

**INFORMATION DISCLOSURE OF PT BENTOEL INTERNASIONAL INVESTAMA TBK. TO THE SHAREHOLDERS IN THE EVENT OF RIGHTS ISSUE III WITH PRE-EMPTIVE RIGHTS**

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**PT BENTOEL INTERNASIONAL INVESTAMA, TBK.**

**Main Business Activity:**

Engaged in Tobacco Processing, Cigarette Industry, and Participation in Subsidiaries Which are Engaged in the Production & Distribution of Cigarettes

Domiciled in South Jakarta, Indonesia

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**RIGHTS ISSUE III ("RI III") TO THE SHAREHOLDERS OF THE COMPANY  
IN THE FRAMEWORK OF THE ISSUANCE OF PRE-EMPTIVE RIGHTS ("RIGHTS")**

The Company offers as much as 29,161,131,250 (twenty nine billion one hundred sixty one million one hundred thirty one thousand two hundred and fifty) new Common Shares with a nominal value of Rp50.00 (fifty Rupiah) for each share. Each holder of 36 (thirty six) Existing Shares whose name have been registered in the Shareholders Register of the Company on 14 June 2016 at 16.00 WIB is entitled to 145 (one hundred and forty five) Rights, where 1 (one) Rights entitles the holder to buy 1 (one) New Share in the RI III with Rights execution price of maximum Rp480.00 (four hundred and eighty Rupiah) per share which must be paid in full at the time of subscribing the exercise of the Rights. All of the shares offered in the framework of this RI III with the issuance of Pre-emptive Rights are ordinary shares with same and equal rights in all regards, including dividend with other shares that have been fully paid up. Every Right in the form of fraction will be rounded down , where the right to the fraction of the New Shares will be sold to the Company and the proceeds will be placed into the account of the Company.

As required by OJK Regulation No. 32/2015 regarding Capital Increase of Public Company By Way of Giving Pre-emptive Rights., the Company has obtained prior approval from the shareholders of the Company with regards to the RI III in the Extraordinary General Meeting of Shareholders which has been held on 15th April 2016, in accordance with Deed of Resolution of Extraordinary General Meeting of Shareholders No. 54 dated 15 April 2016, drawn up before Mala Mukti, S.H., Notary in Jakarta

Certificate of Rights ("SBHMETD") will be listed on the Stock Exchange and can be traded both within and outside the Stock Exchange during the trading period of the Rights within a period of not more than five (5) business days from the date of June 16, 2016 until June 22 2016. Rights may be executed during the trading period of the Rights by submitting the Share Subscription Form ("FPPS"). Rights that are not exercised until the end date of exercise of the Rights are no longer valid. The whole Common Shares originating from the exercise of the Rights will be listed on the Stock Exchange on June 16, 2016.

If the New Shares offered in RI III are not entirely taken or bought by the shareholders or Pre-emptive Rights proof holder, the remaining shares will be allocated to other shareholders who subscribe larger than their rights as stated in the Pre-emptive Rights Proof Certificate or Subscription Form and Purchase of Additional Shares proportionally based on the rights that have been executed. If after such allocation there still exists New Shares that have not been bought, then all the said New Shares will be bought by British American Tobacco (2009 PCA) Limited ("BAT 2009") as the Standby Buyer of the RI III, in the amount of maximum Rp480.00 (four hundred and eighty Rupiah) per share, in accordance with the Deed of Standby Buyer No. 56 dated 15 April 2016 drawn up before [Mala Mukti], S.H., LL.M., Notary in [Jakarta].

In accordance with Statement Letter of Funds Adequacy and Undertaking of the Main Shareholder to Execute the Rights with regards to the RI III dated 12 April 2016, BAT 2009, as the main shareholder of the Company, is capable and committed to take the New Shares issued by the Company through the exercise of Rights which will be acquired by BAT 2009 defined in proportion to the share ownership on the RI III.

In relation to such commitment, BAT 2009 possesses sufficient funds to fulfill its duties which is evidenced with Statement Letter of Financial Support regarding the RI III dated 12 April 2016 issued by B.A.T. International Finance p.l.c., a company under common control with BAT 2009.

**APART FROM THE MAIN SHAREHOLDER WHICH WILL TAKE ITS PORTION OF RIGHTS, EXISTING SHAREHOLDERS WHO ARE NOT EXERCISING THEIR RIGHTS TO PURCHASE NEW SHARES OFFERED IN THIS RI III IN ACCORDANCE WITH THEIR PRE-EMPTIVE RIGHTS WILL SUFFER REDUCTION OF THEIR OWNERSHIP PERCENTAGE OF THE SHARES IN THE COMPANY (DILUTION) BY A MAXIMUM OF 80.1% (EIGHTY POINT ONE PERCENT)**

**IMPORTANT TO NOTE**  
**UNEXERCISED RIGHTS ON THE LAST DAY OF RIGHTS EXERCISE WILL BE DEEMED INVALID.**

**IMPLEMENTATION OF FINAL PRICE TO BE DETERMINED AND ANNOUNCED LATER. FOR ILLUSTRATION IN THIS DISCLOSURE, TOTAL FUNDS THAT MAY BE OBTAINED IN ORDER EXECUTION PUT III AS STATED IN THIS DISCLOSURE IS CALCULATED WITH PRICE ASSUMPTIONS OF RIGHTS EXECUTION PRICE OF MAXIMUM RP480.00 (FOUR HUNDRED AND EIGHTY RUPIAHS). THUS, DEPEND ON THE PRICE OF FINAL NUMBER OF NEW SHARES, RIGHTS CONVERSION RATE OF PROCEEDS AND TOTAL PUT III MAY CHANGE.**

This information disclosure is released in Jakarta on 18 April 2016

<b>EXERCISE SCHEDULE</b>	
Date of Extraordinary General Meeting of Shareholders	15 April 2016
Effective Date	2 June 2016
Date Cum Rights in Regular and Negotiation	9 June 2016
Rights Ex Date in Regular and Negotiation	10 June 2016
Date Cum Right Spot Market	14 June 2016
Rights Ex Date Spot Market	15 June 2016
Recording Date for Shareholders Entitled to Receive Pre-emptive Rights	14 June 2016
Rights Trading Period	16 - 22 June 2016
The Pre-emptive Rights Certificate Distribution Period	18 - 22 June 2016
Commencement Date of the Execution of the Pre-emptive Rights	16 June 2016
Last Date of the Execution of the Pre-emptive Rights	22 June 2016
Last Date for Payment of Excess Share	24 June 2016

Allotment Date	27 June 2016
Refund Date	29 June 2016

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### RI III

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New Shares offered by the Company in the Rights Offering III with the issuing of Rights are all Common Shares issued from treasury of the Company which resulted in the increase in issued and fully paid up capital of the Company. As required under FSA Regulation No. 32/2015, the capital increase by providing pre-emptive rights must be approved by the shareholders in advance. Pursuant to the implementation of the Rights Issue, the Company has obtained the approval of the shareholders at the EGM held by the Company on April 15, 2016. With the approval of the EGM has been gained on the implementation plan PUT III, the Board of Directors, on behalf of the Company, hereby undertake PUT III on the issuance of pre-emptive rights to the Company's shareholders as much as 29,161,131,250 (twenty-nine billion, one hundred and sixty one million, one hundred and thirty one thousand two hundred and fifty) new Common shares, or by 80.1% (eighty point one percent) of the issued and paid-up capital after the pUT III with a nominal value of Rp50.00 (fifty Rupiah) per share with execution price of maximum Rp480.00 (four hundred and eighty Rupiah) per share, thus totaling the maximum Rp13,997,343,000,000.00 (thirteen trillion, nine hundred and ninety-seven billion, three hundred and forty three million Rupiah).

Each holder of 36 (thirty six) Old Shares whose names are listed in the DPS on June 14, 2016 at 16:00 pm is entitled to 145 (one hundred and forty-five) of the Rights, which every 1 (one) Right entitles the holder to purchase 1 (one) New Shares with the execution price of maximum Rp480.00 (four hundred and eighty Rupiah) per share to be paid in full upon submission FPPS through the exercise of the Rights. The New Shares will be issued from treasury and will be listed on the Stock Exchange with due regard to the legislation in force. New Shares have equal rights and equal in all respects with the other Common Shares issued and fully paid, including the right to dividends, rights, voting rights in the General Meeting and the right to bonus shares. Each of Rights in the form of fractions will be rounded down (round down), where the right to fractional New Shares will be sold by the Company and the proceeds put into the Company's account.

Rights can be traded both within and outside the Stock Exchange during the trading period starting from the date of June 16, 2016 until June 22, 2016. Registration of Common Shares will be the result of exercise of the Rights on the Stock Exchange started on June 16, 2016. The last date of exercise of the Rights is dated June 22, 2016 so that the Rights are not exercised up to that date will not apply. The number of shares offered in the Rights Issue by way of issuance of the Rights is the number of shares to be completely removed from the portfolio and will be listed on the Stock Exchange with due regard to the legislation in force. If the New Shares in the Rights Issue are not entirely taken up by holders of Rights, then the remainder will be allocated to other shareholders who book more than his due, proportionally based on the number of Rights that have been implemented by the respective shareholders requesting additional securities under the price of the order. If after such allocation is still a remaining balance of the New Shares not subscribed, then the rest of the New Shares will be taken up by BAT in 2009, as the Standby Purchasers in the Rights Issue, with the amount of 4,212,902,001 (four billion, two hundred and twelve million nine hundred two thousand and one) execution price of maximum Rp480.00 (four hundred and eighty Rupiah) per share in accordance with the Deed of Agreement No. Standby Purchasers 56 dated 15 April 2016, made before Mala Mukti, SH, LL.M., Notary in Jakarta.

Noting that the number of New Shares in this Rights Issue totaling 29,161,131,250 (twenty-nine billion, one hundred and sixty one million, one hundred thirty-one thousand two hundred and fifty) shares, the shareholders who do not exercise their rights to purchase the New Shares offered in this Rights Issue in accordance with their rights will decrease the percentage of ownership of shares or dilution of the shares of the Company up to a maximum of the Company amounted to 80.1% (eighty point one percent).

Prior to the EGM to approve the Rights Issue by the Company on 15 April 2016, the capital structure of the Company pursuant to the Deed of Directors of the Company No. 57 dated February 23, 2016, made in the presence of Mala Mukti, SH, LL.M., Notary in Jakarta, as well as the composition of the shareholders and shareholding composition of the Company as at March 31, 2016 by DPS issued by the Registrar are as follows:

Description	Nominal Value Rp50,00 per share		
	Shares Amount	Total Nominal Value (Rp)	(%)
<b>Authorized Capital</b>	<b>21,546,000,000</b>	<b>1,077,300,000,000</b>	
<b>Issued and Fully Paid-up Capital</b>			
1. BAT 2009	6,194,043,124	309,702,000,000	85.55
2. United Bank of Switzerland AG	970,542,854	48,527,000,000	13.41
3. Public (ownership of below 5%)	75,419,022	3,771,000,000	1.04
<b>Total Issued and Fully Paid-Up Capital</b>	<b>7,240,005,000</b>	<b>362,000,250,000</b>	<b>100</b>
<b>Shares in Portfolio</b>	<b>14,305,995,000</b>	<b>715,299,750,000</b>	

In the event that all the Company's shareholders exercise their Rights offered in the RI III, the capital structure and composition of shareholders of the Company prior to and after this RI III are *pro-forma* as follows:

Description	Nominal Value Rp50,00 per share					
	Before RI III			After RI III		
	Shares Amount	Total Nominal Value (Rp)	(%)	Shares Amount	Total Nominal Value (Rp)	(%)
<b>Authorized Capital</b>	<b>21,546,000,000</b>	<b>1,077,300,000,000</b>		<b>110,000,000,000</b>	<b>5,500,000,000,000</b>	
<b>Issued and Fully Paid-up Capital</b>						
1. BAT 2009	6,194,043,124	309,702,000,000	85.55	31,142,272,373	1,557,113,618,672	85.55
2. United Bank of Switzerland AG	970,542,854	48,527,000,000	13.41	4,879,673,794	243,983,689,686	13.41
3. Public (ownership of below 5%)	75,419,022	3,771,000,000	1.04	379,190,083	18,959,504,142	1.04
<b>Total Issued and Fully Paid-Up Capital</b>	<b>7,240,005,000</b>	<b>362,000,250,000</b>	<b>100</b>	<b>36,401,136,250</b>	<b>1,820,056,812,500</b>	<b>100</b>
<b>Shares in Portfolio</b>	<b>14,305,995,000</b>	<b>715,299,750,000</b>		<b>73,598,863,750</b>	<b>3,679,943,187,500</b>	

In the event that all shareholders excluding BAT 2009 do not exercise their Rights offered in this RI III, the capital structure and the composition of shareholders of the Company prior to and after this RI III are *pro-forma* as follows:

Description	Nominal Value Rp50,00 per share					
	Before RI III			After RI III		
	Shares Amount	Total Nominal Value (Rp)	(%)	Shares Amount	Total Nominal Value (Rp)	(%)
<b>Authorized Capital</b>	<b>21,546,000,000</b>	<b>1,077,300,000,000</b>		<b>110,000,000,000</b>	<b>5,500,000,000,000</b>	
<b>Issued and Fully Paid-up Capital</b>						
1. BAT 2009	6,194,043,124	309,702,000,000	85.55	35,355,174,374	1,767,758,718,700	97.13
2. United Bank of Switzerland AG	970,542,854	48,527,000,000	13.41	970,542,854	48,527,142,700	2.67
3. Public (ownership of below 5%)	75,419,022	3,771,000,000	1.04	75,419,022	3,770,951,100	0.21
<b>Total Issued and Fully Paid-Up Capital</b>	<b>7,240,005,000</b>	<b>362,000,250,000</b>	<b>100</b>	<b>36,401,136,250</b>	<b>1,820,056,812,500</b>	<b>100</b>
<b>Shares in Portfolio</b>	<b>14,305,995,000</b>	<b>715,299,750,000</b>		<b>73,598,863,750</b>	<b>3,679,943,187,500</b>	

### USE OF PROCEEDS FROM RI III

#### Use of Proceeds from RI III

Proceeds from this RI III, in the amount of maximum Rp13,997,343,000,000 (thirteen trillion nine hundred ninety seven billion three hundred forty three million Rupiah), after deducting issuance expenses related to the RI III will be allocated to decrease debt of the Company to Rothmans Far East B.V. in the amount of Rp12,000,000,000,000 (twelve trillion Rupiah) and for other business which will be decided in the execution of the Rights.

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

Financial highlights of the Company and Subsidiaries are presented below are taken from the consolidated financial statements of the Company and its Subsidiaries as at and for the years ended December 31, 2015 and 2014 were prepared and presented in accordance with Financial Accounting Standards in Indonesia. The audited financial statements as at and for the years ended December 31, 2015 and 2014 have been audited by auditing standards established Indonesian Institute of Accountants ("Certified") by the Office of Public Accountants ("KAP") Tanudiredja, Wibisana, Rintis & Partners, formerly Tanudiredja, Wibisana & Partners (member firm of PricewaterhouseCoopers global network), an independent public accountant with an unmodified opinion.

### Data Consolidated Statements of Financial Position

The following table sets forth certain statements of financial position from the Company's consolidated financial statements as of the years indicated:

Description	For the year ended December 31,	
	2015	2014
Total current assets	7,594,019	6,553,044
Total non-current assets	5,073,295	4,268,423
Total assets	12,667,314	10,821,467
Total current liabilities	3,446,546	6,404,484
Total non-current liabilities	12,369,525	5,698,022
Total liabilities	15,816,071	12,102,506
Total equity / (capital deficiency)	(3,148,757)	(1,281,039)
Total liabilities and equity	12,667,314	10,821,467

The following table sets forth certain statements of profit or loss and other comprehensive income data from the Company's consolidated financial statements for the years indicated:

Description	(in million Rupiah) For the year ended December 31,	
	2015	2014
Net revenues	16,814,352	14,489,473
Cost of goods sold	(15,098,989)	(12,863,580)
Gross profit	1,715,363	1,625,893
Selling expenses	(1,706,418)	(1,843,192)
General and administrative expenses	(851,633)	(753,480)
Other operating expenses, net	(33,082)	(7,205)
Other gains, net	18,791	33,530
Operating loss	(856,979)	(944,454)
Finance costs	(1,084,448)	(745,214)
Finance income	2,875	1,802
Loss before income tax	(1,938,552)	(1,687,866)
Income tax benefit / (expense)	300,014	(563,457)
Loss for the year	(1,638,538)	(2,251,323)
Other comprehensive income / (losses)		
Items that will not be reclassified to profit or loss		
Remeasurement of post employment benefit	11,760	(17,115)
Related income tax	(2,940)	4,279
Total comprehensive loss for the year	(1,629,718)	(2,264,159)

## **A. For the Year Ended December 31, 2015 Compared To the Year Ended December 31, 2014**

### **1. Net Revenue**

The Company's net revenue increased 16.0% to Rp16,814,352 million for the year ended December 31, 2015 from Rp14,489,473 million for the year ended December 31, 2014. This is primarily due to a combination of higher domestic sales volume during the period as a result of increased distribution coverage, strong performance of the Company's investment brands primarily from its Dunhill brand and higher sales price.

### **2. Cost of Goods Sold**

The Company's cost of goods sold increased 17.4% to Rp15,098,989 million for the year ended December 31, 2015 from Rp12,863,580 million for the year ended December 31, 2014. This was largely driven by an increase in excise and related VAT payments for the year, as well as an increase in tobacco and non-tobacco input costs as a result of higher inflation and the devaluation of the Rupiah.

### **3. Selling Expenses**

The Company continued to invest heavily to grow its brand portfolio, expanded its distribution network and develop its employees. Despite the inflationary pressures on operating expenses, the Company improved its effectiveness and efficiency in promotion and distribution activities, resulting in a reduction in selling expenses of 7.4% to Rp1,706,418 million for the year ended December 31, 2015 from Rp1,843,192 million for the year ended December 31, 2014.

### **4. General and Administrative Expenses**

General and administrative expenses increased by 13.0% to Rp851,633 million for the year ended December 31, 2015 from Rp753,480 million for the year ended December 31, 2014 primarily due to the increase of employee compensation.

### **5. Other Gains, Net**

Other gains, net decreased by 44.0% to Rp18,791 million for the year ended December 31, 2015 from a Rp33,530 million for the year ended December 31, 2014 primarily due to foreign exchange losses.

### **6. Finance Costs**

To support investment in the business as well as ongoing operational activities, Rothmans Far East B.V increased its loan to the Company in 2015. Therefore, net financing costs increased to Rp1,084,448 million for the year ended December 31, 2015. It represents an increase of 45.5% from Rp745,214 million for the year ended December 31, 2014.

### **7. Finance Income**

The Company's finance income increased 59.5% to Rp2,875 million for the year ended December 31, 2015 from Rp1,802 million for the year ended December 31, 2014 and mainly represents interest income generated from cash in bank.

### **8. Loss before Income Tax**

As a result of the above, the Company recorded a 14.9% increase in its loss before income tax to Rp1,938,552 million for the year ended December 31, 2015, from Rp1,687,866 million for the year ended December 31, 2014.

### **9. Income Tax Benefit / (Expense)**

Changes in income tax expense from 2014 amounting to Rp563,457 million to income tax benefit in 2015 amounting to Rp300,014 million was mainly contributed by unrecognised deferred tax assets in 2014 amounting to Rp941,536 million.

### **10. Loss for the Year**

As a result of the foregoing, the Company's loss for the year decreased 27.2 % to Rp1,638,538 million for the year ended December 31, 2015, from Rp2,251,323 million for the year ended December 31, 2014.

## **B. Capital Expenditures**

The Company's capital expenditures were Rp1,394,144 million and Rp811,701 million in 2014 and 2015, respectively.

## **C. Indebtedness**

### **1. Third-Party Indebtedness**

The Company had authorized short-term bank loans from several banks totaling Rp1,264,062 million in the form of bank overdrafts and bank loans as of December 31, 2015, compared to Rp3,351,200 million as of December 31, 2014.

### **2. Related Party Indebtedness**

In August 2013, the Company had obtained an intercompany loan facility from Rothmans Far East B.V. to be used for the Company's working capital amounting to Rp5,300,000 million. In March 2015, the Company had further drawn down Rp3,700,000 million from a Rp6,700,000 million facility with Rothmans Far East B.V. The balance of the facility amounting to Rp3,000,000 million was drawn down in two tranches in August and November 2015.

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## **RISKS FACTORS**

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### **MAIN RISKS THAT HAVE SIGNIFICANT INFLUENCE ON THE COMPANY AND THE CONTINUANCE OF THE COMPANY'S BUSINESS**

1. The Company depends on the production and sale of cigarettes, and any significant reduction in the cigarette market conditions may affect the Company's business activities and profitability.
2. The Company depends on the strength of its brand names and trade marks and if the Company is not able to protect and promote its trademarks as well as its brand names, the reputation and competitive position of the Company may be negatively affected.
3. The Company is dependent on the operating capacity and the continuing operations of manufacturing facilities; unexpected stoppage or extended downtime of the Company's production facilities or other operational risks may affect its business, results of operations and financial condition.
4. Current and future trends and preferences of adult consumers may reduce the demand for cigarettes or certain types of cigarettes, which may have a negative impact on the price and demand for cigarettes sold by the Company, and the Company may not be able to anticipate or respond adequately to the changes in preferences or demands of adult smokers.
5. The Company's distribution channels are subject to logistical challenges, and the Company is also dependent on the reliability of its distribution channels and the distribution channels that are provided by third-parties.
6. The Company has sustained losses in the past and may sustain losses in the future.

### **BUSINESS RISKS THAT ARE MATERIAL, WHETHER DIRECTLY OR INDIRECTLY, WHICH MAY AFFECT THE OPERATING RESULTS AND FINANCIAL CONDITION OF THE ECONOMY**

1. The Company may not obtain sufficient or stable raw material supply for its production process, caused by factors that affect the tobacco leaf and clove production and harvesting or for other reasons. Delay or shortage in the supply of raw materials, especially clove, could have a material adverse effect on the Company's business, results of operations and prospects..
2. The Company is also exposed to price fluctuations and inflation of tobacco leaf and clove, and margins of the Company may be affected by rising raw material prices.
3. The business activities of the Company may be affected by the seasonal nature of cigarette consumption and prices of tobacco leaf and cloves.
4. The Company experiences intense competition; the inability to compete effectively could bring a material adverse effect on the profitability and results of operations of the Company.
5. The increase in illicit trade of tobacco products can cause reputational damage and a decline in recorded legal sales, which may cause the Company to settle claims in connection with the illicit trade, or to adopt costly counter measures.
6. If the Company fails to keep pace with the advances in technology and maintain the reliability of production facilities, the Company's business and results of operations could be negatively affected.

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## COMPANY OVERVIEW

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### A. BRIEF HISTORY OF THE COMPANY

The company, domiciled in South Jakarta, was first established under the name PT Rimba Niaga Idola based on Deed of a Limited Liability Company PT Rimba Niaga Idola No. 247 dated 11 April 1987, drawn up before Misahardi Wilamarta, S.H., Notary in Jakarta (“**Deed of Establishment of a Company**”) to further commence with business activities originating from a limited partnership business entity under the name C.V. Rimba Niaga whose articles of association are included in Deed No. 61 dated 19 January 1979, drawn up before Ny. Darwani Sidi Bakaroedin, S.H., Notary in Jakarta. The Deed of Establishment of a Company has been authorized by the Minister of Justice of the Republic of Indonesia by Decree No. C2-1219.HT.01.01.TH.89 dated 4 February 1989, and was registered into the registry book at Central Jakarta District Court under No. 471/1989 dated 4 March 1989, and was announced in the State Gazette of the Republic of Indonesia No. 90 dated 10 November 1989, Supplement No. 2990.

On 5 March 1990, the Company noted a 1.200.000 (one million two hundred thousand) Common Registered Stocks with nominal value of Rp 1.000,00 (a thousand Rupiah) per share in the Jakarta Stock Exchange (now the IDX) and was publicly offered with offering price of Rp 3,380.00 (three thousand three hundred and eighty Rupiah) per share.

In 1996, the Company changed its name to PT Transindo Multi Prima Tbk along with its vision and mission based on Deed of Resolution of Limited Liability Company PT Rimba Niaga Idola Tbk No. 31 dated 27 December 1996, drawn up before Anasrul Jambi, S.H., Notary in Jakarta, which was approved by the Minister of Justice of the Republic of Indonesia by virtue of Decree No. C2-11.968.HT.01.01.TH.97 dated 25 April 1997, was registered into the Company Registry in compliance with UUWDP with TDP No. 09051627222 at the Central Jakarta Company Registration Office No. 1013/BH.09.05/III/97 on 21 July 1997, and was announced on the State Gazette of the Republic of Indonesia No. 48 dated 16 June 1988, Supplement No. 3216.

In 2000, the Company changed its name again into PT Bentoel Internasional Investama Tbk based on Deed of Resolution of Extraordinary General Meeting of Shareholders of PT Transindo Multi Prima Tbk No. 23 dated 11 February 2000, drawn up before Fathiah Helmi, S.H., Notary in Jakarta jo Deed of Affidavit of Limited Liability Company PT Transindo Multi Prima Tbk No. 56 dated 25 February 2000, drawn up before Fathiah Helmi, S.H., Notary in Jakarta. Such a deed has received approval from the Minister of Law of the Republic of Indonesia based on Decree No. C-3988 HT.01.04-TH.2000 dated 28 February 2000, was registered into the Company Registry in compliance with UUWDP based on TDP No. 090315228222 at South Jakarta Company Registry District Office No. 260/RUB.09.03/III/2000 on 15 March 2000, and was announced in the State Gazette of the Republic of Indonesia No. 69 dated 29 August 2000, Supplement No. 4862. In addition to the Company's alteration name, the two aforementioned deeds include adjustments to several articles in the Company's Articles of Association in regard to regulations set by Decree by Chief of Capital Market Supervisory Agency No. Kep.13/PM/1997 concerning Principles in Articles of Association of a Company that Conducts Public Offering of Equity-Based Securities and Public Company.

On 19 November 1997, the Company issued a prospectus to offer Bonds of Bentoel I Year 2007 to the public with total bonds of Rp 1.350.000.000.000 (one trillion three hundred fifty billion Rupiah). This bond were paperless bonds that had a 5 (five year) period with an interest rate of 10.5% (ten point five percent) interest rate (“**Public Offering of Bonds I**”).

The Company's Articles of Association have been amended to be adjusted with Company Law as stipulated in Deed of Affidavit No. 238 dated 27 June 2008, drawn up before Eliwati Tjitra, S.H., Notary in Jakarta, which was approved by the Minister of Law and Human Rights by Decree No. AHU-60855.AH.01.02.Year 2008 dated 10 September 2008, and was registered in the Company Registry in compliance with Company Law under No. AHU-0082166.AH.01.09.Year 2008 dated 10 September 2008, and was announced in the State Gazette of the Republic of Indonesia No. 18 dated 3 March 2008, Supplement No. 6324.

On 26 November 2009, Bapepam-LK issued an effective statement regarding the merger plan between the Company and PT BAT Indonesia Tbk (“**BATI**”). In that merger, the Company was the entity who receive the merger and thus BATI's legal status was terminated due to prevailing law as stipulated in Deed No. 28 dated 4 December 2009, drawn up before Aulia Taufani, S.H., Notary in Jakarta, which was approved by the Minister of Law and Human Rights by Decree No. AHU-60718.AH.01.02 Year 2009 dated 11 December 2009.



Since the enactment of Public Offering of Bonds I, the Company's Articles of Association has been amended several times, last of which was based on the Deed of the Board of Directors Resolution of the Company No. 57, dated 23 February 2016, drawn up before Mala Mukti, SH, LL.M., Notary in Jakarta. The deed has been notified to the Minister of Law and Human Rights through Receipt of Notification on the Amendment of Articles of Association No. AHU-AH.01.3-0027129 dated 26 February 2016, and was registered in the Company Registry in compliance with Company Law No. AHU- AH-0026072.AH.01.11.Year 2016 dated 26 February 2016.

The Company is a company who receives the domestic investment facility (PMDN) based on Business Permit No. 1374/T/INDUSTRI/PERDAGANGAN/2009 dated 31 December 2009 jo Business Permit No. 4/1/IU/III/PMDN/INDUSTRI/PERDAGANGAN/2010 dated 10 April 2010.

The Company began to commence its business activities commercially in 1989, starting from a company whose line of business was in the rattan industry. Its scope of work at the present time is in line with the provision of Article 3 of the Articles of Association, which include general trade, industry, services except law and tax services, such as running business activities in the trade section for cigars, cigarettes and other products made of tobacco in line with the prevailing laws and regulations, as well as conducting business in the industry section, including various types of industries, such as white cigarettes manufacturing, kretek cigarettes, other cigarettes and other products made of tobacco, cigarettes' condiments and klobot/kawung in compliance to the prevailing laws and regulations, to engage in tobacco drying and processing industry.

## B. CAPITAL STRUCTURE AND SHAREHOLDERS COMPOSITIONS

Based on the Shareholders Registry of the Company issued by the BAE on 31 December 2015, the capital structure and shareholders composition of the Company are as follows:

Description	Nominal value Rp50,00 per share		
	Shares Amount	Total Nominal Value (Rp)	(%)
<b>Authorized Capital</b>	<b>21,546,000,000</b>	<b>1,077,300,000,000</b>	
<b>Issued and Fully Paid-up Capital</b>			
1. BAT 2009	6,194,043,124	309,702,156,200	85.55
2. United Bank of Switzerland AG	970,542,854	48,527,142,700	13.41
3. Public (ownership of below 5%)	75,419,022	3,770,951,100	1.04
<b>Total Issued and Fully Paid-Up Capital</b>	<b>7,240,005,000</b>	<b>362,000,250,000</b>	<b>100</b>
<b>Shares in Portfolio</b>	<b>14,305,995,000</b>	<b>715,299,750,000</b>	

## C. MANAGEMENT AND MONITORING OF THE COMPANY

The composition of the Board Commissioners and Board of Directors of the Company at the time of the Prospectus publication pursuant to Deed of Resolutions of Annual General Meeting of Shareholders of the Company No.55 dated 15 April 2016, drawn up before Mala Mukti, S.H.,LL.M., Notary in Jakarta, are as follows:

### **Board of Commissioners**

President Commissioner and Independent Commissioner : Hendro Martowardojo  
 Independent Commissioner : Silmy Karim  
 Independent Commissioner : Eddy Abdurrachman  
 Commissioner : Michael Scott Hayes

### **Board of Directors**

President Director : Jason Fitzgerald Murphy  
 Director : Hardeep Khangura  
 Director : Martin Arthur Guest  
 Independent Director : Prijunatmoko Sutrisno

The appointment of the members of the Board of Commissioners and Board of Directors as listed above is in accordance with OJK Regulation No. 33/POJK.04/2014 regarding the Board of Directors and Board of Commissioners of Issuer or Public Company.

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## FULFILLMENT OF COMPANY TAX LIABILITY

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As a taxpayer, the Company has a tax liability for Income Tax (PPH), Value Added Tax (PPN), and the Land and Building Tax (PBB). The Company has fulfilled its obligations in accordance with the provisions of tax legislation and taxation rules and regulations. As of the date of publication of this Prospectus, the Company has no tax in arrears. The calculation of corporate income tax for the ending year is a preliminary calculation designed for accounting purposes and could change when the Company submits its Annual Tax Return (SPT).

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## CAPITAL MARKET SUPPORTING INSTITUTIONS AND PROFESSIONALS

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The Capital Market Supporting Institutions and Professionals as well as other relevant professions which assisted and engaged in this RI III are as follows:

Legal Consultant	:	<b>Makes &amp; Partners Law Firm</b>
Accountant	:	<b>KAP Tanudiredja, Wibisana, Rintis &amp; Rekan</b> (was KAP Tanudiredja, Wibisana & Rekan – a member Firm of the PricewaterhouseCoopers network firms)
Notary	:	<b>Kantor Notaris Mala Mukti, S.H., LL.M.</b>
Share Registrar (BAE)	:	<b>PT Datindo Entrycom</b>

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## PROCEDURE OF SHARES SUBSCRIPTION

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In relation to this RI III, the Company has appointed the Share Registrar (“BAE”) PT. Datindo Entrycom as the Shares Administration Management and Limited Public Offering Execution Agency, in accordance with Deed of Agreement on Shares Administration Management and Limited Public Offering Execution Agency in RI III of the Company No.57 dated 15 April 2016, drawn up before Mala Mukti S.H.,LL.M., Notary in Jakarta.

### 1. Entitled Subscriber

The shareholders whose names are registered in the Shareholders Registry of the Company dated 14 June 2016 up to 16.00 WIB are entitled to purchase a number of New Shares in RI III provided that any shareholder holding 36 (thirty six) Existing Share shall be entitled to 145 (one hundred and forty five) Rights, where 1 (one) Right is entitled to purchase 1 (one) New Share in RI III with a Shares Execution Price of maximum Rp480.00 (for hundred and eighty Rupiah) per share.

Subscribers entitled to place orders for the purchase of the New Shares are:

- a. Holders of Certificate of Evidence of Rights whose names are listed in the Certificate of Evidence of Rights or subscriber of Rights whose name is listed in the Certificate of Evidence of Rights or in the endorsement column of the Certificate of Evidence of Rights up to the latest date of the Rights trading period; or
- b. Holder of Rights who is registered at the KSEI Collective Depository up to the latest date of the Rights trading period.

The subscriber may consist of an Indonesian or foreign individual and/or Legal Institution/Entity as regulated under Capital Market Law (“UUPM”).

To expedite and fulfill the schedule for the registration of the entitled shareholders, the shareholders who hold shares of the Company in script form and about to exercise their right to acquire the Rights and have yet to execute the registration for the transfer of shares ownership are advised to register at the BAE before the Shareholders registration deadline on 14 June 2016.

### 2. Distribution of Rights

For shareholders whose shares are deposited in the Collective Depository of KSEI, the Rights will be distributed electronically through the respective securities accounts of IDX members (“Exchange Member”) or custodian banks in KSEI (“Custodian Bank”) no later than one Business Day after the date of recording in the

Shareholders Register (Daftar Pemegang Saham, DPS) with Rights, dated 15 June 2016. The Prospectus and implementation guidelines will be distributed by the Company through KSEI and may be obtained by the shareholders of the Company at their respective Exchange Member or Custodian Bank.

For shareholders whose shares have not been deposited in the Collective Depository system of KSEI, the Company shall issue a Certificate of Evidence of Rights in the name of the Shareholders, which may be obtained by the entitled shareholders or its proxy in the BAE during each business day and working hours starting from 15 June 2016 and submit the following documents:

- a. Photocopies of valid ID/Passport/KITAS (for individuals) or photocopies of the Articles of Association (for Institutions/Legal Entities). Shareholders must also provide the original documents of said photocopies;
- b. Original valid power of attorney (if authorized) which is affixed with Rp 6.000,- (six thousand Rupiah) stamp duty and attached with photocopies of the KTPs/Passports/KITAS of both the Authorized Party and the Authorizer (the original KTPs/Passports/KITAS of the Authorized Party and the Authorizer must be provided).

### **3. Procedure of Rights Exercise**

Rights Exercise may be carried out starting from 16 June 2016 up to 22 June 2016.

- a. Holders of Rights which is registered at the KSEI Collective Depository and wishes to exercise its Rights must request for its exercise through an Exchange Member/Custodian Bank appointed as its securities manager. Further, said Exchange Member/Custodian Bank shall submit a request or instruction of exercise through the C-Best system in accordance with the procedures determined by KSEI. In performing such exercise instruction, the Exchange Member/Custodian Bank shall meet the following conditions:
  - (i) The holder of Rights must provide sufficient funds for the exercise of the Rights at the time of filing such request; and
  - (ii) The sufficiency of the Rights and the payment funds for the exercise of the Rights must already be made available in the securities account of the Holder of Rights so exercising its Rights.

On one Business Day thereafter, KSEI will deliver its list of Holders of Rights in the KSEI Collective Depository who have exercised their Rights and delivered payment funds for such exercise of Rights in the account of the Company.

Shares resulting from the exercises of Rights will be distributed by the BAE in electronic form to the bank account designated by KSEI to be further distributed to each Securities Account of the Holder of Rights exercising its Rights by KSEI. Shares resulting from the exercise of Rights will be distributed by the BAE no later than 2 (two) Business Days upon receipt of the exercise request from KSEI and receipt of the payment funds in good funds in the account of the Company.

- b. Rights holders in the form of scripts (warkat / Certificate of Evidence of Rights) who wishes to exercise their Rights must request for its exercise to the BAE, by submitting the following documents:
  - (i) Original Rights Certificate which has been duly completed and signed;
  - (ii) Original version of payment receipt in form of cash/cheque/money order/transfer to the account of the Company from the bank where payment is made;
  - (iii) Original valid KTPs/Passports/KITAS (for individuals) or photocopies of the Articles of Association (for Institutions/Legal Entities) and the Attachment of the composition of the Board of Directors/ Management (for institutions/legal entities);
  - (iv) Original valid power of attorney (if authorized) which is affixed with Rp 6.000,- (six thousand Rupiah) stamp duty and attached with photocopies of the KTPs/Passports/KITAS of both the Authorized Party and the Authorizer (the original valid KTPs/Passports/KITAS of the Authorized Party and the Authorizer must be provided);
  - (v) In the event the holders of Rights wish for New Shares resulting from their exercise in electronic form, the exercise request made to BAE through the appointed Exchange Member or Custodian Bank must be submitted enclosed with additional documents, namely:
    - Original valid power of attorney from the holder of Rights to the Exchange Member or Custodian Bank to submit the application for the subscription of additional shares and manage securities of their allotted New Shares in the KSEI Collective Depository and other authorizations which may be provided in relation to subscription of additional shares on behalf of the Authorizer; and

- Original Securities Deposit Form issued by KSEI which has been duly completed and signed.

The Company will issue the New Shares resulting from the Rights exercise in the tangible form of SKS if the holders of Certificate of Evidence of Rights do not wish for their New Shares resulting from the Rights exercise to be deposited in the KSEI Collective Depository.

Every and all expenses resulting from the conversion of the shares of the Company in the form of scripts into electronic form and/or vice versa from its electronic form to scripts must be paid by and fully accounted by the respective shareholder of the Company.

The registration for Rights exercise will be carried out at BAE office. The registration opens on 16 June 2016 until 22 June 2016 during Business Days and Working Hours (Monday to Friday from 09.00 – 15.00 WIB)

In the event that the completion of Certificate of Evidence of Rights is not in accordance with the requirements stipulated in the Certificate of Evidence of Rights and the Prospectus, this matter may lead to the rejection of such subscription.

The Rights is deemed exercised when the payment has been accepted in good funds in the account of the Company in compliance with regulations stated in the terms of subscription

#### **4. Subscription of Additional Shares**

A shareholder whose Rights are not for sale or the latest Rights subscriber/holder whose name is included in the endorsement column of the Certificate of Evidence of Rights or the holder of Rights in the KSEI Collective Depository, may request for additional shares surpassing his current entitled rights by completing the additional shares subscription column as provided in the Certificate of Evidence of Rights and/or Additional FPPS in a minimum amount of 1 (one) share or its multiplications thereof and submit it to the BAE at the latest on the last day of the Rights trading period, which is on [22 June] 2016.

- a. A holder of Rights in the form of script / Certificate of Evidence of Rights who wishes his allotted New Shares remain to be in electronic form must file a request to the BAE through an Exchange Member or Custodian Bank by submitting the following documents:
  - (i) Original Additional FPPS which has been duly and correctly completed;
  - (ii) Original valid power of attorney from the holder of Rights to the Exchange Member or Custodian Bank to submit the application for the subscription of additional shares and manage securities of their allotted New Shares in the KSEI Collective Depository and other authorizations which may be provided in relation to subscription of additional shares on behalf of the Authorizer;
  - (iii) Original valid KTPs/Passports/KITAS (for individuals) or photocopies of the Articles of Association (for Institutions/Legal Entities) and the attachment of the composition of the Board of Directors/ Management (for institutions/legal entities);
  - (iv) Original evidence of payment receipt in the form of cash/cheque/money order/transfer to the account of the Company from the bank where the payment is made;
  - (v) Original Securities Deposit Form issued by KSEI which has been duly completed and signed for the purposes of distribution of additional shares resulting from exercise carried out by the BAE.
- b. A holder of Rights in the form of script / Certificate of Evidence of Rights who wishes his allotted New Shares remain to be in the form of script/tangible SKS, must file a request to the BAE of the Company by submitting the following documents:
  - (i) Original Additional FPPS which has been duly and correctly completed;
  - (ii) Original valid power of attorney (if authorized) which is affixed with Rp6.000,00 (six thousand Rupiah) stamp duty and attached with photocopies of the KTPs/Passports/KITAS of both the Authorized Party and the Authorizer (the original KTPs/Passports/KITAS of the Authorized Party and the Authorizer must be provided);
  - (iii) Original valid KTPs/Passports/KITAS (for individuals) or photocopies of the Articles of Association (for Institutions/Legal Entities) which is attached with the composition of the Board of Directors/ Management (for institutions/legal entities);
  - (iv) Original evidence of payment receipt in the form of cash/cheque/money order/transfer to the account of the Company from the bank where the payment is made.
- c. A holder of Rights in the KSEI Collective Depository shall complete and submit the Additional FPPS by attaching these following documents:

- (i) Original exercised instruction that has been settled accordingly through the C-BEST on behalf of the said holder of Rights (specifically for a holder of Rights in KSEI Collective Depository who has exercised their Rights through C-BEST system).
- (ii) Original Securities Deposit Form issued by KSEI that has been duly completed for the purposes of distribution of the New Shares resulting from exercise carried out by the BAE.
- (iii) Original evidence of payment receipt in the form of cash/cheque/money order/transfer to the account of the Company from the bank where the payment is made.

The payment for additional shares subscription can be made and shall be received by the account of the Company on [24 June] 2016 at the latest in good funds. The subscription that is not in accordance with the subscription terms may lead to rejection of said subscription.

## **5. Allotment for Additional Shares Subscription**

The allotment for additional shares subscription will be determined on 27 June 2016 under the following terms and regulations:

- a. If the total number of subscribed shares, including subscription of additional shares does not exceed the total number of shares offered in this RI III, then all subscriptions of additional shares shall be met;
- b. If the total number of subscribed shares, including subscription of additional shares exceeds the total number of shares offered in this RI III, then a proportional allotment system will be imposed to the subscribers of additional shares which is based on the amount of Rights exercised by each shareholder who requests additional shares.

The Allotment Manager, in this case, the Company, will submit the report of Accountant Audit Result to the Financial Services Authority (OJK) regarding the feasibility of the allotment implementation in reference to Regulation No. VIII.G.2 and Regulation No. IX.A.7, the report of said audit must be submitted by the Company to the OJK at the latest 30 (thirty) days after the allotment date ends in compliance to OJK Regulation No. 32/2015.

## **6. Terms of Payment**

Payment of shares subscription in relation to this RI III must be paid in full (in good funds) in the Rupiah currency at the time of the subscription by way of cash/cheque/clearing/book transfer by including the Number of Certificate of Evidence of Rights or the Number of Additional FPPS. Such payment shall be made into the account of the Company as follows:

**Deutsche Bank AG**  
**Jakarta Branch**  
**Account No: 001 8549 000**  
**Account Holder Name: PT Bentoel Internasional Investama, Tbk.**

All bank cheques and money orders shall be disbursed upon receipt. If during the disbursement, said bank cheques and money orders are declined by the relevant Bank, the relevant shares subscription shall be deemed cancelled. If payment is conducted by way of cheque or transfer or clearing, then the payment date shall be determined based on the date of the receipt of such cheque or transfer or clearing which fund has been received in good funds in the above account of the Company.

For the subscription of additional shares, payment shall be conducted on the subscription date, which payment shall have been received in good funds in the above account of the Company no later than 24 June 2016.

All fees which may be incurred as a result of shares subscription in this RI III shall be borne by the subscriber. A shares subscription which fails to meet the terms of payment shall be cancelled.

## **7. Evidence of Receipt of Shares Subscription**

The Company, through the BAE which receives a shares subscription, shall deliver the Evidence of Rights of Receipt of Shares Subscription to the subscribers as part of the Rights, which has been duly stamped and signed as evidence of subscription to be provided as evidence at the time of the subscription of the New Share and in the time of refund of the additional subscription request which were not fulfilled.

Holders of Rights in the KSEI Collective Depository shall receive confirmations on the Rights exercise request from C-Best at KSEI through the KSEI Account Holder.

#### **8. Cancellation of Shares Subscription**

The Company is entitled to cancel a shares subscription, in part or in whole, with due observance of the prevailing conditions. Notification concerning the cancellation of shares subscription shall be announced at the same time as the confirmation letter of New Shares subscription allotment.

Matters which may result in the cancellation of a New Shares subscription are as follows:

- a. Completion of Certificate of Evidence of Rights or Additional FPPS which are not in accordance with the New Shares subscription guidelines/conditions as set out in the Certificate of Evidence of Rights and the Prospectus;
- b. Failure in meeting the terms of the payment;
- c. Failure in meeting the conditions for completion of requested documents.

#### **9. Refund of Subscription Monies**

In the event of non-fulfillment in part or in whole of an additional shares subscription or in the event of cancellation of shares subscription, the Company shall refund in part or all of the subscription monies in Rupiah currency at the latest on 29 June 2016. The refund of such subscription monies shall be carried out by way of bank transfer to the account of the subscriber. The refund of the subscription monies carried out on 29 June 2016 will not include interest payment.

In the event that the refund of subscription monies surpasses the 2 (two) Business Days limit after the allotment date, the amount of monies refunded shall include payment of interest calculated as of the second Business Day after the allotment date up to the date of the refund. The amount of interest over such late refund of subscription monies shall be calculated based on the average deposit interest rate with a period of 1 (one) month at the bank where said subscription monies is placed. The Company shall not pay interest over the late refund of subscription monies if such delay is caused by a subscriber who fails to state the name of the bank and number of the bank account.

For holders of Rights in the KSEI Collective Depository who exercises its rights through the KSEI, the subscription monies shall be returned by the KSEI.

#### **10. Distribution of Shares Resulting from the Rights Exercise**

New Shares resulting from the Rights exercise for subscribers who have executed their Rights through the KSEI shall be credited into the securities account in 2 (two) Business Days following the receipt of the request to exercise Rights from KSEI and the payment funds in good funds into the Company's account.

New Shares resulting from the Rights Exercise for subscribers of Rights in the form of scripts who have executed their Rights shall receive SKS or shares in the form of scripts at the latest in 2 (two) Business Days following the receipt of the request by the BAE and the payment funds in good funds into the Company's account.

Whereas for shareholders whose shares are not listed in the Collective Depository in the KSEI, the new SKS resulting from the Rights Exercise may be acquired from 20 June 2016 up to 24 June 2016 on every Business Days and Working Hours (Monday to Friday at 09.00 - 15.00 WIB). Whereas the New Shares resulting from the allotment may be acquired from [29 June 2016] on every Business Days and Working Hours ([Monday to Friday at 09.00 - 15.00 WIB]). Subscription may be carried out in the BAE office by providing/showing the following documents:

- a. Original valid KTPs/Passports/KITAS (for individuals) or photocopies of the Articles of Association (for Institutions/Legal Entities) which is attached with the composition of the Board of Directors/Management (for institutions/legal entities);
- b. Original valid power of attorney (if authorized) which is affixed with Rp 6.000,- (six thousand Rupiah) stamp duty and attached with photocopies of the KTPs/Passports/KITAS of both the Authorized Party and the Authorizer;
- c. Original evidence of shares subscription receipt.

## 11. Allocation for Unsubscribed Rights

If the New Shares offered in this RI III are not fully subscribed for by the Holders of Rights, the remaining shares shall be allocated to other Rights holders which have exercised their rights and have subscribed for additional shares as set out in the Certificate of Evidence of Rights and/or Additional FPPS, in proportion to the exercised Right.

If after such allocation of additional New Shares, there are still New Shares unsubscribed by the shareholders in this RI III, all the remaining New Shares will be purchased by the British American Tobacco (2009 PCA) Limited as a majority shareholder, as Standby Buyer in this RI III, in the amount of 4.212.902.001 (four billion two hundred twelve million nine hundred two thousand and one) share.

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### INFORMATION REGARDING STANDBY BUYER

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Standby Buyer in this RI III is:

#### **British American Tobacco (2009 PCA) Limited**

Globe House  
4 Temple Place  
London  
WC2R 2PG

#### **Brief History**

BAT 2009, domiciled in England and Wales, a company duly established under the laws of England and Wales. BAT 2009 is established under Certificate of Incorporation of a Private Limited Company No. 6925846 dated 5 June 2009.

At the date of this Prospectus, the Articles of Association of BAT 2009 is as attached in the *Memorandum and Articles of Association* BAT 2009 dated 5 June 2009.

#### **Business Activity**

Based on the Memorandum and Articles of Association BAT 2009 dated 5 June 2009, the business activities of BAT 2009 are as follows:

- a. To carry on business as a general commercial company;
- b. To carry on any other business or activity which may seem to the Company capable of being carried on directly or indirectly for the benefit of BAT 2009;
- c. To conduct, promote and commission research and development in connection with any activity or proposed activity of BAT 2009, and to apply for and take out, purchase or otherwise acquire any patents, patent rights, inventions, secret processes, designs, copyrights, trade marks, service marks, commercial names and designations, know-how, formula, licenses, concessions and the like (and any interest in any of them) and any exclusive or non-exclusive or limited right to use, and any secret or other information as to, any invention or secret process of any kind and to use, exercise, develop, and grant licenses in respect of, and otherwise turn to account and deal with, the property, rights and information so acquired;
- d. To carry on the business of a holding company and to co-ordinate and regulate the activities and businesses of subsidiary and associated companies for the time being and the financing of such companies;
- e. To exercise and enforce all rights and powers conferred by or incidental to the ownership of any such shares, stocks, debentures, debenture stocks, bonds, notes, securities, obligations and investments;
- f. To provide any form of capital for and take part in the formation, management, supervision or control of the business or activities of any company or undertaking and for such purposes to appoint and remunerate any directors, accountants or other experts, advisers or agents and to act as agent for and to manage, supervise or control and provide services to the business, property or activities of any company or other person or undertaking, or any property in which BAT 2009 may be interested; and
- g. To borrow money, obtain credit and raise finance in any manner.

## Capital Structure

The shareholder structure of BAT 2009 at the date of this Prospectus is as follows:

Description	Nominal Value £1 per share		
	Shares	Value (£)	(%)
British American Tobacco International Holdings (UK) Limited	370.000.002	370.000.002	100
<b>Amount of Capital</b>	<b>370.000.002</b>	<b>370.000.002</b>	<b>100</b>

## Management and Monitoring

The management structure of BAT 2009 at the date of this Prospectus is as follows:

Director	:	David Patrick Ian Booth
Director	:	Noelle Colfer
Director	:	Robert Fergus Heaton
Director	:	Ridirectors Limited
Secretary	:	Ann Elizabeth Griffiths
Assistant Secretary	:	Sophie Louise Edmonds Kerr

BAT 2009 is further acting as the standby buyer and as majority shareholders.

If the New Shares offered in this RI III are not entirely subscribed by holders of Rights, the New Shares will be allocated to the other holders of Rights who subscribed for more than the rights they are entitled to, as noted in the Certificate of Evidence of Rights and/or Additional FPPS, proportionally based on the rights which have been exercised.

In the event that New Shares offered in this RI III are not fully subscribed after the fulfillment of additional shares subscription, then BAT 2009 as the Standby Buyer in RI III will subscribe the said remaining New Shares at the execution price of maximum Rp480.00 (four hundred and eighty rupiah) per share in which all will be fully paid in cash in accordance with the Deed of the Standby Buyer Agreement No.56 dated 15 April 2016, drawn up before Mala Mukti, S.H., LL.M., Notary in Jakarta. In relation to such commitment, BAT 2009 possesses sufficient funds to fulfill its duties, which is evidenced with Bank Statement Letter dated 12 April 2016 issued by oleh B.A.T. International Finance p.l.c., entity under common control with BAT 2009.

## Significant Terms of the Standby Buyer Agreement

In the framework of this RI III, the Standby Buyer declares its commitment to fulfill its obligations respectively acting as the Standby Buyer in accordance with the provisions set forth in the Deed of the Commitment Agreement for the Purchase of Remaining Shares of the Limited Public Offering III of the Company No. 56 dated 15 April 2016 which is drawn up before Mala Mukti, S.H., LL.M., Notary in Jakarta.

Key points of the Deed of Agreement mentioned above are as follows:

- If the new shares offered in the RI III is not entirely taken up by holders of Rights, then the remaining will be allocated to the other public holders who subscribe for additional rights beyond their portion, as stated in the Rights Certificate or the Additional Shares Subscription Form proportionally in compliance with prevailing laws and regulations. If, after the allocation of the additional share subscription, the stock is still residual to the public portion, therefore based on Standby Buyer Agreement, the remaining will be acquired by the Standby Buyer at the offering price.
- Each holder of 36 (thirty six) of Existing Shares whose name is registered in the Company's Shareholders Register on 14 June 2016 at 16.00 WIB are entitled to 145 (one hundred and forty five) Rights, in which 1 (one) Right gives a right to its holder to subscribe as many as 1 (one) New Shares with an execution price of maximum Rp480.00 (four hundred and eighty Rupiah) per share, which shall be fully paid at the shares subscription through the Rights exercise.



- Standby Buyer is obligated to fulfill its duties based on the Deed of the Standby Buyer Agreement, as set out on Article 4, to buy remaining share proportionally in compliance with prevailing laws and regulations, as set out on Article 2.
- Standby Buyer is obligated on the Payment Date to deliver payment funds for proportioned remaining shares as mentioned on Article 2, and will transfer to the bank account appointed by Issuer.

The above-mentioned key points depend on the fulfillment of the following terms and conditions:

- Registration Statement which has been filed by Issuer to OJK in relation to RI III has been declared effective by OJK in accordance with the prevailing laws and regulations, as set out on written statement issued by OJK.
- Issuer has disclosed all of the information required as set out on Article 7 is correct and accurate and there is no information that has not been disclosed that would cause the public to be misled: (i) on this agreement date; and (ii) every 2 (two) Working Days after Allotment Date.
- Issuer does not violate its obligations under this agreement; and
- Issuer has obtained all documents, approval, and consent required and has exercised all obligations in relation to the issuance of RI III.

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#### **DISTRIBUTION OF PROSPECTUS AND SHARES SUBSCRIPTION FORMS**

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The prospectus, rights, FPPS Solving Supplement and the Application Form SB Rights will be available starting on June 16, 2016 until the date of June 22, 2016 and can be taken directly by the Company's shareholders whose names are registered in the DPS of the Company on June 14, 2016 at 16:00 pm in:

**PT Datindo Entrycom**  
Wisma Diners Club Annex  
Jalan Jenderal Sudirman Kav. 34  
Jakarta 10220  
Telephone: (021) 570 9009  
Faximile: (021) 570 9026  
Email: [corporatesecretary@datindo.com](mailto:corporatesecretary@datindo.com)

If the shareholders of the Company whose names are registered in the Shareholders Registry of the Company on 14 May 2016 at 16.00 WIB have not yet collected their Prospectus and Certificated of Evidence of Rights and fail to contact the PT. Datindo Entrycom as Share Registrar of the Company, then all of the risks or losses which may arise shall not form the liability of the Company or the PT. Datindo Entrycom, but rather form the liability of the respective shareholders.