uang imbalan akan dibayar dan memiliki jangka waktu yang serupa dengan jangka waktu liabilitas yang terkait.

Asumsi kunci liabilitas imbalan pasca kerja sebagian ditentukan berdasarkan kondisi pasar saat ini. Informasi tambahan diungkapkan pada Catatan 29.

Nilai Wajar atas Instrumen Keuangan

Bila nilai wajar aset keuangan dan liabilitas keuangan yang tercatat pada laporan posisi keuangan tidak tersedia di pasar aktif, maka nilai wajarnya ditentukan dengan menggunakan berbagai teknik penilaian termasuk penggunaan model matematika. Masukan (input) untuk model ini berasal

circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimated Useful Lives of Fixed Assets

The Company reviews periodically the estimated useful lives of fixed assets based on factors such as technical specification and future technological developments. Future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned (Carrying amount of fixed asset is presented in Note 9).

Post Employment Benefits

The present value of the post employment benefits obligations depends on a number of factors that are determined. Any changes in these assumptions will impact the carrying amount of post employment benefits obligations.

The Company determines the appropriate discount rate at the end of each reporting period. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the obligations. In determining the appropriate discount rate, the Company considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related obligation.

Other key assumptions for post employment benefit obligations are based in part on current market conditions. Additional information is disclosed in Note 29.

Fair Value of Financial Instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, the fair value is determined using a variety of valuation techniques that include the use of mathematical models. The inputs to

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dari data pasar yang bisa diamati sepanjang data tersebut tersedia. Bila data pasar yang bisa diamati tersebut tidak tersedia, pertimbangan Manajemen diperlukan untuk menentukan nilai wajar. Pertimbangan tersebut mencakup pertimbangan likuiditas dan masukan model seperti volatilitas untuk transaksi derivatif yang berjangka waktu panjang dan tingkat diskonto, tingkat pelunasan dipercepat, dan asumsi tingkat gagal bayar.

Nilai wajar atas instrumen keuangan diungkapkan pada Catatan 32.b.

Realisasi dari Aset Pajak Tangguhan

Aset pajak tangguhan diakui atas seluruh rugi fiskal yang belum digunakan sepanjang besar kemungkinannya bahwa penghasilan kena pajak akan tersedia sehingga rugi fiskal tersebut dapat digunakan. Estimasi oleh manajemen yang disyaratkan untuk menentukan jumlah aset pajak tangguhan yang dapat diakui, berdasarkan saat penggunaan dan tingkat penghasilan kena pajak dan strategi perencanaan pajak masa depan

ii. Pertimbangan penting dalam penentuan kebijakan akuntansi

Pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Perusahaan yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan:

Klasifikasi Aset dan Liabilitas Keuangan

Perusahaan menetapkan klasifikasi atas aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan mempertimbangkan bila definisi yang ditetapkan PSAK 55 (Revisi 2014) dipenuhi. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Perusahaan seperti diungkapkan pada Catatan 2.r.

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these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. The judgments include considerations of liquidity and model inputs such as volatility for long term derivatives and discount rates, prepayment rates, and default rate assumptions.

The fair value of financial instrument are disclosed in Note 32.b.

Realization of Deferred Tax Assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Management estimates are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

i. Critical judgments in applying the accounting policies

The following judgments are made by management in the process of applying the Company's accounting policies that have the most significant effects on the amounts recognized in the financial statements:

Classification of Financial Assets and Liabilities

The Company determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition set forth in PSAK 55 (Revised 2014). Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Company's accounting policies disclosed in Note 2.r.

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3. Kas dan Bank

3. Cash on Hand and in Banks

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Kas					Cash on Hand
Rupiah	3,017,142,229	2,081,325,315	1,910,680,073	2,265,876,625	Rupiah
Dolar AS	1,331,180	--	--	--	US Dollar
Bank - Pihak Ketiga					Cash in Banks - Third Parties
Rupiah					Rupiah
PT Bank Central Asia Tbk	18,738,655,636	17,213,664,266	22,742,689,258	25,396,106,491	PT Bank Central Asia Tbk
PT Bank Negara Indonesia (Persero) Tbk	16,241,675,012	3,431,844,214	4,612,926,019	376,164,670	PT Bank Negara Indonesia (Persero) Tbk
PT Bank Danamon Indonesia Tbk	2,282,552,022	15,063,404,568	11,921,469,802	1,630,007,240	PT Bank Danamon Indonesia Tbk
PT Bank Rakyat Indonesia (Persero) Tbk	867,749,215	306,966,657	891,500,010	126,095,673	PT Bank Rakyat Indonesia (Persero) Tbk
PT Bank Mandiri (Persero) Tbk	966,248,458	2,800,195,975	1,101,992,352	1,094,899,896	PT Bank Mandiri (Persero) Tbk
PT Bank Permata Tbk	781,070,415	675,667,806	--	--	PT Bank Permata Tbk
PT Bank UOB Indonesia	272,942,268	154,831,198	9,493,954	46,995,944	PT Bank UOB Indonesia
PT Bank Woori Saudara Indonesia 1906 Tbk	240,298,092	210,625,530	--	--	PT Bank Woori Saudara Indonesia 1906 Tbk
PT Bank OCBC NISP Tbk	233,007,986	39,604,899	--	--	PT Bank OCBC NISP Tbk
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	224,300,259	223,026,258	220,486,496	941,137,995	PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk
PT Bank Pembangunan Daerah Jawa Tengah	184,748,347	205,934,614	192,306,573	--	PT Bank Pembangunan Daerah Jawa Tengah
PT Bank Pembangunan Daerah Jawa Timur	169,139,240	408,215,318	17,008,079	--	PT Bank Pembangunan Daerah Jawa Timur
PT Bank Tabungan Negara Syariah	161,238,696	131,446,608	82,678,779	30,371,900	PT Bank Tabungan Negara Syariah
PT Bank Pan Indonesia Tbk	139,066,535	268,025,585	566,683,067	507,202,255	PT Bank Pan Indonesia Tbk
PT Bank CIMB Niaga Tbk	33,856,247	3,932,335	3,785,749	130,065,486	PT Bank CIMB Niaga Tbk
PT Bank Muamalat Indonesia Tbk	9,973,600	7,188,400	1,497,000	--	PT Bank Muamalat Indonesia Tbk
PT Bank Rabobank Internasional Indonesia	8,478,979	163,058,862	400,865,236	2,000,801,056	PT Bank Rabobank Internasional Indonesia
PT Bank Mandiri Syariah	1,718,386	1,143,625	2,088,915	--	PT Bank Mandiri Syariah
PT Bank Sumatera Utara	1,075,402	1,543,045,245	--	--	PT Bank Sumatera Utara
Lain-lain (masing-masing di bawah Rp 1 juta)	287,737	362,737	882,595	27,082,645	Others (each below Rp 1 million)
	<u>41,558,082,532</u>	<u>42,852,184,700</u>	<u>42,768,353,884</u>	<u>32,306,931,251</u>	
Dolar AS					US Dollar
PT Bank Danamon Indonesia Tbk					PT Bank Danamon Indonesia Tbk
(2016: USD 23,351; 2015: USD 3,147; 2014: USD 34,818; 2013: USD 880)					(2016: USD 23,351; 2015: USD 3,147; 2014: USD 34,818; 2013: USD 880)
Total	<u>307,762,621</u>	<u>43,410,658</u>	<u>433,136,124</u>	<u>10,723,688</u>	Total
	<u>44,884,318,563</u>	<u>44,976,920,673</u>	<u>45,112,170,081</u>	<u>34,583,531,564</u>	

4. Piutang Usaha

4. Accounts Receivable

a. Berdasarkan Pelanggan

a. By Customers

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Pihak Ketiga					Third Parties
PT Perusahaan Listrik Negara (Persero)	9,749,459,534	6,588,315,244	3,405,232,793	4,373,332,248	PT Perusahaan Listrik Negara (Persero)
PT Prudential Life Assurance	3,367,753,771	4,184,379,572	3,101,795,010	4,234,217,950	PT Prudential Life Assurance
PT Pertamina (Persero)	3,545,814,665	2,029,295,949	1,963,419,527	1,307,613,146	PT Pertamina (Persero)
PT Bunda Medik	2,877,542,060	1,383,819,300	1,157,224,859	2,090,159,255	PT Bunda Medik
BPJS Kesehatan	1,436,485,955	4,322,924,405	2,513,417,829	--	BPJS Kesehatan
PT Indofood CBP	1,208,000,880	205,417,325	--	--	PT Indofood CBP
Bunda International Clinic	1,206,170,560	905,173,795	905,173,795	905,173,795	Bunda International Clinic
PT Roche Indonesia	1,007,833,208	--	--	1,307,890,594	PT Roche Indonesia
PT Asuransi Sinar Mas	522,996,700	932,005,969	1,138,030,620	--	PT Asuransi Sinar Mas
PT BNI Life Insurance	421,761,362	1,685,130,200	1,278,882,252	1,481,005,145	PT BNI Life Insurance
Dr. Noroyono W	322,273,165	212,064,165	1,157,903,165	--	Dr. Noroyono W
PT Bentoel International Tbk	311,332,295	--	--	2,280,629,400	PT Bentoel International Tbk
PT Nestle Indonesia	285,830,605	508,856,705	2,337,638,689	2,057,361,560	PT Nestle Indonesia
PT Angkasa Pura I (Persero)	58,202,500	511,882,324	1,396,078,628	--	PT Angkasa Pura I (Persero)
PT Wijaya Karya (Persero) Tbk	50,769,812	46,015,763	1,508,670,450	--	PT Wijaya Karya (Persero) Tbk
PT Astra Otoparts Tbk	19,957,850	17,086,200	1,196,137,300	--	PT Astra Otoparts Tbk
PT Bank Negara Indonesia (Persero) Tbk	18,485,075	591,851,048	2,250,015,740	1,657,950,843	PT Bank Negara Indonesia (Persero) Tbk
PT Telekomunikasi Indonesia Tbk	17,528,430	23,030,213	2,121,471,557	--	PT Telekomunikasi Indonesia Tbk
Lain-lain (masing-masing di bawah Rp 1 miliar)	31,090,799,315	54,355,052,951	47,264,866,115	41,019,175,446	Others (each below Rp 1 billion)
Sub Total	<u>57,518,997,742</u>	<u>78,502,301,128</u>	<u>74,695,958,329</u>	<u>62,714,509,342</u>	Sub Total
Dikurangi: Penyisihan Penurunan Nilai Piutang Usaha	(79,401,233)	(94,674,565)	(222,596,175)	(222,596,175)	Deduction : Provision for Receivable
Total - Bersih/Net	<u>57,439,596,509</u>	<u>78,407,626,563</u>	<u>74,473,362,154</u>	<u>62,491,913,167</u>	Total - Net

Piutang Perusahaan tidak ada yang dijadikan jaminan utang Bank.

There is no Company's account receivable which pledged as bank collateral.

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Mutasi penyisihan penurunan nilai piutang adalah sebagai berikut:

Movements in the provision for impairment of receivables is as follows:

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Saldo Awal	94,674,565	222,596,175	222,596,175	222,596,175	Beginning Balance
Penambahan Tahun Berjalan (Catatan 25.b)	736,650,496	754,599,178	243,754,412	319,687,238	Additional (Note 25.b)
Penghapusan Piutang	(751,923,828)	(882,520,788)	(243,754,412)	(319,687,238)	Write Off
Saldo Akhir	79,401,233	94,674,565	222,596,175	222,596,175	Ending Balance

Manajemen berpendapat bahwa penyisihan penurunan nilai piutang tersebut diatas cukup untuk menutup kemungkinan kerugian atas tidak tertagihnya piutang usaha.

Management believes that the allowance for impairment of receivables mentioned above is adequate to cover possible losses on uncollectible accounts.

b. Berdasarkan Umur Piutang

b. By Aging

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Jatuh Tempo:					Due:
< 30 hari	28,968,678,418	36,274,250,980	34,288,253,053	16,134,371,295	< 30 days
30 - 60 hari	21,212,249,213	27,099,807,814	23,187,016,668	17,560,639,361	30 - 60 days
> 60 hari	7,338,070,111	15,128,242,334	17,220,688,608	29,019,498,686	> 60 days
Total	57,518,997,742	78,502,301,128	74,695,958,329	62,714,509,342	Total

c. Berdasarkan Mata Uang

Seluruh saldo piutang usaha dalam mata uang Rupiah.

c. By Currencies

All accounts receivable balances is in Indonesian Rupiah.

5. Aset Keuangan Lancar Lainnya

5. Other Current Financial Assets

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Pihak Ketiga					Third Parties
Karyawan	1,920,020,325	1,700,012,400	3,486,204,212	3,147,530,339	Employees
Lain-lain (masing-masing di bawah Rp 1 miliar)	7,468,787,235	5,097,952,024	5,702,372,417	6,557,147,089	Others (each below Rp 1 billion)
Total	9,388,807,560	6,797,964,424	9,188,576,629	9,704,677,428	Total

Aset keuangan lancar lainnya - karyawan adalah pinjaman karyawan yang pembayarannya diangsur berdasarkan perjanjian dan tanpa dikenakan bunga. Lain-lain terutama piutang kepada beberapa dokter yang timbul dari kegiatan kerjasama penelitian dimana Perusahaan menyediakan bahan yang digunakan untuk tujuan penelitian.

Other current financial assets - employees are employee loans for which payment in installments based on the agreement and with no interest bearing. Others mainly owed by several doctors arising from the research collaboration with the Company to provide the material used for research purposes.

6. Persediaan

6. Inventories

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Bahan Baku Laboratorium	20,114,797,857	17,391,023,040	12,956,334,017	11,026,978,314	Laboratorium Raw Materials
Bahan Pembantu Laboratorium	7,173,581,078	5,779,432,937	1,993,113,146	2,165,427,225	Laboratorium Supporting Materials
Perlengkapan	1,714,656,552	818,208,014	1,628,046,062	699,583,072	Supplies
Bahan Pembantu Non Laboratorium	415,207,471	426,699,432	2,714,883,468	238,673,475	Non Laboratorium Supporting Materials
Bahan Baku Non Laboratorium	615,378,257	1,370,252,620	273,607,029	533,551,820	Non Laboratorium Raw Materials
Persediaan dalam Perjalanan	--	--	166,098,762	391,984,535	Inventory in Transit
Total	30,033,621,215	25,785,616,043	19,732,082,484	15,056,198,441	Total

Manajemen berkeyakinan bahwa tidak ada indikasi penurunan nilai persediaan pada 30 Juni 2016, 31 Desember 2015, 2014 dan 2013.

Management believes that there is no impairment in value of inventories at June 30, 2016, December 31, 2015, 2014 and 2013.

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Pada tanggal 30 Juni 2016, 31 Desember 2015, 2014, dan 2013 seluruh persediaan telah diasuransikan terhadap risiko kerugian atas kebakaran dan risiko lainnya pada PT Asuransi Wahana Tata dengan nilai pertanggungan secara keseluruhan masing-masing sebesar Rp11.429.625.528, Rp7.011.744.060, Rp13.375.401.198, dan Rp4.413.105.267.

As of June 30, 2016, December 31, 2015, 2014, and 2013 all inventories were insured against losses from fire and other risks to PT Asuransi Wahana Tata with total sum insured of Rp11,429,625,528, Rp7,011,744,060, Rp13,375,401,198, and Rp4,413,105,267, respectively.

Manajemen berpendapat bahwa nilai pertanggungan tersebut cukup untuk menutup kemungkinan kerugian atas persediaan yang dipertanggungjawabkan.

Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

Persediaan Perusahaan tidak ada yang dijadikan jaminan utang Bank.

There is no Company's inventories which pledged as bank collateral.

7. Uang Muka

7. Advance Payments

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Pembelian Aset Tetap dan Pengadaan Sistem	11,208,565,270	9,718,549,356	4,882,788,726	14,472,269,000	Purchase of Fixed Assets and System Procurement
Lain-lain (masing-masing di bawah Rp1 miliar)	7,952,676,053	7,037,547,918	6,290,352,692	7,141,398,880	Others (each below Rp 1 billion)
Total	19,161,241,323	16,756,097,274	11,173,141,418	21,613,667,880	Total

Uang muka pembelian aset tetap merupakan pembelian inventaris kantor serta pembelian aset tetap lainnya.

Advances for purchase of fixed assets is the purchase of office equipment and other fixed asset purchases.

Uang muka lain-lain terutama merupakan pembayaran di muka untuk keperluan renovasi bangunan cabang yang disewa dari pihak ketiga.

Advances others mainly an advance payment for the purposes of building renovation branches leased from third parties.

8. Biaya Dibayar di Muka

8. Prepaid Expenses

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Jangka Pendek					Current Portion
Sewa	23,761,189,515	15,030,588,747	9,097,894,770	11,538,018,500	Rent
Asuransi	126,168,298	1,119,329,316	8,881,899,949	524,477,416	Insurance
Lain-lain (masing-masing di bawah Rp 1 miliar)	4,355,074,054	4,783,446,465	3,172,504,104	3,855,291,820	Others (each below Rp 1 billion)
Subtotal	28,242,431,867	20,933,364,528	21,152,298,823	15,917,787,736	Subtotal
Jangka Panjang					Long Term Portion
Sewa	93,292,349,558	23,592,267,779	21,759,458,064	19,540,267,601	Rent
Lain-lain (masing-masing di bawah Rp 1 miliar)	6,408,944,904	12,109,230,889	3,197,440,604	3,348,830,772	Others (each below Rp 1 billion)
Subtotal	99,701,294,462	35,701,498,668	24,956,898,668	22,889,098,373	Subtotal
Total	127,943,726,329	56,634,863,196	46,109,197,491	38,806,886,109	Total

Biaya dibayar di muka lain-lain terutama merupakan biaya iklan, pemeliharaan bangunan, biaya perawatan dan lainnya.

Prepaid expenses others mainly advertising costs, building maintenance, and other maintenance costs.

Biaya dibayar dimuka jangka panjang adalah biaya dibayar dimuka yang diperuntukkan lebih dari satu tahun.

Non current prepaid expenses are prepaid expenses for more than one year.

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9. Aset Tetap

9. Fixed Assets

30 Juni/June 30, 2016							
Saldo Awal/ Beginning Balance	Penambahan/ Addition	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Pelepasan Entitas Anak/ Disposal of Subsidiaries	Saldo Akhir/ Ending Balance		
Rp	Rp	Rp	Rp	Rp	Rp		
Harga Perolehan							Acquisition Cost
Pemilikan Langsung							Direct Ownership
Tanah	58,696,710,466	1,121,464,160	--	--	59,818,174,626	Land	
Bangunan	55,619,547,864	5,527,179,630	--	--	61,146,727,494	Buildings	
Kendaraan	19,606,909,212	161,252,000	143,148,750	--	19,625,012,462	Vehicle	
Inventaris Kantor	142,272,774,221	11,966,761,662	1,497,980,542	--	152,741,555,341	Office Equipment	
Peralatan	97,475,168,304	3,638,259,288	1,219,993,574	--	99,893,434,018	Equipment	
Aset dalam Penyelesaian	3,979,983,984	19,949,594,357	6,551,947,107	--	17,377,631,235	Construction in Progress	
Sub Total	377,651,094,053	42,364,511,097	9,413,069,972	--	410,602,535,176	Sub Total	
Sewa Pembiayaan							Leased Asset
Kendaraan	15,874,640,265	1,297,200,000	--	(4,421,073,720)	12,750,766,545	Vehicles	
Inventaris Kantor	6,007,276,229	2,533,872,212	--	4,421,073,720	12,962,222,161	Office Equipment	
Total	399,533,010,547	46,195,583,309	9,413,069,972	--	436,315,523,882	Total	
Akumulasi Penyusutan							Accumulated Depreciation
Pemilikan Langsung							Direct Ownership
Bangunan	15,928,462,487	1,595,592,743	--	--	17,524,055,229	Buildings	
Kendaraan	15,526,110,986	823,706,018	103,946,748	--	16,245,870,256	Vehicle	
Inventaris Kantor	97,440,158,155	9,509,997,321	1,385,957,814	--	105,564,197,662	Office Equipment	
Peralatan	68,874,337,290	6,548,702,615	705,961,901	--	74,717,078,004	Equipment	
Sub Total	197,769,068,918	18,477,998,697	2,195,866,463	--	214,051,201,152	Sub Total	
Sewa Pembiayaan							Leased Asset
Kendaraan	4,589,939,491	774,987,489	--	--	5,364,926,980	Vehicles	
Inventaris Kantor	889,732,690	1,406,726,355	--	--	2,296,459,045	Office Equipment	
Total	203,248,741,099	20,659,712,541	2,195,866,463	--	221,712,587,177	Total	
Nilai Buku	196,284,269,448				214,602,936,705	Book Value	

31 Desember/December 31, 2015							
Saldo Awal/ Beginning Balance	Penambahan/ Addition	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Pelepasan Entitas Anak/ Disposal of Subsidiaries	Saldo Akhir/ Ending Balance		
Rp	Rp	Rp	Rp	Rp	Rp		
Harga Perolehan							Acquisition Cost
Pemilikan Langsung							Direct Ownership
Tanah	69,431,535,049	123,553,744,285	125,379,114,361	--	8,909,454,507	Land	
Bangunan	141,843,175,194	149,563,256,562	221,420,646,256	--	14,366,237,636	Buildings	
Kendaraan	19,577,890,577	397,863,000	2,406,194,300	2,712,401,800	675,051,865	Vehicle	
Inventaris Kantor	124,307,028,690	26,766,076,738	3,486,174,463	--	5,314,156,744	Office Equipment	
Peralatan	103,799,666,167	13,259,990,485	2,693,410,560	--	16,891,077,788	Equipment	
Pustaka	12,562,633	--	--	--	12,562,633	Books	
Aset dalam Penyelesaian	105,141,843,440	--	101,161,859,456	--	3,979,983,984	Construction in Progress	
Sub Total	564,113,701,750	313,540,931,070	456,547,399,396	2,712,401,800	46,168,541,173	Sub Total	
Sewa Pembiayaan							Leased Asset
Kendaraan	11,659,566,299	6,927,475,766	--	(2,712,401,800)	15,874,640,265	Vehicles	
Inventaris Kantor	6,007,276,229	--	--	--	6,007,276,229	Office Equipment	
Total	581,780,544,278	320,468,406,836	456,547,399,396	--	399,533,010,547	Total	
Akumulasi Penyusutan							Accumulated Depreciation
Pemilikan Langsung							Direct Ownership
Bangunan	44,928,420,567	9,870,690,758	36,366,222,510	--	2,504,426,329	Buildings	
Kendaraan	14,935,587,473	1,649,864,453	2,077,465,097	1,283,860,613	265,736,455	Vehicle	
Inventaris Kantor	87,590,721,548	16,693,471,832	3,354,173,009	--	3,489,862,216	Office Equipment	
Peralatan	68,292,423,506	12,359,302,567	2,692,469,957	--	9,084,918,826	Equipment	
Pustaka	7,379,388	--	--	--	7,379,388	Books	
Sub Total	215,754,532,483	40,573,329,610	44,490,330,573	1,283,860,613	15,352,323,214	Sub Total	
Sewa Pembiayaan							Leased Asset
Kendaraan	2,229,328,929	3,644,471,174	--	(1,283,860,613)	4,589,939,491	Vehicles	
Inventaris Kantor	889,732,690	--	--	--	889,732,690	Office Equipment	
Total	218,873,594,102	44,217,800,784	44,490,330,573	--	203,248,741,099	Total	
Nilai Buku	362,906,950,176				196,284,269,448	Book Value	

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	Rp	Rp	Rp	Rp	Rp	
Harga Perolehan						Acquisition Cost
Pemilikan Langsung						Direct Ownership
Tanah	68,459,159,049	1,083,214,000	110,838,000	--	69,431,535,049	Land
Bangunan	136,649,139,194	1,781,595,608	569,162,000	3,981,602,392	141,843,175,194	Buildings
Kendaraan	19,413,293,217	990,906,356	1,622,103,385	795,794,389	19,577,890,577	Vehicle
Inventaris Kantor	113,583,046,893	14,540,426,400	3,816,444,604	--	124,307,028,690	Office Equipment
Peralatan	84,675,991,949	21,183,199,763	2,059,525,545	--	103,799,666,167	Equipment
Pustaka	7,507,765	5,054,868	--	--	12,562,633	Books
Aset dalam Penyelesaian	31,466,676,061	77,656,769,771	--	(3,981,602,392)	105,141,843,440	Construction in Progress
Sub Total	454,254,814,128	117,241,166,767	8,178,073,533	795,794,389	564,113,701,750	Sub Total
Sewa Pembiayaan						Leased Asset
Kendaraan	7,033,294,989	5,422,065,699	--	(795,794,389)	11,659,566,299	Vehicles
Inventaris Kantor	--	6,017,874,229	10,598,000	--	6,007,276,229	Office Equipment
Total	461,288,109,117	128,681,106,695	8,178,073,533	--	581,780,544,278	Total
Akumulasi Penyusutan						Accumulated Depreciation
Pemilikan Langsung						Direct Ownership
Bangunan	37,724,343,086	7,530,868,755	326,791,274	--	44,928,420,567	Buildings
Kendaraan	14,409,834,577	1,707,486,267	1,456,036,360	274,302,989	14,935,587,473	Vehicle
Inventaris Kantor	76,225,523,597	14,113,784,521	2,748,586,570	--	87,590,721,548	Office Equipment
Peralatan	58,960,792,757	11,150,884,983	1,819,254,234	--	68,292,423,506	Equipment
Pustaka	5,571,308	1,808,081	--	--	7,379,388	Books
Sub Total	187,326,065,325	34,504,832,608	6,350,668,438	274,302,989	215,754,532,483	Sub Total
Sewa Pembiayaan						Leased Asset
Kendaraan	1,353,720,989	1,149,910,929	--	(274,302,989)	2,229,328,929	Vehicles
Inventaris Kantor	--	891,940,607	2,207,917	--	889,732,690	Office Equipment
Total	188,679,786,313	36,546,684,144	6,352,876,354	--	218,873,594,102	Total
Nilai Buku	272,608,322,804				362,906,950,176	Book Value

31 Desember/December 31, 2013						
	Saldo Awal/ Beginning Balance	Penambahan/ Addition	Pengurangan/ Deduction	Reklasifikasi/ Reclassification	Saldo Akhir/ Ending Balance	
	Rp	Rp	Rp	Rp	Rp	
Harga Perolehan						Acquisition Cost
Pemilikan Langsung						Direct Ownership
Tanah	68,564,309,049	234,000,000	339,150,000	--	68,459,159,049	Land
Bangunan	128,994,699,769	3,576,667,449	1,594,065,479	5,671,837,455	136,649,139,194	Buildings
Kendaraan	16,598,282,067	1,506,147,250	1,347,019,100	2,655,883,000	19,413,293,217	Vehicle
Inventaris Kantor	96,315,775,360	23,120,215,095	5,852,943,561	--	113,583,046,893	Office Equipment
Peralatan	78,350,234,113	9,503,246,948	3,266,111,112	88,622,000	84,675,991,949	Equipment
Pustaka	6,496,600	1,011,165	--	--	7,507,765	Books
Aset dalam Penyelesaian	11,911,939,518	25,226,573,998	--	(5,671,837,455)	31,466,676,061	Construction in Progress
Sub Total	400,741,736,476	63,167,861,905	12,399,289,252	2,744,505,000	454,254,814,128	Sub Total
Sewa Pembiayaan						Leased Asset
Kendaraan	7,234,977,189	2,542,822,800	--	(2,744,505,000)	7,033,294,989	Vehicles
Total	407,976,713,665	65,710,684,705	12,399,289,252	--	461,288,109,117	Total
Akumulasi Penyusutan						Accumulated Depreciation
Pemilikan Langsung						Direct Ownership
Bangunan	32,199,587,434	6,986,508,114	1,461,752,463	--	37,724,343,086	Buildings
Kendaraan	12,182,552,538	2,890,358,260	1,493,502,141	830,425,919	14,409,834,577	Vehicle
Inventaris Kantor	67,190,469,969	10,036,676,329	1,001,622,700	--	76,225,523,597	Office Equipment
Peralatan	50,488,521,625	11,093,062,211	2,640,214,038	19,422,958	58,960,792,757	Equipment
Pustaka	4,410,951	1,160,357	--	--	5,571,308	Books
Sub Total	162,065,542,517	31,007,765,271	6,597,091,342	849,848,877	187,326,065,325	Sub Total
Sewa Pembiayaan						Leased Asset
Kendaraan	1,625,806,983	579,003,404	1,240,521	(849,848,877)	1,353,720,989	Vehicles
Total	163,691,349,500	31,586,768,675	6,598,331,863	--	188,679,786,313	Total
Nilai Buku	244,285,364,165				272,608,322,804	Book Value

Penambahan pada tahun 2015, merupakan pembelian tanah dan bangunan di Medan, Jakarta, Solo, Surabaya dan Palu.

Additions in 2015 are acquisition of lands and buildings on Medan, Jakarta, Solo, Surabaya, and Palu.

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Aset dalam penyelesaian pada tanggal 30 Juni 2016 adalah bangunan sebagai berikut:

Construction in progress at June 30, 2016 is buildings as follows:

Wilayah/ Region	Jumlah/ Amount Rp	Persentase Penyelesaian/ Percentage of Completion %	Perkiraan Penyelesaian/ Estimated To Be Completed
Pusat/ Central	4,583,148,598	90% - 95%	September 2016 - Oktober 2016/ September 2016 - October 2016
Wilayah 1/ Region 1	3,686,569,338	40%	Oktober 2017/ October 2017
Wilayah 3/ Region 3	968,850,000	50% - 90%	September 2016 - Oktober 2016/ September 2016 - October 2016
Wilayah 5/ Region 5	4,038,928,955	50% - 98%	September 2016 - Juni 2017/ September 2016 - June 2017
Wilayah 6/ Region 6	3,629,864,905	90% - 95%	September 2016 - Oktober 2016/ September 2016 - October 2016
Wilayah 8/ Region 8	470,269,439	90%	September 2016/ September 2016
Total	17,377,631,235		

Alokasi pembebanan penyusutan pada periode 30 Juni 2016, 31 Desember 2015, 2014 dan 2013 adalah sebagai berikut:

Allocation of depreciation expense for periods June 30, 2016, December 31, 2015, 2014 and 2013 are as follows:

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Beban Pokok Pendapatan (Catatan 24)	5,287,243,337	5,089,789,152	10,073,888,430	8,314,906,354	7,278,683,515	Cost of Revenues (Note 24)
Beban Umum dan Administrasi (Catatan 25.b)	15,372,469,204	13,897,107,678	34,143,912,354	28,231,777,790	24,308,085,160	General and Administrative Expense (Note 25.b)
Total	20,659,712,541	18,986,896,830	44,217,800,784	36,546,684,144	31,586,768,675	Total

Pengurangan aset tetap terdiri dari penghapusan dan penjualan aset dengan rincian sebagai berikut:

Deduction of fixed assets consists of the disposal and sale of the fixed assets as follows:

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Harga Jual	7,155,667,066	435,229,347,500	6,472,175,906	10,005,996,978	Sales Value
Dikurangi: Nilai Buku	(7,217,203,509)	(412,057,068,823)	(1,825,197,179)	(5,800,957,389)	Deduction : Book Value
Laba (Rugi) Penjualan Aset Tetap	(61,536,443)	23,172,278,677	4,646,978,727	4,205,039,589	Gain (Loss) on Sale of Fixed Asset

Pengurangan pada tahun 2015, berasal dari penjualan beberapa aset tanah dan bangunan kepada PT Grhanis Putra Propertindo, PT Grhanis Prakarsa Propertindo, PT Grhanis Pusaka Propertindo dan PT Grhanis Permata Propertindo, pihak-pihak berelasi.

Deduction in 2015, raise from sales of the Company's land and building to PT Grhanis Putra Propertindo, PT Grhanis Prakarsa Propertindo, PT Grhanis Pusaka Propertindo and PT Grhanis Permata Propertindo, related parties.

Pada tanggal 30 Juni 2016, 31 Desember 2015, 2014 dan 2013, sebagian aset tetap Perusahaan dijadikan jaminan atas pinjaman kepada bank dan perusahaan pembiayaan (Catatan 12, 16 dan 17). Aset tetap yang dijamin adalah berupa tanah, bangunan dan kendaraan.

On June 30, 2016, December 31, 2015, 2014 and 2013, some of the Company's fixed assets pledged as collateral for loans obtain from banks and finance companies (Notes 12, 16 and 17). Fixed assets pledged as collateral is in the form of land, buildings and vehicles.

Pada tahun 2015, terdapat biaya pinjaman sebesar Rp4.018.266.727 digunakan untuk pembangunan gedung Grha Surabaya.

In 2015, the borrowing cost is amounting to Rp4,018,266,727 was used for the construction of building Grha Surabaya.

Perusahaan memiliki beberapa bidang tanah yang digunakan oleh kantor cabang yang tersebar di beberapa daerah dengan hak pemilikan berupa Hak Guna Bangunan yang berjangka waktu 7 - 30 tahun yang akan jatuh tempo antara tahun 2013 dan 2042. Manajemen berpendapat tidak terdapat masalah signifikan sehubungan dengan perpanjangan hak atas tanah karena seluruh tanah diperoleh secara sah dan didukung dengan bukti kepemilikan yang memadai.

The Company owns several land that are used by branch offices in some areas with the right of ownership in the form of Building Rights used for the period of 7-30 years which will due between 2013 and 2042. Management believes there are no significant issues with respect to the extension of land rights because the entire land were acquired legally and supported by sufficient evidence of ownership.

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Pada tanggal 30 Juni 2016, 31 Desember 2015, 2014 dan 2013, aset tetap kecuali tanah, telah diasuransikan terhadap risiko kebakaran dan risiko lainnya kepada perusahaan asuransi, yaitu PT Asuransi Wahana Tata dengan jumlah pertanggungan sebesar Rp673.296.337.066, Rp390.661.127.730, Rp916.306.504.681 dan Rp575.631.169.990. Manajemen berpendapat bahwa jumlah pertanggungan tersebut cukup untuk menutup kemungkinan kerugian atas aset yang dipertanggungan.

On June 30, 2016, December 31, 2015, 2014 and 2013, fixed assets, except land, were insured against fire and other risks to insurance companies, PT Asuransi Wahana Tata with a total coverage of Rp673,296,337,066, Rp390,661,127,730, Rp916,306,504,681, and Rp575,631,169,990. Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

Manajemen berkeyakinan bahwa tidak terdapat indikasi penurunan nilai aset tetap pada 30 Juni 2016, 31 Desember 2015, 2014, dan 2013.

Management believes that there is no indication of impairment of fixed assets as at June 30, 2016, December 31, 2015, 2014 and 2013.

10. Aset Takberwujud

10. Intangible Assets

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Harga Perolehan					Acquisition Cost
Piranti Lunak	15,397,578,140	15,891,693,425	13,737,522,890	13,116,324,550	Software
Hak Paten	14,600,000	14,600,000	3,139,600,000	3,139,600,000	Patent
Goodwill (Catatan 2.e)	--	--	517,023,262	517,023,262	Goodwill (Note 2.e)
Sub Total	15,412,178,140	15,906,293,425	17,394,146,152	16,772,947,812	Subtotal
Akumulasi Amortisasi					Accumulated Depreciation
Piranti Lunak	(12,530,146,037)	(12,369,675,552)	(9,834,499,796)	(7,566,304,336)	Software
Hak Paten	(14,599,996)	(14,600,000)	(405,224,996)	(234,375,000)	Patent
Sub Total	(12,544,746,033)	(12,384,275,552)	(10,239,724,792)	(7,800,679,336)	Subtotal
Total - Bersih	2,867,432,107	3,522,017,873	7,154,421,360	8,972,268,477	Total - Net

Goodwill timbul dari akuisisi PT Prodia Stemlife Indonesia.

Goodwill resulted from the acquisition of PT Prodia Stemlife Indonesia.

11. Aset Non Keuangan Tidak Lancar Lainnya

11. Other Non-Current Non-Financial Assets

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Jaminan Sewa	555,427,856	525,667,856	368,870,856	313,824,616	Security Deposit
Bank Garansi	359,343,666	420,261,667	207,880,597	--	Bank Guarantee
Lain-lain	442,375,114	829,692,300	136,825,130	3,375,997,688	Others
Total	1,357,146,636	1,775,621,823	713,576,583	3,689,822,304	Total

Jaminan sewa merupakan uang yang disetor Perusahaan terkait sewa bangunan untuk kantor maupun laboratorium. Bank garansi merupakan jaminan terkait tender yang dilakukan Perusahaan sebagai syarat kerjasama. Penurunan saldo lain-lain dikarenakan uang muka atas renovasi bangunan di Summarecon telah selesai pada awal tahun 2016.

Security deposit was paid by the Company regarding lease of buildings intended for offices and laboratories. Bank guarantee is related to tender conducted by the Company as a condition for cooperation. The decline in the balance of others because of advance for the renovation of buildings in Summarecon was completed in early 2016.

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12. Utang Bank Jangka Pendek

12. Short-Term Bank Loans

	Plafond Rp	30 Juni/June 30,		31 Desember/December 31,		
		2016 Rp	2015 Rp	2014 Rp	2013 Rp	
PT Bank Danamon Indonesia Tbk	5,000,000,000	3,635,423,874	1,000,000,000	3,250,000,000	3,250,000,000	PT Bank Danamon Indonesia Tbk
PT Bank Pan Indonesia Tbk	--	--	--	2,138,056,962	1,541,979,057	PT Bank Pan Indonesia Tbk
PT Bank Rabobank International Indonesia	--	--	--	343,627,759	--	PT Bank Rabobank International Indonesia
Total		3,635,423,874	1,000,000,000	5,731,684,721	4,791,979,057	Total

a. PT Bank Danamon Indonesia Tbk (Bank Danamon)

Saldo fasilitas-fasilitas pinjaman jangka pendek dari Bank Danamon per 30 Juni 2016, 31 Desember 2015, 2014 dan 2013 adalah sebagai berikut:

Fasilitas Kredit Rekening Koran (KRK)

Fasilitas ini diperoleh berdasarkan Perjanjian Kredit No. SPK/126/PIM-YK/RK/09/92 tanggal 8 September 1992 dan Akta Pengakuan Hutang No. 30 tanggal 8 September 1992 dengan nilai pinjaman maksimal sebesar Rp2.000.000.000 yang digunakan sebagai modal kerja. Perjanjian kredit ini telah beberapa kali mengalami perpanjangan, terakhir berdasarkan Perjanjian Kredit No. PW 154 tanggal 17 Oktober 2011 yang akan jatuh tempo pada tanggal 19 Juli 2012 dan tingkat bunga 11,5% per tahun. Berdasarkan PK No.11 tanggal 2 April 2015, Perusahaan memiliki plafond Rp2.500.000.000 dan diperpanjang jangka waktunya sampai dengan 19 Juli 2016.

Berdasarkan PK no.263 tanggal 26 Nopember 2015 Perusahaan memiliki plafond Kredit Rekening Koran (KRK) sebesar Rp5.000.000.000. Perjanjian Kredit ini telah diperpanjang dengan Perjanjian Perpanjangan Waktu Kredit no 311/PPWK/CBD/VIII/2016 tanggal 2 Agustus 2016, jangka waktu KRK diperpanjang sampai dengan tanggal 19 Juli 2017 dan dikenakan tingkat bunga pinjaman sebesar 11,25% per tahun. Jaminan dan pembatasan diungkapkan pada Catatan 17.

Pada tanggal 30 Juni 2016 saldo pinjaman sebesar Rp3.635.423.874, dan 31 Desember 2015, 2014, dan 2013 masing-masing bersaldo Rp1.000.000.000, Rp3.250.000.000, dan Rp3.250.000.000.

b. PT Bank Rabobank International Indonesia (dahulu PT Bank Haga)

Entitas Anak – PT Prodia OHI International

Berdasarkan Perjanjian Kredit No. 449/PRK-B/AM/IV/2009 tanggal 15 April 2009, PT Prodia OHI International (entitas anak) memperoleh fasilitas Pinjaman Rekening Koran (PRK) dari PT Bank Haga sebesar Rp 2.000.000.000, yang akan jatuh tempo pada 20 September 2009 dan dikenakan tingkat suku bunga 15% per tahun. Fasilitas PRK ini telah beberapa kali diperpanjang, terakhir dengan

a. PT Bank Danamon Indonesia Tbk (Bank Danamon)

Balance of short-term facilities loan from Bank Danamon as of June 30, 2016, December 31, 2015, 2014 and 2013 are as follows:

Overdraft Credit Facility (KRK)

This facility was obtained under the Credit Agreement No. SPK / 126 / PIM-YK / RK / 09/92 dated September 8, 1992 and the Deed of Acknowledgement of Debt No. 30 dated September 8, 1992 with a maximum loan value of Rp2,000,000,000 used as working capital. The loan agreement has several amended, the last under the Credit Agreement No. PW 154 dated October 17, 2011 and will mature on July 19, 2012 and an interest rate of 11.5% per year. Based on the loan agreement No.11 dated 2 April 2015, the Company has a facility of Rp2,500,000,000 and extended the time period up to July 19, 2016.

Based on the Loan Agreement No. 263 dated November 26, 2015, the Company has overdraft loan facility (KRK) amounted to Rp5,000,000,000. This Loan Agreement has amended with Time Extension Loan Agreement No 311/PPWK/CBD/VIII/2016 dated August 2, 2016, term of KRK is extended until July 19, 2017 and bears interest rate of 11.25% per annum. The collateral and covenant are disclosed in Note 17.

As of June 30, 2016, the loan balance is Rp3,635,423,874, and as of December 31, 2015, 2014, and 2013 the loan balance is Rp1,000,000,000, Rp3,250,000,000, and Rp3,250,000,000, respectively.

b. PT Bank Rabobank International Indonesia (former PT Bank Haga)

Subsidiary - PT Prodia OHI International

Based on Loan Agreement No. 449 / PRK-B / AM / IV / 2009 dated 15 April 2009, PT Prodia OHI International (subsidiary) obtain Current Account Loan facility (CRP) from PT Bank Haga of Rp2,000,000,000, which will mature on 20 September 2009 and an interest rate of 15% per year. CRP facility has been extended several times, most recently by Time Extension Loan Agreement

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Perjanjian Perpanjangan Waktu Kredit No. 236023/P/3/LGL/ABM/IX/2015 tanggal 18 September 2015, yang diperpanjang sampai dengan tanggal 30 September 2016 dengan tingkat bunga pinjaman adalah sebesar 13% per tahun.

No. 236023/P/3/LGL/ABM/IX/2015 dated September 18, 2015, which extended until September 30, 2016 with an interest rate of 13% per year.

Pada tanggal 30 Juni 2016, 31 Desember 2015, 2014 dan 2013 saldo yang terutang masing-masing adalah sebesar nihil, nihil, Rp 343.627.759 dan nihil.

As of June 30, 2016, December 31, 2015, 2014 and 2013 balance of the loan amounted to nil, nil, Rp343,627,759 and nil, respectively.

Perusahaan dan entitas anak terikat dengan beberapa pembatasan, antara lain Perusahaan dan entitas anak harus mendapatkan persetujuan terlebih dahulu untuk:

The Company and its subsidiaries comply with several restrictions, among others, the Company and its subsidiaries must obtain prior approval for:

- Mengadakan merger, akuisisi, dan/atau menjual aset tetap;
- Mengubah anggaran dasar maupun mengubah susunan pengurus dan/atau pemegang saham;
- Memperoleh kredit dari bank atau pemberi kredit lainnya, baik berupa investasi maupun modal kerja;
- Membagikan dividen kepada para pemegang saham; dan
- Menjaminkan harta kekayaan kepada pihak lain.

- Conducting mergers, acquisitions, and / or sell fixed assets;
- Changing the basic budget and change the composition of the board and / or shareholders;
- Obtain credit from banks or other lenders, either in the form of investment and working capital;
- Shares of dividends to shareholders; and
- Pledge wealth to others.

Fasilitas PRK dijamin dengan sejumlah tanah dan bangunan milik Perusahaan (Catatan 9).

CRP facility is secured by a number of land and buildings owned by the Company (Note 9).

13 Utang Usaha

13. Accounts Payable

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Pihak Berelasi	427,402,390	701,250,478	223,434,416	533,744,807	Related Parties
Pihak Ketiga					Third Parties
PT Anugrah Pharmindo Lestari	6,283,411,295	9,407,748,489	6,516,655,381	9,261,220,942	PT Anugrah Pharmindo Lestari
PT Sumbermitra Agung Jaya	2,020,711,596	2,625,656,318	2,333,802,035	2,661,115,100	PT Sumbermitra Agung Jaya
PT Enseval Putera Megatradning	1,822,335,656	4,232,678,909	2,999,835,045	2,533,591,356	PT Enseval Putera Megatradning
PT Karyamanunggal Lithomas	961,300,053	1,580,102,986	1,816,472,514	1,818,981,522	PT Karyamanunggal Lithomas
PT Diastika Biotekindo	949,525,129	674,148,255	1,479,620,293	2,054,557,452	PT Diastika Biotekindo
PT Setia Guna Medika	760,531,005	49,940,044	1,343,163,309	3,834,457,897	PT Setia Guna Medika
PT Anugrah Argon Medica	684,725,173	697,655,634	1,089,811,357	854,790,010	PT Anugrah Argon Medica
PT Indoglobal Technologies	605,233,479	1,083,161,299	2,637,273,186	1,908,515,439	PT Indoglobal Technologies
PT Saba Indo Medika	591,412,254	468,370,709	1,207,081,559	1,168,612,022	PT Saba Indo Medika
PT Inti Makmur Meditama	103,575,240	1,165,715,020	1,410,970,858	975,788,573	PT Inti Makmur Meditama
PT Widya Mitra Persada	--	311,491,296	594,761,103	--	PT Widya Mitra Persada
Lain-lain (masing-masing di bawah Rp 500 juta)	13,452,315,053	20,062,722,614	7,062,175,191	4,851,302,250	Others (each below Rp 500 million)
Sub Total Pihak Ketiga	28,235,075,933	42,359,391,573	30,491,621,831	31,922,932,563	Subtotal Third Parties
Jumlah	28,662,478,323	43,060,642,051	30,715,056,247	32,456,677,370	Total

14. Beban Akruai

14. Accrued Expenses

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Sewa Bangunan dan PPS	5,577,628,191	7,075,685,105	2,349,256,021	4,360,260,197	Leased Building
Rujukan	5,105,040,242	7,435,503,248	7,187,526,690	7,045,301,763	Reference
Pemasaran	3,219,407,259	5,145,753,803	4,141,681,519	4,789,924,764	Marketing
Keperluan Kantor	3,002,542,836	678,888,453	3,946,410,880	5,254,104,537	Office Utilities
Konsultan	2,413,579,741	6,107,029,601	11,273,508,549	7,880,508,336	Consultant
Listrik, Air dan Telekomunikasi	1,905,383,834	1,956,094,143	2,308,264,980	2,175,314,493	Electricity, Water and Telecommunication
Pemeliharaan	1,788,069,268	6,142,322,891	2,773,530,107	10,098,962,723	Maintenance
Lain-lain (masing-masing di bawah Rp 1 milyar)	221,630,520	168,697,276	9,945,138,007	2,600,168,110	Others (each below Rp 1 billion)
Total	23,233,281,891	34,709,974,520	43,925,316,753	44,204,544,923	Total

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Beban akrual lain-lain terutama merupakan bagi hasil kerjasama dengan mitra lokal pada beberapa cabang tertentu, transportasi, baju dinas laboratorium dan lain-lain.

Other accrued expenses mainly represents revenue sharing with local partners in some particular branch, transportation, official outfit laboratories and others.

15. Liabilitas Keuangan Jangka Pendek Lainnya **15. Other Current Financial Liabilities**

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Pihak Berelasi					Related Parties
Dividen	18,000,000,000	--	--	--	Dividen
Lainnya	392,227,663	510,757,964	600,000,000	4,143,490,101	Others
Sub Total Pihak Berelasi	18,392,227,663	510,757,964	600,000,000	4,143,490,101	Subtotal Related Parties
Pihak Ketiga					Third Parties
Renovasi	4,460,872,865	19,711,114,059	--	--	Renovation
Pembelian Aset Tetap dan Aset Takberwujud	3,523,772,719	8,520,800,037	9,223,441,682	3,989,653,537	Acquisition of Fixed Asset and Intangible Asset
Lain-lain (masing-masing di bawah Rp 1 milyar)	880,216,744	1,204,897,365	9,639,510,868	6,952,705,006	Others (each below Rp 1 billion)
Sub Total Pihak Ketiga	8,864,862,327	29,436,811,461	18,862,952,550	10,942,358,543	Subtotal Third Parties
Jumlah	27,257,089,990	29,947,569,425	19,462,952,550	15,085,848,644	Total

Liabilitas keuangan jangka pendek lainnya atas utang pembelian aset tetap dan aset takberwujud adalah utang atas pembelian peralatan laboratorium, inventaris kantor dan perangkat lunak komputer (Catatan 6, 10 dan 31).

Other current financial liabilities of acquisition fixed and intangible asset is liabilities on the purchase of laboratory equipment, office equipment and computer software (Notes 6, 10 and 31).

Utang renovasi merupakan renovasi kantor dan laboratorium terutama di Solo, Medan, Palu, Makassar dan Pekanbaru.

Liabilities for renovation consist of building renovations of Company's offices and laboratories mainly in Solo, Medan, Palu, Makassar and Pekanbaru.

16. Utang Sewa Pembiayaan

16. Financial Leases Payable

Perusahaan melakukan perjanjian sewa pembiayaan dengan perusahaan pembiayaan sejak tahun 2009 sampai dengan 2015 untuk pengadaan peralatan transportasi operasional dan kendaraan Perusahaan. Jangka waktu sewa guna usaha adalah dua sampai dengan empat tahun dengan tingkat bunga efektif yang bervariasi antara 17,18% sampai dengan 31%. Utang sewa pembiayaan dijamin dengan aset tetap sewa pembiayaan bersangkutan.

The Company entered into a financial lease with finance company's since 2009 to 2015 to obtain equipment and vehicle. The term of lease is for two up to four years with an effective interest rate varying between 17.18% to 31%. Finance lease secured by its assets.

Pada tahun 2014, Perusahaan juga melakukan perjanjian sewa pembiayaan dengan PT ORIX Indonesia Finance untuk pengadaan komputer.

In 2014, the Company also enter into finance lease agreements with PT ORIX Indonesia Finance to obtain computers.

Rincian utang sewa pembiayaan berdasarkan perusahaan pembiayaan (lessor) adalah sebagai berikut:

Details of finance lease debt based finance companies (lessor) are as follows:

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
PT BCA Finance (Kendaraan)	3,787,091,037	7,764,100,087	4,691,658,605	2,730,544,809	PT BCA Finance (Vehicle)
PT ORIX Indonesia Finance (Komputer)	7,474,759,576	2,337,813,355	4,853,264,000	--	PT ORIX Indonesia Finance (Computer)
	11,261,850,613	10,101,913,442	9,544,922,605	2,730,544,809	
Dikurangi:					Deduction:
Utang Sewa Pembiayaan - Jatuh Tempo dalam Satu Tahun	(6,476,477,700)	(5,316,540,529)	(3,581,539,935)	(1,583,476,629)	Current Portion that will mature in one year
Utang Sewa Pembiayaan Jangka Panjang	4,785,372,913	4,785,372,913	5,963,382,670	1,147,068,180	Total Long Term Leasing

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Rincian utang sewa pembiayaan berdasarkan periode jatuh tempo adalah sebagai berikut:

Details of obligation under finance lease based on the maturity period is as follows:

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Pembayaran yang Jatuh Tempo pada Tahun					Payment Due in :
2014	--	--	--	1,741,436,626	2014
2015	--	--	4,431,131,994	988,312,859	2015
2016	2,816,435,870	6,066,727,435	4,044,484,290	238,410,120	2016
2017	5,325,989,308	3,808,856,142	1,948,151,610	--	2017
2018	3,148,650,065	1,530,137,149	620,000,025	--	2018
2019	1,494,403,865	177,342,450	--	--	2019
2020	173,278,284	--	--	--	2020
Total Pembayaran Minimum Sewa Pembiayaan	12,958,757,392	11,583,063,176	11,043,767,919	2,968,159,604	Total Minimum Payment of Leasing
Dikurangi: Bagian Bunga	(1,696,906,779)	(1,481,149,734)	(1,498,845,314)	(237,614,795)	Deduction : Interest
Jumlah Liabilitas Sewa	11,261,850,613	10,101,913,442	9,544,922,605	2,730,544,809	Total Leasing Liabilities
Bagian yang Jatuh Tempo dalam Waktu Satu Tahun	(6,476,477,700)	(5,316,540,529)	(3,581,539,935)	(1,583,476,629)	Current Portion that will mature in one year
Utang Sewa Pembiayaan Jangka Panjang	4,785,372,913	4,785,372,913	5,963,382,670	1,147,068,180	Total Long Term Leasing

17. Utang Bank Jangka Panjang

17. Long-Term Bank Loans

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
PT Bank Danamon Indonesia Tbk	59,272,382,089	16,584,359,047	96,178,872,152	114,163,451,916	PT Bank Danamon Indonesia Tbk
PT Bank Rabobank Internasional Indonesia	--	--	953,783,855	4,444,501,426	PT Bank Rabobank Internasional Indonesia
PT Bank Pan Indonesia Tbk	23,070,983,333	25,950,937,126	1,248,299,290	2,871,344,786	PT Bank Pan Indonesia Tbk
PT Bank Mandiri (Persero) Tbk	--	--	--	640,988,920	PT Bank Mandiri (Persero) Tbk
PT Bank UOB Buana Indonesia	--	--	--	80,104,386	PT Bank UOB Buana Indonesia
PT Bank Central Asia Tbk	18,766,666,667	21,366,666,667	52,227,715,506	4,100,000,000	PT Bank Central Asia Tbk
Total Utang Bank	101,110,032,089	63,901,962,840	150,608,670,803	126,300,391,434	Total Bank Loan
Bagian yang Jatuh Tempo dalam Satu Tahun:					Current Portion that Mature in a Year:
PT Bank Danamon Indonesia Tbk	26,274,990,587	2,679,214,659	20,484,928,421	9,789,129,518	PT Bank Danamon Indonesia Tbk
PT Bank Rabobank Internasional Indonesia	--	--	52,009,278	1,424,652,325	PT Bank Rabobank Internasional Indonesia
PT Bank Pan Indonesia Tbk	5,659,400,000	5,659,400,000	1,198,045,497	1,623,045,497	PT Bank Pan Indonesia Tbk
PT Bank Mandiri (Persero) Tbk	--	--	--	640,988,920	PT Bank Mandiri (Persero) Tbk
PT Bank UOB Buana Indonesia	--	--	--	80,104,386	PT Bank UOB Buana Indonesia
PT Bank Central Asia Tbk	5,200,000,000	5,200,000,000	6,224,119,172	1,200,000,000	PT Bank Central Asia Tbk
Bagian Jangka Pendek	37,134,390,587	13,538,614,659	27,959,102,368	14,757,920,645	Current Portion
Bagian Jangka Panjang	63,975,641,502	50,363,348,180	122,649,568,435	111,542,470,788	Long Term Portion

a. PT Bank Danamon Indonesia Tbk (Bank Danamon)

Perusahaan memperoleh beberapa fasilitas kredit investasi jangka panjang dari Bank Danamon dengan rincian sebagai berikut:

a. PT Bank Danamon Indonesia Tbk (Bank Danamon)

The Company obtained several long-term investment credit facility from Bank Danamon with the following details:

	Saldo Pinjaman/ Loan Total				
	30 Juni/ June 30,	31 Desember/December 31,			
Plafond Rp	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Kredit Angsuran Berjangka (KAB) - 1	46,000,000,000	--	--	--	Installment Loans -1
Kredit Angsuran Berjangka (KAB) - 2	50,000,000,000	23,992,000,000	--	--	Installment Loans -2
Kredit Modal Kerja	20,000,000,000	20,000,000,000	--	--	Working Capital Loan
Kredit Angsuran Berjangka (KAB) -13	50,000,000,000	--	19,509,130,411	26,178,199,518	Installment Loan - 13
Kredit Angsuran Berjangka (KAB) -14	6,500,000,000	--	2,014,918,254	2,711,102,971	Installment Loan - 14
Kredit Angsuran Berjangka (KAB) -15	4,500,000,000	--	1,940,238,647	2,619,917,473	Installment Loan - 15
Kredit Angsuran Berjangka (KAB) -16	6,000,000,000	--	1,331,931,890	2,654,231,954	Installment Loan - 16
Kredit Angsuran Berjangka (KAB) -17	30,000,000,000	--	25,343,887,377	30,000,000,000	Installment Loan - 17
Kredit Angsuran Berjangka (KAB) -18	50,000,000,000	--	46,038,765,573	50,000,000,000	Installment Loan - 18
Kredit Angsuran Berjangka (KAB) -19	22,000,000,000	--	--	--	Installment Loan - 19
Kredit Angsuran Berjangka (KAB) -20	17,000,000,000	15,280,382,089	16,584,359,047	--	Installment Loan - 20
Kredit Angsuran Berjangka (KAB) -21	12,000,000,000	--	--	--	Installment Loan - 21
	59,272,382,089	16,584,359,047	96,178,872,152	114,163,451,916	

Kredit Angsuran Berjangka (KAB)

Sesuai dengan Perjanjian Perubahan Terhadap Perjanjian Kredit No. 1 tanggal 17 Nopember 2005 dari Sri Naning, SH, notaris di Jakarta, Perusahaan memperoleh fasilitas KAB-9 dan KAB-10 dengan jangka waktu 60 (enam puluh) bulan sejak tanggal penarikan.

Term Installment Loans (KAB)

Based on addendum of the Loan Agreement No. 1 dated November 17, 2005 made before Sri Naning, SH, notary in Jakarta, the Company obtained KAB-9 and KAB-10 for a period of sixty (60) months from the date of withdrawal.

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Berdasarkan Perjanjian Perubahan Terhadap Perjanjian Kredit No. 27 tanggal 15 Desember 2006 oleh Asminah, SH, M.Kn., notaris di Jakarta, Bank Danamon menambah fasilitas kredit berupa KAB-11 dan KAB-12 dengan batas maksimum pinjaman masing-masing sebesar Rp3.500.000.000 dan Rp 1.200.000.000 untuk jangka waktu lima tahun sejak tanggal pencairan

Sesuai dengan Akta Perjanjian Perubahan Terhadap Perjanjian Kredit No. 16 tanggal 19 April 2007 dari Alfi Sutan, SH, notaris di Jakarta, Perusahaan memperoleh tambahan fasilitas Kredit Angsuran Berjangka (KAB)-13 untuk tujuan investasi pembangunan Prodia Tower. Batas maksimum penarikan pinjaman adalah sebesar Rp50.000.000.000. Fasilitas KAB-13 yang sudah dicairkan diangsur selama 102 (seratus dua) bulan terhitung sejak berakhirnya *grace period*, yaitu 18 (delapan belas) bulan sejak tanggal penarikan. Suku bunga tahunan adalah 11% dan dapat berubah sesuai dengan perkembangan suku bunga pasar.

Berdasarkan Perjanjian Perubahan Terhadap Perjanjian Kredit No. 3 tanggal 6 Mei 2009 yang dibuat dihadapan Alfi Sutan, SH, notaris di Jakarta, Perusahaan memperoleh tambahan fasilitas Kredit Angsuran Berjangka (KAB)-14 dari Bank Danamon untuk tujuan investasi pembangunan Prodia Tower tahap akhir dan kelengkapannya. Batas maksimum penarikan pinjaman adalah sebesar Rp 6.500.000.000. Suku bunga tahunan adalah 11% dan dapat berubah sesuai dengan perkembangan suku bunga pasar .

Sesuai dengan Akta Perjanjian Perubahan Terhadap Perjanjian Kredit No. 12 tanggal 23 September 2010 dari Alfi Sutan, SH, notaris di Jakarta, Perusahaan memperoleh tambahan fasilitas Kredit Angsuran Berjangka (KAB)-15 untuk tujuan investasi pembangunan gedung Prodia Manado. Batas maksimum penarikan pinjaman adalah sebesar Rp4.500.000.000. Fasilitas KAB-15 yang sudah dicairkan diangsur selama 72 (tujuh puluh dua) bulan. Suku bunga tahunan adalah 11% dan dapat berubah sesuai dengan perkembangan suku bunga pasar.

Sesuai dengan Akta Perjanjian Perubahan Terhadap Perjanjian Kredit No. 12 tanggal 23 September 2010 dari Alfi Sutan, SH, notaris di Jakarta, Perusahaan memperoleh tambahan fasilitas Kredit Angsuran Berjangka (KAB)-16 untuk tujuan pembiayaan pengembangan tempat usaha di Jakarta, Mataram dan Palangkaraya serta Investasi Teknologi Informasi, peralatan kantor dan

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Based on addendum on Loan Agreement No. 27 dated December 15, 2006 by Asminah, SH, M.Kn., notary in Jakarta, the Bank adds credit facility in the form of KAB-11 and KAB-12 with a maximum facility of each loan amounting to Rp3,500,000,000 and Rp 1,200,000,000 for period of five years from the date of disbursement.

In accordance with the Deed of addendum of Loan Agreement No. 16 dated 19 April 2007 by Alfi Sutan, SH, notary in Jakarta, the Company obtained additional credit facility Installment Deposit (KAB) -13 for investment purposes of Prodia Tower development. The maximum facility drawdown amounted to Rp50,000,000,000. Facility of KAB-13 obtained installed over 102 (one hundred and two) months from the end of the grace period, which is 18 (eighteen) months from the date of withdrawal. The annual interest rate is 11% and can be changed in accordance with the development of market interest rates.

Based on the addendum of Loan Agreement No. 3 dated May 6, 2009 made before Alfi Sutan, SH, notary in Jakarta, the Company obtained additional credit facility Installment Deposit (KAB) -14 from Bank Danamon for investment purposes of final stages the construction and completeness of Tower Prodia. The maximum drawdown amounted to Rp 6,500,000,000. The annual interest rate is 11% and can be changed in accordance with the development of market interest rates.

In accordance with the Deed of addendum of Loan Agreement No. 12 dated 23 September 2010 by Alfi Sutan, SH, notary in Jakarta, the Company obtained additional credit facility Installment Deposit (KAB) -15 for investment purposes of Prodia Manado building. The maximum drawdown amounted to Rp4,500,000,000. Facilities of KAB-15 that has been disbursed will installed for 72 (seventy-two) months. The annual interest rate is 11% and can be changed in accordance with the development of market interest rates.

In accordance with the Deed of Amendment to Loan Agreement No. 12 dated 23 September 2010 by Alfi Sutan, SH, notary in Jakarta, the Company obtained additional loan facility Term Installment Loans (KAB) -16 for the purpose of financing the development of businesses in Jakarta, Mataram and Palangkaraya and investment in Information Technology, office supplies and equipments. The maximum drawdown

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perlengkapannya. Batas maksimum penarikan pinjaman adalah sebesar Rp6.000.000.000. Fasilitas KAB-16 yang sudah dicairkan diangsur selama 72 (tujuh puluh dua) bulan. Suku bunga tahunan adalah 11% dan dapat berubah sesuai dengan perkembangan suku bunga pasar.

Sesuai dengan Akta Perjanjian Perubahan Terhadap Perjanjian Kredit No. 34 tanggal 20 Desember 2013 dari Alfi Sutan, SH, notaris di Jakarta, Perusahaan memperoleh tambahan fasilitas Kredit Angsuran Berjangka KAB-17 dan KAB-18 untuk tujuan *refinancing* investasi aset. Batas maksimum penarikan pinjaman adalah sebesar Rp30.000.000.000 dan Rp50.000.000.000. Fasilitas KAB-17 dan KAB-18 yang sudah dicairkan diangsur masing-masing selama 60 (enam puluh) bulan dan 96 (sembilan puluh enam) bulan. Suku bunga tahunan adalah 11,25% dan dapat berubah sesuai dengan perkembangan suku bunga pasar.

Sesuai dengan Akta Perjanjian Perubahan Terhadap Perjanjian Kredit No. 11 tanggal 2 April 2015 dari Anna Arsianti Christanti, SH, notaris di Semarang, Perusahaan memperoleh tambahan fasilitas Kredit Angsuran Berjangka KAB-19. Batas maksimum penarikan pinjaman adalah sebesar Rp51.000.000.000.

Berdasarkan Perubahan Perjanjian Kredit No. 5 tanggal 6 Oktober 2015, fasilitas KAB-19 dialihkan menjadi :

- KAB-20 dengan plafon Rp17.000.000.000 untuk tujuan pembelian dan pembangunan gedung di Solo. Jangka waktu 60 (enam puluh) bulan sampai dengan 7 Oktober 2020.
- KAB-21 dengan plafon Rp12.000.000.000 untuk tujuan pembangunan gedung kantor Sunter Jakarta Utara. Jangka waktu 60 (enam puluh) bulan sampai dengan 7 Oktober 2020.

Fasilitas pinjaman ini dijamin dengan sejumlah tanah dan bangunan milik Perusahaan sebagai berikut (Catatan 9):

- 1) Tanah dan bangunan dengan SHGB No. 00096/Timuran, Surakarta atas nama PT Prodia Widyahusada dengan luas 620 m²;
- 2) Tanah dan bangunan dengan SHGB No. 97/Timuran, Surakarta atas nama PT Prodia Widyahusada dengan luas 264 m²;
- 3) Tanah dan bangunan dengan SHGB No. 98/Timuran, Surakarta atas nama PT Prodia Widyahusada dengan luas 191 m²;
- 4) Tanah dan bangunan dengan SHGB No. 100/Timuran, Surakarta atas nama PT Prodia Widyahusada dengan luas 145 m²;

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amounted to Rp6,000,000,000. Facility of KAB-16 that has been disbursed, will be installed for 72 (seventy-two) months. The annual interest rate is 11% and can be changed in accordance with the development of market interest rates.

In accordance with the Deed of Amendment to Loan Agreement No. 34 dated December 20, 2013 by Alfi Sutan, SH, notary in Jakarta, the Company obtained additional facility Term Installment Loans KAB-17 and KAB-18 for the purpose of refinancing the assets investment. The maximum drawdown amounted to Rp30,000,000,000 and Rp50,000,000,000. Facilities of KAB-17 and KAB-18 that has been disbursed will be installed each for 60 (sixty) months and 96 (ninety six) months. The annual interest rate is 11.25% and can be changed in accordance with the development of market interest rates.

In accordance with the Deed of amendment to Loan Agreement No. 11 dated 2 April 2015 made before Anna Arsianti Christanti, SH, notary in Semarang, the Company obtained additional facility Term Installment Loans KAB-19. The maximum drawdown amounted to Rp51,000,000,000.

Based Amendment to Loan Agreement No. 5 dated October 6, 2015, the facility KAB-19 changed into:

- *KAB-20 with a ceiling Rp17,000,000,000 for the purpose of purchase and build a building in Solo. Term of facility of 60 (sixty) months up to October 7, 2020.*
- *KAB-21 with a ceiling Rp12,000,000,000 for the purpose of construction of the office building Sunter, North Jakarta. A period of 60 (sixty) months up to October 7, 2020.*

The loan facility is secured by a number of land and buildings owned by the Company as follows (Note 9):

- 1) *Land and buildings with SHGB No. 00 096 /Timuran, Surakarta on behalf of PT Prodia Widyahusada with an area of 620 sqm;*
- 2) *Land and buildings with SHGB No. 97 / Timuran, Surakarta on behalf of PT Prodia Widyahusada with an area of 264 sqm;*
- 3) *Land and buildings with SHGB No. 98 / Timuran, Surakarta on behalf of PT Prodia Widyahusada with an area of 191 sqm;*
- 4) *Land and buildings with SHGB No. 100 / Timuran, Surakarta on behalf of PT Prodia Widyahusada with an area of 145 sqm;*

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|---|---|
| <p>5) Tanah dan bangunan dengan SHGB No. 13109/Sunter Agung, Jakarta atas nama PT Prodia Widyahusada dengan luas 120 m²;</p> <p>6) Tanah dan bangunan dengan SHGB No. 13110/Sunter Agung, Jakarta atas nama PT Prodia Widyahusada dengan luas 120 m²;</p> <p>7) Tanah dan bangunan dengan SHGB No. 158/Tamansari, Wastukencana Bandung atas nama PT Prodia Widyahusada dengan luas 1.000 m²;</p> <p>8) Tanah dan bangunan dengan SHGB No. 493/Kenari, Kramat, Jakarta atas nama PT Prodia Widyahusada dengan luas 963 m²;</p> <p>9) Tanah dan bangunan dengan SHGB No. 258/Kenari atas nama PT Prodia Widyahusada terletak di Senen dengan luas 76 m²;</p> <p>10) Tanah dan bangunan dengan SHGB No. 481/Kenari, Kecamatan Senen, atas nama PT Prodia Widyahusada dengan luas 791 m²;</p> <p>11) Tanah dan bangunan dengan SHGB No. 543/Dauhपुरi, Denpasar atas nama PT Prodia Widyahusada dengan luas 990 m²;</p> <p>12) Tanah dan bangunan dengan SHGB No. 463/Sukaresmi, Bekasi atas nama PT Prodia Widyahusada dengan luas 68 m²;</p> <p>13) Tanah dan bangunan dengan SHGB No. 115/Wirogunan, Daerah Istimewa Yogyakarta atas nama PT Prodia Widyahusada dengan luas 1.315 m²;</p> <p>14) Tanah dan bangunan dengan SHGB No. 440/Wenang Selatan, Manado atas nama PT Prodia Widyahusada dengan luas 692 m²;</p> <p>15) Tanah dan bangunan dengan SHGB No. 42/Karangmekar, Kota Cimahi atas nama PT Prodia Widyahusada dengan luas 385 m²;</p> <p>16) Tanah dan bangunan dengan SHGB No. 23/Ario Kemuning, Kotamadya Palembang atas nama PT Prodia Widyahusada dengan luas 983 m²;</p> <p>17) Tanah dan bangunan dengan SHGB No. 1707/Pondok Jaya, Kota Tangerang atas nama PT Prodia Widyahusada dengan luas 89 m²;</p> <p>18) Tanah dan bangunan dengan SHGB No. 1706/Pondok Jaya, Kota Tangerang atas nama PT Prodia Widyahusada dengan luas 87 m²;</p> <p>19) Tanah dan bangunan dengan SHGB No. 00619/Peterongan, Kota Semarang atas nama PT Prodia Widyahusada dengan luas 1.718 m²;</p> <p>20) <i>Personal guarantee</i> dari Arjani Utami, Hamdono</p> | <p>5) <i>Land and buildings with SHGB No. 13109 / Sunter Agung, Jakarta, on behalf of PT Prodia Widyahusada with an area of 120 sqm;</i></p> <p>6) <i>Land and buildings with SHGB No. 13110 / Sunter Agung, Jakarta, on behalf of PT Prodia Widyahusada with an area of 120 sqm;</i></p> <p>7) <i>Land and buildings with SHGB No. 158 / Tamansari, Bandung Wastukencana on behalf of PT Prodia Widyahusada with an area of 1,000 sqm;</i></p> <p>8) <i>Land and buildings with SHGB No. 493 /Kenari, Kramat, Jakarta, on behalf of PT Prodia Widyahusada with an area of 963 sqm;</i></p> <p>9) <i>Land and buildings with SHGB No. 258 /Kenari on behalf of PT Prodia Widyahusada located in Senen with an area of 76 sqm;</i></p> <p>10) <i>Land and buildings with SHGB No. 481 / Kenari, Senen Sub-district, on behalf of PT Prodia Widyahusada with an area of 791 sqm;</i></p> <p>11) <i>Land and buildings with SHGB No. 543 / Dauhपुरi, Denpasar on behalf of PT Prodia Widyahusada with an area of 990 sqm;</i></p> <p>12) <i>Land and buildings with SHGB No. 463 / Sukaresmi, Bekasi on behalf of PT Prodia Widyahusada with an area of 68 sqm;</i></p> <p>13) <i>Land and buildings with SHGB No. 115 / Wirogunan, Yogyakarta on behalf of PT Prodia Widyahusada with an area of 1,315 sqm;</i></p> <p>14) <i>Land and buildings with SHGB No. 440 / Wenang Selatan, Manado on behalf of PT Prodia Widyahusada with an area of 692 sqm;</i></p> <p>15) <i>Land and buildings with SHGB No. 42 / Karangmekar, Cimahi on behalf of PT Prodia Widyahusada with an area of 385 sqm;</i></p> <p>16) <i>Land and buildings with SHGB No. 23 / Ario Kemuning, Palembang on behalf of PT Prodia Widyahusada with an area of 983 sqm;</i></p> <p>17) <i>Land and buildings with SHGB No. 1707 / Pondok Jaya, Tangerang on behalf of PT Prodia Widyahusada with an area of 89 sqm;</i></p> <p>18) <i>Land and buildings with SHGB No. 1706 / Pondok Jaya, Tangerang on behalf of PT Prodia Widyahusada with an area of 87 sqm;</i></p> <p>19) <i>Land and buildings with SHGB No. 00 619 / Peterongan, Semarang on behalf of PT Prodia Widyahusada with an area of 1,718 sqm;</i></p> <p>20) <i>Personal guarantee from Arjani Utami,</i></p> |
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Widjojo, Drs. Andi Wijaya, Ichsan Hidayat, Drs. Gunawan Prawira Suharto, Drs. Elias Nugroho, dan Singgih Hidayat;

- 21) *Corporate guarantee* dari PT Prodia Utama.
 22) Gadai saham dari : Hamdono Widjojo, Drs. Andi Wijaya, Ichsan Hidayat, Drs. Gunawan Prawira Suharto, Drs. Elias Nugroho, dan Singgih Hidayat.

Hamdono Widjojo, Drs. Andi Wijaya, Ichsan Hidayat, Drs. Gunawan Prawira Suharto, Drs. Elias Nugroho, and Singgih Hidayat;

- 21) *Corporate guarantee* from PT Prodia Utama.
 22) *Pledge of shares*: Hamdono Widjojo, Drs. Andi Wijaya, Ichsan Hidayat, Drs. Gunawan Prawira Suharto, Drs. Elias Nugroho, and Singgih Hidayat.

Jumlah pinjaman Kredit Angsuran Berjangka (KAB) yang jatuh tempo dalam satu tahun pada 30 Juni 2016, 31 Desember 2015, 2014 dan 2013 masing-masing adalah sebagai berikut:

The total amount of Term Installment Loans (KAB) with a maturity in one year as of June 30, 2016, December 31, 2015, 2014 and 2013 respectively are as follows:

	Plafond Rp	30 Juni/June 30,		31 Desember/December 31,		
		2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Kredit Angsuran Berjangka (KAB) - 1	46,000,000,000	--	--	--	--	Term Installment Loans -1
Kredit Angsuran Berjangka (KAB) - 2	50,000,000,000	3,427,428,571	--	--	--	Term Installment Loans -2
Kredit Modal Kerja	20,000,000,000	20,000,000,000	--	--	--	Working Capital Loan
Kredit Angsuran Berjangka (KAB) -13	50,000,000,000	--	--	7,636,407,084	1,803,877,120	Term Installment Loans -13
Kredit Angsuran Berjangka (KAB) -14	6,500,000,000	--	--	794,661,105	2,711,102,971	Term Installment Loans -14
Kredit Angsuran Berjangka (KAB) -15	4,500,000,000	--	--	769,135,285	2,619,917,473	Term Installment Loans -15
Kredit Angsuran Berjangka (KAB) -16	6,000,000,000	--	--	1,415,002,965	2,654,231,954	Term Installment Loans -16
Kredit Angsuran Berjangka (KAB) -17	30,000,000,000	--	--	5,297,732,115	--	Term Installment Loans -17
Kredit Angsuran Berjangka (KAB) -18	50,000,000,000	--	--	4,571,989,867	--	Term Installment Loans -18
Kredit Angsuran Berjangka (KAB) -19	22,000,000,000	--	--	--	--	Term Installment Loans -19
Kredit Angsuran Berjangka (KAB) -20	17,000,000,000	2,847,562,016	2,679,214,659	--	--	Term Installment Loans -20
Kredit Angsuran Berjangka (KAB) -21	12,000,000,000	--	--	--	--	Term Installment Loans -21
		<u>26,274,990,587</u>	<u>2,679,214,659</u>	<u>20,484,928,421</u>	<u>9,789,129,518</u>	

Berdasarkan Perjanjian Perubahan dan Penegasan Kembali Perjanjian Kredit No. 263 tanggal 26 Nopember 2015, dinyatakan bahwa :

Based on amendment and Assertion Agreement of Loan Agreement No. 263 dated November 26, 2015, stated that:

1. Bank menutup fasilitas Kredit Angsuran Berjangka sebagai berikut :

1. The Bank terminate the Term Installment Loans facility as follows:

	Plafond Rp	Outstanding Rp	
Kredit Angsuran Berjangka (KAB) -13	50,000,000,000	12,976,385,270	Term Installment Loans -13
Kredit Angsuran Berjangka (KAB) -14	6,500,000,000	1,301,468,263	Term Installment Loans -14
Kredit Angsuran Berjangka (KAB) -15	4,500,000,000	1,260,456,608	Term Installment Loans -15
Kredit Angsuran Berjangka (KAB) -16	6,000,000,000	131,564,982	Term Installment Loans -16
Kredit Angsuran Berjangka (KAB) -17	30,000,000,000	20,584,608,958	Term Installment Loans -17
Kredit Angsuran Berjangka (KAB) -18	50,000,000,000	42,014,538,873	Term Installment Loans -18
Kredit Angsuran Berjangka (KAB) -19	22,000,000,000	21,018,286,327	Term Installment Loans -19
Kredit Angsuran Berjangka (KAB) -20	17,000,000,000	16,793,234,887	Term Installment Loans -20
Kredit Angsuran Berjangka (KAB) -21	12,000,000,000	11,854,048,155	Term Installment Loans -21
	<u>198,000,000,000</u>	<u>127,934,592,323</u>	

Penutupan fasilitas ini dialihkan dengan penambahan limit Kredit Angsuran Berjangka sebesar Rp436.000.000.000 yang diperuntukkan dengan rincian sebagai berikut :

The termination of this facility is done by adding other Term Installment Loans facility for Rp436,000,000,000 designated as follows:

- a. Fasilitas untuk Perusahaan senilai Rp46.000.000.000
 b. Fasilitas untuk Perusahaan berelasi mendapat fasilitas senilai Rp390.000.000.000

- a. Facility for the Company amounted to Rp46,000,000,000
 b. Facility for Related Companies amounted to Rp390,000,000,000

2. Selain itu, Bank Danamon juga menutup fasilitas KAB-3 dan KAB-4 untuk dialihkan menjadi Fasilitas Kredit Modal Kerja (KMK) senilai Rp27.000.000.000, dengan rincian sebagai berikut :

2. In addition, the Bank is also terminate facilities of KAB-3 and KAB-4 to be changed into the Working Capital Loan Facility (KMK) amounted to Rp27,000,000,000, with details as follows:

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- a. Fasilitas untuk Perusahaan senilai Rp20.000.000.000
 - b. Fasilitas untuk Perusahaan berelasi senilai Rp7.000.000.000
3. Menambah Fasilitas Kredit Rekening Koran dari Rp2.500.000.000 menjadi Rp8.000.000.000, dengan rincian sebagai berikut:
- a. Fasilitas untuk Perusahaan senilai Rp5.000.000.000
 - b. Fasilitas untuk Perusahaan berelasi senilai Rp3.000.000.000
4. Bank Danamon melakukan penghapusan Hak Tanggungan (ROYA) Peringkat I atas barang Jaminan berikut ini, yang setelah balik nama akan diikat lagi menjadi Jaminan dengan plafon tertentu sebagai berikut:
- Tanah dan bangunan dengan SHGB No. 23/Ario Kemuning, Kotamadya Palembang atas nama PT Prodia Widyahusada dengan luas 983 m² yang akan dibalik nama menjadi PT Grhanis Pusaka Propertindo;
 - Tanah dan bangunan dengan SHGB No. 619/Peterongan, Semarang atas nama PT Prodia Widyahusada dengan luas 1.718 m² yang akan dibalik nama menjadi PT Grhanis Putra Propertindo;
 - Tanah dan bangunan dengan SHGB No. 440/Wenang Selatan, Manado atas nama PT Prodia Widyahusada dengan luas 692 m² yang akan dibalik nama menjadi PT Grhanis Permata Propertindo;
 - Tanah dan bangunan dengan SHGB No. 481/Kenari, Jakarta atas nama PT Prodia Widyahusada dengan luas 791 m² yang akan dibalik nama menjadi PT Grhanis Putra Propertindo;
 - Tanah dan bangunan dengan SHGB No. 258/Kenari, Jakarta atas nama PT Prodia Widyahusada dengan luas 76 m² yang akan dibalik nama menjadi PT Grhanis Putra Propertindo;
 - Tanah dan bangunan dengan SHGB No. 493/ Kenari, Jakarta atas nama PT Prodia Widyahusada dengan luas 963 m² yang akan dibalik nama menjadi PT Grhanis Putra Propertindo;
 - Tanah dan bangunan dengan SHGB No. 158/ Tamansari, Bandung atas nama PT Prodia Widyahusada dengan luas 963 m² yang akan dibalik nama menjadi PT Grhanis Putra Propertindo;
 - Tanah dan bangunan dengan SHGB No. 543/ Dauhpuri, Denpasar atas nama PT Prodia Widyahusada dengan luas 990 m² yang akan dibalik nama menjadi

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- a. Facility for the Companies amounted to Rp20,000,000,000
 - b. Facility for the Related Companies amounted to Rp7,000,000,000
3. Adding the Overdraft Loan Facility from Rp2,500,000,000 to be Rp8,000,000,000, with details as follows:
- a. Facility for Companies amounted to Rp5,000,000,000
 - b. Facility for Related Companies amounted to Rp3,000,000,000
4. Banks eliminated Mortgage Right (ROYA) Ranked I on following warranty, which will be collateral again with certain ceiling modified as follows:
- Land and buildings with SHGB No. 23 / Ario Kemuning, Kotamadya Palembang on behalf of PT Prodia Widyahusada with an area of 983sqm which will be changes to on behalf of PT Pusaka Propertindo Grhanis;
 - Land and buildings with SHGB No. 619 / Peterongan, Semarang on behalf of PT Prodia Widyahusada with an area of 1,718sqm which will be changes to on behalf of PT Grhanis Putra Propertindo;
 - Land and buildings with SHGB No. 440 / Wenang Selatan, Manado on behalf of PT Prodia Widyahusada with an area of 692sqm which will be changes to on behalf of PT Grhanis Permata Propertindo;
 - Land and buildings with SHGB No. 481 / Kenari, Jakarta, on behalf of PT Prodia Widyahusada with an area of 791sqm which will be changes to on behalf of PT Grhanis Putra Propertindo;
 - Land and buildings with SHGB No. 258 / Kenari, Jakarta, on behalf of PT Prodia Widyahusada with an area of 76 sqm which will be changes to on behalf of PT Grhanis Putra Propertindo;
 - Land and buildings with SHGB No. 493 / Kenari, Jakarta, on behalf of PT Prodia Widyahusada with an area of 963 sqm which will be changes to on behalf of PT Grhanis Putra Propertindo;
 - Land and buildings with SHGB No. 158 / Tamansari, Bandung on behalf of PT Prodia Widyahusada with an area of 963sqm which will be changes to on behalf of PT Grhanis Putra Propertindo;
 - Land and buildings with SHGB No. 543 / Dauhpuri, Denpasar on behalf of PT Prodia Widyahusada with an area of 990sqm which will be changes to on behalf of

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- PT Grhanis Pusaka Propertindo;
- Tanah dan bangunan dengan SHGB No. 00096/ Timuran, Surakarta atas nama PT Prodia Widyahusada dengan luas 620 m² yang akan dibalik nama menjadi PT Grhanis Permata Propertindo;
- Tanah dan bangunan dengan SHGB No. 97/ Timuran, Surakarta atas nama PT Prodia Widyahusada dengan luas 264 m² yang akan dibalik nama menjadi PT Grhanis Permata Propertindo;
- Tanah dan bangunan dengan SHGB No. 98/ Timuran, Surakarta atas nama PT Prodia Widyahusada dengan luas 191 m² yang akan dibalik nama menjadi PT Grhanis Permata Propertindo;
- Tanah dan bangunan dengan SHGB No. 100/ Timuran, Surakarta atas nama PT Prodia Widyahusada dengan luas 145 m² yang akan dibalik nama menjadi PT Grhanis Permata Propertindo;
- Tanah dan bangunan dengan SHGB No. 695/ Petisah Hulu, Medan atas nama PT Prodia Widyahusada dengan luas 526 m² yang akan dibalik nama menjadi PT Grhanis Prima Propertindo;
- Tanah dan bangunan dengan SHGB No. 00329/ Besusu Tengah, Palu atas nama PT Prodia Widyahusada dengan luas 746 m² yang akan dibalik nama menjadi PT Grhanis Prima Propertindo;
- Tanah dengan SHGB No. 04266/ Curug, Tangerang atas nama PT Prodia Widyahusada dengan luas 80 m² yang akan dibalik nama menjadi PT Grhanis Prakarsa Propertindo;
- Tanah dengan SHGB No. 04267/ Curug, Tangerang atas nama PT Prodia Widyahusada dengan luas 80 m² yang akan dibalik nama menjadi PT Grhanis Prakarsa Propertindo;

- PT Grhanis Pusaka Propertindo;*
- Land and buildings with SHGB No. 096 / Timuran, Surakarta on behalf of PT Prodia Widyahusada with an area of 620sqm which will be changes to on behalf of PT Grhanis Permata Propertindo;*
- Land and buildings with SHGB No. 97 / Timuran, Surakarta on behalf of PT Prodia Widyahusada with an area of 264sqm which will be changes to on behalf of PT Grhanis Permata Propertindo;*
- Land and buildings with SHGB No. 98 / Timuran, Surakarta on behalf of PT Prodia Widyahusada with an area of 191sqm which will be changes to on behalf of PT Grhanis Permata Propertindo;*
- Land and buildings with SHGB No. 100 / Timuran, Surakarta on behalf of PT Prodia Widyahusada with an area of 145 sqm which will be changes to on behalf of PT Grhanis Permata Propertindo;*
- Land and buildings with SHGB No. 695 / Petisah Hulu, Medan on behalf of PT Prodia Widyahusada with an area of 526sqm which will be changes to on behalf of PT Grhanis Prima Propertindo;*
- Land and buildings with SHGB No. 00 329 / Besusu Tengah, Palu on behalf of PT Prodia Widyahusada with an area of 746sqm which will be changes to on behalf of PT Grhanis Prima Propertindo;*
- Land with SHGB No. 04 266 / Curug, Tangerang on behalf of PT Prodia Widyahusada with an area of 80sqm which will be changes to on behalf of PT Grhanis Prakarsa Propertindo;*
- Land with SHGB No. 04 267 / Curug, Tangerang on behalf of PT Prodia Widyahusada with an area of 80 sqm which will be changes to on behalf of PT Grhanis Prakarsa Propertindo;*

Selama jangka waktu fasilitas kredit, Perusahaan dilarang untuk melakukan hal-hal sebagai berikut:

- a. Mengambil langkah untuk membubarkan Perusahaan atau melakukan merger/konsolidasi/ akuisisi/ mengambil alih seluruh atau sebagian besar dari harta kekayaan atau saham perusahaan lain;
- b. Menjaminkan aset kepada pihak lain;
- c. Menjual/ mengalihkan/ menyewakan pemakaian seluruh/ sebagian aset kecuali dalam rangka menjalankan usaha Perusahaan;
- d. Mengadakan perjanjian yang dapat menimbulkan kewajiban untuk membayar kepada pihak ketiga kecuali dalam rangka menjalankan usaha Perusahaan;

During the term of the credit facility, the Company is prohibited to do the following:

- a. Taking steps to dissolve the company or a merger / consolidation / acquisition / take over all or substantially all of the assets or shares of other companies;*
- b. Pledge to other parties;*
- c. Sell / divert / lease the entire user / most assets, except to run the Company's business;*
- d. Entered into an agreement which may give rise to an obligation to pay to third parties, except to run the Company's business;*

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| <p>e. Menjamin langsung maupun tidak langsung pihak ketiga lainnya kecuali melakukan endorsemen atas surat-surat yang dapat diperdagangkan untuk keperluan pembayaran;</p> <p>f. Memberikan/ menerima pinjaman dari pihak lain kecuali dalam rangka menjalankan usaha Perusahaan;</p> <p>g. Menimbulkan suatu kewajiban atau hutang baru atau memberikan atau mengizinkan adanya beban atau kepentingan jaminan atas aset yang telah atau akan ada, menerbitkan penjaminan atas utang pihak lain;</p> <p>h. Mengadakan perubahan dari sifat dan kegiatan usaha Perusahaan seperti yang sedang dijalankan Perusahaan saat ini;</p> <p>i. Merubah anggaran dasar (termasuk kewenangan Direksi, penarikan modal disetor, korum rapat atau bidang usaha) atau mengizinkan adanya perubahan susunan Direksi, Dewan Komisaris ataupun pemegang saham;</p> <p>j. Mengumumkan dan membagikan deviden saham;</p> <p>k. Membayar kembali pinjaman/ tagihan/ piutang-piutang berupa apapun juga baik berupa jumlah pokok, bunga dan lain-lain atas jumlah uang yang wajib dibayar (<i>subordinasi shareholder loan</i>).</p> <p>l. Menjaga rasio keuangan, Debt Service Coverage Ratio (DSCR) dan interest coverage minimum 1x, dan wajib memenuhi Debt Service Reserve Account (DSRA) minimum 1 bulan</p> <p>5. Bank Danamon menarik Jaminan berupa gadai saham dari: Hamdono Widjojo, Drs. Andi Wijaya, Ichsan Hidayat, Drs. Gunawan Prawira Suharto, Drs. Elias Nugroho, dan Singgih Hidayat.</p> <p>6. Bank Danamon bahwa Perusahaan dan Perusahaan Terelasi secara bersama-sama bertanggungjawab secara renteng.</p> <p>7. Jangka waktu Kredit Rekening Koran dan Kredit Modal Kerja sampai dengan 19 Juli 2016, dan Kredit Angsuran Berjangka sampai dengan 8 tahun sejak penarikan pertama, dan dikenakan tingkat suku bunga 12% per tahun.</p> | <p>e. <i>Guarantee, directly or indirectly other third parties unless doing endorsements on securities that can be traded for payment purposes;</i></p> <p>f. <i>Give / receive loans from other parties except to run the Company's business;</i></p> <p>g. <i>Give rise to an obligation or a new debt or provide or permit the load or the interests of collateral assets that have been or will be, issue a guarantee on the debt of another party;</i></p> <p>h. <i>Make changes of nature and business activities of the Company as the Company is currently doing;</i></p> <p>i. <i>Amend the articles of association (including the authority of the Board of Directors, the withdrawal of the paid up capital, the quorum meeting or business) or to allow a change in the composition of the Board of Directors, the Board of Commissioners or shareholders;</i></p> <p>j. <i>Announced and distribute stock dividends;</i></p> <p>k. <i>Repay the loans / receivables / receivables be anything in the form of principal amount, interest and others on the amount of money that must be paid (the subordinated shareholder loan).</i></p> <p>l. <i>Maintain financial ratio, Debt Service Coverage Ratio (DSCR) and interest coverage minimum 1x, and shall comply with Debt Service Reserve Account (DSRA) minimum 1 month.</i></p> <p>5. <i>Banks withdraw Collateral in the form of pledge of shares of : Hamdono Widjojo, Drs. Andi Wijaya, Ichsan Hidayat, Drs. Gunawan Prawira Suharto, Drs. Elias Nugroho, dan Singgih Hidayat.</i></p> <p>6. <i>Bank states that the Company and its Related Companies jointly responsible successively.</i></p> <p>7. <i>Term of Current Account Loan and Working Capital Loan up to July 19, 2016, and Term Installment Loans is up to 8 years since the first withdrawal with an interest rate of 12% per year.</i></p> |
|---|--|

Sesuai dengan Perjanjian Kredit No.226/PP/CBD/VI/2016 tanggal 27 Juni 2016, Perusahaan memiliki plafond Kredit Angsuran Berjangka (KAB) sebesar Rp46.000.000.000 dan Rp50.000.000.000 yang memiliki jangka waktu 8 (delapan) tahun sejak penarikan pertama dan tingkat bunga 11.75% per tahun.

Based on Loan Agreement No.226/PP/CBD/VI/2016, dated June 27, 2016, the Company has a ceiling of Term Installment Loan of Rp46,000,000,000 and Rp50,000,000,000 which have term of payment of 8 (eight) years since the first drawdown and an interest rate of 11.75% per year.

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Bank menarik Jaminan berupa gadai saham dari: Hamdono Widjojo, Drs. Andi Wijaya, Ichsan Hidayat, Drs. Gunawan Prawira Suharto, Drs. Elias Nugroho, dan Singgih Hidayat.

Bank Danamon menyatakan bahwa Perusahaan dan Perusahaan Terelasi secara bersama-sama bertanggungjawab secara renteng.

Sesuai dengan Perjanjian Perpanjangan Waktu Kredit No.311/PPWK/CBD/ VIII/2016 tanggal 2 Agustus 2016, jangka waktu Kredit Rekening Koran (KRK) dan Kredit Modal Kerja (KMK) diperpanjang sampai dengan tanggal 19 Juli 2017 dan dikenakan tingkat bunga pinjaman sebesar 11,25% per tahun.

Sesuai dengan Perjanjian Perubahan terhadap Perjanjian Kredit No.014/ PP/CBD/I/2016 tanggal 21 Januari 2016, Bank Danamon menyatakan bahwa fasilitas KAB-20 dengan limit pinjaman sebesar Rp17.000.000.000 masih berlaku.

b. PT Bank Rabobank International Indonesia (dahulu PT Bank Haga)

Entitas Anak

PT Prodia OHI International

Berdasarkan Perjanjian Kredit No. 023/PAB-BJOG/IV/2009 tanggal 15 April 2009, PT Prodia OHI International (entitas anak) memperoleh fasilitas Pinjaman Angsuran Berjangka (PAB) dari PT Bank Rabobank sebesar Rp2.000.000.000, dengan jangka waktu 60 (enam puluh) bulan yang akan jatuh tempo pada 15 April 2014 dan dikenakan tingkat suku bunga 15% per tahun. Saldo pinjaman jangka panjang per 31 Desember 2014 adalah sebesar Rp901.774.577 setelah dikurangi bagian yang jatuh tempo dalam setahun sebesar Rp52.009.278.

Perusahaan dan entitas anak terikat dengan beberapa pembatasan, antara lain harus mendapatkan persetujuan terlebih dahulu untuk:

- Mengadakan merger, akuisisi, penjualan harta tetap Perusahaan dan entitas anak.
- Mendapatkan kredit dari bank lain atau pemberi kredit lainnya kecuali apabila menurut penilaian Bank pinjaman tersebut merupakan transaksi dagang yang lazim;
- Membagikan dividen kepada para pemegang saham;
- Mengubah anggaran dasar perseroan,

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Banks withdraw Collateral in the form of pledge of shares of : Hamdono Widjojo, Drs. Andi Wijaya, Ichsan Hidayat, Drs. Gunawan Prawira Suharto, Drs. Elias Nugroho, dan Singgih Hidayat.

Bank Danamon states that the Company and its Related Companies jointly responsible successively.

Based on Time Extension Loan Agreement No. 311/PPWK/CBD/ VIII/2016 dated August 2, 2016 term of Current Account Loan (KRK) and Working Capital Loan (KMK) are extended until July 19, 2017 and bears interest rate of 11.25% per annum.

Based on Addendum of Loan Agreement No.014/PP/CBD/I/2016 dated January 21, 2016, Bank Danamon stated that credit facility KAB-20 with maximum credit amounted to Rp17,000,000,000 is outstanding.

b. PT Bank Rabobank International Indonesia (formerly PT Bank Haga)

Subsidiary

PT Prodia OHI International

Based on Loan Agreement No. 023 / PAB-BJOG/IV/2009 dated April 15, 2009, PT Prodia OHI International (subsidiary) obtained a Term Installment Loan (PAB) from PT Bank Rabobank amounted to Rp2,000,000,000, with term of payment 60 (sixty) months due on April 15, 2014 and interest rate of 15% per year. The balance of long-term loans as of December 31, 2014 amounted to Rp901,774,577 net of current maturities in one year Rp52,009,278.

The Company and its subsidiary comply with several covenant, among others, must obtain prior approval for:

- *Perform a merger, acquisition, sale of assets of the Company and its subsidiaries.*
- *Obtain Loan from other banks or other lenders unless, according to Bank the lending is a common business transactions;*
- *Distribute dividends to shareholders;*
- *Change the Company's articles, share capital as*

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permodalan serta susunan pengurus/pemegang saham.

Fasilitas pinjaman tersebut dijamin dengan sejumlah tanah dan bangunan milik Perusahaan termasuk sejumlah aset yang dibeli dengan fasilitas kredit ini (Catatan 9).

c. PT Bank Pan Indonesia Tbk (Bank Panin)

Berdasarkan Akta Perjanjian Kredit No. 9 dan 10 tanggal 8 Juli 2010 oleh Hermanto, SH, notaris di Kabupaten Bekasi, Perusahaan memperoleh fasilitas :

- a. Pinjaman Jangka Panjang 1, *Small Medium Business* (PJP 1 -SMB)
- b. Pinjaman Jangka Panjang 2, *Small Medium Business* (PJP 2 – SMB)

dari Bank Panin masing – masing sebesar Rp5.100.000.000 dan Rp3.000.000.000 dengan Jangka Waktu Kredit 60 bulan dan 66 bulan dan dikenakan tingkat suku bunga 11% per tahun. Tujuan fasilitas kredit adalah investasi untuk *refinancing* pembelian tanah dan pabrik/gudang.

Berdasarkan Akta Perjanjian Kredit No. 110 tanggal 29 Mei 2015 oleh Hana Tresna Widjaja, SH, notaris di Jakarta, Perusahaan memperoleh fasilitas Pinjaman Jangka Panjang 3 – *Small Medium Business* sebesar Rp10.197.000.000 dengan tujuan untuk *refinancing* aset untuk tanah dan bangunan di kompleks Ruko Sentra Niaga Blok T-6 No. 27 Kembangan, Jakarta Selatan. Jangka waktu fasilitas kredit adalah 60 bulan atau 5 tahun sampai dengan 28 Mei 2020 dengan tingkat suku bunga 11.5% per tahun.

Berdasarkan Akta Perjanjian Kredit No. 28 tanggal 2 Agustus 2015 oleh Hana Tresna Widjaja, SH, notaris di Jakarta, Perusahaan memperoleh fasilitas Pinjaman Jangka Panjang 4 – *Small Medium Business* sebesar Rp12.600.000.000 dengan tujuan untuk *refinancing* aset untuk tanah dan bangunan di Jalan Karang Tengah Raya No.18, Lebak Bulus, Jakarta Selatan. Jangka waktu fasilitas kredit adalah 60 bulan atau 5 tahun sampai dengan 12 Agustus 2020 dengan tingkat suku bunga 11.5% per tahun.

Berdasarkan Akta Perjanjian Kredit No. 29 tanggal 12 Agustus 2015 oleh Hana Tresna Widjaja, SH, notaris di Jakarta, mengenai perubahan perjanjian kredit pinjaman jangka panjang 2 sebagai berikut:

- Menarik jaminan tanah dengan Sertifikat Hak Guna Bangunan No. 415/Pejaten Barat, Jakarta
- Jaminan atas pinjaman adalah tanah dengan HGB No. 450/Kramat, Jakarta seluas 136m2, HGB No. 451/ Kamat, Jakarta seluas 152m2

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well as the board of management / shareholders.

The loan facility is secured by a number of land and buildings owned by the Company, including a number of assets purchased with the loan facility (Note 9).

c. PT Bank Pan Indonesia Tbk (Bank Panin)

Based on Loan Agreement No. 9 and 10 dated July 8, 2010 by Herman, SH, public notary in Bekasi, the Company obtained:

- a. Long Term Loan 1, *Small Medium Business* (PJP 1 -SMB)
- b. Long Term Loan 2, *Small Medium Business* (PJP 2 –SMB)

from Bank Panin with credit ceiling up to Rp5,100,000,000 and Rp3,000,000,000 with term of payment 60 months and 66 months and bear an interest rate of 11% per year. The purpose of loan facility is *refinance* the purchase of land and factory / warehouse.

Based on Loan Agreement No. 110 dated May 29, 2015 made before Hana Tresna Widjaja, SH, notary in Jakarta, the Company obtained Long Term Loans 3 - *Small Medium Business* with credit ceiling up to Rp10,197,000,000 for the purpose of investment in purchase of land and buildings in the complex of Sentra Niaga Block T-6 No. 27 Kembangan, South Jakarta. The term of the credit facility is 60 months or 5 years up to May 28, 2020 with the interest rate of 11.5% per year.

Based on Loan Agreement No. 28 dated August 2, 2015 made before Hana Tresna Widjaja, SH, notary in Jakarta, the Company obtained Long Term Loans 4 - *Small Medium Business* with credit ceiling up to Rp12,600,000,000 for the purpose of *refinancing* asset of land and building located in Jalan Karang Tengah Raya No.18, Lebak Bulus, South Jakarta. The term of the credit facility is 60 months or 5 years up to August 12, 2020 with the interest rate of 11.5% per year.

Based on Loan Agreement No. 29 dated August 12, 2015 made before Hana Tresna Widjaja, SH, notary in Jakarta, regarding changes in Long Term Loan 2 agreement are as follows:

- withdraw collateral of land with Building Use Rights Certificate No. 415/ West Pejaten, Jakarta
- Collateral for the loan are Building Use Rights Certificate No. 450 /Kramat, Jakarta with area

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of 136sqm and HGB No. 451 /Kamat, Jakarta with area of 152sqm.

Berdasarkan Akta Perjanjian Kredit No. 30 tanggal 12 Agustus 2015 oleh Hana Tresna Widjaja, SH, notaris di Jakarta, Perusahaan memperoleh fasilitas Pinjaman Tetap Modal Kerja Angsuran – Small Medium Business (PTMA – SMB) sebesar Rp5.500.000.000 dengan tujuan untuk tambahan Modal Kerja untuk membiayai piutang dan stock. Jangka waktu fasilitas kredit adalah 60 bulan atau 5 tahun sampai dengan 12 Agustus 2020 dengan tingkat suku bunga 11.5% per tahun.

Based on Loan Agreement No. 30 dated August 12, 2015 by Hana Tresna Widjaja, SH, notary in Jakarta, the Company obtained Working Capital Fixed Loan Installment - Small Medium Business (PTMA) with credit ceiling up to Rp5,500,000,000 for the purpose of additional Working Capital to financing account receivable and stock. The term of the credit facility is 60 months or 5 years up to August 12, 2020 with the interest rate of 11.5% per year.

Fasilitas pinjaman tersebut dijamin dengan sejumlah tanah dan bangunan milik Perusahaan termasuk sejumlah aset yang dibeli dengan fasilitas kredit ini (Catatan 9).

The loan facility is secured by a number of land and buildings owned by the Company, including a number of assets purchased with this loan facility (Note 9).

Selama jangka waktu fasilitas kredit, Perusahaan dilarang untuk melakukan hal-hal sebagai berikut:

During the term of the credit facility, the Company is prohibited to do the following:

- Menjaminkan aset kepada pihak lain;
 - Menjual/ mengalihkan/ menyewakan pemakaian seluruh/ sebagian aset kecuali dalam rangka menjalankan usaha Perusahaan;
 - Mengadakan perjanjian yang dapat menimbulkan kewajiban untuk membayar kepada pihak ketiga kecuali dalam rangka menjalankan usaha Perusahaan;
 - Menjamin langsung maupun tidak langsung pihak ketiga lainnya kecuali melakukan endorsemen atas surat-surat yang dapat diperdagangkan untuk keperluan pembayaran;
 - Memberikan/ menerima pinjaman dari pihak lain kecuali dalam rangka menjalankan usaha Perusahaan;
 - Mengadakan perubahan dari sifat dan kegiatan usaha Perusahaan seperti yang sedang dijalankan Perusahaan saat ini;
- Pledge to other parties;
 - Sell / divert / lease the entire user / most assets, except to run the Company's business;
 - Entered into an agreement which may give rise to an obligation to pay to third parties, except to run the Company's business;
 - Guarantee, directly or indirectly other third parties unless doing endorsements on securities that can be traded for payment purposes;
 - Give / receive loans from other parties except to run the Company's business;
 - Make changes of nature and business activities of the Company as the Company is currently doing;

	Plafond/ Credit Ceiling Rp	Saldo Pinjaman/ Loan Total				
		30 Juni/ June 30,		31 Desember/December 31,		
		2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Pinjaman Jangka Panjang 1	5,100,000,000	--	--	595,000,000	1,615,000,000	Long Term Loan 1
Pinjaman Jangka Panjang 2	3,000,000,000	--	50,253,793	653,299,290	1,256,344,786	Long Term Loan 2
Pinjaman Jangka Panjang 3	10,197,000,000	7,987,650,000	9,007,350,000	--	--	Long Term Loan 3
Pinjaman Jangka Panjang 4	12,600,000,000	10,500,000,000	11,760,000,000	--	--	Long Term Loan 4
Pinjaman Tetap Modal Kerja Angsuran	5,500,000,000	4,583,333,333	5,133,333,333	--	--	Installment Working Capital Loan
Subtotal		23,070,983,333	25,950,937,126	1,248,299,290	2,871,344,786	Subtotal
Pinjaman yang Jatuh Tempo dalam Satu Tahun						Current Portion that Mature in a Year:
Pinjaman Jangka Panjang 1	5,100,000,000	--	--	595,000,000	1,020,000,000	Long Term Loan 1
Pinjaman Jangka Panjang 2	3,000,000,000	--	--	603,045,497	603,045,496	Long Term Loan 2
Pinjaman Jangka Panjang 3	10,197,000,000	2,039,400,000	2,039,400,000	--	--	Long Term Loan 3
Pinjaman Jangka Panjang 4	12,600,000,000	2,520,000,000	2,520,000,000	--	--	Long Term Loan 4
Pinjaman Tetap Modal Kerja Angsuran	5,500,000,000	1,100,000,000	1,100,000,000	--	--	Installment Working Capital Loan
Subtotal		5,659,400,000	5,659,400,000	1,198,045,497	1,623,045,496	Subtotal
Pinjaman Jangka Panjang		17,411,583,333	20,291,537,126	50,253,793	1,248,299,290	Long Term Loan

d. PT Bank Mandiri (Persero) Tbk

Berdasarkan Perjanjian Kredit No. RCO.SMG/156/PK-KI/2010 tanggal 29 Juni 2010, Perusahaan memperoleh fasilitas kredit investasi dari PT Bank

d. PT Bank Mandiri (Persero) Tbk

Based on Loan Agreement No.RCO.SMG/156/PK-KI/2010 dated June 29, 2010, the Company obtained an investment credit facility from PT Bank

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Mandiri (Persero) Tbk sebesar Rp4.200.000.000, dengan jangka waktu 48 (empat puluh delapan) bulan yang akan jatuh tempo pada tanggal 28 Juni 2014 dan dikenakan tingkat suku bunga 12% per tahun yang disesuaikan dengan kondisi suku bunga pasar. Saldo pinjaman jangka panjang per 30 Juni 2016, 31 Desember 2015, 2014 sebesar nihil dan 31 Desember 2013 saldo pinjaman adalah nihil setelah dikurangi bagian yang jatuh tempo 1 tahun sebesar Rp640.988.920.

Perusahaan terikat dengan beberapa pembatasan yaitu:

- Menggunakan fasilitas kredit diluar jenis dan tujuan penggunaan fasilitas kredit yang diberikan;
- Mengajukan permohonan kepada Pengadilan untuk dinyatakan pailit atau penundaan pembayaran utang;

Fasilitas pinjaman tersebut dijamin dengan sejumlah tanah dan bangunan milik Perusahaan termasuk sejumlah aset yang dibeli dengan fasilitas kredit ini (Catatan 9).

e. PT Bank UOB Buana Indonesia

Berdasarkan Surat dari PT Bank UOB Buana Indonesia tanggal 31 Oktober 2007 dengan Nomor Surat 07/HMN/2415 mengenai pengalihan fasilitas kredit, PT Bank UOB Buana Tbk setuju untuk mengalihkan fasilitas Kredit Rekening Koran menjadi fasilitas Kredit Angsuran.

Berdasarkan Perjanjian Kredit No 188 tanggal 12 Desember 2007, Perusahaan memperoleh fasilitas Kredit Angsuran dengan jumlah maksimum Rp 3.000.000.000 untuk jangka waktu 60 (enam puluh) bulan sejak tanggal 12 Desember 2007 sampai dengan 12 Desember 2012. Tujuan fasilitas kredit adalah untuk kebutuhan modal kerja perusahaan. Fasilitas kredit ini dikenakan tingkat bunga 11,75% per tahun yang dapat berubah setiap saat berdasarkan perkembangan pasar uang.

Saldo pinjaman jangka panjang per 31 Desember 2012 adalah sebesar nihil. Pinjaman telah lunas pada 2012.

Perusahaan terikat dengan beberapa pembatasan, tanpa persetujuan dari Bank UOB Buana terlebih dahulu, antara lain tidak akan melakukan hal-hal sebagai berikut:

- Mengalihkan, menjaminkan dan menyewakan barang jaminan
- Pailit, penundaan pembayaran, likuidasi, penggabungan dan peleburan;
- Memberikan pinjaman;
- Penyertaan modal dan investasi;

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Mandiri (Persero) Tbk with credit ceiling up to Rp4,200,000,000, with a term of payment 48 (forty-eight) months which will mature on June 28, 2014 and bear an interest rate of 12% per year which will be adjusted to the market rate. The balance of long-term loans as of June 30,2016, December 31, 2015, 2014 are nil and balance as of December 31,2013 amounted to nil after deduction of one year maturity amounting to Rp640,988,920.

The Company comply with several covenant as follows:

- Using a loan facility for other the type and intended use of the loan facility granted;*
- Filing an application to the Court to declare bankruptcy or postponement of debt repayment;*

The loan facility is secured by a number of land and buildings owned by the Company, including a number of assets purchased with this loan facility (Note 9).

e. PT Bank UOB Buana Indonesia

Based on the letter from PT Bank UOB Buana Indonesia dated October 31, 2007 by letter No. 07 / HMN / 2415 concerning the transfer of the loan facility, PT Bank UOB Buana Tbk agreed to transfer Overdraft Loan facility to become Installment Loan facility.

Based on Loan Agreement No. 188 dated December 12, 2007, the Company obtained installment credit facility with maximum amount of Rp3,000,000,000 for a period of sixty (60) months since December 12, 2007 until December 12, 2012. The purpose of the loan facility is for the company's working capital. This loan facility bears interest at 11.75% per annum which can change at any time based on developments in the money market.

The balance of long-term loans as of December 31, 2012 is nil. The loan was fully paid in 2012.

Companies comply with several covenant, without approval from Bank UOB Buana in advance, among others, could not do as follows:

- Transfer, pledge and lease the asset collateral*
- Bankruptcy, postponed payments, liquidation, merger and business combination;*
- Provide loan;*
- Inclusion of capital and investment;*

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- Menggadaikan saham, menerbitkan saham atau efek;
- Mengalihkan hak dan liabilitas.

Berdasarkan Perjanjian Kredit No 15 tanggal 14 April 2011, Perusahaan memperoleh fasilitas Kredit Angsuran dengan jumlah maksimum Rp600.000.000 untuk jangka waktu 36 (tiga puluh enam) bulan sejak tanggal 14 April 2011 sampai dengan 14 April 2014. Tujuan fasilitas kredit adalah untuk kredit investasi. Fasilitas kredit ini dikenakan tingkat bunga 12% per tahun yang dapat berubah setiap saat berdasarkan perkembangan pasar uang. Saldo pinjaman jangka panjang per 30 Juni 2016, 31 Desember 2015 dan 2014 adalah sebesar nihil dan 31 Desember 2013 saldo pinjaman adalah nihil setelah dikurangi bagian yang jatuh tempo 1 tahun sebesar Rp80.104.386.

Fasilitas pinjaman ini dijamin dengan sejumlah tanah dan bangunan milik Perusahaan (Catatan 9) sebagai berikut:

- Tanah dan Bangunan dengan Sertifikat Hak Guna Bangunan (SHGB) No. 773/Kebayoran Lama Utara seluas 143 m²; dan
- Tanah dan Bangunan dengan SHGB No. 398/Padang Bulan, Pekanbaru seluas 78 m².

f. PT Bank Central Asia Tbk

Berdasarkan Surat dari PT Bank Central Asia Tbk tanggal 12 April 2012 dengan Nomor Surat 0708/SOK/WXII/2012 mengenai pemberitahuan pemberian kredit, PT Bank Central Asia Tbk setuju untuk memberikan pinjaman kredit.

Berdasarkan Perjanjian Kredit No. 0459/PK/WXII/2012 tanggal 16 Mei 2012, Perusahaan memperoleh fasilitas Kredit Angsuran dengan jumlah maksimum Rp6.000.000.000 dan Kredit Investasi dengan jumlah maksimum Rp50.000.000.000 untuk jangka waktu 60 (enam puluh) bulan sejak tanggal 24 Mei 2012 sampai dengan 24 Mei 2017. Fasilitas kredit ini dikenakan tingkat bunga 10% per tahun yang dapat berubah setiap saat berdasarkan perkembangan pasar uang.

Berdasarkan Perubahan Perjanjian Kredit No. 130 tanggal 19 Nopember 2015, perubahan fasilitas kredit Perusahaan adalah sebagai berikut:

- Fasilitas *installment loan* 1 dengan plafon Rp6.000.000.000
- Fasilitas *installment loan* 2 dengan plafon Rp20.000.000.000

Fasilitas kredit ini dikenakan tingkat bunga 11.75% per tahun. Fasilitas kredit akan diperpanjang satu tahun kemudian.

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- *Mortgage shares, issue new shares or securities;*
- *Transfer rights and obligations.*

Based on Loan Agreement No. 15 dated April 14, 2011, the Company obtained installment loan facility with maximum amount of Rp600,000,000 for a period of 36 (thirty six) months since April 14, 2011 until April 14, 2014 The purpose of the loan facility is for investment , This loan facility bears interest at 12% per annum which can change at any time based on developments in the money market condition. The balance of long-term loans per June 30,2016, December 31, 2015, 2014 are nil and balance as of December 31,2013 amounted to nil after deduction of one year maturity portion amounting to Rp80,104,386.

The loan facility is secured by a number of land and buildings owned by the Company (Note 9) as follows:

- *Land and Building with Building Use Rights Certificate (HGB) No. 773 / Kebayoran Lama Utara area of 143sqm; and*
- *Land and Building with SHGB No. 398 / Padang Bulan, Pekanbaru area of 78sqm.*

f. PT Bank Central Asia Tbk

Based on the letter from PT Bank Central Asia Tbk on April 12, 2012 with Letter No. 0708 / SOK / WXII / 2012 regarding the notification of loan, PT Bank Central Asia Tbk agreed to provide loans.

Based on Loan Agreement No. 0459 / PK / WXII / 2012 dated May 16, 2012, the Company obtained installment loan facility with maximum amount of Rp6,000,000,000 and investment loan with maximum amount of Rp50,000,000,000 for a period of sixty (60) months since May24, 2012 until May 24, 2017. This loan facility bears interest at 10% per annum which can change at any time based on the financial market.

Based on Amendment of Loan Agreement No.130 dated November 19, 2015, changes in the Company's loan facility are as follows:

- Installment Loan facility 1 with a credit ceiling up to Rp6,000,000,000*
- Installment Loan facility 2 with a credit ceiling up to Rp20,000,000,000*

This loan facility bears interest at 11.75% per year. The loan facility will be extended in one year later.

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	Plafond/ Credit Ceiling Rp	Saldo Pinjaman/ Loan Total				
		30 Juni/ June 30,		31 Desember/December 31,		
		2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Pinjaman Jangka Panjang 1	6,000,000,000	--	1,700,000,000	2,900,000,000	4,100,000,000	Long Term Loan 1
Pinjaman Jangka Panjang 2	49,327,715,506	--	--	49,327,715,506	--	Long Term Loan 2
Pinjaman Jangka Panjang 3	20,000,000,000	18,766,666,667	19,666,666,667	--	--	Long Term Loan 3
Subtotal		18,766,666,667	21,366,666,667	52,227,715,506	4,100,000,000	Subtotal
Pinjaman yang Jatuh Tempo dalam Satu Tahun						Current Portion that Mature in a Year:
Pinjaman Jangka Panjang 1	6,000,000,000	1,200,000,000	1,200,000,000	1,200,000,000	1,200,000,000	Long Term Loan 1
Pinjaman Jangka Panjang 2	49,327,715,506	--	--	5,024,119,172	--	Long Term Loan 2
Pinjaman Jangka Panjang 3	20,000,000,000	4,000,000,000	4,000,000,000	--	--	Long Term Loan 3
Subtotal		5,200,000,000	5,200,000,000	6,224,119,172	1,200,000,000	Subtotal
Pinjaman Jangka Panjang		13,566,666,667	16,166,666,667	46,003,596,334	2,900,000,000	Long Term Loan

Perusahaan terikat dengan beberapa pembatasan, tanpa persetujuan dari PT Bank Central Asia Tbk terlebih dahulu, antara lain tidak akan melakukan hal-hal sebagai berikut:

- Memperoleh pinjaman uang/kredit baru dari pihak lain dan/atau mengikatkan diri sebagai penanggung/ penjamin dalam bentuk dan dengan nama apa pun dan/atau mengagunkan harta kekayaan kepada pihak lain
- Meminjamkan uang, termasuk tetapi tidak terbatas kepada perusahaan afiliasinya, kecuali dalam rangka menjalankan usaha sehari-hari
- Melakukan peleburan, penggabungan, pengambilalihan, pembubaran/likuidasi dan mengubah status kelembagaan

Fasilitas pinjaman ini dijamin dengan sejumlah tanah dan bangunan milik Perusahaan (Catatan 9) sebagai berikut:

- Tanah dan Bangunan yang terletak di Jl. Sutra Niaga I No.20-21, Desa Pakulonan, Kecamatan Serpong, Kabupaten Tangerang dengan Sertifikat Hak Guna Bangunan (SHGB) No. 913/Pakulonan seluas 85 m²; dan SHGB No. 923/Pakulonan seluas 85 m²
- Tanah dan Bangunan yang terletak di Jl. Komplek PT Aneka Elok II No. 22 Kelurahan Kedoya Selatan, Kecamatan Kebon Jeruk, Kotamadya Jakarta Barat dengan SHGB No. 03617/Kedoya Selatan seluas 156 m²
- Tanah dan Bangunan yang terletak di Jl. Diponegoro No.149-151 dengan SHGB No. 772/Darmo seluas 1.052 m².

Agunan sebagaimana diuraikan diatas digunakan juga untuk menjamin kepastian pembayaran kembali sejumlah uang yang terutang oleh PT Grhanis Putra Propertindo, pihak berelasi.

The Company comply with several covenant, without approval from PT Bank Central Asia Tbk in advance could not do as follows:

- Obtaining a loan of money / new loans from other parties and/or binds itself as guarantor/surety in the form and by whatever name and/or mortgaging the assets to another parties
- Lending money, including but not limited to its affiliated companies, except to run the normal business
- Doing consolidation, merger, acquisition, dissolution/liquidation and change the institutional status

The loan facility is secured by a number of land and buildings owned by the Company (Note 9) as follows:

- Land and Building located at Jl. Sutra Niaga I No.20-21, Pakulonan village, Serpong, Kabupaten Tangerang with certificate of Building Used Right (SHGB) No. 913 / Pakulonan area of 85 sqm; and SHGB No. 923 / Pakulonan area of 85 sqm
- Land and Building located at Jl. Komplek PT Aneka Elok II No. 22 South Kedoya, Kebon Jeruk, West Jakarta with SHGB No. 03617 / South Kedoya area of 156 sqm
- Land and Building located at Jl. Diponegoro No. 149-151 with SHGB 772 / Darmo area of 1,052 sqm.

The collateral as described above is also used to repayment guarantee for loan of PT Grhanis Putra Propertindo, related party.

18. Liabilitas Keuangan Jangka Panjang Lainnya

Liabilitas keuangan jangka panjang lainnya ini merupakan pinjaman yang diperoleh dari beberapa individu/perseorangan dan utang pembelian aset tetap. Pinjaman individu/perseorangan tersebut

18. Non Current Financial Liabilities

Other long-term liabilities is a loan obtained from several individual and liabilities for purchase of fixed assets. The loan from individual do not have a definite repayment term. For loan from related parties

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tidak mempunyai jangka waktu pengembalian yang pasti. Untuk pinjaman kepada pihak berelasi dikenakan tingkat bunga antara 18% - 24% per tahun untuk pinjaman dalam Rupiah.

have bear an interest rate of between 18% - 24% per annum for loans in Rupiah.

19. Perpajakan

19. Taxation

a. Manfaat (Beban) Pajak Penghasilan

a. Income Tax Benefit (Expenses)

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Kini						Current Tax
Periode Berjalan	(20,519,836,750)	(20,199,761,500)	(29,543,600,000)	(28,185,462,750)	(27,561,259,000)	Current Periods
Penyesuaian Periode Sebelumnya (Catatan 19.c)	(2,378,741,596)	--	--	--	--	Prior Period Adjustment (Note 19.c)
Sub Total	(22,898,578,346)	(20,199,761,500)	(29,543,600,000)	(28,185,462,750)	(27,561,259,000)	Sub Total
Tangguhan						Deferred Tax
Berasal dari Perbedaan Temporor	6,469,296,152	10,632,393,250	11,578,672,192	7,183,330,438	(210,819,599)	from Temporary Difference
Total	(16,429,282,194)	(9,567,368,250)	(17,964,927,808)	(21,002,132,312)	(27,772,078,599)	Total

Rekonsiliasi antara laba sebelum pajak penghasilan menurut laporan laba rugi dengan taksiran laba kena pajak untuk periode 6 bulan yang berakhir 30 Juni 2016 dan tahun-tahun yang berakhir pada 31 Desember 2015, 2014 dan 2013 adalah sebagai berikut:

A reconciliation between income before tax as per statements of income and estimated taxable income for the period of 6 months ended June 30, 2016 and for the years ended December 31, 2015, 2014 and 2013 were as follows:

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Laba Sebelum Pajak Penghasilan Menurut						Income Before Tax as per
Laporan Laba Rugi	55,520,221,639	41,711,982,502	76,989,922,230	76,287,115,081	87,560,920,338	Statements of Profit or Loss
Ditambah: Rugi Entitas Anak						Addition : Loss of Subsidiaries
Sebelum Pajak Penghasilan	--	1,433,879,309	1,433,879,309	12,162,662,673	9,841,878,555	Before Income Tax
Laba Perusahaan						Income of the Company
Sebelum Pajak Penghasilan	55,520,221,639	43,145,861,811	78,423,801,539	88,449,777,754	97,402,798,893	Before Income Tax
Beda Tetap						Permanent Difference:
Denda Pajak	131,486,942	985,532,728	17,845,243,402	4,152,872	2,009,691,675	Tax Penalty
Penghapusan Piutang Usaha	736,650,496	165,072,240	754,599,178	243,754,412	319,687,238	Write Off Receivable
Sumbangan	80,339,983	48,434,700	238,859,600	38,395,000	206,661,280	Donation
Penghasilan yang Dikenakan Pajak Final	--	--	(22,669,217,670)	--	--	Income Subject to Final Income Tax
Penghasilan Bunga yang Dikenakan Pajak Final	(281,809,412)	(388,958,001)	(649,907,636)	(1,338,657,358)	(314,121,495)	Interest Income Subject to Final Tax
Total	666,668,010	810,081,667	(4,480,423,126)	(1,052,355,074)	2,221,918,698	Total
Beda Waktu						Timing Difference
Penyusutan Aset Sewa Pembiayaan	2,149,578,927	1,676,991,554	2,053,089,108	2,004,688,274	579,003,404	Depreciation of Lease Asset
Angsuran Sewa Pembiayaan	(376,829,988)	(1,975,455,724)	(5,943,307,565)	(2,871,467,351)	(2,542,822,800)	Installment of Lease
Imbalan Kerja	24,119,709,000	37,141,567,000	48,121,241,000	26,211,208,081	12,584,138,000	Employee Benefit
Total	25,892,457,939	36,843,102,830	44,231,022,543	25,344,429,004	10,620,318,604	Total
Taksiran Laba Kena Pajak	82,079,347,588	80,799,046,308	118,174,400,956	112,741,851,684	110,245,036,195	Estimated Taxable Income
Taksiran Laba Kena Pajak (Dibulatkan)	82,079,347,000	80,799,046,000	118,174,400,000	112,741,851,000	110,245,036,000	Estimated Taxable Income (Rounded)
Tarif Pajak yang Berlaku:						Applicable Tax Rate:
25%	20,519,836,750	20,199,761,500	29,543,600,000	28,185,462,750	27,561,259,000	25%
Beban Pajak Penghasilan	20,519,836,750	20,199,761,500	29,543,600,000	28,185,462,750	27,561,259,000	Income Tax Expense
Dikurangi:						Deduction:
Pajak Penghasilan Dibayar di Muka:						Prepaid Tax
Pasal 23	483,655,123	45,790,623	220,602,032	58,133,632	58,430,640	Art 23
Pasal 25	13,665,520,173	13,617,664,224	27,235,328,448	25,909,122,115	19,778,115,317	Art 25
Total	14,149,175,297	13,663,454,847	27,455,930,480	25,967,255,747	19,836,545,957	Total
Utang Pajak Penghasilan Badan	6,370,661,454	6,536,306,653	2,087,669,520	2,218,207,003	7,724,713,043	Income Tax Payable

Penghasilan kena pajak menjadi dasar penyusunan SPT untuk periode setiap tahun yang disajikan dalam laporan Keuangan.

The taxable income is the basis for the preparation of tax returns every year period presented in the financial statements.

Rekonsiliasi antara beban pajak dengan hasil perkalian laba (rugi) sebelum pajak penghasilan dengan tarif yang berlaku sebagai berikut:

Reconciliation between tax expense and income (loss) before income tax with the current rate as follows:

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	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Laba Sebelum Pajak Penghasilan Menurut Laporan Laba Rugi	55,520,221,639	41,711,982,502	76,989,922,230	76,287,115,081	87,560,920,338	Income Before Income Taxes According to Income Statement
Ditambah: Rugi Entitas Anak Sebelum Pajak Penghasilan	--	1,433,879,309	1,433,879,309	12,162,662,673	9,841,878,555	Addition: Loss on Subsidiaries Before Income Tax
Laba Perusahaan Sebelum Pajak Penghasilan	55,520,221,639	43,145,861,811	78,423,801,539	88,449,777,754	97,402,798,893	Income Before Income Taxes
Tarif Pajak - 25%						Tax Rate - 25%
Pajak Dihitung pada Tarif yang Berlaku	(13,880,055,410)	(10,786,465,376)	(19,605,950,146)	(22,112,444,268)	(24,350,699,675)	Taxes Calculated at Applicable Rate
Koreksi Fiskal	(6,639,781,340)	(9,413,296,124)	(9,937,649,854)	(6,073,018,483)	(3,210,559,325)	Fiscal Adjustment
Pajak Kini Periode Berjalan	(20,519,836,750)	(20,199,761,500)	(29,543,600,000)	(28,185,462,750)	(27,561,259,000)	Current Tax
Penyesuaian Periode Sebelumnya	(2,378,741,596)	--	--	--	--	Prior Period Adjustment
Pajak Tanggahan dari Perbedaan Temporer	6,469,296,152	10,632,393,250	11,578,672,192	7,183,330,438	(210,819,599)	Deferred Tax from Temporary Difference
Total Manfaat (Beban) Pajak - Perusahaan	(16,429,282,194)	(9,567,368,250)	(17,964,927,808)	(21,002,132,312)	(27,772,078,599)	Total Benefit (Expense) Tax- Company

b. Aset Pajak Tanggahan

Pajak tanggahan dihitung berdasarkan pengaruh dari perbedaan temporer antara jumlah tercatat aset dan liabilitas menurut laporan keuangan dengan dasar pengenaan pajak aset dan liabilitas.

b. Deferred Tax Assets

Deferred tax is calculated based on the effect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and the tax bases of assets and liabilities.

	31 Desember/ December 2015	Dikreditkan (Dibebankan) ke Laporan Laba Rugi/ Credited (Charged) to Profit or Loss	Dikreditkan (Dibebankan) ke Laporan Penghasilan Komprehensif Lain/ Credited (Charged) to Other Compre- hensive Income	30 Juni/ June 30, 2016	
	Rp	Rp	Rp	Rp	
Sewa Pembiayaan	(1,690,569,331)	443,187,235	--	(1,247,382,096)	Financial Lease Assets
Liabilitas Diestimasi atas Imbalan Kerja	62,467,615,077	6,029,927,250	12,267,427,750	80,764,970,077	Employee Benefit Liabilities
Penyisihan Penurunan Nilai Piutang Usaha	23,668,641	(3,818,333)	--	19,850,308	Allowance for Impairment of Receivable
Aset Pajak Tanggahan - Bersih	60,800,714,387	6,469,296,152	12,267,427,750	79,537,438,289	Deferred Tax Asset - Net

	31 Desember/ December 2014	Pelepasan Entitas Anak/ Disposal of Subsidiaries	Dikreditkan (Dibebankan) ke Laporan Laba Rugi/ Credited (Charged) to Profit or Loss	Dikreditkan (Dibebankan) ke Laporan Penghasilan Komprehensif Lain/ Credited (Charged) to Other Compre- hensive Income	31 Desember/ December 2015	
	Rp	Rp	Rp	Rp	Rp	
Sewa Pembiayaan	(1,270,911,676)	--	(419,657,655)	--	(1,690,569,331)	Financial Lease Assets
Liabilitas Diestimasi atas Imbalan Kerja	52,930,181,577	--	12,030,310,250	(2,492,876,750)	62,467,615,077	Employee Benefit Liabilities
Penyisihan Penurunan Nilai Piutang Usaha	55,649,044	--	(31,980,403)	--	23,668,641	Allowance for Impairment of Receivable
Pajak Tanggahan - Entitas Anak	729,359,284	(729,359,284)	--	--	--	Deferred Tax - Subsidiary
Aset Pajak Tanggahan - Bersih	52,444,278,229	(729,359,284)	11,578,672,192	(2,492,876,750)	60,800,714,387	Deferred Tax Asset - Net

	31 Desember/ December 2013	Dikreditkan (Dibebankan) ke Laporan Laba Rugi/ Credited (Charged) to Profit or Loss	Dikreditkan (Dibebankan) ke Laporan Penghasilan Komprehensif Lain/ Credited (Charged) to Other Compre- hensive Income	31 Desember/ December 2014	
	Rp	Rp	Rp	Rp	
Sewa Pembiayaan	(1,328,251,329)	57,339,654	--	(1,270,911,676)	Financial Lease Assets
Liabilitas Diestimasi atas Imbalan Kerja	43,079,930,577	6,396,631,500	3,453,619,500	52,930,181,577	Employee Benefit Liabilities
Penyisihan Penurunan Nilai Piutang Usaha	55,649,044	--	--	55,649,044	Allowance for Impairment of Receivable
Pajak Tanggahan - Entitas Anak	--	729,359,284	--	729,359,284	Deferred Tax - Subsidiary
Aset Pajak Tanggahan - Bersih	41,807,328,291	7,183,330,438	3,453,619,500	52,444,278,229	Deferred Tax Asset - Net

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	31 Desember/ December 2012	Dikreditkan (Dibebankan) ke Laporan Laba Rugi/ Credited (Charged) to Profit or Loss	Dikreditkan (Dibebankan) Penghasilan Komprehensif Lain/ Credited (Charged) to Other Compre- hensive Income	31 Desember/ December 2013	
	Rp	Rp	Rp	Rp	
Sewa Pembiayaan	(837,296,480)	(490,954,849)	--	(1,328,251,329)	Financial Lease Assets
Liabilitas Diestimasi atas Imbalan Kerja	52,191,321,326	280,135,250	(9,391,526,000)	43,079,930,576	Employee Benefit Liabilities
Penyisihan Penurunan Nilai Piutang Usaha	55,649,044	--	--	55,649,044	Allowance for Impairment of Receivable
Aset Pajak Tangguhan - Bersih	51,409,673,890	(210,819,599)	(9,391,526,000)	41,807,328,291	Deferred Tax Asset - Net

c. Pajak Dibayar di Muka

c. Prepaid Taxes

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Perusahaan					Company :
Klaim Restitusi Pajak Badan - Tahun 2010	--	2,378,741,596	2,378,741,596	2,378,741,596	Claim for Corporate Income Tax - Year 2010
Entitas Anak					Subsidiaries:
Pasal 21	--	--	313,996	--	Art 21
Pasal 22	--	--	37,461,433	12,335,433	Art 22
Pasal 23	--	--	--	245,535,334	Art 23
Pajak Pertambahan Nilai	--	--	250,182,192	--	Value Added Tax
Total	--	2,378,741,596	2,666,699,217	2,636,612,363	Total

Pada tanggal 28 Juni 2012, Perusahaan memperoleh Surat Ketetapan Pajak Kurang Bayar (SKPKB) Pajak Penghasilan Badan untuk tahun 2010. Namun Perusahaan mengajukan banding ke pengadilan atas SKPKB tersebut yang menurut perhitungan Perusahaan seharusnya lebih bayar dan mengklaim dapat direstitusi. Pada tanggal 22 Januari 2015, Perusahaan mengajukan Peninjauan Kembali atas putusan SKPKB tersebut. Selanjutnya pada tanggal 22 September 2016, Perusahaan membatalkan Surat Permohonan Peninjauan Kembali tersebut (Catatan 35.g), sehingga klaim sebesar Rp2.378.741.596 dibebankan pada periode berjalan (Catatan 19.a).

On June 28, 2012, the Company received tax assessment letters (SKPKB) underpaid Corporate Income Tax for the year 2010. However, the Company appealed to the court on SKPKB that according to the Company's calculations the Company should be had overpayment of tax and claim for refund. On January 22, 2015, the Company filed a judicial review against the decision on SKPKB. On September 22, 2016, the Company are canceled the Application (Note 35.g), as the result the claim amounting to Rp2,378,741,596 are charged to current period (Note 19.a).

d. Utang Pajak

d. Tax Payable

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
Perusahaan					Company
Pajak Penghasilan Badan					Corporate Income Tax
Tahun 2013	--	--	--	7,724,713,043	Year of 2013
Tahun 2014	--	--	2,218,207,003	--	Year of 2014
Tahun 2015	223,185,251	2,087,669,520	--	--	Year of 2015
Tahun 2016	6,370,661,454	--	--	--	Year of 2016
Pajak Penghasilan:					Income Tax
Pasal 21	3,281,397,753	2,099,191,167	2,129,349,042	1,685,540,743	Art 21
Pasal 25	2,285,562,687	2,269,610,704	2,269,610,704	1,972,729,171	Art 25
Pasal 23	336,847,298	381,659,417	311,104,815	582,240,460	Art 23
Pasal 4 ayat 2	480,354,908	8,150,913,548	6,134,740,298	10,108,383,836	Art 4 (2)
Pasal 26	8,698,800	--	--	--	Art 26
Subtotal	12,986,708,151	14,989,044,356	13,063,011,862	22,073,607,253	Subtotal
Entitas Anak					Subsidiaries:
Pasal 21	--	--	165,165,035	113,637,602	Art 21
Pasal 23	--	--	802,537	20,804,743	Art 23
Pasal 4 ayat 2	--	--	18,749,257	250,000	Art 4 (2)
Pajak Pertambahan Nilai	--	--	36,399,089	56,842,215	Value Added Tax
Subtotal	--	--	221,115,918	191,534,560	Subtotal
Total	12,986,708,151	14,989,044,356	13,284,127,781	22,265,141,813	Total

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20. Modal Saham

Berdasarkan Pernyataan Keputusan Sirkuler Para Pemegang Saham Sebagai Pengganti Rapat Umum Pemegang Saham Luar Biasa No. 13 tanggal 20 Maret 2015, yang dibuat dihadapan Rismalena Kasri, SH, Notaris di Jakarta dan telah dilaporkan kepada Menteri Kehakiman dan Hak Asasi Manusia Republik Indonesia dan telah diterima oleh Departemen Kehakiman dan Hak Asasi Manusia Republik Indonesia No. AHU-0036043.AH.01.11. Tahun 2015 pada tanggal 26 Maret 2015, susunan pemegang saham Perusahaan adalah sebagai berikut:

20. Capital Stocks

Based on the Circular Statement of Shareholders Circular as Substitute Extraordinary Shareholders General Meeting No. 13 dated March 20, 2015, made before Rismalena Kasri, SH, Notary in Jakarta and has been reported to the Ministry of Justice and Human Rights of the Republic of Indonesia and has been accepted by the Ministry of Justice and Human Rights of the Republic of Indonesia No. AHU-0036043.AH.01.11. Tahun 2015 on March 26, 2015, the Company's shareholders structure is as follows :

30 Juni/June 30, 2016				
Jumlah Saham (Lembar/ Shares)	Persentase/ Percentage (%)	Jumlah/ Total Rp		
PT Prodia Utama	57,000	76.00	57,000,000,000	PT Prodia Utama
Bio Majesty Pte. Ltd	18,000	24.00	18,000,000,000	Bio Majesty Pte. Ltd
Total	75,000	100.00	75,000,000,000	Total

31 Desember/December 31, 2015				
Jumlah Saham (Lembar/ Shares)	Persentase (%)	Jumlah Rp		
PT Prodia Utama	57,000	76.00	57,000,000,000	PT Prodia Utama
Bio Majesty Pte. Ltd	18,000	24.00	18,000,000,000	Bio Majesty Pte. Ltd
Total	75,000	100.00	75,000,000,000	Total

31 Desember/December 31, 2014				
Jumlah Saham (Lembar/ Shares)	Persentase/ Percentage (%)	Jumlah/ Total Rp		
PT Prodia Utama	57,000	76.00	57,000,000,000	PT Prodia Utama
Drs. Andi Wijaya, M.B.A.	3,000	4.00	3,000,000,000	Drs. Andi Wijaya, M.B.A.
Drs. Gunawan P. Suharto	3,000	4.00	3,000,000,000	Drs. Gunawan P. Suharto
J. Hamdono Widjojo	3,000	4.00	3,000,000,000	J. Hamdono Widjojo
Drs.Elias Nugroho	3,000	4.00	3,000,000,000	Drs.Elias Nugroho
Ichsan Hidajat, SH	3,000	4.00	3,000,000,000	Ichsan Hidajat, SH
Aryati Utami	3,000	4.00	3,000,000,000	Aryati Utami
Total	75,000	100.00	75,000,000,000	Total

31 Desember/December 31, 2013				
Jumlah Saham (Lembar/ Shares)	Persentase/ Percentage (%)	Jumlah/ Total Rp		
Drs. Andi Wijaya, M.B.A.	3,000	16.67	3,000,000,000	Drs. Andi Wijaya, M.B.A.
Drs. Gunawan P. Suharto	3,000	16.67	3,000,000,000	Drs. Gunawan P. Suharto
J. Hamdono Widjojo	3,000	16.67	3,000,000,000	J. Hamdono Widjojo
Drs.Elias Nugroho	3,000	16.67	3,000,000,000	Drs.Elias Nugroho
Ichsan Hidajat, SH	3,000	16.67	3,000,000,000	Ichsan Hidajat, SH
Aryati Utami	3,000	16.67	3,000,000,000	Aryati Utami
Total	18,000	100.00	18,000,000,000	Total

21. Tambahan Modal Disetor

Pada tahun 2015, Perusahaan menjual kepemilikan saham di PT Prodia OHI International, PT Prodia Stemcell Indonesia, PT Inovasi Diagnostika dan PT Prodia Diagnostic Line seluruhnya kepada PT Prodia Utama sebesar Rp32.219.025.000.

21. Additional Paid-in Capital

In 2015, the Company sold its ownership in PT Prodia OHI International, PT Prodia Stemcell Indonesia, PT Inovasi Diagnostika and PT Prodia Diagnostic Line entirely to PT Prodia Utama amounted to Rp32,219,025,000.

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PT Prodia Utama merupakan entitas induk Perusahaan dan entitas yang berada dalam pengendalian yang sama dengan Perusahaan. Hubungan sepengendali dari entitas-entitas yang bertransaksi tidak bersifat sementara. Oleh karena itu, transaksi tersebut di atas dicatat sesuai dengan PSAK No.38 tentang "Kombinasi Bisnis Entitas Sepengendali". Selisih antara bagian kepemilikan Perusahaan atas aset bersih sebesar Rp6.848.662.172 dengan harga jual sebesar Rp32.219.025.000 yaitu sebesar Rp25.370.362.828 dicatat sebagai selisih nilai transaksi pelepasan entitas anak kepada entitas sepengendali dan disajikan sebagai bagian dari ekuitas Perusahaan.

PT Prodia Utama are parent entity and entity that is under common control with the Company. The relationship of entities under common control that transaction is not transient. Accordingly, the above transaction is recorded in conformity with PSAK No.38 concerning "Business Combination of Companies under Common Control". The difference between the Company's share on net asset value of Rp6,848,662,172 and the disposal price of Rp32,219,025,000 amounting to Rp25,370,362,828 is recorded as difference in value resulting from disposal of subsidiaries transactions among entities under common control and presented as part of the Company's equity.

Entitas Sepengendali/ Under Common Entities	Lokasi/ Location	Kegiatan Usaha Utama/ Main Business	2015 Rp
PT Prodia OHI International	Jakarta	Pelayanan Kesehatan / Healthcare	5,853,234,229
PT Prodia Stemcell Indonesia	Jakarta	Pelayanan Penunjang Kesehatan / Supporting Healthcare	14,806,521,535
PT Prodia Diagnostic Line	Cikarang	Perdagangan dan Industri / Trading and Manufacturing	5,290,592,236
PT Inovasi Diagnostika	Jakarta	Pelayanan Kesehatan / Healthcare	(579,985,172)
Total			25,370,362,828

Tanggal penjualan masing-masing entitas diungkapkan pada Catatan 1.c.

The date of disposal of each entities are disclosed in Note 1.c

22. Dividen Tunai

22. Cash Dividend

- Berdasarkan Risalah Rapat Umum Pemegang Saham Tahunan yang dilaksanakan pada tanggal 14 April 2016, para pemegang saham menyetujui pembagian dividen tunai yang dibagikan kepada PT Prodia Utama dan Bio Majesty Pte. Ltd masing-masing sebesar Rp57.000.000.000 dan Rp18.000.000.000.
- Berdasarkan Risalah Rapat Umum Pemegang Saham Tahunan yang dilaksanakan pada tanggal 16 April 2015, para pemegang saham menyetujui pembagian bonus Rp20.500.000.000 dan dividen tunai Rp100.000.000.000 yang dibagikan kepada PT Prodia Utama sebesar Rp76.000.000.000, Drs. Andi Wijaya, M.B.A., Drs. Gunawan P. Suharto, J. Hamdono Widjojo, Drs.Elias Nugroho, Ichsan Hidajat, SH, dan Aryati Utami masing-masing sebesar Rp4.000.000.000.
- Berdasarkan Risalah Rapat Umum Pemegang Saham yang dilaksanakan pada tanggal 17 April 2014, para pemegang saham menyetujui pembagian dividen tunai berkisar 25% dari laba tahun 2013 setelah dikurangi estimasi pajak penghasilan badan.
- Berdasarkan Risalah Rapat Umum Pemegang Saham yang dilaksanakan pada tanggal 18 April 2013, para pemegang saham menyetujui pembagian dividen tunai berkisar 25% dari laba tahun 2012 setelah dikurangi estimasi pajak penghasilan badan.

- Based on the Minutes of the Annual General Meeting of Shareholders held on April 14, 2016, the shareholders approved the distribution of cash dividends that are distributed to PT Prodia Utama and Bio Majesty Pte. Ltd amounting to Rp57,000,000,000 and Rp18,000,000,000, respectively.*
- Based on the Minutes of the Annual General Meeting of Shareholders held on 16 April 2015, the shareholders approved the distribution of bonus amounting to Rp20,500,000,000 and cash dividend amounting to Rp100,000,000,000 distributed to PT Prodia Utama amounting to Rp76,000,000,000, Drs. Andi Wijaya, M.B.A., Drs. Gunawan P. Suharto, J. Hamdono Widjojo, Drs.Elias Nugroho, Ichsan Hidajat, SH, and Aryati Utami Rp4,000,000,000, respectively.*
- Based on the Minutes of the General Meeting of Shareholders held on April 17, 2014, the shareholders approved a cash dividend approximately 25% of profits in 2013 after deducting the estimated corporate income tax.*
- Based on the Minutes of the General Meeting of Shareholders held on April 18, 2013, the shareholders approved a cash dividend approximately 25% of profits in 2012 after deducting the estimated corporate income tax.*

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23. Pendapatan - Bersih

23. Revenues - Net

a. Berdasarkan Jenis Pendapatan

a. By Type of Revenue

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Pendapatan Laboratorium	597,843,904,076	538,509,647,457	1,081,014,066,065	975,815,807,466	890,624,173,977	Revenues from Laboratory
Pendapatan Bukan Laboratorium	62,578,046,390	62,193,743,804	136,047,484,349	141,299,733,708	120,814,901,238	Revenues non Laboratory
Pendapatan Jasa Manajemen Pemasaran	--	--	--	3,162,912,399	223,487,688	Marketing Management Fee
Pendapatan Kotor	660,421,950,466	600,703,391,262	1,217,061,550,414	1,120,278,453,573	1,011,662,562,904	Gross Revenue
Potongan Pendapatan	--	--	--	(13,209,570)	--	Discount
Retur Pendapatan	(11,792,270,180)	(9,525,567,004)	(19,334,328,402)	(19,221,531,391)	(13,675,862,825)	Sales Returns
Pendapatan - Bersih	648,629,680,286	591,177,824,257	1,197,727,222,012	1,101,043,712,612	997,986,700,079	Revenue - Net

b. Berdasarkan Pelanggan

b. By Customer

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Pelanggan Individu	232,690,776,587	207,511,176,124	410,127,327,075	358,661,723,888	341,915,767,334	Walk in Customer
Referensi Dokter	231,414,212,669	206,050,684,193	399,038,665,934	374,522,879,614	324,948,812,820	Doctor Referrals
Referensi Pihak Ketiga	107,305,327,535	97,006,597,825	196,584,665,506	179,184,820,464	166,685,375,583	External Referrals
Klien Korporasi	77,219,363,494	80,609,366,115	191,976,563,498	188,674,288,646	164,436,744,342	Corporate Clients
Pendapatan - Bersih	648,629,680,286	591,177,824,257	1,197,727,222,012	1,101,043,712,612	997,986,700,079	Revenue - Net

24. Beban Pokok Pendapatan

24. Cost of Revenues

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Beban Pokok Langsung						Direct Cost of Revenues
Bahan Baku	95,847,741,969	89,668,851,077	189,454,260,483	176,725,449,195	171,237,922,520	Raw Materials
Gaji	60,467,011,878	54,647,354,970	110,557,468,131	96,398,325,542	73,634,065,934	Salaries
Bahan Pembantu	30,781,280,945	27,764,729,726	57,638,148,228	50,696,995,229	43,454,564,331	Supporting Materials
Rujukan ke Pihak Ketiga	36,669,724,227	34,976,017,393	71,470,466,605	66,554,980,269	53,059,931,506	Referrals to Third Parties
Asuransi Persediaan	7,867,168	24,478,384	39,837,808	46,965,655	7,457,994	Inventories Insurance
Sub Total	223,773,626,187	207,081,431,550	429,160,181,055	390,422,715,890	341,393,942,285	Subtotal
Beban Pokok Tidak Langsung						Indirect Cost of Revenues
Gaji	27,263,597,740	24,456,676,484	49,716,493,856	42,545,647,878	32,039,406,283	Salaries
Penyusutan (Catatan 9)	5,287,243,337	5,089,789,152	10,073,888,430	8,314,906,354	7,278,683,515	Depreciation (Note 9)
Perengkapan dan Pemeliharaan Alat	4,085,578,099	3,248,940,246	6,233,700,880	6,004,266,933	5,857,865,610	Equipment and Maintenance
Sewa Alat	2,908,913,367	3,552,614,094	6,719,457,740	6,573,568,919	376,206,400	Rent Equipment
Limbah	2,113,871,391	1,758,487,465	4,011,380,133	3,724,095,670	2,205,346,810	Waste
Aplikasi IT	1,691,605,783	1,693,046,402	2,550,136,750	2,545,624,930	2,601,668,581	IT Software
Kontrol Kualitas	1,336,487,694	1,029,868,141	1,965,854,771	1,708,628,469	2,126,350,854	Quality Control
Baju Dinas Laboratorium	247,333,000	131,108,500	421,917,124	1,491,946,083	1,136,572,325	Laboratory Uniform
Persediaan Rusak	221,264,470	130,767,349	339,221,485	76,472,678	47,110,856	Defective Inventories
Lainnya	1,724,054	52,457,660	1,456,079	659,371,891	917,096,976	Others
Sub Total	45,157,618,935	41,143,755,493	82,033,507,048	73,644,529,805	54,586,308,210	Subtotal
268,931,245,122	248,225,187,043	511,193,688,103	464,067,245,695	395,980,250,495		

25. Beban Usaha

25. Operating Expenses

a. Beban Pemasaran

a. Marketing Expenses

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Biaya Edukasi Pelanggan	8,265,438,441	7,838,540,607	16,751,202,527	15,704,689,282	11,220,899,923	Customer Education
Perawatan Pelanggan	4,250,868,799	4,441,202,427	11,083,694,835	9,390,646,197	10,834,469,413	Customer Relation
Biaya Iklan dan Promosi	2,357,458,763	2,071,590,556	3,964,487,347	3,393,878,851	3,171,042,810	Advertising and Promotion
Biaya Checkup	978,992,167	1,007,458,414	2,925,469,394	2,715,867,760	3,042,334,880	Checkup Cost
Riset Pemasaran	20,264,930	349,784,073	741,972,038	353,115,865	712,846,935	Marketing Research
Biaya Pemasaran Lainnya	40,374,759	209,649,800	496,893,588	1,878,543,663	3,752,221,837	Other Marketing Expense
Subtotal	15,913,397,859	15,918,225,877	35,963,719,729	33,436,741,618	32,733,815,798	

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b. Beban Umum dan Administrasi

b. General and Administrative Expenses

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Gaji dan Tunjangan	86,707,645,502	80,491,970,554	165,217,141,545	160,432,867,473	160,813,625,179	Salaries and Allowance
Biaya Konsultan	38,153,466,359	30,555,607,447	70,543,705,167	66,391,003,157	58,254,305,238	Consultant
Beban Imbalan Kerja	24,119,709,000	37,141,567,000	48,121,241,000	26,211,208,081	1,120,541,000	Employee Benefit
Penyusutan dan Amortisasi	16,373,279,970	14,950,106,961	36,288,463,114	30,670,823,246	26,188,278,286	Depreciation and Amortization
Listrik, Air dan Telekomunikasi	19,951,380,121	17,961,937,679	34,675,727,904	33,781,421,862	26,330,499,629	Electricity, Water and Telecommunication
Sewa Bangunan, Kendaraan, Inventaris Kantor	30,095,661,055	16,089,662,240	33,953,331,447	31,077,912,751	25,371,149,462	Rental for Building, Vehicle and Office Supplies
Perjalanan Dinas dan Transport	17,339,861,523	15,274,455,734	31,568,801,662	31,103,637,233	27,136,882,775	Business Travel and Transportation Expense
Konsumsi Kantor	12,833,967,799	11,089,335,241	23,496,818,510	20,919,604,865	15,776,641,994	Office Consumption
Alat Tulis dan Cetakan	13,576,676,104	12,427,182,554	23,449,877,560	25,563,924,040	21,604,135,226	Stationary and Printing
Pemeliharaan Aset	9,316,349,339	10,035,643,972	22,815,193,420	20,943,525,366	19,175,542,351	Asset Maintenance
Biaya Pajak	1,028,417,103	721,626,796	2,054,524,742	1,742,024,777	1,564,506,575	Tax Expense
Pengiriman Barang	7,204,718,343	6,726,864,716	13,564,962,314	12,756,888,404	11,645,150,978	Delivery Expense
Keperluan Kantor	6,019,047,056	7,629,050,276	13,380,653,817	16,902,185,421	15,731,444,188	Office Utilities
Pesangan	7,174,671,000	5,388,006,000	9,553,862,000	8,617,305,000	10,867,659,000	Severance
Tabungan Hari Tua	6,359,497,562	4,119,111,300	9,047,241,939	6,940,294,485	7,830,835,221	Retirement Plan
Biaya Bank	3,226,074,993	3,585,046,179	7,137,583,224	5,994,382,106	5,661,531,289	Bank Administration
Obat dan Resep	3,006,923,750	3,334,798,891	6,501,823,904	8,538,641,418	7,426,065,317	Medicine and Prescription
Premi Asuransi Pesangon	--	--	5,000,000,000	5,000,000,000	20,000,000,000	Severance Insurance Premium
Diklat dan Seminar	2,974,344,205	2,540,553,216	4,910,338,213	4,727,152,500	7,299,802,662	Seminar and Training
Pengembangan Sumber Daya Manusia	248,682,809	162,649,458	1,007,226,235	685,610,822	842,102,564	Human Resource Development
Penelitian Pengembangan Pemeriksaan	662,154,331	1,426,763,072	2,012,510,174	1,222,169,390	640,315,148	Research Development
Asuransi	1,001,310,131	897,413,308	1,950,384,035	1,608,032,882	1,189,826,717	Insurance
Pengurusan Surat dan Ijin	760,809,082	717,937,286	1,494,369,001	1,758,649,482	1,508,557,744	License and Permit
Baju Dinas	258,645,000	514,875,000	1,177,983,149	756,165,700	655,402,000	Office Uniform
Kerugian Piutang Tidak Tertagih	736,650,496	165,072,240	754,599,178	243,754,412	319,687,238	Bad Debt Expense
Kontrol Kualitas	673,660,815	428,108,732	621,430,097	1,371,395,217	681,061,371	Quality Control
Pengembangan Lingkungan	21,620,000	73,407,500	265,663,400	195,552,273	--	Environmental Development
Biaya Kantor Lainnya	44,979,707	2,633,002	19,765,600	805,159,363	456,785,879	Other Office Expense
Subtotal	309,870,203,157	284,451,386,353	570,585,222,351	526,961,291,726	476,092,335,031	Subtotal
Jumlah Beban Usaha	325,783,601,016	300,369,612,230	606,548,942,080	560,398,033,344	508,826,150,829	Total Operating Expense

26. Pendapatan (Beban) Lainnya

26. Other Income (Expenses)

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Pendapatan Lainnya						Other Income
Laba Penjualan Aset Tetap - Bersih	--	363,926,896	23,172,278,677	4,646,978,727	4,205,039,589	Gain on Sale of Fixed Assets - Net
Jasa Giro	281,809,412	388,958,001	649,907,636	1,346,266,725	314,121,495	Current Accounts
Laba Selisih Kurs - Bersih	86,443,825	--	--	3,673,863	--	Gain on Forex - Net
Lain-lain	6,578,304,366	11,560,410,657	11,643,214,861	8,994,629,850	8,000,000	Others
Subtotal	6,946,557,603	12,313,295,554	35,465,401,174	14,991,549,165	4,527,161,084	Subtotal
Beban Lainnya						Other Expenses
Rugi Penjualan Aset Tetap	61,536,443	--	--	--	--	Loss on Sale of Fixed Asset - Net
Pajak	131,486,942	985,532,728	17,845,243,402	4,152,872	2,009,691,675	Tax
Rugi Selisih Kurs - Bersih	--	151,862,444	360,508,373	--	1,321,234,004	Loss on Forex - Net
Lain-lain	1,473,774,236	1,028,359,540	302,657,721	757,063,499	448,044,372	Others
Subtotal	1,666,797,621	2,165,754,712	18,508,409,496	761,216,371	3,778,970,051	Subtotal
Jumlah	5,279,759,982	10,147,540,842	16,956,991,678	14,230,332,794	748,191,034	Total

27. Transaksi dan Saldo dengan Pihak Berelasi

27. Related Parties Transaction Balance

a. Transaksi dan Saldo dengan Pihak Berelasi

a. Related Parties Transaction and Balance

	Total				Persentase Terhadap Total Aset/ Percentage of Total Asset				
	30 Juni/June 30,		31 Desember/December 31,		30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	2016 %	2015 %	2014 %	2013 %	
Piutang Pihak Berelasi - Non Usaha									Due from Related Parties
Elias Nugroho	209,243,307	152,217,279	125,429,185	--	0.04	0.03	0.02	--	Elias Nugroho
Andi Wijaya	76,960,842	--	133,884,056	32,780,531	0.01	--	0.02	0.00	Andi Wijaya
Endang Hoyaranda	24,878,507	23,864,907	63,332,907	--	0.00	0.00	0.01	--	Endang Hoyaranda
Gunawan Prawiro Soeharto	17,431,252	137,592,505	9,284,632	31,392,202	0.00	0.02	0.00	0.00	Gunawan Prawiro Soeharto
Tetty Hendrawati	9,963,165	5,090,832	379,694,352	--	0.00	0.00	0.06	--	Tetty Hendrawati
PT Prodia OHI International	8,370,267	289,197,397	--	--	0.00	0.05	--	--	PT Prodia OHI International
Dewi Muliati	6,819,489	4,364,214	11,337,418	--	0.00	0.00	0.00	--	Dewi Muliati
Liana Kuswandi	6,239,000	3,089,000	10,000,000	--	0.00	0.00	0.00	--	Liana Kuswandi
PT Prodia Stemcell Indonesia	5,751,200	1,165,600	--	--	0.00	0.00	--	--	PT Prodia Stemcell Indonesia
Andri Hidayat	4,602,875	--	--	--	0.00	--	--	--	Andri Hidayat
Indriyanti Rafi Sukmawati	4,239,000	250,000	--	--	0.00	0.00	--	--	Indriyanti Rafi Sukmawati
PT Ghranis Prima Propertindo	3,000,000	900,712,196	--	--	0.00	0.16	--	--	PT Ghranis Prima Propertindo
PT Inovasi Diagnostika	2,914,200	2,355,000	--	--	0.00	0.00	--	--	PT Inovasi Diagnostika
Ichsan Hidayat	1,986,200	152,217,279	123,182,299	--	0.00	0.03	0.02	--	Ichsan Hidayat
PT Prodia Diagnostic Line	1,860,400	189,214,933	--	--	0.00	0.03	--	--	PT Prodia Diagnostic Line
PT Prodia DiaCRO Laboratories	744,000	346,562,754	1,677,452,106	1,602,851,418	0.00	0.06	0.26	0.00	PT Prodia DiaCRO Laboratories
Johanes Hamdono Widjojo	74,492	152,217,279	123,182,299	--	0.00	0.03	0.02	--	Johanes Hamdono Widjojo

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	Total				Persentase Terhadap Total Aset/ Percentage of Total Asset				
	30 Juni/June 30,		31 Desember/December 31,		30 Juni/June 30,		31 Desember/December 31,		
	2016	2015	2014	2013	2016	2015	2014	2013	
	Rp	Rp	Rp	Rp	%	%	%	%	
PT Ghanis Putra Propertindo	--	27,252,982,628	--	--	--	4.72	--	--	PT Ghanis Putra Propertindo
PT Ghanis Pusaka Propertindo	--	25,210,406,454	--	--	--	4.36	--	--	PT Ghanis Pusaka Propertindo
PT Ghanis Prakarsa Propertindo	--	19,866,723,580	--	--	--	3.44	--	--	PT Ghanis Prakarsa Propertindo
PT Ghanis Permata Propertindo	--	9,024,351,512	--	--	--	1.56	--	--	PT Ghanis Permata Propertindo
PT Prodia Utama	--	31,000,000	--	--	--	0.01	--	--	PT Prodia Utama
Luscie Panggajaya	--	--	180,000	--	--	--	0.00	--	Luscie Panggajaya
Total	385,078,196	83,745,575,348	2,656,959,253	1,667,024,151	0.07	14.49	0.43	0.00	Total

	Total				Persentase Terhadap Total Liabilities/ Percentage of Total Liabilities				
	30 Juni/June 30,		31 Desember/December 31,		30 Juni/June 30,		31 Desember/December 31,		
	2016	2015	2014	2013	2016	2015	2014	2013	
	Rp	Rp	Rp	Rp	%	%	%	%	
Utang Usaha Pihak Berelasi									Trade Payable
PT Inovasi Diagnostika	427,371,040	701,250,478	--	--	0.08	0.08	--	--	PT Inovasi Diagnostika
PT Prodia OHI International	31,350	--	--	--	--	--	--	--	PT Prodia OHI International
PT Prodia Diacro Laboratories	--	--	144,279,416	--	--	--	0.03	--	PT Prodia Diacro Laboratories
PT Diatron Promedika	--	--	79,155,000	533,744,807	--	--	0.01	0.00	PT Diatron Promedika
Total	427,402,390	701,250,478	223,434,416	533,744,807	0.08	0.08	0.04	0.00	

	Total				Persentase Terhadap Total Liabilities/ Percentage of Total Liabilities				
	30 Juni/June 30,		31 Desember/December 31,		30 Juni/June 30,		31 Desember/December 31,		
	2016	2015	2014	2013	2016	2015	2014	2013	
	Rp	Rp	Rp	Rp	%	%	%	%	
Utang Pihak Berelasi - Non Usaha Jangka Pendek									Due to Related Parties - Current
Bio Majesty Pte Ltd	18,000,000,000	--	--	--	3.37	--	--	--	Bio Majesty Pte Ltd
PT Prodia Diacro Laboratories	128,258,168	152,473,931	--	26,682,252	0.02	0.03	--	0.00	PT Prodia Diacro Laboratories
PT Prodia OHI International	157,163,850	325,344,533	--	--	0.03	0.07	--	--	PT Prodia OHI International
PT Prodia Stemcell Indonesia	103,061,845	32,939,500	--	--	0.02	0.01	--	--	PT Prodia Stemcell Indonesia
PT Prodia Diagnostic Line	3,743,800	--	--	--	--	--	--	--	PT Prodia Diagnostic Line
Andi Wijaya	--	--	100,000,000	725,000,000	--	--	0.02	0.00	Andi Wijaya
Gunawan Prawiro Soeharto	--	--	100,000,000	525,000,000	--	--	0.02	0.00	Gunawan Prawiro Soeharto
Arjati Utami	--	--	100,000,000	525,000,000	--	--	0.02	0.00	Arjati Utami
Ichsan Hidayat	--	--	100,000,000	720,602,933	--	--	--	0.00	Ichsan Hidayat
Johanes Hamdono Widjojo	--	--	100,000,000	810,602,458	--	--	--	0.00	Johanes Hamdono Widjojo
Elias Nugroho	--	--	100,000,000	810,602,458	--	--	--	0.00	Elias Nugroho
Total	18,392,227,663	510,757,964	600,000,000	4,143,490,101	3.44	0.11	0.06	0.01	
Utang Pihak Berelasi - Non Usaha Jangka Panjang									Due to Related Parties - Non Current
Ichsan Hidayat	--	195,602,933	687,269,600	--	--	0.04	0.14	--	Ichsan Hidayat
Hamdono Widjojo	--	285,602,458	777,269,125	--	--	0.06	0.16	--	Hamdono Widjojo
Elias Nugroho	--	285,602,458	777,269,125	--	--	0.06	0.16	--	Elias Nugroho
Andi Wijaya	--	--	691,666,665	--	--	--	0.14	--	Andi Wijaya
Gunawan Prawiro Soeharto	--	--	491,666,667	--	--	--	0.10	--	Gunawan Prawiro Soeharto
Arjati Utami	--	--	491,666,667	--	--	--	0.10	--	Arjati Utami
Total	18,392,227,663	1,277,565,813	4,516,807,849	4,143,490,101	3.44	0.27	0.86	0.01	

	Total				Persentase Terhadap Total Beban Pokok Pendapatan/ Percentage of Total Cost of Revenue					
	30 Juni/June 30,		31 Desember/December 31,		30 Juni/June 30,		31 Desember/December 31,			
	2016	2015	2014	2013	2016	2015	2014	2013		
	Rp	Rp	Rp	Rp	%	%	%	%		
Pembelian									Procurement	
PT Diatron Promedika	401,900,807	777,558,045	1,314,417,091	1,794,580,042	231,235,349	0.15	0.31	0.26	0.39	0.00
Total	401,900,807	777,558,045	1,314,417,091	1,794,580,042	231,235,349	0.15	0.31	0.26	0.39	0.00

	Total				Persentase Terhadap Total Beban Usaha/ Percentage of Total Operating Expense					
	30 Juni/June 30,		31 Desember/December 31,		30 Juni/June 30,		31 Desember/December 31,			
	2016	2015	2014	2013	2016	2015	2014	2013		
	Rp	Rp	Rp	Rp	%	%	%	%		
Beban Sewa									Rent Expense	
Elias Nugroho	1,320,000,000	1,800,000,000	1,980,000,000	1,980,000,000	1,983,557,100	0.41	0.60	0.33	0.35	0.00
Ichsan Hidayat	--	--	833,333,300	833,333,300	393,680,200	--	--	0.14	0.15	0.00
Total	1,320,000,000	1,800,000,000	2,813,333,300	2,813,333,300	2,377,237,300	0.41	0.60	0.47	0.50	0.00

b. Sifat Hubungan Pihak Berelasi

Pihak-pihak Berelasi/ Related Parties	Hubungan/ Relation Status
Ichsan Hidayat	Pemegang Saham Perusahaan Pengendali/ Shareholders of Control Entity

b. Related Parties Status

Sifat Transaksi/ Transaction Status
Beban Sewa, Piutang Pihak Berelasi, Utang Pihak Berelasi – Non Usaha/ Rent Expense, Related Party Receivable, Due to Related Party

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Pihak-pihak Berelasi/ Related Parties	Hubungan/ Relation Status	Sifat Transaksi/ Transaction Status
Elias Nugroho	Pemegang Saham Perusahaan Pengendali/ Shareholders of Control Entity	Beban Sewa, Piutang Pihak Berelasi, Utang Pihak Berelasi – Non Usaha/ Rent Expense, Related Party Receivable, Due to Related Party
Gunawan Prawiro	Komisaris/ Commissioner	Piutang Pihak Berelasi – Non Usaha, Utang Pihak Berelasi – Non Usaha/ Due From Related Party, Due to Related Party
Johanes Hamdono Widjodjo	Pemegang Saham Perusahaan Pengendali/ Shareholders of Control Entity	Utang Pihak Berelasi – Non Usaha/ Due to Related Party
Aryati Utami	Pemegang Saham Perusahaan Pengendali/ Shareholders of Control Entity	Utang Pihak Berelasi – Non Usaha/ Due to Related Party
Andi Wijaya	Komisaris Utama/ President Commissioner	Utang Pihak Berelasi – Non Usaha/ Due to Related Party
Endang Hoyaranda	Komisaris/ Commissioner	Piutang Pihak Berelasi – Non Usaha/ Due From Related Party
Tetty Hendrawati	Direktur/ Director	Piutang Pihak Berelasi – Non Usaha/ Due From Related Party
Dewi Muliaty	Direktur Utama/ President Director	Piutang Pihak Berelasi – Non Usaha/ Due From Related Party
Liana Kuswandi	Direktur/ Director	Piutang Pihak Berelasi – Non Usaha/ Due From Related Party
Andri Hidayat	Direktur/ Director	Piutang Pihak Berelasi – Non Usaha/ Due From Related Party
Indriyanti Rafi Sukmawati	Direktur/ Director	Piutang Pihak Berelasi – Non Usaha/ Due From Related Party
Luscie Panggajaya	Direktur pada Perusahaan Sepengendali/ Director of Entity Under Common Control	Piutang Pihak Berelasi – Non Usaha/ Due From Related Party
PT Diatron Promedika	Perusahaan Sepengendali/ Entity Under Common Control	Utang Usaha / Trade Payable
PT Prodia DiaCRO Laboratories	Perusahaan Sepengendali/ Entity Under Common Control	Piutang Pihak Berelasi – Non Usaha, Utang Pihak Berelasi – Non Usaha/ Due From Related Party, Due to Related Party
PT Prodia Diagnostic Line	Perusahaan Sepengendali/ Entity Under Common Control	Piutang Pihak Berelasi – Non Usaha/ Due From Related Party
PT Prodia OHI International	Perusahaan Sepengendali/ Entity Under Common Control	Piutang Pihak Berelasi – Non Usaha, Utang Pihak Berelasi – Non Usaha/ Due From Related Party, Due to Related Party

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PT Inovasi Diagnostika	Perusahaan Sepengendali/ Entity Under Common Control	Piutang Pihak Berelasi – Non Usaha, Utang Usaha Pihak Berelasi/ Due From Related Party, Trade Payable
PT Prodia Stemcell Indonesia	Perusahaan Sepengendali/ Entity Under Common Control	Piutang Pihak Berelasi – Non Usaha, Utang Pihak Berelasi – Non Usaha/ Due From Related Party, Due to Related Party
PT Prodia Utama	Pemegang Saham/ Shareholder	Piutang Pihak Berelasi – Non Usaha/ Due From Related Party
PT Grhanis Putra Propertindo	Perusahaan Sepengendali/ Entity Under Common Control	Piutang Pihak Berelasi – Non Usaha/ Due From Related Party
PT Grhanis Pusaka Propertindo	Perusahaan Sepengendali/ Entity Under Common Control	Piutang Pihak Berelasi – Non Usaha/ Due From Related Party
PT Grhanis Prakarsa Propertindo	Perusahaan Sepengendali/ Entity Under Common Control	Piutang Pihak Berelasi – Non Usaha/ Due From Related Party
PT Grhanis Permata Propertindo	Perusahaan Sepengendali/ Entity Under Common Control	Piutang Pihak Berelasi – Non Usaha/ Due From Related Party
PT Grhanis Prima Propertindo	Perusahaan Sepengendali/ Entity Under Common Control	Piutang Pihak Berelasi – Non Usaha/ Due From Related Party
Bio Majesty Pte Ltd	Pemegang Saham/ Shareholders	Utang Pihak Berelasi – Non Usaha/ Due to Related Party

c. Transaksi Tahun Berjalan

Piutang pihak berelasi terutama terkait penjualan aset tanah dan bangunan milik Perusahaan (Catatan 9).

c. Current Transaction

Due from related parties mainly related to asset sales of land and buildings owned by the Company (Note 9).

28. Aset dan Liabilitas Moneter dalam Mata Uang Asing

Pada tanggal 30 Juni 2016, 31 Desember 2015, 2014 dan 2013, aset dan liabilitas moneter dalam mata uang asing adalah sebagai berikut:

28. Monetary assets and liabilities denominated in foreign currencies

As of June 30, 2016, December 31, 2015, 2014 and 2013, monetary assets and liabilities denominated in foreign currencies are as follows:

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	30 Juni/June 30, 2016		2015		31 Desember/December 31, 2014		2013			
	Mata Uang Asing/ Foreign Currency	Setara dengan Rupiah/ Equivalent in Rupiah	Mata Uang Asing/ Foreign Currency	Setara dengan Rupiah/ Equivalent in Rupiah	Mata Uang Asing/ Foreign Currency	Setara dengan Rupiah/ Equivalent in Rupiah	Mata Uang Asing/ Foreign Currency	Setara dengan Rupiah/ Equivalent in Rupiah		
Aset									Asset	
Kas dan Bank	USD	23,452	309,093,801	USD	3,181	43,410,658	USD	34,818	433,136,124	Cash and Bank
Total Aset			309,093,801			43,410,658			433,136,124	Total Asset
Liabilitas										Liabilities
Utang Usaha	EUR	--	--	EUR	2,834	42,707,322	EUR	84,781	1,283,010,737.22	--
Beban Akruai	USD	38,808	511,489,440			--			--	--
Liabilitas Keuangan Jangka Pendek Lainnya	USD	2,577	33,964,860	USD	53,786	741,983,388			--	56,220
Liabilitas Keuangan Jangka Panjang Lainnya	EUR	--	--	EUR	--	--	EUR	188,133	2,847,069,375	--
Total Liabilitas			545,454,300			784,690,710			4,130,080,112	685,265,580
Liabilitas Bersih			236,360,499			741,280,053			3,696,943,988	674,541,892

29. Liabilitas Imbalan Kerja Jangka Panjang

29. Long Term Employees Benefit Liabilities

	30 Juni/ June 30,		2015		31 Desember/ December 31,		2014		2013	
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	
Imbalan Pasca Kerja	271,129,122,309	215,678,539,309	205,744,752,309	172,679,553,444	136,883,994,309					
Imbalan Kerja Jangka Panjang Lainnya	51,930,758,000	45,240,872,000	44,125,708,000	41,958,610,000	35,435,728,000					
Total	323,059,880,309	260,919,411,309	249,870,460,309	214,638,163,444	172,319,722,309					

a. Imbalan Pasca Kerja

Perusahaan menghitung dan membukukan beban imbalan kerja berdasarkan Undang-undang Ketenagakerjaan No.13 Tahun 2003 tanggal 25 Maret 2003. Jumlah Tenaga Kerja yang berhak atas imbalan kerja adalah 3.238, 3.166, 3.102, dan 3.001 orang masing-masing pada tanggal 30 Juni 2016, 31 Desember 2015, 2014 dan 2013. Liabilitas diestimasi atas imbalan kerja per 31 Desember 2015 dihitung oleh PT Dayamandiri Dharmakonsilindo dengan laporan nomor 1344/ST-EP-PSAK24-PRDW/VIII/2016 tanggal 9 Agustus 2016.

a. Post Employee Benefits

The Company calculates and recorded employee benefits expense based on Labor Law No.13 year 2003 dated March 25, 2003. Number of Workers entitled to the benefits of work are 3,238, 3,166, 3,102, and 3,001 people respectively on June 30, 2016, December 31, 2015, 2014 and 2013. Liabilities for employee benefits estimated as of June 30, 2016 was calculated by PT Dayamandiri Dharmakonsilindo with report number 1344/ST-EP-PSAK24-PRDW/VIII/2016 dated August 9, 2016.

Analisis kewajiban imbalan yang didanai dari aset program adalah sebagai berikut:

Analisis of funded benefits obligation as follows:

	30 Juni/ June 30,		2015		31 Desember/ December 31,		2014		2013	
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	Rp	
Nilai Kini Liabilitas Imbalan Pasti	276,274,314,309	223,080,679,309	214,298,472,309	211,745,508,444	176,370,099,309					
Nilai Wajar Aset Program	(5,145,192,000)	(7,402,140,000)	(8,553,720,000)	(39,065,955,000)	(39,486,105,000)					
Liabilitas Bersih Akhir Tahun	271,129,122,309	215,678,539,309	205,744,752,309	172,679,553,444	136,883,994,309					

Mutasi liabilitas imbalan kerja yang diakui dalam laporan posisi keuangan adalah sebagai berikut:

Movement in the employee benefits liabilities recognized in the statements of financial position are as follows:

	2016		2015		2014		2013	
	Rp	Rp	Rp	Rp	Rp	Rp	Rp	
Saldo Awal	205,744,752,309	172,679,553,444	172,679,553,444	136,883,994,309	172,301,688,309			
Liabilitas imbalan entitas anak	--	--	--	2,198,998,830	--			
Biaya Manfaat	18,851,805,000	34,976,056,000	52,092,540,000	28,045,061,081	27,687,278,000			
Dikurangi Pembayaran:								
Pembayaran manfaat tahun berjalan	(2,537,146,000)	(1,045,792,000)	(1,067,438,000)	(3,065,115,000)	(5,538,868,000)			
Kelebihan pembayaran imbalan	--	(70,959,000)	(70,959,000)	(291,620,000)	--			
Kontribusi Perusahaan	--	--	(5,000,000,000)	(5,000,000,000)	(20,000,000,000)			
Beban Imbalan Kerja yang Diakui di Laba Rugi	16,314,659,000	33,859,305,000	45,954,143,000	19,688,326,081	2,148,410,000			
Beban (Penghasilan) diakui pada penghasilan komprehensif lain	49,069,711,000	12,057,118,000	(9,971,507,000)	13,908,234,224	(37,566,104,000)			
Pelepasan Entitas Anak	--	(2,917,437,135)	(2,917,437,135)	--	--			
Saldo Akhir	271,129,122,309	215,678,539,309	205,744,752,309	172,679,553,444	136,883,994,309			

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Jumlah beban imbalan kerja yang diakui dalam laba rugi adalah sebagai berikut:

Amount of employee benefits expense recognized in the statements of profit or loss are as follows:

	30 Juni/ June 30,		31 Desember/ December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Beban jasa kini	9,149,713,000	7,683,634,000	17,532,186,000	16,081,454,216	19,004,748,000	Current Service Cost
Beban bunga	9,640,469,000	8,642,902,000	17,285,805,000	14,992,594,865	10,514,354,000	Interest Expense
Keuntungan Bunga atas Aset	(214,542,000)	(282,718,000)	(1,988,016,000)	(3,320,608,000)	(1,831,824,000)	Interest Gain on Asset
Perhitungan Ulang Nilai Kini atas Perubahan:						Recalculation of Present Value in Changes of:
- (Keuntungan) Kerugian atas Perubahan Asumsi Finansial	34,250,026,000	(1,940,426,000)	(15,678,167,000)	5,668,664,000	(78,948,812,000)	- (Gain) Loss of Changes in Financial Assumption
- (Keuntungan) Kerugian atas Penyesuaian Pengalaman Kerja	15,086,386,000	14,464,776,000	4,561,480,000	7,908,895,000	9,265,795,000	- (Gain) Loss of Changes in Adjustment of Work Experience
- (Keuntungan) Kerugian atas Penyesuaian Asumsi Demografis	--	--	--	--	29,355,192,000	- (Gain) Loss of Changes in Adjustment of Demographic Assumption
Perkiraan (Keuntungan) Kerugian atas Aset	(266,701,000)	(467,232,000)	1,145,180,000	236,919,000	2,761,721,000	Estimated (Gains) Losses on Assets
Beban (Penghasilan) diakui pada penghasilan komprehensif lainnya	(49,069,711,000)	(12,057,118,000)	9,971,507,000	(13,814,478,000)	37,566,104,000	Expenses (income) recognized in Other Comprehensive Income
Kelebihan imbalan yang dibayar oleh Perusahaan	--	70,959,000	70,959,000	291,620,000	--	Excess Employee Benefit Paid By Company
Kelebihan imbalan yang dibayar oleh Pengelolaan Aset	276,165,000	18,861,279,000	19,191,606,000	--	--	Excess Employee Benefit Paid By Asset Management
Beban Imbalan Kerja	18,851,805,000	34,976,056,000	52,092,540,000	28,045,061,081	27,687,278,000	Employee Benefit Expense

Rincian beban imbalan kerja yang diakui pada penghasilan komprehensif lain adalah sebagai berikut:

Amount of employee benefits as other comprehensive income are as follow:

	30 Juni/ June 30,		31 Desember/ December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
(Laba)/Rugi Aktuarial pada Liabilitas	49,069,711,000	12,057,118,000	(9,971,507,000)	13,814,478,000	(37,566,104,000)	Actuarial (Gain)/ Loss on Liabilities
Penghasilan Komprehensif Lain	49,069,711,000	12,057,118,000	(9,971,507,000)	13,814,478,000	(37,566,104,000)	Other Comprehensive Income

b. Imbalan Kerja Jangka Panjang Lainnya

b. Other Long Term Employee Benefits

Imbalan kerja jangka panjang lainnya berupa penghargaan masa kerja diberikan dalam bentuk emas dan uang untuk setiap 5 tahun masa kerja. Imbalan dianggap sebagai terutang saat pencapaian lima tahun kerja pada Perusahaan.

Other long term employee benefits in term of long service award provided in the form of gold and amount of money for every completion of five continuous years of service. The award is assumed to be payable at anniversary of each attainment of five years of service.

Rincian beban imbalan kerja yang diakui pada laporan posisi keuangan adalah sebagai berikut:

The details of employee benefits liabilities recognized in the statements of financial position are as follow:

	30 Juni/ June 30,		31 Desember/ December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Nilai Kini Liabilitas Imbalan Pasti	51,930,758,000	45,240,872,000	44,125,708,000	41,958,610,000	35,435,728,000	Present Value of Defined Benefit Obligation
Liabilitas Bersih Akhir Tahun	51,930,758,000	45,240,872,000	44,125,708,000	41,958,610,000	35,435,728,000	Net Liabilities End of the Year

Mutasi liabilitas imbalan kerja yang diakui dalam laporan posisi keuangan adalah sebagai berikut:

Movement in the employee benefits liabilities recognized in the statements of financial position are as follows:

	30 Juni/ June 30,		31 Desember/ December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Saldo Awal	44,125,708,000	41,958,610,000	41,958,610,000	35,435,728,000	36,463,597,000	Liabilities Beginning of the Year
Biaya Manfaat	12,442,575,000	7,553,517,000	10,582,563,000	11,783,452,000	4,300,922,000	Benefit Cost
Dikurangi Pembayaran:						Deducted of Payments:
Pembayaran manfaat tahun berjalan	(4,637,525,000)	(4,271,255,000)	(8,415,465,000)	(5,260,570,000)	(5,328,791,000)	Employee Benefit Paid in Current Year
Beban Imbalan Kerja yang Diakui di Laba Rugi	7,805,050,000	3,282,262,000	2,167,098,000	6,522,882,000	(1,027,869,000)	Total benefit cost in recognized to Profit or Loss
Saldo Akhir	51,930,758,000	45,240,872,000	44,125,708,000	41,958,610,000	35,435,728,000	Ending Balance

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Jumlah beban imbalan kerja yang diakui dalam laba rugi adalah sebagai berikut:

Amount of employee benefits expense recognized in the statements of profit or loss are as follows:

	30 Juni/ June 30,		31 Desember/ December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Beban jasa kini	4,724,282,000	4,399,666,000	8,362,398,000	7,834,909,000	7,877,529,000	Current Service Cost
Beban bunga	1,797,629,000	1,671,479,000	3,342,957,000	2,886,930,000	1,887,680,000	Interest Expense
Perhitungan Ulang Nilai Kini atas Perubahan:						Recalculation of Present Value in Changes of:
- (Keuntungan) Kerugian atas						- (Gain) Loss of Changes in
Perubahan Asumsi Finansial	4,050,158,000	(553,054,000)	(2,241,594,000)	1,308,200,000	(3,356,664,000)	Financial Assumption
- (Keuntungan) Kerugian atas						- (Gain) Loss of Changes in
Penyesuaian Pengalaman Kerja	1,870,506,000	2,035,426,000	1,118,802,000	(246,587,000)	(2,107,623,000)	Adjustment of Work Experience
Beban Imbalan Kerja	12,442,575,000	7,553,517,000	10,582,563,000	11,783,452,000	4,300,922,000	Employee Benefit Expense

Asumsi aktuarial yang digunakan dalam menentukan beban dan liabilitas imbalan kerja pada tanggal 30 Juni 2016, 31 Desember 2015, 2014 dan 2013 adalah sebagai berikut:

The actuarial assumptions used in determining employee benefits expenses and liabilities at the date of June 30, 2016, December 31, 2015, 2014 and 2013 are as follows:

	30 Juni/June 30,		31 Desember/December 31,			
	2016	2015	2015	2014	2013	
Usia Pensiun Normal	55 Tahun/Years	55 Tahun/Years	55 Tahun/Years	55 Tahun/Years	55 Tahun/Years	Normal Pension Age
Tingkat Diskonto	8,00%	8,60%	9,20%	8,50%	8,80%	Discounted Rate
Tingkat Proyeksi Kenaikan Gaji	10%	10%	10%	10%	10%	Increase Salary Rate
Tabel Mortalita	Tabel Mortalita Indonesia 3 (TMI 3 – 2011)/ Indonesian Mortality Table 3	Tabel Mortalita Indonesia 3 (TMI 3 – 2011)/ Indonesian Mortality Table 3	Tabel Mortalita Indonesia 3 (TMI 3 – 2011)/ Indonesian Mortality Table 3	Tabel Mortalita Indonesia 3 (TMI 3 – 2011)/ Indonesian Mortality Table 3	Tabel Mortalita Indonesia 3 (TMI 3 – 2011)/ Indonesian Mortality Table 3	Mortality Table
Tingkat Cacat	5% dari Tabel mortalita	5% dari Tabel mortalita	5% dari Tabel mortalita	5% dari Tabel mortalita	5% dari Tabel mortalita	Disability Rate
Tingkat Pengunduran Diri	10% sampai dengan usia 25 tahun, kemudian menurun secara linear sampai dengan 2% pada saat usia 40 tahun/ 10% up to age 25, then decreases linearly up to 2% at the age of 40 years	10% sampai dengan usia 25 tahun, kemudian menurun secara linear sampai dengan 2% pada saat usia 40 tahun/ 10% up to age 25, then decreases linearly up to 2% at the age of 40 years	10% sampai dengan usia 25 tahun, kemudian menurun secara linear sampai dengan 2% pada saat usia 40 tahun/ 10% up to age 25, then decreases linearly up to 2% at the age of 40 years	10% sampai dengan usia 25 tahun, kemudian menurun secara linear sampai dengan 2% pada saat usia 40 tahun/ 10% up to age 25, then decreases linearly up to 2% at the age of 40 year	10% sampai dengan usia 25 tahun, kemudian menurun secara linear sampai dengan 2% pada saat usia 40 tahun/ 10% up to age 25, then decreases linearly up to 2% at the age of 40 year	Resignation Rate
Kenaikan Harga Emas di Masa Mendatang	8% per tahun/ per year	8% per tahun/ per year	8% per tahun/ per year	8% per tahun/ per year	8% per tahun/ per year	The Rise in Future Gold Prices
Harga Emas	Rp 547.688,-	Rp 535.050,-	Rp 531.417,-	Rp 503.546,-	Rp 505.793,-	Gold Price
Metode	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Method

Program imbalan pasti memberikan eksposur Perusahaan terhadap risiko tingkat bunga dan risiko tingkat gaji.

A defined benefit plan provides the Company exposure to interest rate risk and the risk level of salary.

Pada bulan Juli 2016, Perusahaan melakukan pembayaran imbalan pasca kerja diluar provisi atas beberapa karyawan sebesar Rp9.555.954.000.

On July 2016, the Company paid excess of employee benefit other than the provision for some employees amounting to Rp9,555,954,000.

Risiko Tingkat Bunga

Nilai kini kewajiban pensiun imbalan pasti dihitung menggunakan tingkat diskonto yang ditetapkan dengan mengacu pada imbal hasil obligasi korporasi berkualitas tinggi. Penurunan suku bunga obligasi akan meningkatkan liabilitas program.

Interest Rate Risk

The present value of the defined benefit pension obligation is calculated using a discount rate determined by reference to yields on high quality corporate bonds. Lower interest rates would increase the employee benefit liability program.

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Risiko Gaji

Nilai kini kewajiban imbalan pasti dihitung dengan mengacu pada gaji masa depan peserta program. Dengan demikian, kenaikan gaji peserta program akan meningkatkan liabilitas program itu.

Risk Salaries

The present value of the defined benefit obligation is calculated by reference to the salary of the future program participants. Thus, the salary increase program participants will enhance the program's liabilities.

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Analisa Sensitivitas Tingkat Diskonto						Sensitivity Analysis Discount Rate
Jika Tingkat + 1%	296,657,578,000	243,262,431,000	235,157,179,000	228,139,311,000	n.a	If the Rate increase 1%
Jika Tingkat - 1%	365,209,326,000	297,649,151,000	285,569,169,000	277,224,932,000	n.a	If the Rate decrease 1%
Analisa Sensitivitas Tingkat Kenaikan Gaji						Sensitivity Analysis Salary Increase Rate
Jika Tingkat + 1%	362,269,457,000	295,372,837,000	283,572,869,000	275,099,392,000	n.a	If the Rate increase 1%
Jika Tingkat - 1%	298,601,502,000	244,784,180,000	236,491,690,000	229,580,342,000	n.a	If the Rate decrease 1%

30. Laba Per Saham

30. Earnings Per Share

	30 Juni/June 30,		31 Desember/December 31,			
	2016	2015	2015	2014	2013	
Laba Periode Berjalan (dalam Rupiah Penuh)	39,090,939,445	32,144,614,252	59,024,994,422	58,560,231,455	61,590,631,713	Income For The Year (in Full Rupiah)
Jumlah Saham Beredar Awal	75,000	75,000	75,000	18,000	18,000	Beginning Outstanding Shares
Penambahan Saham Beredar	--	--	--	57,000	--	Additional Outstanding Shares
Jumlah Saham Beredar	75,000	75,000	75,000	75,000	18,000	Total Outstanding Shares
Rata-rata Tertimbang Jumlah Saham yang Beredar	75,000	75,000	75,000	56,000	18,000	Weighted Average Shares Outstanding
Laba Per Saham Dasar dan Dilusian (dalam Rupiah Penuh)	521,212.53	428,594.86	786,999.93	1,045,718.42	3,421,701.76	Basic and Diluted Earnings Per Shares (in Full Rupiah)

Tidak ada efek yang dapat menimbulkan dilusi sehingga laba per saham dasar sama dengan laba bersih per saham dilusian.

There is no security which has a potential dilution feature accordingly the basic earnings per share is the same as the diluted earnings per share.

31. Perjanjian Penting

31. Significant Agreements

- Perusahaan melakukan perjanjian-perjanjian dengan PT Abbott Laboratories, PT Indoglobal Technologies, PT Rajawali Medika Mandiri, dan PT Sysmex Indonesia mengenai pengadaan alat laboratorium melalui angsuran, penyewaan alat laboratorium hingga peminjaman alat laboratorium dengan batas minimum pembelian bahan baku tersebut.
 - Berdasarkan akta perjanjian sewa menyewa bangunan No. 36 tanggal 22 Januari 2016 dengan PT Grhanis Prima Propertindo, pihak berelasi, Perusahaan mengadakan perjanjian sewa menyewa bangunan di Jalan Raya Pasar Minggu No.72.I dan No. 72.J, Kelurahan Pejaten Timur, Kabupaten Pasar Minggu, Jakarta dengan masa sewa selama 84 bulan, terhitung sejak tanggal 1 Januari 2016 sampai tanggal 31 Desember 2022.
 - Berdasarkan akta perjanjian sewa menyewa bangunan No. 39 tanggal 22 Januari 2016 dengan PT Grhanis Permata Propertindo, pihak berelasi, Perusahaan mengadakan perjanjian
- The Company enter into agreements with PT Abbott Laboratories, PT Indoglobal Technologies, PT Rajawali Medika Mandiri and PT Sysmex Indonesia regarding the procurement of laboratory equipment through installments, laboratory equipment lease, and borrowing a laboratory tool with minimum purchase of raw materials from the supplier.
 - Based on the Building Rented Agreement No. 36 dated January 22, 2016 with PT Grhanis Prima Propertindo, related party, the Company entered into a building rented agreement located in Jalan Raya Pasar Minggu No.72.I and No.72.J, Kelurahan Pejaten Timur, Kabupaten Pasar Minggu, Jakarta. The term of rent is 84 months, commencing from January 1, 2016 up to December 31, 2022.
 - Based on the Building Rented Agreement No. 39 dated January 22, 2016 with PT Grhanis Permata Propertindo, related party, the Company entered into a building rented

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sewa menyewa bangunan di Propinsi Sulawesi Utara, Manado dengan masa sewa selama 84 bulan, terhitung sejak tanggal 1 Januari 2016 sampai tanggal 31 Desember 2022.

- d. Berdasarkan akta perjanjian sewa menyewa bangunan No. 40 tanggal 22 Januari 2016 dengan PT Grhanis Putra Propertindo, pihak berelasi, Perusahaan mengadakan perjanjian sewa menyewa bangunan di Jalan Wastukencana No.38, Bandung dengan masa sewa selama 84 bulan, terhitung sejak tanggal 1 Januari 2016 sampai tanggal 31 Desember 2022.
- e. Berdasarkan akta perjanjian sewa menyewa bangunan No. 41 tanggal 22 Januari 2016 dengan PT Grhanis Putra Propertindo, pihak berelasi, Perusahaan mengadakan perjanjian sewa menyewa bangunan di Jalan Kramat VII No.1, Jakarta dengan masa sewa selama 84 bulan, terhitung sejak tanggal 1 Januari 2016 sampai tanggal 31 Desember 2022.
- f. Berdasarkan akta perjanjian sewa menyewa bangunan No. 42 tanggal 22 Januari 2016 dengan PT Grhanis Pusaka Propertindo, pihak berelasi, Perusahaan mengadakan perjanjian sewa menyewa bangunan di Jalan Basuki Rahmat 801, Denpasar, Bali dengan masa sewa selama 84 bulan, terhitung sejak tanggal 1 Januari 2016 sampai tanggal 31 Desember 2022.
- g. Berdasarkan akta perjanjian sewa menyewa bangunan No. 43 tanggal 22 Januari 2016 dengan PT Grhanis Pusaka Propertindo, pihak berelasi, Perusahaan mengadakan perjanjian sewa menyewa bangunan di Propinsi Sumatera Selatan, Kotamadya Palembang, Kecamatan Ilir Timur I, Kelurahan Ario Kemuning, Palembang dengan masa sewa selama 84 bulan, terhitung sejak tanggal 1 Januari 2016 sampai tanggal 31 Desember 2022.
- h. Berdasarkan akta perjanjian sewa menyewa bangunan No. 44 tanggal 22 Januari 2016 dengan PT Grhanis Prakarsa Propertindo, pihak berelasi, Perusahaan mengadakan perjanjian sewa menyewa bangunan di Blok M-5 No.63 dan No.65 Kelurahan Curug Sangereng, Kecamatan Kelapa Dua, Kabupaten Tangerang dengan masa sewa selama 84 bulan, terhitung sejak tanggal 1 Januari 2016 sampai tanggal 31 Desember 2022.
- i. Berdasarkan akta perjanjian sewa menyewa bangunan No. 45 tanggal 22 Januari 2016

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agreement located in Propinsi Sulawesi Utara, Manado. The term of rent is 84 months, commencing from January 1, 2016 up to December 31, 2022.

- d. *Based on the Building Rented Agreement No. 40 dated January 22, 2016 with PT Grhanis Putra Propertindo, related party, the Company entered into a building rented agreement located in Jalan Wastukencana No.38, Bandung. The term of rent is 84 months, commencing from January 1, 2016 up to December 31, 2022.*
- e. *Based on the Building Rented Agreement No. 41 dated January 22, 2016 with PT Grhanis Putra Propertindo, related party, the Company entered into a building rented agreement located in Jalan Kramat VII No.1, Jakarta. The term of rent is 84 months, commencing from January 1, 2016 up to December 31, 2022.*
- f. *Based on the Building Rented Agreement No. 42 dated January 22, 2016 with PT Grhanis Pusaka Propertindo, related party, the Company entered into a building rented agreement located in Jalan Basuki Rahmat 801, Denpasar, Bali. The term of rent is 84 months, commencing from January 1, 2016 up to December 31, 2022.*
- g. *Based on the Building Rented Agreement No. 43 dated January 22, 2016 with PT Grhanis Pusaka Propertindo, related party, the Company entered into a building rented agreement located in Propinsi Sumatera Selatan, Kotamadya Palembang, Kecamatan Ilir Timur I, Kelurahan Ario Kemuning, Palembang. The term of rent is 84 months, commencing from January 1, 2016 up to December 31, 2022.*
- h. *Based on the Building Rented Agreement No. 44 dated January 22, 2016 with PT Grhanis Prakarsa Propertindo, related party, the Company entered into a building rented agreement located in Blok M-5 No.63 and No.65 Kelurahan Curug Sangereng, Kecamatan Kelapa Dua, Kabupaten Tangerang. The term of rent is 84 months, commencing from January 1, 2016 up to December 31, 2022.*
- i. *Based on the Building Rented Agreement No. 45 dated January 22, 2016 with*

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dengan PT Grhanis Prakarsa Propertindo, pihak berelasi, Perusahaan mengadakan perjanjian sewa menyewa bangunan di Jalan Pabaton, Kelurahan Pabaton, Kecamatan Bogor Utara dengan masa sewa selama 84 bulan, terhitung sejak tanggal 1 Januari 2016 sampai tanggal 31 Desember 2022.

j. Berdasarkan akta perjanjian sewa menyewa bangunan No. 46 tanggal 22 Januari 2016 dengan PT Grhanis Permata Propertindo, pihak berelasi, Perusahaan mengadakan perjanjian sewa menyewa bangunan di Jalan Ronggowarsito RT 004 RW 03, Jalan Bawean III, Jalan Bawean dan Jalan Ronggowarsito 139 Kelurahan Timuran, Kecamatan Banjarsari, Kotamadya Surakarta dengan masa sewa selama 84 bulan, terhitung sejak tanggal 1 Januari 2016 sampai tanggal 31 Desember 2022.

k. Berdasarkan Perjanjian Pembangunan Pengelolaan dan Penyerahan Kembali Tanah, Bangunan dan Fasilitas Penunjang No.18 tanggal 10 Juni 2016 dengan PT Grhanis Prima Propertindo, pihak berelasi, Perusahaan mendapatkan hak untuk mendirikan bangunan di atas tanah seluas 746 m² yang terletak di Propinsi Sulawesi Tengah, Kotamadya Palu, Kecamatan Palu Timur, Kelurahan Besusu Tengah yang kemudian diperuntukkan sebagai perkantoran dan kegiatan usaha kesehatan Perusahaan (Hak BOT). Sebagai kompensasi pemberian hak kepada Perusahaan, maka Perusahaan berkewajiban mengalihkan bangunan dan fasilitas penunjang pada tanggal pengalihan bangunan dan penyerahan kembali tanah yaitu 30 hari sejak selesainya jangka waktu pengelolaan. Jangka waktu pengelolaan adalah 30 tahun sejak 2 Januari 2016 sampai tanggal 31 Desember 2046.

l. Berdasarkan Perjanjian Pembangunan Pengelolaan dan Penyerahan Kembali Tanah, Bangunan dan Fasilitas Penunjang No.19 tanggal 10 Juni 2016 dengan PT Grhanis Prima Propertindo, pihak berelasi, Perusahaan mendapatkan hak untuk mendirikan bangunan di atas tanah seluas 594 m² yang terletak di Jalan Jendral S.Parman No.223F, Medan dan tanah seluas 526 m² yang terletak di Jalan Jendral S.Parman, Medan yang kemudian diperuntukkan sebagai perkantoran dan kegiatan usaha kesehatan Perusahaan (Hak BOT). Sebagai kompensasi pemberian hak kepada Perusahaan, maka Perusahaan

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PT Grhanis Prakarsa Propertindo, related party, the Company entered into a building rented agreement located in Jalan Pabaton, Kelurahan Pabaton, Kecamatan Bogor Utara. The term of rent is 84 months, commencing from January 1, 2016 up to December 31, 2022.

j. Based on the Building Rented Agreement No. 46 dated January 22, 2016 with PT Grhanis Permata Propertindo, related party, the Company entered into a building rented agreement located in Jalan Ronggowarsito RT 004 RW 03, Jalan Bawean III, Jalan Bawean and Jalan Ronggowarsito 139 Kelurahan Timuran, Kecamatan Banjarsari, Kotamadya Surakarta. The term of rent is 84 months, commencing from January 1, 2016 up to December 31, 2022.

k. Based on the Development Management and Transfer Back Agreement for Land, Building and Supporting Facilities No.18 dated June 10, 2016 with PT Grhanis Prima Propertindo, related party, the Company has the right to build building on the land area of 746sqm, located in the province of Central Sulawesi, Kotamadya Palu, Kecamatan Palu Timur, Kelurahan Besusu Tengah which later designated as office and health business activities of the Company (Build Operation Transfer Rights). As compensation for the rights to the Company, the Company has obliged to hand over the building and supporting facilities on the date of transfer of the building and handing back land which is 30 days after the completion of the term of management contract. The term of management is 30 years commencing from January 2, 2016 up to December 31, 2046.

l. Based on the Development Management and Transfer Back Agreement for Land, Building and Supporting Facilities No.19 dated June 10, 2016 with PT Grhanis Prima Propertindo, related party, the Company has the right to build building on the land area of 594 sqm located in Jalan Jendral S.Parman No.223F, Medan and land area of 526sqm located in Jalan Jendral S.Parman, Medan which later designated as office and health business activities of the Company (Build Operation Transfer Rights). As compensation for the rights to the Company, the Company has obliged to hand over the building and supporting facilities on the date of transfer of

berkewajiban mengalihkan bangunan dan fasilitas penunjang pada tanggal pengalihan bangunan dan penyerahan kembali tanah yaitu 30 hari sejak selesainya jangka waktu pengelolaan. Jangka waktu pengelolaan adalah 30 tahun sejak 2 Januari 2016 sampai tanggal 31 Desember 2046.

the building and handing back land which is 30 days after the completion of the term of management contract. The term of management is 30 years commencing from January 2, 2016 up to December 31, 2046.

m. Berdasarkan Perjanjian Kerjasama No.8 tanggal 11 Februari 2010 dengan Dokter Erdina Hardiono Djuned Puspongoro, kedua pihak bekerjasama mengelola Laboratorium Klinik cabang Kelapa Gading, Jakarta Utara. Perusahaan wajib mengelola laboratorium dengan standar Perusahaan. Sedangkan Pihak Kedua menyediakan bangunan, peralatan laboratorium, dan inventaris kantor. Perusahaan mendapatkan 10% dari penjualan bersih sebagai pemilik merk dan 40% dari laba setelah pajak tanpa penyusutan. Jangka waktu pengelolaan adalah 10 tahun sejak 21 Desember 2009 sampai tanggal 20 Desember 2019.

m. Based on Cooperation Agreement No. 8 dated February 11, 2010 with Dr. Erdina Hardiono Djuned Puspongoro, both parties cooperate to manage Health Laboratory branch Kelapa Gading, North Jakarta. The Company is required to manage the laboratorium with company standards. While the Second Party provide building, laboratory equipment, and office equipment. The company gets 10% of net sales as brand owners and 40% of profit after tax without depreciation cost. The term of agreement is 10 years commencing from December 21, 2009 up to December 20, 2019.

32. Manajemen Risiko Keuangan

32. Financial Risk Management

a. Kebijakan Manajemen Risiko Keuangan

Dalam menjalankan aktivitas operasi, investasi dan pendanaan, Perusahaan menghadapi risiko keuangan yaitu risiko kredit, risiko likuiditas dan risiko pasar dan mendefinisikan risiko-risiko sebagai berikut:

- Risiko kredit: kemungkinan bahwa pelanggan tidak membayar semua atau sebagian piutang atau tidak membayar secara tepat waktu dan akan menyebabkan kerugian Perusahaan.
- Risiko likuiditas: Perusahaan menetapkan risiko likuiditas atas kolektibilitas dari piutang usaha seperti yang dijelaskan di atas, sehingga mengalami kesulitan dalam memenuhi liabilitas yang terkait dengan liabilitas keuangan.
- Risiko pasar: pada saat ini tidak terdapat risiko pasar, selain risiko suku bunga dan risiko nilai tukar karena Perusahaan tidak berinvestasi di instrumen keuangan dalam aktivitas normal.

Dalam rangka untuk mengelola risiko tersebut secara efektif, Direksi telah menyetujui beberapa strategi untuk pengelolaan risiko keuangan, yang sejalan dengan tujuan Perusahaan. Pedoman ini menetapkan tujuan dan tindakan yang harus diambil dalam rangka mengelola risiko keuangan yang dihadapi Perusahaan.

Pedoman utama Perusahaan dari kebijakan ini adalah semua kegiatan manajemen risiko keuangan dilakukan dan dipantau di kantor pusat.

a. Financial Risk Management Policies

In running its operating, investing and financing activities, the Company faced financial risks such as credit risk, liquidity risk and market risk and define risks as follows:

- *Credit risk: the possibility that the customer does not pay all or part of receivables or do not pay in a timely manner and will lead to loss of the Company.*
- *Liquidity risk: Liquidity risk the Company sets the collectibility of accounts receivable as described above, thus have difficulty in meeting obligations associated with financial liabilities*
- *Market risk: at the moment there is no market risk, in addition to interest rate risk and exchange rate risk because the Company does not invest in financial instruments in their activity.*

In order to manage these risks effectively, the Board of Directors has approved several strategies for financial risk management, which is in line with Company objectives. These guidelines set goals and actions to be taken in order to manage financial risks facing the Company.

The Company's main guidelines of this policy is all the financial risk management activities performed and monitored at the central office.

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Perusahaan tidak memiliki instrumen derivatif untuk mengantisipasi risiko yang terjadi.

The Company does not have derivative instruments to anticipate the risk.

Risiko Kredit

Perusahaan mengendalikan eksposur risiko kredit dengan menetapkan kebijakan risiko yang berhubungan dengan bank, Perusahaan menempatkan hanya pada bank-bank dengan predikat baik. Selain itu, kebijakan Perusahaan adalah untuk tidak membatasi penempatan dana hanya di satu bank tertentu, sehingga Perusahaan memiliki kas dan setara kas di berbagai institusi keuangan. Piutang usaha dilakukan dengan pihak ketiga terpercaya dan pihak berelasi.

Credit risk

Company controls credit risk exposure by defining policies risk associated with the bank, the Company put only on the banks with a good rating. In addition, the Company's policy is not to restrict the placement of funds only in one particular bank, so that the Company had cash and cash equivalents in the various financial institutions. Trade receivables do with a trusted third party and related party.

Tabel berikut menganalisis aset keuangan berdasarkan sisa umur jatuh temponya:

The following tables analyze financial assets based on the remaining period to maturity:

		30 Juni 2016/June 30, 2016			
		0 - 30 hari/ days	31 - 60 hari/ days	> 60 hari/ days	Total
		Rp	Rp	Rp	Rp
Pinjaman yang Diberikan dan Piutang:					Loans and Receivables :
Kas dan Bank		44,884,318,563	--	--	Cash on Hand and in Bank
Piutang Usaha - Pihak Ketiga		28,968,678,418	21,212,249,213	7,258,668,878	Accounts Receivable - Third Parties
Aset Keuangan Lancar Lainnya - Pihak Ketiga		9,388,807,560	--	--	Other Current Financial Asset - Third Parties
Piutang Pihak Berelasi - Non Usaha		298,483,316	3,750,000	82,844,880	Due from Related Parties
Total		83,540,287,857	21,215,999,213	7,341,513,757	112,097,800,828
2015					
		0 - 30 hari/ days	31 - 60 hari/ days	> 60 hari/ days	Total
		Rp	Rp	Rp	Rp
Pinjaman yang Diberikan dan Piutang:					Loans and Receivables :
Kas dan Bank		44,976,920,673	--	--	Cash on Hand and in Bank
Piutang Usaha - Pihak Ketiga		36,274,250,980	27,099,807,814	15,033,567,770	Accounts Receivable - Third Parties
Aset Keuangan Lancar Lainnya - Pihak Ketiga		6,797,964,424	--	--	Other Current Financial Asset - Third Parties
Piutang Pihak Berelasi - Non Usaha		174,463,230	--	83,571,112,117	Due from Related Parties
Total		88,223,599,307	27,099,807,814	98,604,679,887	213,928,087,008
2014					
		0 - 30 hari/ days	31 - 60 hari/ days	> 60 hari/ days	Total
		Rp	Rp	Rp	Rp
Pinjaman yang Diberikan dan Piutang:					Loans and Receivables :
Kas dan Bank		45,112,170,081	--	--	Cash on Hand and in Bank
Piutang Usaha - Pihak Ketiga		34,288,253,053	23,187,016,668	16,998,092,433	Accounts Receivable - Third Parties
Aset Keuangan Lancar Lainnya - Pihak Ketiga		9,188,576,629	--	--	Other Current Financial Asset - Third Parties
Piutang Pihak Berelasi - Non Usaha		535,220,422	76,314,666	2,045,424,165	Due from Related Parties
Total		89,124,220,185	23,263,331,334	19,043,516,598	131,431,068,117

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	2013			Total Rp	
	0 - 30 hari/ days Rp	31 - 60 hari/ days Rp	> 60 hari/ days Rp		
Pinjaman yang Diberikan dan Piutang:					Loans and Receivables :
Kas dan Bank	34,583,531,564	--	--	34,583,531,564	Cash on Hand and in Bank
Piutang Usaha - Pihak Ketiga	16,134,371,295	17,560,639,361	28,796,902,511	62,491,913,167	Accounts Receivable - Third Parties
Aset Keuangan Lancar Lainnya - Pihak Ketiga	9,704,677,428	--	--	9,704,677,428	Other Current Financial Asset - Third Parties
Piutang Pihak Berelasi - Non Usaha	39,997,251	--	1,627,026,900	1,667,024,151	Due from Related Parties
Total	60,462,577,538	17,560,639,361	30,423,929,411	108,447,146,310	

Atas saldo yang telah jatuh tempo pada tanggal 30 Juni 2016, 31 Desember 2015, 2014, dan 2013 Perusahaan telah mencatat penurunan nilai masing-masing sebesar Rp79.401.233, Rp94.674.565 dan Rp222.596.175.

Upon to the balance which had been due on June 30, 2016, December 31, 2015, 2014, and 2013 the Company has recorded an impairment amounting to Rp79,401,233, Rp94,674,565 and Rp222,596,175.

Pada tanggal pelaporan, eksposur maksimum Perusahaan terhadap risiko kredit adalah sebesar nilai tercatat masing-masing kategori aset keuangan yang disajikan pada laporan posisi keuangan.

On the reporting date, the Company's maximum exposure to credit risk is the carrying amount of each financial asset category are presented in the statement of financial position.

	31 Des/ Dec 31, 2016 Rp	31 Des/ Dec 31, 2015 Rp	
Kas dan Bank	44,884,318,563	44,976,920,673	Cash on Hand and in Bank
Piutang Usaha - Pihak Ketiga	57,439,596,509	78,407,626,563	Accounts Receivables - Third Parties
Aset Keuangan Lancar Lainnya - Pihak Ketiga	9,388,807,560	6,797,964,424	Other Current Financial Assets - Third Parties
Piutang Pihak Berelasi - Non Usaha	385,078,196	83,745,575,348	Due From Related Parties
Total	112,097,800,828	213,928,087,008	Total

	31 Des/ Dec 31, 2014 Rp	31 Des/ Dec 31, 2013 Rp	
Kas dan Bank	45,112,170,081	34,583,531,564	Cash on Hand and in Bank
Piutang Usaha - Pihak Ketiga	74,473,362,154	62,491,913,167	Accounts Receivables - Third Parties
Aset Keuangan Lancar Lainnya - Pihak Ketiga	9,188,576,629	9,704,677,428	Other Current Financial Assets - Third Parties
Piutang Pihak Berelasi - Non Usaha	2,656,959,253	1,667,024,151	Due From Related Parties
Total	131,431,068,117	108,447,146,310	Total

Risiko Likuiditas

Pada saat ini Perusahaan berharap dapat membayar semua liabilitas pada saat jatuh tempo. Untuk memenuhi komitmen kas, Perusahaan mengelola risiko likuiditas dengan menjaga kas dan simpanan untuk operasi normal Perusahaan.

Liquidity Risk

At this time the Company expects to pay all liabilities at maturity. To meet cash commitments, the Company manages liquidity risk by maintaining cash and deposits for normal operation.

Tabel berikut menganalisis liabilitas keuangan yang diukur pada biaya perolehan diamortisasi berdasarkan sisa jatuh temponya:

The following table analyzes financial liabilities measured at amortized cost based on the remaining maturity:

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	30 Juni 2016/June 30, 2016			Total	
	Tidak Ditetapkan/ Not Defined	Kurang dari 1 tahun/ Less than 1 Year	Lebih dari 1 Tahun/ More than 1 Year		
Utang Bank	--	40,769,814,461	63,975,641,502	104,745,455,962	Bank Loan
Utang Usaha	--	28,662,478,323	--	28,662,478,323	Trade Payable
Beban Akrua	--	23,233,281,891	--	23,233,281,891	Accrued Expenses
Liabilitas Imbalan Kerja					Short Term Employee Benefit
Jangka Pendek	--	2,322,436,828	--	2,322,436,828	Liabilities
Utang Sewa Pembiayaan	--	6,476,477,700	4,785,372,913	11,261,850,613	Financial Leases Payable
Liabilitas Keuangan					Other Current Financial
Jangka Pendek Lainnya	--	27,257,089,990	--	27,257,089,990	Asset
Liabilitas Keuangan					Other Non Current
Jangka Panjang Lainnya	--	--	656,666,880	656,666,880	Financial Asset
Total	--	128,721,579,192	69,417,681,295	198,139,260,487	Total

	2015			Total	
	Tidak Ditetapkan/ Not Defined	Kurang dari 1 tahun/ Less than 1 Year	Lebih dari 1 Tahun/ More than 1 Year		
Utang Bank	--	14,538,614,659	50,363,348,180	64,901,962,840	Bank Loan
Utang Usaha	--	43,060,642,051	--	43,060,642,051	Trade Payable
Beban Akrua	--	34,709,974,520	--	34,709,974,520	Accrued Expenses
Liabilitas Imbalan Kerja					Short Term Employee Benefit
Jangka Pendek	--	1,484,616,282	--	1,484,616,282	Liabilities
Utang Sewa Pembiayaan	--	5,316,540,529	4,785,372,913	10,101,913,442	Financial Leases Payable
Liabilitas Keuangan					Other Current Financial
Jangka Pendek Lainnya	--	29,947,569,425	--	29,947,569,425	Asset
Liabilitas Keuangan					Other Non Current
Jangka Panjang Lainnya	--	--	1,423,574,730	1,423,574,730	Financial Asset
Total	--	129,057,957,467	56,572,295,823	185,630,253,290	Total

	2014			Total	
	Tidak Ditetapkan/ Not Defined	Kurang dari 1 tahun/ Less than 1 Year	Lebih dari 1 Tahun/ More than 1 Year		
Utang Bank	--	33,690,787,089	122,649,568,435	156,340,355,524	Bank Loan
Utang Usaha	--	30,715,056,247	--	30,715,056,247	Trade Payable
Beban Akrua	--	43,925,316,753	--	43,925,316,753	Accrued Expenses
Liabilitas Imbalan Kerja					Short Term Employee Benefit
Jangka Pendek	--	537,023,326	--	537,023,326	Liabilities
Utang Sewa Pembiayaan	--	3,581,539,935	5,963,382,670	9,544,922,605	Financial Leases Payable
Liabilitas Keuangan					Other Current Financial
Jangka Pendek Lainnya	--	19,462,952,550	--	19,462,952,550	Asset
Liabilitas Keuangan					Other Non Current
Jangka Panjang Lainnya	--	--	10,955,262,702	10,955,262,702	Financial Asset
Total	--	131,912,675,900	139,568,213,807	271,480,889,707	Total

	2013			Total	
	Tidak Ditetapkan/ Not Defined	Kurang dari 1 tahun/ Less than 1 Year	Lebih dari 1 Tahun/ More than 1 Year		
Utang Bank	--	18,007,920,645	111,542,470,788	129,550,391,434	Bank Loan
Utang Usaha	--	32,456,677,369	--	32,456,677,369	Trade Payable
Beban Akrua	--	44,204,544,923	--	44,204,544,923	Accrued Expenses
Liabilitas Imbalan Kerja					Short Term Employee Benefit
Jangka Pendek	--	213,730,747	--	213,730,747	Liabilities
Utang Sewa Pembiayaan	--	1,583,476,629	1,147,068,180	2,730,544,809	Financial Leases Payable
Liabilitas Keuangan					Other Current Financial
Jangka Pendek Lainnya	--	15,085,848,643	--	15,085,848,643	Asset
Liabilitas Keuangan					Other Non Current
Jangka Panjang Lainnya	--	--	3,945,019,229	3,945,019,229	Financial Asset
Total	--	111,552,198,956	116,634,558,197	228,186,757,154	Total

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Risiko Suku Bunga

Perusahaan memiliki risiko suku bunga terutama terhadap dampak perubahan suku bunga pinjaman bank. Perusahaan memonitor pergerakan suku bunga untuk meminimalisasi dampak negatif terhadap Perusahaan.

Adapun liabilitas keuangan yang dimiliki Perusahaan pada 30 Juni 2016 memiliki tingkat suku bunga mengambang.

Tabel berikut ini menunjukkan sensitivitas kemungkinan perubahan tingkat pertukaran tingkat bunga pinjaman. Dengan asumsi variable lain konstan, laba sebelum beban pajak konsolidasian dipengaruhi oleh tingkat suku bunga mengambang sebagai berikut:

	Kenaikan (Penurunan) Suku Bunga Dalam Basis Poin/ Increase (Decrease) on Interest Rate In Basis Points	Dampak Terhadap Laba Sebelum Pajak/ Effect on Profit Before Income Tax	
		Rp	
Tahun yang Berakhir:			Year Ended:
30 Juni 2016			June 30, 2016
Rupiah	+100	(117,880,322)	Rupiah
	- 100	117,880,322	
Tahun yang Berakhir:			Year Ended:
31 Desember 2015			December 31, 2015
Rupiah	+100	(74,342,206)	Rupiah
	- 100	74,342,206	
Tahun yang Berakhir:			Year Ended:
31 Desember 2014			December 31, 2014
Rupiah	+100	(176,742,252)	Rupiah
	- 100	176,742,252	
Tahun yang Berakhir:			Year Ended:
31 Desember 2013			December 31, 2013
Rupiah	+100	(146,740,181)	Rupiah
	- 100	146,740,181	

Risiko Nilai Tukar

Perusahaan melakukan transaksi dengan menggunakan mata uang asing dalam hal penjualan jasa dan kas yang dimiliki. Perusahaan tidak terekspos terhadap pengaruh fluktuasi nilai tukar mata uang asing dikarenakan transaksi penjualan jasa sebagian besar sudah menggunakan tarif dalam mata uang Rupiah. Perusahaan mengelola risiko mata uang dengan memonitor fluktuasi nilai tukar mata uang secara terus menerus.

Tabel berikut ini menunjukkan sensitivitas kemungkinan perubahan tingkat pertukaran mata uang asing terhadap Rupiah, dengan asumsi variabel lain konstan, dampak terhadap laba sebelum beban pajak penghasilan sebagai berikut:

Interest Rate Risk

The Company has interest rate risk mainly to the impact of changes in interest rates on bank loans. Company monitor the movement of interest rates in order to minimize the negative impact on the Company.

The financial liabilities of the Company on June 30, 2016 has a floating interest rate.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans. With all other variables held constant, the consolidated income before tax expenses is affected by the impact on floating rate loans as follows:

Foreign Exchange Risk

Companies conduct transactions using foreign currency in terms of sales of services and cash held. The Company is not exposed to the effect of exchange rate fluctuations of foreign currency transactions due to the sale of services mostly been using the rates in local currency. The Company manages currency risk by monitoring fluctuations in currency exchange rates continuously.

The following table shows the sensitivity of the possibility of changes in exchange rates of foreign currencies against the Rupiah, assuming other variables constant, the impact on income before income tax expense as follows:

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	30 Juni/ June 30, 2016 Rp	31 Des/ Dec 31, 2015 Rp	
Dampak Terhadap Laba Sebelum Pajak Penghasilan			Impact on Profit Before Income Tax
Perubahan tingkat pertukaran terhadap Rupiah (1%)	85,454,810	82,857,647	Changes in Exchange Rate On Rupiah (1%)
Perubahan tingkat pertukaran terhadap Rupiah (-1%)	(85,454,810)	(82,857,647)	Changes in Exchange Rate On Rupiah (-1%)

b. Nilai Wajar Instrumen Keuangan

Nilai wajar instrumen keuangan ditentukan melalui analisis arus kas yang didiskonto dengan menggunakan tingkat diskonto yang setara dengan tingkat pengembalian yang berlaku bagi instrumen keuangan yang memiliki syarat dan periode jatuh tempo yang sama.

PSAK 60, "Instrumen Keuangan: Pengungkapan" mensyaratkan pengungkapan atas pengukuran nilai wajar dengan tingkat hirarki nilai wajar sebagai berikut:

- harga kuotasian (tidak disesuaikan) dalam pasar aktif untuk aset atau liabilitas yang identik (tingkat 1),
- input selain harga kuotasian yang termasuk dalam tingkat 1 yang dapat diobservasi untuk aset atau liabilitas, baik secara langsung (misalnya harga) atau secara tidak langsung (misalnya derivasi dari harga) (tingkat 2), dan
- input untuk aset atau liabilitas yang bukan berdasarkan data pasar yang dapat diobservasi (input yang tidak dapat diobservasi) (tingkat 3).

Tabel di bawah ini menggambarkan nilai tercatat dan nilai wajar dari aset dan liabilitas keuangan:

b. Fair Value of Financial Instruments

The fair value of financial instruments is determined through an analysis of discounted cash flows using a discount rate equal to the rate of return applicable to financial instruments that have the same terms and maturity periods.

PSAK 60, "Financial Instruments: Disclosures" requires disclosures on fair value measurements by level of fair value hierarchy as follows:

- kuotasian prices (not adjusted) in active markets for identical assets or liabilities (level 1),
- inputs other than kuotasian prices included in level 1 that are observable for the asset or liability, either directly (eg prices) or indirectly (eg. derivation from prices) (level 2), and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table represents the carrying value and fair value of financial assets and liabilities:

	30 Juni 2016/June 30, 2016		2015		2014		2013		
	Nilai Tercatat/ Carrying Value Rp	Nilai Wajar/ Fair Value Rp	Nilai Tercatat/ Carrying Value Rp	Nilai Wajar/ Fair Value Rp	Nilai Tercatat/ Carrying Value Rp	Nilai Wajar/ Fair Value Rp	Nilai Tercatat/ Carrying Value Rp	Nilai Wajar/ Fair Value Rp	
Aset Keuangan									Financial Assets
Kas dan Setara Kas	44,894,318,563	44,894,318,563	44,976,920,673	44,976,920,673	45,112,170,081	45,112,170,081	34,593,531,564	34,593,531,564	Cash and Cash Equivalent
Piutang Usaha - Pihak Ketiga	57,439,596,509	57,439,596,509	78,407,626,563	78,407,626,563	74,473,362,154	74,473,362,154	62,491,913,167	62,491,913,167	Trade Receivable - Third Parties
Aset Keuangan Lancar Lainnya - Pihak Ketiga	9,388,807,560	9,388,807,560	6,797,964,424	6,797,964,424	9,188,576,629	9,188,576,629	9,704,677,428	9,704,677,428	Other Financial Current Asset - Third Parties
Piutang Pihak Berelasi - Non Usaha	385,078,196	385,078,196	83,745,575,348	83,745,575,348	2,656,959,253	2,656,959,253	1,667,024,151	1,667,024,151	Due from Related Parties
	112,097,800,827	112,097,800,827	213,928,087,007	213,928,087,007	131,431,068,117	131,431,068,117	108,447,146,310	108,447,146,310	
Liabilitas Keuangan									Financial Liabilities
Utang Bank	104,745,455,962	104,745,455,962	64,901,962,840	64,901,962,840	156,340,355,524	156,340,355,524	131,092,370,491	131,092,370,491	Bank Loan
Utang Usaha	28,662,478,323	28,662,478,323	43,060,642,051	43,060,642,051	30,715,056,247	30,715,056,247	32,456,677,370	32,456,677,370	Trade Payable
Beban Akumul	23,233,281,891	23,233,281,891	34,709,974,520	34,709,974,520	43,925,316,753	43,925,316,753	44,204,544,923	44,204,544,923	Accruals
Liabilitas Imbalan Kerja Jangka Pendek	2,322,436,828	2,322,436,828	1,484,616,282	1,484,616,282	537,023,326	537,023,326	213,730,747	213,730,747	Current Employee Benefit Liability
Utang Sewa Pembiayaan	11,261,850,613	11,261,850,613	10,101,913,442	10,101,913,442	9,544,922,605	9,544,922,605	2,730,544,809	2,730,544,809	Financial Leases Payable
Liabilitas Keuangan Jangka Pendek Lainnya	27,257,089,990	27,257,089,990	29,947,569,425	29,947,569,425	19,462,962,550	19,462,962,550	15,085,948,644	15,085,948,644	Other Financial Current Liabilities
Liabilitas Keuangan Jangka Panjang Lainnya	656,666,880	656,666,880	1,423,574,730	1,423,574,730	10,955,262,702	10,955,262,702	3,945,019,229	3,945,019,229	Other Financial Non Current Liabilities
	198,139,260,487	198,139,260,487	185,630,253,290	185,630,253,290	271,480,889,707	271,480,889,707	229,728,736,214	229,728,736,214	

c. Manajemen Permodalan

Pengelolaan modal bertujuan menjamin kemampuan kelangsungan usaha Perusahaan serta memaksimalkan manfaat bagi pemegang saham dan pemangku kepentingan lainnya.

Secara berkala, Perusahaan menelaah dan mengelola struktur permodalannya untuk memastikan struktur modal dan pengembalian

c. Capital Management

Capital management aims to ensure the ability of the Company's business continuity and maximizing benefits for shareholders and other stakeholders.

Periodically, the Company examines and manages its capital structure to ensure its capital structure and returns to shareholders are optimal. In an effort to

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kepada pemegang saham yang optimal. Dalam usaha untuk menjaga struktur modal yang optimal, Perusahaan dapat menyesuaikan jumlah dividen yang dibayarkan kepada pemegang saham, penerbitan saham baru atau menjual aset dalam rangka mengurangi aset dan utang beresiko tinggi.

maintain an optimal capital structure, the Company may adjust the amount of dividends paid to shareholders, issuing new shares or sell assets in order to reduce high-risk assets and debts.

33. Segmen Operasi

33. Operating Segment

Pembuat keputusan dalam operasional adalah para Direksi Perusahaan. Para Direksi melakukan penelaahan terhadap pelaporan internal Perusahaan untuk menilai kinerja dan mengalokasikan sumber daya. Manajemen menentukan operasi segmen berdasarkan informasi ini.

The chief operating decision-maker of the Company are the directors. Directors review Company's internal reporting in order to assess performance and allocate resources. Management has determined the operating segment based on this information.

- Pusat : Jakarta, Bandung, Pusat Rujukan Nasional;
- Wilayah1 :S.Parman, Gatot Subroto, Pematang Siantar, Banda Aceh, Kisaran;
- Wilayah2 : Pekanbaru, Batam, Padang, Bukittinggi, Tanjung Pinang, Jambi;
- Wilayah3 : Kramat, Kebayoran, Kelapa Gading, Pluit, Bekasi, Kedoya, Cideng, Arteri, RS.Bunda, Pasar Minggu, Bogor, Bona Indah, Tangerang, Lampung, Palembang, Depok, Cilegon, Cikarang, Sunter, Cibubur, Kampung Melayu, Puri Indah, Bintaro, Gading Serpong, Harapan Indah, Bumi Serpong Damai, Pangkal Pinang;
- Wilayah4 : Wastukencana, Tasikmalaya, Kurdi, Cirebon, Cimahi, Buah Batu, Karawang;
- Wilayah5 : Solo, Klaten, Wonogiri, Madiun, Semarang, Tegal, Salatiga, Yogyakarta, Magelang, Purwokerto, Kudus;
- Wilayah6 : Surabaya, Kediri, Undaan, Simpang Darmo, Jemur Sari, Sidoarjo, Denpasar, Mataram, Malang, Kupang, Tabanan;
- Wilayah7 : Banjarmasin, Balikpapan, Pontianak, Samarinda, Palangkaraya;
- Wilayah8 : Makassar, Pare-pare, Palu, Panakukang, Manado, Gorontalo, Kendari, Ternate, Kotamobagu, Ambon

- *Central : Jakarta, Bandung, Pusat Rujukan Nasional;*
- *Region1 :S.Parman, Gatot Subroto, Pematang Siantar, Banda Aceh, Kisaran;*
- *Region2 : Pekanbaru, Batam, Padang, Bukittinggi, Tanjung Pinang, Jambi;*
- *Region3 : Kramat, Kebayoran, Kelapa Gading, Pluit, Bekasi, Kedoya, Cideng, Arteri, RS.Bunda, Pasar Minggu, Bogor, Bona Indah, Tangerang, Lampung, Palembang, Depok, Cilegon, Cikarang, Sunter, Cibubur, Kampung Melayu, Puri Indah, Bintaro, Gading Serpong, Harapan Indah, Bumi Serpong Damai, Pangkal Pinang;*
- *Region4 : Wastukencana, Tasikmalaya, Kurdi, Cirebon, Cimahi, Buah Batu, Karawang;*
- *Region5 : Solo, Klaten, Wonogiri, Madiun, Semarang, Tegal, Salatiga, Yogyakarta, Magelang, Purwokerto, Kudus;*
- *Region6 : Surabaya, Kediri, Undaan, Simpang Darmo, Jemur Sari, Sidoarjo, Denpasar, Mataram, Malang, Kupang, Tabanan;*
- *Region7 : Banjarmasin, Balikpapan, Pontianak, Samarinda, Palangkaraya;*
- *Region8 : Makassar, Pare-pare, Palu, Panakukang, Manado, Gorontalo, Kendari, Ternate, Kotamobagu, Ambon*

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Pendapatan dari Pelanggan Eksternal/ Revenue from External Customers	Penghasilan Bunga/ Interest Income	Penyusutan/ Depreciation	Beban Pajak Penghasilan Bersih/ Income Tax Expense	Laba Segmen Dilaporkan/ Reported Segment Income		
Rp	Rp	Rp	Rp	Rp		
Pusat	--	259,941,643	4,326,723,125	(16,429,282,194)	(111,344,831,759)	Central
Wilayah 1	33,737,266,590	3,248,651	803,530,025	--	7,250,138,512	Region 1
Wilayah 2	28,155,947,056	626,563	1,190,276,559	--	1,896,993,614	Region 2
Wilayah 3	256,126,826,226	7,516,719	5,407,379,365	--	82,297,880,958	Region 3
Wilayah 4	52,866,625,257	856,463	1,950,342,216	--	6,686,561,735	Region 4
Wilayah 5	77,706,852,427	3,886,329	1,914,502,226	--	21,509,524,667	Region 5
Wilayah 6	103,623,802,459	4,093,033	3,317,779,936	--	21,511,198,685	Region 6
Wilayah 7	27,916,260,883	558,254	433,709,935	--	6,125,990,452	Region 7
Wilayah 8	67,355,067,767	1,057,271	1,296,317,147	--	20,121,982,164	Region 8
Childlab	1,141,031,621	24,485	19,152,007	--	(535,217,389)	Childlab
Total	648,629,680,286	281,809,412	20,659,712,541	(16,429,282,194)	55,520,221,639	Total

30 Juni/June 30, 2015						
Pendapatan dari Pelanggan Eksternal/ Revenue from External Customers	Penghasilan Bunga/ Interest Income	Penyusutan/ Depreciation	Beban Pajak Penghasilan Bersih/ Income Tax Expense	Laba Segmen Dilaporkan/ Reported Segment Income		
Rp	Rp	Rp	Rp	Rp		
Pusat	--	342,737,909	5,542,237,731	(9,567,368,250)	(114,820,810,030)	Central
Wilayah 1	31,763,342,052	2,123,074	804,376,722	--	7,820,279,640	Region 1
Wilayah 2	28,335,136,752	1,158,526	996,255,237	--	4,724,389,548	Region 2
Wilayah 3	226,567,743,917	26,400,688	4,819,929,327	--	71,084,017,710	Region 3
Wilayah 4	49,441,917,929	1,654,777	1,589,949,034	--	8,318,014,784	Region 4
Wilayah 5	73,895,038,820	3,758,734	1,566,543,018	--	20,571,634,197	Region 5
Wilayah 6	94,179,068,914	7,151,912	1,637,642,539	--	22,722,577,799	Region 6
Wilayah 7	26,032,622,750	1,357,184	527,718,468	--	5,266,166,725	Region 7
Wilayah 8	60,207,959,335	2,587,148	1,408,850,867	--	16,851,518,060	Region 8
Childlab	754,993,789	28,050	93,393,887	--	(825,805,931)	Childlab
Total	591,177,824,257	388,958,001	18,986,896,830	(9,567,368,250)	41,711,982,502	Total

31 Desember/December 31, 2015						
Pendapatan dari Pelanggan Eksternal/ Revenue from External Customers	Penghasilan Bunga/ Interest Income	Penyusutan/ Depreciation	Beban Pajak Penghasilan Bersih/ Income Tax Expense	Laba Segmen Dilaporkan/ Reported Segment Income		
Rp	Rp	Rp	Rp	Rp		
Pusat	--	581,881,235	18,531,359,639	(17,964,927,808)	(215,775,034,940)	Central
Wilayah 1	65,957,685,175	3,913,985	1,079,588,156	--	15,643,216,239	Region 1
Wilayah 2	55,680,504,503	1,604,544	1,538,222,339	--	7,954,636,663	Region 2
Wilayah 3	462,104,540,509	34,863,378	7,920,241,407	--	134,688,440,776	Region 3
Wilayah 4	101,762,119,586	2,486,778	2,030,433,488	--	13,660,095,989	Region 4
Wilayah 5	145,345,332,885	6,455,350	2,023,764,577	--	37,684,977,080	Region 5
Wilayah 6	191,876,689,716	12,236,522	7,880,104,106	--	41,871,095,593	Region 6
Wilayah 7	54,938,942,546	1,802,681	800,422,438	--	12,876,201,559	Region 7
Wilayah 8	118,614,426,778	4,614,278	2,279,833,839	--	29,947,621,854	Region 8
Childlab	1,446,980,313	48,885	133,830,795	--	(1,561,328,582)	Childlab
Total	1,197,727,222,011	649,907,635	44,217,800,785	(17,964,927,808)	76,989,922,230	Total

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	31 Desember/December 31, 2014					
	Pendapatan dari Pelanggan Eksternal/ Revenue from External Customers	Penghasilan Bunga/ Interest Income	Penyusutan/ Depreciation	Beban Pajak Penghasilan Bersih/ Income Tax Expense	Laba Segmen Dilaporkan/ Reported Segment Income	
	Rp	Rp	Rp	Rp	Rp	
Pusat	--	1,273,558,916	7,973,524,957	(21,731,491,596)	(204,293,095,763)	Central
Wilayah 1	59,957,783,960	4,112,053	1,258,617,594	--	15,098,425,267	Region 1
Wilayah 2	50,680,588,277	2,272,320	1,815,459,915	--	8,434,810,402	Region 2
Wilayah 3	428,497,685,173	35,422,339	8,302,567,257	--	121,054,912,764	Region 3
Wilayah 4	95,519,226,512	2,389,785	2,889,000,763	--	15,470,179,784	Region 4
Wilayah 5	130,576,776,635	5,352,651	2,996,046,643	--	34,679,255,816	Region 5
Wilayah 6	177,276,829,292	8,573,364	2,957,362,163	--	49,328,026,726	Region 6
Wilayah 7	50,643,932,908	2,729,901	1,119,068,445	--	11,632,697,673	Region 7
Wilayah 8	106,244,632,479	4,194,595	2,706,389,211	--	26,057,050,942	Region 8
Childlab	1,646,257,377	51,434	185,694,511	--	(1,175,148,530)	Childlab
Total	1,101,043,712,612	1,338,657,358	32,203,731,458	(21,731,491,596)	76,287,115,081	Total

	31 Desember/December 31, 2013					
	Pendapatan dari Pelanggan Eksternal/ Revenue from External Customers	Penghasilan Bunga/ Interest Income	Penyusutan/ Depreciation	Beban Pajak Penghasilan Bersih/ Income Tax Expense	Laba Segmen Dilaporkan/ Reported Segment Income	
	Rp	Rp	Rp	Rp	Rp	
Pusat	--	259,337,220	6,080,058,619	(27,772,078,599)	(181,016,351,447)	Central
Wilayah 1	51,047,639,494	3,471,591	1,033,707,612	--	12,281,257,208	Region 1
Wilayah 2	46,998,292,311	1,912,659	1,786,318,551	--	9,401,526,781	Region 2
Wilayah 3	376,501,112,266	15,471,940	6,684,870,006	--	109,312,824,512	Region 3
Wilayah 4	87,129,459,063	2,443,996	2,574,034,076	--	16,060,246,925	Region 4
Wilayah 5	120,461,602,265	10,046,391	2,893,506,525	--	32,684,967,361	Region 5
Wilayah 6	166,572,767,083	9,320,880	2,636,167,049	--	46,700,519,052	Region 6
Wilayah 7	46,717,130,345	1,949,152	1,118,362,306	--	12,027,200,941	Region 7
Wilayah 8	101,434,897,302	3,450,064	2,062,293,142	--	30,634,853,524	Region 8
Childlab	1,123,799,949	45,556	123,182,275	--	(526,124,518)	Childlab
Total	997,986,700,079	307,449,449	26,992,500,162	(27,772,078,599)	87,560,920,338	Total

	31 Desember/December 31,								
	30 Juni/June 30, 2016		2015		2014		2013		
	Aset Segmen Dilaporkan/ Reported Segment Assets	Liabilitas Segmen Dilaporkan/ Reported Segment Liabilities	Aset Segmen Dilaporkan/ Reported Segment Assets	Liabilitas Segmen Dilaporkan/ Reported Segment Liabilities	Aset Segmen Dilaporkan/ Reported Segment Assets	Liabilitas Segmen Dilaporkan/ Reported Segment Liabilities	Aset Segmen Dilaporkan/ Reported Segment Assets	Liabilitas Segmen Dilaporkan/ Reported Segment Liabilities	
Pusat	144,985,453,656	495,486,841,151	212,870,137,910	407,144,950,103	338,029,418,270	423,816,607,684	186,088,671,086	391,361,800,437	Central
Wilayah 1	19,440,516,147	2,399,549,866	20,057,343,607	1,980,414,737	23,253,397,470	1,506,095,741	21,103,236,719	1,617,074,180	Region 1
Wilayah 2	23,850,999,691	1,802,782,061	23,147,836,724	1,031,463,490	22,235,908,336	1,264,720,290	21,288,098,971	1,570,260,204	Region 2
Wilayah 3	170,597,675,335	12,644,844,943	165,093,217,733	18,504,799,467	33,017,057,019	33,026,558,319	128,046,604,549	9,089,022,028	Region 3
Wilayah 4	33,975,989,295	3,397,631,962	29,182,915,397	3,114,308,892	5,609,548,410	5,666,447,310	24,953,805,834	1,952,252,891	Region 4
Wilayah 5	38,141,815,925	5,661,259,284	34,620,004,540	5,991,683,220	39,463,546,747	4,505,726,527	29,759,719,904	4,726,114,307	Region 5
Wilayah 6	109,792,859,685	7,621,895,972	49,115,870,853	6,557,497,497	122,003,048,129	2,930,013,278	62,331,174,029	3,611,075,968	Region 6
Wilayah 7	10,790,458,522	1,662,750,371	12,551,089,121	2,554,099,158	12,167,856,325	1,833,336,776	14,896,595,711	4,060,852,810	Region 7
Wilayah 8	36,631,449,012	3,972,499,259	30,708,120,794	4,571,041,500	40,590,386,621	3,430,810,096	35,512,171,407	3,555,521,302	Region 8
Childlab	121,526,164	62,677,081	519,491,969	88,415,298	471,768,100	471,768,100	666,684,888	70,365,322	Childlab
Total	588,328,743,432	534,712,731,950	577,866,028,649	451,538,673,362	636,841,935,427	476,452,084,121	524,646,763,098	421,614,339,449	Total

Rekonsiliasi segmen pendapatan, laba bersih, aset dan liabilitas:

Reconciliation of segment revenue, net income, asset, and liabilities:

	30 Juni/June 30,		31 Desember/December 31,		
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	
Pendapatan					Revenues
Total Pendapatan untuk Laporan Segmen	648,629,680,286	591,177,824,257	1,197,727,222,011	1,101,043,712,612	Total Income for Segment Report
Eliminasi Pendapatan antar Segmen	--	--	--	--	Elimination of Inter-segment Revenue
Total Pendapatan	648,629,680,286	591,177,824,257	1,197,727,222,011	1,080,648,826,972	Total Revenues
Laba Tahun Berjalan					Income For The Year
Laba Segmen Dilaporkan	55,520,221,639	41,711,982,502	76,989,922,230	76,287,115,081	Reported Segment Income
Eliminasi	--	--	--	--	Elimination
Total Laba Tahun Berjalan	55,520,221,639	41,711,982,502	76,989,922,230	76,287,115,081	Total Income For The Year

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	2016	2015	2014	2013	
	Rp	Rp	Rp	Rp	
Aset					Assets
Aset Segmen Dilaporkan	582,883,890,027	577,866,028,649	636,841,935,427	524,646,763,098	Reported Segment Assets
Jumlah yang Tidak Dapat Dialokasikan	--	--	--	--	Unallocated Amount
Eliminasi Aset Antar Segmen	--	--	(2,510,520,352)	(11,008,510,119)	Elimination of Inter-segment Assets
Total Aset	590,707,485,028	577,866,028,648	634,331,415,075	513,638,252,979	Total Assets
Liabilitas					Liabilities
Liabilitas Segmen Dilaporkan	534,712,731,950	451,538,673,362	478,452,084,121	421,614,339,449	Reported Segment Liabilities
Jumlah yang Tidak Dapat Dialokasikan	--	--	--	--	Unallocated Amount
Eliminasi Liabilitas Antar Segmen	--	--	21,625,255,771	3,700,206,391	Elimination of Inter-segment Liabilities
Total Liabilitas	534,712,731,951	451,538,673,362	500,077,339,892	425,314,545,840	Total Liabilities

34. Transaksi Non Kas

34. Non-Cash Transactions

	30 Juni/ June 30,		31 Desember/December 31,		
	2016	2015	2014	2013	
	Rp	Rp	Rp	Rp	
Aktivitas yang Tidak Mempengaruhi Arus Kas					Activities Not Affecting Cash Flows
Penjualan Aset Tetap yang Masih dalam Piutang Pihak Berelasi	--	82,255,176,370	--	--	Disposal of Fixed Asset Still in Due from Related Parties
Dividen Tunai yang Masih Terutang	18,000,000,000	--	--	--	Cash Dividend Has not Been Paid Yet

35. Peristiwa Setelah Periode Pelaporan

35. Events After Reporting Period

- a. Berdasarkan Pernyataan Keputusan Rapat Perubahan Anggaran Dasar PT Prodia Widyahusada No. 83 tanggal 29 Juni 2016 yang dibuat dihadapan Jose Dima Satria, SH, M.Kn, notaris di Jakarta, para pemegang saham telah memutuskan dan menyetujui yang meliputi antara lain:
1. Mengubah status perusahaan tertutup menjadi perusahaan terbuka, sehingga mengubah nama Perusahaan menjadi PT Prodia Widyahusada Tbk;
 2. Pengubahan seluruh Anggaran Dasar Perusahaan sesuai dengan peraturan perundang-undangan di bidang Pasar Modal;
 3. Mengubah nilai nominal saham dari sebesar Rp1.000.000 menjadi Rp100;
 4. Mengeluarkan saham baru dalam simpanan Perusahaan sebanyak-banyaknya 20% saham dari modal dasar melalui Penawaran Umum saham kepada masyarakat.
 5. Memberi kuasa kepada Direksi Perusahaan untuk melaksanakan segala tindakan yang diperlukan sehubungan dengan Penawaran Umum Saham.
 6. Memberhentikan dengan hormat anggota Direksi dan Dewan Komisaris Perusahaan dan mengangkat anggota Direksi dan Dewan Komisaris Perusahaan yang baru dengan susunan sebagai berikut:

Dewan Komisaris

Komisaris Utama
 Komisaris
 Komisaris
 Komisaris Independen
 Komisaris Independen

Drs. Andi Wijaya, MBA
 Drs. Gunawan Prawiro Soeharto
 Dra. Endang Wahjuningtyas Hoyaranda
 Scott Andrew Merrillees
 Jos Luhukay

Board of Commissioners

President Commissioner
 Commissioner
 Commissioner
 Independent Commissioner
 Independent Commissioner

- a. Based on the minutes of meeting the amendment of the Company's article Deed No. 83 dated June 29,2016 by Jose Dima Satria, SH, M.Kn, Notary in Jakarta, the shareholders decided and agreed among others:

1. Change of private company status to a public company, and change the name of the Company become PT Prodia Widyahusada Tbk;
2. Change the Company's Articles of Association entirely to comply with capital market regulation.
3. Change the par value of shares from Rp1000,000 to Rp 100;
4. Issuance of new share from treasury at a maximum of 20% from authorized capital through the public offering of shares;
5. Provide the Company's Director with the authorization for performing any necessary action in relation to initial public offering (IPO);
6. Respectively discharge the Company's Board Commissioners and Directors, and appoint the new Board of Commissioners and Directors as follows:

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Direksi

Direktur Utama	Dr. Dewi Muliaty, M.Si
Direktur	Liana Kuswandi, SE, M.Fin
Direktur	Dr. Indriyanti Rafi Sukmawati, M.Si
Direktur	Andri Hidayat, M.Si
Direktur Independen	Dra. Tetty Hendrawati, M.Kes

Directors

President Director
Director
Director
Director
Independent Director

7. Menyetujui pelaksanaan program *Employee Stock Allocation (ESA)* dan program *Management and Employee Stock Option Plan (MESOP)*. Menyetujui alokasi 2% saham yang ditawarkan yang merupakan saham baru dalam rangka program ESA. Menyetujui alokasi 1,5% saham dari total modal ditempatkan dan disetor penuh dalam rangka program MESOP.

7. *Approved the implementation of the program Employee Stock Allocation (ESA) and the program Management and Employee Stock Option Plan (Programme). Approved the allocation of 2% of the shares offered were new shares in the framework of ESA programs. Approved the allocation of a 1.5% share of the total issued and paid-up capital in order MESOP program.*

Perubahan anggaran dasar ini telah mendapat persetujuan Menteri Hukum dan Hak Asasi Manusia Republik Indonesia No. AHU-0087910.AH.01.11 Tahun 2016 tanggal 28 Juli 2016.

This amendment has been approved by the Minister of Law and Human Rights Republic of Indonesia No. AHU-0087910.AH.01.11 Tahun 2016 dated July 28, 2016.

Dampak penambahan jumlah saham melalui pemecahan nominal saham pada tahun 2016 dilakukan tanpa menghasilkan penerimaan kas (Catatan 35.a.3), maka penambahan jumlah saham ini diperlakukan seolah-olah telah terjadi sebelum awal 2013, periode paling awal yang dilaporkan. Oleh karena itu perhitungan laba per saham dasar setelah pemecahan saham menjadi sebagai berikut:

Impact of increasing the number of shares through the split nominal share in 2016 was done without generating cash receipts (Note 35.a.3), the additional number of shares is treated as if it had occurred prior to the beginning of 2013, the earliest period reported. As consequence the calculation earnings per shares after the split shares became as follows:

	30 Juni/June 30,		31 Desember/December 31,			
	2016	2015	2015	2014	2013	
Laba Periode Berjalan (dalam Rupiah Penuh)	39,090,939,445	32,144,614,252	59,024,994,422	58,560,231,455	61,590,631,713	Income For The Year (in Full Rupiah)
Jumlah Saham Beredar	75,000	75,000	75,000	75,000	18,000	Outstanding Shares
Rata-rata Tertimbang Jumlah Saham yang Beredar	75,000	75,000	75,000	56,000	18,000	Weighted Average Shares Outstanding
<u>Setelah Pemecahan Saham:</u>						<u>After Stock Split:</u>
Rata-rata Tertimbang Jumlah Saham yang Beredar	750,000,000	750,000,000	750,000,000	560,000,000	180,000,000	Weighted Average Shares Outstanding
Laba Per Saham Dasar (dalam Rupiah Penuh)	52.12	42.86	78.70	104.57	342.17	Earnings Per Shares (in Full Rupiah)

b. Berdasarkan surat dari PT Bank Danamon Tbk No. 0272/CBD/0716 tanggal 27 Juli 2016, Bank telah memberikan persetujuan perubahan anggaran dasar, permodalan, susunan pengurus dan pemegang saham Perusahaan dalam rangka penawaran umum saham perdana (IPO) serta mengumumkan dan membagikan dividen saham Perusahaan.

b. According to the letter of PT Bank Danamon Tbk No. 0272/CBD/0716 dated July 27, 2016, Bank agreed to change the Company's articles of association, capital, the composition of management and shareholders in term of IPO and declare and distribute dividend shares.

c. Berdasarkan surat dari PT Bank Central Asia Tbk No. 1488/SLK-KOM/2016 tanggal 21 Juli 2016 Bank telah memberikan persetujuan perubahan status Perseroan menjadi Terbuka (Tbk) dengan ketentuan:

c. According to the letter of PT Bank Central Asia Tbk No. 1488/SLK-KOM/2016 dated July 21, 2016 Bank agreed to: approve the change of status of the Company into Public company with the following provisions:

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- menyerahkan akta perubahan anggaran dasar, perubahan pemegang saham, dan perubahan susunan pengurus paling lambat 14 hari setelah Initial Public Offering (IPO).
 - apabila terjadi perubahan kepemilikan saham Perusahaan menjadi kurang dari 51% maka wajib meminta persetujuan Bank
 - melaporkan rencana listing / IPO di bursa ke Bank dalam bentuk tertulis beserta dokumen pendukung paling lambat 1 bulan sebelum tanggal efektif.
- d. Berdasarkan surat PT Bank Pan Indonesia Tbk, No. 289/JAE/EXT/16 tanggal 30 Juni 2016, para kreditur mayoritas telah memberikan persetujuan perubahan anggaran dasar, permodalan, susunan pengurus dan pemegang saham Perusahaan dalam rangka penawaran umum saham perdana (IPO) serta pembatasan pembayaran dividen kecuali Perusahaan telah menjadi perusahaan terbuka dan seluruh kewajiban kredit telah dipenuhi dengan baik.

- e. Berdasarkan Surat PT Bank Danamon Indonesia Tbk, No. 0299/CBD/0916 tanggal 2 September 2016, Bank Danamon telah memberikan persetujuan penghapusan klausula dalam Perjanjian Kredit yang melarang mengubah Anggaran Dasar atau mengizinkan adanya perubahan susunan Direksi, Dewan Komisaris, ataupun pemegang saham Perusahaan tanpa persetujuan tertulis dari Bank Danamon yang dirubah dengan :
- Perusahaan diperbolehkan untuk mengubah Anggaran Dasar dengan pemberitahuan tertulis terlebih dahulu kepada Bank Danamon
 - Perusahaan diperbolehkan untuk mengubah susunan Direksi dan Komisaris dengan pemberitahuan terlebih dahulu kepada Bank Danamon
 - Perusahaan diperkenankan melakukan perubahan susunan pemegang saham tanpa melakukan pemberitahuan terlebih dahulu kepada Bank Danamon dalam hal perubahan susunan pemegang saham tersebut tercantum dalam Akta Perubahan Anggaran Dasar/ Akta Keputusan Rapat Perusahaan yang telah berstatus Perseroan Terbuka
 - Perusahaan diperbolehkan untuk melakukan pembagian dividen saham dengan pemberitahuan terlebih dahulu kepada Bank Danamon

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- *Submit the deed of amendment of the articles of association, changes of shareholders, and the reshuffling of the board no later than 14 days after the Initial Public Offering (IPO).*
- *In the event of changes in the Company's ownership to less than 51%, it shall request approval from Bank*
- *Report the plan for listing / IPO in the stock exchange to the Bank in written form along with supporting documents no later than 1 month prior to the effective date.*

- d. *According to the letter of PT Bank Pan Indonesia Tbk, No. 289/JAE/EXT/16 dated June 30, 2016, the majority creditors agreed to change the Company's articles of association, capital, the composition of management and shareholders in related to IPO and restrict dividend distribution unless the Company has become public company and its loan obligation has been well comply.*

- e. *According to the letter of PT Bank Danamon Indonesia Tbk, No 0299/CBD/0916 dated September 2, 2016, Bank Danamon agreed to waive the clause under the credit agreement which prohibits alter the Company's articles of association or permit any change in the composition of the Board of Directors, Board of Commissioners, or shareholders of the Company without the consent of Bank Danamon is amended:*
- *The Company is permitted to amend the Articles of Association by written notice in advance to Bank Danamon*
 - *Companies are allowed to change the composition of the Board of Directors and Commissioners with advance notice to the Bank*
 - *The Company may make changes to the composition of shareholders without prior notice to the Bank in terms of changes in shareholder structure is stated in the Deed of Amendment of Articles of Association / Deed Meeting of the Company which has the status of a Public Company*
 - *Companies are allowed to distribute dividend shares with advance notice to the Bank*

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- f. Berdasarkan Surat PT Bank Pan Indonesia Tbk, No 375/JAE/EXT/16 tanggal 8 September 2016, Bank Panin telah memberikan persetujuan untuk :
- Mengubah anggaran dasar Perseroan
 - Mengubah status Perseroan dari tertutup menjadi Terbuka (Tbk)
 - Mengubah susunan Direksi dan Komisaris Perseroan
 - Mengubah susunan pemegang saham Perseroan

Setiap Perubahan anggaran dasar Perseroan, pergantian Pengurus atau pemegang saham wajib memberitahukan kepada Bank Panin secara tertulis, dan akta yang sudah disahkan Kemenkumham wajib dilampirkan kepada Bank Panin paling lambat 3 bulan setelah disahkan.

- g. Berdasarkan Surat Permohonan Pencabutan atas Permohonan dan/atau Pengajuan Upaya Hukum No. 09/DIRKEU/e/IX/2016 tanggal 22 September 2016, Perusahaan membatalkan Surat Permohonan Peninjauan Kembali atas Putusan Pengadilan Pajak No.56040/PP/M.XVIB/15/2014.

- f. According to the letter of PT Bank Pan Indonesia Tbk, No. 375/JAE/EXT/16 dated September 8, 2016, the Bank agreed to change :

- Change the articles of association of the Company
- Change the status of the Company from closed to open (Tbk)
- Changing the composition of the Board of Directors and Commissioners
- Changing the Company's shareholders

Each amendment of the Company, the turn of the Board or shareholder shall notify in writing Panin Bank, and the deed was passed Kemenkumham should be attached to the Panin Bank no later than 3 months after enactment.

- g. Based on the Application for Revocation on Request and/or Filing Law Action No.09/DIRKEU/ e/IX / 2016 dated September 22, 2016, the Company canceled the Application for Reconsideration on Tax Court Decision No.56040/ PP/ M.XVIB/ 15/ 2014.

36. Reklasifikasi Akun

Beberapa akun dalam laporan keuangan tahun 2015 telah direklasifikasi untuk menyesuaikan dengan laporan keuangan periode 6 bulan yang berakhir 30 Juni 2016 agar dapat diperbandingkan.

36. Accounts Reclassification

Certain accounts in the financial statements for 2015 have been reclassified to conform with the financial statements for the period of 6 months ended June 30, 2016 in order to be comparable.

	31 December/ December 31, 2015		
	Sebelum Reklasifikasi/ Before Reclassification	Sesudah Reklasifikasi/ After Reclassification	
	Rp	Rp	
LAPORAN LABA RUGI			STATEMENT OF PROFIT OR LOSS
Beban Usaha	(623,398,942,080)	(606,548,942,080)	Operating Expenses
Beban Lainnya	(1,658,409,496)	(1,808,409,496)	Other Expenses
ASET TIDAK LANCAR			NON-CURRENT ASSETS
Biaya Dibayar di Muka	37,477,120,491	35,701,498,668	Prepaid Expenses
Aset Non Keuangan Tidak Lancar Lainnya	--	1,775,621,823	Other Non-Current Non-Financial Assets

37. Informasi Tambahan

Laporan keuangan tahun 2013 dan 2014 merupakan laporan keuangan konsolidasian. Pada tahun 2015, Perusahaan melepas seluruh investasi saham di entitas anak (Catatan 1.c).

Untuk tujuan analisis dan perbandingan, Perusahaan menyajikan informasi tambahan berupa informasi keuangan entitas induk saja pada tahun 2013 dan 2014 yang dibandingkan dengan informasi

37. Supplementary Information

The financial statements for the year 2014 and 2013 are consolidated financial statements. In 2015, the Company has disposed of all investments in shares of subsidiaries (Note 1.c).

For analysis and comparison purposes, the Company presents supplementary information comprise financial information of parent entity for the year 2013 and 2014, which compared to financial information for the

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keuangan tahun 2015 dan periode enam bulan yang berakhir pada 30 Juni 2016 dan 2015 dalam Lampiran.

Informasi keuangan Perusahaan dalam Lampiran tersebut terdiri dari laporan posisi keuangan, laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas, serta pengungkapan lainnya, bukan merupakan bagian dari laporan keuangan yang diharuskan menurut Standar Akuntansi Keuangan di Indonesia. Informasi keuangan dihasilkan dari dan berkaitan secara langsung dengan catatan akuntansi dan catatan lainnya yang mendasarinya yang digunakan untuk menyusun laporan keuangan.

38. Penerbitan Kembali Laporan Keuangan

Dalam rangka Penawaran Umum Saham, Perusahaan telah menerbitkan kembali laporan keuangan untuk tahun-tahun yang berakhir pada 30 Juni 2016, 31 Desember 2015, 2014 dan 2013 dengan beberapa tambahan penyajian dan tambahan pengungkapan pada Catatan 1.a, 1.b, 2.x, 3, 9, 10, 11, 12, 13, 14, 17, 18, 19, 21, 25, 29, 30, 31, 32 dan 35 atas laporan keuangan terdahulu.

39. Standar dan Interpretasi yang Berlaku Efektif pada Tahun 2016

Amandemen standar dan interpretasi berikut efektif untuk periode yang dimulai pada atau setelah 1 Januari 2017, dengan penerapan dini diperkenankan yaitu amandemen PSAK No. 1: "Penyajian Laporan Keuangan" tentang Prakarsa Pengungkapan dan ISAK No. 31: "Interpretasi atas Ruang Lingkup PSAK No. 13: Properti Investasi".

Standar dan amandemen standar berikut efektif untuk periode yang dimulai pada atau setelah tanggal 1 Januari 2018, dengan penerapan dini diperkenankan yaitu PSAK No. 69: Agrikultur dan amandemen PSAK No. 16: Aset Tetap tentang Agrikultur: Tanaman Produktif.

Hingga tanggal laporan keuangan ini diotorisasi, Perusahaan masih melakukan evaluasi atas dampak potensial dari penerapan standar baru, amandemen standar dan interpretasi standar tersebut.

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year 2015 and for the six-month periods ended June 30, 2016 and 2015 in Appendix.

The financial information of the Company in such Appendix, which comprises the statements of financial position, statements of profit or loss and other comprehensive income, statements of changes equity and statements of cash flows, and other disclosures, is not a required part of the financial statements under Indonesian Financial Accounting Standards. The financial information was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

38. Reissuance of Financial Statement

In connection with the Company's public offering, the Company has reissued the financial statements for the years ended June 30, 2016, December 31, 2015, 2014 and 2013 with several changes in presentation and additional disclosures in Note 1.a, 1.b, 2.x, 3, 9, 10, 11, 12, 13, 14, 17, 18, 19, 21, 25, 29, 30, 31, 32 and 35 on previous financial statements.

39. Standards and Interpretations Which Become Effective in 2016

Amendments to standards and interpretations effective for periods beginning on or after January 1, 2017, with earlier application permitted namely amendment PSAK No. 1: "Presentation of Financial Statements" of Disclosure Initiative and ISAK 31: "Interpretation of the Scope of PSAK 13: Investment Property".

The following standards and amendments to standards effective for periods beginning on or after January 1, 2018, with earlier application permitted, namely PSAK No. 69: Agriculture and amendments to PSAK No. 16: Property and Equipment on Agriculture: Plant Productive.

Until the date of the financial statements being authorized, the Company is still evaluating the potential impact of the adoption of new standards, amendment to standards and interpretation of the standards.

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**40. Tanggung Jawab Manajemen
atas Laporan Keuangan**

**40. Management Responsibility on Financial
Statements**

Manajemen Perusahaan bertanggung jawab atas
penyusunan laporan keuangan yang diotorisasi
untuk diterbitkan pada tanggal 6 Oktober 2016.

*The Company's management is responsible for the
preparation of financial statements were authorized
for issue on the date October 6, 2016.*

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Informasi Tambahan–Laporan Keuangan

LAPORAN POSISI KEUANGAN

Per 30 Juni 2016, dan 31 Desember 2015,

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Appendix**PT PRODIA WIDYAHUSADA Tbk**

Supplementary Information–Financial Statements

STATEMENTS OF FINANCIAL POSITION

As of June 30, 2016, and December 31, 2015,

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(In Full Rupiah)

	30 Juni/June 30,	31 Desember/December 31,			
	2016 Rp	2015 Rp	2014 Rp	2013 Rp	
ASET LANCAR					CURRENT ASSETS
Kas dan Bank	44,884,318,563	44,976,920,673	42,555,506,965	33,044,847,909	Cash on Hand and in Banks
Piutang Usaha					Accounts Receivable
Pihak Berelasi		–	–	15,708,240,986	Related Parties
Pihak Ketiga	57,439,596,509	78,407,626,563	69,081,126,989	57,417,520,271	Third Parties
Aset Keuangan Lancar Lainnya	9,388,807,560	6,797,964,424	9,726,481,542	9,699,751,527	Other Current Financial Assets
Persediaan	30,033,621,215	25,785,616,043	15,376,811,592	12,599,719,341	Inventories
Uang Muka	19,161,241,323	16,756,097,274	10,409,442,011	21,091,733,857	Advances
Pajak Dibayar di Muka	–	2,378,741,596	2,378,741,596	2,378,741,596	Prepaid Taxes
Biaya Dibayar di Muka	28,242,431,867	20,933,364,528	20,537,116,352	15,851,635,307	Prepaid Expenses
Aset Non Keuangan Lancar Lainnya	727,400,000	–	–	–	Other Current Non-Financial Assets
Total Aset Lancar	<u>189,877,417,037</u>	<u>196,036,331,102</u>	<u>170,065,227,048</u>	<u>167,792,190,793</u>	Total Current Assets
ASET TIDAK LANCAR					NON-CURRENT ASSETS
Biaya Dibayar di Muka	99,701,294,462	35,701,498,668	24,468,738,942	22,640,507,942	Prepaid Expenses
Aset Pajak Tangguhan	79,537,438,289	60,800,714,387	51,714,918,945	41,807,328,291	Deferred Tax Asset
Piutang Pihak Berelasi - Non Usaha	385,078,196	83,745,575,348	22,615,575,060	13,029,841,689	Due from Related Parties
Investasi Saham pada Entitas Anak	–	–	32,219,025,000	29,756,697,706	Investment in Shares of Subsidiaries
Aset Tetap	214,602,936,705	196,284,269,448	332,090,732,219	240,789,283,992	Fixed Asset
Aset Takberwujud	2,867,432,107	3,522,017,873	3,494,578,213	5,763,195,911	Intangible Assets
Aset Non Keuangan Tidak Lancar Lainnya	1,357,146,636	1,775,621,823	173,140,000	3,067,716,772	Other Non-Current Non-Financial Assets
Total Aset Tidak Lancar	<u>398,451,326,395</u>	<u>381,829,697,547</u>	<u>466,776,708,379</u>	<u>356,854,572,304</u>	Total Non-Current Assets
TOTAL ASET	<u>588,328,743,432</u>	<u>577,866,028,648</u>	<u>636,841,935,426</u>	<u>524,646,763,096</u>	TOTAL ASSETS
LIABILITAS DAN EKUITAS					LIABILITIES AND EQUITY
LIABILITAS JANGKA PENDEK					CURRENT LIABILITIES
Utang Bank Jangka Pendek	3,635,423,874	1,000,000,000	3,250,000,000	3,250,000,000	Short-Term Bank Loans
Utang Usaha					Accounts Payable
Pihak Berelasi	427,402,390	701,250,478	144,279,416	580,947,907	Related Parties
Pihak Ketiga	28,235,075,933	42,359,391,573	28,775,613,339	31,411,594,652	Third Parties
Utang Pajak	12,986,708,151	14,989,044,356	13,068,086,243	22,073,607,252	Taxes Payable
Beban Akrual	23,233,281,891	34,709,974,520	38,540,620,108	42,649,175,217	Accrued Expenses
Liabilitas Imbalan Kerja					Short-Term Employees' Benefits
Jangka Pendek	2,322,436,828	1,484,616,282	520,701,026	35,877,100	Liabilities
Pendapatan Diterima Dimuka	526,883,003	1,048,915,480	674,158,960	822,264,880	Customers' Deposits
Liabilitas Keuangan Jangka Pendek Lainnya					Other Current Financial Liabilities
Pihak Berelasi	18,392,227,663	510,757,964	115,517,358	276,682,252	Related Parties
Pihak Ketiga	8,864,862,328	29,436,811,461	17,818,590,107	15,373,710,480	Third Parties
Bagian Liabilitas Jangka Panjang yang Jatuh Tempo dalam Satu Tahun					Long-Term Liabilities that Mature within One Year:
Utang Bank	37,134,390,587	13,538,614,659	27,907,093,090	14,583,797,037	Bank Loans
Sewa Pembiayaan	6,476,477,700	5,316,540,529	3,581,539,935	1,583,476,629	Financial Lease
Total Liabilitas Jangka Pendek	<u>142,235,170,347</u>	<u>145,095,917,231</u>	<u>134,396,199,580</u>	<u>132,641,133,406</u>	Total Current Liabilities
LIABILITAS JANGKA PANJANG					NON-CURRENT LIABILITIES
Utang Jangka Panjang - Setelah Dikurangi Bagian yang Jatuh Tempo dalam Setahun:					Long-Term Liabilities that Has Been Deducted with Current Maturity:
Utang Bank	63,975,641,502	50,363,348,180	121,747,793,859	111,542,470,788	Bank Loans
Sewa Pembiayaan	4,785,372,913	4,785,372,913	5,963,382,670	1,147,068,180	Financial Lease
Liabilitas Keuangan Jangka Panjang Lainnya					Other Non Current Financial Liabilities
Pihak Berelasi	–	766,807,849	766,807,849	766,807,849	Related Parties
Pihak Ketiga	656,666,880	656,766,880	3,857,173,855	3,197,136,916	Third Parties
Liabilitas Imbalan Kerja					Long-Term Employees' Benefits
Jangka Panjang	323,059,880,309	249,870,460,309	211,720,726,309	172,319,722,309	Liabilities
Total Liabilitas Jangka Panjang	<u>392,477,561,604</u>	<u>306,442,756,131</u>	<u>344,055,884,541</u>	<u>288,973,206,042</u>	Total Non Current Liabilities
TOTAL LIABILITAS	<u>534,712,731,951</u>	<u>451,538,673,362</u>	<u>478,452,084,121</u>	<u>421,614,339,449</u>	TOTAL LIABILITIES
EKUITAS					EQUITY
Modal Saham - Nilai Nominal					Capital Stock - Par Value
Rp 1.000.000 per Saham					Rp 1.000.000 per Share
Modal Dasar - 75.000 Saham					Authorized - 75,000 Shares
Modal Ditempatkan dan					Issued and
Disetor Penuh - 75.000 Saham					Fully Paid -75,000 Shares
(2013: 18.000 Saham)	75,000,000,000	75,000,000,000	75,000,000,000	18,000,000,000	(2013: 18,000 Shares)
Tambahan Modal Disetor	25,370,362,828	25,370,362,828	–	–	Additional Paid in Capital
Penghasilan Komprehensif Lain	(95,882,269,500)	(59,079,986,250)	(66,558,616,500)	(56,197,758,000)	Other Comprehensive Income
Saldo Laba	49,127,918,153	85,036,978,708	149,948,467,806	141,230,181,648	Retained Earnings
TOTAL EKUITAS	<u>53,616,011,481</u>	<u>126,327,355,286</u>	<u>158,389,851,306</u>	<u>103,032,423,648</u>	TOTAL EQUITY
TOTAL LIABILITAS DAN EKUITAS	<u>588,328,743,432</u>	<u>577,866,028,648</u>	<u>636,841,935,426</u>	<u>524,646,763,096</u>	TOTAL LIABILITIES AND EQUITY

Lampiran**PT PRODIA WIDYAHUSADA Tbk**

Informasi Tambahan–Laporan Keuangan
LAPORAN LABA RUGI KOMPREHENSIF
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Supplementary Information–Financial Statements
**STATEMENTS OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME**
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 For the Years Ended
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	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
PENDAPATAN - BERSIH	648,629,680,286	591,177,824,257	1,197,727,222,012	1,080,648,826,972	985,874,337,177	REVENUES - NET
BEBAN POKOK PENDAPATAN						COST OF REVENUES
Beban Pokok Langsung	223,773,626,187	207,081,431,550	429,160,181,055	381,613,442,710	336,620,719,553	Direct Cost of Revenues
Beban Pokok Tidak Langsung	45,157,618,935	41,143,755,493	82,033,507,048	72,300,062,955	47,065,195,858	Indirect Cost of Revenues
Total Beban Pokok Pendapatan	268,931,245,122	248,225,187,043	511,193,688,103	453,913,505,665	383,685,915,411	Total Cost of Revenues
LABA KOTOR	379,698,435,164	342,952,637,214	686,533,533,909	626,735,321,308	602,188,421,765	GROSS PROFIT
Beban Usaha	(325,783,601,016)	(300,369,612,230)	(606,548,942,080)	(539,306,051,540)	(500,581,598,211)	Operating Expense
Pendapatan Lainnya	6,946,557,603	12,313,295,554	35,465,401,174	16,531,863,174	5,071,441,073	Other Income
Beban Lainnya	(1,666,797,621)	(2,165,754,712)	(18,508,409,495)	(1,523,896,922)	(3,189,534,462)	Other Expenses
LABA USAHA	59,194,594,132	52,730,565,826	96,941,583,507	102,437,236,020	103,488,730,166	OPERATING INCOME
Beban Keuangan - Bersih	(3,674,372,493)	(9,584,704,015)	(18,517,781,968)	(13,987,458,266)	(6,085,931,273)	Financial Cost - Net
LABA SEBELUM PAJAK	55,520,221,639	43,145,861,811	78,423,801,539	88,449,777,754	97,402,798,893	INCOME BEFORE TAX
MANFAAT (BEBAN) PAJAK PENGHASILAN						INCOME TAX BENEFIT (EXPENSES)
Pajak Kini	(22,898,578,346)	(20,199,761,500)	(29,543,600,000)	(28,185,462,750)	(27,561,259,000)	Current Tax
Pajak Tangguhan	6,469,296,152	10,632,393,250	11,578,672,192	6,453,971,154	(210,819,599)	Deferred Tax
Total Beban Pajak Penghasilan	(16,429,282,194)	(9,567,368,250)	(17,964,927,808)	(21,731,491,596)	(27,772,078,599)	Total Income Tax Expenses
LABA TAHUN BERJALAN	39,090,939,445	33,578,493,561	60,458,873,731	66,718,286,158	69,630,720,294	INCOME FOR THE YEAR
PENGHASILAN KOMPREHENSIF LAIN						OTHER COMPREHENSIVE INCOME
Pengukuran Kembali atas Program Imbalan Kerja	(49,069,711,000)	(12,057,118,000)	9,971,507,000	(13,814,478,000)	37,566,104,000	Remeasurement on Employee Benefits Program
Pajak Penghasilan atas Pengukuran Kembali atas Program Imbalan Kerja	12,267,427,750	3,014,279,500	(2,492,876,750)	3,453,619,500	(9,391,526,000)	Income Tax on Remeasurement on Employee Benefits Program
Penghasilan Komprehensif Lain Setelah Pajak	(36,802,283,250)	(9,042,838,500)	7,478,630,250	(10,360,858,500)	28,174,578,000	Other Comprehensive Income After Tax
TOTAL LABA KOMPREHENSIF TAHUN BERJALAN	2,288,656,195	24,535,655,061	67,937,503,981	56,357,427,658	97,805,298,294	TOTAL COMPREHENSIVE INCOME FOR THE YEAR

Lampiran**PT PRODIA WIDYAHUSADA Tbk**

Informasi Tambahan–Laporan Keuangan

LAPORAN PERUBAHAN EKUITASUntuk Periode Enam Bulan yang Berakhir Pada
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Appendix**PT PRODIA WIDYAHUSADA Tbk**

Supplementary Information–Financial Statements

STATEMENTS OF CHANGES IN EQUITYFor The Six-Month Periods Ended
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(In Full Rupiah)

	Modal Saham / Issued and Fully Paid Capital	Tambahan Modal Disetor / Additional Paid in Capital	Penghasilan Komprehensif Lain * / Other Comprehensive Income *	Saldo Laba / Retained Earnings	Total Ekuitas / Total Equity	
	Rp	Rp	Rp	Rp	Rp	
SALDO PER 31 DESEMBER 2012	18,000,000,000	--	(84,372,336,000)	146,116,128,020	79,743,792,020	BALANCE AS OF DECEMBER 31, 2012
Dividen Tunai	--	--	--	(74,516,666,666)	(74,516,666,666)	Cash Dividend
Laba Tahun Berjalan	--	--	--	69,630,720,294	69,630,720,294	Income For The Year
Penghasilan Komprehensif Lain	--	--	28,174,578,000	--	28,174,578,000	Other Comprehensive Income
SALDO PER 31 DESEMBER 2013	18,000,000,000	--	(56,197,758,000)	141,230,181,648	103,032,423,648	BALANCE AS OF DECEMBER 31, 2013
Penambahan Modal saham	57,000,000,000	--	--	--	57,000,000,000	Additional in Share Capital
Dividen Tunai	--	--	--	(58,000,000,000)	(58,000,000,000)	Cash Dividend
Laba Tahun Berjalan	--	--	--	66,718,286,158	66,718,286,158	Income For The Year
Penghasilan Komprehensif Lain	--	--	(10,360,858,500)	--	(10,360,858,500)	Other Comprehensive Income
SALDO PER 31 DESEMBER 2014	75,000,000,000	--	(66,558,616,500)	149,948,467,806	158,389,851,306	BALANCE AS OF DECEMBER 31, 2014
Dividen Tunai	--	--	--	(100,000,000,000)	(100,000,000,000)	Cash Dividend
Selisih Nilai Transaksi Pelepasan Entitas Anak Kepada Entitas Sepengendali	--	25,370,362,828	--	(25,370,362,828)	--	Difference in Value Resulting from Disposal of Subsidiaries Transactions Among Entities Under Common Control
Laba Tahun Berjalan	--	--	--	60,458,873,731	60,458,873,731	Income For The Year
Penghasilan Komprehensif Lain	--	--	7,478,630,250	--	7,478,630,250	Other Comprehensive Income
SALDO PER 31 DESEMBER 2015	75,000,000,000	25,370,362,828	(59,079,986,250)	85,036,978,708	126,327,355,286	BALANCE AS OF DECEMBER 31, 2015
Dividen Tunai	--	--	--	(75,000,000,000)	(75,000,000,000)	Cash Dividend
Laba Tahun Berjalan	--	--	--	39,090,939,445	39,090,939,445	Income For The Year
Penghasilan Komprehensif Lain	--	--	(36,802,283,250)	--	(36,802,283,250)	Other Comprehensive Income
SALDO PER 30 JUNI 2016	75,000,000,000	25,370,362,828	(95,882,269,500)	49,127,918,153	53,616,011,481	BALANCE AS OF JUNE 30, 2016

*) Keuntungan (Kerugian) Aktuarial / Actuarial Gain (Loss)

Lampiran**PT PRODIA WIDYAHUSADA Tbk**

Informasi Tambahan–Laporan Keuangan

LAPORAN ARUS KAS

Untuk Periode Enam Bulan yang Berakhir Pada

30 Juni 2016 dan 2015 (Tidak Diaudit), dan

Untuk Tahun-tahun yang Berakhir Pada

31 Desember 2015, 2014 dan 2013

(Dalam Rupiah Penuh)

Appendix**PT PRODIA WIDYAHUSADA Tbk**

Supplementary Information–Financial Statements

STATEMENTS OF CASH FLOWS

For The Six-Month Periods Ended

June 30, 2016 and 2015 (Unaudited), and

For the Years Ended

December 31, 2015, 2014 and 2013

(In Full Rupiah)

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
ARUS KAS DARI AKTIVITAS OPERASI						CASH FLOWS FROM OPERATING ACTIVITIES
Penerimaan Kas dari Pelanggan	669,075,677,935	587,620,575,425	1,188,775,478,887	1,084,545,355,320	980,070,606,856	Cash Received from Customers
Pembayaran Kas kepada Karyawan, Pemasok dan Pihak Ketiga	(597,818,020,990)	(407,811,946,340)	(1,001,595,246,705)	(1,021,593,082,335)	(862,776,243,001)	Cash paid to Employees, Supplier and Third Parties
Penghasilan Bunga	278,866,501	388,958,001	658,719,502	1,338,657,358	307,449,449	Interest Income
Pembayaran Pajak Penghasilan	(16,485,384,009)	(14,670,478,257)	(29,674,137,483)	(33,395,087,045)	(33,975,172,980)	Cash Paid for Income Tax
Arus Kas Bersih Diperoleh dari Aktivitas Operasi	55,051,139,436	165,527,108,828	158,164,814,200	30,895,843,299	83,626,640,324	Net Cash Flows Provided by Operating Activities
ARUS KAS DARI AKTIVITAS INVESTASI						CASH FLOWS FROM INVESTING ACTIVITIES
Hasil Penjualan Aset Tetap	7,155,667,066	60,912,200	352,974,171,130	8,767,385,089	6,044,020,606	Proceeds from Fixed Assets Disposal
Perolehan Aset Tetap	(46,195,583,309)	(136,663,316,380)	(320,468,406,836)	(50,761,623,426)	(61,680,523,828)	Acquisition of Fixed Assets
Perolehan Aset Takberwujud	--	(990,955,250)	(1,313,830,250)	(152,975,000)	(2,967,275,120)	Acquisition of Intangible Assets
Penjualan Investasi Saham di Entitas Anak	--	--	32,219,025,000	--	--	Disposal of Investment in Subsidiaries
Arus Kas Bersih Diperoleh dari (Digunakan untuk) Aktivitas Investasi	(39,039,916,243)	(137,593,359,430)	63,410,959,044	(42,147,213,337)	(58,603,778,342)	Net Cash Flows Provided by (Used in) Investing Activities
ARUS KAS DARI AKTIVITAS PENDANAAN						CASH FLOWS FROM FINANCING ACTIVITIES
Penerimaan Pinjaman	48,992,000,000	33,417,811,365	65,297,000,000	39,828,518,826	80,102,933,007	Proceeds from Bank Loans
Pembayaran Pinjaman	(7,783,930,751)	(15,121,205,371)	(178,512,362,606)	(16,299,899,703)	(17,248,676,786)	Payment of Bank Loans
Penerimaan Setoran Modal	--	--	--	57,000,000,000	--	Additional Paid up Capital
Pembayaran Utang Sewa Pembiayaan	(297,471,739)	(4,331,468,457)	(5,943,307,565)	(1,775,329,351)	(2,542,822,800)	Payment of Financial Lease
Pembayaran Dividen Tunai	(57,000,000,000)	(50,000,000,000)	(100,000,000,000)	(58,000,000,000)	(74,516,666,666)	Cash Dividend
Arus Kas Bersih Diperoleh dari (Digunakan untuk) Aktivitas Pendanaan	(16,089,402,490)	(36,034,862,463)	(219,158,670,171)	20,753,289,772	(14,205,233,245)	Net Cash Flows Provided by (Used in) Financing Activities
KENAIKAN (PENURUNAN) BERSIH KAS DAN BANK	(78,179,297)	(8,101,113,063)	2,417,103,074	9,501,919,734	10,817,628,737	NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS
DAMPAK PERUBAHAN KURS TERHADAP KAS DAN BANK	(14,422,814)	--	4,310,634	8,739,322	2,216,720	EFFECT OF FOREIGN EXCHANGE RATE CASH ON HAND AND IN BANKS
KAS DAN BANK PADA AWAL TAHUN	44,976,920,673	42,555,506,965	42,555,506,965	33,044,847,909	22,225,002,452	CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR
KAS DAN BANK PADA AKHIR TAHUN	44,884,318,563	34,454,393,902	44,976,920,673	42,555,506,965	33,044,847,909	CASH ON HAND AND IN BANKS AT THE END OF YEAR
Kas dan Bank terdiri dari:						Cash on Hand and in Banks consist of:
Kas	3,018,473,409	1,966,443,347	2,052,365,165	1,620,346,765	1,624,936,538	Cash on Hand
Bank	41,865,845,154	32,487,950,555	42,924,555,508	40,935,160,200	31,419,911,371	Cash in Banks
Total	44,884,318,563	34,454,393,902	44,976,920,673	42,555,506,965	33,044,847,909	Total

Lampiran**PT PRODIA WIDYAHUSADA Tbk**

Informasi Tambahan–Laporan Keuangan

PENGUNGKAPAN LAINNYA

Untuk Periode Enam Bulan yang Berakhir Pada

30 Juni 2016 dan 2015 (Tidak Diaudit), dan

Untuk Tahun-tahun yang Berakhir Pada

31 Desember 2015, 2014 dan 2013

(Dalam Rupiah Penuh)

Appendix**PT PRODIA WIDYAHUSADA Tbk**

Supplementary Information–Financial Statements

OTHER DISCLOSURES

For The Six-Month Periods Ended

June 30, 2016 and 2015 (Unaudited), and

For the Years Ended

December 31, 2015, 2014 and 2013

(In Full Rupiah)

1. Beban Pokok Pendapatan**1. Cost of Revenues**

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Beban Pokok Langsung						Direct Cost of Revenues
Bahan Baku	95,847,741,969	89,668,851,077	189,454,260,483	171,326,211,325	169,742,772,293	Raw Materials
Gaji	60,467,011,878	54,647,354,970	110,557,468,131	96,398,325,542	73,634,065,934	Salaries
Bahan Pembantu	30,781,280,945	27,764,729,726	57,638,148,228	50,125,485,249	43,301,769,999	Supporting Materials
Rujukan ke Pihak Ketiga	36,669,724,227	34,976,017,393	71,470,466,605	63,716,454,938	49,934,653,333	Referrals to Third Parties
Asuransi Persediaan	7,867,167	24,478,384	39,837,609	46,965,655	7,457,994	Inventories Insurance
Sub Total	223,773,626,186	207,081,431,550	429,160,181,055	381,613,442,710	336,620,719,553	Subtotal
Beban Pokok Tidak Langsung						Indirect Cost of Revenues
Gaji	27,263,597,740	24,456,676,484	49,716,493,856	42,545,647,878	32,033,612,693	Salaries
Penyusutan (Catatan 10)	5,287,243,337	5,089,789,152	10,073,888,430	7,593,560,496	6,432,377,780	Depreciation (Note 10)
Perengkapan dan Pemeliharaan Alat	4,085,578,099	3,248,940,246	6,233,700,680	5,963,039,716	5,734,750,060	Equipment and Maintenance
Sewa Alat	2,908,913,367	3,552,614,094	6,719,457,740	6,573,168,919	376,206,400	Rent Equipment
Limbah	2,113,871,391	1,758,487,465	4,011,380,133	3,678,728,901	2,194,139,014	Waste
Aplikasi IT	1,691,605,783	1,693,046,402	2,550,136,750	2,545,624,930	--	IT Software
Kontrol Kualitas	1,336,487,694	1,029,868,141	1,965,854,771	1,598,678,387	--	Quality Control
Baju Dinas Laboratorium	247,333,000	131,108,500	421,917,124	1,491,946,083	--	Laboratory Uniform
Persediaan Rusak	221,264,470	130,767,349	339,221,485	76,472,678	47,110,856	Defective Inventories
Lainnya	1,724,055	52,457,659	1,456,078	233,194,967	246,999,055	Others
Sub Total	45,157,618,935	41,143,755,493	82,033,507,048	72,300,062,955	47,065,195,858	Subtotal
	268,931,245,122	248,225,187,043	511,193,688,103	453,913,505,664	383,685,915,412	

2. Beban Usaha**2. Operating Expenses****a. Beban Pemasaran****a. Marketing Expenses**

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Biaya Edukasi Pelanggan	8,265,438,441	7,838,540,607	16,751,202,527	15,651,776,127	11,170,808,544	Customer Education
Perawatan Pelanggan	4,250,868,799	4,441,202,427	11,083,694,835	9,385,016,997	10,782,981,758	Customer Relation
Biaya Iklan dan Promosi	2,357,458,763	2,071,590,556	3,964,487,347	3,166,289,984	1,730,312,452	Advertising and Promotion
Biaya Checkup	978,992,167	1,007,458,414	2,925,469,394	2,656,449,060	3,034,422,880	Checkup Cost
Riset Pemasaran	20,264,930	349,784,073	741,972,038	353,115,865	665,151,866	Marketing Research
Biaya Pemasaran Lainnya	40,374,759	209,649,801	496,893,589	1,813,931,883	3,699,450,438	Other Marketing Cost
Subtotal	15,913,397,859	15,918,225,877	35,963,719,729	33,026,579,915	31,083,127,939	Subtotal

b. Beban Umum dan Administrasi**b. General and Administrative Expenses**

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Gaji dan Tunjangan	86,707,645,502	80,491,970,554	165,217,141,545	147,224,709,041	159,472,997,831	Salaries and Allowance
Biaya Konsultan	38,153,466,359	30,555,607,447	70,543,705,167	69,219,527,140	61,172,347,927	Consultant
Beban Imbalan Kerja	24,119,709,000	37,141,567,000	48,121,241,000	26,211,208,081	1,120,541,000	Employee Benefit
Penyusutan dan Amortisasi	16,373,279,970	14,950,106,961	36,288,463,114	26,613,039,353	22,375,686,008	Depreciation and Amortization
Listrik, Air dan Telekomunikasi	19,951,380,121	17,961,937,679	34,675,727,904	33,017,699,683	25,900,771,345	Electricity, Water and Telecommunication
Sewa Bangunan, Kendaraan, Inventaris Kantor	30,095,661,055	16,089,662,240	33,953,331,447	30,008,042,748	24,582,396,359	Rental for Building, Vehicle and Office Supplies
Perjalanan Dinas dan Transport	17,339,861,523	15,274,455,734	31,568,801,662	30,668,903,401	26,469,377,123	Business Travel and Transportation Expense
Konsumsi Kantor	12,833,967,799	11,089,335,241	23,496,818,510	20,589,396,265	15,439,753,137	Office Consumption
Alat Tulis dan Cetak	13,576,676,104	12,427,182,554	23,449,877,560	24,821,776,882	21,137,153,130	Stationary and Printing
Pemeliharaan Aset	9,316,349,339	10,035,643,972	22,815,193,420	20,198,334,894	18,723,811,311	Asset Maintenance
Biaya Pajak	1,028,417,103	721,626,796	2,054,524,742	1,667,120,708	1,544,025,187	Tax Expense
Pengiriman Barang	7,204,718,343	6,726,864,716	13,564,962,314	12,265,523,705	11,369,108,129	Delivery Expense
Keperluan Kantor	6,019,047,056	7,629,050,276	13,380,653,817	16,464,033,077	15,505,374,666	Office Utilities
Pesangon	7,174,671,000	5,388,006,000	9,553,862,000	8,617,305,000	10,867,659,000	Severance
Tabungan Hari Tua	6,359,497,562	4,119,111,300	9,047,241,939	6,935,340,515	7,815,977,516	Retirement Plan
Biaya Bank	3,226,074,993	3,585,046,179	7,137,583,224	5,924,514,849	5,607,959,400	Bank Administration
Obat dan Resep	3,006,923,750	3,334,798,891	6,501,823,904	8,490,079,207	7,298,769,573	Medicine and Prescription

Lampiran**PT PRODIA WIDYAHUSADA Tbk**

Informasi Tambahan—Laporan Keuangan

PENGUNGKAPAN LAINNYA

Untuk Periode Enam Bulan yang Berakhir Pada

30 Juni 2016 dan 2015 (Tidak Diaudit), dan

Untuk Tahun-tahun yang Berakhir Pada

31 Desember 2015, 2014 dan 2013

(Dalam Rupiah Penuh)

Appendix**PT PRODIA WIDYAHUSADA Tbk**

Supplementary Information—Financial Statements

OTHER DISCLOSURES

For The Six-Month Periods Ended

June 30, 2016 and 2015 (Unaudited), and

For the Years Ended

December 31, 2015, 2014 and 2013

(In Full Rupiah)

	30 Juni/June 30,		31 Desember/December 31,			
	2016 Rp	2015 Rp	2015 Rp	2014 Rp	2013 Rp	
Premi Asuransi Pesangon	--	--	5,000,000,000	5,000,000,000	20,000,000,000	Severance Insurance Premium
Diklat dan Seminar	2,974,344,205	2,540,553,216	4,910,338,213	4,623,108,794	7,257,880,617	Seminar and Training
Pengembangan Sumber Daya Manusia	248,682,809	162,649,458	1,007,226,235	646,560,922	714,782,643	Human Resource Development
Penelitian Pengembangan Pemeriksaan	662,154,331	1,426,763,072	2,012,510,174	1,222,169,390	639,815,148	Research Development
Asuransi	1,001,310,131	897,413,308	1,950,384,035	1,576,784,479	1,158,583,307	Insurance
Pengurusan Surat dan Ijin	760,809,082	717,937,286	1,494,369,001	1,592,286,782	1,440,336,162	License and Permit
Baju Dinas	258,645,000	514,875,000	1,177,983,149	731,951,700	635,013,500	Office Uniform
Kerugian Piutang Tidak Tertagih	736,650,496	165,072,240	754,599,178	243,754,412	318,499,448	Bad Debt Expense
Kontrol Kualitas	673,660,815	428,108,732	621,430,097	1,334,539,623	671,966,371	Quality Control
Pengembangan Lingkungan	21,620,000	73,407,500	265,663,400	195,552,273	--	Environmental Development
Biaya Kantor Lainnya	44,979,707	2,633,002	19,765,600	176,208,701	257,884,434	Other Office Expense
Subtotal	309,870,203,157	284,451,386,353	570,585,222,351	506,279,471,625	469,498,470,271	Subtotal
Jumlah Beban Usaha	325,783,601,016	300,369,612,230	606,548,942,080	539,306,051,540	500,581,598,211	Total Operating Expense



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