

## DISCLOSURE OF INFORMATION TO SHAREHOLDERS IN ORDER OF CAPITAL RAISE WITH RIGHTS OFFER I ("RIGHTS OFFER I")

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### PT GRAHA LAYAR PRIMA Tbk.

#### MAIN BUSINESS

Film Industry, Video Recording, Provision of Food and Beverages and Services in Recreation and Entertainment  
Located in Jakarta, Indonesia

#### MAIN OFFICE

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### CAPITAL RAISE WITH RIGHTS ISSUE I ("RIGHTS ISSUE I")

The Company offers a maximum of 110,000,000 (one hundred and ten million) of Class C Shares ("New Shares") or 32.58% (thirty two point fifty eight percent) of the Issued and Paid Capital after Rights Offer I, with nominal value of RP 100 (one hundred Rupiah) each share which will be offered with Offer Price of RP 5,700 to RP 8,560 (five thousand and seven hundred Rupiah to eight thousand and five hundred and sixty Rupiah), thus the total fund raised from this Rights Offer I will be a maximum of RP 850,000,000,000 (eight hundred and fifty billion Rupiah).

Each shareholder with 3 – 4 (three to four) Old Shares whose names are stated in List of Shareholders issued on June 6<sup>th</sup> 2016 at 16.00 Jakarta Time will be entitled of 1 (one) Right, where each Right entitles the shareholder to buy a maximum of 1 (one) New Share which should be paid upon the order to buy the share. Each right in fractions will be rounded down. If any shareholder owns a right in fractions, the right should be sold by the Company and the sales results will be included in Company's account.

All New Shares offered in Rights Offer I will be issued from Company's portfolio and will be listed on Indonesia Stock Exchange ("IDX") by following the applicable law. New Shares from Rights Offer I will have equal rights in every aspect including dividend with other issued and paid shares.

Should there be remaining shares which are not bought by Rights Certificate holder, the remaining shares will be proportionally allocated to other shareholders with greater order than their entitled rights based on total of exercised rights by each shareholder who demands for more Additional Shares. If there's any remaining rights which are not exercised, all remaining shares will be returned to Company's portfolio.

**RIGHTS CAN BE TRADED BOTH IN OR OUTSIDE IDX FOR NO LESS THAN 5 (FIVE) WORKING DAYS STARTING 8 JUNE 2016 TO 14 JUNE 2016. THE LAST DAY OF TO EXERCISE THE RIGHTS IS ON 14 JUNE 2016. UNEXERCISED RIGHTS AFTER THE STATED DATE WILL BE CONSIDERED EXPIRED..**

#### IMPORTANT NOTICE FOR SHAREHOLDERS

EXISTING SHAREHOLDERS WHO DON'T EXERCISE THE RIGHTS TO PURCHASE NEW SHARES OFFERED IN THIS RIGHTS OFFER I ACCORDING TO THEIR ALLOCATED RIGHTS WILL EXPERIENCE DILLUTION IN SHARES OWNERSHIP IN THE COMPANY WITH THE MAXIMUM PERCENTAGE OF 24.6% (TWENTY FOUR POINT SIX PERCENT).

**THE MAIN BUSINESS RISK FACTOR FACED BY THE COMPANY AND ITS SUBSIDIARIES IS THE RISK RELATED TO PRODUCTION AND QUALITY OF THE MOVIES. DETAILED EXPLANATION ABOUT RISK FACTOR CAN BE READ IN CHAPTER VI OF PROSPECTUS.**

**THE COMPANY DOESN'T ISSUE CERTIFICATE OF COLLECTIVE SHARES IN THIS RIGHTS OFFER I, BUT ALL SHARES WILL BE DISTRIBUTED ELECTRONICALLY AND WILL BE ADMINISTRATED IN COLLECTIVE CUSTODY OF PT KUSTODIAN SENTRAL EFEK INDONESIA ("KSEI").**

This information is issued on 25 April 2016 in Jakarta.

## INDICATIVE TIMETABLE

Extraordinary General Meeting of Shareholders	:	30 March 2016	Distribution of Rights Certificate	:	7 June 2016
Effective Statement of Rights Offer from OJK	:	25 May 2016	Listing of New Shares from Rights Exercised in IDX	:	7 June 2016
End of rights trading period (Cum-Right) in:			Rights Trading Period	:	8 - 14 June 2016
• Reguler and Negotiation Market	:	1 June 2016	Registration, payment and exercise period of Rights	:	8 - 14 June 2016
• Cash Market	:	6 June 2016	Distribution period of New Shares from Rights Offer	:	10 - 16 June 2016
Start of shares trading period without rights (Ex-Right)::			End of payment for additional shares purchase order	:	16 June 2016
• Reguler and Negotiation Market	:	2 June 2016	Allotment date for additional shares purchase order	:	17 June 2016
• Cash Market	:	7 June 2016	Refund for additional shares order purchase	:	21 June 2016
Recording Date for entitled shareholders	:	6 June 2016			

## CAPITAL RAISE WITH RIGHTS OFFER I

Capital structure and shareholding structure of the Company in the date at the date of the Prospectus based on List of Shareholders dated 31 March 2016 jo. Reference Letter No. DE/IV/16-1062 dated 15 April 2016, managed by PT Datindo Entrycom as the Share Registrar are as follows:

Description	Nominal Value		
	Number of Shares	Nominal Value (RP)	%
<b>Authorized capital</b>			
Class A	2,908,800	58,176,000,000	
Class B	366,497,000	1,260,016,686,000	
Class C	340,000,000	34,000,000,000	
<b>Total Authorized Capital</b>	<b>709,405,800</b>	<b>1,352,192,686,000</b>	
<b>Paid and Issued Capital</b>			
<b>Class A Shares</b>			
PT Pangea Adi Benua	545,400	10,908,000,000	0.16
PT Catur Kusuma Abadi Jaya	181,800	3,636,000,000	0.05
<b>Total Class A Shares</b>	<b>727,200</b>	<b>14,544,000,000</b>	<b>0.21</b>
<b>Class B Shares</b>			
PT Layar Persada	162,886,600	560,004,130,800	48.24
<b>Total Class B Shares</b>	<b>162,886,600</b>	<b>560,004,130,800</b>	<b>48.24</b>
<b>Class C Shares</b>			
CJ CGV Co., Ltd.	49,816,666	4,981,666,600	14.75
IKT Holdings Limited	49,816,666	4,981,666,600	14.75
Public	74,410,400	7,441,040,000	22.05
<b>Class C Shares</b>	<b>174,043,732</b>	<b>17,404,373,200</b>	<b>51.55</b>
<b>Total Issued and Paid Capital</b>	<b>337,657,532</b>	<b>591,952,504,000</b>	<b>100.00</b>
<b>Remaining Shares in Company's Portfolio</b>			
Class A	2,181,600	43,632,000,000	
Class B	203,610,400	700,012,555,200	
Class C	165,956,268	16,595,626,800	
<b>Remaining Shares in Company's Portfolio</b>	<b>371,748,268</b>	<b>760,240,182,000</b>	

Assuming all new shares offered in this Rights Offer I are exercised, where all existing shareholders exercise all allocated rights, the capital and shareholding structure of the Company will be as follow:

Description	Pre Rights Offer I			Post Rights Offer I		
	Number of Share	Nominal Value	%	Number of Share	Nominal Value	%
<b>Authorized Capital</b>						
Class A	2,908,800	58,176,000,000		2,908,800	58,176,000,000	
Class B	366,497,000	1,260,016,686,000		366,497,000	1,260,016,686,000	

Description	Pre Rights Offer I			Post Rights Offer I		
	Nominal Value			Nominal Value		
	Class A Shares : RP20,000,- per share Class B Shares : RP3,438,- per share Class C Shares : RP100,- per share			Class A Shares : RP20,000,- per share Class B Shares : RP3,438,- per share Class C Shares : RP100,- per share		
	Number of Share	Nominal Value	%	Number of Share	Nominal Value	%
Class C	340,000,000	34,000,000,000		340,000,000	34,000,000,000	
<b>Total Authorized Capital</b>	<b>709,405,800</b>	<b>1,352,192,686,000</b>		<b>709,405,800</b>	<b>1,352,192,686,000</b>	
<b>Paid and Issued Capital</b>						
<b>Class A Shares</b>						
PT Pangea Adi Benua	545,400	10,908,000,000	0.16	545,400	10,908,000,000	0.12
PT Catur Kusuma Abadi Jaya	181,800	3,636,000,000	0.05	181,800	3,636,000,000	0.04
<b>Total Class A Shares</b>	<b>727,200</b>	<b>14,544,000,000</b>	<b>0.21</b>	<b>727,200</b>	<b>14,544,000,000</b>	<b>0.16</b>
<b>Class B Shares</b>						
PT Layar Persada	162,886,600	560,004,130,800	48.24	162,886,600	560,004,130,800	36.39
<b>Total Class B Shares</b>	<b>162,886,600</b>	<b>560,004,130,800</b>	<b>48.24</b>	<b>162,886,600</b>	<b>560,004,130,800</b>	<b>36.39</b>
<b>Class C Shares</b>						
PT Layar Persada	-	-	-	53,064,198	5,306,419,800	11.85
CJ CGV Co., Ltd.	49,816,666	4,981,666,600	14.75	66,045,634	6,604,563,400	14.75
IKT Holdings Limited	49,816,666	4,981,666,600	14.75	66,045,634	6,604,563,400	14.75
PT Pangea Adi Benua	-	-	-	177,677	17,767,700	0.04
PT Catur Kusuma Abadi Jaya	-	-	-	59,226	5,922,600	0.01
Public	74,410,400	7,441,040,000	22.05	98,651,363	9,865,136,300	22.05
<b>Total Class C Shares</b>	<b>174,043,732</b>	<b>17,404,373,200</b>	<b>51.55</b>	<b>284,043,732</b>	<b>28,404,373,200</b>	<b>63.45</b>
<b>Total Paid and Issued Capital</b>	<b>337,657,532</b>	<b>591,952,504,000</b>	<b>100.00</b>	<b>447,657,532</b>	<b>602,952,504,000</b>	<b>100.000</b>
<b>Remaining Shares in Portfolio</b>						
Class A	2,181,600	43,632,000,000		2,181,600	43,632,000,000	
Class B	203,610,400	700,012,555,200		203,610,400	700,012,555,200	
Class C	165,956,268	16,595,626,800		55,956,268	5,595,626,800	
<b>Total Remaining Shares in Portfolio</b>	<b>371,748,268</b>	<b>760,240,182,000</b>		<b>261,748,268</b>	<b>749,240,182,000</b>	

## INFORMATION REGARDING RIGHTS OFFER I

Shares offered in this Rights Offer I are issued by sellable Rights during trading period which has been determined and is one of the conditions of share purchase. New Shares from exercised rights in this Rights Offer I can be traded during trading period.

### 1. Entitled Rights Receiver

All shareholders whose names are legally listed on List of Shareholders of the Company on 6 June 2016 at 16.00 Jakarta Time ("Entitled Shareholder") are entitled of rights to purchase new shares offered in Rights Offer I, where shareholders with ownership of 3 to 4 old shares will be entitled of one Right, and one Right allows each shareholder to purchase one New Share in this Rights Offer I with offer price range of RP5,700 to RP 8,560 (five thousand and seven hundred Rupiah to eight thousand five hundred sixty Rupiah) per share which should be fully paid upon the request to exercise the rights.

### 2. Entitled Rights Holder

- Entitled shareholders; and/or
- Last buyer/holder of Rights Certificate whose names are listed in Rights endorsement column until the end of Rights trading period; and/or
- Rights holder whose names are listed on Collective Custody in KSEI until the end of Rights trading period.

### 3. Rights Form

To all shareholders whose names has not been included in collective custody in KSEI, the Company will issue a Rights Certificate which states the names and addresses of Rights holder, number of shares that will be owned and number of Rights which can be used to purchase shares, as well as column which consists of number of shares that will be bought, amount to be paid and number of additional shares order, endorsement column and other necessary information.

To all shareholders with shares in custody collective in KSEI, the Company will not issue Rights Certificate, but will credit the Rights to securities account on behalf of Custodian Bank or appointed broker by each shareholders in KSEI.

### 4. Distribution of Rights

Electronic Rights will be distributed to securities account in KSEI or will be distributed to shareholders through Account Holders no later than one working day after the date of List of Shareholders entitled of Rights (recording date), which is on 7 June 2016.

### 5. Rights Trading and Exercise

Rights holder can sell and exercise their Rights during rights trading and exercise period, starting from 8 June 2016 until 14 June 2016.

Rights trading should be conducted in accordance to applicable law in the Republic of Indonesia, including but not limited to tax regulations and regulations in capital market, including bourse regulations where the Rights will be traded, which is IDX, as well as KSEI regulations. If Rights holder have doubts in decision making, Rights holders are suggested to consult with investment advisor or other professional advisor.

Rights in collective custody in KSEI are traded in IDX, while Rights in the form of Rights Certificate can only be traded outside the bourse. Settlement of Rights trading which are done through the bourse will be conducted by transfer on behalf of securities account under the name of custodian bank or broker in KSEI. All fees and taxes which may occur from trading and transfer of Rights will be the expense of Rights holders or potential Rights holders.

### 6. Request for Split of Rights Certificate

To all Rights holders who wish to sell or transfer part of the stated number in Rights certificate owned, the related Rights holder can make an application letter to split the Rights Certificate and submit it to Share Registrar to get the fraction of Rights Certificate with the desired denomination. Rights holder can split the Rights Certificate starting from 8 June 2016 until 14 June 2016.

## 7. Rights Value

Value of Rights offered by entitled Rights holders will vary from one Right to another based on the strength of demand and supply when offered.

Stated below is the theoretical calculation of Rights value in this Rights Offer. Calculation below is only an theory illustration and should not be considered as guarantee or estimation of Rights value. This illustration is shown to give a general understanding in calculating Rights value.

Assumed market value of each share	=	RP a
Rights Offer Shares Price	=	RP b
Number of outstanding shares pre Rights Offer I	=	A
Number of shares offered in Rights Offer I	=	B
Number of outstanding shares post Rights Offer I	=	A + B
Theoretical Price of new shares	=	$\frac{(Rp\ a \times A) + (Rp\ b \times B)}{(A + B)}$
	=	Rp c
Theoretical pricee of Rights	=	Rp a - Rp c

## 8. Exercise of Rights Certificate

Rights Certificate is the proof of Rights given by the Company to the holders to purchase new shares on behalf of the names offered by the Company in order or Rights Offer I. Rights Certificate can only be issued for shareholders who have not convert the shares and used to purchase new shares. Rights Certificate should not be redeemed as cash or else to the Company, and cannot be traded in the form of copies. Rights certificate for Rights holder in collective custody in KSEI will be given by KSEI through Member of the Stock Exchange or its Custodian Banks.

## 9. Fractional Rights

In accordance with POJK No. 32/2015, in the case of rights holder with fractional Rights ownership, the Rights of the fractional shares in this Rights Offer should be sold by the Company and the sales result will be put in Company's account.

## 10. Lain-Lain

Terms and conditions of Rights Offer is in and subject to applicable law in Republic of Indonesia. All expensed which may occur from transfer of Rights will be borne by Rights holders or potential Rights holders.

In order to conduct the Rights Offer I, Directors of the Company has approved Rights Offer I plan, as stated in Directors Circular Resolution dated 29 January 2016, and the Directors have also obtained Board of Commissioners Approval dated 31 January 2016.

**At the date of the Prospectus, the Company may plan to issue or list another shares and/or other instrument which may be converted into shares in the next 12 (twelve months) since the Company obtained the Effective Statement.**

## USE OF PROCEED FROM CAPITAL RAISE WITH RIGHTS OFFER I

Proceed from this Rights Offer I, deducted with all cost of issuance, will be used for:

- Payment of Company's loan with maximum amount of RP 250 billion;  
  
Should there be any remaining fund after loan repayment, the fund will be used for capital expenditure purpose for construction of new theatres and/or reparation of maintenance of existing theatres as stated in point number 2 below.
- The remaining will be used for business expansion in the form of capital expenditure for construction of new theatres and/or reparation of existing theatres in several cities in Indonesia.

## SELECTED FINANCIAL HIGHLIGHTS

Table stated below consists of financial highlights of the Company, taken from consolidated financial report of the Company as of 31 December 2015 and 2014, as well as consolidated statement of profit and loss and other comprehensive income for the year ended in those stated dates.

The consolidated financial report of the Company as of 31 December 2015 and for the year ended on that date has been audited by Kantor Akuntan Publik Kosasih Nurdjaman, Mulyadi, Tjahjo & Rekan (Member of Crowe Horwarth International) ("Crowe Horwarth Indonesia") with unmodified opinion, as stated in the report dated 30 March 2016.

The consolidated financial report of the Company as of 31 December 2014 and for the year ended on the stated date has been audited by Crowe Horwarth Indonesia with unmodified opinion, as stated in the report dated 27 March 2015.

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DESCRIPTION	(RP billion)	
	2015	2014 <sup>1)</sup>
<b>ASSETS</b>		
<b>CURRENT ASSET</b>		
Cash and cash equivalent	30,002	270,809
Trade receivable – third parties – net	12,675	8,811
Other receivables – third parties – net	50,780	33,012
Unbilled revenues	9,953	-
Inventories	4,868	3,438
Prepaid expenses and advances	9,967	4,904
<b>Total Current Assets</b>	<b>118,245</b>	<b>320,974</b>
<b>Non-Current Assets</b>		
Advances for purchases of fixed assets	2,888	5,540
Fixed assets – net	604,691	291,237
Advance payment for lease and long-term prepaid rental	42,262	27,778
Refundable deposits	30,221	9,791
Intangible assets – net	238	29
Other non-current assets	165	-
<b>Total Non-Current Assets</b>	<b>680,465</b>	<b>334,375</b>
<b>TOTAL ASSETS</b>	<b>798,710</b>	<b>655,349</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade payables		
- Related parties	-	3,801
- Third parties	31,421	19,047
Other payables		

(RP billion)

DESCRIPTION	31 December	
	2015	2014 <sup>*)</sup>
- Related parties	326	-
- Third parties	86.197	46.400
Accrued liabilities	41.560	21.961
Taxes payable	11.540	14.152
Short-term bank loan	110.000	-
Other current liabilities	29.127	26.676
<b>Total Current Liabilities</b>	<b>310.171</b>	<b>132.037</b>
<b>Non-Current Liabilities</b>		
Estimated liabilities for employees' benefits	6.230	6.800
<b>TOTAL LIABILITIES</b>	<b>316.401</b>	<b>138.837</b>
<b>EQUITY</b>		
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT ENTITY</b>		
Paid and Issued Capital	591.952	591.952
Additional paid-in capital – net	482.798	482.798
Akumulasi defisit	(592.438)	(558.233)
Equity attributable to owners of the parent entity	482.312	516.517
Non-controlling interest	(3)	(5)
<b>TOTAL EQUITY</b>	<b>482.309</b>	<b>516.512</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>798.710</b>	<b>655.349</b>

*\*) Restated due to retrospective application of PSAK No. 24 (Revision 2013), "Employee Benefits"*

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(RP billion)

DESCRIPTION	31 December	
	2015	2014 <sup>*)</sup>
Net Revenues	399.374	332.577
Cost of Revenues	157.763	146.549
<b>GROSS PROFIT</b>	<b>241.611</b>	<b>186.028</b>
<b>OPERATING EXPENSES</b>		
Selling	5.495	5.613
General and administrative	273.715	231.087
Total Operating Expenses	279.210	236.700
<b>OPERATING LOSS</b>	<b>(37.599)</b>	<b>(50.672)</b>
<b>OTHER INCOME (EXPENSES)</b>		
Interest Income	6.854	12.669
Loss on foreign exchange – net	(5.798)	(3.417)
Loan expense	(2.125)	(2.180)
Recovery of allowance for impairment of receivables	-	2.367
Others – net	2.600	9.533
Other income – net	1.531	18.972
<b>LOSS BEFORE INCOME TAX EXPENSE</b>	<b>(36.068)</b>	<b>(31.700)</b>
Income Tax Expense – Final	(29)	(45)
<b>LOSS FOR THE YEAR</b>	<b>(36.097)</b>	<b>(31.745)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		

(RP billion)

DESCRIPTION	31 December	
	2015	2014 <sup>1)</sup>
item that will not be reclassified subsequently to profit or loss:		
Remeasurement of employee benefits liabilities	1.894	2.272
Related income tax expense (benefit)	-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR – NET OF TAX</b>	<b>1.894</b>	<b>2.272</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>(34.203)</b>	<b>(29.473)</b>
<b>INCOME (LOSS ) FOR THE YEAR ATTRIBUTABLE TO:</b>		
Owners of the parent entity	(36.099)	(31.744)
Non-controlling interest	2	(1)
<b>TOTAL</b>	<b>(36.097)</b>	<b>(31.745)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) INCOME (LOSS ) FOR THE YEAR ATTRIBUTABLE TO:</b>		
Owners of the parent entity	(34.205)	(29.473)
Non-controlling interest	2	-
<b>TOTAL</b>	<b>(34.203)</b>	<b>(29.473)</b>
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT ENTITY</b>		
Basic and diluted	(107)	(110)

<sup>1)</sup> Restated due to retrospective application of PSAK No. 24 (Revisi 2013), "Employee Benefits"

## RATIOS (UNAUDITED)

DESCRIPTION	31 December	
	2015	2014
<b>Growth Ratio (%)</b>		
Net Revenues	20,08	10,51
Gross Profit	29,88	0,95
Operational Loss	(25,81)	447,13
Loss For the Year	13,71	159,97
Comprehensive Loss for the Year	16,05	141,13
Assets	21,88	3,18
Liabilitie	124,84	(76,71)
<b>Profitability (in percentage unless for EBITDA)</b>		
Gross margin	60,50	55,94
Operational margin	(9,41)	(15,24)
Comprehensive income margin	(8,56)	(8,86)
ROE	(7,09)	(5,73)
ROA	(4,28)	(4,50)
<b>Liquidity (x)</b>		
Current assets/ current liabilities	0,38	2,43
Total liabilities / total equity	0,66	0,27
Total liability / total assets	0,40	0,21



## MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis of financial condition and results of operations should be read in conjunction with the selected financial highlights and other data, the audited financial statements and related notes to the consolidated financial statements

Information stated below are sourced from consolidated financial statements of the Company as of 31 December 2015 and for the year ended on the stated date, which has been audited by Crowe Horwarth Indonesia with unmodified opinion, as stated in the report dated 30 March 2016. The consolidated financial statements of the Company as of 31 December 2014 and for the year ended on the stated date has been audited by Crowe Horwarth Indonesia with unmodified opinion dated 27 March 2015.

Consolidated financial statements were prepared according to Indonesian FAS. Discussion in this chapter may consist of statements which reflect forward looking statement and reflect Company's current view regarding future events and financial performance, where the actual results could be materially different as a result of factors stated in Chapter VI about Risk Factors in Prospectus.

As a result of rounding down, some figures in financial information below may be slightly different compared to arithmetic summation.

### GENERAL OVERVIEW

The Company is a chain of theatre which offers interesting experience to movie-goers in Indonesia. As one of the three theatre management in this country, the Company focuses on various movie categories, including Hollywood movies, local movies and international movies. Additionally, the Company also offers other contents beside movies, such as musical concert and sports program. The Company's growth strategy is to keep offering current most desirable contents in theatres, and by penetrating the market to potential regions through the development of CGV\*blitz.

Established in 2004, the Company started its first theatre in Bandung, which was named Blitzmegaplex, on 16 October 2006. Location of the first theatre with total area of 8,000 sqm in Paris van Java Mall. Currently, the Company has 15 locations of CGV\*blitz and cooperates with mall owners related to 4 Blitztheater with total seats owned by the Company amounted to 25,000 seats, with total revenues of RP 399,374 million and gross margin of 60.49%

### Factors Affecting Financial Conditions and Results of Operation of the Company

Financial condition and results of operation of the Company are affected by several factors, such as:

- Availability of appropriate movies to be aired and the attractiveness of the movies
- Timing of movie release
- Relationship with major and independent movie distributors
- Stability of social, politics and economy in Indonesia

### FINANCIAL

#### Results of Operation

Table shown below shows the details of results of operation of the Company and its subsidiaries for the year ended on 31 December 2015 and 2014:

DESCRIPTION	31 December	
	2015	2014 <sup>1)</sup>
Net Revenues	399.374	332.577
Cost of Revenues	157.763	146.549
<b>GROSS PROFIT</b>	<b>241.611</b>	<b>186.028</b>
<b>OPERATING EXPENSES</b>		
Selling	5.495	5.613
General and administrative	273.715	231.087
Total Operating Expenses	279.210	236.700

(RP billion)

(RP billion)

DESCRIPTION	31 December	
	2015	2014 <sup>*)</sup>
<b>OPERATING LOSS</b>	<b>(37.599)</b>	<b>(50.672)</b>
<b>OTHER INCOME (EXPENSES)</b>		
Interest Income	6.854	12.669
Loss on foreign exchange – net	(5.798)	(3.417)
Loan expense	(2.125)	(2.180)
Recovery of allowance for impairment of receivables	-	2.367
Others – net	2.600	9.533
Other income – net	1.531	18.972
<b>LOSS BEFORE INCOME TAX EXPENSE</b>	<b>(36.068)</b>	<b>(31.700)</b>
Income Tax Expense – Final	(29)	(45)
<b>LOSS FOR THE YEAR</b>	<b>(36.097)</b>	<b>(31.745)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
item that will not be reclassified subsequently to profit or loss:		
Remeasurement of employee benefits liabilities	1.894	2.272
Related income tax expense (benefit)	-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR – NET OF TAX</b>	<b>1.894</b>	<b>2.272</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>(34.203)</b>	<b>(29.473)</b>
<b>INCOME (LOSS ) FOR THE YEAR ATTRIBUTABLE TO:</b>		
Owners of the parent entity	(36.099)	(31.744)
Non-controlling interest	2	(1)
<b>TOTAL</b>	<b>(36.097)</b>	<b>(31.745)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) INCOME (LOSS ) FOR THE YEAR ATTRIBUTABLE TO:</b>		
Owners of the parent entity	(34.205)	(29.473)
Non-controlling interest	2	-
<b>TOTAL</b>	<b>(34.203)</b>	<b>(29.473)</b>
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT ENTITY</b>		
Basic and diluted	(107)	(110)

\*) Restated due to retrospective application of PSAK No. 24 (Revisi 2013), "Employee Benefits"

(RP billion)

DESCRIPTION	31 December	
	2015	2014 <sup>*)</sup>
Net Revenues	399.374	332.577
Cost of Revenues	157.763	146.549
<b>GROSS PROFIT</b>	<b>241.611</b>	<b>186.028</b>
<b>OPERATING EXPENSES</b>		
Selling	5.495	5.613
General and administrative	273.715	231.087
Total Operating Expenses	279.210	236.700
<b>OPERATING LOSS</b>	<b>(37.599)</b>	<b>(50.672)</b>

(RP billion)

DESCRIPTION	31 December	
	2015	2014 <sup>*)</sup>
<b>OTHER INCOME (EXPENSES)</b>		
Interest Income	6.854	12.669
Loss on foreign exchange – net	(5.798)	(3.417)
Loan expense	(2.125)	(2.180)
Recovery of allowance for impairment of receivables	-	2.367
Others – net	2.600	9.533
Other income – net	1.531	18.972
<b>LOSS BEFORE INCOME TAX EXPENSE</b>	<b>(36.068)</b>	<b>(31.700)</b>
Income Tax Expense – Final	(29)	(45)
<b>LOSS FOR THE YEAR</b>	<b>(36.097)</b>	<b>(31.745)</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
item that will not be reclassified subsequently to profit or loss:		
Remeasurement of employee benefits liabilities	1.894	2.272
Related income tax expense (benefit)	-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR – NET OF TAX</b>	<b>1.894</b>	<b>2.272</b>
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>	<b>(34.203)</b>	<b>(29.473)</b>
<b>INCOME (LOSS ) FOR THE YEAR ATTRIBUTABLE TO:</b>		
Owners of the parent entity	(36.099)	(31.744)
Non-controlling interest	2	(1)
<b>TOTAL</b>	<b>(36.097)</b>	<b>(31.745)</b>
<b>TOTAL COMPREHENSIVE INCOME (LOSS) INCOME (LOSS ) FOR THE YEAR ATTRIBUTABLE TO:</b>		
Owners of the parent entity	(34.205)	(29.473)
Non-controlling interest	2	-
<b>TOTAL</b>	<b>(34.203)</b>	<b>(29.473)</b>
<b>LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE PARENT ENTITY</b>		
Basic and diluted	(107)	(110)

<sup>\*)</sup> Restated due to retrospective application of PSAK No. 24 (Revisi 2013), "Employee Benefits"

## Revenues

Revenues of the Company and its subsidiaries are mainly from sales of movie tickets, sales of food and beverages (concession) and other income such as income from sales of souvenir, rental of space, game center, promotional media and marketing of third parties' products, movie screening booking and theatre usage for non-movies activities in certain hours such as other companies' event musical concert, seminar and other cultural events. Since 2012, along with the introduction of Blitztheater, the Company has also recorded such as revenues from technical assistance services through operational cooperation and revenue sharing with mall owners. The Company's revenues are highly affected by changes in audience attendance and revenues from sales of movie tickets and average concession per audience. Audience attendance is affected by quality and quantity of movies aired by the movie studio. Average revenue per audience is affected by movie category and ticket price per audience. Concession per audience is affected by product variation of food and beverages sold, as well as prices of the food and beverages.

The table shown below shows the details of total revenues based on sales of each product as well as other income for the year ended on 31 December 2015 dan 2014:

(dalam jutaan Rupiah dan persen)

Description	For the year ended on 31 December			
	2015	%	2014	%
Cinema	246.570	61.74	224.895	67.62
Food and beverages	88.356	22.12	71.973	9.61
Events and advertisements	61.234	15.33	31.945	21.64
Others	3.214	0.81	3.764	1.13
<b>Total</b>	<b>399.374</b>	<b>100.00</b>	<b>332.577</b>	<b>100.00</b>

### Cost of Revenues

Cost of revenues consists of profit sharing from sales of movie tickets which has been agreed between the Company and distributor, expenses related to sales of food and beverages and other expenses such as expenses related to sales of merchandise and souvenir. The amount of selling expense for food and beverages is affected by changes in audience attendance.

The table shown below describes the break-down of cost of revenues for the year ended on 31 December 2015 dan 2014:

(RP million and percentage)

Keterangan	For the year ended on 31 December			
	2015	%	2014	%
Cinema	133,332	84.51	123,222	84.08
Food and beverages	23,015	14.59	18,770	12.81
Others	1,416	0.90	4,557	3.11
<b>Total</b>	<b>157,763</b>	<b>100.00</b>	<b>146,549</b>	<b>100.00</b>

### Operating Expenses

Operating expenses consists of selling expenses and general and administrative expenses. General and administrative expenses consists of salaries and welfare, rental and service charges, depreciatio, repairs and maintenance, professional fees, stationary and office supplies, transportation and accomodation, insurance, fixtures expense, bank and credit card charges, communication, licenses, employee benefits, provisiom for impairment of receivables and others

Table shown below sets forth the break down of operating expense for the year ended on 31 December 2015 and 2014:

(in million RP and percentage)

Description	For the year ended on December 31			
	2015	%	2014	%
<b>Selling expenses</b>				
Advertising	401	0,14	1,575	0,67
Promotion	5,094	1,83	4,038	1,70
<b>Sub-total</b>	<b>5,495</b>	<b>1,97</b>	<b>5,613</b>	<b>2,37</b>
<b>General and administrative expenses</b>				
Salaries and welfare	68,975	24,70	55,097	23,28
Rental and service charges	58,106	20,81	43,134	18,22
Depreciation	56,997	20,41	42,957	18,15
Utilities	30,521	10,93	24,074	10,17
Repair and maintenance	16,302	5,84	14,679	6,20
Professional fees	8,951	3,21	22,402	9,46
Stationary and office supplies	6,467	2,32	1,132	0,48
Transportation and accomodation	4,722	1,69	3,024	1,28
Insurance expense	4,191	1,50	4,026	1,70
Fixtures expense	3,354	1,20	3,674	1,55
Bank and credit card charges	2,660	0,95	3,138	1,33
Communication	2,542	0,91	1,959	0,83
Licenses	2,176	0,78	425	0,18

Employee benefits	2,082	0,75	2,039	0,86
Provision for impairment of receivable	727	0,26	4,224	1,78
Others	4,941	1,77	5,103	2,16
<b>Sub-total</b>	<b>273,715</b>	<b>98,03</b>	<b>231,087</b>	<b>97,63</b>
<b>Total</b>	<b>279,210</b>	<b>100,00</b>	<b>236,700</b>	<b>100,00</b>

\*) disajikan kembali sehubungan dengan penerapan retrospektif PSAK No. 24 (Revisi 2013), "Imbalan Kerja"

### Other Income (Expenses)

*Recovery of allowance for impairment of receivables*, Recovery of allowance for impairment of receivables results from reserved provision recovery on the Company's receivables from related parties,

*Loan expenses*, Loan expenses results from loans interests on the Company's long term liabilities and short term bank loans, as well as Mezzanine Agent expenses and amortized loan expenses, Recognition of loan interests is adjusted to loan duration and principal amount as well as interest rate,

*Gain (loss) on foreign exchange – nett*, Gain (loss) on foreign exchange is derived from the settlement of transactions in foreign currency and from the translation of monetary assets and liabilities denominated in foreign currencies based on the fluctuation of Rupiah against the currency of denomination of the assets and liabilities,

*Others – nett*, Others – nett consisted of, among others, insurance claims income, asset sales and space lease in the Company's cinema.

### Result from Operations

#### Revenues

*Revenues*. Net revenue increased by 20.08% to Rp399,374 million for the year ended on December 31, 2015 from Rp332,577 million for the year ended on December 31, 2014. Below are the details of revenues based on the Company's segment:

- *Cinema*. Revenue from cinema segment increased by 9.64% to Rp246,570 million for the year ended on December 31, 2015 from Rp224,895 million for the year ended on December 31, 2014, mainly due to the increase in cinema audiences as a result of the many box office movies in 2015 compared to the previous year. Notable movies with high audiences was Fast Furious 7, The Avengers : Age of Ultron, Jurassic World, Star Wars: The Force Awakens, Minions 2, Spectre, Ant-Man, Mad Max : Furry Road and Insidious Chapter 3. The Company also increased its average ticket price (ATP) in early 2015. The Company managed to sold 6,264,935 tickets in 2015, increased by 12.49% from 5,569,276 tickets the previous year.
- *Event and advertisement*. Revenue from event and advertisement segment increased by 91.69% to Rp61,234 million for the year ended on December 31, 2015 from Rp31,945 million for the year ended on December 31, 2014, mainly due to increase marketing activities such as screen advertisement, branding and events.
- *Food and beverages*. Revenues from food and beverages segment increased by 22.76% to Rp88,356 million for the year ended on December 31, 2015 from Rp71,973 million for the year ended on December 31, 2014, mainly due to the additional food and beverages variants sold by the Company and the increased audience as result of the 7 new sites in 2015.
- *Others*. Revenues from other segment decreased by 14.64% to Rp3,213 million for the year ended on December 31, 2015 from Rp3,763 million for the year ended on December 31, 2014, mainly due to the conversion of one Blitz Theater cinema to CGV Blitz in 2015, resulting in a lower income from Blitz Theates business.

#### Cost of Revenues

*Cost of revenues*. Cost of revenues increased by 7.65% to Rp157,763 million for the year ended on December 31, 2015 from Rp146,549 million for the year ended on December 31, 2014. Below are the details of cost of revenues based on the Company's revenue segment:

- *Cinema*. Cost of cinema revenue increased by 8.20% to Rp133,332 million for the year ended on December 31, 2015 from Rp123,222 million for the year ended on December 31, 2014, mainly due to the increased revenue sharing as a result from the addition of 7 new sites in 2015.
- *Food and beverages*. Cost of food and beverages revenue increased by Rp22.62% to Rp23,015 million for the year ended December 31, 2015 from Rp18,770 million for the year ended on December 31, 2014, mainly due to the addition of new variants of food and beverages sold in the Company's theaters.
- *Others*. Cost of other revenues decreased by 68.95% to Rp1,416 million for the year ended on December 31, 2015 from Rp4,557 million for the year ended on December 31, 2014, mainly due to decrease in COGS due to licensing cost of Real D.

## Operating Expenses

Operating expenses increased by 17.96% to Rp279,210 million for the year ended on December 31, 2015 from Rp236,700 million for the year ended on December 31, 2014, mainly due to increase in rental and service charges, depreciation and utility expenses as a result from the development of 7 new sites.

## Other Income (Expenses)

*Interest income.* Interest income decreased by 45.90% to Rp6,854 million for the year ended on December 31, 2015 from Rp12,669 million for the year ended December 31, 2014, mainly due to bank saving interest income from IPO proceeds in 2014. Most of the IPO proceed has been utilised for the development of new theaters throughout 2015.

*Gain (loss) on foreign exchange – net.* Loss on foreign exchange increased by 69.68% to Rp5,798 million for the year ended on December 31, 2015 from Rp3,417 million for the year ended December 31, 2014, mainly due to the weakening of Rupiah by 10.89% compared to 2014.

*Loan expense.* Loan expense relatively remains stable for the year ended on December 31, 2015 and 2014.

*Recovery of allowance for impairment of receivables.* Recovery of allowance for impairment of receivables decrease by 100% to Rp0 for the year ended December 31, 2015 from Rp2,367 million for the year ended December 31, 2014, mainly because of there was no recovery of allowance for impairment of receivables.

## Analysis of Consolidated Statements of Financial Position

### Asset

The following table presents the Company's asset on December 31, 2015 and 2014:

Description	(dalam jutaan Rupiah)	
	31 December	
	2015	2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalent	30,002	270,809
Trade receivables – third parties – net	12,675	8,811
Other receivables – third parties – net	50,780	33,012
Unbilled revenues	9,953	-
Inventories	4,868	3,438
Prepaid expenses and advances	9,967	4,904
<b>Total Current Assets</b>	<b>118,245</b>	<b>320,974</b>
<b>Non-Current Assets</b>		
Advances for purchase of fixed assets	2,888	5,540
Fixed assets – net	604,691	291,237
Advance payments	42,262	27,778
Refundable deposits	30,221	9,791
Intangible assets – net	238	29
Other non-current assets	165	-
<b>Total Non-Current Assets</b>	<b>680,465</b>	<b>334,375</b>
<b>TOTAL ASSETS</b>	<b>798,710</b>	<b>655,349</b>

The Company's total asset increased by 21.88% from Rp798,710 million on December 31, 2015 from Rp655,349 million on December 31, 2014, mainly due to the development of 7 new sites.

- Trade receivables (third parties) increased by 43.85% to Rp12,675 million on December 31, 2015 from Rp8,811 million on December 31, 2014, mainly due to increase in receivables from credit and debit card and in Subsidiaries' receivables from franchisor.
- Other receivables – net increased by 53.82% to Rp50,780 million on December 31, 2015 from Rp33,012 million on December 31, 2014, mainly due to increase in receivables from advertising agency as a result from increase in event and advertisement revenue in 2015.

- Prepaid expenses and advances increased by 103.24% to Rp9,967 million on December 31, 2015 from Rp4,904 million on December 31, 2014, mainly due to increase in prepaid rental as a result from the development of 7 new sites in 2015.
- Fixed asset – net increased by 107.63% to Rp604,691 million on December 31, 2015 from Rp291,237 million on December 31, 2014, mainly as a result from the development of 7 new sites in 2015.
- Advance payments increased by 52.14% to Rp42,262 million on December 31, 2015 from Rp27,778 million on December 31, 2014 mainly as a result from the development of 7 new sites in 2015.
- Refundable deposits increased by 208.66% to Rp30,221 million on December 31, 2015 from Rp9,791 million on December 31, 2014, mainly due to increase in refundable deposits payment as a result from the development of 7 new sites in 2015

## Liabilities

The following table presents the Company's liabilities on December 31, 2015 and 2014.

Description	31 December	
	2015	2014
<i>(in million RP)</i>		
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Trade payables		
Related parties	-	3,801
Third parties	31,421	19,047
Other payables	86,523	46,400
Related parties	326	-
Third partie	86,197	46,400
Accrued liabilities	41,560	21,961
Taxes payable	11,540	14,152
Short-term bank loan	110,000	-
Other current liabilities	29,127	26,676
<b>Total Current Liabilities</b>	<b>310,171</b>	<b>132,037</b>
<b>Non-Current Liabilities</b>		
Estimated liabilities for employees' benefits	6,230	6,800
<b>TOTAL LIABILITIES</b>	<b>316,401</b>	<b>138,837</b>

The Company's total liabilities increased by 127.89% to Rp316,401 million on December 31, 2015, from Rp138,837 million on December 31, 2014, mainly due to increase in short-term liabilities.

- Trade payables from third parties increased by 64.97% to Rp31,421 million on December 31, 2015, from Rp19,047 million on December 31, 2014, mainly due to increase in revenue sharing payables in movie cinemas and payables from food and beverages purchases in line with an increase in the Company's revenue in 2015.
- Other payables from third parties increased by 86.47% to Rp86,523 million on December 31, 2015, from Rp46,400 million on December 31, 2014, mainly due to increase in payables from purchase of fixed assets and from contractors' and consultants' fee in relation with the development of new sites.
- Accrued liabilities increased by 89.24% to Rp41,460 million on December 31, 2015, from Rp21,961 million on December 31, 2014, mainly due to increase in acquisition of fixed assets in relation with the development of new sites.

## Equity

The following table presents the Company's total equity on December 31, 2015 and 2014:

Description	31 December	
	2015	2014
<i>(in million RP)</i>		
<b>Equity attributable to owners of the parent entity</b>		
Issued and fully paid	591,952	591,953
Additional paid-in capital – net	482,798	482,798
Accumulated deficits	(592,438)	(558,233)

(in million RP)

Description	31 December	
	2015	2014
Equity attributable to owners of the parent entity	482,312	516,517
Non-controlling interest	(3)	(5)
<b>TOTAL EQUITY</b>	<b>482,309</b>	<b>516,512</b>

The Company's total equity decreased by 6.62% to Rp482,308 million on December 31, 2015 from Rp516,512 million on December 31, 2014, mainly due to increase in accumulated deficits.

### Cash Flow Analysis

The following table presents information on the Company's and its Subsidiaries's historical cash flow for the year ended December 31, 2015 and 2014:

(in million RP)

Description	31 December	
	2015	2014
Cash flow provided by (used in) operating activities	(2,598)	21,407
Cash flow provided by (used in) investing activities	(348,044)	(71,571)
Cash flow provided by (used in) financing activities	109,835	22,200
Net increase (decrease) in cash and cash equivalent	(240,807)	(27,964)
Cash and cash equivalent at beginning of year	270,809	298,773
<b>Cash and cash equivalent at end of year</b>	<b>30,002</b>	<b>270,809</b>

### Cash Flow from Operating Activities

For the year ended on December 31, 2015, net cash flow used in operating activities was Rp2,598 million compared to net cash flow provided by operating activities in 2014 of Rp21,407 million, or decreased by 112.14%. This was mainly due to a decrease in receipts from interest income by 43.90% and an increase in payment to suppliers, employees and others by 20.03% and in payment for final income tax by 252.12%.

### Cash Flow from Investing Activities

For the year ended on December 31, 2015, net cash flow used in investing activities was Rp348,044 million, increased by 386.29% compared to the same period in 2014 of Rp71,571 million. The increase was mainly due to acquisition of fixed assets which increase by 421.60% and increase in refundable deposits by 1,396.63%. Both are a result of the development of new theaters.

### Cash Flow from Financing Activities

For the year ended on December 31, 2015, net cash flow provided by financing activities was Rp109,835 million, increased by 394.73% compared to the same period in 2014 of Rp22,201 million. The increase was mainly due to proceeds from short-term bank loan of Rp110,000 million.

### Capital Expenditures, Acquisitions and Share Ownership

Most of the Company's and its Subsidiaries's capital expenditures are related to the leasehold improvements, studio and office equipment as well as furnitures and fixtures.

The following table presents the Company's and its Subsidiaries's historical capital expenditures for the year ended on December 31, 2015 and 2014:

(in million RP)

Description	31 December	
	2015	2014
Infrastructure development	200,047	27,049
Furnitures and fixtures	29,983	5,193
Studio and office equipment	140,432	39,013
Construction in-progress	4,747	4,598
<b>Total capital expenditure</b>	<b>375,213</b>	<b>75,853</b>



The abovementioned capital expenditure had a positive impact in the Company's performance given assets purchased with the highest value are studio equipments for the purpose of business development. Up to the date of this Prospectus, the Company has not encountered any issues where the capital expenditure is not in accordance with its initial purpose. If capital expenditure is not carried out in accordance with the Company's plan, it will result in the risk of obsolescence of the Company's studio equipment, which will decrease revenues.

## **DISTRIBUTION OF PROSPECTUS, RIGHTS CERTIFICATE AND FORMS**

Rights certificate, Prospectus, Additional Shares Subscription Forms (*FPPS Tambahan*) and other forms can be obtained by shareholders at the recording date starting from June 8, 2016, to June 14, 2016, on normal working days and working hours (Monday to Friday, 9 AM to 3 PM) by submitting a valid ID card (*KTP/passport/KITAS*) and a copy of the ID Card as well as a Power of Attorney for those representing the entitled shareholders, at the Company's Share Registrar:

**PT Datindo Entrycom**  
Puri Datindo-Wisma Sudirman  
Jl, Jend Sudirman Kav, 34-35  
Jakarta 10220, Indonesia  
Tel: 021 – 5709009  
Fax: 021 – 5709026

If the entitled shareholders, those who are registered as the Company's shareholder on June 13, 2016, has yet to receive or collect the Rights Certificate, Prospectus, Additional Shares Subscription Forms and other forms, and are yet to contact the Share Registrar, then all and every risks and losses which may arise are no longer the responsibility of the Company and Share Registrar, and lies entirely on the respective shareholder,

Electronic Rights will be distributed into KSEI Securities Account or into the shareholders' accounts through KSEI Account Holders,