

**AXIATA GROUP BERHAD**  
**[199201010685 (242188-H)]**  
(Incorporated in Malaysia)

**MINUTES OF EXTRAORDINARY GENERAL MEETING OF AXIATA GROUP BERHAD (“AXIATA” OR “COMPANY”) HELD AS VIRTUAL MEETING FROM THE BROADCAST VENUE AT AUDITORIUM, LEVEL 32, AXIATA TOWER, 9 JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR, MALAYSIA ON THURSDAY, 26 MAY 2022 AT 12.30 P.M.**

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**PRESENT**

1. Tan Sri Shahril Ridza Ridzuan (“**Chairman**”) - *Chairman*
2. Dato’ Mohd Izzaddin Idris (“**DII**” or “**President & GCEO**”) - *Managing Director/President & Group Chief Executive Officer, Axiata Group Berhad (“**Axiata**” or “**Company**”)*
3. Dato Dr Nik Ramlah Nik Mahmood (“**DNR**”)
4. Dr David Robert Dean (“**DD**”)
5. Khoo Gaik Bee (“**KGB**”)
6. Thayaparan S Sangarapillai (“**TS**”)
7. Tan Sri Dr Halim Shafie (“**TSHS**”)
8. Ong King How (“**OKH**”)
9. Syed Ali Syed Salem Alsagoff (“**TSA**”)
10. Nurhisham Hussein (“**NH**”)

**IN ATTENDANCE**

- Suryani Hussein (“**Group Cossec**”) - *Group Company Secretary*

**SHAREHOLDERS PRESENT**

*As per the attendance record [Total: 421 attendees representing 1,378,206 ordinary shares in Axiata Group Berhad (“Axiata Shares”)]*

**PROXIES PRESENT**

*As per the attendance record [Total: 34 attendees representing 8,363,993,837 Axiata Shares of which shareholders with an aggregate shareholding of 1,476,352,571 Axiata Shares have nominated the Chairman of the Meeting to represent them as their proxy].*

As at 17 May 2022, being the cut-off date for determining who shall be entitled to attend the virtual Extraordinary General Meeting (“**EGM**”) or appoint proxies on his/her behalf, a total of 23,849 depositors holding issued and paid-up capital of RM13,912,676,533.00 comprising 9,176,804,182 Axiata Shares was recorded.

The appointment of proxies via TIIH Online was opened from 12.00 p.m., 11 May 2022 and closed at 12.00 p.m., 25 May 2022. The online application to attend the EGM via Remote Participation and Voting (“**RPV**”) provided by Tricor Investor and Issuing House Services Sdn Bhd (“**Tricor**”) via TIIH Online was opened from 12.00 p.m., 11 May 2022 until the conclusion of EGM on 26 May 2022.

As at 12.00 p.m. on 25 May 2022, a total of 635 members comprising shareholders, proxies and corporate representatives representing 1,864,437,677 Axiata Shares registered via the RPV for the EGM.

As at 12.30 p.m. on 26 May 2022, a total of 315 members and proxies representing 18.20% of the share capital of Axiata registered their attendance for this meeting.

## 1.0 QUORUM, ADMINISTRATIVE MATTERS AND NOTICE

The Chairman welcomed all shareholders and proxies of Axiata Group Berhad (“**Axiata**” or “**Company**”) who participated in the EGM via RPV provided by Tricor. The Chairman informed that the EGM was convened in line with the Guidance and FAQs on the Conduct of General Meetings for Listed Issuers issued by the Securities Commission of Malaysia on 18 April 2020 with several revisions being made thereafter, the latest being on 7 April 2022.

The Chairman invited Suryani Hussein (“**Group Cosec**”) to brief the meeting on the administrative matters in respect of the EGM. In accordance with Clause 81 of the Constitution of Axiata (“**Constitution**”), 2 members personally present shall be a quorum at a general meeting. The presence of quorum was confirmed by Group Cosec pursuant to Clause 81 of the Constitution.

As provided under Clause 87(i) of the Constitution, if required under applicable laws, all resolutions put to vote at any meeting of Members shall be determined by poll unless such requirement is waived.

For this EGM, pursuant to paragraph 8.29A of the Main Market Listing Requirements (“**Main LR**”) of Bursa Malaysia Securities Berhad, it is now a requirement that a listed issuer must ensure that any resolution tabled at an EGM is to be voted by way of poll. As such, the voting for the EGM will be conducted by way of a poll.

Clause 87(ii) of the Constitution further provides that the poll may be conducted manually using slips or electronically using various forms of electronic voting devices or any means as determined by the Board.

The Chairman informed that as the Group Cosec is a shareholder, she will be the Proposer and Secunder for the proposed ordinary resolution.

The Chairman declared the RPV officially opened and informed that the poll would be conducted through electronic voting conducted by Tricor as the Poll Administrators and the results would be verified by Deloitte Business Advisory Sdn Bhd (formerly known as Deloitte Risk Advisory Sdn Bhd) (“**Deloitte**”) as Scrutineers.

## **2.0 WELCOMING ADDRESS**

The Chairman introduced members of the Board. The Chairman also introduced the scrutineer, independent moderator, registrar, auditors and lawyers.

The Chairman also introduced members of Axiata's Senior Leadership Team and the CEOs of local Operating Companies.

## **3.0 OPENING REMARKS BY CHAIRMAN**

The Chairman informed that on 30 July 2021, Axiata and PT XL Axiata Tbk ("XL"), Axiata's indirect 61.48% owned subsidiary, had entered into a non-binding term sheet with Asia Link Dewa Pte. Ltd. and PT First Media Tbk (collectively referred to as the "Sellers") to facilitate discussions and negotiations for a potential acquisition of 1,816,735,484 ordinary shares in PT Link Net Tbk, hereafter referred to as "Link Net", a company listed on the Indonesian Stock Exchange, representing approximately 66.03% equity interest in Link Net for a total cash consideration of IDR8,720,330,323,200 (which is equivalent to approximately RM2,572,497,445). The above is referred to as the "Proposed Acquisition".

On 27 January 2022, Axiata Investments (Indonesia) Sdn Bhd, hereafter referred to as "All", our indirect wholly-owned subsidiary, and XL had entered into a conditional share purchase agreement on the Proposed Acquisition with the Sellers. Upon completion of the Proposed Acquisition, the aggregate shareholding of All and XL in Link Net will increase from nil to 66.03% resulting in a change of control of Link Net, following which All will be obligated to undertake a mandatory tender offer to acquire all the remaining Link Net Shares not owned by All and XL after the Proposed Acquisition, pursuant to the Mandatory Tender Offer Rules in Indonesia.

## **4.0 PRESENTATION BY PRESIDENT & GCEO**

- 1) The Chairman invited the President & GCEO to present on the Proposed Acquisition of Link Net & the Proposed Mandatory Tender Offer ("MTCO").
- 2) The President & GCEO shared his presentation covering, inter-alia, the following:-
  - i) Overview of Link Net;
  - ii) Details of the Proposals;
  - iii) Rationale and Benefits of the Proposals;
  - iv) Basis and Justification of the Purchase Consideration;
  - v) Effects of the Proposals on Axiata Group;
  - vi) Source of Funding and Liabilities to be assumed;
  - vii) Risks of the Proposals; and
  - viii) Timeline and Approvals.

## **5.0 A) PROPOSED ACQUISITION BY AXIATA INVESTMENTS (INDONESIA) SDN BHD ("All") AND PT XL AXIATA TBK ("XL") OF 1,816,735,484 ORDINARY SHARES IN PT LINK NET TBK ("LINK NET") ("LINK NET SHARES"), REPRESENTING APPROXIMATELY 66.03% EQUITY INTEREST IN LINK NET FOR A TOTAL CASH**

**CONSIDERATION OF INDONESIAN RUPIAH (“IDR”) 8,720,330,323,200  
(EQUIVALENT TO APPROXIMATELY RM2,572,497,445) (“PROPOSED  
ACQUISITION”); AND**

**B) PROPOSED MANDATORY TENDER OFFER BY AII TO ACQUIRE ALL THE  
REMAINING LINK NET SHARES NOT OWNED BY AII AND XL AFTER THE  
PROPOSED ACQUISITION**

**(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)**

[Ordinary Resolution]

The Chairman highlighted that the ordinary resolution will be tabled for approval as stated in the Notice of the EGM.

Ordinary Resolution was put to the meeting for voting by e-polling.

The Chairman the proceeded to the Questions and Answers session.

**5.0 QUESTION AND ANSWER SESSION (“Q&A SESSION”)**

The Chairman inform that Axiata had received a number of questions from the Minority Shareholders Watch Group (“**MSWG**”), shareholders, corporate representatives and proxies before and during the EGM. The Company had appointed Deloitte as an Independent Moderator to facilitate and enhance the transparency of the EGM Q&A session.

*[The list of questions and the Company’s responses are set out in **Attachment 1**]*

The Independent Moderator informed that if there are remaining questions which could not be answered at this meeting, the responses will be emailed to the shareholders at the earliest possible time. With that the Q&A session closed.

**6.0 POLLING PROCESS**

The Chairman informed the meeting that to facilitate Online Remote Voting, shareholders were allowed to submit their votes from the commencement of this meeting. The presentation on the steps to cast the vote was shown on the screen.

For polling purposes, the Chairman declared the closure of the voting session for the EGM through Online Remote Voting at 1.00 p.m. and the results will be furnished to the Scrutineers for verification and validation before submitting to the Chairman for announcement.

At 1.05 p.m., the Chairman adjourned the EGM for 20 minutes for the conduct of the polling.

**7.0 ANNOUNCEMENT OF POLL RESULTS**

The EGM re-convened at 1.25 p.m. and the Chairman called the meeting to order for the declaration of the results. He then invited Mr Anthony Tai, representing the Scrutineers to confirm that the poll voting results have been verified.

Mr Anthony Tai confirmed that the poll voting results as projected on the screen in the meeting room have been verified. The poll voting results are attached as '**Appendix III**'.

Based on the poll results verified by the Scrutineers, the Chairman declared resolution tabled at the EGM carried.

Therefore, **IT WAS RESOLVED:-**

**A) PROPOSED ACQUISITION BY AXIATA INVESTMENTS (INDONESIA) SDN BHD ("AII") AND PT XL AXIATA TBK ("XL") OF 1,816,735,484 ORDINARY SHARES IN PT LINK NET TBK ("LINK NET") ("LINK NET SHARES"), REPRESENTING APPROXIMATELY 66.03% EQUITY INTEREST IN LINK NET FOR A TOTAL CASH CONSIDERATION OF INDONESIAN RUPIAH ("IDR") 8,720,330,323,200 (EQUIVALENT TO APPROXIMATELY RM2,572,497,445) ("PROPOSED ACQUISITION"); AND**

**B) PROPOSED MANDATORY TENDER OFFER BY AII TO ACQUIRE ALL THE REMAINING LINK NET SHARES NOT OWNED BY AII AND XL AFTER THE PROPOSED ACQUISITION**

**(COLLECTIVELY REFERRED TO AS THE "PROPOSALS")**

**THAT**, subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Company:

- a) for All and XL to acquire 1,816,735,484 Link Net Shares, representing approximately 66.03% equity interest in Link Net for a total cash consideration of IDR8,720,330,323,200 (equivalent to approximately RM2,572,497,445) in accordance with the conditional share purchase agreement dated 27 January 2022 entered into between Asia Link Dewa Pte. Ltd., PT First Media Tbk., All and XL; and
- b) for All to acquire all the remaining Link Net Shares not owned by All and XL after the Proposed Acquisition pursuant to the OJK Regulation No. 9/POJK.04/2018 on Public Company Takeovers.

**AND THAT**, the Board of Directors of the Company ("**Board**") be and is hereby authorised and empowered to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company, all such agreements, arrangements and documents as may be necessary, expedient and/or appropriate in the best interest of the Company in order to implement, finalise, give full effect to and complete the Proposals (including without limitation, to delegate such authority to designated officer(s)), with full powers to assent to and/or accept any conditions, variations, arrangements and/or amendments as may be imposed or permitted by any relevant authorities and/or parties in connection with the Proposals.

(Ordinary Resolution)

## **8.0 TERMINATION OF MEETING**

The Chairman concluded the EGM and proposed to close the meeting. The Meeting was terminated at 1.30 p.m.

Minutes of Extraordinary General Meeting

Broadcast Venue at Auditorium, Level 32, Axiata  
Tower, 9 Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

26 May 2022

12.00 p.m.

**CONFIRMED AS A CORRECT RECORD**

**CHAIRMAN**

**Date:**

**Appendix I – Circular to Shareholder**

**Appendix II – Question and Answer**

**Appendix III – Poll Voting Results**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

If you are in any doubt as to the course of action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant, or other professional adviser immediately.

Bursa Malaysia Securities Berhad takes no responsibility for the contents of this Circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon the whole or any part of the contents of this Circular.



**AXIATA GROUP BERHAD**  
Company No. 199201010685 (242188-H)  
(Incorporated in Malaysia)

**CIRCULAR TO SHAREHOLDERS****IN RELATION TO THE**

- (I) **PROPOSED ACQUISITION BY AXIATA INVESTMENTS (INDONESIA) SDN BHD (“AII”) AND PT XL AXIATA TBK (“XL”) OF 1,816,735,484 ORDINARY SHARES IN PT LINK NET TBK (“LINK NET”) (“LINK NET SHARES”), REPRESENTING APPROXIMATELY 66.03% EQUITY INTEREST IN LINK NET FOR A TOTAL CASH CONSIDERATION OF INDONESIAN RUPIAH 8,720,330,323,200 (EQUIVALENT TO APPROXIMATELY RM2,572,497,445) (“PROPOSED ACQUISITION”); AND**
- (II) **PROPOSED MANDATORY TENDER OFFER BY AII TO ACQUIRE ALL THE REMAINING LINK NET SHARES NOT OWNED BY AII AND XL AFTER THE PROPOSED ACQUISITION**

**AND****NOTICE OF EXTRAORDINARY GENERAL MEETING****Principal Adviser****Investment Bank**

Company No. 197301002412  
(A Participating Organisation of Bursa Malaysia Securities Berhad)

The Notice of Extraordinary General Meeting (“**EGM**”) of Axiata Group Berhad (“**Axiata**” or “**Company**”) and the Proxy Form for the EGM are enclosed in this Circular. This Circular together with the Administrative Notes for the EGM are available at <https://www.axiata.com/investors/egm>. The EGM is to be held on a virtual basis and conducted entirely through live streaming and remote voting using the remote participation and voting facilities. The date, time and broadcast venue of the EGM are as follows:

Date and time of the EGM	: Thursday, 26 May 2022 at 12.00 p.m. or at any adjournment thereof or immediately after the conclusion or adjournment of our Company’s Thirtieth (30 <sup>th</sup> ) Annual General Meeting, whichever is later.
Broadcast venue of the EGM	: Auditorium, Level 32, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.

The Proxy Form for the EGM should be completed and deposited at the office of Axiata’s share registrar, Tricor Investor & Issuing House Services Sdn Bhd (Company No. 197101000970 (11324-H)) (“**Tricor**”) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. As the voting at the EGM will be conducted on a poll, the Proxy Form must be lodged on or before the following time and date:

Last date and time for deposit of Proxy Form : Wednesday, 25 May 2022 at 12.00 p.m.

The proxy appointment may also be lodged electronically via Tricor’s TIH Online website at <https://tiah.online> no later than Wednesday, 25 May 2022 at 12.00 p.m. For further information on the electronic lodgement of Proxy Form, kindly refer to the Administrative Notes for the EGM.

This Circular is dated 11 May 2022

## DEFINITIONS

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The following definitions apply throughout this Circular unless the context requires otherwise:

All	:	Axiata Investments (Indonesia) Sdn Bhd (Company No. 199501035534 (364736-V))
ALC	:	Asia Link Company Limited (Company No. MC-254137)
ALD	:	Asia Link Dewa Pte. Ltd. (Company No. 201108211K)
ALH	:	Asia Link Holdings Limited (Company No. MC-253394)
AM	:	Analysys Mason Pte. Limited (Company No. 200506242R)
Announcement	:	The announcement in relation to the Proposals dated 27 January 2022 which was made by our Company
Axiata or Company	:	Axiata Group Berhad (Company No. 199201010685 (242188-H))
Axiata Group or Group	:	Collectively, Axiata and our subsidiaries
Axiata Shares	:	Ordinary shares in Axiata
BNM	:	Bank Negara Malaysia
Board	:	Board of Directors
CAGR	:	Compound annual growth rate
Circular	:	This circular to the shareholders of our Company in relation to the Proposals dated 11 May 2022
DCAS	:	Deloitte Corporate Advisory Services Sdn Bhd (Company No. 199901012610 (487510-M))
DCF	:	Discounted cash flow
EBITDA	:	Earnings before interest, tax, depreciation and amortisation
EGM	:	Extraordinary general meeting
EPS	:	Earnings per Axiata Share
EV	:	Enterprise value
Expert's Report on Fairness of the Purchase Consideration	:	Expert's report in relation to the fairness of the Purchase Consideration dated 29 April 2022 prepared by DCAS
Expert's Report on Taxation Policies in Indonesia	:	Expert's report on taxation policies in Indonesia dated 29 April 2022 prepared by PwC Tax
FM	:	PT First Media Tbk (Indonesian Business Identification No. 8120310162629)
FMTV	:	PT First Media Television (Indonesian Business Identification No. 8120016210049)
FYE	:	Financial year ending or ended, as the case may be
HBT	:	Hiswara Bunjamin & Tandjung (Indonesian Business Identification No. 9120605772448)

## DEFINITIONS (Cont'd)

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IDX	:	Indonesian Stock Exchange
IMR Report	:	Independent market study report on Indonesia's telecommunications market prepared by AM
IMTV	:	PT Indonesia Media Televisi (Indonesian Business Identification No. 8120112142471)
Indonesia Legal Opinion	:	Legal opinion on the ownership of title to securities in Indonesia, enforceability of agreements, representations and undertakings given by foreign counter-parties under the relevant laws of the Republic of Indonesia, and expert opinion on the policies on foreign investments and repatriation of profits of the Republic of Indonesia dated 29 April 2022 prepared by HBT
ISOL	:	PT Infra Solusi Indonesia (Indonesian Business Identification No. 9120601832081)
Link Net	:	PT Link Net Tbk (Indonesian Business Identification No. 8120017150092)
Link Net Group	:	Link Net and its subsidiaries
Link Net Shares	:	Ordinary shares in Link Net
Link Net Treasury Shares	:	111,614,500 treasury shares in Link Net
LNGS	:	Link Net Global Solution Pte. Ltd. (Company No. 201935614R)
LPD	:	13 April 2022, being the latest practicable date prior to the date of this Circular
LTD	:	26 January 2022, being the last trading day prior to the date of the Announcement
Maybank IB	:	Maybank Investment Bank Berhad (Company No. 197301002412)
MOCI	:	Minister of Communication and Information Technology of Indonesia ( <i>Menteri Komunikasi dan Informatika Republik Indonesia</i> )
MTO	:	Mandatory tender offer
MTO Rules	:	OJK Regulation No. 9/POJK.04/2018 on Public Company Takeovers
NA	:	Net assets
NBV	:	Net book value
Offer Shares	:	All the remaining Link Net Shares not owned by All and XL after the Proposed Acquisition
OJK	:	Indonesian Financial Services Authority ( <i>Otoritas Jasa Keuangan</i> )
PATAMI	:	Profit after tax and minority interest
PBT	:	Profit before tax
Prolegis	:	Prolegis LLC (Company No. 201217314D)
Proposals	:	Collectively, the Proposed Acquisition and Proposed MTO

## **DEFINITIONS** *(Cont'd)*

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Proposed Acquisition	:	Proposed acquisition by All and XL of 1,816,735,484 Link Net Shares, representing approximately 66.03% equity interest in Link Net for a total cash consideration of IDR8,720,330,323,200 (equivalent to approximately RM2,572,497,445)
Proposed MTO	:	Proposed MTO by All to acquire all the remaining Link Net Shares not owned by All and XL after the Proposed Acquisition
Purchase Consideration	:	Total cash consideration of IDR8,720,330,323,200 (equivalent to approximately RM2,572,497,445) for the Proposed Acquisition
Purchasers	:	Collectively, All and XL
PwC Tax	:	PricewaterhouseCoopers Taxation Services Sdn Bhd (Company No. 199801008604 (464731-M))
Sale Shares	:	1,816,735,484 Link Net Shares
Sellers	:	Collectively, ALD and FM
Singapore Legal Opinion	:	Legal opinion on the enforceability of agreements, representations and undertakings given by a foreign counterparty under Singapore law dated 29 April 2022 prepared by Prolegis
SPA	:	Conditional share purchase agreement dated 27 January 2022 between the Purchasers and the Sellers in relation to the Proposed Acquisition
XL	:	PT XL Axiata Tbk (Indonesian Business Identification No. 8120001981007)
VWAMP	:	Volume weighted average market price

## **CURRENCIES**

IDR	:	Indonesian Rupiah
PHP	:	Philippine Peso
RM and sen	:	Ringgit Malaysia and sen
SGD	:	Singapore Dollars
THB	:	Thai Baht
USD	:	United States Dollars

All references to “**we**”, “**us**”, “**our**” and “**ourselves**” are to our Company, and where the context requires otherwise, shall include our Group.

All references to “**you**” and “**your**” in this Circular are to our shareholders.

Words denoting the singular shall, where applicable, include the plural and vice versa, and words denoting the masculine gender shall, where applicable, include the feminine and/or neuter genders, and vice versa. References to persons shall include corporations, unless otherwise specified.

Any reference to any act, rules, written law, ordinance, enactment or guideline in this Circular is a reference to that act, rules, written law, ordinance, enactment or guideline as amended or re-enacted from time to time.

Any reference to a time of day in this Circular shall be a reference to Malaysian time, unless otherwise stated.

## **DEFINITIONS** *(Cont'd)*

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Any discrepancy in the figures included in this Circular between the amounts stated, actual figures and the totals thereof are due to rounding.

Certain statements in this Circular may be forward-looking in nature, which are subject to uncertainties and contingencies. Forward-looking statements may contain estimates and assumptions made by our Board after due inquiry, which are nevertheless subject to known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements expressed or implied in such forward-looking statements. In light of these and other uncertainties, the inclusion of a forward-looking statement in this Circular should not be regarded as a representation or warranty that our Group's plans and objectives will be achieved.

Unless otherwise stated, the exchange rate of IDR100.00 : RM0.0295, being the middle rate prevailing as at 5.00 p.m. on the LPD as published by BNM, is used throughout this Circular. Any exchange rate translation in this Circular is provided solely for your convenience and should not be constituted as representative that the translated amount stated in this Circular could have been or would have been converted into such other amounts or vice versa.

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## EXECUTIVE SUMMARY

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THIS EXECUTIVE SUMMARY SETS OUT THE SALIENT INFORMATION OF THE PROPOSALS. YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR WITHOUT RELYING SOLELY ON THIS EXECUTIVE SUMMARY BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

<u>Key Information</u>	<u>Summary</u>	<u>Reference to Circular</u>
Details of the Proposed Acquisition	The Proposed Acquisition entails the acquisition by All and XL of the Sale Shares, representing approximately 66.03% equity interest in Link Net for the Purchase Consideration.	Section 2.1
Details of the Proposed MTO	The Proposed MTO entails the acquisition by All of all the remaining Link Net Shares not owned by All and XL after the Proposed Acquisition.	Section 2.2
Rationale and benefits of the Proposals	<p><b><u>Proposed Acquisition</u></b></p> <p>(a) Link Net is among the leading providers of high-speed broadband and cable TV in Indonesia.</p> <p>(b) The Proposed Acquisition will reinforce our Company's strategic move into the underpenetrated fixed broadband and fuels its expansion in Indonesia.</p> <p>(c) The Proposed Acquisition is expected to create significant synergies for Link Net and XL through their combined position in wireless communication services, sharing of backbone and transmission networks and extensive relationships with customers in Indonesia and strong strategic alignment with Link Net's business.</p> <p>(d) Link Net is also among the leading players in Indonesia's enterprise market. Further, Link Net's network bolsters its position to cater for future data growth. These upsides coupled with XL's enterprise offerings including mobile connections are expected to enhance Link Net's prospects to capitalise on the growing enterprise market.</p> <p>(e) Post the Proposed Acquisition, our Group will benefit from the Link Net Group's strong cash flow profile and consistent dividend payouts as well as entrench its position as one of the leading digital players in the region, with increased exposure to high average revenue per user customers and the higher potential and faster growing fixed broadband market.</p>	Section 3

### **Proposed MTO**

The Proposed MTO will be undertaken after the completion of the Proposed Acquisition as it is an obligation under the MTO Rules.

## EXECUTIVE SUMMARY (Cont'd)

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<b>Key Information</b>	<b>Summary</b>	<b>Reference to Circular</b>
Risks of the Proposals	<p>Both our Group and the Link Net Group are involved in the telecommunications sector. Accordingly, our Board does not foresee any material change to the risk profile of our Group arising from the Proposals as our Group is already exposed to inherent risks in the telecommunications sector. However, there are other risks that may arise from or associated with the Proposals which are as follows:</p> <ul style="list-style-type: none"><li>(a) non-completion risk of the Proposals;</li><li>(b) investment and synergy realisation risk;</li><li>(c) general economic, political and regulatory conditions;</li><li>(d) regulations on taxation;</li><li>(e) regulations on licences;</li><li>(f) regulations on foreign investment and repatriation of profits;</li><li>(g) foreign exchange risk;</li><li>(h) impairment of goodwill; and</li><li>(i) competition risk.</li></ul> <p>Please refer to Section 5 of this Circular for further information.</p>	Section 5
Directors' statement and recommendation	<p>Our Board having considered all aspects of the Proposals, including the salient terms of the SPA, basis and justification for the Purchase Consideration, rationale and benefits of the Proposals, effects of the Proposals and prospects of the Link Net Group, is of the opinion that the Proposals are in the best interest of our Company and accordingly, recommends that you vote in favour of the resolution pertaining to the Proposals to be tabled at our forthcoming EGM.</p>	Section 12



**AXIATA GROUP BERHAD**  
Company No.: 199201010685 (242188-H)  
(Incorporated in Malaysia)

**Registered office:**  
Level 5, Corporate Headquarters,  
Axiata Tower,  
9 Jalan Stesen Sentral 5,  
Kuala Lumpur Sentral,  
50470 Kuala Lumpur,  
Malaysia.

11 May 2022

**Board of Directors**

Tan Sri Shahril Ridza Ridzuan (*Chairman, Independent Non-Executive Director*)  
Dato' Mohd Izzaddin Idris (*Managing Director/President & Group Chief Executive Officer*)  
Dato Dr Nik Ramlah Nik Mahmood (*Senior Independent Non-Executive Director*)  
Dr David Robert Dean (*Independent Non-Executive Director*)  
Khoo Gaik Bee (*Independent Non-Executive Director*)  
Thayaparan S Sangarapillai (*Independent Non-Executive Director*)  
Tan Sri Dr Halim Shafie (*Independent Non-Executive Director*)  
Ong King How (*Non-Independent Non-Executive Director*)  
Syed Ali Syed Salem Alsagoff (*Non-Independent Non-Executive Director*)  
Nurhisham Hussein (*Non-Independent Non-Executive Director*)

**To: Our shareholders**

Dear Sir/Madam,

**THE PROPOSALS**

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**1. INTRODUCTION**

On 30 July 2021, our Company announced that Axiata and XL, an indirect 61.48% owned subsidiary of Axiata, had on even date entered into a non-binding term sheet with ALD and FM (collectively, the Sellers) to facilitate discussions and negotiations for a potential acquisition of the Sale Shares representing approximately 66.03% equity interest in Link Net, a company listed on the IDX ("**Initial Announcement**"). Pursuant to the terms of the non-binding term sheet, each of Axiata and XL, may at their sole and absolute discretion, designate any of their respective affiliates to be the entity that holds the Sale Shares.

On 27 January 2022, Maybank IB had, on behalf of our Board, announced that All, an indirect wholly-owned subsidiary of Axiata, and XL had on even date entered into the SPA with the Sellers.

Upon completion of the Proposed Acquisition, the aggregate shareholding of the Purchasers in Link Net will increase from nil to 66.03% resulting in a change of control of Link Net, following which All will be obligated to undertake the Proposed MTO pursuant to the MTO Rules.

THE PURPOSE OF THIS CIRCULAR IS TO PROVIDE YOU WITH THE DETAILS OF THE PROPOSALS AND TO SEEK YOUR APPROVAL FOR THE RESOLUTION PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM. THE NOTICE OF EGM TOGETHER WITH THE PROXY FORM ARE ENCLOSED IN THIS CIRCULAR.

YOU ARE ADVISED TO READ AND CONSIDER CAREFULLY THE CONTENTS OF THIS CIRCULAR BEFORE VOTING ON THE RESOLUTION PERTAINING TO THE PROPOSALS TO BE TABLED AT OUR FORTHCOMING EGM.

## 2. DETAILS OF THE PROPOSALS

### 2.1 Details of the Proposed Acquisition

The Proposed Acquisition entails the acquisition by the Purchasers of the Sale Shares for the Purchase Consideration or IDR4,800 per Sale Share (equivalent to approximately RM1.42 per Sale Share).

All and XL shall acquire 46.03% and 20.00% respectively from the combined stake of ALD and FM in Link Net, representing 66.03% of total outstanding Link Net Shares, free from encumbrances upon completion of the Proposed Acquisition. The number and proportion of Sale Shares held by each of the Sellers (“**Sale Percentage**”) and the breakdown of the number of Sale Shares to be sold by the Sellers and to be acquired by the Purchasers, respectively, together with the breakdown of the Purchase Consideration to be satisfied by each of the Purchasers are as follows:

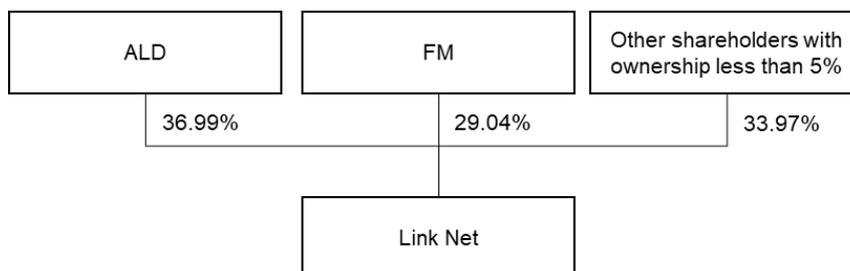
Seller	Number of Sale Shares held by the Sellers	Percentage of total outstanding Link Net Shares (%) <sup>^</sup>	Sale Percentage (%)	Number of Sale Shares to be acquired by the Purchasers	
				All	XL
ALD	1,017,766,198	36.99	56.02	709,469,681	308,296,517
FM	798,969,286	29.04	43.98	556,949,607	242,019,679
	<b>1,816,735,484</b>	<b>66.03</b>	<b>100.00</b>	<b>1,266,419,288</b>	<b>550,316,196</b>
<b>Percentage of total outstanding Link Net Shares</b>			<b>(%)<sup>^</sup></b>	46.03	20.00
<b>Purchase Consideration to be satisfied by the Purchasers</b>			<b>(IDR million)</b> <b>(RM million)</b>	6,078,813 1,793	2,641,518 779

**Note:**

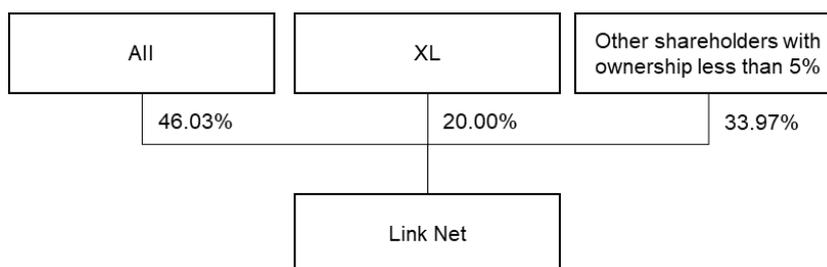
<sup>^</sup> Computed based on the issued and paid-up Link Net Shares (excluding Link Net Treasury Shares) of 2,751,580,984 as at the LPD.

The shareholding structure of Link Net before and after the Proposed Acquisition are as follows:

#### Before the Proposed Acquisition



### After the Proposed Acquisition



The salient terms of the SPA are set out in **Appendix I** of this Circular.

Further information on Link Net is set out in **Appendix II** of this Circular.

## 2.1.1 Background information on the Sellers

### 2.1.1.1 ALD

ALD was incorporated as a private company limited by shares in Singapore with the Accounting and Corporate Regulatory Authority of Singapore on 5 April 2011 and has been operating for approximately 11 years. ALD is a holding company primarily investing in Link Net's business operations and FMTV.

As at the LPD, ALD has an issued and paid-up share capital of IDR1,481,515,370,000 comprising 10,000,000 ordinary shares with a value of IDR10,000 for each ordinary share and 138,151,537 preference shares with a value of IDR10,000 for each preference share.

As at the LPD, the directors of ALD are as follows:

<b>Name</b>	<b>Nationality</b>	<b>Designation</b>
Tan Ting Luen	Malaysian	Director
Sigit Prasetya	Singaporean	Director
Richard Kidarsa	Indonesian	Director
Minki Brian Hong	American	Alternate Director to Sigit Prasetya

As at the LPD, none of the directors of ALD has any direct or indirect shareholding in ALD.

As at the LPD, the substantial shareholders of ALD and their respective direct and indirect shareholdings in ALD are as follows:

	<b>Country of Incorporation</b>	<b>Direct</b>		<b>Indirect</b>	
		<b>No. of ordinary shares</b>	<b>%<sup>^</sup></b>	<b>No. of ordinary shares</b>	<b>%<sup>^</sup></b>
ALC	Cayman Islands	10,000,000	100.00	-	-
ALH	Cayman Islands	-	-	10,000,000 <sup>(1)</sup>	100.00
CVC Funds <sup>(3)</sup>	Cayman Islands	-	-	10,000,000 <sup>(2)</sup>	100.00

**Notes:**

^ Computed based on the issued and paid-up ALD ordinary shares of 10,000,000 as at the LPD.

(1) Deemed interest by virtue of its 97.73% equity interest in ALC.

(2) Deemed interest by virtue of its collective 100% equity interest in ALH.

(3) CVC Funds refers to CVC Capital Partners Asia Pacific III L.P., CVC Capital Partners Asia Pacific III Parallel Fund - A L.P. and CVC Strategic Co-Investment I L.P.

*The CVC Funds are private equity funds that invest in companies which demonstrate the potential for growth in value. The CVC Funds control a broad portfolio of businesses which operate in a wide range of different sectors. The CVC Funds do not actively carry on any other business activities.*

As at the LPD, the substantial preference shareholders of ALD and their respective direct and indirect shareholding in ALD are as follows:

	Country of Incorporation	Direct		Indirect	
		No. of preference shares	% <sup>^</sup>	No. of preference shares	% <sup>^</sup>
ALC	Cayman Islands	138,151,537	100.00	-	-
ALH	Cayman Islands	-	-	138,151,537 <sup>(1)</sup>	100.00
CVC Funds <sup>(3)</sup>	Cayman Islands	-	-	138,151,537 <sup>(2)</sup>	100.00

**Notes:**

^ Computed based on the issued and paid-up ALD preference shares of 138,151,537 as at the LPD.

(1) Deemed interest by virtue of its 99.78% equity interest in ALC.

(2) Deemed interest by virtue of its collective 100% equity interest in ALH.

(3) CVC Funds refers to CVC Capital Partners Asia Pacific III L.P., CVC Capital Partners Asia Pacific III Parallel Fund - A L.P. and CVC Strategic Co-Investment I L.P.

*The CVC Funds are private equity funds that invest in companies which demonstrate the potential for growth in value. The CVC Funds control a broad portfolio of businesses which operate in a wide range of different sectors. The CVC Funds do not actively carry on any other business activities.*

**2.1.1.2 FM**

FM was incorporated in Indonesia as a private limited company on 6 January 1994 under the name of PT Safira Ananda and later changed its name to PT Tanjung Bangun Semesta in 1995. In 2000, it changed its name to PT Broadband Multimedia Tbk. FM was listed on the IDX on 25 February 2000. In 2007, it changed its name to PT First Media Tbk.

FM is principally engaged in integrated telecommunication and multimedia services in Indonesia.

As at the LPD, FM has an issued and paid-up share capital of IDR871,083,953,500 comprising 1,742,167,907 ordinary shares with a nominal value of IDR500 for each ordinary share.

As at the LPD, the commissioners of FM are as follows:

<b>Name</b>	<b>Nationality</b>	<b>Designation</b>
R.Soeparmadi	Indonesian	President Commissioner
Teguh Pudjowigoro	Indonesian	Independent Commissioner
Widjaya Hambali	Indonesian	Independent Commissioner
Lim Benni	Indonesian	Commissioner

As at the LPD, the directors of FM are as follows:

<b>Name</b>	<b>Nationality</b>	<b>Designation</b>
Harianda Noerlan	Indonesian	President Director (Independent)
Hernowo Hadiprodjo	Indonesian	Director
Johannes Tong	Indonesian	Director
Budi Erawanto	Indonesian	Director

As at the LPD, none of the commissioners and directors of FM has any direct or indirect shareholding in FM.

As at the LPD, the substantial shareholders of FM and their respective direct and indirect shareholdings in FM are as follows:

<b>Name</b>	<b>Country of Incorporation</b>	<b>Direct</b>		<b>Indirect</b>	
		<b>No. of ordinary shares</b>	<b>%<sup>^</sup></b>	<b>No. of ordinary shares</b>	<b>%<sup>^</sup></b>
PT Trijaya Putra Mulia	Indonesia	476,772,713	27.37	-	-
PT Reksa Puspita Karya	Indonesia	588,167,378	33.76	-	-
PT Ciptadana Capital	Indonesia	342,564,386	19.67	-	-
PT Multipolar Tbk	Indonesia	-	-	588,167,378 <sup>(1)</sup>	33.76
PT Lenox Pasifik Investama Tbk	Indonesia	-	-	342,564,386 <sup>(2)</sup>	19.67

**Notes:**

<sup>^</sup> Computed based on the issued and paid-up FM ordinary shares of 1,742,167,907 as at the LPD.

- (1) PT Multipolar Tbk is listed on the IDX and holds 100.00% equity interest in PT Reksa Puspita Karya. The controlling shareholder of PT Multipolar Tbk is PT Inti Anugerah Pratama which in turn is controlled by the Riady family who also controls the Lippo group.
- (2) PT Lenox Pasifik Investama Tbk is listed on the IDX and is the single largest shareholder of PT Ciptadana Capital with an equity interest of 49.19%. The controlling shareholder of PT Lenox Pasifik Investama Tbk is PT Inti Anugerah Pratama which in turn is controlled by the Riady family who also controls the Lippo group.

## 2.1.2 Basis of and justification for the Purchase Consideration

The Purchase Consideration per Sale Share of IDR4,800 (equivalent to approximately RM1.42) was arrived at on a willing buyer willing seller basis after taking into consideration the following:

- (a) the consideration paid is in line with the internal assessment by our management based on common valuation methodologies such as EV to EBITDA (“**EV/EBITDA**”) multiples and DCF valuation method.

Under the EV/EBITDA method, the Purchase Consideration per Sale Share of IDR4,800 represents an implied EV/EBITDA multiple of 6.3 times (based on Link Net’s trailing twelve (12) months financial results as at 30 September 2021, being the latest available financial results prior to the date of the SPA), which falls within the range of EV/EBITDA multiples of comparable companies in South East Asia (“**Comparable Companies**”) of between 6.2 times and 20.3 times and is also below the median of the Comparable Companies’ EV/EBITDA multiple of 9.4 times as shown below:

<b>Comparable Companies<sup>(1)</sup></b>	<b>Country</b>	<b>Currency</b>	<b><sup>(2)</sup>Market capitalisation (million)</b>	<b><sup>(3)</sup>EV (million)</b>	<b><sup>(4)</sup>EBITDA (million)</b>	<b>EV/EBITDA (times)</b>
Jasmine International Public Company Limited	Thailand	THB	30,074.9	90,238.6	12,039.0	7.5
Telekom Malaysia Berhad	Malaysia	MYR	20,755.4	26,042.8	4,187.5	6.2
TIME dotCom Berhad	Malaysia	MYR	8,397.8	7,427.6	652.9	11.4
Converge Information and Communications Technology Solutions, Inc.	Philippines	PHP	240,088.8	250,307.1	12,327.1	20.3
<b>Median</b>						<b>9.4</b>
<b>Range</b>						<b>6.2 to 20.3</b>

(Source: Bloomberg)

### Notes:

- (1) The Comparable Companies were selected based on their respective principal activities in the telecommunication industry and are broadly comparable to Link Net and have been identified on a best effort basis based on publicly available information and are selected for illustrative purposes only. It should be noted that the Comparable Companies are not exhaustive and may not be directly comparable to Link Net due to various factors which include, among others, scale and composition of business activities, market capitalisation, capital and shareholding structure, geographical coverage of business activities, operating history, profit track record, financial strength, risk profile, future prospects and marketability and liquidity of the Comparable Companies’ securities.
- (2) Computed by multiplying the total number of shares in issue with the closing market prices of the respective Comparable Companies as at 31 December 2021.
- (3) EV is the sum of market capitalisation (based on the closing market price of the Comparable Companies as at 31 December 2021) and total borrowings less the cash and cash equivalents (based on the trailing twelve (12) months financial results up to 30 September 2021, being the latest available financial results prior to the date of the SPA).
- (4) EBITDA is based on the trailing twelve (12) months financial results up to 30 September 2021, being the latest available financial results prior to the date of the SPA.

Under the DCF valuation method, the Purchase Consideration per Sale Share of IDR4,800 falls within the range of indicative equity values per Link Net Share as assessed by our management of between IDR4,635 and IDR6,046 per Link Net Share. In arriving at the indicative equity values, we took into consideration the Link Net Group's expected future cash flows, projected revenue mix, average revenue per user, subscriber volume, cost of revenue, operating expenditures, capital expenditures and potential synergies. A weighted average cost of capital of 12% and a terminal growth rate of 3% were assumed in arriving at the indicative equity values;

- (b) historical closing prices of Link Net Shares for the last two (2) years up to and including the LTD, ranging between IDR1,765 and IDR4,600 (equivalent to approximately RM0.52 and RM1.36 respectively);
- (c) audited consolidated NA of Link Net as at 31 December 2020 of IDR4,622,711 million (equivalent to approximately RM1,364 million) or IDR1,615 per Link Net Share (equivalent to approximately RM0.48 per Link Net Share);
- (d) historical financial performance of the Link Net Group as set out in Section 5 of **Appendix II** of this Circular;
- (e) rationale and benefits of the Proposed Acquisition as set out in Section 3.1 of this Circular; and
- (f) prospects of the telecommunications industry in Indonesia as set out in Section 4 of this Circular.

In addition, the Purchase Consideration per Sale Share of IDR4,800 (equivalent to approximately RM1.42) represents a premium to the closing price of Link Net Shares as at the LTD and VWAMP of Link Net Shares up to and including the LTD, as follows:

	Market Price / VWAMP		Premium		
	IDR	RM	IDR	RM	%
Closing price of Link Net Shares as at the LTD	4,340	1.27	460	0.13	10.60
<b>VWAMP of Link Net Shares up to and including the LTD:</b>					
5-day	4,352	1.27	448	0.13	10.29
1-month	4,105	1.20	695	0.20	16.93
3-month	4,160	1.21	640	0.19	15.38
6-month	4,171	1.22	629	0.18	15.08
12-month	3,928	1.15	872	0.25	22.20

(Source: Bloomberg)

Having considered the above, our Board believes that the Purchase Consideration is reasonable, premised on the following:

- (a) the Proposed Acquisition is in line with our long-term strategy and will reinforce our strategic move into fixed broadband as well as strengthen our Group's presence in Indonesia;
- (b) the Purchase Consideration is supported by fundamental analysis of the Link Net Group's historical financial and operating performance and prospects; and
- (c) the Proposed Acquisition is expected to create potential synergies for Link Net, our Company and XL.

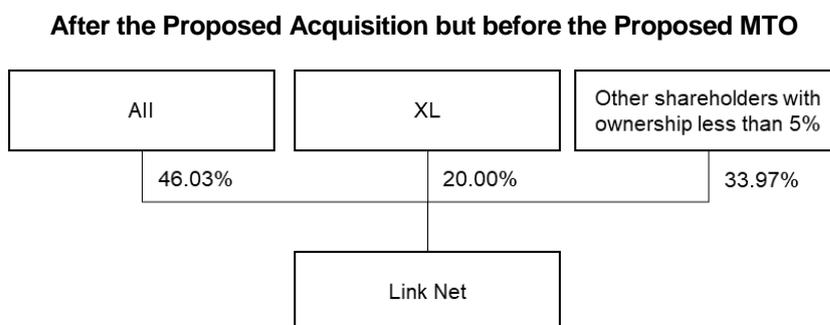
We wish to highlight that based on the Expert's Report on Fairness of the Purchase Consideration, the Purchase Consideration is within the range of indicative equity values of 66.03% equity interest in Link Net of between IDR8.3 trillion to IDR9.6 trillion (equivalent to approximately RM2.4 billion and RM2.8 billion) as contained therein. The details of the Expert's Report on Fairness of the Purchase Consideration are set out in **Appendix V** of this Circular.

## 2.2 Details of the Proposed MTO

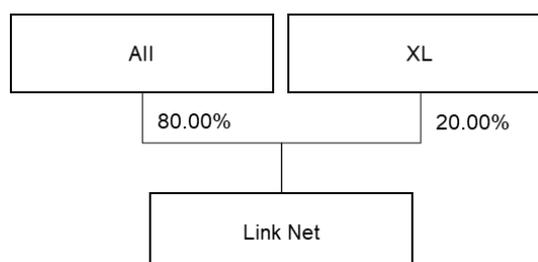
Pursuant to the MTO Rules, the obligation to undertake an MTO is triggered upon an acquisition resulting in a change of control of an Indonesian public company. A change of control is generally deemed to occur where (i) more than 50% of the voting rights in the public company are acquired or (ii) if less than 50%, there is an effective change of the ability to determine, directly or indirectly, in any way the management and/or the policy of the public company.

As at the date of the SPA, the Purchasers do not hold any Link Net Shares. Upon completion of the Proposed Acquisition, the Purchasers will collectively hold 1,816,735,484 Link Net Shares which represents approximately 66.03% equity interest in Link Net. Pursuant to the MTO Rules, upon the completion of the transfer of the Sale Shares to All and XL, All will submit an MTO offer statement to the OJK, IDX and Link Net pursuant to which All will undertake the Proposed MTO.

The shareholding structure of Link Net (i) after the Proposed Acquisition but before the Proposed MTO; and (ii) after the Proposed MTO (assuming full acceptances for the Proposed MTO) are as follows:



**After the Proposed MTO (assuming full acceptances for the Proposed MTO)**



### 2.2.1 MTO Offer Price

Based on the MTO Rules, the offer price for the Proposed MTO ("**MTO Offer Price**") will be the higher of (i) the average of the highest daily trading price in the last 90 days ("**90-day Average Trading Price**") prior to the Initial Announcement; or (ii) the Purchase Consideration per Sale Share. As the commencement of the MTO did not take place within six (6) months from the Initial Announcement, the 90-day Average Trading Price will be based on a date which is six (6) months prior to the commencement date of the Proposed MTO.

For illustrative purposes only, assuming the commencement date of the Proposed MTO is 15 July 2022, the 90-day Average Trading Price prior to 15 January 2022 (being a date which is six (6) months prior to the commencement date of the Proposed MTO) is IDR4,138 per Link Net Share (equivalent to approximately RM1.22 per Link Net Share).

Based on the foregoing and for illustrative purposes only, the illustrative MTO Offer Price will be IDR4,800 per Offer Share (equivalent to approximately RM1.42 per Offer Share), being the Purchase Consideration per Sale Share. As such, All will be required to pay a total cash consideration of IDR4,487,258,400,000 (equivalent to approximately RM1,323,741,228) assuming All receives full acceptances from the holders of 934,845,500 Offer Shares under the Proposed MTO and assuming the Link Net Treasury Shares are not resold ("**MTO Offer Consideration**").

### 2.2.2 Conditions of the Proposed MTO

The Proposed MTO will not be conditional upon any minimum level of valid acceptances of the Offer Shares as the Purchasers will hold more than 50% of the voting shares in Link Net upon completion of the Proposed Acquisition.

### 2.2.3 Listing status of Link Net

All intends to maintain the listing status of Link Net on the IDX.

In order to maintain the listing status of Link Net on the IDX, according to IDX Regulation No. I-A, as attached to the Decision of Board of Directors of IDX No. Kep-00101/BEI/12-2021 dated 21 December 2021, on Listing of Shares and Equity-Linked Securities other than Shares issued by a Listed Company, Link Net shall fulfil the following requirements:

- (i) maintaining a minimum of 50 million free float shares and a minimum of 7.5% of listed shares; and
- (ii) maintaining a minimum of 300 shareholders who own a single identity number (*Nomor Tunggal Identitas Pemodal*) issued by PT Kustodian Sentral Efek Indonesia.

(Collectively, the "**Listing Status Requirements**")

In the event All receives valid acceptances under the Proposed MTO resulting in Link Net not being in compliance with the Listing Status Requirements, All will work together with Link Net to explore various options or proposals to fulfill the Listing Status Requirements.

Notwithstanding the above, there can be no assurance that the Listing Status Requirements of Link Net can be rectified within the stipulated timeframe as allowed by IDX. Any action taken to address the Listing Status Requirements may require the approvals from the relevant authorities and/or the shareholders of Link Net. The actual course of action to be taken will depend on, among others, the circumstances as well as the prevailing market conditions at the relevant time.

### 2.3 Source of funding

The Proposals will be funded via a combination of internally generated funds and/or borrowings, the proportions of which will be determined at a later date after taking into consideration, among others, the internal cash requirements, gearing levels, interest cost and market conditions.

## **2.4 Liabilities to be assumed**

Save for the liabilities of the Link Net Group which will be consolidated as a consequence of Link Net becoming our subsidiary following the completion of the Proposed Acquisition, our Company will not assume any liabilities, including contingent liabilities and guarantees, pursuant to the Proposals.

As the Link Net Group is already operational, there are no additional financial commitments required by our Company in putting the business of Link Net on-stream.

## **3. RATIONALE AND BENEFITS OF THE PROPOSALS**

### **3.1 Proposed Acquisition**

#### **3.1.1 Leading provider of broadband service in Indonesia**

Link Net is among the leading providers of high-speed broadband and cable TV in Indonesia, reaching 2.9 million homes across 23 cities with a revenue-generating unit for broadband internet of approximately 855,000 and cable TV of approximately 837,000<sup>1</sup>. Based on IMR Report<sup>2</sup>, Indonesia is an attractive fixed broadband markets, currently underpenetrated at 13.4% in terms of household penetration. It is also one of the fastest growing broadband markets in the world with fixed connections poised for significant expansion at a CAGR of approximately 14.4%. Furthermore, household penetration is expected to increase to 27.5% by 2026, driven by a growing addressable market, escalating data use and the robust growth in Indonesia's disposable income per capita.

Supported by approximately 18,500 kilometres of fibre optic backbone, Link Net provides its network and services to both its residential and enterprise customers<sup>1</sup>.

#### **3.1.2 Strengthening market position**

The Proposed Acquisition will reinforce our Company's strategic move into the underpenetrated fixed broadband and fuels its expansion in Indonesia, paving the way towards offering converged service propositions bundled with the existing mobile offerings for retail consumers of XL and jointly expand into the enterprise segment.

#### **3.1.3 Deriving significant value creation and synergy realisation**

The Proposed Acquisition is expected to create significant synergies for Link Net and XL through their combined position in wireless communication services, sharing of backbone and transmission networks and extensive relationships with customers in Indonesia and strong strategic alignment with Link Net's business. As Link Net's fixed broadband business complements XL's mobile business, the Proposed Acquisition will enable these two (2) companies to enhance their services via a fixed-mobile converged proposition. It reinforces our Company's strategic move into the fixed broadband market, generating significant synergies between XL and Link Net through sharing of backbone and transmission networks, as well as cross-selling of various services to their respective customers.

The Proposed Acquisition is also critical to cementing our Company's position as a leading telecommunications group in the region. Indonesia has one of the fastest growing populations in the region and the projected increase in number of households, along with strong growth in Indonesia's disposable income per capita, is expected to drive rapid growth in the fixed broadband market going forward.

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<sup>1</sup> As at December 2021

<sup>2</sup> Based on data collected in December 2021

### **3.1.4 Capturing enterprise market in Indonesia**

Link Net is also among the leading players in Indonesia's enterprise market and sells advertising time on its pay-TV offering. Serving approximately 2,400 customers<sup>3</sup>, its enterprise portfolio includes government, financial services, and large multinational corporate institutions, as well as digital businesses, in addition to the retail and hospitality sectors. Further, Link Net's network bolsters its position to cater for future data growth. These upsides coupled with XL's enterprise offerings including mobile connections are expected to enhance Link Net's prospects to capitalise on the growing enterprise market.

### **3.1.5 Access to strong performing company, strong cash flow and dividend payouts**

Post the Proposed Acquisition, our Group will benefit from the Link Net Group's strong cash flow profile and consistent dividend payouts as well as entrench its position as one of the leading digital players in the region, with increased exposure to high average revenue per user customers and the higher potential and faster growing fixed broadband market.

## **3.2 Proposed MTO**

The Proposed MTO will be undertaken after the completion of the Proposed Acquisition as it is an obligation under the MTO Rules.

## **4. INDUSTRY OVERVIEW AND PROSPECTS**

### **4.1 Overview and outlook of the Indonesian economy**

Indonesia's economic outlook remains positive at the start of the Covid-19 recovery period. Indonesia's economy grew strongly at a CAGR of 8.5% from 2016 to 2019, supported by its large domestic market. Despite the economic fallout from Covid-19 in 2020, gross domestic product (GDP) is forecast to revert to strong growth at a CAGR of approximately 8.2% from 2020 to 2026. While Indonesia's inflation declined in recent years due to government policy intervention, it is expected to rebound to approximately 3.0% to 3.3% in the coming years due to increase in global commodity prices. Foreign direct investments and exports have seen strong gains as a result of relaxation of rules on foreign investments, foreign ownership requirements and export of certain semi processed products.

These, along with Indonesia's recently passed Law No. 11 of 2020 ("**Omnibus Law**"), which set in place measures to streamline regulations over the economy, should drive further economic growth. On 25 November 2021, the Constitutional Court of Indonesia ruled there were procedural flaws in the formation of the Omnibus Law and ordered the Government of Indonesia to remedy this within two (2) years. In response, the Government of Indonesia had assured the investment community that the business climate in Indonesia would not change as it makes preparations to carry out the court's directives. Indonesia's political climate is also expected to remain stable following the last election which occurred in April 2019 with the next presidential election expected by 2024.

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<sup>3</sup> As at December 2021

Indonesia is one of the world's most populous nations with a population of 275 million in 2020. Going forward, the population is expected to continue growing, which could increase the addressable market for connectivity services. Expected gradual increase in the number of households, along with strong growth in Indonesia's disposable income, is expected to drive growth in the fixed broadband market. Gradual growth in total number of households from current base of 76 million (in 2020) at a CAGR of approximately 1.3% from 2020 to 2026 will continue to expand the addressable market for residential broadband. Strong growth in median disposable income per household at a CAGR of approximately 7.0% from 2020 to 2026 will help to drive broadband affordability for households.

*(Source: IMR Report)*

## **4.2 Overview of Indonesia's telecommunications industry**

In Indonesia, demand for broadband is currently met by fixed line, fixed-wireless and mobile networks. While mobile network coverage is ubiquitous, fixed coverage is lower at 42% of total households in 2020, with most coverage concentrated in urban areas.

The residential fixed broadband market has expanded rapidly supported by the deployment of network infrastructure by fixed line operators, reaching 10.1 million residential fixed broadband subscribers in 2020. Fixed broadband household connections grew at a CAGR of 27.2% from 2016 to 2020 however, penetration remains low at 13.4% as fixed line network roll-out by operators has largely been in bigger cities due to favourable economics (e.g. population density and higher income).

There are multiple technologies used for residential fixed broadband. Based on the assessment of viable high-speed broadband ("HSBB") technologies, fibre-to-the-premises ("FTTP") and cable (data over cable service interface specifications) are the most viable HSBB technology. Key considerations when choosing technology for deployment would include, capital expenditure requirement, coverage, headline speed and data allowance.

The residential fixed broadband market in Indonesia is served by a variety of players. Telkom, the incumbent operator, has the broadest network coverage and the highest number of subscribers. Link Net is the second largest player in the market in terms of network coverage and subscribers. Aside, from the two (2) largest players, several smaller players exist in the market such as MNC Play, Biznet, MyRepublic and XL.

The deployment of fixed-line broadband can be challenging. Fixed broadband operators looking to expand network coverage need to manage three (3) main stakeholders which include property developers, local community organisations or lenders and local governments to obtain the required right-of-way permits. It is not uncommon for residential developments to have only one (1) or two (2) operators in each development. This favours incumbents as operators will need to maintain relationships to gain access to future developments.

The recent regulatory changes brought in by the Omnibus Law mean that the telecoms market is opening up to foreign capital ownership, which could spur further investment in the broadband market in Indonesia.

5G is the next generation of mobile and wireless broadband technology. It will bring in new innovations paving the way for new business opportunities for enterprise services as well as high-speed broadband services via 5G fixed wireless access ("FWA").

In the short term, spectrum availability in Indonesia is a constraint on mobile network operators' ("MNO") 5G launch plans. The wider success of 5G deployment will depend on new spectrum being allocated – MNOs in Indonesia are already spectrum constrained, with some having announced plans to re-farm existing 2G/3G spectrum for 4G and 5G. Two (2) MNOs have already launched 5G but capacity is expected to be limited since spectrum is used for 4G and 5G. The timing of new 5G spectrum release in Indonesia is uncertain and the earliest potential would be in 2022. Once 5G spectrum is available, MNOs can use this spectrum for 5G mobile broadband, enterprise services and 5G FWA. 5G is likely to be a complement to fixed-line networks, and fill coverage gaps especially in more rural areas where fixed-line deployments are challenging. 5G is not expected to be a viable substitute for existing fibre broadband services. In fact, MNOs are expected to deploy more fibre or work with existing fixed-line operators for 5G backhaul.

Take-up of residential fixed broadband is forecasted to remain strong due to favourable market conditions and a growing addressable market. In particular, the ongoing Covid-19 pandemic has highlighted the importance of fixed broadband. Work-from-home arrangements could persist after the pandemic which will drive take-up of fixed broadband services. Overall, residential fixed broadband connections are expected to grow strongly at a CAGR of approximately 14.4% through to 2026, to an estimated 22.7 million connections (27.5% household penetration).

Strong growth in data usage on residential fixed broadband networks is expected as consumers continue to spend a great deal of time online, using data-intensive applications. The average data consumption per connection on fixed broadband networks in Indonesia has grown at a CAGR of 44.4% from 2016 to 2020, and is expected to continue increasing at a CAGR of approximately 27.9% from 2020 to 2026. Key drivers of data consumption on residential fixed broadband networks in Indonesia includes social media, media and gaming and e-commerce.

Residential fixed broadband average spend per user ("ASPU") is expected to show a mild decline due to the dilution caused by new subscribers taking up lower-value packages and enjoying promotions in competitive areas. As affluent neighbourhoods become saturated, new rollout will likely move to neighbourhoods with lower average income. More neighbourhoods are likely to see new competitors challenging Telkom's market position – it is understood that players have been offering discounts to entice customer sign ups. The resultant revenue growth in the residential fixed broadband market is expected to be strong at a CAGR of 12.8% between 2020 and 2026, as the expected increase in subscribers offsets the mild decline in ASPU.

*(Source: IMR Report)*

### **4.3 Overview of Indonesia's pay-TV industry**

In Indonesia, pay-TV penetration is fairly low, at 11.4% in 2020. The relatively low penetration may be attributable to a variety of factors, including the popularity of free-to-air TV, a significant amount of piracy (offline and online), and the increased prominence of over-the-top ("OTT") media. However, penetration has been growing, primarily on the back of aggressive FTTP expansion and bundling of broadband with pay-TV packages. The volume of pay-TV connections increased over the period 2016 to 2020. Internet protocol TV ("IPTV") is now the most common technology for pay-TV, driven by the bundling of broadband and IPTV packages by Telkom. Growth in IPTV connections has offset declines in satellite subscriptions by MNC Vision and other players which have since ceased operations. Cable TV subscriptions have also grown due to the increasing take-up of cable broadband and TV bundles.

Modest take-up of pay-TV is expected in the future, driven by increasing fixed broadband penetration and continued bundling of pay-TV with fixed broadband by multiple players in the market. Notably, the rise of OTT will have a negative impact on the take-up of pay-TV in Indonesia.

OTT platforms with strong intellectual property are rapidly growing, eroding the value of pay-TV content in a bundle. OTT providers include Disney+ Hotstar, Viu, Vidio, Netflix and HBO Go. Many of the top foreign content is now available on OTT platforms, having been accessible only through (selected) pay-TV providers previously. OTT providers' local content acquisition and production strategy has further enhanced their appeal to local consumers. However, OTT platforms generally offer niche content and not a full portfolio.

Pay-TV ASPU remained largely stable between 2016 and 2020. However, in the future, ASPU is expected to drop as bundling discounts become more common and subscribers take up or switch to lower-cost packages. Revenue growth in the pay-TV market in Indonesia, is thus expected to be mild at a CAGR of approximately 2.0% as modest growth in pay-TV connections is partially offset by declining ASPU.

*(Source: IMR Report)*

#### **4.4 Prospects of the Link Net Group**

The Link Net Group has a strong operational and financial track record and is among the leading providers of high-speed broadband and cable TV in Indonesia for approximately 20 years. The Link Net Group has a presence in 23 cities, with the majority of its presence in Jakarta, Bogor, Depok, Tangerang, Bekasi, Bandung, Surabaya whilst continuously expanding its coverage to reach more cities in Indonesia.

Notwithstanding the above, in order to strengthen its presence in the telecommunication industry and to maintain its competitive strengths, the Link Net Group intends to undertake the following future plans and long-term business strategies:

- (i) building strong brand equity - the Link Net Group believes that with a strong brand equity, consumers will be more easily reached. The Link Net Group will maintain the best brand equity, in order to achieve a strong brand loyalty value in the market perception;
- (ii) network coverage expansion - with aggressive changes in behaviour towards digitalisation, the Link Net Group is focused on building a cable infrastructure network and targets to add new cities every year in terms of network coverage;
- (iii) sustainable marketing strategy - the Link Net Group will implement various marketing programs that can build the value of the bond between the market and the Link Net Group:
  - a) for residential segment, enrich content and subscription offer packages that are in line with behavioural trends and market preferences. This includes the addition of cable TV channels with high definition, 4K quality, in house channels as well as creating an OTT package and new subscription package; and
  - b) for corporate segment, intensive customer engagement through regular visits to customers to discuss strategic collaborations and hold loyalty events. Enlarging service resources such as enriching the capacity of information communication technology solution products and wider network coverage through the pre-wired building;
- (iv) adopting new technology - the Link Net Group adopts new technologies to strengthen network infrastructure performance. The Link Net Group has migrated to use fiber-to-the-home technology in every network development in various regions and plans to improve network quality by adopting new technology of internet protocol convergence with optical; and

- (v) creating service innovations to customers - the Link Net Group strives to provide various applications and services that can maintain the level of customer satisfaction such as digital-based self-service services application (My First Media), web page (check.firstmedia.com), self-service service with interactive voice response system, chat bot, e-mail and the Link Net Group's website. In addition, the Link Net Group also introduced a virtual robot service called Robot FITA (First Media Support Assistant) that provides various information about the product services and assists customers in solving device troubleshooting, bill checking, and payment status issues.

*(Source: Management of the Link Net Group)*

The Proposals will reinforce our Group's position in Indonesia and facilitate our strategic move into the fixed broadband market. Significant synergies between XL and Link Net are expected to be generated through sharing of backbone and transmission networks, as well as cross-selling of various services to their respective customers.

Premised on the prospects of the Link Net Group, the overview and outlook of the Indonesian economy and mobile telecommunications industry, our Board is of the opinion that the Proposals are expected to contribute positively to the future earnings of our Group and support our long-term strategies and objectives, hence enhancing value for our shareholders in the future.

We will from time to time carry out review on the strategy and future business direction of the Link Net Group's businesses in order to integrate the business activities of the Link Net Group with our Group and to realise synergies as stipulated above.

## **5. RISKS OF THE PROPOSALS**

Both our Group and the Link Net Group are involved in the telecommunications sector. Accordingly, our Board does not foresee any material change to the risk profile of our Group arising from the Proposals as our Group is already exposed to inherent risks in the telecommunications sector. However, there are other risks that may arise from or associated with the Proposals as set out below, which are by no means exhaustive:

### **5.1 Non-completion risk of the Proposals**

The completion of the Proposed Acquisition is conditional upon the conditions precedent as set out in **Appendix I** of this Circular being fulfilled or waived, several of which are beyond the control of the Purchasers or the Sellers. These include, among others, obtaining the relevant approvals and consents from the relevant authorities. There can be no assurance that such approvals and consents will be obtained or that the conditions precedent will be fulfilled to the satisfaction of the parties or otherwise waived within the prescribed timeframe.

Should any of the conditions precedent not be fulfilled or waived, the SPA may be terminated and the Proposed Acquisition will not be completed. Nevertheless, we anticipate that this risk can be mitigated by proactively engaging with the relevant authorities and third parties to obtain within the stipulated timeframe all necessary approvals, documents and consents required for the completion of the Proposed Acquisition.

### **5.2 Investment and synergy realisation risk**

There can be no assurance that the anticipated benefits of the Proposals, including the various expected synergistic benefits will be realised or that our Group will be able to generate sufficient returns from this investment to offset the cost of this investment. There can also be no assurance that the expected financial performance of the Link Net Group could be achieved post completion of the Proposed Acquisition.

There may be a need to accelerate investments in the short term for network quality and customer upgrades which may impact our Group's cash flow. However, these investments coupled with synergies are expected to improve the cash flow profile of our Group in the medium to long term.

In addition, Link Net has embarked on a migration project to migrate its network attached to PT Perusahaan Listrik Negara ("PLN") electricity poles to Link Net's own infrastructure. As of the end of March 2022, Link Net continues to execute its migration project. There can be no assurance that the migration can be fully completed for all of Link Net's existing network whereby some of its network, may still have to depend on PLN electricity poles.

Our Group is an experienced telecommunications operator with existing operations in Indonesia and other parts of Asia and have conducted financial, technical and legal due diligence, including adopting prudent investment criteria in evaluating the Proposals.

### **5.3 General economic, political and regulatory conditions**

The performance of the Link Net Group may be impacted by the changes in the political, economic and regulatory conditions in Indonesia. The various political, economic and regulatory conditions could range from changes in political leadership, judicial decisions, introduction of new laws and regulations, war, economic downturn, changes in interest rates and foreign exchange regulations. Our Group will continue to monitor key developments and where needed, review its business strategies and strategic priorities to respond to significant changes.

### **5.4 Regulations on taxation**

The performance of the Link Net Group may be impacted by the changes in the taxation conditions in Indonesia. Changes in taxation related laws, regulations or government policy in Indonesia may result in increased tax expenses for the Link Net Group's business and/or shareholders of Link Net, including our Group.

As announced during the tabling of Malaysia's Budget 2022, foreign-sourced income earned by Malaysian tax resident companies and received in Malaysia will no longer be exempted from tax effective from 1 January 2022. Notwithstanding the Finance Act 2021 incorporating this amendment, the Ministry of Finance had announced on 30 December 2021 that foreign-sourced dividend received by Malaysian tax resident companies in Malaysia will continue to be exempt from tax from 1 January 2022 to 31 December 2026, subject to conditions to be prescribed by the Malaysian Inland Revenue Board. We will continue to monitor the development and assess the impact to our Group.

### **5.5 Regulations on licences**

The operation of mobile telecommunications business, pay-TV business and content regulations and provision of related services in Indonesia are subject to certain approvals, licences, registrations and permissions granted by the Government of Indonesia and are regulated by the MOCI. Changes in laws, rules and regulations or government policy in Indonesia or in relation to the licences to the mobile telecommunications industry in Indonesia or in relation to the licences or spectrum allocations held by the Link Net Group or its competitors, could adversely affect the Link Net Group's businesses. Changes in other regulations such as regulations on telecom rates in interconnect and international termination price may also adversely affect the Link Net Group and Indonesia's telecommunications industry.

Any breach of the terms and conditions of the licences by the Link Net Group or failure to comply with the applicable regulations on the Link Net Group's part may result in the Link Net Group being imposed with certain type of sanctions, among others being fined or its licences being suspended and/or revoked by the MOCI or the Government of Indonesia. Any revocation or unfavourable amendments to the terms of the licences, failure to renew them on comparable terms or failure to obtain spectrum allocation in a timely manner could have a material adverse effect on the Link Net Group's businesses and performance.

Our Group will continue to keep abreast with various developments in relevant laws, regulations, government policies or licences requirements of Indonesia.

## **5.6 Regulations on foreign investment and repatriation of profits**

Our Group's acquisition of Link Net will also be subject to the foreign investment policies of the Government of Indonesia. Any breach or non-compliance to such policies may adversely affect its investment in Link Net. Changes in policies on foreign ownership such as an introduction of limits on foreign shareholding may also adversely affect our Group in that our Group may be required to reduce its effective shareholdings in Link Net and/or its subsidiaries. In addition, the ability of our Group to repatriate the profits from Link Net will depend largely on the relevant legislation relating to the repatriation of profits prevailing at the point of repatriation. Details of the current policies on the foreign investment and repatriation of profits of Indonesia are set out in Section 6 of this Circular.

Our Group will continue to keep abreast with the relevant regulations and policies on foreign investment and repatriation of profits in Indonesia.

## **5.7 Foreign exchange risk**

The operating and reporting currency of Link Net is mainly denominated in IDR. As the financial results of our Group are reported in RM, any fluctuation of the IDR against the RM may impact the profits or the financial position of our Group or both.

There can be no assurance that fluctuations in foreign exchange rates will not have a material and adverse effect on our Group's financial performance caused by fluctuations in the exchange rate of foreign denominated debt taken for the acquisition. Nevertheless, our Group will assess the need to utilise financial instruments to hedge its foreign exchange exposure to mitigate both transaction and/or translation exchange risk exposure.

## **5.8 Impairment of goodwill**

Pursuant to Malaysian Financial Reporting Standards ("**MFRS**") or International Financial Reporting Standards ("**IFRS**") 3 – Business Combinations, the Proposed Acquisitions will result in our Group having to recognise goodwill. Goodwill represents the excess of the consideration transferred by our Group, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired. For the purpose of impairment testing, goodwill is allocated to each of the cash generating units ("**CGUs**"), or groups of CGUs, that is expected to benefit from the synergies of the combination. The goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Our Group assesses the fair value of the identified assets acquired and liabilities assumed on the date of acquisition via a purchase price allocation ("**PPA**") exercise. MFRS/IFRS 3 – Business Combinations allows retrospective adjustments to PPA up to a twelve months period from the date of acquisition. Any fair value adjustment to the assets acquired and liabilities assumed from the Proposed Acquisition will affect the financial position and performance of our Group.

Our Group will monitor the financial performance of Link Net and work with the management team of Link Net to develop appropriate business strategies towards the achievement of the financial targets of Link Net to ensure goodwill is supported.

## 5.9 Competition risk

The Law of the Republic of Indonesia No. 5 of 1999 on the Prohibition of Monopolistic Practices and Unfair Business Competition (as amended by the Omnibus Law) ("**Anti-Monopoly Law**") prohibits a business entity from conducting mergers, consolidations, or acquisitions that may result in monopolistic practices or unfair business competition. From a competition law perspective, a transaction is prohibited if it may substantially lessen competition (due to the parties' market overlap that creates or increases their market dominance) or may restrict the access of competitors to suppliers or customers (due to the parties' dominance in their vertically integrated business).

The Anti-Monopoly Law is enforced by the Business Competition Supervisory Commission (*Komisi Pengawas Persaingan Usaha* or "**KPPU**") which requires us to notify the KPPU after the completion of the Proposed Acquisition. The KPPU will subsequently determine whether the Proposed Acquisition involves prohibited elements elaborated in the first paragraph above. We will proactively engage the KPPU to obtain their views and approvals required, if any.

## 6. POLICIES ON FOREIGN INVESTMENT AND REPATRIATION OF PROFITS OF INDONESIA

### 6.1 Foreign investment

#### 6.1.1 Overview of the Indonesian foreign investment regulatory regime

Foreign direct investments in Indonesia are regulated by Law No. 25 of 2007 regarding investment as recently amended by the Omnibus Law.

The Presidential Regulation No. 10 of 2021 on Investment Business Lines as last amended by Presidential Regulation No. 49 of 2021 ("**2021 Investment List**") does not include fixed telecommunication network and internet service provider business lines, and therefore these business lines should now be 100% open for foreign investment. The 2021 Investment List and Government Regulation No. 52 of 2005 regarding Broadcasting Operation of Subscription Broadcasting Institution provide that a pay-TV company is subject to foreign capital ownership restriction of maximum 20%. Further, telecommunication construction business is subject to 67%-70% maximum foreign ownership restriction and certain qualitative requirements under the Government Regulation No. 5 of 2021 regarding Implementation of Risk-Based Licensing.

The 2021 Investment List includes a general exemption where the foreign ownership restrictions in the list do not apply to any indirect or portfolio investment made through the domestic capital market. This means that the exemption will generally apply if the target company is a public company whose shares are listed on the IDX and the investment is made through the IDX system.

The Constitutional Court of Indonesia had on 25 November 2021 issued a decision declaring the Omnibus Law to be conditionally unconstitutional and required the legislators to amend the Omnibus Law within two (2) years since the Constitutional Court of Indonesia's decision to satisfy certain deficiencies. The Constitutional Court of Indonesia declared that the Omnibus Law shall continue to be valid until the amendment of the Omnibus Law is issued within the prescribed period. If the amendment is not issued within the prescribed period, the Omnibus Law will become permanently unconstitutional and the relevant laws or provisions of laws that were amended or revoked by the Omnibus Law shall be reinstated. Given the decision has only recently been issued and declared to the public, it remains unclear at this stage whether any further amendment to the Omnibus Law may affect the current investment law regime.

### 6.1.2 Foreign ownership restrictions applicable to the Link Net Group

Currently, there is no foreign ownership restriction applicable to Link Net (which operates as a telecommunication network service provider, and specifically an internet service provider and fixed telecommunication network provider). Link Net is currently registered as an Indonesian or domestic investment company. As the Proposals will be settled through the IDX system, and the Purchasers will not be recorded in the corporate deed of Link Net following the completion of the Proposals, the Purchasers' investment in Link Net will be deemed as a domestic investment and therefore, Link Net should not be required to convert its status to become a "foreign investment company" (*Perusahaan Penanaman Modal Asing* or "**PMA Company**"). If Link Net is required to convert to a PMA Company status following the Proposals, Link Net may not be able to maintain its current shareholding ownership in its subsidiaries, i.e., FMTV and ISOL. Each of Link Net, FMTV and ISOL should arguably be able to continue maintaining its status as a domestic investment company following the Proposals unless required otherwise by the relevant Indonesian authorities.

### 6.2 Repatriation of profits

In general, there are no exchange control restrictions in Indonesia that would restrict Indonesian limited liability companies from making any payments of dividends, or other distributions due or made in respect of their issued shares. However, the transfer of foreign currency to and from abroad is subject to reporting obligations to Bank Indonesia. Furthermore, transfer of IDR to an account outside of Indonesia is prohibited.

Since IDR cannot be transferred outside of Indonesia, transfer of funds from Indonesia to another jurisdiction will require that IDR is first converted into a foreign currency acceptable to the receiving bank, and accordingly the transferor must purchase foreign currency (e.g. USD using IDR). Under Bank Indonesia Regulation No. 18/18/PBI/2016 on Foreign Exchange Transactions against IDR between Banks and Domestic Parties ("**PBI 18/18/2016**"), any purchase of foreign currency using IDR in Indonesia by any party in an amount exceeding certain thresholds (e.g. USD25,000 for spot transactions, USD1 million for option transactions, USD5 million for forward transactions and USD100,000 for standard derivative transactions) must be supported by valid underlying and supporting documentation. A valid underlying transaction for the purposes of PBI 18/18/2016 may consist of: (i) domestic and international trade of goods and services; (ii) investment in the form of direct investment, portfolio investment, loans, capital and other investment inside and outside Indonesia; and/or (iii) the granting of facility or financing from a bank in foreign currencies and/or IDR for trade and investment activities.

Under Bank Indonesia Regulation No. 21/15/PBI/2019 on the Supervision of Foreign Exchange Activities between Banks and Customers, as amended ("**PBI No. 21/15/PBI/2019**"), any outgoing transfer from Indonesia to another jurisdiction in foreign currencies exceeding USD100,000 (or its equivalent) by any party through an Indonesian bank (save for any transfer of such party's own bank deposit to its own bank account outside of Indonesia) must be supported by valid underlying and supporting documentation as prescribed in PBI No. 21/15/PBI/2019. Such documentation includes copies of export duty, letter of credit or invoice. The maximum amount of outgoing transfers must be equal to the amount stated in the supporting documentation plus 2.5%.

## 7. EFFECTS OF THE PROPOSALS

### 7.1 Share capital and substantial shareholders' shareholding

The Proposals will not have any effect on the share capital and shareholding of the substantial shareholders of our Company as the Proposals do not involve any issuance of new Axiata Shares.

### 7.2 NA and gearing

For illustrative purposes only, based on the latest audited consolidated statements of financial position of our Company as at 31 December 2021 and on the assumption that the Proposals had been completed on that date, the illustrated effects<sup>(1)</sup> of the Proposals on the NA and gearing of our Group are set out below:

	Audited as at 31 December 2021	I <sup>(2),(3)</sup> After Proposed Acquisition	II <sup>(4)</sup> After I and Proposed MTO
	RM'000	RM'000	RM'000
Share capital	13,905,207	13,905,207	13,905,207
Retained earnings	6,754,950	<sup>(5)</sup> 6,734,436	<sup>(6),(9)</sup> 6,065,290
Reserves	(2,654,833)	(2,654,833)	(2,654,833)
<b>Total equity / NA attributable to owners of our Company</b>	<b>18,005,324</b>	<b>17,984,810</b>	<b>17,315,664</b>
Non-controlling interests	7,060,505	<sup>(7),(8)</sup> 7,724,829	<sup>(9)</sup> 7,057,826
<b>Total equity</b>	<b>25,065,829</b>	<b>25,709,639</b>	<b>24,373,490</b>
Number of Axiata Shares in issue (‘000)	9,174,986	9,174,986	9,174,986
NA per Axiata Share (RM) <sup>(10)</sup>	1.96	1.96	1.89
Total interest-bearing borrowings (including lease liabilities)	29,221,490	<sup>(12)</sup> 32,748,914	<sup>(12)</sup> 34,059,193
Gearing (times) <sup>(11)</sup>	1.17	1.27	1.40

#### Notes:

- (1) Unless otherwise stated, the illustrated effects have been arrived at using an exchange rate of IDR100.00 : RM0.0292, being the middle rate prevailing at 5.00 p.m. on 31 December 2021 as published by BNM.
- (2) Upon completion of the Proposed Acquisition, our Group will hold an aggregate of 1,816,735,484 Link Net Shares representing an effective equity interest of 58.33% in Link Net as follows:

	Held by	Number of Link Net Shares	Equity interest in Link Net (%)	Effective equity interest of our Group in Link Net (%)
(i)	All	1,266,419,288	46.03	46.03
(ii)	XL	550,316,196	20.00	12.30*
	<b>Total</b>	<b>1,816,735,484</b>		<b>58.33</b>

\* Being 20.00% multiplied by 61.48%, our Group's effective equity interest in XL.

- (3) Financial results of Link Net have been consolidated by extracting the audited consolidated financial statements of Link Net for the FYE 31 December 2021, which are prepared in accordance with Indonesia Financial Accounting Standards.

- (4) Assuming All receives full and valid acceptances upon completion of the Proposed MTO, our Group will hold an aggregate of 2,751,580,984 Link Net Shares representing an effective equity interest of 92.30% in Link Net as follows:

	<b>Held by</b>	<b>Number of Link Net Shares</b>	<b>Equity interest in Link Net (%)</b>	<b>Effective equity interest of our Group in Link Net (%)</b>
(i)	All	2,201,264,788	80.00	80.00
(ii)	XL	550,316,196	20.00	12.30*
	<b>Total</b>	<b>2,751,580,984</b>		<b>92.30</b>

\* Being 20.00% multiplied by 61.48%, our Group's effective equity interest in XL.

- (5) Includes balance estimated transaction costs relating to the Proposed Acquisition attributable to the owners of our Company of approximately RM20.5 million. The total estimated transaction costs relating to the Proposed Acquisition attributable to the owners of our Company is approximately RM37.0 million, which includes those already incurred in FYE 31 December 2021.
- (6) Includes estimated transaction costs relating to the Proposed MTO attributable to the owners of our Company of approximately RM25.9 million. As the Proposed MTO is treated as an equity transaction with non-controlling shareholders of Link Net subsequent to All obtaining control of Link Net, the transaction costs relating to the Proposed MTO attributable to the owners of our Company is recognised as a reduction to the total equity/NA attributable to owners of our Company.
- (7) Includes balance estimated transaction costs relating to the Proposed Acquisition attributable to non-controlling interests of approximately RM2.7 million. The total estimated transaction costs relating to the Proposed Acquisition attributable to non-controlling interests is approximately RM4.8 million, which includes those already incurred in FYE 31 December 2021.
- (8) Includes PPA adjustments, net of tax from a preliminary assessment by management.
- (9) Assuming All receives full and valid acceptance upon completion of the Proposed MTO, our Group will hold an additional 934,845,500 Link Net Shares through All representing an incremental effective equity interest of 33.97% in Link Net. For illustrative purposes, the Proposed MTO as described is treated as an equity transaction with non-controlling shareholders of Link Net subsequent to All obtaining control of Link Net. The difference between the total Proposed MTO price paid and our Group's share of 33.97% NA of Link Net and related PPA adjustments is recognised as a reduction to the total equity/NA attributable to owners of our Company.
- (10) Computed based on total equity/NA attributable to owners of our Company divided by total number of Axiata Shares in issue.
- (11) Computed based on total interest-bearing borrowings (including lease liabilities) divided by total equity.
- (12) For illustration purposes, the illustrated effects of the of the Proposals assumes external borrowings of approximately RM2.5 billion to finance the Proposed Acquisition and approximately RM1.3 billion to finance the Proposed MTO.

### 7.3 Earnings and earnings per Axiata Share

For illustrative purposes only, based on the latest audited consolidated financial statements of our Company for the FYE 31 December 2021 and on the assumption that the Proposals had been effected on 1 January 2021, being the beginning of the FYE 31 December 2021, the illustrated effects<sup>(1)</sup> of the Proposals are set out below:

	<b>RM'000</b>
Audited consolidated PATAMI of Axiata for the FYE 31 December 2021	818,900
Add: Audited consolidated PATAMI of Link Net for the FYE 31 December 2021 attributable to 58.33% effective equity interest in Link Net <sup>(2),(3)</sup>	149,756
Less: Balance estimated transaction costs relating to the Proposed Acquisition <sup>(4)</sup>	(20,514)
Less: Depreciation and amortisation of PPA, net of tax <sup>(5)</sup>	(77,978)
Less: Estimated finance costs on external borrowings <sup>(6)</sup>	(52,653)
<b>Illustrated consolidated PATAMI of Axiata after the Proposed Acquisition</b>	<b>817,511</b>
Add: Audited consolidated PATAMI of Link Net for the FYE 31 December 2021 attributable to 33.97% effective equity interest in Link Net <sup>(3),(7)</sup>	87,215
Less: Depreciation and amortisation of PPA, net of tax <sup>(5)</sup>	(45,412)
Less: Estimated finance costs on external borrowings <sup>(6)</sup>	(31,447)
<b>Illustrated consolidated PATAMI of Axiata after the Proposed MTO</b>	<b>827,867</b>
Weighted average number of Axiata Shares in issue ('000)	9,172,317
	<b>sen</b>
Basic EPS of Axiata <sup>(8)</sup> :	
• Based on the audited consolidated PATAMI of Axiata for the FYE 31 December 2021	8.9
• Based on illustrated consolidated PATAMI of Axiata after the Proposed Acquisition	8.9
• Based on illustrated consolidated PATAMI of Axiata after the Proposed MTO	9.0

#### Notes:

(1) For illustrative purposes, the illustrated effects have been arrived at using the average exchange rate of IDR100.00 : RM0.0290, being the average middle rate prevailing at 5.00 p.m. for the FYE 31 December 2021 as published by BNM.

(2) Upon completion of the Proposed Acquisition, our Group will hold an aggregate of 1,816,735,484 Link Net Shares representing an effective equity interest of 58.33% in Link Net as follows:

	<b>Held by</b>	<b>Number of Link Net Shares</b>	<b>Equity interest in Link Net (%)</b>	<b>Effective equity interest of our Group in Link Net (%)</b>
(i)	All	1,266,419,288	46.03	46.03
(ii)	XL	550,316,196	20.00	12.30*
	<b>Total</b>	<b>1,816,735,484</b>		<b>58.33</b>

\* Being 20.00% multiplied by 61.48%, our Group's effective equity interest in XL.

(3) Financial results of Link Net have been consolidated by extracting the audited consolidated financial statements of Link Net for the FYE 31 December 2021, which are prepared in accordance with Indonesia Financial Accounting Standards.

- (4) *Includes balance estimated transaction costs relating to the Proposed Acquisition attributable to the owners of our Company of approximately RM20.5 million. The total estimated transaction costs relating to the Proposed Acquisition attributable to the owners of our Company is approximately RM37.0 million, which includes those already incurred in FYE 31 December 2021.*
- (5) *Relates to depreciation and amortisation of PPA, net of tax arising from PPA adjustments.*
- (6) *For illustration purposes, the illustrated effect of the Proposals assumes external borrowings of approximately RM2.5 billion to finance the Proposed Acquisition and approximately RM1.3 billion to finance the Proposed MTO.*
- (7) *Assuming All receives full and valid acceptance upon completion of the Proposed MTO, our Group will hold an additional 934,845,500 Link Net Shares through All representing an incremental effective equity interest of 33.97% in Link Net.*
- (8) *Computed based on the relevant PATAMI divided by weighted average number of Axiata Shares in issue during the FYE 31 December 2021.*

## **8. APPROVALS / CONSENTS REQUIRED**

The Proposals are subject to the following being obtained:

- (i) approval of our shareholders for the Proposals at our forthcoming EGM;
- (ii) approval of the shareholders of FM for the Proposed Acquisition at a general meeting of shareholders;
- (iii) approval of BNM under the Foreign Exchange Notices issued by BNM on 15 April 2021 for our Company or All to pay All's portion of the Purchase Consideration and MTO Offer Consideration pursuant to the Proposals, which was obtained vide its letter dated 12 April 2022; and
- (iv) approval or consents of any other regulatory authorities or parties, as required.

In addition, Link Net had on 7 February 2022 issued a notification to the MOCI of the sale of the Sale Shares by the Sellers and had received an acknowledgement from the MOCI of the receipt of such notification.

## **9. CONDITIONALITY OF THE PROPOSALS**

The Proposed MTO is conditional upon the completion of the Proposed Acquisition. The Proposals are not conditional upon any other corporate exercise/scheme of our Company.

## 10. **OUTSTANDING CORPORATE EXERCISE/SCHEME ANNOUNCED BUT PENDING COMPLETION**

Save for the Proposals and the following, there is no other intended corporate exercise/scheme which has been announced but not yet completed before the printing of this Circular:

- (i) the proposed merger of the telco operations of Celcom Axiata Berhad, a wholly-owned subsidiary of Axiata, and Digi.Com Berhad as set out in our announcement dated 21 June 2021; and
- (ii) the proposed acquisition by ISOC edotco Towers, Inc, a wholly-owned subsidiary of edotco Group Sdn Bhd which in turn is a 63.0% owned subsidiary of Axiata, of tower assets from Smart Communications, Inc. and Digital Mobile Philippines, Inc. as set out in our announcement dated 19 April 2022.

## 11. **INTEREST OF DIRECTORS, MAJOR SHAREHOLDERS AND/OR PERSONS CONNECTED WITH THEM**

None of our Directors, major shareholders, our Company and/or persons connected with them has any interest, direct or indirect, in the Proposals.

## 12. **DIRECTORS' STATEMENT AND RECOMMENDATION**

Our Board having considered all aspects of the Proposals, including the salient terms of the SPA, basis of and justification for the Purchase Consideration, rationale and benefits of the Proposals, effects of the Proposals and prospects of the Link Net Group, is of the opinion that the Proposals are in the best interest of our Company and accordingly, recommends that you vote in favour of the resolution pertaining to the Proposals to be tabled at our forthcoming EGM.

## 13. **PERCENTAGE RATIO**

The highest percentage ratio applicable to the Proposals, assuming full acceptances under the Proposed MTO, pursuant to Paragraph 10.02(g) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad is 68.85%, computed based on the audited net profit attributable to the owners of Link Net for the FYE 31 December 2020 compared with the audited net profit attributable to the owners of our Company for the FYE 31 December 2020.

## 14. **ESTIMATED TIME FRAME FOR COMPLETION**

Barring unforeseen circumstances and subject to all the required approvals being obtained, the Proposals are expected to be completed by the third quarter of 2022.

The tentative timetable for the implementation of the Proposals is as follows:

<b>Key events</b>	<b>Tentative timeline</b>
EGM	26 May 2022
Completion of the Proposed Acquisition	By second quarter of 2022
Completion of the Proposed MTO	By third quarter of 2022

## 15. EGM

The resolution in respect of the Proposals will be tabled at our forthcoming EGM. This Circular together with the Administrative Notes for the EGM are available at <https://www.axiata.com/investors/egm>.

The EGM will be held on a virtual basis and conducted entirely through live streaming and remote voting using the remote participation and voting facilities, on Thursday, 26 May 2022 at 12.00 p.m. or immediately after the conclusion or adjournment of our Company's Thirtieth (30<sup>th</sup>) Annual General Meeting, whichever is later. The broadcast venue for the EGM is at Auditorium, Level 32, Corporate Headquarters, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia.

The voting of the EGM will be conducted by poll. If you are unable to attend and vote by yourself at the EGM, please complete, execute and deposit the Proxy Form, in accordance with the instructions therein, to our share registrar, Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or at its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than Wednesday, 25 May 2022 at 12.00 p.m. The proxy appointment may also be lodged electronically via Tricor's TIIH Online website at <https://tiih.online> no later than Wednesday, 25 May 2022 at 12.00 p.m. For further information on the electronic lodgement of Proxy Form, kindly refer to the Administrative Notes of the EGM.

You may attend and vote by yourself at our forthcoming EGM if you wish to do so even after you have completed and returned the Proxy Form so long as you revoke the appointment of your proxy prior to the EGM.

## 16. FURTHER INFORMATION

Please refer to the appendices of this Circular for further information.

Yours faithfully  
For and on behalf of the Board of  
**AXIATA GROUP BERHAD**

**Tan Sri Shahril Ridza Ridzuan**  
Chairman, Independent Non-Executive Director

## SALIENT TERMS OF THE SPA

### 1. SALE AND PURCHASE OF THE SALE SHARES

- 1.1. Subject to the terms and conditions of the SPA, the Sellers (each as to the number of Sale Shares specified against its name in the table below) agree severally to sell to the Purchasers, and the Purchasers agree severally to purchase from the Sellers, the number of Sale Shares based on the allocation set out in the table below:

Seller	Number of Sale Shares	Percentage of total outstanding Link Net Shares (%)	Sale Percentage (%)	Allocation of Sale Shares between Purchasers	
				All	XL
ALD	1,017,766,198	36.99	56.02	709,469,681	308,296,517
FM	798,969,286	29.04	43.98	556,949,607	242,019,679
	<b>1,816,735,484</b>	<b>66.03</b>	<b>100.00</b>	<b>1,266,419,288</b>	<b>550,316,196</b>

- 1.2. Each Purchaser may designate its parent company or one of its subsidiaries to be the entity to whom all the Sale Shares to be purchased by it are to be transferred at the completion of the sale and purchase of the Sale Shares in accordance with the terms of the SPA (the "**Completion**"), provided that each such Purchaser shall remain jointly and severally liable with such designated subsidiary for the performance of their respective obligations under the SPA.

### 2. PURCHASE CONSIDERATION

- 2.1. The purchase price for all the Sale Shares payable by the Purchasers on the business day where Completion takes place (the "**Completion Date**") is:
- purchase consideration of IDR8,720,330,323,200, being IDR4,800 per ordinary share of Link Net multiplied by 1,816,735,484; less
  - the IDR-equivalent (as converted pursuant to the terms of the SPA) of the insurance premium payable under the warranty and indemnity insurance policies issued to All.
- (Collectively, the "**Purchase Price Payable**".)
- 2.2. The aggregate consideration payable to: (a) ALD, is an amount equal to the Purchase Price Payable multiplied by 56.02% (being ALD's Sale Percentage); and (b) FM, is an amount equal to the Purchase Price Payable multiplied by 43.98% (being FM's Sale Percentage) including the Payoff Amount IDR Equivalent (as defined below).

### 3. CONDITIONS PRECEDENT

- 3.1. Completion is conditional upon the satisfaction or waiver of each of the following conditions (each, a "**Condition**"):
- approval of the shareholders of Axiata at a general meeting for the Proposed Acquisition having been obtained;
  - approval of the shareholders of FM at a general meeting of shareholders for the Proposed Acquisition ("**FM Shareholders' Approval**") having been obtained;
  - there having been no decree, determination, injunction, judgment or other order (which is final and non-appealable) issued by any court of competent jurisdiction, the MOCI or the OJK which has the effect of restraining or otherwise prohibiting the Proposed Acquisition;

**SALIENT TERMS OF THE SPA** (Cont'd)

- (d) subject to paragraph 3.6 below, a written waiver from PT Bank CIMB Niaga Tbk ("**PT Bank CIMB**") (as prescribed under the SPA) remaining in full force and effect at Completion ("**CIMB Waiver**");
- (e) subject to paragraph 3.5 below, a written waiver from PT Bank Mandiri (Persero) Tbk ("**PT Bank Mandiri**") (as prescribed under the SPA) having been obtained by the Sellers and delivered to the Purchasers and remaining in full force and effect at Completion ("**Mandiri Waiver**");
- (f) Link Net having issued the notice to its employees of Link Net concerning the change of control of Link Net arising from the Proposed Acquisition, as required under Indonesian laws;
- (g) (i) the payoff letter (as prescribed under the SPA) having been executed by Deutsche Bank AG (Singapore branch) ("**DB AG**"), DB International Trust (Singapore) Limited (as security trustee) and FM pursuant to the repayment of FM in relation to the USD107,500,000 Secured Term Loan Facility Agreement dated 20 June 2019 made between among others (1) FM, as borrower, (2) DB AG, as arranger, (3) the financial institution(s) as described in such agreement, as the initial lenders, (4) DB AG, as agent, and (5) DB International Trust (Singapore) Limited, as security trustee; and (ii) the payoff FX letter (as prescribed under the SPA) having been executed by Deutsche Bank AG (Jakarta branch) ("**DB JKT**") and FM, with a copy to DB AG and DB International Trust (Singapore) Limited confirming that FM has agreed to purchase from DB JKT an amount in USD equivalent to the payoff amount USD (as defined in the SPA) for an amount in IDR specified in the payoff FX letter ("**Payoff Amount IDR Equivalent**") for settlement on the payment due date;
- (h) Link Net having issued the written notice to the Director-General of Post and Information Technology Services of Indonesia of the MOCI concerning the change of control of Link Net arising from the Proposed Acquisition as required under the relevant regulations and licences of Link Net and having received the MOCI's acknowledgement of the receipt of such notification;
- (i) approval of BNM under Notice 3 (Investment in Foreign Currency Assets) of the Foreign Exchange Notices (consolidated) issued by BNM for Axiata or All to pay All's portion of the purchase price pursuant to the Proposed Acquisition;
- (j) Sellers' fundamental warranties being true and accurate in all respects as at the SPA date and as at the Completion Date;
- (k) Sellers' warranties (other than the Sellers' fundamental warranties) being true and accurate in all respects as at the SPA date and as at the Completion Date, except where the failure of such warranties to be so true and accurate do not and would not reasonably be expected to result in, individually or in the aggregate, a material adverse effect;
- (l) subject to paragraph 3.4 below, no material adverse effect having occurred and is continuing as at the Completion Date;
- (m) approval of Link Net's shareholders at a general meeting of shareholders for: (i) the resignation of the commissioners and directors nominated by the Sellers; (ii) the appointment of the commissioners and directors nominated by the Purchasers; and (iii) the amendment to the information relating to Link Net's shareholding composition contained in its articles of association, as prescribed under the SPA having been obtained; and
- (n) Link Net having carried out the actions in respect of value-added tax as prescribed under the SPA.

**SALIENT TERMS OF THE SPA** (Cont'd)

- 3.2. If on or prior to the Long Stop Date (as defined below), any Positive Condition (as defined below) is not satisfied or is incapable of satisfaction and such Condition has not been waived, the party which is entitled to terminate the SPA shall be entitled, but subject to paragraphs 3.4, 3.5 and 3.6 below in the case of the MAE Trigger C (as defined below), the Mandiri Waiver and the CIMB Waiver, respectively, to terminate the SPA (other than the surviving provisions).
- 3.3. If on or prior to the Completion Date, any Condition (other than a Positive Condition) is not satisfied or is incapable of satisfaction; and such Condition has not been waived, the party which is entitled to terminate the SPA shall be entitled to terminate the SPA (other than the surviving provisions).
- 3.4. If the MAE Trigger C occurs, (i) the Sellers shall use their reasonable efforts to assist Link Net in causing the relevant trading suspension to be lifted as soon as possible; (ii) the Purchasers shall not be entitled to terminate the SPA on or prior to the Long Stop Date (as defined below) notwithstanding the continuation of the relevant trading suspension; and (iii) Completion shall be deferred to the first business day immediately following the lifting of the relevant trading suspension (not being later than the Long Stop Date (as defined below)).
- 3.5. The Sellers shall procure Link Net to submit the request seeking the Mandiri Waiver as prescribed under the SPA ("**Mandiri Waiver Request**") within three (3) business days of the date of the SPA. The parties shall use their reasonable efforts to assist Link Net in obtaining the Mandiri Waiver and if the Mandiri Waiver Request is rejected or not granted within the prescribed period under the SPA and provided that Link Net is in compliance with its obligations under the Mandiri loan agreement, the Purchasers shall waive the Condition as set out in paragraph 3.1(e) above. If the Mandiri Waiver is granted, the Condition set out in paragraph 3.1(e) above shall (i) be deemed not to be satisfied if, PT Bank Mandiri has cancelled or revoked such waiver on the ground that Link Net has failed to comply with its obligations under the Mandiri loan agreement (other than obligations which would be breached by reason of the change of control occurring at Completion); and (ii) be deemed to be satisfied and waived by the Purchasers if it is cancelled or revoked for any other reason whatsoever, including there being any one or more individuals serving as a director or commissioner on any member of the Purchasers' group (as defined in the SPA) and PT Bank Mandiri and its affiliates. If the Mandiri Waiver is not granted, or is cancelled or revoked, the parties shall use their best efforts to assist Link Net in refinancing the loan on or prior to Completion or such earlier date as may be necessary to prevent a default by Link Net under the Mandiri loan agreement by reason of the Mandiri Waiver not being granted.
- 3.6. The Condition set out in paragraph 3.1(d) above shall (i) be deemed not to be satisfied if, PT Bank CIMB has cancelled or revoked such waiver on the ground that Link Net has failed to comply with its obligations under the CIMB loan agreement (other than obligations which would be breached by reason of the change of control occurring at Completion); and (ii) be deemed to be satisfied and waived by the Purchasers if it is cancelled or revoked for any other reason whatsoever, including the aggregate exposures of the Purchasers' group (as defined in the SPA) and Link Net exceeding the applicable limits under the lending limit and large exposure rules issued by OJK on or after Completion. If the CIMB Waiver is cancelled or revoked, the parties shall use their best efforts to assist Link Net in refinancing the loans on or prior to Completion.
- 3.7. For reference,
- (a) "**Long Stop Date**" means 5.00 p.m. (Jakarta time) on 30 June 2022 or such other time and date as the parties may agree in writing.
- (b) "**MAE Trigger C**" means, subject to paragraph 3.4, any change, circumstance, effect, event or occurrence that results in the ordinary shares of Link Net being suspended from trading on the IDX as of immediately prior to the issuance of the payment instruction for the Payoff Amount IDR Equivalent to DB JKT.

**SALIENT TERMS OF THE SPA** *(Cont'd)*

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- (c) “**Positive Conditions**” means the Conditions set out paragraphs 3.1(a), 3.1(b), 3.1(e), 3.1(f), 3.1(g), 3.1(h), 3.1(i), 3.1(m) and 3.1(n) above.

**4. COMPLETION**

Completion shall take place on the date falling five (5) business days after the last of the Positive Conditions has been satisfied or waived or at such other time as the parties may agree in writing.

**5. TERMINATION**

The SPA may be terminated at any time prior to Completion: (a) by the mutual written consent of the Sellers and the Purchasers; or (b) pursuant to paragraphs 3.2 or 3.3 above; or (c) in the event either Seller or either Purchaser fails to comply with any of its completion obligations.

**6. GOVERNING LAW**

The SPA shall be governed by, and construed in accordance with, the laws of Singapore.

## INFORMATION ON LINK NET

### 1. HISTORY AND BUSINESS

Link Net was incorporated in Indonesia on 14 March 1996 under the name of PT Seruling Indah Permai as a private limited company. It then changed its name to PT Link Net and commenced its commercial operations in 2000. Link Net was listed on the IDX on 2 June 2014.

Link Net is engaged in telecommunication activities by cable, internet service providers, communication system services, network access point services, other multimedia services, telephony value added services, trading, management consultancy activities and call centre activities.

The Link Net Group is among the leading providers of high-speed broadband and cable TV in Indonesia, serving the residential and enterprise markets across Greater Jakarta, Greater Surabaya and Bandung, Bali, Serang, Cilegon, Semarang, Solo, Medan, Batam, Purwakarta, Cirebon, Tegal, Yogyakarta and Kediri.

The Link Net Group's revenue is generated through collection of subscription fees from its provision of broadband internet and network services as well as cable TV services in Indonesia with its revenue-generating units, which has increased to 1.69 million in the FYE 31 December 2021 from 1.66 million in the FYE 31 December 2020.

In terms of the reported financials for the FYE 31 December 2021 compared to the FYE 31 December 2020, the Link Net Group's revenue rose 10.3% to IDR4,465 billion. As the Link Net Group is a service provider in the telecommunication industry, the cost of revenue incurred by the Link Net Group comprises mainly the costs of cable TV content (i.e. costs of programming distribution and technical services), costs of broadband internet services (i.e. internet bandwidth costs) as well as other bandwidth-related costs (i.e. equipment rental, tower lease costs and internet access costs). The Link Net Group's EBITDA grew by 8.4% to IDR2,500 billion and PATAMI dropped by 6.0% to IDR885 billion. With a staff strength of 859 permanent employees as of 31 December 2021, Link Net has secured numerous industry accolades in 2021, which include the Indonesia WOW Brand Award, Top 3 Customer Service Champion in the Data & Entertainment category, the Best Customer Experience Management, the Best HR Management for the Outstanding Excellent Strategies, Values, and Digital Programs to Develop Competent HR, and 2<sup>nd</sup> the Best Indonesia Human Capital.

Based on the Link Net Group's audited consolidated statement of financial position as at 31 December 2021, its assets comprise of the following:

<b>Type of assets</b>	<b>Description and existing use</b>	<b>Audited NBV as at 31 December 2021</b>
		<b>IDR million</b>
Telecommunication equipment	Provision of broadband internet and network services as well as cable TV services	6,272,590
Land and buildings	Administration	345,159
Office equipment	Administration	76,669
Furniture and fixtures	Administration	59,256
Motor vehicle	Transport for selling and distribution activities	15,956

**INFORMATION ON LINK NET (Cont'd)****2. SHARE CAPITAL**

As at the LPD, Link Net has an issued and paid-up share capital of IDR286,319,548,400 comprising 2,863,195,484 issued and paid-up shares with a nominal value of IDR100 each.

**3. DIRECTORS AND SHAREHOLDERS**

As at the LPD, the commissioners of Link Net are as follows:

<b>Name</b>	<b>Nationality</b>	<b>Designation</b>
Jonathan Limbong Parapak	Indonesian	President Commissioner (Independent)
Alexander S. Rusli	Indonesian	Independent Commissioner
Sigit Prasetya	Singaporean	Commissioner
Suvir Varma	Singaporean	Commissioner
Edward Daniel Horowitz	American	Commissioner

As at the LPD, the directors of Link Net are as follows:

<b>Name</b>	<b>Nationality</b>	<b>Designation</b>
Marlo Budiman	Indonesian	President Director
Henry Jani Liando	Indonesian	Director
Andy Nugroho Purwohardono	Indonesian	Director
Wonbae Lee	Korean	Director
Victor Indajang	Indonesian	Director

As at the LPD, none of the commissioners and directors of Link Net has any direct or indirect shareholdings in Link Net.

As at the LPD, the substantial shareholders of Link Net and their respective direct shareholdings in Link Net are as follows:

	<b>Country of Incorporation</b>	<b>No. of Link Net Shares</b>	<b>%<sup>^</sup></b>
ALD	Singapore	1,017,766,198	36.99
FM	Indonesia	798,969,286	29.04
		<b>1,816,735,484</b>	<b>66.03</b>

**Note:**

<sup>^</sup> Computed based on the issued and paid-up Link Net Shares (excluding Link Net Treasury Shares) of 2,751,580,984 as at the LPD.

## INFORMATION ON LINK NET (Cont'd)

## 4. SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

As at the LPD, the subsidiaries of Link Net are as follows:

Name of company	Country/Date of incorporation	Issued and paid-up capital	Equity interest (%)	Date commenced operations	Principal activities
FMTV	Indonesia/ 9 October 2008	IDR3,125,000,000 comprising 12,500 shares of IDR250,000 each	99.99	27 June 2011	Subscription broadcasting
ISOL	Indonesia/ 5 August 2019	IDR500,000,000 comprising 500 shares of IDR1,000,000 each	100.00	20 February 2020	Outsourcing services
LNGS	Singapore/ 23 October 2019	SGD100,000 comprising 1,000 ordinary shares of each SGD100 each	100.00	.(1)	Tele- communication

**Note:**

(1) LNGS is dormant.

As at the LPD, the associate company of Link Net is as follows:

Name of company	Country/ Date of incorporation	Issued and paid-up capital	Equity interest (%)	Date commenced operations	Principal activities
IMTV <sup>(1)</sup>	Indonesia/ 11 July 2017	IDR1,090,000,000,000 comprising of 10,900,000,000 shares of IDR100 each	17.00	9 September 2013	Subscription television services

**Note:**

(1) On 2 September 2020, based on Commercial Court of Central Jakarta District Court Decision No. 166/Pdt.Sus.PKPU/2020/PN.Niaga.Jkt.Pst, IMTV has been declared bankrupt. As at 31 December 2021, the NBV of the investment in associate was nil due to the accumulated share in the losses of associate recognised in prior periods that has exceeded the initial investment and impairment on investment.

As at the LPD, Link Net does not have any joint ventures.

**INFORMATION ON LINK NET (Cont'd)**

**5. SUMMARY CONSOLIDATED FINANCIAL INFORMATION OF LINK NET**

A summary of the consolidated financial information of Link Net based on its audited consolidated financial statements for the past three (3) FYEs 31 December 2019, 2020 and 2021 are as follows:

	Audited					
	FYE 31 December			2021		
	2019		2020		2021	
	IDR million	RM million*	IDR million	RM million*	IDR million	RM million*
Revenue	3,755,262	1,100	4,047,964	1,171	4,464,900	1,294
PBT	1,240,307	363	1,246,629	361	1,148,877	333
PATAMI	894,531	262	941,706	272	885,318	257
Net EPS (IDR/RM sen)	311	9	341	10	322	9
Issued and paid-up capital	1,627,464	480	1,627,464	465	1,627,464	475
Shareholders' funds	4,656,415	1,374	4,622,714	1,322	5,249,342	1,533
NA attributable to the owners of Link Net	4,656,413	1,374	4,622,711	1,322	5,249,338	1,533
Weighted average no. of Link Net Shares outstanding	2,875,371,069	2,875,371,069	2,762,077,176	2,762,077,176	2,751,580,984	2,751,580,984
NA per Link Net Share (IDR/RM)	1,619	0.48	1,674	0.48	1,908	0.56
Current ratio (times)	0.50	0.50	0.27	0.27	0.44	0.44
Total interest-bearing borrowings (including lease liabilities)	891,172	263	1,759,799	503	3,345,514	977
Gearing (times)	0.19	0.19	0.38	0.38	0.64	0.64
Dividend per Link Net Share (IDR/RM)	232.40	0.07	178.80	0.05	102.70	0.03

**Note:**

\* Converted based on the following exchange rates as published by BNM:

FYE	Income and expenses using the average middle rate prevailing at 5.00 p.m. for the FYE	Asset and liabilities using the middle rate prevailing at 5.00 p.m. as at 31 December
	IDR100/MYR	IDR100/MYR
31 December 2019	0.0293	0.0295
31 December 2020	0.0289	0.0286
31 December 2021	0.0290	0.0292

**INFORMATION ON LINK NET (Cont'd)**

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**Commentaries on financial performance****FYE 31 December 2021 vs. FYE 31 December 2020**

Link Net Group's revenue increased by IDR416,936 million or 10.3% from approximately IDR4,047,964 million in the FYE 31 December 2020 to approximately IDR4,464,900 million in the FYE 31 December 2021 mainly due to the increase in subscription fees from cable television services of IDR420,504 million or 25.4%.

Link Net Group's PBT decreased by IDR97,752 million or 7.8% from approximately IDR1,246,629 million in the FYE 31 December 2020 to approximately IDR1,148,877 million in the FYE 31 December 2021 mainly due to the increase in expenses of IDR356,440 million or 19.7% and an increase in finance cost of IDR61,822 million or 43.5%.

**FYE 31 December 2020 vs. FYE 31 December 2019**

Link Net Group's revenue increased by IDR292,702 million or 7.8% from approximately IDR3,755,262 million in the FYE 31 December 2019 to approximately IDR4,047,964 million in the FYE 31 December 2020 mainly due to the increase in subscription fees from cable television services, of IDR279,325 million or 20.3%.

Link Net Group's PBT increased by IDR6,322 million or 0.5% from approximately IDR1,240,307 million in the FYE 31 December 2019 to approximately IDR1,246,629 million in the FYE 31 December 2020. There was an increase in gross profit by IDR171,622 million or 5.7%. This is mitigated by an increase in expenses of IDR93,008 million or 5.4% and an increase in finance cost of IDR68,383 million or 92.7%.

**FYE 31 December 2019 vs. FYE 31 December 2018**

Link Net Group's revenue increased by IDR26,898 million or 0.7% from approximately IDR3,728,364 million in the FYE 31 December 2018 to approximately IDR3,755,262 million in the FYE 31 December 2019 mainly due to the increase in subscription fees from broadband internet and network services of IDR119,903 million or 5.8%.

Link Net Group's PBT increased by IDR119,811 million or 10.7% from approximately IDR1,120,496 million in the FYE 31 December 2018 to approximately IDR1,240,307 million in the FYE 31 December 2019 mainly due to the increase in gross profits by IDR53,992 million or 1.8% and the reduction in expenses of IDR96,809 million or 5.4%.

**INFORMATION ON LINK NET** *(Cont'd)*

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**Accounting policies and audit qualification**

The audited consolidated financial statements of the Link Net Group are prepared in conformity with Indonesia Financial Accounting Standards. Based on the Link Net Group's audited consolidated financial statements for the past three (3) FYE 31 December 2019, 2020 and 2021:

- (i) there were no exceptional or extraordinary items;
- (ii) there were no accounting policies adopted by the Link Net Group which are peculiar to the Link Net Group due to the nature of its business of the industry it operates in; and
- (iii) there were no audit qualifications for the financial statements of the Link Net Group.

**6. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****Material commitments:**

Based on publicly available information as at the LPD, there are no material commitments incurred or known to be incurred by the Link Net Group which may have a material impact on the profits or NA of the Link Net Group.

**Contingent liabilities:**

Based on publicly available information as at the LPD, there are no contingent liabilities, which upon becoming enforceable may have a material impact on the profits or NA of the Link Net Group.

**7. MATERIAL CONTRACTS**

Based on publicly available information as at the LPD, the Link Net Group has not entered into any material contract (not being a contract entered into in the ordinary course of business) within the two (2) years immediately preceding the date of this Circular.

**8. MATERIAL LITIGATION**

Based on publicly available information as at the LPD, the Link Net Group is not involved in any material litigation, claims and/or arbitration, either as plaintiff or defendant, and the board of directors of Link Net are not aware of any proceedings pending or threatened against the Link Net Group or any facts which are likely to give rise to any proceedings which may adversely and materially affect the financial position or business of the Link Net Group.

PT Link Net Tbk  
dan entitas anaknya/*and its subsidiaries*

Laporan keuangan konsolidasian tanggal 31 Desember 2021  
dan untuk tahun yang berakhir pada tanggal tersebut  
beserta laporan auditor independen/  
*Consolidated financial statements as of December 31, 2021  
and for the year then ended  
with independent auditors' report*

**AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)**

The original consolidated financial statements included herein  
are in Indonesian language.

**PT LINK NET Tbk  
DAN ENTITAS ANAKNYA  
LAPORAN KEUANGAN KONSOLIDASIAN  
TANGGAL 31 DESEMBER 2021  
DAN UNTUK TAHUN YANG BERAKHIR  
PADA TANGGAL TERSEBUT  
BESERTA LAPORAN AUDITOR INDEPENDEN**

**PT LINK NET Tbk  
AND ITS SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2021  
AND FOR THE YEAR  
THEN ENDED  
WITH INDEPENDENT AUDITORS' REPORT**

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## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)



**SURAT PERNYATAAN DIREKSI TENTANG  
TANGGUNG JAWAB ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
TANGGAL 31 DESEMBER 2021  
DAN UNTUK TAHUN YANG BERAKHIR PADA  
TANGGAL TERSEBUT  
PT LINK NET Tbk  
DAN ENTITAS ANAKNYA**

**DIRECTORS' STATEMENT  
REGARDING THE RESPONSIBILITY FOR  
THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 2021  
AND FOR THE YEAR  
THEN ENDED  
PT LINK NET Tbk  
AND ITS SUBSIDIARIES**

Kami, yang bertanda tangan di bawah ini :

*We, the undersigned below:*

1. Nama	Marlo Budiman	Name
Alamat kantor	Centennial Tower Lt. 26 <sup>th</sup> Unit D. Jl. Jend. Gatot Subroto, Karet Semanggi, Setiabudi, Kota Adm. Jakarta Selatan, Jakarta 12930, Indonesia	Office address
Alamat domisili atau sesuai KTP	Kebon Jeruk Baru Bl. B1. No. 8 RT. 008/008 Kebon Jeruk, Jakarta Barat	Domicile address or address according to ID
Nomor telepon	021 – 55777755	Telephone number
Jabatan	Presiden Direktur/ President Director	Title
2. Nama	Victor Indajang	Name
Alamat kantor	Centennial Tower Lt. 26 <sup>th</sup> Unit D. Jl. Jend. Gatot Subroto, Karet Semanggi, Setiabudi, Kota Adm. Jakarta Selatan, Jakarta 12930, Indonesia	Office address
Alamat domisili atau sesuai KTP	Jalan Palapa I/36, RT. 014, RW. 001, Kel. Kedoya Selatan, Kec. Kebon Jeruk, Jakarta Barat	Domicile address or address according to ID
Nomor telepon	021 – 55777755	Telephone number
Jabatan	Direktur/ Director	Title

menyatakan bahwa:

*declare that:*

- |  |  |
|--|--|
| 1. Kami bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian PT Link Net Tbk ("Perusahaan") dan Entitas Anaknya;   | 1. We are responsible for the preparation and presentation of the consolidated financial statements of PT Link Net Tbk (the "Company") and Its Subsidiaries;                               |
| 2. Laporan keuangan konsolidasian Perusahaan dan Entitas Anaknya telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;                                      | 2. The consolidated financial statements of the Company and Its Subsidiaries have been prepared and presented in accordance with Indonesian Financial Accounting Standards;                |
| 3. a. Semua informasi dalam laporan keuangan konsolidasian Perusahaan dan Entitas Anaknya telah dimuat secara lengkap dan benar; dan   | 3. a. All information in the consolidated financial statements of the Company and Its Subsidiaries have been fully disclosed in a complete and truthful manner; and                        |
| b. Laporan keuangan konsolidasian Perusahaan dan Entitas Anaknya tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material; | b. The consolidated financial statements of the Company and Its Subsidiaries do not contain any incorrect information or material fact, nor do they omit any information or material fact; |
| 4. Kami bertanggung jawab atas sistem pengendalian internal dalam Perusahaan.  | 4. We are responsible for the Company's internal control system.   |

Demikian pernyataan ini dibuat dengan sebenarnya.

*This statement is made truthfully.*

Jakarta, 25 Maret 2022 / Jakarta, March 25, 2022

 <b>Marlo Budiman</b> Presiden Direktur/President Director		 <b>Victor Indajang</b> Direktur/Director
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## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)



## Purwantono, Sungkoro &amp; Surja

Indonesia Stock Exchange Building  
Tower 2, 7<sup>th</sup> Floor  
Jl. Jend. Sudirman Kav. 52-53  
Jakarta 12190, Indonesia

Tel : +62 21 5289 5000  
Fax: +62 21 5289 4100  
ey.com/id

*The original report included herein is in the Indonesian language.*

## Laporan Auditor Independen

Laporan No. 00325/2.1032/AU.1/06/1294-2/1/III/2022

Pemegang Saham, Dewan Komisaris dan Direksi  
PT Link Net Tbk.

Kami telah mengaudit laporan keuangan konsolidasian PT Link Net Tbk. dan entitas anaknya terlampir, yang terdiri dari laporan posisi keuangan konsolidasian tanggal 31 Desember 2021, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas konsolidasian untuk tahun yang berakhir pada tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan konsolidasian tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan konsolidasian yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan konsolidasian tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan konsolidasian tersebut bebas dari kesalahan penyajian material.

## Independent Auditors' Report

Report No. 00325/2.1032/AU.1/06/1294-2/1/III/2022

*The Shareholders and the Boards of Commissioners and Directors  
PT Link Net Tbk.*

*We have audited the accompanying consolidated financial statements of PT Link Net Tbk. and its subsidiaries, which comprise the consolidated statement of financial position as of December 31, 2021, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.*

*Management's responsibility for the financial statements*

*Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.*

*Auditors' responsibility*

*Our responsibility is to express an opinion on such consolidated financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.*

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**AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)**


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The original report included herein is in the Indonesian language.

**Laporan Auditor Independen (lanjutan)**

Laporan No. 00325/2.1032/AU.1/06/1294-2/1/III/2022 (lanjutan)

**Tanggung jawab auditor (lanjutan)**

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan. Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

**Opini**

Menurut opini kami, laporan keuangan konsolidasian terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan konsolidasian PT Link Net Tbk. dan entitas anaknya tanggal 31 Desember 2021, serta kinerja keuangan dan arus kas konsolidasiannya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

**Independent Auditors' Report (continued)**

Report No. 00325/2.1032/AU.1/06/1294-2/1/III/2022 (continued)

**Auditors' responsibility (continued)**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Link Net Tbk. and its subsidiaries as of December 31, 2021, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)



The original report included herein is in the Indonesian language.

## Laporan Auditor Independen (lanjutan)

Laporan No. 00325/2.1032/AU.1/06/1294-2/1/III/2022 (lanjutan)

## Hal lain

Audit kami atas laporan keuangan konsolidasian Perusahaan dan entitas anaknya tanggal 31 Desember 2021 dan untuk tahun yang berakhir pada tanggal tersebut terlampir dilaksanakan dengan tujuan merumuskan suatu opini atas laporan keuangan konsolidasian tersebut secara keseluruhan. Informasi keuangan Perusahaan (entitas induk saja) terlampir, yang terdiri dari laporan posisi keuangan pada tanggal 31 Desember 2021, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, dan ikhtisar kebijakan akuntansi signifikan (secara kolektif disebut sebagai "Informasi Keuangan Entitas Induk"), yang disajikan sebagai informasi tambahan terhadap laporan keuangan konsolidasian terlampir, disajikan untuk tujuan analisis tambahan dan bukan merupakan bagian dari laporan keuangan konsolidasian terlampir yang diharuskan menurut Standar Akuntansi Keuangan di Indonesia. Informasi Keuangan Entitas Induk merupakan tanggung jawab manajemen serta dihasilkan dari dan berkaitan secara langsung dengan catatan akuntansi dan catatan lainnya yang mendasarinya yang digunakan untuk menyusun laporan keuangan konsolidasian terlampir. Informasi Keuangan Entitas Induk telah menjadi objek prosedur audit yang diterapkan dalam audit atas laporan keuangan konsolidasian terlampir berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia, dan menurut opini kami, Informasi Keuangan Entitas Induk disajikan secara wajar, dalam semua hal yang material, berkaitan dengan laporan keuangan konsolidasian terlampir secara keseluruhan.

## Independent Auditors' Report (continued)

Report No. 00325/2.1032/AU.1/06/1294-2/1/III/2022 (continued)

## Other Matter

Our audit of the accompanying consolidated financial statements of the Company and its subsidiaries as of December 31, 2021 and for the year then ended was performed for the purpose of forming an opinion on such consolidated financial statements taken as a whole. The accompanying financial information of the Company (parent entity only), which comprises the statement of financial position as of December 31, 2021, and the statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies (collectively referred to as the "Parent Entity's Financial Information"), which is presented as a supplementary information to the accompanying consolidated financial statements, is presented for the purpose of additional analysis and is not a required part of the accompanying consolidated financial statements under Indonesian Financial Accounting Standards. The Parent Entity's Financial Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the accompanying consolidated financial statements. The Parent Entity's Financial Information has been subjected to the audit procedures applied in the audit of the accompanying consolidated financial statements in accordance with Standards of Auditing established by the Indonesian Institute of Certified Public Accountants, and in our opinion, the Parent Entity's Financial Information is fairly stated, in all material respects, in relation to the accompanying consolidated financial statements taken as a whole.

Purwanto, Sungkoro & Surja

Said Amru

Registrasi Akuntan Publik No. AP.1294/Public Accountant Registration No. AP.1294

25 Maret 2022/March 25, 2022



## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein  
are in Indonesian language.

**PT LINK NET Tbk  
DAN ENTITAS ANAKNYA  
LAPORAN POSISI KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2021  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT LINK NET Tbk  
AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENT OF FINANCIAL  
POSITION  
As of December 31, 2021  
(Expressed in millions Rupiah,  
unless otherwise stated)**

	31 Desember 2021/ December 31, 2021	Catatan/ Notes	31 Desember 2020/ December 31, 2020	
<b>ASET</b>				<b>ASSETS</b>
<b>ASET LANCAR</b>				<b>CURRENT ASSETS</b>
Kas dan setara kas	270.796	4	359.642	<i>Cash and cash equivalents</i>
Piutang usaha - neto		5		<i>Trade receivables - net</i>
Pihak ketiga	395.739		284.070	<i>Third parties</i>
Pihak berelasi	47.458		3.581	<i>Related parties</i>
Pajak dibayar di muka	21.935	14a	7.451	<i>Prepaid taxes</i>
Bagian lancar				<i>Current maturities of</i>
biaya dibayar di muka	124.720	6	119.694	<i>prepaid expenses</i>
<b>Jumlah aset lancar</b>	<b>860.648</b>		<b>774.438</b>	<b>Total current assets</b>
<b>ASET TIDAK LANCAR</b>				<b>NON-CURRENT ASSETS</b>
Piutang pihak berelasi				<i>Non-trade receivables</i>
non-usaha	11.488	23	11.513	<i>from related parties</i>
Biaya dibayar di muka -				<i>Prepaid expenses -</i>
setelah dikurangi bagian lancar	14.787	6	17.218	<i>net of current maturities</i>
Aset pajak tangguhan - neto	94.129	14f	96.039	<i>Deferred tax assets - net</i>
Aset tetap - neto	6.769.630	8a	5.641.224	<i>Property and equipment - net</i>
Aset hak guna - neto	425.757	8b	253.924	<i>Right of use assets - net</i>
Aset takberwujud - neto	133.020	9	114.389	<i>Intangible assets - net</i>
Aset tidak lancar lainnya	1.437.435	10	891.058	<i>Other non-current assets</i>
<b>Jumlah aset tidak lancar</b>	<b>8.886.246</b>		<b>7.025.365</b>	<b>Total non-current assets</b>
<b>JUMLAH ASET</b>	<b>9.746.894</b>		<b>7.799.803</b>	<b>TOTAL ASSETS</b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein are in Indonesian language.

<b>PT LINK NET Tbk DAN ENTITAS ANAKNYA LAPORAN POSISI KEUANGAN KONSOLIDASIAN (lanjutan) Tanggal 31 Desember 2021 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)</b>	<b>31 Desember 2021/ December 31, 2021</b>	<b>Catatan/ Notes</b>	<b>31 Desember 2020/ December 31, 2020</b>	<b>PT LINK NET Tbk AND ITS SUBSIDIARIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued) As of December 31, 2021 (Expressed in millions Rupiah, unless otherwise stated)</b>
<b>LIABILITAS DAN EKUITAS</b>				<b>LIABILITIES AND EQUITY</b>
<b>LIABILITAS</b>				<b>LIABILITIES</b>
<b>LIABILITAS JANGKA PENDEK</b>				<b>CURRENT LIABILITIES</b>
Pinjaman bank jangka pendek	496.600	12	1.500.000	Short-term bank loans
Utang usaha		11		Trade payables
Pihak ketiga	480.032		660.630	Third parties
Pihak berelasi	133.748		127.107	Related parties
Utang lain-lain				Other payables
Pihak ketiga	4.273		2.988	Third parties
Utang pajak	125.788	14b	143.728	Taxes payable
Beban akrual	190.747	15	236.642	Accruals
Biaya langganan diterima di muka dan deposito pelanggan				Unearned subscription fees and subscriber deposits
Pihak ketiga	5.618		4.999	Third parties
Liabilitas imbalan kerja jangka pendek	58.557	16	48.058	Short-term employee benefit liabilities
Bagian jangka pendek dari liabilitas jangka panjang				Current maturities of long-term liabilities
Pinjaman bank	306.635	12	-	Bank loan
Liabilitas sewa	162.257	13	93.859	Lease liabilities
<b>Jumlah liabilitas jangka pendek</b>	<b>1.964.255</b>		<b>2.818.011</b>	<b>Total current liabilities</b>
<b>LIABILITAS JANGKA PANJANG</b>				<b>NON-CURRENT LIABILITIES</b>
Liabilitas jangka panjang setelah dikurangi bagian lancar				Long-term liabilities net of current maturities
Pinjaman bank	2.175.824	12	-	Bank loan
Liabilitas sewa	204.198	13	165.940	Lease liabilities
Liabilitas pajak tangguhan	-	14f	28	Deferred tax liabilities
Liabilitas imbalan kerja jangka panjang	153.275	16	193.110	Long-term employee benefit liabilities
<b>Jumlah liabilitas jangka panjang</b>	<b>2.533.297</b>		<b>359.078</b>	<b>Total non-current liabilities</b>
<b>Jumlah liabilitas</b>	<b>4.497.552</b>		<b>3.177.089</b>	<b>Total liabilities</b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein are in Indonesian language.

<b>PT LINK NET Tbk DAN ENTITAS ANAKNYA LAPORAN POSISI KEUANGAN KONSOLIDASIAN (lanjutan) Tanggal 31 Desember 2021 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)</b>	<b>31 Desember 2021/ December 31, 2021</b>	<b>Catatan/ Notes</b>	<b>31 Desember 2020/ December 31, 2020</b>	<b>PT LINK NET Tbk AND ITS SUBSIDIARIES CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued) As of December 31, 2021 (Expressed in millions Rupiah, unless otherwise stated)</b>
<b>EKUITAS</b>				<b>EQUITY</b>
Modal saham - Nilai nominal Rp100 per saham (Rupiah penuh)				Share capital - Par value of Rp100 per share (in Rupiah full amount)
Modal dasar - 8.040.000.000 saham				Authorized - 8,040,000,000 shares
Modal ditempatkan dan disetor penuh - 2.863.195.484 saham per 31 Desember 2021 dan 2020	286.320	17	286.320	Issued and fully paid - 2,863,195,484 shares as of December 31, 2021 and 2020
Tambahan modal disetor - neto	1.341.144	18	1.341.144	Additional paid-in capital - net
Saham treasuri	(410.259)		(410.259)	Treasury stocks
Saldo laba	4.032.133		3.405.506	Retained earnings
Jumlah ekuitas yang dapat diatribusikan kepada pemilik entitas induk	5.249.338		4.622.711	Total equity attributable to owners of the parent
Kepentingan non-pengendali	4		3	Non-controlling interests
<b>Jumlah ekuitas</b>	<b>5.249.342</b>		<b>4.622.714</b>	<b>Total equity</b>
<b>JUMLAH LIABILITAS DAN EKUITAS</b>	<b>9.746.894</b>		<b>7.799.803</b>	<b>TOTAL LIABILITIES AND EQUITY</b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein are in Indonesian language.

**PT LINK NET Tbk  
DAN ENTITAS ANAKNYA  
LAPORAN LABA RUGI DAN PENGHASILAN  
KOMPREHENSIF LAIN KONSOLIDASIAN  
Untuk Tahun yang Berakhir pada Tanggal  
31 Desember 2021  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT LINK NET Tbk  
AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
For the Year Ended  
December 31, 2021  
(Expressed in millions Rupiah,  
unless otherwise stated)**

	Tahun yang berakhir pada tanggal 31 Desember/ Year ended December 31,			
	2021	Catatan/ Notes	2020	
Pendapatan	4.464.900	19	4.047.964	Revenue
Beban pokok pendapatan (tidak termasuk beban penyusutan aset tetap dan amortisasi aset takberwujud)	(963.317)	20	(868.743)	Cost of revenue (excluding depreciation of property and equipment and amortization of intangible assets)
Laba kotor	3.501.583		3.179.221	Gross profit
Beban penjualan	(354.028)	21	(364.242)	Selling expenses
Beban umum dan administrasi	(656.976)	21	(505.765)	General and administrative expenses
Beban penyusutan	(1.108.442)	8a,8b	(884.572)	Depreciation expenses
Beban amortisasi	(51.471)	9	(46.574)	Amortization expenses
Pendapatan lain-lain	32.556		3.851	Other income
Beban lain-lain	(23.552)		(8.171)	Other expenses
<b>Laba usaha</b>	<b>1.339.670</b>		<b>1.373.748</b>	<b>Operating profit</b>
Beban keuangan	(203.990)		(142.168)	Finance costs
Penghasilan keuangan	13.197		15.049	Finance income
Laba sebelum pajak penghasilan	1.148.877		1.246.629	Profit before income tax
Beban pajak penghasilan	(263.558)	14d	(304.922)	Income tax expenses
<b>Laba tahun berjalan</b>	<b>885.319</b>		<b>941.707</b>	<b>Profit for the year</b>
<b>Penghasilan komprehensif lain</b>				<b>Other comprehensive income</b>
<b>Pos-pos yang tidak akan direklasifikasi ke laba rugi</b>				<b>Items that will not be reclassified to profit or loss</b>
Pengukuran kembali atas program imbalan kerja	31.183	16	22.195	Remeasurement of employee benefit plan
Beban pajak penghasilan terkait	(7.287)		(4.486)	Related income tax expenses
Jumlah penghasilan komprehensif lain	23.896		17.709	Total other comprehensive income
<b>Jumlah laba komprehensif tahun berjalan</b>	<b>909.215</b>		<b>959.416</b>	<b>Total comprehensive income for the year</b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein are in Indonesian language.

**PT LINK NET Tbk  
DAN ENTITAS ANAKNYA  
LAPORAN LABA RUGI DAN PENGHASILAN  
KOMPREHENSIF LAIN KONSOLIDASIAN  
(lanjutan)  
Untuk Tahun yang Berakhir pada Tanggal  
31 Desember 2021  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT LINK NET Tbk  
AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
(continued)  
For the Year Ended  
December 31, 2021  
(Expressed in millions Rupiah,  
unless otherwise stated)**

	Tahun yang berakhir pada tanggal 31 Desember/ Year ended December 31,			
	2021	Catatan/ Notes	2020	
Laba tahun berjalan yang dapat diatribusikan kepada:				<i>Profit for the year attributable to:</i>
Pemilik entitas induk	885.318		941.706	<i>Owners of the parent</i>
Kepentingan non-pengendali	1		1	<i>Non-controlling interests</i>
	<b>885.319</b>		<b>941.707</b>	
Jumlah laba komprehensif tahun berjalan yang dapat diatribusikan kepada:				<i>Total comprehensive income for the year attributable to:</i>
Pemilik entitas induk	909.214		959.415	<i>Owners of the parent</i>
Kepentingan non-pengendali	1		1	<i>Non-controlling interests</i>
	<b>909.215</b>		<b>959.416</b>	
<b>Laba per saham dasar (dalam Rupiah penuh)</b>	<b>322</b>	22	<b>340</b>	<b><i>Basic earnings per share (in Rupiah full amount)</i></b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein are in Indonesian language.

**PT LINK NET Tbk**  
**DAN ENTITAS ANAKNYA**  
**AND ITS SUBSIDIARIES**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the Year Ended December 31, 2021**  
**(Expressed in millions Rupiah, unless otherwise stated)**

	Catatan/ Notes	Modal saham/ Share capital	Tambahan modal disetor - neto/ Additional paid- in capital-net	Saham treasury/ Treasury stock	Saldo Laba/ Retained earnings	Jumlah ekuitas yang dapat diatribusikan kepada/ Total equity attributable to		Jumlah ekuitas/ Total equity	Balance as of January 1, 2020, as restated
						Pemilik entitas induk/ Owners of the parent	Keperlingan non-pengendali/ Non-controlling interests		
Saldo per 1 Januari 2020, disajikan kembali		286.320	1.341.144	(105.088)	2.938.074	4.460.450	2	4.460.452	Balance as of January 1, 2020, as restated
Laba tahun berjalan		-	-	-	941.706	941.706	1	941.707	Profit for the year
Penghasilan komprehensif lain		-	-	-	17.709	17.709	-	17.709	Other comprehensive income
Jumlah penghasilan komprehensif tahun berjalan		-	-	-	959.415	959.415	1	959.416	Total comprehensive income for the year
Dividen kas	17	-	-	-	(491.983)	(491.983)	-	(491.983)	Cash dividend
Saham treasury	17	-	-	(305.171)	-	(305.171)	-	(305.171)	Treasury stock
<b>Saldo per 31 Desember 2020</b>		<b>286.320</b>	<b>1.341.144</b>	<b>(410.259)</b>	<b>3.405.506</b>	<b>4.622.711</b>	<b>3</b>	<b>4.622.714</b>	<b>Balance as of December 31, 2020</b>
Laba tahun berjalan		-	-	-	885.318	885.318	1	885.319	Profit for the year
Penghasilan komprehensif lain		-	-	-	23.896	23.896	-	23.896	Other comprehensive income
Jumlah laba komprehensif tahun berjalan		-	-	-	909.214	909.214	1	909.215	Total comprehensive income for the year
Dividen kas	17	-	-	-	(282.587)	(282.587)	-	(282.587)	Cash dividend
<b>Saldo per 31 Desember 2021</b>		<b>286.320</b>	<b>1.341.144</b>	<b>(410.259)</b>	<b>4.032.133</b>	<b>5.249.338</b>	<b>4</b>	<b>5.249.342</b>	<b>Balance as of December 31, 2021</b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein are in Indonesian language.

**PT LINK NET Tbk  
DAN ENTITAS ANAKNYA  
LAPORAN ARUS KAS KONSOLIDASIAN  
Untuk Tahun yang Berakhir pada Tanggal  
31 Desember 2021  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT LINK NET Tbk  
AND ITS SUBSIDIARIES  
CONSOLIDATED STATEMENT OF CASH FLOWS  
For the Year Ended December 31, 2021  
(Expressed in millions Rupiah,  
unless otherwise stated)**

	Tahun yang berakhir pada tanggal 31 Desember/ Year ended December 31,			
	2021	Catatan/ Notes	2020	
<b>ARUS KAS DARI AKTIVITAS OPERASI</b>				<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>
Penerimaan dari pelanggan	4.138.327		3.958.405	Receipts from customers
Pembayaran kepada pemasok dan lainnya	(1.415.619)		(1.394.836)	Payments to suppliers and others
Pembayaran kepada karyawan	(489.808)		(544.367)	Payments to employees
Pembayaran pajak penghasilan badan	(277.141)		(179.349)	Payments of corporate income taxes
Penerimaan bunga	13.197		15.049	Interest receipts
<b>Arus kas neto diperoleh dari aktivitas operasi</b>	<b>1.968.956</b>		<b>1.854.902</b>	<b>Net cash flows provided by operating activities</b>
<b>ARUS KAS DARI AKTIVITAS INVESTASI</b>				<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>
Pembayaran uang muka	(165.871)		(39.699)	Payment of advances
Perolehan perangkat lunak komputer	(70.102)		(58.481)	Purchases of computer software
Perolehan aset tetap dan peralatan untuk instalasi	(2.907.035)		(1.665.628)	Purchases of property and equipment for installation
<b>Arus kas neto digunakan untuk aktivitas investasi</b>	<b>(3.143.008)</b>		<b>(1.763.808)</b>	<b>Net cash flows used in investing activities</b>
<b>ARUS KAS DARI AKTIVITAS PENDANAAN</b>				<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>
Penerimaan dari pinjaman bank	3.200.000	28b	4.000.000	Proceeds from bank loans
Pembayaran atas pinjaman bank	(1.700.000)	28b	(3.300.000)	Repayments of bank loans
Penerimaan dari liabilitas sewa jangka panjang	219.548	28b	244.353	Proceeds from long-term lease liabilities
Pembayaran liabilitas sewa	(137.073)	28b	(86.272)	Repayments of lease liabilities
Pembayaran dividen tunai	(282.587)	17	(491.983)	Payment of cash dividends
Pembayaran bunga	(189.765)		(91.136)	Payments of interest
Pembayaran biaya keuangan	(25.600)		-	Payments of cost of loan
Pembelian saham treasury	-		(305.171)	Purchases of treasury stock
<b>Arus kas neto diperoleh dari (digunakan untuk) aktivitas pendanaan</b>	<b>1.084.523</b>		<b>(30.209)</b>	<b>Net cash flows provided by (used in) financing activities</b>
Kenaikan (penurunan) neto kas dan setara kas	(89.529)		60.885	Net increase (decrease) in cash and cash equivalents
<b>KAS DAN SETARA KAS PADA AWAL TAHUN</b>	<b>359.642</b>		<b>298.209</b>	<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>
Dampak perubahan selisih kurs terhadap kas dan setara kas	683		548	Effects of foreign exchange rate changes on cash and cash equivalents
<b>KAS DAN SETARA KAS PADA AKHIR TAHUN</b>	<b>270.796</b>	<b>4</b>	<b>359.642</b>	<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>

Catatan atas laporan keuangan konsolidasian terlampir merupakan bagian yang tidak terpisahkan dari laporan keuangan konsolidasian secara keseluruhan.

The accompanying notes to the consolidated financial statements form an integral part of these consolidated financial statements taken as a whole.

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein are in Indonesian language.

**PT LINK NET Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2021 dan untuk  
Tahun yang Berakhir pada Tanggal Tersebut  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT LINK NET Tbk  
AND ITS SUBSIDIARIES  
NOTES TO CONSOLIDATED THE FINANCIAL  
STATEMENTS  
As of December 31, 2021 and  
for the Year Then Ended  
(Expressed in millions Rupiah,  
unless otherwise stated)**

## 1. UMUM

## a. Pendirian dan Informasi Lainnya

PT Link Net Tbk ("Perusahaan") didirikan dengan nama PT Seruling Indah Permai berdasarkan Akta Notaris No. 93 tanggal 14 Maret 1996 dari Dr. Misahardi Wilamarta, S.H., M.H., M.Kn., LL.M sebagaimana telah diubah dalam Akta Notaris No. 304 tanggal 26 Juli 1996 dari Yulianti Ermawanto, S.H. Akta pendirian dan perubahannya disahkan oleh Menteri Kehakiman Republik Indonesia dalam Surat Keputusan No. C2-8324.HT.01.01.TH.96 tanggal 7 Agustus 1996 serta diumumkan dalam Berita Negara No. 96 tanggal 29 November 1996, Tambahan No. 9456.

Perusahaan selanjutnya mengubah nama perusahaan menjadi PT Link Net dan mengubah Anggaran Dasar Perusahaan berdasarkan Akta Notaris No. 35 tanggal 28 Maret 2000 dari Myra Yuwono, S.H., notaris di Jakarta. Akta tersebut disahkan oleh Menteri Hukum dan Perundang-undangan dengan Surat Keputusan No. C-9118.HT.01.04.TH.2000 tanggal 20 April 2000 serta diumumkan dalam Berita Negara No. 84 tanggal 20 Oktober 2000, Tambahan No. 6296.

Anggaran Dasar Perusahaan beberapa kali mengalami perubahan, dimana perubahan terakhir Anggaran Dasar Perusahaan tertuang dalam Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Tahunan No. 13 tanggal 19 Juli 2021 oleh Rini Yulianti, S.H., Notaris di Jakarta. Akta tersebut telah diterima dan dicatat dalam database Sistem Administrasi Badan Hukum Menteri Hukum dan Hak Asasi Manusia Republik Indonesia berdasarkan Surat No. AHU-AH.01.03-0429788 tanggal 19 Juli 2021.

Perusahaan selanjutnya mengubah alamat perusahaan menjadi Centennial Tower Lantai 26 Unit D, Jl. Jend. Gatot Subroto Kav. 24-25 Jakarta Selatan 12930, dan mengubah Anggaran Dasar Perusahaan berdasarkan Akta Notaris No. 11 tanggal 11 Oktober 2021 oleh Rini Yulianti, S.H., Notaris di Jakarta. Akta tersebut telah diterima dan dicatat dalam Sistem administrasi Badan Hukum Menteri Hukum dan Hak Asasi Manusia Republik Indonesia berdasarkan Surat No. AHU-AH.01.03-0459106 tanggal 11 Oktober 2021.

## 1. GENERAL

## a. Establishment and Other Informations

*PT Link Net Tbk (the "Company") was established under the name PT Seruling Indah Permai based on Notarial Deed No. 93 dated March 14, 1996 of Dr. Misahardi Wilamarta, S.H., M.H., M.Kn., LL.M as amended by Notarial Deed No. 304 dated July 26, 1996 of Yulianti Ermawanto, S.H. The Deed of Establishment and its amendment was authorized by the Minister of Justice of the Republic of Indonesia in his Decision Letter No. C2-8324.HT.01.01.TH.96 dated August 7, 1996 and published in State Gazette No. 96 dated November 29, 1996, Supplement No. 9456.*

*The Company subsequently changed its name to PT Link Net and amended its Articles of Association based on Notarial Deed No. 35 dated 28 March 2000 of Myra Yuwono, S.H., notary in Jakarta. The Deed was approved by the Minister of Law and Legislation in his Decision Letter No. C-9118.HT.01.04.TH.2000 dated April 20, 2000 and published in State Gazette No. 84 dated October 20, 2000, Supplement No. 6296.*

*The Company's Articles of Association has been amended several times, the latest amendment to the Company's Article of Association was incorporated in the Deed of Statement of the Resolutions of the Annual General Meeting of Shareholders No. 13 dated July 19, 2021, of Rini Yulianti, S.H., notary in Jakarta. This Deed was received and registered in the database of the Legal Entity Administration System of the Ministry of Law and Human Rights of the Republic of Indonesia under Letter No. AHU-AH.01.03-0429788 dated July 19, 2021.*

*The Company subsequently changed its address to Centennial Tower 26<sup>th</sup> Floor Unit D, Jl. Jend. Gatot Subroto Kav. 24-25 South Jakarta 12930, and amended its Articles of Association based on Notarial Deed No. 11 dated October 11, 2021 by Rini Yulianti, S.H., Notary in Jakarta. This deed was received and registered in the database of the Legal Entity Administration System of the Ministry of Law and Human Rights of the Republic of Indonesia under the Letter No. AHU-AH.01.03-0459106 dated October 11, 2021.*

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein are in Indonesian language.

**PT LINK NET Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2021 dan untuk  
Tahun yang Berakhir pada Tanggal Tersebut  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT LINK NET Tbk  
AND ITS SUBSIDIARIES  
NOTES TO CONSOLIDATED THE FINANCIAL  
STATEMENTS  
As of December 31, 2021 and  
for the Year Then Ended  
(Expressed in millions Rupiah,  
unless otherwise stated)**

## 1. UMUM (lanjutan)

## a. Pendirian dan Informasi Lainnya (lanjutan)

Perusahaan dan Entitas Anak (secara bersama-sama disebut sebagai "Grup") dalam menjalankan usahanya, memiliki izin-izin sebagai berikut:

- Izin Penyelenggaraan Jaringan Tetap Lokal Berbasis *Packet-Switched* dari Menteri Komunikasi dan Informatika Republik Indonesia No. 246/KEP/ M.KOMINFO/06/2011 tanggal 27 Juni 2011, sebagaimana diubah terakhir berdasarkan evaluasi 5 (lima) tahunan dalam Izin No. 705 Tahun 2017, tanggal 17 Maret 2017.
- Izin Penyelenggaraan Jaringan Tetap Tertutup dari Menteri Komunikasi dan Informatika Republik Indonesia No. 312 Tahun 2014, tanggal 24 Maret 2014, sebagaimana diubah terakhir berdasarkan evaluasi 5 (lima) tahunan dalam Izin No. 016/TEL.01.02/2019 tanggal 24 Mei 2019 dan perubahan terhadap Izin No. 016/TEL.01.02/2019 yang termuat dalam Izin No. 071/TEL.01.02/2019 tanggal 9 Oktober 2019.
- Izin Penyelenggaraan Jasa Interkoneksi Internet (*Network Access Provider/NAP*) dari Direktur Jenderal Penyelenggaraan Pos dan Informatika Republik Indonesia No. 50 Tahun 2015, tanggal 27 Januari 2015. Izin Penyelenggaraan Jasa Interkoneksi Internet (*Network Access Provider/NAP*) telah selesai dilakukan evaluasi 5 (lima) tahunan berdasarkan Berita Acara Verifikasi Operasional No. 2/BA/OPERASIONAL/DJPPI.6.4/01/2020 tanggal 29 Januari 2020.
- Izin Penyelenggaraan Jasa Akses Internet (*Internet Service Provider/ASP*) dari Direktur Jenderal Penyelenggaraan Pos dan Informatika Republik Indonesia No. 176/DIRJEN/2009 tanggal 27 Juli 2009, sebagaimana diubah terakhir berdasarkan evaluasi 5 (lima) tahunan dalam Izin No. 51 Tahun 2015, tanggal 27 Januari 2015. Izin Penyelenggaraan Jasa Akses Internet (*Internet Service Provider/ISP*) telah selesai dilakukan evaluasi 5 (lima) tahunan berdasarkan Berita Acara Verifikasi Operasional No. 1/BA/OPERASIONAL/DJPPI.6.4/01/2020 tanggal 29 Januari 2020.
- Izin Usaha Penyelenggaraan Jaringan Telekomunikasi Penanaman Modal Dalam Negeri dari Badan Koordinasi Penanaman Modal No. 57/1/IU/PMDN/2016 tanggal 4 November 2016.

## 1. GENERAL (continued)

## a. Establishment and Other Informations (continued)

In conducting their business, the Company and Subsidiaries (collectively referred to as the "Group") hold the following licenses:

- *Packet-Switched Based Local Fixed Network Provider License* issued by the Ministry of Communication and Informatics of the Republic of Indonesia No. 246/KEP/ M.KOMINFO /06/2011 dated June 27, 2011, as amended based on the five-annual evaluation in License No. 705 Year 2017, dated March 17, 2017.
- *Closed Fixed Network Provider License* issued by the Ministry of Communication and Informatics of the Republic of Indonesia No. 312 Year 2014, dated March 24, 2014, as amended based on the five-annual evaluation in License No. 016/TEL.01.02/2019 dated May 24, 2019 and the changes to License No. 016/TEL.01.02/2019 contained in License No. 071/TEL.01.02/2019 dated October 9, 2019.
- *Network Access Provider License* issued by the Director General of Postage and Informatics of the Republic of Indonesia No. 50 Year 2015, dated January 27, 2015. *Network Access Provider License* has been evaluated on the five-annual evaluation based on the Minutes of Operational Verification No. 2/BA/ OPERASIONAL/DJPPI.6.4/01/2020 dated January 29, 2020.
- *Internet Service Provider License* issued by the Director General of Postage and Informatics Provider of the Republic of Indonesia No. 176/DIRJEN/2009 dated July 27, 2009, as amended the latest based on the five-annual evaluation in License No. 51 Year 2015, dated January 27, 2015. *Internet Service Provider License* has been evaluated on the five-annual evaluation based on the Minutes of Operational Verification No. 1/BA/OPERASIONAL/ DJPPI.6.4/01/2020 dated January 29, 2020.
- *Business License of Domestic Investment Telecommunication Network Provider* by the Investment Coordinating Board No. 57/1/IU/PMDN/2016 dated November 4, 2016.

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein are in Indonesian language.

**PT LINK NET Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2021 dan untuk  
Tahun yang Berakhir pada Tanggal Tersebut  
(Disajikan dalam jutaan Rupiah,  
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**PT LINK NET Tbk  
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As of December 31, 2021 and  
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(Expressed in millions Rupiah,  
unless otherwise stated)**

## 1. UMUM (lanjutan)

## a. Pendirian dan Informasi Lainnya (lanjutan)

- Nomor Induk Berusaha (NIB) dari Pemerintah Republik Indonesia melalui OSS (*Online Single Submission*) No. 812001750092 tanggal 9 November 2018.
- Izin Usaha Penyelenggaraan Jasa Telekomunikasi Penanaman Modal Dalam Negeri dari Badan Koordinasi Penanaman Modal Nomor 48/1/IU/PMDN/2017 tanggal 3 Juli 2017.
- Izin Penyelenggaraan Penyiaran berdasarkan Keputusan Menteri Komunikasi dan Informatika Republik Indonesia No. 393/KEP/M.KOMINFO/11/2010 tanggal 11 November 2010. Sebagaimana telah diperpanjang berdasarkan Keputusan Menteri Informasi dan Komunikasi Republik Indonesia No.: 26/T.04.03/2020, untuk jangka waktu 10 (sepuluh) tahun berikutnya sampai 10 November 2030.
- Izin Penyelenggaraan Jasa Telekomunikasi dari Menteri Komunikasi dan Informatika Republik Indonesia No. 181/TEL.02.02/2018 tanggal 29 November 2018 dan pada tanggal 4 April 2019 telah mendapatkan Surat Keterangan Laik Operasi Jasa Telekomunikasi (Layanan Televisi Protokol Internet/IPTV) No. 49/TEL.04/02/2019 dari Direktur Jenderal Pos dan Telekomunikasi.
- Izin Usaha Perdagangan dari Pemerintah Republik Indonesia melalui OSS (*Online Single Submission*) pada tanggal 6 November 2019.
- Nomor Induk Berusaha (NIB) dari Pemerintah Republik Indonesia melalui OSS (*Online Single Submission*) No. 8120016210049 tanggal 4 Desember 2018.
- Nomor Induk Berusaha (NIB) dari Pemerintah Republik Indonesia melalui OSS (*Online Single Submission*) No. 9120601832081 tanggal 28 Agustus 2019.
- Izin Usaha Perdagangan dari Pemerintah Republik Indonesia melalui OSS (*Online Single Submission*) pada tanggal 5 September 2019.
- Izin Usaha Perusahaan Penyedia Jasa Pekerja/Buruh dari Pemerintah Republik Indonesia melalui OSS (*Online Single Submission*) pada tanggal 5 September 2019.

## 1. GENERAL (continued)

## a. Establishment and Other Informations (continued)

- Operational/Commercial Number (NIB) from Government of the Republic of Indonesia through OSS (*Online Single Submission*) No. 812001750092 dated November 9, 2018.
- Business License of Domestic Investment Telecommunication Service Provider by the Investment Coordinating Board No. 48/1/IU/PMDN/2017 dated July 3, 2017.
- Broadcasting License based on Decree of the Minister of Communication and Informatics of the Republic of Indonesia No. 393/KEP/M.KOMINFO/11/2010, dated November 11, 2010. As extended by the Decree of Minister of Information and Communication of Republic of Indonesia No.: 26/T.04.03/2020, for the next 10 (ten) years until November 10, 2030.
- Telecommunication Services Licenses issued by the Minister of Communication and Informatic of the Republic of Indonesia No. 181/TEL.02.02/2018 dated November 29, 2018 and on April 4, 2019 has obtained the Statement Letter of Operation Feasibility Test of Telecommunication Services (Internet Protocol Television/IPTV) issued by the General Director of Post and Telecommunication.
- Trading Business License by the Government of the Republic of Indonesia by OSS (*Online Single Submission*) on November 6, 2019.
- Operational/Commercial Number (NIB) from Government of the Republic of Indonesia through OSS (*Online Single Submission*) No. 8120016210049 dated December 4, 2018.
- Operational/Commercial Number (NIB) from Government of the Republic of Indonesia through OSS (*Online Single Submission*) No. 9120601832081 dated August 28, 2019.
- Trading Business License from Government of the Republic of Indonesia by OSS (*Online Single Submission*) on September 5, 2019.
- Company Business License of Manpower or Labor Supply from Government of the Republic of Indonesia by OSS (*Online Single Submission*) on September 5, 2019.

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein are in Indonesian language.

**PT LINK NET Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN  
Tanggal 31 Desember 2021 dan untuk  
Tahun yang Berakhir pada Tanggal Tersebut  
(Disajikan dalam jutaan Rupiah,  
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**PT LINK NET Tbk  
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As of December 31, 2021 and  
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(Expressed in millions Rupiah,  
unless otherwise stated)**

## 1. UMUM (lanjutan)

## a. Pendirian dan Informasi Lainnya (lanjutan)

- Izin Usaha Jasa Konstruksi dari Pemerintah Republik Indonesia melalui OSS (*Online Single Submission*) pada tanggal 5 September 2019 sebagaimana perubahan terakhir tanggal 6 Oktober 2020.
- Izin Penyelenggaraan Jaringan Telekomunikasi dari Menteri Komunikasi dan Informatika Republik Indonesia No. 267/TEL.01.02/2020 tanggal 28 Oktober 2020, dan pada tanggal 25 Mei 2021 telah mendapatkan Surat Keterangan Laik Operasi Jaringan Telekomunikasi Penyelenggaraan Jaringan Tetap Tertutup dengan Media VSAT No. 524/TEL.04.02/2021.

Berdasarkan Anggaran Dasar, Perusahaan bergerak dalam bidang penyelenggaraan aktivitas telekomunikasi dengan kabel, *internet service provider* (penyedia jasa internet), jasa sistem komunikasi, jasa interkoneksi internet (NAP), jasa multimedia lainnya, jasa nilai tambah teleponi lainnya, jasa internet teleponi untuk keperluan publik (ITKP), perdagangan, aktivitas konsultasi manajemen dan aktivitas *call centre*.

Kegiatan usaha Grup saat ini adalah memberikan layanan melalui jaringan komunikasi *broadband* ("Jaringan") termasuk distribusi program televisi dan internet berkecepatan tinggi melalui Jaringan di Jakarta, Bogor, Depok, Tangerang, Bekasi, Surabaya (termasuk Malang dan Gresik), Bali, Bandung, Medan, Batam, Solo dan Semarang.

Perusahaan berdomisili di Jakarta dan mulai beroperasi secara komersial pada tahun 2000.

Pada tanggal 31 Desember 2021, Grup memiliki karyawan tetap 859 orang (31 Desember 2020: 851 orang) (tidak diaudit).

## b. Pencatatan Saham Perusahaan di Bursa Efek Indonesia

Pada tanggal 20 Mei 2014, Perusahaan memperoleh pernyataan efektif dari Otoritas Jasa Keuangan dengan surat No. S-240/D.04/2014 untuk melakukan Penawaran Umum Perdana sebanyak 304.265.000 lembar saham milik PT First Media Tbk.

Seluruh saham Perusahaan telah tercatat di Bursa Efek Indonesia pada tanggal 2 Juni 2014.

## 1. GENERAL (continued)

## a. Establishment and Other Informations (continued)

- *Construction Services Business License from Government of the Republic of Indonesia by OSS (Online Single Submission) on September 5, 2019 as last amended on October 6, 2020.*
- *Telecommunication Networks Licenses issued by the Minister of Communication and Informatic of the Republic of Indonesia No. 267/TEL.01.02/2020 dated October 28, 2020, and on May 25, 2021, Company has obtained the Statement Letter of Operation Feasibility Test of Telecommunication Networks in Closed Fixed Network Provider by VSAT Media No. 524/TEL.04.02/2021.*

*Based on the Articles of Association, the Company is engaged in telecommunication activities by cable, internet service provider, communication system services, network access point services, other multimedia services, telephony value added services, trading, management consultancy activities and call centre activities.*

*The Group currently provides services through a broadband communication network ("The Network") including distribution of television programs and high-speed internet through the Network in Jakarta, Bogor, Depok, Tangerang, Bekasi, Surabaya (include Malang and Gresik), Bali, Bandung, Medan, Batam, Solo and Semarang areas.*

*The Company is domiciled in Jakarta and started its commercial operations in 2000.*

*As of December 31, 2021, the Group had 859 permanent employees (December 31, 2020: 851 employees) (unaudited).*

## b. Listing of Company's Shares on the Indonesian Stock Exchange

*On May 20, 2014, the Company obtained the effectiveness notification from the Financial Services Authority through the Letter No. S-240/D.04/2014 to conduct the Initial Public Offering of 304,265,000 shares owned by PT First Media Tbk.*

*All of the Company's shares have been listed on the Indonesian Stock Exchange on June 2, 2014.*

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**1. UMUM (lanjutan)**

**b. Pencatatan Saham Perusahaan di Bursa Efek Indonesia (lanjutan)**

Berdasarkan Risalah Rapat Umum Pemegang Saham Luar Biasa yang diadakan pada tanggal 15 April 2016 dan diaktakan oleh Notaris Rini Yulianti, S.H., dengan Akta No. 12, pemegang saham menyetujui untuk dilakukannya pembelian kembali saham Perusahaan (*buy back shares*) dengan jumlah maksimum 10% dari modal ditempatkan dan disetor Perseroan atau sebanyak 304.264.938 saham.

Berdasarkan Risalah Rapat Umum Pemegang Saham Luar Biasa yang diadakan pada tanggal 15 Januari 2018 sebagaimana telah diaktakan dalam Akta No. 20 oleh Notaris Rini Yulianti, S.H., pemegang saham menyetujui untuk dilakukannya pembelian kembali saham Perusahaan (*buy back shares*) dengan jumlah maksimum 7,1% dari modal ditempatkan dan disetor penuh Perusahaan atau maksimum sebanyak 216.028.106 saham.

Berdasarkan Risalah Rapat Umum Pemegang Saham Luar Biasa yang diadakan pada tanggal 20 Desember 2018 sebagaimana telah ditegaskan dalam Akta No. 7 oleh Notaris Rini Yulianti, S.H., pemegang saham menyetujui pengurangan modal ditempatkan dan disetor dengan cara penarikan kembali saham yang berasal dari saham yang telah dibeli kembali oleh Perusahaan (Saham Treasuri) sejumlah 130.908.300 saham dan menyetujui untuk dilakukannya pembelian kembali saham Perusahaan (*buy back shares*) dengan jumlah maksimum 2,58% dari modal ditempatkan dan disetor Perusahaan setelah dilakukannya pengurangan modal ditempatkan dan disetor Perusahaan dengan cara penarikan kembali saham yang berasal dari saham yang telah dibeli kembali oleh Perusahaan atau maksimum sebanyak 75.146.002 saham. Hasil rapat ini mendapatkan persetujuan Menteri Hukum dan Hak Asasi Manusia pada tanggal 29 April 2019. Jumlah modal ditempatkan dan disetor Perusahaan turun dari 3.042.649.384 lembar saham menjadi 2.911.741.084 lembar saham.

**1. GENERAL (continued)**

**b. Listing of Company's Shares on the Indonesian Stock Exchange (continued)**

*Based on the Minutes of the Extraordinary General Shareholders' Meeting held on April 15, 2016 and notarized by Rini Yulianti, S.H., with Notarial Deed No. 12, the shareholders approved the Company's buy back shares with maximum total 10% of the Company's issued and fully paid shares of 304,264,938 shares.*

*Based on the Minutes of the Extraordinary General Meeting of Shareholders held on January 15, 2018 as covered by Notarial Deed No. 20 by Rini Yulianti, S.H., the shareholders approved the Company's buy back shares with maximum total 7.1% of the Company's issued and fully paid share capital or 216,028,106 shares.*

*Based on Minutes of the Extraordinary General Meeting of Shareholders held on December 20, 2018 as affirmed by Notarial Deed No. 7 by Notary Rini Yulianti, S.H., the shareholders approved issued and paid-up capital reduction by recalling buy back shares (Treasury Stock) of 130,908,300 shares and approved the Company's buy back of shares with maximum total 2.58% of the Company's issued and paid shares after the reduction of capital by recalling buy back of shares (Treasury Stocks) or 75,146,002 shares. This resolution was approved by the Minister of Law and Human Rights on April 29, 2019. The Company's issued and fully paid capital decreased from 3,042,649,384 shares to 2,911,741,084 shares.*

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## 1. UMUM (lanjutan)

## b. Pencatatan Saham Perusahaan di Bursa Efek Indonesia (lanjutan)

Berdasarkan Risalah Rapat Umum Pemegang Saham Luar Biasa yang diadakan pada tanggal 29 Agustus 2019 sebagaimana telah diaktakan dalam Akta No. 1 oleh Notaris Rini Yulianti, S.H., tanggal 2 September 2019 serta sesuai dengan persetujuan Menteri Hukum dan Hak Asasi Manusia pada tanggal 4 November 2019, pemegang saham menyetujui pengurangan modal dengan cara penarikan kembali saham yang berasal dari saham yang telah dibeli kembali oleh Perusahaan (Saham Treasuri) sejumlah 48.545.600 saham dan menyetujui untuk dilakukannya pembelian kembali saham Perusahaan (*buy back shares*) dengan jumlah maksimum 7,38% dari modal ditempatkan dan disetor Perusahaan setelah dilakukannya pengurangan modal ditempatkan dan disetor Perusahaan dengan cara penarikan kembali saham yang berasal dari saham yang telah dibeli kembali oleh Perusahaan atau maksimum sebanyak 211.173.546 saham.

Pada tanggal 31 Desember 2021 dan 2020 Perusahaan menyajikan nilai saham yang diperoleh kembali tersebut sebesar Rp410.259 pada akun "Saham treasuri" sebagai bagian dari ekuitas di dalam laporan posisi keuangan konsolidasian.

## c. Susunan Perusahaan dan Entitas Anak

Perusahaan mempunyai Entitas Anak yang dimiliki secara langsung sebagai berikut:

Entitas anak/ Subsidiaries	Domisili/ Domicile	Bidang usaha/ Operations	Persentase pemilikan/ Percentage of ownership		Tahun operasi komersial/ Start of commercial operations	Jumlah aset/ Total assets	
			31 Desember/ December 31, 2021 %	31 Desember/ December 31, 2020 %		31 Desember/ December 31, 2021 Rp	31 Desember/ December 31, 2020 Rp
PT First Media Television ("FMTV")	Jakarta	Penyiaran berlangganan/ Subscription broadcasting	99,99	99,99	2011	63.178	55.156
PT Infra Solusi Indonesia	Jakarta	Jasa Outsourcing/ Outsourcing services	100,00	100,00	2020	169.394	26.288
Link Net Global Solution PTE. LTD. *)	Singapore	Telekomunikasi/ Telecommunication	100,00	100,00	-	876	1.009

\*) Mata uang fungsional adalah SGD

## 1. GENERAL (continued)

## b. Listing of Company's Shares on the Indonesian Stock Exchange (continued)

Based on Minutes of the Extraordinary General Meeting of Shareholders held on August 29, 2019 as covered by Notarial Deed No. 1 by Notary Rini Yulianti, S.H. dated September 2, 2019 and based on the approval from Minister of Law and Human Rights dated November 4, 2019, the shareholders approved capital reduction by recalling buy back shares (Treasury Stock) of 48,545,600 shares and approved the Company's buy back of shares with maximum total 7.38% of the Company's issued and paid shares after the reduction of capital by recalling buy back of shares (Treasury Stocks) or 211,173,546 shares.

As of December 31, 2021 and 2020, the Company presented the buy back shares amounting to Rp410,259, as "Treasury stock" account as part of equity in the consolidated statement of financial position.

## c. Structure of the Company and Subsidiaries

The Company has direct ownership over the following Subsidiaries:

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## 1. UMUM (lanjutan)

## d. Manajemen Kunci dan Informasi Lainnya

Susunan Dewan Komisaris dan Direksi, dan Anggota Komite Audit Perusahaan pada tanggal 31 Desember 2021 dan 2020 adalah sebagai berikut:

Dewan Komisaris:

Presiden Komisaris Independen  
Komisaris Independen  
Komisaris  
Komisaris  
Komisaris

Jonathan Limbong Parapak  
Alexander S Rusli  
Edward Daniel Horowitz  
Sigit Prasetya  
Suvir Varma

Direksi:

Presiden Direktur  
Direktur  
Direktur  
Direktur  
Direktur

Marlo Budiman  
Henry Jani Liando  
Wonbae Lee  
Andi Nugroho Purwohardono  
Victor Indajang

Komite Audit:

Ketua  
Anggota  
Anggota

Alexander S Rusli  
Tio I Huat  
Barry Alfa Rattu

Pada tanggal 31 Desember 2021 dan 2020, susunan anggota Dewan Komisaris dan Direksi Perusahaan adalah berdasarkan Akta Pernyataan Keputusan Rapat Umum Pemegang Saham Tahunan No. 22 tanggal 12 Juni 2020 dari Rini Yulianti, S.H., Notaris di Jakarta.

Pada tanggal 31 Desember 2021 dan 2020, susunan Komite Audit adalah berdasarkan surat keputusan No. SK-001/LN/CSL/VIII/20 tertanggal 1 September 2020.

## 1. GENERAL (continued)

## d. Key Management and Other Informations

The members of the Company's Boards of Commissioners and Directors, and Audit Committee as of December 31, 2021 and 2020 are as follows:

Board of Commissioners:

Independent President Commissioner  
Independent Commissioner  
Commissioner  
Commissioner  
Commissioner

Board of Directors:

President Director  
Director  
Director  
Director  
Director

Audit Committee:

Chairman  
Member  
Member

As of December 31, 2021 and 2020, the members of the Company's Board of Commissioners and Directors were based on the Deed of Statement of the Resolutions of the Annual General Meeting of Shareholders No. 22, dated June 12, 2020, of Rini Yulianti, S.H., Notary in Jakarta.

As of December 31, 2021 and 2020, the members of the Company's Audit Committee has based on resolution No. SK-001/LN/CSL/VIII/20 dated September 1, 2020.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN****a. Dasar Penyajian Laporan Keuangan Konsolidasian**

Laporan keuangan konsolidasian telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan ("SAK"), yang terdiri dari Pernyataan Standar Akuntansi Keuangan ("PSAK") dan Interpretasi Standar Akuntansi Keuangan ("ISAK") yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia dan Peraturan serta Pedoman Penyajian dan Pengungkapan Laporan Keuangan yang dikeluarkan oleh Otoritas Jasa Keuangan ("OJK").

Laporan keuangan konsolidasian telah disusun sesuai dengan PSAK 1: Penyajian Laporan Keuangan. Laporan keuangan konsolidasian, kecuali untuk laporan arus kas konsolidasian, disusun berdasarkan basis akrual, menggunakan dasar akuntansi biaya historis, kecuali untuk beberapa akun tertentu yang disajikan berdasarkan pengukuran lain sebagaimana diuraikan dalam kebijakan akuntansi masing-masing akun tersebut.

Laporan arus kas konsolidasian yang disusun dengan menggunakan metode langsung, menyajikan penerimaan dan pengeluaran kas dimana arus kas diklasifikasikan menjadi aktivitas operasi, investasi dan pendanaan.

Mata uang pelaporan yang digunakan dalam penyusunan laporan keuangan konsolidasian adalah Rupiah yang juga merupakan mata uang fungsional Perusahaan dan mata uang pelaporan Grup. Setiap entitas dalam Grup menentukan mata uang fungsionalnya masing-masing dan mengukur transaksinya dalam mata uang fungsional tersebut.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a. Basis of Presentation of Consolidated Financial Statements**

The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards ("SAK"), which comprise the Statements of Financial Accounting Standards ("PSAK") and Interpretations of Financial Accounting Standards ("ISAK") issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants and the Regulations and the Guidelines on Financial Statements Presentation and Disclosures issued by Financial Services Authority ("OJK").

The consolidated financial statements have been prepared in accordance with PSAK 1: Presentation of Financial Statements. The consolidated financial statements, except consolidated statement of cash flows, have been prepared on the accrual basis, using the historical cost basis of accounting, except for certain accounts which are measured on the basis described in the related accounting policies for those accounts.

The consolidated statements of cash flows, which were prepared using the direct method, presents cash receipts and payments classified into operating, investing and financing activities.

The presentation currency used in the preparation of the consolidated financial statements is the Rupiah, the Company's functional currency and the Group's presentation currency. Each entity in the Group determines its own functional currency and measures its transactions in its respective functional currency.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**b. Perubahan kebijakan akuntansi dan  
pengungkapan**

Pada tanggal 1 Januari 2021, Grup menerapkan Pernyataan Standar Akuntansi Keuangan ("PSAK") baru dan revisi yang efektif sejak tanggal tersebut. Sifat dan dampak perubahan sebagai akibat dari penerapan standar akuntansi baru dan revisi tersebut dijelaskan di bawah ini.

- Amendemen PSAK 22: Kombinasi Bisnis tentang Definisi Bisnis.

Amendemen PSAK 22 Kombinasi Bisnis mengklarifikasi unsur bisnis bahwa untuk dipertimbangkan sebagai suatu bisnis, suatu rangkaian terintegrasi dari aktivitas dan aset yang diakuisisi mencakup, minimum, input dan proses substantif yang bersama-sama berkontribusi secara signifikan terhadap kemampuan untuk menghasilkan output.

Amendemen ini efektif untuk kombinasi bisnis yang tanggal akuisisinya pada atau setelah awal periode tahun buku yang dimulai pada atau setelah tanggal 1 Januari 2021 dan untuk akuisisi aset yang terjadi pada atau setelah awal periode tersebut dengan penerapan lebih dini diperkenankan.

- Amendemen PSAK 71: Instrumen Keuangan, Amendemen PSAK 55: Instrumen Keuangan: Pengakuan dan Pengukuran, Amendemen PSAK 60: Instrumen Keuangan: Pengungkapan, Amendemen PSAK 62: Kontrak Asuransi dan Amendemen PSAK 73: Sewa tentang Reformasi Acuan Suku Bunga - Tahap 2 diadopsi dari IFRS tentang *Interest Rate Benchmark Reform - Phase 2*.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**b. Changes in accounting policies and  
disclosures**

On January 1, 2021, the Group adopted new and revised Statements of Financial Accounting Standards ("PSAK") that are mandatory for application from that date. The nature and effect of the changes as a result of adoption of these new and revised accounting standards are described below.

- Amendments to PSAK 22: Definition of a Business.

The amendment to PSAK 22 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output.

These amendments effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2021 and to asset acquisitions that occur on or after the beginning of that period with earlier application permitted.

- Amendments to PSAK 71: Financial Instruments, Amendments to PSAK 55: Financial Instruments: Recognition and Measurement, Amendments to PSAK 60: Financial Instruments: Disclosures, Amendments to PSAK 62: Insurance Contracts and Amendments to PSAK 73: Leases concerning Interest Rate Reference Reform - Phase 2 we adopted from IFRS concerning Interest Rate Benchmark Reform - Phase 2.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)

b. Perubahan kebijakan akuntansi dan  
pengungkapan (lanjutan)

- Amendemen PSAK 71: Instrumen Keuangan, Amendemen PSAK 55: Instrumen Keuangan: Pengakuan dan Pengukuran, Amendemen PSAK 60: Instrumen Keuangan: Pengungkapan, Amendemen PSAK 62: Kontrak Asuransi dan Amendemen PSAK 73: Sewa tentang Reformasi Acuan Suku Bunga - Tahap 2 diadopsi dari IFRS tentang *Interest Rate Benchmark Reform - Phase 2*. (lanjutan)

Reformasi Acuan Suku Bunga - Tahap 2 membahas isu yang mungkin mempengaruhi pelaporan keuangan selama reformasi acuan suku bunga, termasuk dampak perubahan arus kas kontraktual atau hubungan lindung nilai yang timbul dari penggantian acuan suku bunga dengan acuan alternatif yang baru. Amendemen ini mengubah persyaratan dalam PSAK 71: Instrumen Keuangan, PSAK 55: Instrumen Keuangan: Pengakuan dan Pengukuran, PSAK 60: Instrumen Keuangan: Pengungkapan, PSAK 62: Kontrak Asuransi dan PSAK 73: Sewa yang terkait dengan:

- perubahan dasar untuk menentukan arus kas kontraktual dari aset keuangan, liabilitas keuangan dan liabilitas sewa;
- akuntansi lindung nilai; dan
- pengungkapan.

Reformasi Acuan Suku Bunga - Tahap 2 hanya berlaku untuk perubahan yang disyaratkan oleh reformasi acuan suku bunga untuk instrumen keuangan dan hubungan lindung nilai.

Amendemen ini berlaku efektif per 1 Januari 2021 dengan penerapan lebih dini diperkenankan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)

b. Changes in accounting policies and  
disclosures (continued)

- Amendments to PSAK 71: Financial Instruments, Amendments to PSAK 55: Financial Instruments: Recognition and Measurement, Amendments to PSAK 60: Financial Instruments: Disclosures, Amendments to PSAK 62: Insurance Contracts and Amendments to PSAK 73: Leases concerning Interest Rate Reference Reform - Phase 2 we adopted from IFRS concerning Interest Rate Benchmark Reform - Phase 2. (continued)

*Interest Rate Reference Reform - Phase 2 addresses issues that may affect financial reporting during the benchmark interest rate reform, including the impact of changes in contractual cash flows or hedging relationships that arise from replacing the benchmark interest rate with a new alternative reference. These amendments amend the requirements of PSAK 71: Financial Instruments, PSAK 55: Financial Instruments: Recognition and Measurement, PSAK 60: Financial Instruments: Disclosures, PSAK 62: Insurance Contracts and PSAK 73: Leases related to:*

- changes in the basis for determining the contractual cash flows of financial assets, financial liabilities and lease liabilities;
- hedge accounting; and
- disclosure.

*Interest Rate Reference Reform - Phase 2 applies only to changes required by the benchmark interest rate reform for financial instruments and hedge relationships.*

*These amendments are effective as of January 1, 2021 with earlier application permitted.*

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)

b. Perubahan kebijakan akuntansi dan  
pengungkapan (lanjutan)

- Amendemen PSAK 57: Provisi, Liabilitas Kontinjensi, dan Aset Kontinjensi tentang Kontrak Memberatkan - Biaya Memenuhi Kontrak.

Amendemen ini mengklarifikasi biaya untuk memenuhi suatu kontrak dalam kaitannya dalam menentukan apakah suatu kontrak merupakan kontrak memberatkan.

Amendemen PSAK 57 mengatur bahwa biaya untuk memenuhi kontrak meliputi biaya yang berhubungan langsung dengan kontrak. Biaya yang berhubungan langsung dengan kontrak terdiri dari:

- biaya inkremental untuk memenuhi kontrak tersebut, dan
- alokasi biaya lain yang berhubungan langsung untuk memenuhi kontrak.

Entitas menerapkan amendemen tersebut pada kontrak yang belum terpenuhi semua kewajibannya pada awal periode pelaporan tahunan yang mana entitas pertama kali menerapkan amendemen (tanggal aplikasi awal). Entitas tidak menyajikan kembali informasi komparatif. Sebagai gantinya, entitas mengakui dampak kumulatif dari penerapan awal amendemen sebagai penyesuaian terhadap saldo awal atas saldo laba atau komponen ekuitas lainnya, sebagaimana mestinya, pada tanggal aplikasi awal. Penerapan lebih dini diperkenankan.

c. Prinsip Konsolidasi

Laporan keuangan konsolidasian terdiri dari laporan keuangan Perusahaan dan entitas anaknya seperti dijelaskan pada Catatan 1c.

Laporan keuangan konsolidasian meliputi laporan keuangan Perusahaan dan entitas anak ("Grup"). Kendali diperoleh bila Grup terekspose atau memiliki hak atas imbal hasil variabel dari keterlibatannya dengan *investee* dan memiliki kemampuan untuk mempengaruhi imbal hasil tersebut melalui kekuasaannya atas *investee*. Dengan demikian, Grup mengendalikan *investee* jika dan hanya jika Grup memiliki seluruh hal berikut ini:

2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)

b. Changes in accounting policies and  
disclosures (continued)

- Amendments to PSAK 57: Provisions, Contingent Liabilities, and Contingent Assets regarding Aggravating Contracts - Contract Fulfillment Costs.

This amendment clarifies the cost of fulfilling a contract in relation to determining whether a contract is a burdensome contract.

The amendments to PSAK 57 provide that costs to fulfill a contract comprise of costs that are directly related to the contract. Costs that are directly related to the contract consist of:

- incremental costs to fulfill the contract, and
- allocation of other costs that are directly related to fulfilling the contract.

An entity shall apply those amendments to contracts existing at the beginning of the annual reporting period in which the entity first applies the amendments (the date of initial application). The entity shall not restate comparative information. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application. Earlier application is permitted.

c. Principles of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as described in Note 1c.

The consolidated financial statements include accounts of the Company and its subsidiaries ("Group"). Control is achieved when the Group is exposed, or has rights, to the variable returns from its involvement with the *investee* and has the ability to affect those returns through its power over the *investee*. Thus, the Group controls an *investee* if and only if the Group has all of the following:

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**c. Prinsip Konsolidasi (lanjutan)**

- (a) kekuasaan atas *investee*, yaitu hak yang ada saat ini yang memberi Grup kemampuan saat ini untuk mengarahkan aktivitas yang relevan dari *investee*;
- (b) eksposur atau hak atas imbal hasil variabel dari keterlibatannya dengan *investee*; dan
- (c) kemampuan untuk menggunakan kekuasaannya atas *investee* untuk mempengaruhi jumlah imbal hasil.

Bila Grup memiliki hak suara atau hak serupa kurang dari mayoritas dari suatu *investee*, Grup mempertimbangkan semua fakta dan keadaan yang relevan dalam mengevaluasi apakah mereka memiliki kekuasaan atas *investee*, termasuk:

- (a) pengaturan kontraktual dengan pemilik hak suara lainnya dari *investee*;
- (b) hak yang timbul atas pengaturan kontraktual lain; dan
- (c) hak suara dan hak suara potensial yang dimiliki Grup.

Grup menilai kembali apakah mereka mengendalikan *investee* bila fakta dan keadaan mengindikasikan adanya perubahan terhadap satu atau lebih dari ketiga elemen pengendalian.

Entitas anak dikonsolidasi secara penuh sejak tanggal akuisisi, yaitu tanggal Perusahaan memperoleh pengendalian, sampai dengan tanggal kehilangan pengendalian. Aset, liabilitas, penghasilan dan beban dari entitas anak yang diakuisisi pada tahun tertentu disertakan dalam laporan keuangan konsolidasian sejak tanggal Grup memperoleh kendali sampai tanggal Grup tidak lagi mengendalikan entitas anak tersebut.

Laporan keuangan (konsolidasian) entitas anak dibuat untuk periode pelaporan yang sama dengan Perusahaan, menggunakan kebijakan akuntansi yang konsisten.

Semua akun dan transaksi antar Grup yang material, termasuk keuntungan atau kerugian yang belum direalisasi, jika ada, dieliminasi untuk mencerminkan posisi keuangan dan hasil operasi Grup sebagai satu kesatuan usaha.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**c. Principles of Consolidation (continued)**

- (a) power over the *investee*, that is existing rights that give the Group the current ability to direct the relevant activities of the *investee*;
- (b) exposure, or rights, to variable returns from its involvement with the *investee*; and
- (c) the ability to use its power over the *investee* to affect its returns.

When the Group has less than a majority of the voting or similar rights of an *investee*, the Group considers all relevant facts and circumstances in assessing whether it has power over an *investee*, including:

- (a) the contractual arrangement with the other vote holders of the *investee*;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an *investee* if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtained control, and continue to be consolidated until the date such control ceases. Assets, liabilities, income and expenses of a subsidiary acquired during the year are included in the consolidated financial statements from the date the Group obtains control and until the date the Group ceases to control the subsidiary.

The (consolidated) financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

All material intercompany accounts and transactions, including unrealized gains or losses, if any, are eliminated to reflect the financial position and the results of operations of the Group as one business entity.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**c. Prinsip Konsolidasi (lanjutan)**

Perubahan dalam bagian kepemilikan entitas induk pada entitas anak, yang tidak mengakibatkan hilangnya pengendalian, dicatat sebagai transaksi ekuitas. Jika kehilangan pengendalian atas suatu entitas anak, maka Grup:

- menghentikan pengakuan aset (termasuk setiap *goodwill*) dan liabilitas entitas anak;
- menghentikan pengakuan jumlah tercatat setiap Kepentingan Non-pengendali ("KNP");
- menghentikan pengakuan akumulasi selisih penjabaran, yang dicatat di ekuitas, bila ada;
- mengakui nilai wajar pembayaran yang diterima;
- mengakui setiap sisa investasi pada nilai wajarnya;
- mengakui setiap perbedaan yang dihasilkan sebagai keuntungan atau kerugian dalam laba rugi; dan
- mereklasifikasi bagian induk atas komponen yang sebelumnya diakui sebagai penghasilan komprehensif lain ke laba rugi, atau mengalihkan secara langsung ke saldo laba.

KNP mencerminkan bagian atas laba atau rugi dan penghasilan komprehensif lain dan aset neto dari Entitas Anak yang dapat diatribusikan pada kepentingan ekuitas yang tidak dimiliki secara langsung maupun tidak langsung oleh Perusahaan, yang masing-masing disajikan dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian dan dalam ekuitas pada laporan posisi keuangan konsolidasian, terpisah dari bagian yang dapat diatribusikan kepada pemilik entitas induk.

Laba rugi dan setiap komponen dari penghasilan komprehensif lain ("OCI") diatribusikan kepada pemilik entitas Induk dari Grup dan KNP, meskipun hal tersebut mengakibatkan KNP memiliki saldo defisit.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**c. Principles of Consolidation (continued)**

*A change in the parent's ownership in a subsidiary, without loss of control, is accounted for as an equity transaction. In case of loss of control over a subsidiary, the Group:*

- *derecognizes the assets (including goodwill) and liabilities of the subsidiary;*
- *derecognizes the carrying amount of any Non-controlling Interest ("NCI");*
- *derecognizes the cumulative translation differences, recorded in equity, if any;*
- *recognizes the fair value of the consideration received;*
- *recognizes the fair value of any investment retained;*
- *recognizes any surplus or deficit in profit or loss; and*
- *reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate.*

*NCI represents the portion of the profit or loss and other comprehensive income and net assets of the Subsidiaries attributable to equity interests that are not owned directly or indirectly by the Company, which are presented in the consolidated statements of profit or loss and other comprehensive income and under the equity section of the consolidated statements of financial position, respectively, separately from the corresponding portion attributable to the equity holders of the parent company.*

*Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the NCI, even if this results in the NCI having a deficit balance.*

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)

d. Kombinasi Bisnis

Kombinasi bisnis dicatat dengan menggunakan metode akuisisi. Biaya perolehan dari suatu akuisisi diukur dari nilai agregat imbalan yang dialihkan, diukur pada nilai wajar pada tanggal akuisisi dan jumlah setiap KNP pada pihak yang diakuisisi. Untuk setiap kombinasi bisnis, pihak pengakuisisi mengukur KNP pada entitas yang diakuisisi pada nilai wajar atau pada proporsi kepemilikan KNP atas aset neto yang teridentifikasi dari entitas yang diakuisisi. Biaya-biaya akuisisi yang timbul dibebankan langsung dan dicatat dalam "Beban Penjualan, Umum dan Administrasi".

Dalam suatu kombinasi bisnis yang dilakukan secara bertahap, pihak pengakuisisi mengukur kembali kepemilikan atas ekuitas yang dimiliki sebelumnya pada pihak yang diakuisisi berdasarkan nilai wajar pada tanggal akuisisi dan mengakui keuntungan atau kerugian yang terjadi dalam laba rugi.

Setiap imbalan kontinjensi yang akan dibayarkan oleh pihak pengakuisisi diakui pada nilai wajar pada tanggal akuisisi. Imbalan kontinjensi yang diklasifikasikan sebagai ekuitas tidak diukur kembali dan penyelesaian selanjutnya adalah diperhitungkan dalam ekuitas. Imbalan kontinjensi yang diklasifikasikan sebagai aset atau liabilitas yaitu instrumen keuangan dan dalam lingkup PSAK 71: Instrumen Keuangan, diukur pada nilai wajar dengan perubahan nilai wajar yang diakui dalam laba rugi sesuai dengan PSAK 71. Imbalan kontinjensi lain yang tidak termasuk dalam PSAK 71 diukur sebesar nilai wajar pada setiap tanggal pelaporan dengan perubahan nilai wajar yang diakui dalam laba rugi.

Pada tanggal akuisisi, pertama kali *goodwill* diukur pada harga perolehan yang merupakan selisih lebih nilai agregat dari imbalan yang dibayarkan dan jumlah yang diakui untuk KNP dibandingkan dengan jumlah dari aset teridentifikasi dan liabilitas yang diperoleh. Jika imbalan tersebut kurang dari nilai wajar aset neto entitas anak yang diakuisisi, selisih tersebut diakui dalam laporan laba rugi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)

d. Business Combinations

*Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any NCI in the acquiree. For each business combination, the acquirer measures the NCI in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Transaction costs incurred are directly expensed and included in "Selling, General and Administrative Expenses".*

*If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any resulting gain or loss is recognized in profit or loss.*

*Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of PSAK 71: Financial Instruments is measured at fair value with the changes in fair value recognized in the profit or loss in accordance with PSAK 71. Other contingent consideration that is not within the scope of PSAK 71 is measured at fair value at each reporting date with changes in fair value recognized in profit or loss.*

*At acquisition date, goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognized for NCI over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.*

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**d. Kombinasi Bisnis (lanjutan)**

Setelah pengakuan awal, *goodwill* diukur pada jumlah tercatat dikurangi akumulasi kerugian penurunan nilai, jika ada. Untuk tujuan uji penurunan nilai, *goodwill* yang diperoleh dari suatu kombinasi bisnis dialokasikan sejak tanggal akuisisi kepada setiap unit penghasil kas ("UPK") dari Grup yang diharapkan akan memperoleh manfaat dari kombinasi tersebut, terlepas dari apakah aset atau liabilitas lain dari pihak yang mengakuisisi dialokasikan kepada UPK tersebut.

Jika *goodwill* telah dialokasikan pada suatu UPK dan operasi tertentu dalam UPK tersebut dilepas, maka *goodwill* yang terasosiasi dengan operasi yang dilepas tersebut dimasukkan dalam jumlah tercatat operasi tersebut ketika menentukan keuntungan atau kerugian dari pelepasan operasi. *Goodwill* yang dilepaskan tersebut diukur berdasarkan nilai relatif operasi yang dilepas dan porsi UPK yang ditahan.

Kombinasi Bisnis Entitas Sepengendali

Kombinasi bisnis entitas sepengendali dicatat dengan menggunakan metode penyatuan kepentingan, dimana selisih antara jumlah imbalan yang dialihkan dengan jumlah tercatat aset neto entitas yang diakuisisi diakui sebagai bagian dari akun "Tambah Modal Disetor" pada laporan posisi keuangan konsolidasian. Dalam menerapkan metode penyatuan kepentingan tersebut, unsur-unsur laporan keuangan dari entitas yang bergabung disajikan seolah-olah penggabungan tersebut telah terjadi sejak awal periode entitas yang bergabung berada dalam kesepengendalian.

**e. Pengukuran Nilai Wajar**

Grup mengukur instrumen keuangan seperti derivatif dan investasi jangka pendek pada nilai wajar pada setiap tanggal pelaporan. Pengungkapan nilai wajar untuk instrumen keuangan disajikan dalam Catatan 25.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**d. Business Combinations (continued)**

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the acquisition date to each of the Group's cash-generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquirer are assigned to those CGUs.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the CGU retained.

Business Combination of Entities Under Common Control

Business combinations under common control are accounted for using the pooling-of-interests method, whereby the difference between the considerations transferred and the book value of the net assets of the acquiree is recognized as part of "Additional Paid-in Capital" account in the consolidated statement of financial position. In applying the said pooling-of-interest method, the components of the financial statements of the combining entities are presented as if the combination has occurred since the beginning of the period of the combining entity become under common control.

**e. Fair Value Measurement**

The Group measures financial instruments such as derivatives and short-term investments at fair value at each reporting date. Fair value related disclosures for financial instruments are disclosed in Note 25.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**e. Pengukuran Nilai Wajar (lanjutan)**

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar pada tanggal pengukuran. Pengukuran nilai wajar berdasarkan asumsi bahwa transaksi untuk menjual aset atau mengalihkan liabilitas terjadi di:

- Pasar utama untuk aset dan liabilitas tersebut; atau
- Jika tidak terdapat pasar utama, di pasar yang paling menguntungkan untuk aset atau liabilitas tersebut.

Grup harus memiliki akses ke pasar utama atau pasar yang paling menguntungkan tersebut.

Nilai wajar aset dan liabilitas diukur menggunakan asumsi yang akan digunakan pelaku pasar ketika menentukan harga aset atau liabilitas tersebut, dengan asumsi bahwa pelaku pasar bertindak dalam kepentingan ekonomi terbaiknya.

Grup menggunakan teknik penilaian yang sesuai dalam keadaan dan dimana data yang memadai tersedia untuk mengukur nilai wajar, memaksimalkan penggunaan input yang dapat diobservasi yang relevan dan meminimalkan penggunaan input yang tidak dapat diobservasi.

Semua aset dan liabilitas yang nilai wajarnya diukur atau diungkapkan dalam laporan keuangan konsolidasian dikategorikan dalam hierarki nilai wajar, sebagaimana dijelaskan dibawah ini, berdasarkan tingkatan level input yang terendah yang signifikan terhadap pengukuran nilai wajar secara keseluruhan:

- Level 1 - harga kuotasian (tanpa penyesuaian) di pasar aktif untuk aset atau liabilitas yang identik.
- Level 2 - teknik penilaian di mana tingkat level input terendah yang signifikan terhadap pengukuran nilai wajar dapat diobservasi baik secara langsung atau tidak langsung.
- Level 3 - teknik penilaian dimana tingkat level input terendah yang signifikan terhadap pengukuran nilai wajar tidak dapat diobservasi baik secara langsung atau tidak langsung.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**e. Fair Value Measurement (continued)**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)

e. Pengukuran Nilai Wajar (lanjutan)

Untuk aset dan liabilitas yang diukur nilai wajarnya secara berulang dalam laporan keuangan konsolidasian, Grup menentukan apakah perpindahan antar level hierarki telah terjadi dengan melakukan evaluasi pengelompokan pada setiap akhir periode pelaporan.

f. Transaksi dan Saldo dalam Mata Uang Asing

Grup menerapkan PSAK 10 yang menggambarkan bagaimana memasukkan transaksi mata uang asing dan kegiatan usaha luar negeri dalam laporan keuangan entitas dan menjabarkan laporan keuangan ke dalam mata uang penyajian. Grup mempertimbangkan indikator utama dan indikator lainnya dalam menentukan mata uang fungsionalnya, dan jika ada indikator yang tercampur dan mata uang fungsional tidak jelas, manajemen menggunakan penilaian untuk menentukan mata uang fungsional yang paling tepat menggambarkan pengaruh ekonomi dari transaksi, kejadian dan kondisi yang mendasarinya.

Laporan keuangan konsolidasian disajikan dalam Dolar AS, yang merupakan mata uang fungsional Perusahaan dan mata uang penyajian Grup. Setiap entitas dalam Grup menentukan mata uang fungsionalnya sendiri dan laporan keuangannya diukur menggunakan mata uang fungsional.

Transaksi dan saldo

Seluruh aset dan liabilitas moneter dalam mata uang selain Dolar AS dijabarkan ke Dolar AS dengan menggunakan kurs tengah Bank Indonesia yang berlaku pada tanggal pelaporan. Keuntungan atau kerugian neto dari selisih kurs dikreditkan atau dibebankan ke operasi berjalan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)

e. Fair Value Measurement (continued)

For assets and liabilities that are recognized in the consolidated financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

f. Foreign Currency Transactions and Balances

The Group applies PSAK 10 which describes how to include foreign currency transactions and foreign operations in the financial statements of an entity and translate financial statements into a presentation currency. The Group considers the primary indicators and other indicators in determining its functional currency, and if indicators are mixed and the functional currency is not obvious, management uses its judgments to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

The consolidated financial statements are presented in US Dollar, which is the Company's functional currency and the Group's presentation currency. Each entity in the Group determines its own functional currency and their financial statements are measured using that functional currency.

Transactions and balances

All monetary assets and liabilities denominated in currencies other than US Dollar are translated to US Dollar at the Bank of Indonesia's middle exchange rates prevailing on the reporting date. The resulting net foreign exchange gains or losses are credited or charged to current operations.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**f. Transaksi dan Saldo dalam Mata Uang Asing  
(lanjutan)**

Grup perusahaan

Untuk tujuan konsolidasi, aset dan liabilitas entitas anak, yang mempunyai mata uang fungsional selain Dolar AS dijabarkan ke mata uang penyajian Grup yaitu Dolar AS dengan menggunakan pedoman berikut ini:

- (a) Aset dan liabilitas, baik moneter dan non-moneter, dijabarkan dengan menggunakan kurs tukar yang berlaku pada akhir tanggal pelaporan, sedangkan akun-akun ekuitas dijabarkan dengan menggunakan kurs tukar historis;
- (b) Pendapatan dan beban serta arus kas dijabarkan dengan menggunakan kurs tukar rata-rata;
- (c) Selisih kurs tukar yang terjadi dikreditkan atau dibebankan ke akun "Penghasilan Komprehensif Lain - Selisih Kurs karena Penjabaran Laporan Keuangan" yang disajikan pada bagian Ekuitas di laporan posisi keuangan konsolidasian, sampai pelepasan investasi neto yang bersangkutan atau kegiatan usaha luar negeri.

Kurs yang digunakan pada tanggal 31 Desember 2021 dan 2020 atas saldo dalam mata uang asing yang signifikan adalah sebagai berikut:

	<b>31 Desember/ December 31, 2021</b>	<b>31 Desember/ December 31, 2020</b>	
Dolar Amerika Serikat ("AS\$")	14.269	14.105	United States Dollar ("US\$") Singapore Dollar ("SGD")
Dolar Singapura ("SGD")	10.534	10.644	

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**f. Foreign Currency Transactions and Balances  
(continued)**

Group companies

For consolidation purposes, assets and liabilities of subsidiaries with functional currency other than US Dollar are translated into the Group presentation currency which is the US Dollar using the following basis:

- (a) Assets and liabilities, both monetary and non-monetary, are translated using the rates of exchange prevailing at the end of financial reporting date, while equity accounts are translated using historical rates of exchange;
- (b) Revenues and expenses and cash flows are translated using average rates of exchange;
- (c) The resulting foreign exchange differences arising on translation for consolidation are recognized in "Other Comprehensive Income - Translation Adjustments", under the Equity section of the consolidated statements of financial position, until the disposal of the net investment or the foreign operation.

At December 31, 2021 and 2020, the exchange rates used for significant foreign currency-denominated balances are as follows:

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**g. Transaksi dengan Pihak Berelasi**

Orang atau anggota keluarga terdekat mempunyai relasi dengan Perusahaan jika mereka:

- (i) memiliki pengendalian atau pengendalian bersama atas Perusahaan;
- (ii) memiliki pengaruh signifikan atas Perusahaan; atau
- (iii) merupakan personil manajemen kunci Perusahaan atau entitas induk dari Perusahaan.

Suatu pihak dianggap berelasi dengan Perusahaan jika:

- a. langsung, atau tidak langsung yang melalui satu atau lebih perantara, suatu pihak (i) mengendalikan, atau dikendalikan, atau berada di bawah pengendalian bersama dengan, Perusahaan; (ii) memiliki kepentingan dalam Perusahaan yang memberikan pengaruh signifikan atas Perusahaan; atau (iii) memiliki pengendalian bersama atas Perusahaan;
- b. suatu pihak adalah entitas asosiasi Perusahaan;
- c. suatu pihak adalah ventura bersama dimana Perusahaan sebagai venturer;
- d. suatu pihak adalah anggota dari personil manajemen kunci Perusahaan atau induknya;
- e. suatu pihak adalah anggota keluarga dekat dari individu yang diuraikan dalam butir (a) atau (d);
- f. suatu pihak adalah entitas yang dikendalikan, dikendalikan bersama atau dipengaruhi signifikan oleh atau di mana hak suara signifikan dimiliki oleh, langsung maupun tidak langsung, individu seperti diuraikan dalam butir (d) atau (e);
- g. suatu pihak adalah suatu program imbalan kerja untuk imbalan kerja dari Perusahaan atau entitas yang terkait dengan Perusahaan.

Saldo dan transaksi signifikan dengan pihak-pihak berelasi diungkapkan dalam Catatan 23.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**g. Transactions with Related Parties**

An individual or family member is related to the Company if it:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Company.

A party is considered to be related to the Company if:

- a. directly, or indirectly through one or more intermediaries, the party (i) controls, is controlled by, or is under common control with, the Company; (ii) has an interest in the Company that gives it significant influence over the Company; or (iii) has joint control over the Company;
- b. the party is an associate of the Company;
- c. the party is a joint venture in which the Company is a venturer;
- d. the party is a member of the key management personnel of the Company or its parent;
- e. the party is a close member of the family of any individual referred to in (a) or (d);
- f. the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e);
- g. the party is an employee benefit plan for the benefit of employees of the Company, or of any entity that is a related party of the Company.

All significant balances and transactions with related parties are disclosed in Note 23.

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## 2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

### h. Instrumen keuangan

Instrumen keuangan adalah setiap kontrak yang memberikan aset keuangan bagi satu entitas dan liabilitas keuangan atau ekuitas bagi entitas lain.

### i. Aset keuangan

#### Pengakuan dan pengukuran awal

Aset keuangan diklasifikasikan, pada saat pengakuan awal, yang selanjutnya diukur pada biaya perolehan diamortisasi, nilai wajar melalui penghasilan komprehensif lain ("OCI") dan nilai wajar melalui laba rugi.

Klasifikasi aset keuangan pada pengakuan awal tergantung pada karakteristik arus kas kontraktual aset keuangan dan model bisnis Grup untuk mengelolanya. Dengan pengecualian piutang usaha yang tidak mengandung komponen pembiayaan yang signifikan atau yang mana Grup telah menerapkan kebijaksanaan praktisnya, Grup pada awalnya mengukur aset keuangan pada nilai wajarnya ditambah, dalam hal aset keuangan tidak diukur pada nilai wajar melalui laba rugi, biaya transaksi. Piutang usaha yang tidak mengandung komponen pembiayaan yang signifikan atau yang mana Grup telah menerapkan kebijaksanaan praktis diukur pada harga transaksi yang ditentukan berdasarkan PSAK 72.

Agar aset keuangan dapat diklasifikasikan dan diukur pada biaya perolehan diamortisasi atau nilai wajar melalui OCI, aset keuangan tersebut perlu menghasilkan arus kas yang 'semata dari pembayaran pokok dan bunga ("SPPI")' dari jumlah pokok terutang. Penilaian ini disebut sebagai pengujian SPPI dan dilakukan pada level instrumen. Aset keuangan dengan arus kas yang bukan SPPI diklasifikasikan dan diukur pada nilai wajar melalui laba rugi, terlepas dari model bisnisnya.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### h. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

### i. Financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under PSAK 72.

In order for a financial asset to be classified and measured at amortized cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**h. Instrumen keuangan (lanjutan)**

**i. Aset keuangan (lanjutan)**

Pengakuan dan pengukuran awal (lanjutan)

Aset keuangan yang diklasifikasikan dan diukur pada biaya perolehan diamortisasi dikelola dalam model bisnis yang tujuannya adalah memiliki aset keuangan untuk memperoleh arus kas kontraktual sementara aset keuangan yang diklasifikasikan dan diukur pada nilai wajar melalui OCI dikelola dalam model bisnis yang tujuannya adalah untuk memperoleh arus kas kontraktual dan menjual aset keuangan.

Pembelian atau penjualan aset keuangan yang mensyaratkan penyerahan aset dalam kurun waktu yang ditetapkan oleh peraturan atau kebiasaan yang berlaku di pasar (pembelian yang lazim/regular) diakui pada tanggal perdagangan, yaitu tanggal Grup berkomitmen untuk membeli atau menjual aset tersebut.

Grup memiliki kas dan setara kas dan piutang usaha yang seluruhnya diklasifikasikan sebagai aset keuangan yang diukur pada biaya perolehan diamortisasi. Grup tidak memiliki aset keuangan yang diukur pada nilai wajar melalui OCI atau nilai wajar melalui laba rugi.

Pengukuran Setelah Pengakuan Awal

Grup mengukur aset keuangan pada biaya perolehan diamortisasi jika kedua kondisi berikut ini terpenuhi:

- i. Aset keuangan tersebut dikelola dalam model bisnis yang bertujuan untuk memiliki aset keuangan dalam rangka memperoleh arus kas kontraktual, dan
- ii. Persyaratan kontraktual dari aset keuangan yang pada tanggal tertentu meningkatkan arus kas yang SPPI dari jumlah pokok terutang.

Aset keuangan pada biaya perolehan diamortisasi selanjutnya diukur dengan menggunakan suku bunga efektif ("SBE") dan diuji penurunan nilainya. Keuntungan dan kerugian diakui dalam laba rugi pada saat aset keuangan dihentikan pengakuannya, dimodifikasi atau mengalami penurunan nilai.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**h. Financial instruments (continued)**

**i. Financial assets (continued)**

Initial recognition and measurement  
(continued)

Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective to collect contractual cash flows and sell the financial assets.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the trade date, i.e., the date that the Group commits to purchase or sell the assets.

The Group has cash and cash equivalents, and trade receivables which are all classified as financial assets measured at amortized cost. The Group has no financial assets measured at fair value through OCI or fair value through profit or loss.

Subsequent Measurement

The Group measures financial assets at amortized cost if both of the following conditions are met:

- i. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- ii. The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

Financial assets at amortized cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognized in profit or loss when the financial asset is derecognized, modified or impaired.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**h. Instrumen keuangan (lanjutan)**

**i. Aset keuangan (lanjutan)**

Penghentian Pengakuan

Penghentian pengakuan atas suatu aset keuangan, atau, bila dapat diterapkan untuk bagian dari aset keuangan atau bagian dari kelompok aset keuangan serupa, terjadi apabila:

- i. Hak kontraktual atas arus kas yang berasal dari aset keuangan tersebut berakhir;
- ii. Grup telah mengalihkan hak untuk menerima arus kas yang berasal dari aset keuangan tersebut atau menanggung kewajiban untuk membayar arus kas yang diterima tersebut tanpa penundaan yang signifikan terhadap pihak ketiga melalui suatu kesepakatan penyerahan dan (a) Grup secara substansial memindahkan seluruh risiko dan manfaat atas kepemilikan aset keuangan tersebut, atau (b) Grup secara substansial tidak memindahkan dan tidak memiliki seluruh risiko dan manfaat atas kepemilikan aset keuangan tersebut, namun telah memindahkan pengendalian atas aset keuangan tersebut.

Apabila Grup telah mengalihkan hak untuk menerima arus kas yang berasal dari aset keuangan atau mengadakan kesepakatan penyerahan dan tidak mengalihkan maupun memiliki secara substansial seluruh risiko dan manfaat atas aset keuangan tersebut dan juga tidak mengalihkan pengendalian atas aset keuangan tersebut, maka suatu aset keuangan baru diakui oleh Grup sebesar keterlibatannya yang berkelanjutan dengan aset keuangan tersebut. Dalam hal itu, Grup juga mengakui liabilitas terkait. Aset alihan beserta liabilitas terkait diukur dengan dasar yang merefleksikan hak dan kewajiban yang dimiliki Grup.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**h. Financial instruments (continued)**

**i. Financial assets (continued)**

Derecognition

A financial asset, or where applicable, a part of a financial asset or part of a group of similar financial assets, is derecognized when:

- i. The contractual rights to receive the cash flows from these assets have ceased to exist or the assets have been transferred;
- ii. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement, and either (a) the Group has transferred substantially all the risk and rewards of the financial assets, or (b) the Group has neither transferred nor retained substantially all the risk and rewards of the assets, but has transferred control of the asset.

When the Group has transferred its right to receive cash flows from an asset or has entered into pass-through arrangement, has neither transferred nor retained substantially all risk and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**h. Instrumen keuangan (lanjutan)**

**i. Aset keuangan (lanjutan)**

Penghentian Pengakuan (lanjutan)

Keterlibatan berkelanjutan yang berbentuk pemberian jaminan atas aset alihan diukur sebesar jumlah yang lebih rendah antara jumlah aset alihan dan jumlah maksimal imbalan yang mungkin harus dibayar kembali oleh Grup.

Penurunan nilai

Grup mengakui penyisihan untuk kerugian kredit ekspektasian ("ECL") untuk seluruh instrumen utang yang tidak dimiliki pada nilai wajar melalui laba rugi. ECL didasarkan pada selisih antara arus kas kontraktual yang jatuh tempo sesuai dengan kontrak dan seluruh arus kas yang diperkirakan akan diterima Grup, didiskontokan dengan SBE awal. Arus kas ekspektasian akan mencakup arus kas dari penjualan agunan atau perbaikan risiko kredit lain yang merupakan bagian dari persyaratan kontraktual.

ECL diakui dalam dua tahap. Untuk eksposur kredit yang belum ada peningkatan risiko kredit yang signifikan sejak pengakuan awal, ECL dilakukan untuk kerugian kredit yang diakibatkan oleh peristiwa gagal bayar yang mungkin terjadi dalam 12 bulan ke depan (ECL 12 bulan). Untuk eksposur kredit yang telah terjadi peningkatan risiko kredit yang signifikan sejak pengakuan awal, penyisihan kerugian dilakukan untuk kerugian kredit yang diperkirakan selama sisa umur eksposur, terlepas dari waktu gagal bayar (ECL sepanjang umur).

Untuk piutang usaha, Grup menerapkan pendekatan yang disederhanakan dalam menghitung ECL. Oleh karena itu, Grup tidak menelusuri perubahan dalam risiko kredit, tetapi mengakui penyisihan kerugian berdasarkan ECL sepanjang umur pada setiap tanggal pelaporan. Grup telah menyusun matriks provisi berdasarkan pengalaman kerugian kredit historisnya, disesuaikan dengan faktor-faktor perkiraan masa depan yang spesifik bagi debitur dan lingkungan ekonomi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**h. Financial instruments (continued)**

**i. Financial assets (continued)**

Derecognition (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

Impairment

The Group recognizes an allowance for expected credit losses ("ECL") for all debt instruments not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognized in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECL are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECL. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)

h. Instrumen keuangan (lanjutan)

i. Aset keuangan (lanjutan)

Penurunan nilai (lanjutan)

Grup menganggap aset keuangan gagal bayar ketika pembayaran kontraktual telah lewat 90 hari. Namun, dalam kasus tertentu, Grup juga dapat mempertimbangkan aset keuangan mengalami gagal bayar ketika informasi internal atau eksternal menunjukkan bahwa Grup tidak mungkin menerima jumlah kontraktual yang terutang secara penuh sebelum memperhitungkan setiap perbaikan risiko-kredit yang dimiliki oleh Grup. Aset keuangan dihapuskan jika tidak ada ekspektasi yang wajar untuk memulihkan arus kas kontraktual.

ii. Liabilitas keuangan

Pengakuan dan pengukuran awal

Liabilitas keuangan diklasifikasikan sebagai liabilitas keuangan yang diukur pada nilai wajar melalui laba rugi dan liabilitas keuangan lainnya. Grup menetapkan klasifikasi atas liabilitas keuangan pada saat pengakuan awal.

Liabilitas keuangan pada awalnya diukur pada nilai wajar dan, dalam hal pinjaman dan utang, ditambah biaya transaksi yang dapat diatribusikan secara langsung.

Liabilitas keuangan Grup meliputi utang usaha, beban akrual, utang non usaha dan liabilitas sewa.

Pengakuan Setelah Pengakuan Awal

Pengukuran liabilitas keuangan tergantung pada klasifikasinya. Semua liabilitas keuangan Grup diklasifikasikan sebagai pinjaman dan utang.

Setelah pengakuan awal, pinjaman dan utang yang dikenakan bunga selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif ("SBE").

2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)

h. Financial instruments (continued)

i. Financial assets (continued)

Impairment (continued)

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified as financial liabilities at fair value through profit or loss and other financial liabilities. The Group determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, inclusive of directly attributable transaction costs.

The Group's financial liabilities include trade payables, accruals, non-trade payables and lease liabilities.

Subsequent Measurement

The measurement of a financial liability depends on its classification. All of the Group's financial liabilities are classified as loans and borrowings.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method ("EIR").

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**h. Instrumen keuangan (lanjutan)**

**ii. Liabilitas keuangan (lanjutan)**

Pengakuan Setelah Pengakuan Awal  
(lanjutan)

Keuntungan atau kerugian diakui dalam laba rugi ketika liabilitas keuangan dihentikan pengakuannya serta melalui proses amortisasi menggunakan metode SBE.

Biaya perolehan diamortisasi dihitung dengan mempertimbangkan diskonto atau premi atas akuisisi dan biaya atau biaya yang merupakan bagian tidak terpisahkan dari SBE. Amortisasi SBE dicatat sebagai biaya keuangan dalam laporan laba rugi dan penghasilan komprehensif lain.

Utang dan pinjaman

Ini adalah kategori yang paling relevan dengan Grup. Setelah pengakuan awal, utang dan pinjaman yang dikenakan bunga selanjutnya diukur pada biaya perolehan diamortisasi dengan menggunakan metode SBE. Keuntungan dan kerugian diakui dalam laba rugi pada saat kewajiban dihentikan pengakuannya serta melalui proses amortisasi SBE.

Biaya perolehan diamortisasi dihitung dengan mempertimbangkan diskonto atau premi atas akuisisi dan biaya atau biaya yang merupakan bagian tidak terpisahkan dari SBE. Amortisasi SBE dicatat sebagai beban keuangan dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

Kategori ini umumnya berlaku untuk utang dan pinjaman berbunga.

Penghentian Pengakuan

Liabilitas keuangan dihentikan pengakuannya ketika liabilitas yang ditetapkan dalam kontrak dihentikan atau dibatalkan atau kadaluwarsa.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**h. Financial instruments (continued)**

**ii. Financial liabilities (continued)**

Subsequent Measurement (continued)

Gains or losses are recognized in profit or loss when the financial liabilities are derecognized as well as through the amortization process using the EIR method.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss and other comprehensive income.

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit or loss and other comprehensive income.

This category generally applies to interest-bearing loans and borrowings.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or has expired.

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**h. Instrumen keuangan (lanjutan)**

**ii. Liabilitas keuangan (lanjutan)**

Penghentian Pengakuan (lanjutan)

Ketika kewajiban keuangan yang ada digantikan oleh yang lain dari pemberi pinjaman yang sama dengan persyaratan yang secara substansial berbeda, atau persyaratan dari kewajiban yang ada secara substansial dimodifikasi, pertukaran atau modifikasi tersebut diperlakukan sebagai penghentian pengakuan kewajiban awal dan pengakuan kewajiban baru. Selisih nilai tercatat masing-masing diakui pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

**iii. Saling hapus instrumen keuangan**

Aset keuangan dan liabilitas keuangan disalinghapuskan dan jumlah netonya dilaporkan pada laporan posisi keuangan konsolidasian ketika terdapat hak yang berkekuatan hukum untuk melakukan saling hapus atas jumlah yang telah diakui tersebut dan adanya niat untuk menyelesaikan secara neto, atau untuk merealisasikan aset dan menyelesaikan liabilitas secara bersamaan.

**iv. Nilai wajar instrumen keuangan**

Nilai wajar adalah harga yang akan diterima untuk menjual suatu aset atau harga yang akan dibayar untuk mengalihkan suatu liabilitas dalam transaksi teratur antara pelaku pasar pada tanggal pengukuran dengan kondisi pasar saat ini.

Grup menggunakan teknik penilaian yang sesuai dengan keadaan dan dimana data yang memadai tersedia untuk mengukur nilai wajar, memaksimalkan penggunaan input yang dapat diobservasi yang relevan dan meminimalkan penggunaan input yang tidak dapat diobservasi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**h. Financial instruments (continued)**

**ii. Financial liabilities (continued)**

Derecognition (continued)

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the consolidated statement of profit or loss and other comprehensive income.

**iii. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

**iv. Fair value of financial instruments**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date under current market conditions.

The Group uses valuation techniques appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**i. Kas dan Setara Kas**

Kas dan setara kas termasuk kas, kas di bank (rekening giro), dan deposito berjangka yang jatuh tempo dalam jangka waktu tiga bulan atau kurang pada saat penempatan yang tidak digunakan sebagai jaminan atau tidak dibatasi penggunaannya.

**j. Persediaan**

Persediaan peralatan untuk instalasi dinyatakan sebesar biaya perolehan atau nilai realisasi neto, mana yang lebih rendah. Biaya perolehan ditentukan dengan menggunakan metode rata-rata tertimbang atau metode rata-rata. Nilai realisasi neto adalah estimasi harga jual yang wajar di dalam proses usaha normal setelah dikurangi dengan estimasi biaya untuk menyelesaikan dan estimasi biaya penjualannya yang diperlukan. Cadangan untuk penurunan nilai keusangan persediaan ditentukan berdasarkan penelaahan terhadap keadaan masing-masing persediaan pada akhir periode/tahun.

**k. Biaya Dibayar di Muka**

Biaya dibayar di muka diamortisasi selama masa dimana manfaat yang diperoleh dapat terwujud dengan menggunakan metode garis lurus.

**l. Investasi pada Entitas Asosiasi**

Entitas asosiasi adalah entitas yang mana Grup memiliki pengaruh signifikan. Pengaruh signifikan adalah kekuasaan untuk berpartisipasi dalam keputusan kebijakan keuangan dan operasional *investee*, tetapi tidak mengendalikan atau mengendalikan bersama atas kebijakan tersebut.

Sesuai dengan metode ekuitas, investasi pada entitas asosiasi diakui pada awalnya sebesar biaya perolehan. Nilai tercatat investasi tersebut selanjutnya disesuaikan untuk mengakui perubahan pasca perolehan dalam bagian Grup atas aset neto dari entitas asosiasi tersebut sejak tanggal akuisisi. *Goodwill* sehubungan dengan entitas asosiasi diakui dalam nilai tercatat investasi dan tidak diamortisasi maupun dilakukan pengujian penurunan nilai secara individual.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**i. Cash and Cash Equivalents**

Cash and cash equivalents are cash on hand, cash in banks (demand deposits) and time deposits with maturity periods of three months or less at the time of placement, that are not used as collateral or are not restricted to use.

**j. Inventories**

Inventories of equipment for installation are stated at cost or net realizable value, whichever is lower. Cost is determined using the weighted average method or the average method. Net realizable value is a reasonable selling price in normal process less the estimated costs of completion and estimated costs necessary to make the sale. Allowance for decline in value and obsolescence of inventories is provided based on a review of the individual inventory items at the end of the period/year.

**k. Prepaid Expenses**

Prepaid expenses are amortized over the years in which the underlying benefits are expected to materialize using the straight-line method.

**l. Investment in Associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but not control or joint control over those policies.

Under the equity method, the investment in an associate is initially recognized at cost. The carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate and joint venture is included in the carrying amount of the investment and is neither amortized nor individually tested for impairment.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**I. Investasi pada Entitas Asosiasi (lanjutan)**

Laporan laba rugi dan penghasilan komprehensif lain konsolidasian mencerminkan bagian Grup atas hasil operasi dari entitas asosiasi. Bila terdapat perubahan dalam pendapatan komprehensif lainnya pada entitas asosiasi dan ventura bersama, disajikan sebagai pendapatan komprehensif lainnya Grup. Bila terdapat perubahan yang diakui langsung pada ekuitas dari entitas asosiasi, Grup mengakui bagiannya atas perubahan tersebut dan mengungkapkan hal ini, jika dapat diterapkan, dalam laporan perubahan ekuitas konsolidasian. Laba atau rugi yang belum direalisasi sebagai hasil dari transaksi antara Grup dengan entitas asosiasi dieliminasi pada jumlah sesuai dengan jumlah kepentingan Grup dalam entitas asosiasi.

Laporan keuangan entitas asosiasi disusun untuk periode pelaporan yang sama dengan Grup. Jika diperlukan, penyesuaian dilakukan untuk menyeragamkan dengan kebijakan akuntansi Grup.

Setelah penerapan metode ekuitas, Grup menentukan apakah diperlukan untuk mengakui rugi penurunan nilai atas investasi dalam entitas asosiasi.

Grup menentukan pada setiap tanggal pelaporan apakah terdapat bukti yang objektif yang mengindikasikan bahwa investasi dalam entitas asosiasi mengalami penurunan nilai. Dalam hal terdapat bukti yang objektif, Grup menghitung jumlah penurunan nilai berdasarkan selisih antara jumlah terpulihkan atas investasi dalam entitas asosiasi bersama dan nilai tercatatnya dan mengakui kerugian tersebut sebagai "Bagian laba (rugi) dari entitas asosiasi" di dalam laporan laba rugi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**I. Investment in Associates (continued)**

The consolidated statements of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the associates. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognized directly in the equity of the associate, the Group recognizes its share of any changes, when applicable, in the consolidated statements of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring their accounting policy in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate.

At its reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss as "Portion of net income (loss) of associates" in the statement of profit or loss.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**I. Investasi pada Entitas Asosiasi (lanjutan)**

Pada saat kehilangan pengaruh signifikan terhadap entitas asosiasi, Grup mengukur dan menilai investasi yang tersisa pada nilai wajarnya. Selisih yang timbul atas nilai tercatat dengan nilai wajarnya pada saat kehilangan pengaruh signifikan dan hasil yang diterima pada saat pelepasan diakui dalam laporan laba rugi.

Investasi dicatat dengan menggunakan metode ekuitas sejak tanggal investasi tersebut memenuhi definisi entitas asosiasi atau ventura bersama. Pada saat perolehan investasi, setiap selisih antara biaya perolehan investasi dengan bagian entitas atas nilai wajar neto aset dan liabilitas teridentifikasi dari *investee* dicatat dengan cara sebagai berikut:

- a) *Goodwill* yang terkait dengan entitas asosiasi atau ventura bersama termasuk dalam jumlah tercatat investasi. Amortisasi *goodwill* tersebut tidak diperkenankan.
- b) Setiap selisih lebih bagian entitas atas nilai wajar neto aset dan liabilitas teridentifikasi dari *investee* terhadap biaya perolehan investasi dimasukkan sebagai penghasilan dalam menentukan bagian entitas atas laba rugi entitas asosiasi atau ventura bersama pada periode investasi diperoleh.

Penyesuaian terhadap bagian entitas atas laba rugi entitas asosiasi setelah akuisisi dilakukan untuk mencatat, sebagai contoh, penyusutan dari aset berdasarkan nilai wajarnya pada tanggal perolehan. Sedangkan, penyesuaian terhadap bagian entitas atas laba rugi entitas asosiasi atau ventura bersama setelah akuisisi dilakukan atas rugi penurunan nilai yang diakui, misalnya *goodwill* atau aset tetap.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**I. Investment in Associates (continued)**

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

An investment is recorded using the equity method from the date on which it becomes an associate or a joint venture. On acquisition of the investment, any difference between the cost of the investment and the entity's share of the net fair value of the investee's identifiable assets and liabilities is accounted for as follows:

- a) *Goodwill* relating to an associate or a joint venture is included in the carrying amount of the investment. Amortisation of that *goodwill* is not permitted.
- b) Any excess of the entity's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment is included as income in the determination of the entity's share of the associate's or joint venture's profit or loss in the period in which the investment is acquired.

Appropriate adjustments to the entity's share of the associate's profit or loss after acquisition is made in order to account, for example, for depreciation of the depreciable assets based on their fair values at the acquisition date. Similarly, appropriate adjustments to the entity's share of the associate's or joint venture's profit or loss after acquisition are made for impairment losses such as for *goodwill* or property and equipment.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)

m. Aset Tetap

Aset tetap pada awalnya diakui sebesar biaya perolehan yang meliputi harga perolehannya dan setiap biaya yang dapat diatribusikan langsung untuk membawa aset ke kondisi dan lokasi yang diinginkan agar aset siap digunakan sesuai intensi manajemen.

Apabila relevan, biaya perolehan juga dapat mencakup estimasi awal biaya pembongkaran dan pemindahan aset tetap dan restorasi lokasi aset tetap, kewajiban tersebut timbul ketika aset tetap diperoleh atau sebagai konsekuensi penggunaan aset tetap selama periode tertentu.

Setelah pengakuan awal, aset tetap kecuali tanah dinyatakan sebesar biaya perolehan dikurangi akumulasi penyusutan dan akumulasi rugi penurunan nilai.

Tanah dinyatakan berdasarkan biaya perolehan dan tidak disusutkan.

Penyusutan aset tetap dimulai pada saat aset tersebut siap untuk digunakan sesuai maksud penggunaannya dan dihitung dengan menggunakan metode garis lurus berdasarkan estimasi masa manfaat ekonomis aset sebagai berikut:

	Tahun/Years	
Bangunan	10 - 20	Buildings
Prasarana	4	Leasehold improvements
Elektronik <i>head-end</i>	4 - 7.5	Head-end electronics
Perabotan dan perlengkapan	4	Furniture and fixtures
Peralatan kantor	4	Office equipments
Kendaraan	4	Vehicles
Konverter	4	Converters
Alat pemecah sandi	4	Decoders
Jaringan layanan titik control	5 - 15	Network service control pointss
Modem kabel	2 - 4	Cable modems
Set top box	4	Set top box

Aset tetap dihentikan pengakuannya dari laporan posisi keuangan konsolidasian pada saat penjualan atau saat tidak ada manfaat masa depan dari penggunaan atau penjualan aset tersebut. Segala keuntungan dan kerugian yang timbul dari penghentian pengakuan aset (dihitung sebagai perbedaan hasil penjualan neto dan nilai tercatat dari aset) diakui dalam laporan laba rugi pada saat aset dihentikan pengakuannya.

2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)

m. Property and Equipment

Property and equipment are initially recognized at cost, which comprises its purchase price and any cost directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

If applicable, the initiation cost may also include the initial estimate of the costs of dismantling and removing the asset and restoring the site on which it is located, the obligation which an entity incurs either when the asset is acquired or as a consequence of having used the asset during a particular period.

After initial recognition, property and equipment, except land, are carried at cost less accumulated depreciation, and accumulated impairment losses.

Land is stated at cost and is not depreciated.

Depreciation of property and equipment starts when the related asset is available for use and is calculated by using the straight-line method based on the estimated useful lives of the assets as follows:

An item of property and equipment is derecognized from the consolidated statements of financial position upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in profit or loss in the period the asset is derecognized.

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(lanjutan)**

**m. Aset Tetap (lanjutan)**

Nilai sisa aset, estimasi umur ekonomis dan metode penyusutan ditelaah dan disesuaikan secara prospektif setiap tanggal pelaporan keuangan, jika memadai.

Aset tetap dalam pembangunan dinyatakan sebesar biaya perolehan. Akumulasi biaya perolehan direklasifikasi ke akun aset tetap yang bersangkutan pada saat pembangunan selesai dan aset tersebut telah siap untuk digunakan.

**n. Sewa**

Grup menilai pada awal kontrak apakah suatu kontrak adalah, atau berisi, sewa. Artinya, jika kontrak memberikan hak untuk mengendalikan penggunaan aset teridentifikasi untuk suatu periode waktu sebagai imbalan untuk imbalan.

**Grup sebagai penyewa**

Grup menerapkan pendekatan pengakuan dan pengukuran tunggal untuk seluruh sewa, kecuali untuk sewa jangka pendek dan sewa aset bernilai rendah. Grup mengakui liabilitas sewa untuk melakukan pembayaran sewa dan aset hak-guna yang memberikan hak untuk menggunakan aset dasarnya.

Aset hak-guna

Grup mengakui aset hak-guna pada tanggal permulaan sewa (yaitu pada tanggal aset pendasar tersedia untuk digunakan). Aset hak-guna diukur pada biaya perolehan dikurangi akumulasi penyusutan dan rugi penurunan nilai, dan disesuaikan untuk setiap pengukuran kembali liabilitas sewa. Biaya perolehan aset hak-guna meliputi jumlah liabilitas sewa yang diakui, biaya langsung awal yang dikeluarkan, dan pembayaran sewa yang dilakukan pada atau sebelum tanggal permulaan, dikurangi dengan insentif sewa yang diterima.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**m. Property and Equipment (continued)**

The assets' residual values, useful lives and method of depreciation are reviewed and adjusted prospectively, if appropriate, at each financial reporting date.

Construction in progress is stated at cost. The accumulated costs are reclassified to the appropriate property and equipment account when the construction is substantially completed and the asset is ready for its intended use.

**n. Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**The Group as a lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

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## 2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN (lanjutan)

## n. Sewa (lanjutan)

## Grup sebagai penyewa (lanjutan)

Aset hak-guna (lanjutan)

Aset hak-guna didepresiasi dengan metode garis lurus selama jangka waktu yang lebih pendek antara masa sewa dan estimasi umur manfaat aset, sebagai berikut:

	Tahun/Years	
Bangunan	2 - 20	Buildings
Kendaraan	3 - 5	Vehicles
Peralatan kantor	4	Office equipments
Elektronik <i>head-end</i>	4 - 7.5	Head-end electronics
Jaringan layanan titik kontrol	4 - 15	Network service control points
Modem kabel	4	Cable modems
Set top box	4	Set top box

Jika kepemilikan aset sewa beralih kepada Grup pada akhir masa sewa atau biaya perolehan merefleksikan penyewa akan mengeksekusi opsi beli, depresiasi dihitung dengan menggunakan estimasi umur manfaat aset. Aset hak-guna juga diuji penurunan nilainya sesuai dengan PSAK 48 "Penurunan Nilai Aset".

Liabilitas sewa

Pada tanggal dimulainya sewa, Grup mengakui liabilitas sewa yang diukur pada nilai kini pembayaran sewa yang harus dilakukan selama masa sewa. Pembayaran sewa mencakup pembayaran tetap (termasuk pembayaran tetap secara substansi) dikurangi piutang insentif sewa, pembayaran sewa variabel yang bergantung pada indeks atau tarif, dan jumlah yang diharapkan akan dibayar di bawah jaminan nilai sisa. Pembayaran sewa juga mencakup harga pelaksanaan dari opsi pembelian yang secara wajar pasti akan dilaksanakan oleh Grup dan pembayaran denda untuk penghentian sewa, jika masa sewa mencerminkan Grup melaksanakan opsi untuk mengakhiri. Pembayaran sewa variabel yang tidak bergantung pada indeks atau tarif diakui sebagai beban (kecuali terjadi untuk menghasilkan persediaan) pada periode di mana peristiwa atau kondisi yang memicu terjadinya pembayaran.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## n. Leases (continued)

## The Group as a lessee (continued)

Right-of-use assets (continued)

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

If ownership of the lease assets transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment in accordance with PSAK 48 "Impairment of Assets".

Lease liabilities

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)

n. Sewa (lanjutan)

Grup sebagai penyewa (lanjutan)

Liabilitas sewa (lanjutan)

Dalam menghitung nilai kini pembayaran sewa, Grup menggunakan suku bunga pinjaman inkremental pada tanggal dimulainya sewa karena tingkat bunga implisit dalam sewa tidak dapat segera ditentukan. Setelah tanggal permulaan, jumlah liabilitas sewa ditingkatkan untuk mencerminkan penambahan bunga dan dikurangi untuk pembayaran sewa yang dilakukan. Selain itu, nilai tercatat liabilitas sewa diukur kembali jika ada modifikasi, perubahan jangka waktu sewa, perubahan pembayaran sewa (misalnya, perubahan pembayaran masa depan akibat perubahan indeks atau kurs yang digunakan untuk pembayaran sewa) atau perubahan penilaian opsi untuk membeli aset yang mendasarinya.

Dalam menghitung nilai kini pembayaran sewa, Liabilitas sewa Grup termasuk dalam pinjaman dan pinjaman berbunga.

Sewa jangka-pendek dan sewa aset bernilai-rendah

Grup memilih untuk tidak mengakui aset hak-guna dan liabilitas sewa untuk sewa jangka-pendek yang memiliki masa sewa 12 bulan atau kurang dan sewa atas aset bernilai-rendah. Grup mengakui pembayaran sewa terkait dengan sewa ini sebagai beban dengan dasar garis lurus selama masa sewa.

2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)

n. Leases (continued)

The Group as a lessee (continued)

Lease liabilities (continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group's lease liabilities are included in Interest-bearing loans and borrowings.

Short-term leases and leases of low-value assets.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognizes the lease payments associated with these leases as expense on a straight-line basis over the lease term.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)

**o. Aset Takberwujud - Perangkat lunak**

Perangkat lunak komputer disajikan sebesar harga perolehan dikurangi akumulasi amortisasi, yang dihitung menggunakan metode garis lurus selama 4 tahun perkiraan masa manfaat. Amortisasi perangkat lunak komputer dimulai pada saat aset siap untuk digunakan. Amortisasi perangkat lunak komputer dicatat sebagai biaya amortisasi.

Aset takberwujud dihentikan pengakuannya jika dilepas atau ketika tidak terdapat lagi manfaat ekonomi masa depan yang diperkirakan dari penggunaan atau pelepasannya.

Periode amortisasi dan metode amortisasi untuk aset takberwujud dengan umur manfaat terbatas ditelaah setidaknya setiap akhir tahun buku.

**p. Aset Takberwujud - Goodwill**

*Goodwill* yang berasal dari suatu kombinasi bisnis awalnya diukur pada biaya perolehan, yang merupakan selisih lebih antara nilai gabungan dari imbalan yang dialihkan, jumlah setiap kepentingan nonpengendali, dan nilai wajar kepentingan ekuitas yang telah dimiliki pengakuisisi dalam pihak yang diakuisisi atas jumlah neto teridentifikasi dari aset yang diperoleh dan liabilitas yang diambil alih.

Setelah pengakuan awal, *Goodwill* yang diperoleh dalam suatu kombinasi bisnis diukur pada harga perolehan dikurangi akumulasi rugi penurunan nilai. *Goodwill* tidak diamortisasi.

2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)

**o. Intangible Assets - Software**

Computer software is recorded at historical cost less accumulated amortization which is calculated using the straight-line method over the estimated useful life of 4 years. The amortization of computer software commences from the date when the assets are ready for use. The amortization of computer software is recognized as amortization expense.

Intangible assets are derecognized when disposed or when no future economic benefits are expected from their use or disposal.

The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year-end.

**p. Intangible Assets - Goodwill**

*Goodwill* arising from a business combination is initially measured at cost, being the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

After initial recognition, *Goodwill* acquired in a business combination is measured at cost less accumulated impairment losses. *Goodwill* is not amortized.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**q. Perpajakan**

Beban pajak penghasilan terdiri dari pajak kini dan pajak tangguhan. Pajak diakui dalam laporan laba rugi, kecuali jika pajak tersebut terkait dengan transaksi atau kejadian yang diakui di pendapatan komprehensif lain atau langsung diakui ke ekuitas. Dalam hal ini, pajak tersebut masing-masing diakui dalam pendapatan komprehensif lain atau ekuitas.

Pajak kini

Beban pajak kini ditentukan berdasarkan laba kena pajak dalam tahun yang bersangkutan. Tarif pajak yang digunakan untuk menghitung jumlah tersebut adalah yang telah berlaku atau secara substantif telah berlaku pada tanggal pelaporan.

Aset dan liabilitas pajak kini untuk periode berjalan dan periode sebelumnya diukur sebesar jumlah yang diharapkan dapat direstitusi dari atau dibayarkan kepada otoritas perpajakan.

Koreksi terhadap liabilitas perpajakan dicatat saat surat ketetapan pajak diterima dan apabila dilakukan banding, ketika hasil banding sudah diputuskan. Kekurangan/ kelebihan pembayaran pajak penghasilan dicatat sebagai bagian dari "Beban Pajak Kini" dalam laporan laba rugi dan penghasilan komprehensif lain konsolidasian.

Pajak tangguhan

Pajak tangguhan diakui dengan menggunakan metode liabilitas atas perbedaan temporer antara perhitungan akuntansi dan basis perhitungan pajak atas aset dan kewajiban pada tanggal pelaporan.

Aset dan liabilitas pajak tangguhan diakui atas perbedaan temporer antara jumlah tercatat aset dan liabilitas pada laporan posisi keuangan dengan dasar pengenaan pajaknya pada setiap tanggal pelaporan. Aset pajak tangguhan diakui untuk seluruh perbedaan temporer yang boleh dikurangkan dan akumulasi rugi pajak yang belum dikompensasikan, bila kemungkinan besar laba kena pajak akan tersedia sehingga perbedaan temporer dapat dikurangkan dan rugi pajak belum dikompensasikan tersebut dapat dimanfaatkan.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**q. Taxation**

The income tax expense comprises current and deferred tax. Tax is recognized in the profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

Current tax

Current tax expense is determined based on the taxable income for the year. Tax rates used to compute the amount are those that have been enacted or substantively enacted at the reporting date.

Current tax assets and liabilities for the current and prior periods are measured at the amounts expected to be recovered from or paid to the tax authorities.

Amendments to taxation obligations are recorded when an assessment is received and if appealed, when the result of the appeal is determined. The underpayment/overpayment of income tax are recorded as part of "Current Tax" in the consolidated statements of profit or loss and other comprehensive income.

Deferred tax

Deferred tax is recognized using the liability method on temporary differences between the financial and the tax bases of assets and liabilities at the financial reporting date.

Deferred tax assets and liabilities are recognized for temporary differences between the carrying amount of assets and liabilities with their tax bases at the financial reporting date. Deferred tax assets are recognized for all deductible temporary differences and accumulated tax losses that have not been utilized, if taxable income is likely to be available so that the temporary differences can be deducted and the unutilized tax losses can be utilized.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)

q. Perpajakan (lanjutan)

Pajak tangguhan (lanjutan)

Liabilitas pajak tangguhan dan aset pajak tangguhan (jika memenuhi kriteria) diakui atas perbedaan temporer kena pajak terkait dengan investasi pada entitas anak dan asosiasi, kecuali yang waktu pembalikannya dapat dikendalikan dan kemungkinan besar perbedaan temporer tersebut tidak akan dibalik di masa depan yang dapat diperkirakan.

Jumlah tercatat aset pajak tangguhan ditelaah pada setiap tanggal pelaporan dan nilai tercatat aset pajak tangguhan tersebut diturunkan apabila laba fiskal mungkin tidak memadai untuk mengkompensasi sebagian atau semua manfaat aset pajak tangguhan. Aset pajak tangguhan yang belum diakui sebelumnya ditelaah pada setiap tanggal pelaporan dan diakui sepanjang laba kena pajak yang akan datang kemungkinan besar akan tersedia untuk dipulihkan.

Aset dan liabilitas pajak tangguhan diukur berdasarkan tarif pajak yang diharapkan akan dipakai pada tahun saat aset terealisasi dan liabilitas diselesaikan berdasarkan tarif pajak dan peraturan perpajakan yang berlaku atau yang secara substantif berlaku pada tanggal laporan posisi keuangan konsolidasian.

Aset pajak tangguhan dan liabilitas pajak tangguhan saling hapus jika terdapat hak secara hukum untuk melakukan saling hapus atas aset pajak tangguhan terhadap liabilitas pajak tangguhan atau aset dan liabilitas pajak tangguhan pada entitas yang sama.

Pajak Pertambahan Nilai (PPN)

Jumlah PPN neto yang terpulihkan dari, atau terutang kepada, kantor pajak termasuk sebagai bagian dari piutang atau utang pada laporan posisi keuangan konsolidasian.

2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)

q. Taxation (continued)

Deferred tax (continued)

Deferred tax liabilities and deferred tax assets (if they meet the criteria) are recognized for temporary differences associated with investments in subsidiaries and associates, unless the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and is reduced to the extent that it is no longer probable that sufficient taxable income will be available in the future to enable some or all of the benefits of the deferred tax assets to be realized. Deferred tax assets that have not been recognized previously are reviewed at each reporting date and recognized to the extent that it has become probable that sufficient taxable income will be available to enable the deferred tax assets to be recovered.

Deferred tax assets and liabilities are measured based on tax rates that are expected to apply to the year when the assets are realized and liabilities are settled based on the tax rates and tax laws that have been enacted or substantively enacted at the consolidated statements of financial position date.

Deferred tax assets and deferred tax liabilities are offset if there is a legal right to off-set deferred tax assets against deferred tax liabilities and the deferred tax assets and liabilities pertain to the same entity.

Value Added Tax (VAT)

The net amount of VAT recoverable from, or payable to, the taxation authorities is included as part of receivables or payables in the consolidated statement of financial position.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**r. Imbalan Kerja**

(i) Imbalan kerja jangka pendek

Imbalan kerja jangka pendek diakui ketika pekerja telah memberikan jasanya, dalam satu periode akuntansi sebesar jumlah tidak terdiskonto dari imbalan kerja jangka pendek yang diharapkan akan dibayar sebagai imbalan atas jasa tersebut.

Imbalan kerja jangka pendek termasuk upah, gaji, bonus dan insentif.

(ii) Imbalan pasca kerja

Imbalan pasca kerja seperti pensiun, uang pisah dan uang penghargaan masa kerja dihitung berdasarkan Peraturan Pemerintah No. 35/2021 ("PP 35/2021"). Grup juga memiliki imbalan jangka panjang lainnya berupa cuti besar sesuai dengan ketentuan Peraturan Perusahaan ("PP").

Grup memiliki program imbalan pasti.

Grup mengakui jumlah liabilitas imbalan pasti neto sebesar nilai kini liabilitas imbalan pasti pada akhir tahun pelaporan dikurangi nilai wajar aset program yang dihitung oleh aktuaris independen dengan menggunakan metode *Projected Unit Credit*.

Grup mencatat tidak hanya kewajiban hukum berdasarkan persyaratan formal program imbalan pasti tetapi juga kewajiban konstruktif yang timbul dari praktik informal entitas.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**r. Employee Benefits**

(i) Short-term employee benefits

Short-term employee benefits are recognized when an employee has rendered services during the accounting period, at the undiscounted amount of short-term employee benefits expected to be paid in exchange for the services.

Short-term employee benefits include wages, salaries, bonus and incentive.

(ii) Post-employment benefits

Post-employment benefits such as retirement, severance and service payments are calculated based on Government Regulation No. 35/2021 ("PP 35/2021"). The Group also have other long-term employee benefit in form of grand leave according to the Company's policy.

The Company has a defined benefit plan.

The Company recognizes the amount of the net defined benefit liability at the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets as calculated by independent actuaries using the *Projected Unit Credit* method.

The Company accounts not only for its legal obligation under the formal terms of a defined benefit plan but also for any constructive obligation that arises from the entity's informal practices.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**r. Imbalan Kerja (lanjutan)**

(ii) Imbalan pasca kerja (lanjutan)

Biaya jasa kini, biaya jasa lalu dan keuntungan atau kerugian atas penyelesaian, serta bunga neto atas liabilitas (aset) imbalan pasti neto diakui dalam laba rugi.

Keuntungan dan kerugian aktuarial yang timbul dari penyesuaian dan perubahan dalam asumsi-asumsi aktuaris diakui sebagai penghasilan komprehensif lain.

(iii) Pesangon

Grup mengakui pesangon sebagai liabilitas dan beban pada tanggal yang lebih awal di antara:

1. Ketika Grup tidak dapat lagi menarik tawaran atas imbalan tersebut; dan
2. Ketika Grup mengakui biaya untuk restrukturisasi yang berada dalam ruang lingkup "PSAK 57: Provisi, Liabilitas Kontijensi, dan Aset Kontijensi" dan yang melibatkan pembayaran pesangon.

**s. Saham Treasuri**

Saham treasuri dicatat sebesar biaya perolehan dan disajikan sebagai pengurang modal saham di bagian ekuitas dalam laporan posisi keuangan. Selisih lebih penerimaan dari penjualan saham treasuri di masa yang akan datang atas biaya perolehan atau sebaliknya, akan diperhitungkan sebagai penambah atau pengurang akun tambahan modal disetor.

Selisih antara harga perolehan saham treasuri dengan harga jualnya dibebankan atau dikreditkan ke "Tambahan Modal Disetor". Apabila selisih tersebut menghasilkan saldo negatif pada akun "Tambahan Modal Disetor" karena transaksi perolehan kembali, saldo negatif tersebut dibebankan pada saldo laba.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**r. Employee Benefits (continued)**

(ii) Post-employment benefits (continued)

Current service cost, past service cost and gain or loss on settlement, and net interest on the net defined benefit liability (asset) are recognized in profit and loss.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in other comprehensive income.

(iii) Termination Benefits

The Company shall recognize a liability and expense for termination benefits at the earlier of the following dates:

1. When the Company can no longer withdraw the offer for those benefits; and
2. When the Company recognized costs for a restructuring that is within the scope of "PSAK 57 Provision, Contingent Liabilities and Contingent Assets" and which involves payment of termination benefits.

**s. Treasury Stocks**

Treasury stocks are recorded at its acquisition cost and presented as a deduction from capital stock under equity section of statements of financial position. The excess of proceeds from future resale of treasury stock over the related acquisition cost or vice-versa shall be accounted for as an addition to or deduction from additional paid-in capital.

The difference between the acquisition cost and the selling price of treasury shares is charged or credited to "Additional Paid-in Capital". When the difference creates a negative balance in the "Additional Paid-in Capital" account as a result of reacquisition transactions, such negative balance is charged to retained earnings.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)

s. Saham Treasuri (lanjutan)

Saat saham treasuri dibatalkan, maka pencatatan transaksi ini dilakukan dengan mendebet akun Modal Saham dan mengkredit "Saham Treasuri", selisih antara harga perolehan saham treasuri dengan nominal modal saham akan dialokasikan antara pos "Tambahkan Modal Disetor" dan "Saldo Laba".

t. Pengakuan Pendapatan dan Beban

Pendapatan dari kontrak dengan pelanggan

Pendapatan terdiri dari nilai wajar imbalan yang diterima atau akan diterima dari penyediaan jasa dalam kegiatan usaha normal Perusahaan dan Entitas Anak.

Pendapatan dari biaya berlangganan bulanan dan iklan diakui ketika jasa diberikan. Biaya yang ditagihkan dimuka ditangguhkan dan diakui sebagai biaya langganan ditangguhkan pada laporan posisi keuangan konsolidasian sampai jasa diberikan.

Pendapatan dari sewa jaringan diakui atas dasar garis lurus selama masa sewa.

Beban

Beban diakui pada saat terjadinya berdasarkan metode akrual.

u. Laba per Saham

Labanya per saham dasar dihitung dengan membagi laba periode/tahun berjalan yang dapat diatribusikan kepada pemilik modal biasa atas entitas induk dengan jumlah rata-rata tertimbang saham biasa yang beredar pada periode/tahun yang bersangkutan.

v. Penurunan Nilai Aset Non-Keuangan

Pada setiap akhir periode pelaporan, Grup menilai apakah terdapat indikasi suatu aset mengalami penurunan nilai. Jika terdapat indikasi tersebut, atau pada saat pengujian tahunan penurunan nilai aset (yaitu *goodwill* yang diperoleh dalam suatu kombinasi bisnis) diperlukan, maka Grup membuat estimasi jumlah terpulihkan aset tersebut.

2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)

s. Treasury Stocks (continued)

When the treasury stocks are cancelled, the transaction is recorded by debiting "Share Capital" and crediting "Treasury Stocks", the difference between the acquisition cost of treasury shares and par value is recognized under "Additional Paid-in Capital" and "Retained Earnings".

t. Revenues and Expenses Recognition

Revenues from contract with customer

Revenue comprises the fair value of the consideration received or receivable for the services provided in the ordinary course of the Company's and Subsidiaries' activities.

Revenues from monthly subscription charges and advertising are recognized when the services are rendered. Fees billed in advance are deferred and recognized as unearned subscription fees in the consolidated statements of financial position until the services are rendered.

Revenues from network lease are recognized on a straight-line basis over the lease term.

Expenses

Expenses are recognized when incurred on an accrual basis.

u. Earnings per Share

Basic earnings per share is calculated by dividing the profit for the period attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the period/year.

v. Impairment of Non-Financial Assets

At the end of each reporting period, the Group assesses whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset (i.e., goodwill acquired in a business combination) is required, the Group makes an estimate of the asset's recoverable amount.

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2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)

v. Penurunan Nilai Aset Non-Keuangan  
(lanjutan)

Jumlah terpulihkan yang ditentukan untuk aset individual adalah jumlah yang lebih tinggi antara nilai wajar aset atau unit penghasil kas ("UPK") dikurangi biaya untuk menjual dan nilai pakainya, dan ditentukan untuk aset individual kecuali aset tersebut tidak menghasilkan arus kas masuk yang sebagian besar independen dari aset lain atau kelompok aset lain. Jika nilai tercatat aset lebih besar daripada nilai terpulihkannya, maka aset tersebut mengalami penurunan nilai dan nilai tercatat aset diturunkan menjadi sebesar nilai terpulihkannya. Rugi penurunan nilai dari operasi yang dilanjutkan diakui pada laporan laba rugi sebagai "kerugian atas penurunan nilai aset".

Pemulihan rugi penurunan nilai untuk aset non-keuangan selain *goodwill*, diakui jika, dan hanya jika, terdapat perubahan estimasi yang digunakan dalam menentukan jumlah terpulihkan aset sejak pengujian penurunan nilai terakhir kali. Pembalikan tersebut dibatasi sehingga jumlah tercatat aset tidak melebihi jumlah terpulihkannya maupun jumlah tercatat, setelah dikurangi penyusutan, seandainya tidak ada rugi penurunan nilai yang telah diakui untuk aset tersebut pada tahun sebelumnya. Pembalikan rugi penurunan nilai diakui segera dalam laba rugi. Setelah pembalikan tersebut, penyusutan aset tersebut disesuaikan di periode mendatang untuk mengalokasikan jumlah tercatat aset yang direvisi, dikurangi nilai sisanya, dengan dasar yang sistematis selama sisa umur manfaatnya.

*Goodwill* diuji untuk penurunan nilai setiap tahun dan ketika keadaan yang mengindikasikan bahwa nilai tercatat mungkin mengalami penurunan nilai. Penurunan nilai bagi *goodwill* ditetapkan dengan menentukan jumlah terpulihkan dari setiap UPK (atau kelompok UPK) dimana *goodwill* terkait. Jika jumlah terpulihkan dari UPK kurang dari jumlah tercatatnya, rugi penurunan nilai diakui.

Kerugian penurunan nilai yang berhubungan dengan *goodwill* tidak dapat dibalik pada periode yang akan datang.

2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)

v. Impairment of Non-Financial Assets  
(continued)

An asset's recoverable amount is the higher of the asset's or cash generating unit ("CGU")'s fair value less costs to sell and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment losses of continuing operations are recognized in profit or loss as "impairment losses".

Reversal on impairment loss for non-financial assets other than *goodwill* would be recognized if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment test was carried out. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Reversal of an impairment loss is recognized immediately in profit or loss. After such a reversal, the depreciation charge on the said asset is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

*Goodwill* is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for *goodwill* by assessing the recoverable amount of each CGU (or group of CGUs) to which the *goodwill* relates. Where the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognized.

Impairment losses relating to *goodwill* cannot be reversed in future periods.

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**2. IKHTISAR KEBIJAKAN AKUNTANSI SIGNIFIKAN  
(lanjutan)**

**w. Segmen Operasi**

Perusahaan dan Entitas Anak menyajikan segmen operasi berdasarkan informasi keuangan yang digunakan oleh pengambil keputusan operasional dalam menilai kinerja segmen dan menentukan alokasi sumber daya yang dimilikinya. Segmentasi berdasarkan aktivitas dari setiap kegiatan operasi entitas legal di dalam Grup.

Segmen operasi adalah suatu komponen dari Grup:

- Yang terlihat dalam aktivitas bisnis yang memperoleh pendapatan dan menimbulkan beban (termasuk pendapatan dan beban yang terkait dengan transaksi dengan komponen lain dari kelompok yang sama).
- Hasil operasinya dikaji ulang secara berkala oleh kepala operasional untuk pembuatan keputusan tentang sumber daya yang dialokasikan pada segmen tersebut dan menilai kinerjanya; dan
- Tersedia informasi keuangan yang dapat dipisahkan.

**x. Provisi**

Provisi diakui jika Grup memiliki kewajiban kini (baik bersifat hukum maupun bersifat konstruktif) sebagai akibat peristiwa masa lalu dimana ada kemungkinan besar bahwa untuk penyelesaian kewajiban tersebut diperlukan arus keluar sumber daya yang mengandung manfaat ekonomi dan jumlah kewajiban tersebut dapat diestimasi secara andal.

Provisi ditelaah pada setiap tanggal pelaporan dan disesuaikan untuk mencerminkan estimasi terbaik saat ini. Jika arus keluar sumber daya untuk menyelesaikan kewajiban kemungkinan besar tidak terjadi, maka provisi tersebut dibatalkan.

**y. Kontijensi**

Liabilitas kontijensi diungkapkan, kecuali jika arus keluar sumber daya yang mengandung manfaat ekonomi kemungkinannya kecil. Aset kontijensi tidak diakui dalam laporan keuangan konsolidasian, tetapi diungkapkan jika terdapat kemungkinan besar (*probable*) arus masuk manfaat ekonomi.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING  
POLICIES (continued)**

**w. Operating Segment**

The Company and Subsidiaries present operating segments based on the financial information used by the chief operating decision maker in assessing the performance of segments and in the allocation of resources. The segments are based on the activities of each of the operating legal entities within the business group.

An operating segment is a component of the business group:

- That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same group);
- Whose operating results are regularly reviewed by the chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- For which separate financial information is available.

**x. Provisions**

A provision is recognized when the Group has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligations, the provisions are reversed.

**y. Contingencies**

Unless the possibility of an outflow of resources embodying economic benefits is remote, contingent liabilities are disclosed. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

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**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI  
AKUNTANSI YANG SIGNIFIKAN**

Penyusunan laporan keuangan Grup mengharuskan manajemen untuk membuat pertimbangan, estimasi dan asumsi yang mempengaruhi jumlah yang dilaporkan dari pendapatan, beban, aset dan liabilitas, dan pengungkapan atas liabilitas kontijensi, pada akhir tahun pelaporan. Ketidakpastian mengenai asumsi dan estimasi tersebut dapat mengakibatkan penyesuaian material terhadap nilai tercatat pada aset dan liabilitas dalam tahun pelaporan berikutnya.

**Pertimbangan**

Pertimbangan berikut ini dibuat oleh manajemen dalam rangka penerapan kebijakan akuntansi Grup yang memiliki pengaruh paling signifikan atas jumlah yang diakui dalam laporan keuangan:

- Sewa

Grup sebagai penyewa - Mengevaluasi dampak periode opsi pada masa sewa

Grup menerapkan PSAK 73 yang mensyaratkan pengakuan liabilitas sewa sehubungan dengan sewa yang sebelumnya diklasifikasikan sebagai sewa operasi.

Grup menentukan masa sewa sebagai periode sewa yang tidak dapat dibatalkan, dan juga periode yang dicakup oleh opsi untuk memperpanjang sewa jika opsi cukup pasti untuk dieksekusi, atau periode yang dicakup oleh opsi untuk menghentikan sewa jika opsi cukup pasti untuk tidak dieksekusi.

Untuk kontrak sewa apapun yang mencakup opsi perpanjangan dan penghentian, Grup menerapkan pertimbangan dalam mengevaluasi apakah cukup pasti untuk mengeksekusi opsi perpanjangan atau penghentian sewa. Dengan kata lain, Grup mempertimbangkan semua faktor relevan yang memberikan insentif ekonomis untuk mengeksekusi perpanjangan atau penghentian. Setelah tanggal permulaan, Grup menilai ulang masa sewa jika terdapat peristiwa atau perubahan signifikan dalam kondisi yang berada dalam pengendalian Grup dan mempengaruhi kemampuan untuk mengeksekusi atau untuk tidak mengeksekusi opsi perpanjangan atau penghentian. Berdasarkan evaluasi dan pertimbangan manajemen atas kontrak-kontrak sewa di mana Grup adalah penyewa, manajemen menentukan bahwa tidak cukup pasti bagi Grup untuk mengeksekusi opsi perpanjangan sewa.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS,  
ESTIMATES AND ASSUMPTIONS**

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting year. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset and liability affected in future years.

**Judgments**

The following judgments are made by management in the process of applying the Group's accounting policies that have the most significant effects on the amounts recognized in the financial statements:

- Leases

The Group as lessee - Evaluating the impact of option periods on lease

The Group has adopted PSAK 73, which sets the requirement for recognition of lease liabilities in relation to leases which had previously been classified as operating leases.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

For any contracts with include extension and termination options, the Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate. Based on management's evaluation and judgment on the lease contracts wherein the Group is a lessee, management has determined that it is not reasonably certain for the Group to exercise the option to renew the lease.

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**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI  
AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**Pertimbangan (lanjutan)**

- Perpajakan

Ketidakpastian atas interpretasi dari peraturan pajak yang kompleks, perubahan peraturan pajak dan jumlah dan timbulnya penghasilan kena pajak di masa depan, dapat menyebabkan penyesuaian di masa depan atas penghasilan dan beban pajak yang telah dicatat.

Pertimbangan juga dilakukan dalam menentukan penyisihan atas pajak penghasilan badan. Terdapat transaksi dan perhitungan tertentu yang penentuan pajak akhirnya adalah tidak pasti dalam kegiatan usaha normal.

Grup mengakui liabilitas atas pajak penghasilan badan berdasarkan estimasi apakah akan terdapat tambahan pajak penghasilan badan. Penjelasan lebih rinci diungkapkan dalam Catatan 14b.

- Pengelompokan aset keuangan dan liabilitas keuangan

Grup menetapkan pengelompokan aset dan liabilitas tertentu sebagai aset keuangan dan liabilitas keuangan dengan pertimbangan bila definisi yang ditetapkan dalam liabilitas keuangan sesuai dengan yang ditetapkan dalam PSAK 71. Dengan demikian, aset keuangan dan liabilitas keuangan diakui sesuai dengan kebijakan akuntansi Grup seperti diungkapkan pada Catatan 2h.

**Estimasi dan Asumsi**

Asumsi utama masa depan dan sumber utama estimasi ketidakpastian lain pada tanggal pelaporan yang memiliki risiko signifikan bagi penyesuaian yang material terhadap nilai tercatat aset dan liabilitas untuk tahun berikutnya diungkapkan di bawah ini. Grup mendasarkan asumsi dan estimasi pada parameter yang tersedia pada saat laporan keuangan disusun. Asumsi dan situasi mengenai perkembangan masa depan mungkin berubah akibat perubahan pasar atau situasi di luar kendali Grup. Perubahan tersebut dicerminkan dalam asumsi terkait pada saat terjadinya.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS,  
ESTIMATES AND ASSUMPTIONS (continued)**

**Judgments (continued)**

- Taxes

*Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income, could necessitate future adjustments to tax income and expense already recorded.*

*Judgment is also involved in determining the provision for corporate income tax. There are certain transactions and computation for which the ultimate tax determination is uncertain during the ordinary course of business.*

*The Group recognizes liabilities for expected corporate income tax issues based on estimates of whether additional corporate income tax will be due. Further details are disclosed in Note 14b.*

- Classification of financial assets and financial liabilities

*The Group determines the classifications of certain assets and liabilities as financial assets and financial liabilities by judging if they meet the definition of financial liabilities based on PSAK 71. Accordingly, the financial assets and financial liabilities are accounted for in accordance with the Group's accounting policies disclosed in Note 2h.*

**Estimates and Assumptions**

*The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are disclosed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the controls of the Group. Such changes are reflected in the assumptions when they occur.*

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**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI  
AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**Estimasi dan Asumsi (lanjutan)**

- Penyisihan Penurunan Nilai dan Keusangan Peralatan untuk Instalasi

Penyisihan penurunan nilai dan keusangan peralatan untuk instalasi diestimasi berdasarkan fakta dan keadaan terbaik yang tersedia, termasuk namun tidak terbatas kepada kondisi fisik peralatan untuk instalasi yang dimiliki, harga jual pasar, estimasi biaya penyelesaian dan estimasi biaya yang timbul untuk penjualan. Provisi dievaluasi kembali dan disesuaikan jika terdapat tambahan informasi yang mempengaruhi jumlah yang diestimasi. Penjelasan lebih rinci diungkapkan dalam Catatan 10.

- Provisi kerugian kredit ekspektasian atas piutang usaha

Grup menggunakan matriks provisi untuk menghitung ECL untuk piutang usaha dan aset kontrak. Tingkat provisi didasarkan pada hari lewat jatuh tempo untuk pengelompokan berbagai segmen pelanggan yang memiliki pola kerugian yang serupa.

Matriks provisi pada awalnya didasarkan pada tingkat gagal bayar Grup yang diamati secara historis. Grup akan mengkalibrasi matriks untuk menyesuaikan pengalaman kerugian kredit historis dengan informasi yang bersifat perkiraan masa depan (*forward-looking*). Misalnya, jika perkiraan kondisi ekonomi (yaitu, produk domestik bruto) diekspektasikan akan memburuk pada tahun berikutnya yang dapat menyebabkan peningkatan jumlah gagal bayar di sektor manufaktur, tingkat gagal bayar historis disesuaikan. Pada setiap tanggal pelaporan, tingkat gagal bayar yang diamati secara historis diperbarui dan perubahan dalam estimasi perkiraan masa depan dianalisis.

Penilaian korelasi antara tingkat *default* yang diamati secara historis, prakiraan kondisi ekonomi, dan ECL adalah estimasi yang signifikan. Jumlah ECL sensitif terhadap perubahan keadaan dan prakiraan kondisi ekonomi. Pengalaman kerugian kredit historis Grup dan perkiraan kondisi ekonomi mungkin juga tidak mewakili gagal bayar pelanggan yang sebenarnya di masa depan. Penjelasan lebih lanjut diungkapkan dalam Catatan 5.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS,  
ESTIMATES AND ASSUMPTIONS (continued)**

**Estimates and Assumptions (continued)**

- Allowance for Decline in Value and Obsolescence of Equipments for Installation.

Allowance for decline in value and obsolescence of equipments for installation is estimated based on the best available facts and circumstances, including but not limited to, the equipment for installation own physical conditions, their market selling prices, estimated costs of completion and estimated costs to sell. The provisions are re-evaluated and adjusted as additional information received affects the amount estimated. Further details are disclosed in Note 10.

- Impairment for expected credit losses of trade receivables

The Group uses an impairment matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. Further details are presented in Note 5.

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**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI  
AKUNTANSI YANG SIGNIFIKAN (lanjutan)**

**Estimasi dan Asumsi (lanjutan)**

- Estimasi Masa Manfaat Aset Tetap dan Aset Takberwujud

Grup mengestimasi masa manfaat ekonomis aset tetap berdasarkan utilisasi dari aset yang diharapkan dan didukung dengan rencana dan strategi usaha dan perilaku pasar. Estimasi dari masa manfaat aset tetap adalah berdasarkan penelaahan Grup terhadap praktek industri, evaluasi teknik internal dan pengalaman untuk aset yang setara.

Estimasi masa manfaat ditelaah minimal setiap akhir tahun pelaporan dan diperbarui jika ekspektasi berbeda dari estimasi sebelumnya dikarenakan pemakaian dan kerusakan fisik, keusangan secara teknis atau komersial dan hukum atau pembatasan lain atas penggunaan dari aset. Tetapi, adalah mungkin, hasil di masa depan dari operasi dapat dipengaruhi secara material oleh perubahan-perubahan dalam estimasi yang diakibatkan oleh perubahan faktor-faktor yang disebut di atas.

Grup mengestimasi masa manfaat ekonomis aset tetap antara 2 sampai dengan 20 tahun dan aset takberwujud selain *goodwill* 4 tahun. Ini adalah umur yang secara umum diharapkan dalam industri dimana Grup menjalankan bisnisnya. Perubahan tingkat pemakaian dan perkembangan teknologi dapat mempengaruhi masa manfaat ekonomis dan nilai sisa aset, dan karenanya biaya penyusutan masa depan mungkin direvisi. Penjelasan lebih rinci diungkapkan dalam Catatan 8a dan Catatan 9.

- Imbalan Manfaat Pasti dan Imbalan Jangka Panjang Lainnya

Biaya program pensiun manfaat pasti dan imbalan jangka panjang lainnya serta nilai kini kewajiban imbalan kerja ditentukan dengan menggunakan penilaian aktuarial. Penilaian aktuarial melibatkan penentuan berbagai asumsi, termasuk penentuan tingkat diskonto, tingkat kenaikan gaji masa depan, tingkat mortalitas, tingkat pengunduran diri karyawan, tingkat kecacatan dan tingkat hasil yang diharapkan dari aset program. Karena kerumitan penilaian, asumsi yang mendasari dan sifat jangka panjangnya, kewajiban manfaat pasti sangat sensitif terhadap perubahan asumsi-asumsi tersebut. Seluruh asumsi ditelaah setiap akhir tahun pelaporan.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS,  
ESTIMATES AND ASSUMPTIONS (continued)**

**Estimates and Assumptions (continued)**

- *Estimating Useful Lives of Fixed Assets and Intangible Assets*

*The Group estimated the useful lives of its fixed assets based on expected asset utilization as anchored on business plans and strategies that also consider expected market behavior. The estimation of the useful lives of fixed assets is based on the Group's assessment of industry practice, internal technical evaluation and experience with similar assets.*

*The estimated useful lives are reviewed at least each financial year-end and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limitations on the use of the assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in the factors mentioned above.*

*The Group useful lives of these fixed assets to be within 2 to 20 years and intangible assets other than goodwill to be 4 years. These are common life expectancies applied in the industries where the Group conducts its business. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore depreciation charges could be revised. Further details are disclosed in Note 8a and Note 9.*

- *Defined Benefit and Other Employees' Benefits*

*The cost of defined benefit pension plans and other long-term employees' benefits and the present value of the defined benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions, which includes the determination of the discount rate, future salary increases, mortality rates, employee turn-over rate, disability rate, and the expected of return on plan assets. Due to the complexity of the valuation, the underlying assumptions and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at financial year end.*

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**Estimasi dan Asumsi (lanjutan)**

- Imbalan Manfaat Pasti dan Imbalan Jangka Panjang Lainnya (lanjutan)

Dalam menentukan tingkat diskonto yang sesuai, manajemen memperhitungkan tingkat bunga (pada akhir tahun/periode pelaporan) dari obligasi Pemerintah dalam Rupiah. Grup menggunakan tingkat diskonto tunggal yang mencerminkan rata-rata perkiraan jadwal pembayaran imbalan dan mata uang yang digunakan dalam membayar imbalan. Tingkat mortalitas adalah berdasarkan tabel mortalita yang tersedia pada publikasi. Tingkat kenaikan gaji masa depan didasarkan pada rencana kerja jangka panjang Grup yang juga dipengaruhi oleh tingkat inflasi masa depan yang diharapkan dalam suatu negara.

Walaupun Grup berkeyakinan bahwa asumsi tersebut adalah wajar dan sesuai, perbedaan signifikan pada hasil aktual atau perubahan signifikan dalam asumsi yang ditetapkan oleh Grup dapat mempengaruhi liabilitas diestimasi atas pensiun dan imbalan kerja dan beban imbalan kerja neto. Penjelasan lebih rinci diungkapkan dalam Catatan 16.

- Estimasi suku bunga pinjaman inkremental atas liabilitas sewa

Grup tidak dapat menentukan suku bunga implisit dalam sewa, karenanya, Grup menggunakan suku bunga pinjaman inkremental ("IBR") untuk mengukur liabilitas sewa. IBR adalah suku bunga yang akan dibayar Grup untuk meminjam selama masa yang serupa dan dengan jaminan yang serupa, dana yang diperlukan untuk memperoleh aset yang memiliki nilai yang serupa dengan aset hak guna dalam lingkungan ekonomik yang serupa. Oleh karena itu, IBR merefleksikan suku bunga yang akan dibayar Grup di mana penentuannya memerlukan estimasi jika suku bunga yang dapat diobservasi tidak tersedia atau jika perlu disesuaikan untuk mencerminkan syarat dan kondisi sewa. Grup mengestimasi IBR dengan menggunakan input yang dapat diobservasi (seperti suku bunga pasar) jika tersedia dan yang diperlukan untuk membuat estimasi yang spesifik untuk entitas.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS,  
ESTIMATES AND ASSUMPTIONS (continued)**

**Estimates and Assumptions (continued)**

- *Defined Benefit and Other Employees' Benefits (continued)*

*In determining the appropriate discount rate, management considers the market yield (at year/period end) on Indonesian Rupiah Government Bonds. The Group uses a single discount rate that reflects the estimated average timing of benefit payments and the currency in which the benefits are to be paid. The mortality rate is based on the Group long-term business plan which is also influenced by expected future inflation rates for the country.*

*While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual experiences or significant changes in the Group's assumptions may affect its estimated liabilities for pension and employees' benefits expense. Further details are disclosed in Note 16.*

- *Estimating the incremental borrowing rate on lease liabilities*

*The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.*

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**3. PERTIMBANGAN, ESTIMASI DAN ASUMSI  
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**Estimasi dan Asumsi (lanjutan)**

- Aset Pajak Tangguhan

Aset pajak tangguhan diakui atas seluruh rugi fiskal dan beda temporer yang dapat dikurangkan yang belum digunakan sepanjang besar kemungkinannya bahwa penghasilan kena pajak akan tersedia sehingga rugi fiskal tersebut dan beda temporer yang dapat dikurangkan dapat digunakan. Estimasi signifikan oleh manajemen diperlukan dalam menentukan jumlah aset pajak tangguhan yang dapat diakui, berdasarkan saat penggunaan dan tingkat penghasilan kena pajak disertai dengan strategi perencanaan pajak masa depan.

- Pajak Penghasilan

Pertimbangan signifikan dilakukan dalam menentukan liabilitas atas pajak penghasilan badan. Terdapat transaksi dan perhitungan tertentu yang penentuan pajak akhirnya adalah tidak pasti sepanjang kegiatan usaha normal. Grup mengakui liabilitas atas pajak penghasilan badan berdasarkan estimasi apakah akan terdapat tambahan. Rincian atas sifat dan nilai tercatat pajak penghasilan diungkapkan pada Catatan 14d.

**3. SIGNIFICANT ACCOUNTING JUDGMENTS,  
ESTIMATES AND ASSUMPTIONS (continued)**

**Estimates and Assumptions (continued)**

- *Deferred Tax Assets*

*Deferred tax assets are recognized for all unused tax losses and deductible temporary difference to the extent that it is probable that taxable profit will be available against which the tax losses and deductible temporary difference can be utilized. Significant estimation by management are required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.*

- *Income Tax*

*Significant considerations are made in determining corporate income tax liability. There are certain transactions and computations for which the ultimate tax determination is uncertain during the normal course of business. The Group recognizes the income tax liability based on estimates of whether there will be an additional income tax. Details of the nature and amount of recorded income tax are disclosed in Note 14d.*

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4. KAS DAN SETARA KAS	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
<b>Kas</b>	<b>679</b>	<b>429</b>	<b>Cash on hand</b>
<b>Bank</b>			<b>Cash in banks</b>
Pihak ketiga:			Third parties:
Rupiah:			Rupiah:
PT Bank Mandiri (Persero) Tbk.	12.721	14.269	PT Bank Mandiri (Persero)Tbk.
PT Bank Central Asia Tbk.	10.681	8.793	PT Bank Central Asia Tbk
PT Bank Mayapada Internasional Tbk.	6.931	39.463	PT Bank Mayapada Internasional Tbk.
PT Bank CIMB Niaga Tbk.	4.660	16.804	PT Bank CIMB Niaga Tbk.
PT Bank Rakyat Indonesia (Persero) Tbk.	3.005	2.987	PT Bank Rakyat Indonesia (Persero) Tbk.
PT Bank Mega Tbk.	1.691	2.334	PT Bank Mega Tbk.
PT Bank Permata Tbk.	1.459	1.384	PT Bank Permata Tbk.
PT Bank Mandiri Taspen	1.217	-	PT Bank Mandiri Taspen
PT Bank Sinarmas Tbk.	1.159	773	PT Bank Sinarmas Tbk.
PT Bank Capital Indonesia	1.157	1.144	PT Bank Capital Indonesia
PT Bank Negara Indonesia (Persero) Tbk.	1.066	4.153	PT Bank Negara Indonesia (Persero) Tbk.
Citibank N.A Indonesia	634	1.028	Citibank N.A Indonesia
Lain-lain (masing-masing di bawah Rp1 miliar)	4.341	4.016	Others (each below Rp1 billion)
Dolar Amerika Serikat:			US Dollar:
PT Bank CIMB Niaga Tbk.	1.572	72.385	PT Bank CIMB Niaga Tbk.
Dolar Singapura:			Singapore Dollar:
CIMB Bank Berhad Singapura	691	825	CIMB Bank Berhad, Singapore
<b>Sub-jumlah</b>	<b>52.985</b>	<b>170.358</b>	<b>Sub-total</b>
Pihak berelasi: (Catatan 23)			Related Party: (Note 23)
PT Bank Nationalnobu Tbk.			PT Bank Nationalnobu Tbk.
Rupiah	39.116	38.691	Rupiah
Dolar Amerika Serikat	42.918	109	US Dollar
<b>Sub-jumlah</b>	<b>82.034</b>	<b>38.800</b>	<b>Sub-total</b>
<b>Sub-jumlah</b>	<b>135.019</b>	<b>209.158</b>	<b>Sub-total</b>
<b>Deposito berjangka</b>			<b>Time deposits</b>
Pihak ketiga:			Third parties:
Rupiah:			Rupiah:
PT Bank Mayapada Internasional Tbk.	135.000	150.000	PT Bank Mayapada Internasional Tbk.
Pihak berelasi: (Catatan 23)			Related party: (Note 23)
Rupiah:			Rupiah:
PT Bank Nationalnobu Tbk.	98	55	PT Bank Nationalnobu Tbk.
<b>Sub-jumlah</b>	<b>135.098</b>	<b>150.055</b>	<b>Sub-total</b>
<b>Jumlah</b>	<b>270.796</b>	<b>359.642</b>	<b>Total</b>

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4. KAS DAN SETARA KAS (lanjutan)	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
Tingkat suku bunga per tahun kontraktual deposit berjangka: Rupiah	3,3% - 5,5%	4,5% - 8,5%	Contractual interest rates per annum for time deposits: Rupiah
Lihat Catatan 26 untuk rincian saldo dalam mata uang asing.			Refer to Note 26 for the details of balances in foreign currency.
<b>4. PIUTANG USAHA</b>			
Rincian dari akun ini adalah sebagai berikut:			The details of this account are as follows:
	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
Pihak ketiga Dikurangi penyisihan kerugian kredit ekspektasian	554.274 (158.535)	424.115 (140.045)	Third parties Less allowance for expected credit loss
Neto	395.739	284.070	Net
Pihak berelasi (Catatan 23) Dikurangi penyisihan kerugian kredit ekspektasian	239.904 (192.446)	250.001 (246.420)	Related parties (Note 23) Less allowance for expected credit loss
Neto	47.458	3.581	Net
<b>Jumlah</b>	<b>443.197</b>	<b>287.651</b>	<b>Total</b>
Rincian piutang usaha menurut mata uang adalah sebagai berikut:			The details of trade receivables based on currency are as follows:
	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
Rupiah	780.956	627.157	Rupiah
Dolar Amerika Serikat	13.222	46.959	US Dollar
<b>Jumlah</b>	<b>794.178</b>	<b>674.116</b>	<b>Total</b>

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**5. PIUTANG USAHA (lanjutan)**

Analisis umur piutang usaha pada tanggal 31 Desember 2021 dan 2020 adalah sebagai berikut:

	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
Lancar dan tidak mengalami penurunan nilai	305.373	200.340	<i>Current and not impaired</i>
Telah jatuh tempo namun tidak mengalami penurunan nilai:			<i>Past due but not impaired:</i>
31 - 60 hari	36.226	20.985	31 - 60 days
61 - 90 hari	20.264	23.150	61 - 90 days
Lebih dari 90 hari	432.315	429.641	More than 90 days
Penyisihan kerugian kredit ekspektasian	(350.981)	(386.465)	<i>Allowance for expected credit losses</i>
<b>Jumlah</b>	<b>443.197</b>	<b>287.651</b>	<b>Total</b>

Di bawah ini adalah pergerakan penyisihan kerugian kredit ekspektasian dari piutang usaha pada tanggal 31 Desember 2021 dan 2020:

	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
Saldo awal	386.465	209.186	<i>Beginning balance</i>
Penyesuaian atas implementasi PSAK 71	-	295.465	<i>Adjustment for PSAK 71 Implementation</i>
Saldo awal, disesuaikan	386.465	504.651	<i>Beginning balance, as adjusted</i>
Penyisihan kerugian kredit ekspektasian	171.672	17.875	<i>Provision for expected credit losses</i>
Penghapusan tahun berjalan	(207.156)	(136.061)	<i>Write-off during the year</i>
<b>Saldo akhir</b>	<b>350.981</b>	<b>386.465</b>	<b>Ending balance</b>

Penambahan atas penyisihan kerugian kredit ekspektasian piutang usaha telah dimasukkan ke dalam "biaya penurunan nilai piutang usaha" (lihat Catatan 21) dalam laporan laba rugi. Jumlah yang dibebankan pada penyisihan piutang akan dihapuskan ketika tidak ada harapan pemulihan.

Berdasarkan hasil penelaahan terhadap adanya penurunan nilai pada akhir tahun, manajemen berkeyakinan bahwa penyisihan atas penurunan nilai piutang usaha di atas cukup untuk menutup kerugian atas penurunan nilai piutang tersebut.

Lihat Catatan 26 untuk rincian saldo dalam mata uang asing.

**5. TRADE RECEIVABLES (continued)**

The aging analysis of trade receivables as of December 31, 2021 and 2020 are as follows:

Set out below is the movement in the allowance for expected credit losses of trade receivables as of December 31, 2021 and 2020:

The increase in provision for expected credit loss is included in "impairment of trade receivables" (refer to Note 21) in the statement of profit or loss. Amounts charged to the provision account are written-off when there is no expectation of recovery.

Based on the results of review for impairment at the end of the year, the management believes that the above allowance for impairment of trade receivables is sufficient to cover losses from impairment of such receivables.

Refer to Note 26 for the details of balances in foreign currency.

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**6. BIAYA DIBAYAR DI MUKA**

Rincian dari akun ini adalah sebagai berikut:

	<b>31 Desember/ December 31, 2021</b>	<b>31 Desember/ December 31, 2020</b>	
Komisi	52.219	51.283	<i>Commission</i>
Biaya <i>bandwidth</i>	16.875	17.426	<i>Bandwidth cost</i>
Biaya pemrograman	14.145	44.924	<i>Programming cost</i>
Sewa	7.657	2.089	<i>Rental</i>
Lain-lain	48.611	21.190	<i>Others</i>
<b>Jumlah</b>	<b>139.507</b>	<b>136.912</b>	<b>Total</b>
Bagian lancar	(124.720)	(119.694)	<i>Current maturities</i>
<b>Setelah dikurangi bagian lancar</b>	<b>14.787</b>	<b>17.218</b>	<b>Net of current maturities</b>

**6. PREPAID EXPENSES**

The details of this account are as follows:

**7. INVESTASI PADA ENTITAS ASOSIASI**

Pada bulan Juli 2012, Perusahaan melakukan penyertaan modal ke PT Indonesia Media Televisi ("IMTV"). Perusahaan memperoleh 50.000 lembar saham IMTV (20% kepemilikan) sebesar Rp500.

Sejak penyertaan modal tersebut sampai beberapa tahun terakhir terdapat aksi penjualan saham dan penambahan modal ke dalam IMTV, sehingga per tanggal 31 Desember 2021 dan 2020, persentase kepemilikan Perusahaan dalam IMTV adalah sebesar 17%.

Pada tanggal 31 Desember 2019, Perusahaan mencatat penurunan seluruh nilai investasi pada entitas asosiasi sebesar Rp110.625 sehingga nilai buku bersih investasi pada entitas asosiasi adalah nihil.

Entitas asosiasi tidak mempunyai komitmen modal dan liabilitas kontinjensi pada tanggal 31 Desember 2021 dan 2020. Tidak ada pembatasan signifikan atas kemampuan entitas asosiasi untuk mentransfer dana kepada Grup

IMTV berdomisili di Jakarta dan mulai beroperasi secara komersial untuk menyelenggarakan layanan televisi berlangganan pada November 2013.

Pada tanggal 2 September 2020, berdasarkan Putusan Pengadilan Niaga pada Pengadilan Negeri Jakarta Pusat No. 166/Pdt.Sus.PKPU/2020/PN.Niaga.Jkt.Pst, IMTV telah dinyatakan pailit.

**7. INVESTMENT IN ASSOCIATE**

In July 2012, the Company injected capital in PT Indonesia Media Televisi ("IMTV"). The Company acquired 50,000 IMTV shares (20% ownership interest) for Rp500.

Since the investment and up to the last few years there have been actions of selling shares and capital injection to IMTV, so that as of December 31, 2021 and 2020, the Company's ownership interest in IMTV is 17%.

As of December 31, 2019, the Company recorded a full impairment of investment in associate amounting to Rp110,625 so that the net book value of the investment in associate was nil.

The associate had no capital commitments or contingent liabilities as of December 31, 2021 and 2020. There are no significant restrictions on the ability of associate entity to transfer funds to the Group

IMTV is domiciled in Jakarta and started its commercial operations in providing subscription television service in November 2013.

On September 2, 2020, based on Commercial Court of Central Jakarta District Court Decision No. 166/Pdt.Sus.PKPU/2020/PN.Niaga.Jkt.Pst, IMTV has been declared bankrupt.

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## 8. ASET TETAP DAN ASET HAK GUNA

## a. Aset Tetap

Aset tetap terdiri dari:

	1 Januari/ January 1, 2021	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassification	31 Desember/ December 31, 2021	Cost
<b>Harga perolehan</b>						<b>Direct acquisition:</b>
Perolehan langsung:						Land
Tanah	1.456	-	-	-	1.456	Buildings
Bangunan	235.113	152.720	-	-	387.833	Leasehold improvements
Prasarana	82.719	42.621	-	-	125.340	Head-end electronics
Elektronik head-end	1.228.372	313.299	-	132.897	1.674.568	Furniture and fixtures
Perabot dan perlengkapan	4.693	1.371	-	-	6.064	Office equipment
Peralatan kantor	225.093	29.107	-	-	254.200	Vehicles
Kendaraan	8.402	13.473	-	-	21.875	Converters
Konverter	29.847	-	-	-	29.847	Decoders
Alat pemecah sandi	3.572	-	-	-	3.572	Network service control points
Jaringan layanan titik control	6.784.301	1.109.126	-	9.353	7.902.780	Cable modems
Modem kabel	643.775	202.549	-	25.585	871.909	Set top box
Set top box	1.138.287	221.076	-	38.989	1.398.352	
<b>Jumlah</b>	<b>10.385.630</b>	<b>2.085.342</b>	-	<b>206.824</b>	<b>12.677.796</b>	<b>Total</b>
<b>Akumulasi penyusutan</b>						<b>Accumulated depreciation</b>
Perolehan langsung:						Direct acquisition:
Bangunan	(27.919)	(16.211)	-	-	(44.130)	Buildings
Prasarana	(53.123)	(14.480)	-	-	(67.603)	Leasehold improvements
Elektronik head-end	(669.213)	(145.600)	-	(97.974)	(912.787)	Head-end electronics
Perabot dan perlengkapan	(4.117)	(428)	-	-	(4.545)	Furniture and fixtures
Peralatan kantor	(149.430)	(28.101)	-	-	(177.531)	Office equipments
Kendaraan	(2.741)	(3.178)	-	-	(5.919)	Vehicles
Konverter	(29.846)	(1)	-	-	(29.847)	Converters
Alat pemecah sandi	(3.572)	-	-	-	(3.572)	Decoders
Jaringan layanan titik control	(2.531.686)	(525.077)	-	(9.353)	(3.066.116)	Network service control points
Modem kabel	(431.286)	(114.275)	-	(25.585)	(571.146)	Cable modems
Set top box	(841.473)	(144.508)	-	(38.989)	(1.024.970)	Set top box
<b>Jumlah</b>	<b>(4.744.406)</b>	<b>(991.859)</b>	-	<b>(171.901)</b>	<b>(5.908.166)</b>	<b>Total</b>
<b>Nilai buku bersih</b>	<b>5.641.224</b>				<b>6.769.630</b>	<b>Net book value</b>

	1 Januari/ January 1, 2020	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassification	31 Desember/ December 31, 2020	Cost
<b>Harga perolehan</b>						<b>Direct acquisition:</b>
Perolehan langsung:						Land
Tanah	1.456	-	-	-	1.456	Buildings
Bangunan	105.358	134.458	-	(4.703)	235.113	Leasehold improvements
Prasarana	51.240	26.776	-	4.703	82.719	Head-end electronics
Elektronik head-end	1.053.947	174.425	-	-	1.228.372	Furniture and fixtures
Perabot dan perlengkapan	4.424	269	-	-	4.693	Office equipment
Peralatan kantor	173.586	51.507	-	-	225.093	Vehicles
Kendaraan	2.972	5.430	-	-	8.402	Converters
Konverter	29.847	-	-	-	29.847	Decoders
Alat pemecah sandi	3.572	-	-	-	3.572	Network service control points
Jaringan layanan titik control	5.987.545	796.756	-	-	6.784.301	Cable modems
Modem kabel	483.729	160.046	-	-	643.775	Set top box
Set top box	946.378	191.909	-	-	1.138.287	
<b>Sub-jumlah</b>	<b>8.844.054</b>	<b>1.541.576</b>	-	-	<b>10.385.630</b>	<b>Sub-total</b>
<b>Aset sewa pembiayaan:</b>						<b>Assets under finance lease:</b>
Elektronik head-end	111.999	-	-	(111.999)	-	head-end electronics
Jaringan layanan titik control	9.353	-	-	(9.353)	-	Network service control points
Modem kabel	25.585	-	-	(25.585)	-	Cable modems
Set top box	38.989	-	-	(38.989)	-	Set top box
<b>Sub-jumlah</b>	<b>185.926</b>	-	-	<b>(185.926)</b>	-	<b>Sub-total</b>
<b>Jumlah</b>	<b>9.029.980</b>	<b>1.541.576</b>	-	<b>(185.926)</b>	<b>10.385.630</b>	<b>Total</b>

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## 8. ASET TETAP DAN ASET HAK GUNA (lanjutan)

## 8. PROPERTY AND EQUIPMENT AND RIGHT OF USE ASSETS (continued)

## a. Aset Tetap (lanjutan)

## a. Property and Equipment (continued)

	1 Januari/ January 1, 2020	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassification	31 Desember/ December 31, 2020	
<b>Akumulasi penyusutan</b>						<b>Accumulated depreciation</b>
Perolehan langsung:						Direct acquisition:
Bangunan	(19.268)	(8.152)	-	(499)	(27.919)	Buildings
Prasarana	(45.250)	(8.372)	-	499	(53.123)	Leasehold improvements
Elektronik <i>head-end</i>	(541.072)	(128.141)	-	-	(669.213)	head-end electronics
Perabotan dan perlengkapan	(3.805)	(312)	-	-	(4.117)	Furniture and fixtures
Peralatan kantor	(127.622)	(21.808)	-	-	(149.430)	Office equipment
Kendaraan	(1.948)	(793)	-	-	(2.741)	Vehicles
Konverter	(29.605)	(241)	-	-	(29.846)	Converters
Alat pemecah sandi	(3.572)	-	-	-	(3.572)	Decoders
Jaringan layanan titik control	(2.038.904)	(492.782)	-	-	(2.531.686)	Network service control points
Modem kabel	(352.723)	(78.563)	-	-	(431.286)	Cable modems
Set top box	(731.198)	(110.275)	-	-	(841.473)	Set top box
Sub-jumlah	(3.894.967)	(849.439)	-	-	(4.744.406)	Sub-total
Aset sewa pembiayaan:						Assets under finance lease:
Elektronik <i>head-end</i>	(72.018)	-	-	72.018	-	head-end electronics
Jaringan layanan titik control	(8.119)	-	-	8.119	-	Network service control points
Modem kabel	(23.937)	-	-	23.937	-	Cable modems
Set top box	(37.026)	-	-	37.026	-	Set top box
Sub-jumlah	(141.100)	-	-	141.100	-	Sub-total
<b>Jumlah</b>	<b>(4.036.067)</b>	<b>(849.439)</b>	<b>-</b>	<b>141.100</b>	<b>(4.744.406)</b>	<b>Total</b>
Nilai buku neto	4.993.913				5.641.224	Net book value

Hak atas tanah dalam bentuk Hak Guna Bangunan ("HGB") akan jatuh tempo dari 2023 sampai dengan 2049, dimana hak tersebut dapat diperpanjang.

Land rights in the form of "Hak Guna Bangunan" ("HGB") will due in 2023 until 2049, which the rights can be extended.

Aset tetap termasuk di dalamnya aset dalam penyelesaian Grup sebesar Rp327.914 per 31 Desember 2021 (31 Desember 2020: Rp149.763) mencakup instalasi jaringan yang tidak dapat diidentifikasi progres dan estimasi penyelesaiannya karena sangat tergantung proses di lapangan yang di antaranya dipengaruhi oleh peraturan pemerintah, perizinan lingkungan setempat, dan cuaca.

Fixed assets include asset under constructions the Group's amounted Rp327,914 as of December 31, 2021 (December 31, 2020: Rp149,763) consist of network installation with uncertain estimated time of completion due to highly dependent of the progress in fieldwork, among others, government regulations, local environmental permits and weather.

Beban penyusutan yang dibebankan pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian masing-masing sebesar Rp991.859 dan Rp849.439 untuk tahun yang berakhir pada tanggal 31 Desember 2021 dan 2020.

Depreciation expense that was charged to consolidated statement of profit or loss and other comprehensive income amounted to Rp991,859 and Rp849,439 for the year ended December 31, 2021 and 2020, respectively.

Pada tanggal 31 Desember 2021 dan 2020, aset tetap Grup yang telah disusutkan penuh dan masih digunakan masing-masing adalah sebesar Rp2.349.643 dan Rp1.893.611.

As of December 31, 2021 and 2020, the Group's property and equipment which have been fully depreciated and are still in use amounting to Rp2,349,643 and Rp1,893,611, respectively.

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## 8. ASET TETAP DAN ASET HAK GUNA (lanjutan)

## a. Aset Tetap (lanjutan)

Peralatan untuk instalasi (Catatan 10) dan aset tetap, kecuali tanah telah diasuransikan terhadap risiko kebakaran, pencurian dan risiko lainnya dengan nilai pertanggungan sebesar Rp1.757.939 pada tanggal 31 Desember 2021 dan Rp895.389 pada tanggal 31 Desember 2020. Manajemen berkeyakinan bahwa nilai pertanggungan tersebut adalah cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungjawabkan.

Tidak ada aset tetap yang digunakan sebagai jaminan atas utang yang diperoleh oleh Perusahaan dan Entitas Anak.

Pada tanggal 31 Desember 2021 dan 2020, manajemen berkeyakinan tidak ada peristiwa atau perubahan keadaan yang mengindikasikan penurunan nilai yang material pada aset tetap pada tanggal-tanggal pelaporan.

## b. Aset Hak Guna

	1 Januari/ January 1, 2021	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassification	31 Desember/ December 31, 2021	
<b>Harga perolehan</b>						<b>Cost</b>
Bangunan	5.592	35.388	-	-	40.980	Buildings
Kendaraan	5.832	5.701	-	-	11.533	Vehicles
Peralatan kantor	-	3.147	-	-	3.147	Office equipment
Elektronik <i>head-end</i>	272.029	151.910	-	(132.897)	291.042	Head-end electronics
Jaringan layanan titik control	82.130	127.193	-	(9.353)	199.970	Network service control points
Modem kabel	25.585	-	-	(25.585)	-	Cable modems
Set top box	38.989	-	-	(38.989)	-	Set top box
<b>Jumlah</b>	<b>430.157</b>	<b>323.339</b>	<b>-</b>	<b>(206.824)</b>	<b>546.672</b>	<b>Total</b>
<b>Akumulasi penyusutan</b>						<b>Accumulated depreciation</b>
Bangunan	(2.095)	(20.970)	-	-	(23.065)	Buildings
Kendaraan	(2.962)	(3.241)	-	-	(6.203)	Vehicles
Peralatan kantor	-	(902)	-	-	(902)	Office equipment
Elektronik <i>head-end</i>	(95.183)	(48.209)	-	97.974	(45.418)	Head-end electronics
Jaringan layanan titik control	(11.419)	(43.261)	-	-	(45.327)	Network service control points
Modem kabel	(25.585)	-	-	25.585	-	Cable modems
Set top box	(38.989)	-	-	38.989	-	Set top box
<b>Jumlah</b>	<b>(176.233)</b>	<b>(116.583)</b>	<b>-</b>	<b>171.901</b>	<b>(120.915)</b>	<b>Total</b>
<b>Nilai buku bersih</b>	<b>253.924</b>				<b>425.757</b>	<b>Net book value</b>

## 8. PROPERTY AND EQUIPMENT AND RIGHT OF USE ASSETS (continued)

## a. Property and Equipment (lanjutan)

Equipment for installation (Note 10) and property and equipment, except land were insured against fire, theft and other possible risks for Rp1,757,939 as of December 31, 2021 and for Rp895,389 as of December 31, 2020. Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

There is no property and equipment used as collateral to the loans obtained by the Company and its Subsidiaries.

As of December 31, 2021 and 2020, management believes that there is no event or change in circumstances that indicates material impairment of the property and equipment at each reporting date.

## b. Right of Use Assets

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## 8. ASET TETAP DAN ASET HAK GUNA (lanjutan)

## b. Aset Hak Guna (lanjutan)

	1 Januari/ January 1, 2020	Penyesuaian/ reklasifikasi penerapan PSAK 73/ Adjustment/ reclassification on implementation PSAK 73	Pengurangan/ Deductions	Reklasifikasi/ Reclassification	31 Desember/ December 31, 2020	Cost
<b>Harga perolehan</b>						
Bangunan	3.446	-	2.146	-	5.592	Buildings
Kendaraan	5.152	-	680	-	5.832	Vehicles
Elektronik <i>head-end</i>	-	111.999	160.030	-	272.029	Head-end electronics
Jaringan layanan titik control	-	9.353	72.777	-	82.130	Network service control points
Modem kabel	-	25.585	-	-	25.585	Cable modems
Set top box	-	38.989	-	-	38.989	Set top box
<b>Jumlah</b>	<b>8.598</b>	<b>185.926</b>	<b>235.633</b>	<b>-</b>	<b>430.157</b>	<b>Total</b>
<b>Akumulasi penyusutan</b>						<b>Accumulated depreciation</b>
Bangunan	-	-	(2.095)	-	(2.095)	Buildings
Kendaraan	-	-	(2.962)	-	(2.962)	Vehicles
Elektronik <i>head-end</i>	-	(72.018)	(23.165)	-	(95.183)	Head-end electronics
Jaringan layanan titik control	-	(8.119)	(3.300)	-	(11.419)	Network service control points
Modem kabel	-	(23.937)	(1.648)	-	(25.585)	Cable modems
Set top box	-	(37.026)	(1.963)	-	(38.989)	Set top box
<b>Jumlah</b>	<b>-</b>	<b>(141.100)</b>	<b>(35.133)</b>	<b>-</b>	<b>(176.233)</b>	<b>Total</b>
<b>Nilai buku bersih</b>	<b>8.598</b>				<b>253.924</b>	<b>Net book value</b>

Beban penyusutan yang dibebankan pada laporan laba rugi dan penghasilan komprehensif lain konsolidasian masing-masing sebesar Rp116.583 dan Rp35.133 untuk tahun yang berakhir pada tanggal 31 Desember 2021 dan 2020.

Pada tanggal 31 Desember 2021 dan 2020, manajemen berkeyakinan bahwa tidak ada indikasi penurunan nilai aset hak guna.

Depreciation expense that was charged to consolidated statement of profit or loss and other comprehensive income amounted to Rp116,583 and Rp35,133 for the year ended December 31, 2021 and 2020.

As of December 31, 2021 and 2020 Management believes that there are no indication of impairment in the value of the right of use assets.

## 9. ASET TAKBERWUJUD

Aset takberwujud terdiri dari:

	1 Januari/ January 1, 2021	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassification	31 Desember/ December, 2021	Cost
<b>Harga perolehan</b>						
Perangkat lunak komputer	346.016	70.102	-	-	416.118	Computer software
Goodwill	7.345	-	-	-	7.345	Goodwill
<b>Jumlah</b>	<b>353.361</b>	<b>70.102</b>	<b>-</b>	<b>-</b>	<b>423.463</b>	<b>Total</b>
<b>Akumulasi amortisasi</b>						<b>Accumulated amortization</b>
Perangkat lunak komputer	(238.972)	(51.471)	-	-	(290.443)	Computer software
<b>Jumlah</b>	<b>(238.972)</b>	<b>(51.471)</b>	<b>-</b>	<b>-</b>	<b>(290.443)</b>	<b>Total</b>
<b>Nilai buku bersih</b>	<b>114.389</b>				<b>133.020</b>	<b>Net book value</b>

## 9. INTANGIBLE ASSETS

Intangible assets consist of:

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## 9. ASET TAKBERWUJUD (lanjutan)

Aset takberwujud terdiri dari:

	1 Januari/ January 1, 2020	Penambahan/ Additions	Pengurangan/ Deductions	Reklasifikasi/ Reclassification	31 Desember/ December 31, 2020	
Harga perolehan						Cost
Perangkat lunak komputer	287.535	58.481	-	-	346.016	Computer software
Goodwill	7.345	-	-	-	7.345	Goodwill
<b>Jumlah</b>	<b>294.880</b>	<b>58.481</b>	<b>-</b>	<b>-</b>	<b>353.361</b>	<b>Total</b>
Akumulasi amortisasi						Accumulated amortization
Perangkat lunak komputer	(192.398)	(46.574)	-	-	(238.972)	Computer software
<b>Jumlah</b>	<b>(192.398)</b>	<b>(46.574)</b>	<b>-</b>	<b>-</b>	<b>(238.972)</b>	<b>Total</b>
Nilai buku bersih	102.482				114.389	Net book value

Manajemen Grup berkeyakinan bahwa tidak terdapat penurunan nilai goodwill pada tanggal 31 Desember 2021 dan 2020.

The Group's Management believes that there is no impairment in goodwill as of December 31, 2021 and 2020.

## 10. ASET TIDAK LANCAR LAINNYA

Rincian dari akun ini adalah sebagai berikut:

	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
Peralatan untuk instalasi	1.212.350	678.045	Equipment for installation
Uang muka	195.414	183.453	Advances
Uang jaminan	27.483	25.270	Security deposits
Lain-lain	2.188	4.290	Others
<b>Jumlah</b>	<b>1.437.435</b>	<b>891.058</b>	<b>Total</b>

Peralatan untuk instalasi terdiri dari:

Equipment for installation consist of:

	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
Peralatan untuk instalasi	1.228.564	705.527	Equipment for installation
Cadangan keusangan dan penurunan nilai	(16.214)	(27.482)	Allowance for obsolescence and decline in value
<b>Neto</b>	<b>1.212.350</b>	<b>678.045</b>	<b>Net</b>

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**10. ASET TIDAK LANCAR LAINNYA (lanjutan)**

Perubahan cadangan keusangan peralatan untuk instalasi adalah sebagai berikut:

	<b>31 Desember/ December 31, 2021</b>	<b>31 Desember/ December 31, 2020</b>	
Saldo awal	27.482	21.482	<i>Beginning balance</i>
Pencadangan selama tahun berjalan	6.000	6.000	<i>Provision during the year</i>
Penghapusan tahun berjalan	(17.268)	-	<i>Write-off during the year</i>
<b>Saldo akhir</b>	<b>16.214</b>	<b>27.482</b>	<b>Ending balance</b>

Pada tanggal 31 Desember 2021 dan 2020, peralatan untuk instalasi telah diasuransikan (Catatan 8). Manajemen memiliki keyakinan bahwa nilai pertanggungan cukup untuk menutupi kemungkinan kerugian atas aset yang dipertanggungjawabkan.

Berdasarkan hasil penelaahan terhadap kondisi fisik dan nilai realisasi neto dari peralatan untuk instalasi pada tanggal 31 Desember 2021 dan 2020, manajemen berpendapat bahwa cadangan keusangan dan penurunan nilai adalah cukup.

Uang muka merupakan uang muka untuk perluasan aset jaringan Grup.

Uang jaminan merupakan jaminan yang dibayarkan kepada pemasok biaya pemrograman.

**10. OTHER NON-CURRENT ASSETS (continued)**

The movement in the allowance for obsolescence of equipment for installation is as follows:

	<b>31 Desember/ December 31, 2021</b>	<b>31 Desember/ December 31, 2020</b>	
Saldo awal	27.482	21.482	<i>Beginning balance</i>
Pencadangan selama tahun berjalan	6.000	6.000	<i>Provision during the year</i>
Penghapusan tahun berjalan	(17.268)	-	<i>Write-off during the year</i>
<b>Saldo akhir</b>	<b>16.214</b>	<b>27.482</b>	<b>Ending balance</b>

As of December 31, 2021 and 2020, equipment for installation were insured (Note 8). Management believes that the insurance coverage is adequate to cover possible losses on the assets insured.

Based on the review of the physical condition and net realizable values of equipment for installation as of December 31, 2021 and 2020, management is of the opinion that the allowance for obsolescence and decline in value is adequate.

Advances are advance related to extension of the Group's network assets.

Security deposits are deposit paid to programming cost supplier.

**11. UTANG USAHA**

	<b>31 Desember/ December 31, 2021</b>	<b>31 Desember/ December 31, 2020</b>	
Pihak ketiga	480.032	660.630	<i>Third Parties</i>
Pihak berelasi (Catatan 23)	133.748	127.107	<i>Related Parties (Note 23)</i>
<b>Jumlah</b>	<b>613.780</b>	<b>787.737</b>	<b>Total</b>

**11. TRADE PAYABLES**

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## 11. UTANG USAHA (lanjutan)

Rincian utang usaha menurut mata uang adalah sebagai berikut:

	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
Rupiah	567.756	719.149	Rupiah
Dolar Amerika Serikat	46.024	68.588	US Dollar
<b>Jumlah</b>	<b>613.780</b>	<b>787.737</b>	<b>Total</b>

Utang usaha tidak dijamin dan tidak dikenakan bunga.

Trade payables are unsecured and non-interest bearing.

Lihat Catatan 26 untuk rincian saldo dalam mata uang asing.

Refer to Note 26 for the details of balances in foreign currency.

## 12. PINJAMAN BANK JANGKA PENDEK DAN JANGKA PANJANG

Rincian pinjaman bank adalah sebagai berikut:

## 12. SHORT-TERM AND LONG-TERM BANK LOANS

The details of bank loans are as follows:

	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
<b>Pinjaman bank jangka pendek:</b>			<b>Short-term bank loans:</b>
PT Bank CIMB Niaga Tbk	500.000	750.000	PT Bank CIMB Niaga Tbk
Citibank N.A Indonesia	-	750.000	Citibank N.A Indonesia
Biaya pinjaman yang belum diamortisasi	(3.400)	-	Unamortized cost of loan
<b>Jumlah</b>	<b>496.600</b>	<b>1.500.000</b>	<b>Total</b>
<b>Pinjaman bank jangka panjang:</b>			<b>Long-term bank loans:</b>
PT Bank Mandiri Tbk	1.500.000	-	PT Bank Mandiri Tbk
PT Bank CIMB Niaga Tbk	1.000.000	-	PT Bank CIMB Niaga Tbk
Biaya pinjaman yang belum diamortisasi	(17.541)	-	Unamortized cost of loan
<b>Jumlah</b>	<b>2.482.459</b>	<b>-</b>	<b>Total</b>
Dikurangi bagian jangka pendek	(306.635)	-	Less current maturities
<b>Bagian jangka panjang</b>	<b>2.175.824</b>	<b>-</b>	<b>Long-term portion</b>

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**12. PINJAMAN BANK JANGKA PENDEK DAN  
JANGKA PANJANG (lanjutan)**

PT Bank CIMB Niaga Tbk

Pada bulan Mei 2019, Perusahaan menandatangani perjanjian fasilitas kredit *revolving* dengan PT Bank CIMB Niaga Tbk sebesar Rp500.000. Perjanjian tersebut berjangka waktu 1 tahun dan dikenakan bunga sebesar JIBOR + 2,65% per tahun. Fasilitas kredit ini akan digunakan untuk keperluan belanja modal. Tidak terdapat agunan atas perjanjian fasilitas kredit tersebut. Pada bulan Juli 2020, perjanjian fasilitas kredit tersebut diubah dengan adanya peningkatan *plafond* menjadi Rp750.000 dan perpanjangan jangka waktu untuk 1 tahun berikutnya. Pada akhir jatuh tempo, fasilitas ini dibiayai kembali dengan fasilitas baru di bawah.

Citibank N.A Indonesia

Pada bulan April 2019, Perusahaan menandatangani perjanjian fasilitas kredit *revolving* dengan Citibank N.A Indonesia (Citi) sebesar Rp500.000. Perjanjian tersebut berjangka waktu 3 tahun, dan dikenakan tingkat suku bunga sebesar JIBOR + 2,65% per tahun. Fasilitas kredit ini akan digunakan untuk keperluan belanja modal dan pembiayaan kegiatan usaha secara umum. Tidak terdapat agunan atas perjanjian fasilitas kredit tersebut. Pada bulan April 2020, perjanjian fasilitas kredit tersebut dirubah dengan adanya peningkatan *plafond* menjadi Rp750.000.

PT Bank Mandiri Tbk

Pada bulan Maret 2021, Perusahaan menandatangani perjanjian fasilitas pinjaman jangka panjang dengan PT Bank Mandiri Tbk sebesar Rp1.500.000. Perjanjian tersebut berjangka waktu 5 tahun, dan dikenakan tingkat suku bunga sebesar JIBOR 3M + 2,1% - 3,1% per tahun. Fasilitas kredit ini akan digunakan untuk keperluan belanja modal dan pembiayaan kegiatan usaha secara umum. Tidak terdapat agunan atas perjanjian fasilitas kredit tersebut.

**12. SHORT-TERM AND LONG-TERM BANK LOANS  
(continued)**

PT Bank CIMB Niaga Tbk

In May 2019, the Company entered into a revolving credit facility agreement with PT Bank CIMB Niaga Tbk amounting to Rp500,000. This agreement has a term of 1 year, and bears interest at the rate of JIBOR + 2.65% per annum. This facility will be used for capital expenditure. There is no collateral for the credit facility. In July 2020, this credit facility was amended where the credit limit is increased up to Rp750,000 and extension of period for the next 1 year. At the end of maturity, this facility was refinanced with the new facility below.

Citibank N.A Indonesia

In April 2019, the Company entered into a revolving credit facility agreement with Citibank N.A Indonesia (Citi) amounting to Rp500,000. This agreement has a term of 3 years, and bears interest at the rate of JIBOR + 2.65% per annum. This facility will be used for capital expenditure and general corporate funding requirements. There is no collateral for the credit facility. In April 2020, this credit facility was amended where the credit limit is increased up to Rp750,000.

PT Bank Mandiri Tbk

In March 2021, the Company entered into a long-term loan facility agreement with PT Bank Mandiri Tbk amounting to Rp1,500,000. This agreement has a term of 5 years, and bears interest at the rate of JIBOR 3M + 2.1% - 3.1% per annum. This facility will be used for capital expenditure and general corporate funding requirements. There is no collateral for the credit facility.

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**12. PINJAMAN BANK JANGKA PENDEK DAN  
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PT Bank CIMB Niaga Tbk

Pada bulan Mei 2021, Perusahaan menandatangani perjanjian fasilitas kredit dengan PT Bank CIMB Niaga Tbk. Fasilitas tersebut memiliki plafond sebesar Rp1.500.000 yang terbagi menjadi: (1) Fasilitas pinjaman jangka panjang sebesar Rp1.000.000 dengan jangka waktu 60 bulan dan (2) Fasilitas pinjaman jangka pendek sebesar Rp500.000 dengan jangka waktu 36 bulan. Kedua fasilitas kredit tersebut dikenakan tingkat suku bunga sebesar JIBOR 3M + 2,5% - 3,1% untuk fasilitas pinjaman jangka panjang dan JIBOR + 2,65% untuk fasilitas pinjaman jangka pendek. Fasilitas kredit ini akan digunakan untuk keperluan belanja modal dan pembiayaan kegiatan usaha secara umum. Tidak terdapat agunan atas perjanjian fasilitas kredit tersebut.

Berdasarkan perjanjian atas pinjaman-pinjaman di atas, Perusahaan harus mematuhi batasan-batasan tertentu dalam hal mengadakan penggabungan usaha, pengambilalihan, likuidasi atau perubahan status serta Anggaran Dasar, mengurangi modal dasar, ditempatkan dan disetor penuh; pembatasan dalam pemberian pinjaman kepada pihak ketiga; penjaminan negatif, dengan beberapa pengecualian khusus; pembatasan dalam mengubah aktivitas utama dan mengumumkan dan membayar dividen melebihi persentase tertentu dari laba neto konsolidasian; dan harus mematuhi rasio-rasio keuangan tertentu.

Pada tanggal 31 Desember 2021 dan 2020, manajemen berpendapat bahwa Perusahaan mematuhi semua pembatasan-pembatasan tersebut dan Perusahaan telah memenuhi semua rasio keuangan yang dipersyaratkan dalam perjanjian pinjaman.

**13. SEWA**

Sebagai Penyewa

Grup memiliki kontrak sewa untuk berbagai aset bangunan, kendaraan, peralatan kantor, elektronik *head-end*, jaringan layanan titik kontrol, model kabel, dan *set top box* yang digunakan dalam operasinya.

Sewa bangunan, umumnya memiliki jangka waktu sewa antara 2 hingga 20 tahun, sedangkan kendaraan memiliki jangka waktu 3 hingga 5 tahun. Peralatan kantor memiliki jangka waktu 4 hingga 5 tahun. Elektronik *head-end* memiliki jangka waktu 4 hingga 7,5 tahun, layanan titik kontrol memiliki jangka waktu 4 hingga 15 tahun, modem kabel dan *set top box* memiliki jangka waktu sewa 4 tahun.

**12. SHORT-TERM AND LONG-TERM BANK LOANS  
(continued)**

PT Bank CIMB Niaga Tbk

On May 2021, the Company entered into a credit facility agreement with PT Bank CIMB Niaga Tbk. This Facility has a limit of Rp1,500,000 which consist of: (1) Long-term credit facility amounting Rp1,000,000 with a term of 60 months with interest at the rate of JIBOR and (2) Short-term credit facility amounting Rp500,000 with a term of 36 months. Both of credit facilities bears interest at the rate of JIBOR 3M + 2.5% - 3.1% for long-term credit facility and JIBOR + 2.65% for short term credit facility. This Facility will be used for capital expenditure and general corporate funding requirements. There is no collateral for the credit facility.

Under its loan agreements, the Company must comply with certain restrictions in terms of mergers, acquisitions, liquidation or change in status and Articles of Association, reducing the authorized, issued and fully paid capital; restrictions on lending money to third parties; negative pledges, with certain exceptions; restrictions on change in core business activities and declaring and paying dividends in excess of a certain percentage of consolidated net income; and requirement to comply with certain financial ratios.

As of December 31, 2021 and 2020, the management is of the opinion that, the Company is in compliance with all of the above covenants and the Company has complied with all financial ratios required to be maintained under the loan agreements.

**13. LEASES**

As Lessee

The Group has lease contracts for various assets of buildings, vehicles, office equipment, head-end electronics, network service control points, cable modems, and set top box used in its operations.

Lease of buildings, generally have lease terms between 2 to 20 years, meanwhile vehicles generally have lease terms from 3 to 5 years. Office equipment have lease term from 4 to 5 years. Head-end electronics have lease term from 4 to 7.5 years, network service control points have lease term from 4 to 15 years, cable modems, and set top box generally have lease terms 4 years.

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## 13. SEWA (lanjutan)

Sebagai Penyewa (lanjutan)

Grup memiliki sewa tertentu dengan masa sewa kurang dari 12 bulan atau dengan nilai rendah. Grup menerapkan 'sewa jangka pendek' dan 'sewa pengecualian aset bernilai rendah' untuk sewa ini dan mengakui biaya sewa berdasarkan garis lurus. Biaya-biaya ini disajikan dalam beban penjualan dan beban umum dan administrasi dalam laba rugi.

Adapun jumlah tercatat dari aset hak guna yang diakui di laporan posisi keuangan konsolidasian Grup dan pergerakannya selama tahun berjalan telah diungkapkan pada Catatan 8b.

Dibawah ini adalah jumlah tercatat dari liabilitas sewa dan pergerakannya selama tahun berjalan:

	2021	2020	
Dalam satu tahun	175.660	107.787	<i>Within one year</i>
Lebih dari satu tahun tetapi kurang dari lima tahun	213.596	165.341	<i>After one year but not more than five years</i>
Jumlah pembayaran minimum	389.256	273.128	<i>Total minimum payments</i>
Dikurangi bagian bunga	(22.801)	(13.329)	<i>Less interest portion</i>
Nilai kini pembayaran sewa minimum	366.455	259.799	<i>Lease payments</i>
Bagian yang jatuh tempo dalam satu tahun	(162.257)	(93.859)	<i>Current portion</i>
<b>Bagian jangka panjang</b>	<b>204.198</b>	<b>165.940</b>	<b><i>Long-term portion</i></b>

## 13. LEASES (continued)

As Lessee (continued)

The Group has several lease contracts with lease terms of less than 12 months or with low value. The Group applies the 'short-term lease' and 'lease of low value assets' recognition exemptions for these leases and recognise lease expenses on a straight-line basis. These expenses are presented within selling expenses and general and administrative expenses in profit or loss.

The carrying amounts of right of use assets recognized on the Group's consolidated statement of financial position and the movements for the year have been disclosed in Note 8b.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

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## 13. SEWA (lanjutan)

Perusahaan mengadakan perjanjian dengan Cisco Systems Asia Pte. Ltd., PT Hewlett-Packard Finance Indonesia, PT Mitsubishi HC Capital & Finance Indonesia, PT ORIX Indonesia Finance dan PT Century Tokyo Leasing Indonesia terkait sewa pembiayaan elektronik *head-end*, jaringan layanan titik kontrol, modem kabel dan *set top box* dengan detail sebagai berikut:

## 13. LEASES (continued)

The Company entered into some agreements with Cisco Systems Capital Asia Pte. Ltd., PT Hewlett-Packard Finance Indonesia, PT Mitsubishi HC Capital & Finance Indonesia, PT ORIX Indonesia Finance and PT Century Tokyo Leasing Indonesia for lease of head-end electronics, network service control points, cable modems, and set top box with details as follows:

Perusahaan Sewa Pembiayaan/ Leasing Company	Jenis Aset/ Types of Assets	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020
Cisco Systems Capital Asia Pte Ltd USD14.932.705 (2020: USD15.405.592)	Elektronik <i>head-end</i> / <i>Head-end electronics</i>	213.075	217.296
PT Mitsubishi HC Capital & Finance Indonesia	Elektronik <i>head-end</i> / <i>Head-end electronics</i>	75.000	15.875
PT ORIX Indonesia Finance	Elektronik <i>head-end</i> , Jaringan layanan titik kontrol, Peralatan kantor/ <i>Head-end electronics, Network service control points, Office equipment</i>	36.143	-
PT Century Tokyo Leasing Indonesia (2020: USD285.220)	Elektronik <i>head-end</i> , Jaringan layanan titik kontrol, modem kabel, <i>Set top box</i> / <i>Head-end electronics, Network service control points, Cable modems, Set top box</i>	26.243	4.023
PT Hewlett-Packard Finance Indonesia	Elektronik <i>head-end</i> / <i>Head-end electronics</i>	-	19.655

Pada bulan Maret dan Juli 2016, Perusahaan melakukan beberapa transaksi penjualan dan penyewaan kembali dengan PT Century Tokyo Leasing Indonesia (CTLI) untuk jangka waktu fasilitas selama 60 bulan dengan suku bunga antara 4,5% sampai 4,7% per tahun efektif *in arrears*. Pada bulan Januari 2021, Perusahaan melakukan transaksi sewa pembiayaan dengan CTLI untuk jangka waktu fasilitas selama 42 bulan dengan suku bunga 8,95% per tahun.

In March and July 2016, the Company has several sale and lease back transactions with PT Century Tokyo Leasing Indonesia (CTLI) for a facility period of 60 months with interest rate of 4.5% up to 4.7% per annum effective in arrears. In January 2021, the Company entered finance lease agreement with CTLI for a facility period of 42 months with interest rate of 8.95% per annum.

Pada bulan Juli 2019, Perusahaan melakukan transaksi penjualan dan penyewaan kembali dengan PT Mitsubishi UFJ Lease & Finance Indonesia untuk jangka waktu fasilitas selama 24 bulan dengan suku bunga antara 7,8% per tahun. Pada bulan Desember 2021, Perusahaan melakukan transaksi sewa pembiayaan dengan PT Mitsubishi HC Capital & Finance Indonesia yang sebelumnya dikenal sebagai PT Mitsubishi UFJ Lease & Finance Indonesia untuk jangka waktu fasilitas selama 24 bulan dengan suku bunga 6,7% per tahun.

In July 2019, the Company has sale and lease back transaction with PT Mitsubishi UFJ Lease & Finance Indonesia for a facility period of 24 months with interest rate of 7.8% per annum. In December 2021, the Company entered finance lease agreement with PT Mitsubishi HC Capital & Finance Indonesia formerly known as PT Mitsubishi UFJ Lease & Finance Indonesia for a facility period of 24 months with interest rate of 6.7% per annum.

Pada bulan Juni 2020, Perusahaan melakukan transaksi pembiayaan investasi dengan sewa guna usaha dan pembiayaan dengan PT Hewlett-Packard Finance Indonesia untuk jangka waktu fasilitas selama 36 bulan dengan suku bunga antara 10,88% per tahun dan pada bulan Oktober 2021 Perusahaan telah menyelesaikan kewajibannya kepada PT Hewlett-Packard Finance Indonesia.

In June 2020, the Company has entered agreement for investment financing activities by lease and financing with PT Hewlett-Packard Finance Indonesia for a facility period of 36 months with interest rate of 10.88% per annum. In October 2021, the Company has been settled lease liabilities to PT Hewlett-Packard Finance Indonesia.

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**13. SEWA (lanjutan)**

Pada bulan Maret dan Desember 2020, Perusahaan melakukan transaksi sewa pembiayaan dengan Cisco Systems Capital Asia Pte. Ltd., untuk jangka waktu fasilitas selama 42 bulan dengan suku bunga antara 1,97% sampai 2,75% per tahun. Pada bulan Mei dan September 2021, Perusahaan melakukan transaksi sewa pembiayaan dengan Cisco Systems Capital Asia Pte. Ltd., untuk jangka waktu fasilitas selama 36 bulan dengan suku bunga 1,78% sampai 1,92% per tahun.

Pada bulan Februari 2021, Perusahaan melakukan transaksi sewa pembiayaan dengan PT ORIX Indonesia Finance untuk jangka waktu fasilitas selama 36 bulan dengan suku bunga JIBOR + 5% per tahun.

Pada tahun 2021, Perusahaan melakukan beberapa transaksi penjualan dan penyewaan kembali senilai Rp219.548, dengan keuntungan sebesar RpNihil.

Pada tanggal 31 Desember 2021, Grup tidak memiliki kontrak sewa yang mencakup opsi perpanjangan atau terminasi.

**14. PERPAJAKAN****a. Pajak Dibayar di Muka**

	<b>31 Desember/ December 31, 2021</b>	<b>31 Desember/ December 31, 2020</b>	
Pajak pertambahan nilai - neto	21.935	7.451	Value added taxes - net
<b>Jumlah</b>	<b>21.935</b>	<b>7.451</b>	<b>Total</b>

**b. Utang Pajak**

	<b>31 Desember/ December 31, 2021</b>	<b>31 Desember/ December 31, 2020</b>	
Pajak penghasilan			Income tax
Pasal 29	81.671	119.139	Article 29
Pasal 25	20.885	103	Article 25
Pasal 23	5.280	1.975	Article 23
Pasal 26	3.664	2.887	Article 26
Pasal 4(2)	3.573	13.342	Article 4(2)
Pasal 21	3.557	4.364	Article 21
Pajak pertambahan nilai - neto	7.158	1.918	Value added tax - net
<b>Jumlah</b>	<b>125.788</b>	<b>143.728</b>	<b>Total</b>

**13. LEASES (continued)**

In March and December 2020, the Company has entered finance lease agreement with Cisco Systems Capital Asia Pte. Ltd., for a facility period of 42 months with interest rate between 1.97% up to 2.75% per annum. In May and September 2021, the Company entered finance lease agreement with Cisco Systems Capital Asia Pte. Ltd., for a facility period of 36 months with interest rate between 1.78% up to 1.92% per annum.

In February 2021, the Company has entered finance lease agreement with PT ORIX Indonesia Finance for a facility period of 36 months with interest rate of JIBOR + 5% per annum.

In 2021, the Company has several sale and lease back transactions amounting to Rp219,548, arising a gain amounting to RpNil.

As of December 31, 2021, the Group does not has lease contracts that include extension or termination options.

**14. TAXATION****a. Prepaid Taxes**

	<b>31 Desember/ December 31, 2021</b>	<b>31 Desember/ December 31, 2020</b>	
Pajak pertambahan nilai - neto	21.935	7.451	Value added taxes - net
<b>Jumlah</b>	<b>21.935</b>	<b>7.451</b>	<b>Total</b>

**b. Taxes Payable**

	<b>31 Desember/ December 31, 2021</b>	<b>31 Desember/ December 31, 2020</b>	
Pajak penghasilan			Income tax
Pasal 29	81.671	119.139	Article 29
Pasal 25	20.885	103	Article 25
Pasal 23	5.280	1.975	Article 23
Pasal 26	3.664	2.887	Article 26
Pasal 4(2)	3.573	13.342	Article 4(2)
Pasal 21	3.557	4.364	Article 21
Pajak pertambahan nilai - neto	7.158	1.918	Value added tax - net
<b>Jumlah</b>	<b>125.788</b>	<b>143.728</b>	<b>Total</b>

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## 14. PERPAJAKAN (lanjutan)

## c. Rekonsiliasi Fiskal

Rekonsiliasi antara laba sebelum pajak penghasilan, sebagaimana tercantum pada laba rugi dan penghasilan komprehensif lain konsolidasian, dengan penghasilan kena pajak adalah sebagai berikut:

## 14. TAXATION (continued)

## c. Fiscal Reconciliation

A reconciliation between profit before income tax, as shown in the consolidated statement of profit or loss and other comprehensive income, and taxable profit is as follows:

	Tahun yang berakhir pada tanggal 31 Desember/ Year ended December 31,		
	2021	2020	
Laba konsolidasian sebelum pajak penghasilan	1.148.877	1.246.629	Consolidated profit before income tax
Rugi/(laba) entitas-entitas anak sebelum pajak penghasilan	12.706	(12.824)	Loss/(profit) of subsidiaries before income tax
Laba sebelum pajak penghasilan - Perusahaan	1.161.583	1.233.805	Profit before income tax attributable to the - Company
<b>Beda temporer:</b>			<b>Timing differences:</b>
Penyusutan dan amortisasi	45.064	101.230	Depreciation and amortization
Utang sewa	2.909	(82.080)	Lease liabilities
Liabilitas imbalan kerja	(15.059)	48.564	Employee benefit liabilities
Penyisihan kerugian kredit ekspektasian	(35.483)	(111.302)	Provision for expected credit losses
Penyisihan penurunan nilai peralatan untuk instalasi	6.000	6.000	Provision for equipment for installation obsolescence and decline in value
Bonus	(10.129)	-	Bonus
Biaya komisi	(936)	(25.641)	Commission fee
	(7.634)	(63.229)	
<b>Beda tetap:</b>			<b>Permanent differences:</b>
Beban yang tidak dapat dikurangkan untuk tujuan pajak	60.569	23.894	Non-deductible expenses
Penghasilan yang telah dikenakan pajak final	(12.755)	(14.127)	Income already subjected to final tax
	47.814	9.767	
<b>Penghasilan kena pajak - Perusahaan</b>	<b>1.201.763</b>	<b>1.180.343</b>	<b>Taxable profit attributable to the - Company</b>

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## 14. PERPAJAKAN (lanjutan)

## d. Beban Pajak Penghasilan

Jumlah penghasilan kena pajak dan beban pajak penghasilan kini Perusahaan untuk tahun 2020 seperti yang disebutkan di atas dan tagihan PPh terkait akan dilaporkan oleh Perusahaan dalam Surat Pemberitahuan Tahunan ("SPT") PPh badan tahun 2020 ke Kantor Pajak.

Rincian dari beban pajak penghasilan adalah sebagai berikut :

	Tahun yang berakhir pada tanggal 31 Desember/ Year ended December 31		
	2021	2020	
Pajak penghasilan badan tahun berjalan	268.963	262.324	Corporate income tax current year
Pajak tangguhan tahun berjalan	(5.405)	42.598	Deferred tax current year
<b>Jumlah</b>	<b>263.558</b>	<b>304.922</b>	<b>Total</b>

## e. Rekonsiliasi Tarif Pajak Efektif

Rekonsiliasi antara: (i) beban pajak penghasilan yang dihitung dengan menggunakan tarif pajak yang berlaku atas laba sebelum pajak penghasilan, dan (ii) beban pajak penghasilan seperti disajikan dalam laba rugi dan penghasilan komprehensif lain konsolidasian adalah sebagai berikut:

## 14. TAXATION (continued)

## d. Income Tax Expenses

The amounts of the Company's taxable income and current income tax expense for 2020, as stated in the foregoing, and the related claim for income tax will be reported by the Company in its 2020 annual income tax return ("SPT") to be submitted to the Tax Office.

Details of income tax expense are as follows :

## e. Reconciliation of Effective Tax Rate

The reconciliation between: (i) income tax expense, calculated by applying the applicable tax rate to the profit before income tax, and (ii) income tax expense as shown in the consolidated statement of profit or loss and other comprehensive income is as follows:

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## 14. PERPAJAKAN (lanjutan)

## 14. TAXATION (continued)

## e. Rekonsiliasi Tarif Pajak Efektif (lanjutan)

## e. Reconciliation of Effective Tax Rate (continued)

	Tahun yang berakhir pada tanggal 31 Desember/ Year ended December 31,		
	2021	2020	
Laba sebelum pajak penghasilan menurut laba rugi dan penghasilan komprehensif lain konsolidasian	1.148.877	1.246.629	Profit before income tax per consolidated statement of profit or loss and other comprehensive income
Pajak dihitung pada tarif pajak yang berlaku	252.753	274.258	Tax calculated at applicable tax rate
Efek eliminasi	614	-	Elimination effect
Pengaruh pajak atas beda tetap: Penghasilan kena pajak final	(9.329)	(7.069)	Tax effects of permanent differences: Income subject to final tax
Beban yang tidak dapat dikurangkan	23.649	6.245	Non-deductible expenses
Perbedaan temporer yang tidak diakui sebagai aset pajak tangguhan	1.599	-	Unrecognized deferred tax assets arising from temporary differences
Penyesuaian tarif pajak	(5.544)	-	Tax rate adjustment
Fasilitas pengurangan tarif pajak	(184)	-	Tax rate deduction facility
Penyesuaian pajak tangguhan	-	31.488	Deferred tax adjustment
<b>Beban pajak penghasilan</b>	<b>263.558</b>	<b>304.922</b>	<b>Income tax expenses</b>

Pada tanggal 3 Agustus 2015, Presiden Republik Indonesia menandatangani PP 56/2015 tentang "Penurunan Tarif Pajak Penghasilan Bagi Wajib Pajak Badan Dalam Negeri yang Berbentuk Perseroan Terbuka", yang mengubah PP 77/2013, dan mengatur bahwa perseroan terbuka dalam negeri di Indonesia dapat memperoleh penurunan tarif Pajak Penghasilan ("PPH") sebesar 5% dari tarif tertinggi PPh sebagaimana diatur dalam Pasal 17 ayat 1b Undang-undang Pajak Penghasilan.

On August 3, 2015, the President of the Republic of Indonesia signed PP 56/2015 regarding the "Reduction of Income Tax Rate on Resident Corporate Taxpayers in the Form of Publicly-listed Companies", which replaced PP 77/2013, and regulates that resident publicly-listed companies in Indonesia can avail a reduction of income tax rate by 5% from the highest rate set forth under Article 17 paragraph 1b of the Income Tax Law.

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## 14. PERPAJAKAN (lanjutan)

## e. Rekonsiliasi Tarif Pajak Efektif (lanjutan)

Dengan memenuhi kriteria yang ditentukan, yaitu (i) Perseroan yang saham atau efek bersifat ekuitas lainnya dengan jumlah paling sedikit 40% dari keseluruhan saham yang disetor dicatat untuk diperdagangkan di bursa efek di Indonesia, (ii) Saham tersebut dimiliki paling sedikit oleh 300 pihak, (iii) Masing-masing pihak tersebut hanya boleh memiliki saham kurang dari 5% dari keseluruhan saham yang ditempatkan dan disetor penuh, dan (iv) Ketentuan (i) sampai dengan (iii) tersebut harus dipenuhi oleh perseroan terbuka dalam waktu paling sedikit seratus delapan puluh tiga hari kalender dalam jangka waktu satu tahun pajak.

Kemudian pada tanggal 31 Maret 2020, Presiden Republik Indonesia menandatangani Perpu No.1/2020 tentang "Kebijakan Keuangan Negara dan Stabilitas Sistem Keuangan untuk Penanganan Pandemi *Corona Virus Disease* 2019 (Covid-19) dan/atau Dalam Rangka Menghadapi Ancaman yang Membahayakan Perekonomian Nasional dan/atau Stabilitas Sistem Keuangan", yang mengatur penyesuaian tarif PPh badan sebagai berikut:

- sebesar 22% yang berlaku pada Tahun Pajak 2020 dan 2021.
- sebesar 20% yang mulai berlaku pada Tahun Pajak 2022.
- Perusahaan Terbuka dalam negeri dengan jumlah keseluruhan saham yang disetor diperdagangkan pada bursa efek di Indonesia paling sedikit 40% dan memenuhi persyaratan tertentu sesuai dengan peraturan pemerintah, dapat memperoleh tarif sebesar 3% lebih rendah dari tarif pada butir a dan b di atas.

Pada tanggal 29 Oktober 2021, Pemerintah menerbitkan Undang-Undang Republik Indonesia No. 7 Tahun 2021 tentang Harmonisasi Peraturan Perpajakan. Aturan tersebut menetapkan tarif pajak penghasilan wajib dalam negeri dan bentuk usaha tetap sebesar 22% yang mulai berlaku pada tahun pajak 2022 dan seterusnya. Dengan demikian, penetapan tarif pajak sebelumnya sebesar 20% menjadi tidak berlaku setelah Undang-Undang ini disahkan.

## 14. TAXATION (continued)

## e. Reconciliation of Effective Tax Rate (continued)

Provided they meet the prescribed criteria, such as (i) Companies whose at least 40% or more of the total paid-up shares or other equity instruments are listed for trading in the Indonesia stock exchanges, (ii) Such shares are owned by at least 300 parties, (iii) Each party of such shall own less than 5% of the total outstanding issued and fully paid shares, and (iv) Requirements (i) to (iii) above should be fulfilled by the publicly-listed companies for a period of at least one hundred eighty three calendar's days within one fiscal year.

Subsequently on March 31, 2020, the President of the Republic of Indonesia signed Perpu No.1/2020 regarding "State Financial Policy and Financial System Stability for Handling Corona Virus Disease (Covid-19) and/or in Order to Face Threats to Harm the National Economy and/or Financial System Stability", which regulates the adjustment of corporate income tax rate as follows:

- 22% effective starting Fiscal Year 2020 and 2021.
- 20% effective starting Fiscal Year 2022.
- Resident publicly-listed companies in Indonesia whose at least 40% or more of the total paid-up shares or other equity instruments are listed for trading in the Indonesia stock exchanges and meet certain requirements in accordance with the government regulations, can earn a tariff of 3% lower than tariff as stated in point a and b above.

On October 29, 2021, the Government issue Law of the Republic of Indonesia No. 7 Year 2021 concerning Harmonization of Tax Regulations. The regulation has stipulated the income tax rate for domestic taxpayers and business establishments of 22% which will be effective from the fiscal year 2022 onwards. Hence, the previously tax rate determination of 20% will be invalid upon the ratification of this Law.

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## 14. PERPAJAKAN (lanjutan)

## 14. TAXATION (continued)

## f. Aset Pajak Tangguhan, Neto

## f. Deferred Tax Assets, Net

31 Desember 2021/December 31, 2021						
	1 Januari/ January 2021	Penyesuaian tarif pajak/ Tax rate adjustments	Dikreditkan (dibebankan) ke laba rugi/ Credited (charged) to profit and loss	Dikreditkan (dibebankan) ke penghasilan komprehensif lain/ Credited (charged) to comprehensive income	31 Desember/ December 31, 2021	
<b>Aset Pajak Tangguhan</b>						<b>Deferred Tax Assets</b>
Penyisihan kerugian kredit ekspektasian	76.438	7.644	(7.806)	-	76.276	Provision for expected credit losses
Liabilitas imbalan kerja	49.182	4.302	(4.132)	(7.287)	42.065	Employee benefit liabilities
Penyisihan penurunan nilai peralatan untuk instalasi	5.496	(3.249)	1.320	-	3.567	Provision for equipment for installation obsolescence and decline in value
Liabilitas sewa jangka panjang	2.959	(917)	701	-	2.743	Long-term lease liabilities
Aset hak guna (619)	(619)	637	(61)	-	(43)	Right of use assets
Komisi dibayar dimuka	(10.998)	(284)	(206)	-	(11.488)	Prepaid commission
Perbedaan nilai buku bersih aset tetap komersial dan fiskal	(26.419)	(2.617)	10.045	-	(18.991)	Difference between commercial and fiscal net book values of property and equipment
<b>Aset pajak tangguhan - Grup - neto</b>	<b>96.039</b>	<b>5.516</b>	<b>(139)</b>	<b>(7.287)</b>	<b>94.129</b>	<b>Deferred tax assets - the Group - net</b>
<b>Liabilitas Pajak Tangguhan</b>						<b>Deferred Tax Liabilities</b>
Perbedaan nilai buku bersih aset tetap komersial dan fiskal	(28)	28	-	-	-	Difference between commercial and fiscal net book values of property and equipment
31 Desember 2020/December 31, 2020						
	1 Januari/ January 1, 2020	Penyesuaian saldo awal/ Beginning balance adjustments	Dikreditkan (dibebankan) ke laba rugi/ Credited (charged) to profit and loss	Dikreditkan (dibebankan) ke penghasilan komprehensif lain/Credited (charged) to comprehensive income	31 Desember/ December 31, 2020	
<b>Aset Pajak Tangguhan</b>						<b>Deferred Tax Assets</b>
Penyisihan kerugian kredit ekspektasian	52.296	73.866	(49.724)	-	76.438	Provision for expected credit losses
Liabilitas imbalan kerja	53.249	-	419	(4.486)	49.182	Employee benefit liabilities
Penyisihan penurunan nilai peralatan untuk instalasi	5.372	-	124	-	5.496	Provision for equipment for installation obsolescence and decline in value
Aset hak guna	6.220	-	(3.880)	-	2.340	Right of use assets
Komisi dibayar dimuka	-	-	(10.998)	-	(10.998)	Prepaid commission
Perbedaan nilai buku bersih aset tetap komersial dan fiskal	(47.908)	-	21.489	-	(26.419)	Difference between commercial and fiscal net book values of property and equipment
<b>Aset pajak tangguhan Grup - neto</b>	<b>69.229</b>	<b>73.866</b>	<b>(42.570)</b>	<b>(4.486)</b>	<b>96.039</b>	<b>Deferred tax assets the Group - net</b>
<b>Liabilitas Pajak Tangguhan</b>						<b>Deferred Tax Liabilities</b>
Perbedaan nilai buku bersih aset tetap komersial dan fiskal	-	-	(28)	-	(28)	Difference between commercial and fiscal net book values of property and equipment

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## 14. PERPAJAKAN (lanjutan)

## g. Surat Ketetapan Pajak

Rincian tagihan dan keberatan atas hasil pemeriksaan pajak berdasarkan diterbitkannya Surat Ketetapan Pajak ("SKP") adalah sebagai berikut:

	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
Perusahaan 2016	8.288	8.288	The Company 2016
<u>Perusahaan</u>			<u>The Company</u>
PPN			VAT

Pada Mei 2019, Perusahaan menerima Surat Ketetapan Pajak Kurang Bayar ("SKPKB") dari Kantor Pajak sehubungan dengan kurang bayar PPN untuk periode pajak Januari sampai Desember 2016 termasuk denda sebesar Rp8.914. Perusahaan telah melakukan pembayaran penuh atas SKPKB tersebut, dimana Perusahaan menerima sebagian hasil pemeriksaan tersebut senilai Rp626. Kemudian pada tanggal 15 Agustus 2019, atas sisa nilai SKPKB sebesar Rp8.288, Perusahaan mengajukan keberatan kepada Direktur Jenderal Pajak ("DJP"). Pada tanggal 7 Agustus 2020, DJP menerbitkan surat keputusan yang menolak keberatan yang diajukan Perusahaan. Perusahaan kemudian mengajukan banding kepada Pengadilan Pajak tanggal 5 November 2020.

Sidang pajak telah diadakan pada 1 Maret 2022 namun, Perusahaan belum menerima surat keputusan dari Pengadilan Pajak, hingga tanggal penyelesaian laporan keuangan.

## 14. TAXATION (continued)

## g. Tax Assessments

The details of claims for tax refund and tax assessments under appeal based on the issuance of the tax assessments are as follows:

On May 2019, the Company received Tax Underpayment Decision Letters ("SKPKB") from Tax Office pertaining to VAT for fiscal period January up to December 2016 amounting Rp8,914 including penalties. The Company has made full payment for the said amount in SKPKB, where the Company received partially the tax underpayment amounting to Rp626. However, on August 15, 2019, the Company filed an objection to the Directorate General of Taxes ("DGT") of the remaining underpayment tax balance amounting to Rp8,288. On August 7, 2020, DGT through its decision letter rejected the related objection. The Company filed an appeal letter to Tax Court on November 5, 2020.

Tax trial has been held on March 1, 2022, however the Company has not received verdict letter from Tax Court until the completion date of the financial statements.

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**15. BEBAN AKRUAL**

Rincian dari akun ini adalah sebagai berikut:

	<b>31 Desember/ December 31, 2021</b>	<b>31 Desember/ December 31, 2020</b>	
Biaya operasional	62.362	104.700	Operational cost
Biaya hak penyelenggara jasa telekomunikasi	56.224	47.402	Telecommunication service provider's right fees
Biaya pemrograman	53.875	76.892	Programming cost
Bunga	14.374	5.457	Interest
Lain-lain	3.912	2.191	Others
<b>Jumlah</b>	<b>190.747</b>	<b>236.642</b>	<b>Total</b>

Lihat Catatan 26 untuk rincian saldo dalam mata uang asing.

**15. ACCRUALS**

The details of this account are as follows:

Refer to Note 26 for the details of balances in foreign currency.

**16. LIABILITAS IMBALAN KERJA**

	<b>31 Desember/ December 31, 2021</b>	<b>31 Desember/ December 31, 2020</b>	
Imbalan kerja jangka panjang	153.275	193.110	Long-term employee benefit
Imbalan kerja jangka pendek	58.557	48.058	Short-term employee benefit
<b>Jumlah</b>	<b>211.832</b>	<b>241.168</b>	<b>Total</b>
	<b>2021</b>	<b>2020</b>	
<b>Beban pada laporan laba rugi:</b>			<b>Expense in the profit and loss:</b>
Imbalan pascakerja	9.065	61.913	Post-employment benefits

Perusahaan menunjuk aktuaris independen untuk menentukan liabilitas imbalan pascakerja sesuai dengan peraturan ketenagakerjaan yang berlaku. Liabilitas imbalan pascakerja Grup pada 31 Desember 2021 dihitung oleh Kantor Konsultan Aktuaria Steven & Mourits dalam laporan No. 0806/ST-GS-PSAK24-LINK/II/2022 tanggal 16 Februari 2022 dan liabilitas imbalan pascakerja Perusahaan pada 31 Desember 2020 dihitung oleh PT Dayamandiri Dharmakonsilindo dalam laporan No.1047/ST-GS-PSAK24-LINK/IV/2021 tanggal 1 April 2021.

Manajemen berkeyakinan bahwa estimasi atas imbalan pascakerja tersebut telah memadai untuk menutup kewajiban yang dimaksud.

The Company appointed independent actuaries to determine and recognize post-employment liability in accordance with the existing manpower regulations. Post-employment benefit liabilities of the Group as of December 31, 2021 was calculated by Kantor Konsultan Aktuaria Steven & Mourits in their report No. 0806/ST-GS-PSAK24-LINK/II/2022 dated February 16, 2022 and Post-employment benefit liabilities of the Company as of December 31, 2020 was calculated by PT Dayamandiri Dharmakonsilindo in their report No.1047/ST-GS-PSAK24-LINK/IV/2021 dated April 1, 2021.

Management believes that the estimates of post-employment benefits are sufficient to cover such liabilities.

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## 16. LIABILITAS IMBALAN KERJA (lanjutan)

Asumsi aktuarial pokok yang digunakan adalah sebagai berikut:

	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
Tabel mortalitas	: TMI 4 (2019)	: TMI 4 (2019)	: Mortality table
Metode perhitungan aktuarial	: <i>Projected Unit Method</i>	: <i>Projected Unit Method</i>	: Actuarial calculation method
Tingkat diskonto	: 3,11% - 7,10% per tahun/ per year	: 3,64% - 7,83% per tahun/ per year	: Discount rate
Tingkat kenaikan gaji	: 6,00% per tahun/ per year	: 8,00% per tahun/ per year	: Salary increase rate
Tingkat kecacatan per tahun	: 10% x TMI 4	: 10% x TMI 4	: Percentage of disability per annum
Tingkat pengunduran diri	: 5,00% untuk karyawan yang berusia 25 tahun dan menurun linier ke 0,00% pada usia 45 tahun dan setelahnya/ 5.00% for employees aged 25 years and will linearly decrease until 0.00% at age 45 years and thereafter	: 5,00% untuk karyawan yang berusia 25 tahun dan menurun linier ke 0,00% pada usia 45 tahun dan setelahnya/ 5.00% for employees aged 25 years and will linearly decrease until 0.00% at age 45 years and thereafter	: Resignation rate
Maksimum usia pensiun	: 55 tahun/55 years	: 55 tahun/55 years	: Maximum pension table age

Jumlah yang diakui sebagai beban imbalan kerja karyawan adalah sebagai berikut:

Total recognized employee benefit expense is as follows:

	2021	2020	
Biaya jasa kini	34.033	30.723	Current service cost
Beban bunga	11.689	12.568	Interest cost
Provisi untuk biaya terminasi	4.996	6.571	Provision for termination cost
Penyesuaian liabilitas atas masa kerja lalu	(37.347)	12.822	Adjustment of past service liabilities
(Keuntungan) atas perubahan asumsi ekonomi manfaat lain dan penyesuaian pengalaman	(4.306)	(771)	(Gain) from changes in financial assumptions of other long-term benefit and its experience adjustments
<b>Jumlah</b>	<b>9.065</b>	<b>61.913</b>	<b>Total</b>

Mutasi nilai kini kewajiban imbalan pasti adalah sebagai berikut:

The movements in the present value of defined benefit obligation are as follows:

	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
Saldo awal	193.110	163.396	Beginning balance
Beban bersih yang diakui pada laporan laba rugi	9.065	61.913	Net expenses recognized in profit and loss
Keuntungan aktuarial - neto	(31.183)	(22.195)	Actuarial gain - net
Pembayaran manfaat	(12.721)	(3.433)	Payments of benefits
Biaya terminasi	(4.996)	(6.571)	Termination cost
<b>Saldo Akhir</b>	<b>153.275</b>	<b>193.110</b>	<b>Total</b>

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## 16. LIABILITAS IMBALAN KERJA (lanjutan)

Analisis sensitivitas untuk asumsi aktuarial

Pada tanggal 31 Desember 2021 dan 2020, analisis sensitivitas atas asumsi-asumsi aktuarial adalah sebagai berikut:

	31 Desember/December 31, 2021		31 Desember/December 31, 2021		
	Tingkat diskonto/ Discount rates	Pengaruh nilai kini atas kewajiban imbalan kerja/ Effect on present value of benefits obligation	Kenaikan gaji di masa depan/ Future salary increases	Pengaruh nilai kini atas kewajiban imbalan kerja/ Effect on present value of benefits obligation	
	Persentase/ Percentage		Persentase/ Percentage		
Kenaikan	1%	(11.064)	1%	13.139	Increase
Penurunan	(1%)	12.490	(1%)	(11.813)	Decrease

## 16. EMPLOYEE BENEFIT LIABILITIES (continued)

Sensitivity analysis for actuarial assumptions

As of December 31, 2021 and 2020, sensitivity analysis for actuarial assumption are as follows:

	31 Desember/December 31, 2020		31 Desember/December 31, 2020		
	Tingkat diskonto/ Discount rates	Pengaruh nilai kini atas kewajiban imbalan kerja/ Effect on present value of benefits obligation	Kenaikan gaji di masa depan/ Future salary increases	Pengaruh nilai kini atas kewajiban imbalan kerja/ Effect on present value of benefits obligation	
	Persentase/ Percentage		Persentase/ Percentage		
Kenaikan	1%	(15.961)	1%	18.633	Increase
Penurunan	(1%)	18.193	(1%)	(16.629)	Decrease

Jadwal jatuh tempo dari liabilitas imbalan kerja jangka panjang dan liabilitas imbalan kerja jangka panjang lainnya yang tidak didiskontokan pada tanggal 31 Desember 2021 dan 2020 adalah sebagai berikut:

The maturity profile of undiscounted long-term employee benefit liabilities and other long-term benefit liabilities as of December 31, 2021 and 2020 are as follows:

	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
Kurang dari 1 tahun	22.500	16.289	Within 1 year
2 - 5 tahun	50.414	52.188	2 - 5 years
Lebih dari 5 tahun	271.778	413.493	More than 5 years
<b>Jumlah</b>	<b>344.692</b>	<b>481.970</b>	<b>Total</b>

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**16. LIABILITAS IMBALAN KERJA (lanjutan)**

Durasi rata-rata liabilitas imbalan pasti di akhir tahun pelaporan untuk Grup berkisar antara 0,59 sampai 11,60 tahun pada tanggal 31 Desember 2021 dan 7,98 sampai 12,73 tahun pada tanggal 31 Desember 2020.

Manajemen berkeyakinan bahwa saldo liabilitas imbalan kerja tersebut cukup untuk memenuhi imbalan minimum sesuai dengan Undang-undang Cipta Kerja dan peraturan turunannya (2020: Undang-undang Tenaga Kerja).

**16. EMPLOYEE BENEFIT LIABILITIES (continued)**

The average duration of the defined benefits obligation at the end of reporting year for the Group were approximately and 0.59 to 11.60 years for December 31, 2021 and 7.98 to 12.73 years for December 31, 2020.

Management believes that the balance of employee benefits liabilities is sufficient to cover the minimum benefits required under the Work Creation Law and related regulations (2020: Labor Law).

**17. MODAL SAHAM****17. SHARE CAPITAL****31 Desember/December 31, 2021**

	<b>Jumlah saham/ Number of shares</b>	<b>Persentase kepemilikan/ Percentage of ownership</b>	<b>Jumlah/ Total</b>
Asia Link Dewa Pte. Ltd.	1.017.766.198	36,99%	101.777
PT First Media Tbk	798.969.286	29,04%	79.897
UBS AG Branch – UBS AG London	179.764.882	6,53%	17.976
Masyarakat (masing-masing dibawah 5%)/ Public (each below 5%)	755.080.618	27,44%	75.509
	<b>2.751.580.984</b>	<b>100,00%</b>	<b>275.159</b>
Saham treasuri/Treasury stocks	111.614.500		11.161
<b>Jumlah/Total</b>	<b>2.863.195.484</b>		<b>286.320</b>

**31 Desember/December 31, 2020**

	<b>Jumlah saham/ Number of shares</b>	<b>Persentase kepemilikan/ Percentage of ownership</b>	<b>Jumlah/ Total</b>
Asia Link Dewa Pte. Ltd.	1.017.766.198	36,99%	101.777
PT First Media Tbk	798.969.286	29,04%	79.897
Masyarakat (masing-masing dibawah 5%)/ Public (each below 5%)	934.845.500	33,97%	93.485
	<b>2.751.580.984</b>	<b>100,00%</b>	<b>275.159</b>
Saham treasuri/Treasury stocks	111.614.500		11.161
<b>Jumlah/Total</b>	<b>2.863.195.484</b>		<b>286.320</b>

Pada tanggal 2 Juni 2014, seluruh saham Perusahaan telah tercatat di Bursa Efek Indonesia (Catatan 1b).

On June 2, 2014, all the shares of the Company were listed on the Indonesian Stock Exchange (Note 1b).

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**17. MODAL SAHAM (lanjutan)**

Sesuai dengan keputusan rapat umum pemegang saham luar biasa Perusahaan pada tanggal 20 Desember 2018, disetujui pengurangan modal ditempatkan dan disetor Perusahaan dengan cara penarikan kembali saham yang berasal dari saham yang telah dibeli kembali oleh Perusahaan (saham treasury). Hasil rapat ini mendapatkan persetujuan Menteri Hukum dan Hak Asasi Manusia pada tanggal 29 April 2019. Jumlah modal ditempatkan dan disetor Perusahaan turun dari 3.042.649.384 lembar saham menjadi 2.911.741.084 lembar saham.

Sesuai dengan hasil keputusan Rapat Umum Pemegang Saham Luar Biasa Perusahaan tanggal 29 Agustus 2019 yang menyetujui pengurangan modal ditempatkan dan disetor Perusahaan yang dilakukan dengan cara penarikan kembali saham yang berasal dari saham yang telah dibeli kembali oleh Perusahaan (saham treasury) dan sebagaimana dituangkan dalam Akta No. 1 tanggal 2 September 2019, oleh Rini Yulianti, S.H., Notaris di Jakarta, serta sesuai dengan persetujuan Menteri Hukum dan Hak Asasi Manusia tanggal 4 November 2019. Jumlah modal ditempatkan dan disetor Perusahaan turun dari 2.911.741.084 lembar saham menjadi 2.863.195.484 lembar saham.

Sampai dengan 31 Desember 2020, Perusahaan telah melakukan pembelian saham sebanyak 111.614.500 saham dengan harga perolehan sebesar Rp410.259 dari masyarakat yang merupakan 3,90% dari seluruh saham yang beredar.

Tidak ada penambahan pembelian saham untuk tahun yang berakhir pada 31 Desember 2021.

Sesuai dengan keputusan rapat umum pemegang saham Perusahaan pada tanggal 7 Juni 2021, disetujui pembagian dividen kas sebesar Rp102,70 (dalam jumlah penuh) per saham atau sejumlah Rp282,587 sebagai dividen final untuk laba Perusahaan untuk tahun buku yang berakhir 31 Desember 2020.

Sesuai dengan keputusan rapat umum pemegang saham Perusahaan pada tanggal 10 Juni 2020, disetujui pembagian dividen kas sebesar Rp178,80 (dalam jumlah penuh) per saham atau sejumlah Rp491,983 sebagai dividen final untuk laba Perusahaan untuk tahun buku yang berakhir 31 Desember 2019.

**17. SHARE CAPITAL (continued)**

In accordance with the resolution of the extraordinary general meeting of shareholders of the Company dated December 20, 2018, reduction in issued and fully paid capital through withdrawal of shares originating from treasury stock. This resolution was approved by the Minister of Law and Human Rights on April 29, 2019. The Company's issued and fully paid capital decreased from 3,042,649,384 shares to 2,911,741,084 shares.

In accordance to the Company's Extraordinary General Meeting of Shareholder on August 29, 2019 which approved the reduction of issued and fully paid shares of the Company by share withdrawal which derives from the buy back shares (treasury stock) and as stipulated in the Deed No. 1 dated September 2, 2019, by Rini Yulianti, S.H., Notary in Jakarta, and based on the approval from Minister of Law and Human Rights dated November 4, 2019 the Company's issued and fully paid capital decreased from 2,911,741,084 shares to 2,863,195,484 shares.

Up to December 31, 2020, the Company repurchased its shares for 111,614,500 shares at a total cost of Rp410,259 from public represent 3.90% of outstanding shares.

There is no additional repurchased shares for the year ended December 31, 2021.

In accordance with the resolution of the general meeting of shareholders of the Company dated June 7, 2021, cash dividend distribution of Rp102.70 (full amount) per shares or totaling Rp282,587 was approved as final dividend for the Company's profit for the year ended December 31, 2020.

In accordance with the resolution of the general meeting of shareholders of the Company dated June 10, 2020, cash dividend distribution of Rp178.80 (full amount) per shares or totaling Rp491,983 was approved as final dividend for the Company's profit for the year ended December 31, 2019.

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## 18. TAMBAHAN MODAL DISETOR - NETO

	31 Desember/ December 31, 2021
Agio saham	1.434.528
Selisih nilai transaksi kombinasi bisnis entitas sepengendali	(93.384)
<b>Jumlah</b>	<b>1.341.144</b>

Pada tahun 2011, Perusahaan menerbitkan saham baru sebesar 1.032.649.384 lembar. Saham tersebut menjadi milik Asia Link Dewa Pte, Ltd. dengan harga pembelian sebesar Rp1.576,24 (nilai penuh) per lembar.

Agio saham merupakan kelebihan pembayaran dari pemegang saham atas nilai nominal saham, dalam hal suntikan dana dari Asia Link Dewa Pte, Ltd. sebesar Rp1.524.438. Sebagai hasil dari penghentian saham treasury pada bulan April dan November 2019, agio saham tersebut turun sebesar Rp89.910.

Selisih nilai transaksi restrukturisasi entitas sepengendali sebesar Rp93.384 merupakan efek dari penerapan PSAK 38 (Revisi 2012) terkait transaksi reorganisasi dengan PT First Media Tbk, pemegang saham.

## 19. PENDAPATAN

Di bawah ini adalah disagregasi pendapatan Grup dari kontrak dengan pelanggan untuk tahun yang berakhir pada 31 Desember 2021 dan 2020:

	Untuk tahun yang berakhir pada tanggal 31 Desember 2021/ For the year ended December 31, 2021				
	Broadband Internet dan Jaringan/ Broadband Internet and Network Services	Televisi Kabel/ Cable Television Services	Lain-lain/ Others	Total/ Total	
<b>Jenis jasa</b>					<b>Type of service</b>
Biaya berlangganan dari layanan	2.166.110	2.074.684	224.106	4.464.900	Subscription fees
<b>Pasar geografis</b>					<b>Geographical markets</b>
Indonesia	2.166.110	2.074.684	224.106	4.464.900	Indonesia
<b>Waktu pengakuan pendapatan</b>					<b>Timing of revenue recognition</b>
Barang ditransfer pada suatu titik waktu	200.023	-	8.084	208.107	Goods transferred at a point in time
Layanan ditransfer dari waktu ke waktu	1.966.087	2.074.684	216.022	4.256.793	Services transferred over time
<b>Total pendapatan dari kontrak dengan pelanggan</b>	<b>2.166.110</b>	<b>2.074.684</b>	<b>224.106</b>	<b>4.464.900</b>	<b>Total revenue from contracts with customers</b>

## 18. ADDITIONAL PAID-IN CAPITAL - NET

	31 Desember/ December 31, 2020	
Agio saham	1.434.528	Share premium Difference in value from restructuring transactions between entities under common control
Selisih nilai transaksi kombinasi bisnis entitas sepengendali	(93.384)	
<b>Jumlah</b>	<b>1.341.144</b>	<b>Total</b>

In 2011, the Company issued new shares amounting 1,032,649,384, which was subscribed by Asia Link Dewa Pte, Ltd. for the issuance price of Rp1,576.24 (full amount) per share.

Shares premium represents the excess of payment from stockholders over the par value of stock, in regard with capital injection by Asia Link Dewa Pte, Ltd. amounting to Rp1,524,438. As a result of the retirement of treasury shares in April and November 2019, the share premium decrease amounting Rp89,910.

Difference in value from restructuring transactions between entities under common control amounting Rp93,384 arose from the implementation of PSAK 38 (Revised 2012) related to transaction reorganization agreement with PT First Media Tbk, shareholder.

## 19. REVENUE

Set out below is the disaggregation of the Group's revenue from contracts with customers for the year ended December 31, 2021 and 2020:

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## 19. PENDAPATAN (lanjutan)

## 19. REVENUE (continued)

Untuk tahun yang berakhir pada tanggal 31 Desember 2020/  
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	Broadband Internet dan Jaringan/ Broadband Internet and Network Services	Televisi Kabel/ Cable Television Services	Lain-lain/ Others	Total/ Total	
<b>Jenis jasa</b>					<b>Type of service</b>
Biaya berlangganan dari layanan	2.201.423	1.654.180	192.361	4.047.964	Subscription fees
<b>Pasar geografis</b>					<b>Geographical markets</b>
Indonesia	2.201.423	1.654.180	192.361	4.047.964	Indonesia
<b>Waktu pengakuan pendapatan</b>					<b>Timing of revenue recognition</b>
Barang ditransfer pada suatu titik waktu	70.814	-	7.217	78.031	Goods transferred at a point in time
Layanan ditransfer dari waktu ke waktu	2.130.609	1.654.180	185.144	3.969.933	Services transferred over time
<b>Total pendapatan dari kontrak dengan pelanggan</b>	<b>2.201.423</b>	<b>1.654.180</b>	<b>192.361</b>	<b>4.047.964</b>	<b>Total revenue from contracts with customers</b>

Rincian pendapatan berdasarkan hubungan pelanggan adalah sebagai berikut:

The details of revenue based on relationship with customers are as follows:

Tahun yang berakhir pada  
tanggal 31 Desember/  
Year ended December 31

	2021	2020	
Pihak ketiga	4.415.108	3.997.992	Third parties
Pihak berelasi (Catatan 23)	49.792	49.972	Related parties (Note 23)
<b>Jumlah</b>	<b>4.464.900</b>	<b>4.047.964</b>	<b>Total</b>

Tidak ada pendapatan dari pelanggan pihak ketiga tertentu yang melebihi 10% dari total pendapatan.

No revenue earned from certain third party customers exceeds 10% of total revenue.

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**20. BEBAN POKOK PENDAPATAN (TIDAK  
TERMASUK BEBAN PENYUSUTAN DAN  
AMORTISASI)**

	2021	2020
Televisi kabel - distribusi program dan layanan teknis	363.370	368.189
Internet <i>broadband</i>	189.127	194.546
Tiang tumpu	162.927	145.737
Restribusi pemerintahan	40.243	40.229
Jasa instalasi	41.669	29.535
Lain-lain	165.981	90.507
<b>Jumlah</b>	<b>963.317</b>	<b>868.743</b>

**20. COST OF REVENUE (EXCLUDING DEPRECIATION AND AMORTIZATION)**

*Cable television - programming distribution and technical services  
Broadband internet  
Pole and duck  
Government levy  
Installation services  
Others*

**Total**

Tidak ada pembelian dari pemasok pihak ketiga tertentu yang melebihi 10% dari total pendapatan.

*No purchase from certain third party suppliers exceeds 10% of total revenue.*

**21. BEBAN USAHA**

**21. OPERATING EXPENSES**

	2021	2020
<b>Beban penjualan</b>		
Biaya jasa pemborongan pekerjaan	161.025	192.365
Biaya karyawan	76.138	86.180
Promosi	71.946	37.915
Komisi	31.824	33.926
Lain-lain	13.095	13.856
<b>Jumlah</b>	<b>354.028</b>	<b>364.242</b>

**Selling expenses**  
*Vendor managed service costs  
Employee costs  
Promotion  
Commission  
Others*

**Total**

**Beban umum dan administrasi**

Biaya karyawan	216.065	262.583
Biaya penurunan nilai piutang usaha (Catatan 5)	171.672	17.875
Biaya jasa pemborongan pekerjaan	86.653	53.634
Listrik, air dan telepon	59.035	54.125
Biaya profesional	27.573	28.342
Biaya pandemik	16.282	23.753
Sewa	3.361	21.504
Biaya cadangan keusangan dan penurunan nilai Peralatan untuk instalasi instalasi (Catatan 10)	6.000	6.000
Lain-lain	70.335	37.949
<b>Jumlah</b>	<b>656.976</b>	<b>505.765</b>

**General and administrative expenses**  
*Employee costs  
Impairment of trade receivables (Note 5)  
Vendor managed service costs  
Electricity, water and telephone  
Professional fee  
Pandemic expense  
Rental  
Impairment for obsolescence and decline in value of inventories (Note 10)  
Others*

**Total**

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## 22. LABA PER SAHAM

## 22. EARNING PER SHARE

	2021	2020	
Laba tahun berjalan yang dapat diatribusikan kepada pemilik entitas induk	885.318	941.706	<i>Profit for the year attributable to owners of the parent company</i>
Rata-rata tertimbang jumlah saham biasa yang beredar (jumlah penuh)	2.751.580.984	2.762.077.176	<i>Weighted average number of shares outstanding (full amount)</i>
Laba per saham dasar (nilai Rupiah penuh)	322	340	<i>Basic earnings per share (in Rupiah full amount)</i>

Laba per saham dihitung dengan membagi laba tahun berjalan yang dapat diatribusikan kepada pemilik entitas induk dengan jumlah rata-rata tertimbang saham yang beredar pada periode bersangkutan.

*Earning per share is calculated by dividing profit for the year attributable to owners of the parent company the weighted average number of shares outstanding during the respective periods.*

Jumlah rata-rata tertimbang saham memperhitungkan efek rata-rata tertimbang dari perubahan saham treasury selama tahun berjalan.

*The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the year.*

Tidak ada transaksi lain yang melibatkan saham biasa maupun saham biasa potensial antara tanggal pelaporan dan pengesahan laporan keuangan konsolidasian ini.

*There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these consolidated financial statements.*

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**23. SALDO DAN TRANSAKSI DENGAN PIHAK  
BERELASI (lanjutan)**

Dalam kegiatan usaha normal, Grup melakukan transaksi usaha dan keuangan dengan pihak-pihak berelasi tertentu. Saldo akun-akun yang signifikan dengan pihak berelasi adalah sebagai berikut:

**23. BALANCES AND TRANSACTIONS WITH  
RELATED PARTIES (continued)**

In the normal course of business, the Group engages in trade and financial transactions with certain related parties. The significant account balances with related parties are as follows:

	Jumlah/ Total		Persentase terhadap Total Aset/ Percentage to Total Assets		
	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
<b>Kas dan setara kas (Catatan 4)</b>					<b>Cash and cash equivalents (Note 4)</b>
Kas di bank					Cash in banks
<u>Entitas sepengendali</u>					<u>Under common control entities</u>
PT Bank Nationalnobu Tbk	82.034	38.800	0,84%	0,50%	PT Bank Nationalnobu Tbk
Deposito berjangka					Time deposits
<u>Entitas sepengendali</u>					<u>Under common control entities</u>
PT Bank Nationalnobu Tbk	98	55	0,00%	0,00%	PT Bank Nationalnobu Tbk
<b>Jumlah</b>	<b>82.132</b>	<b>38.855</b>	<b>0,84%</b>	<b>0,50%</b>	<b>Total</b>
<b>Piutang usaha (Catatan 5)</b>					<b>Trade receivables (Note 5)</b>
<u>Pemegang saham</u>					<u>Shareholders</u>
PT First Media Tbk	39.304	38.367	0,40%	0,49%	PT First Media Tbk
<u>Entitas sepengendali</u>					<u>Under common control entities</u>
PT Internux	161.146	161.149	1,64%	2,07%	PT Internux
PT Visionet Data Internasional	4.085	5.544	0,04%	0,07%	PT Visionet Data Internasional
PT Visionet Internasional	4.000	6.413	0,04%	0,08%	PT Visionet Internasional
PT Prima Wira Utama	3.153	12.451	0,03%	0,16%	PT Prima Wira Utama
PT Matahari Department Store Tbk	2.463	3.798	0,03%	0,05%	PT Matahari Department Store Tbk
PT Aryaduta International Management	1.871	2.358	0,02%	0,03%	PT Aryaduta International Management
Lain-lain	23.882	19.921	0,25%	0,26%	Others
<b>Jumlah</b>	<b>239.904</b>	<b>250.001</b>	<b>2,45%</b>	<b>3,21%</b>	<b>Total</b>
Penyisihan kerugian kredit ekspektasian	(192.446)	(246.420)	(1,97%)	(3,16%)	Allowance for expected credit loss
<b>Neto</b>	<b>47.458</b>	<b>3.581</b>	<b>0,48%</b>	<b>0,05%</b>	<b>Net</b>
<b>Piutang non-usaha</b>					<b>Non-trade receivables</b>
<u>Pemegang saham</u>					<u>Shareholders</u>
PT First Media Tbk	9.326	9.326	0,10%	0,12%	PT First Media Tbk
<u>Entitas sepengendali</u>					<u>Under common control entities</u>
PT Lynx Mitra Asia	1.199	1.199	0,01%	0,02%	PT Lynx Mitra Asia
Lain-lain	963	988	0,01%	0,01%	Others
<b>Jumlah</b>	<b>11.488</b>	<b>11.513</b>	<b>0,12%</b>	<b>0,15%</b>	<b>Total</b>

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**23. SALDO DAN TRANSAKSI DENGAN PIHAK  
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Dalam kegiatan usaha normal, Grup melakukan transaksi usaha dan keuangan dengan pihak-pihak berelasi tertentu. Saldo akun-akun yang signifikan dengan pihak berelasi adalah sebagai berikut: (lanjutan)

**23. BALANCES AND TRANSACTIONS WITH  
RELATED PARTIES (continued)**

In the normal course of business, the Group engages in trade and financial transactions with certain related parties. The significant account balances with related parties are as follows: (continued)

	Jumlah/ Total		Persentase terhadap Total Liabilitas/ Percentage to Total Liability		
	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
<b>Utang usaha (Catatan 11)</b>					<b>Trade payables (Note 11)</b>
Entitas sepengendali					Under common control entities
PT Multipolar Technology Tbk	124.622	117.260	2,77%	3,69%	PT Multipolar Technology Tbk
Lain-lain	9.126	9.847	0,20%	0,31%	Others
<b>Jumlah</b>	<b>133.748</b>	<b>127.107</b>	<b>2,97%</b>	<b>4,00%</b>	<b>Total</b>
	Jumlah/ Total		Persentase terhadap Total Pendapatan/ Percentage to Total Revenue		
	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	31 Desember/ December 31, 2021	31 Desember/ December 31, 2020	
<b>Pendapatan (Catatan 19)</b>					<b>Revenue (Note 19)</b>
Entitas sepengendali					Under common control entities
PT Visionet Internasional	6.882	8.904	0,15%	0,22%	PT Visionet Internasional
PT Bank Nationalnobu Tbk	5.024	782	0,11%	0,02%	PT Bank Nationalnobu Tbk
PT Matahari Department Store Tbk	3.224	3.765	0,07%	0,09%	PT Matahari Department Store Tbk
PT Lippo Malls Indonesia	2.534	1.683	0,06%	0,04%	PT Lippo Malls Indonesia
PT Aryaduta Hotels Tbk	2.205	2.060	0,05%	0,05%	PT Aryaduta Hotels Tbk
PT Visionet Data Internasional	1.738	5.249	0,04%	0,13%	PT Visionet Data Internasional
PT Multipolar Technology Tbk	1.526	1.989	0,03%	0,05%	PT Multipolar Technology Tbk
PT Mahkota Sentosa Utama	380	2.390	0,01%	0,06%	PT Mahkota Sentosa Utama
Lain-lain	26.279	23.150	0,59%	0,57%	Others
<b>Jumlah</b>	<b>49.792</b>	<b>49.972</b>	<b>1,11%</b>	<b>1,23%</b>	<b>Total</b>
<b>Beban imbalan kerja</b>					<b>Employee benefit expenses</b>
	Jumlah/Total		Persentase terhadap Total Biaya Karyawan/ Percentage to Total Employee Cost		
	2021	2020	2021	2020	
Imbalan kerja Dewan Komisaris dan Direksi:					Employee benefits Board of Commissioners and Directors:
Jangka pendek	57.172	47.093	10,59%	7,92%	Short-term
Jangka panjang	24.087	34.972	4,46%	5,88%	Long-term
<b>Jumlah</b>	<b>81.259</b>	<b>82.065</b>	<b>15,05%</b>	<b>13,82%</b>	<b>Total</b>

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**23. SALDO DAN TRANSAKSI DENGAN PIHAK  
BERELASI (lanjutan)**

Pada tahun 2021, Grup melakukan transaksi usaha dan keuangan dengan pihak-pihak berelasi tertentu sebagai berikut:

- a. PT First Media Television (“Pembeli”), anak Perusahaan Perseroan, melakukan transaksi pengalihan merek dengan PT First Media Production (“Penjual”), anak Perusahaan dari PT First Media Tbk.

Objek transaksi adalah First Karaoke, First Dangdut, Mix Music, Foodie, Hil!, J’Go, dan First LifeStyle. Nilai transaksi adalah sebesar Rp4.900.

- b. PT Infra Solusi Indonesia (“Pembeli”), anak Perusahaan Perseroan, melakukan transaksi pembelian tanah dan bangunan ruko dengan PT Star Pacific Tbk (“Penjual”), kelompok usaha Lippo.

Objek transaksi adalah tanah dan bangunan ruko yang terletak di Lippo Karawaci Tangerang. Total nilai transaksi adalah Rp14.500.

- c. PT Infra Solusi Indonesia (“Pembeli”), anak Perusahaan Perseroan, melakukan transaksi pengalihan merek dengan PT Media Interaksi Utama (“Penjual”), anak Perusahaan dari PT First Media Tbk.

Objek transaksi adalah merek Suara Pembaruan. Nilai transaksi ialah sebesar Rp4.900.

**23. BALANCES AND TRANSACTIONS WITH  
RELATED PARTIES (continued)**

In 2021, the Group engages in trade and financial transactions with certain related parties as follows:

- a. PT First Media Television (“Puchaser”), the Company’s subsidiary, entered into a brand transfer transaction with PT First Media Production (“Seller”), subsidiary of PT First Media Tbk.

The object transaction were First karaoke, First Dangdut, Mix Music, Foodie, Hil!, J’Go, and First LifeStyle. The transaction value was amounted to Rp4,900.

- b. PT Infra Solusi Indonesia (“Purchaser”), the Company’s subsidiary, entered into acquisition of land and office building transaction with PT Star Pacific Tbk (“Seller”), Lippo’s business group.

The object transaction were land and office building located in Lippo Karawaci Tangerang. Total transaction value was Rp14,500.

- c. PT Infra Solusi Indonesia (“Puchaser”), the Company’s subsidiary, entered into a brand transfer transaction with PT Media Interaksi Utama (“Seller”), subsidiary of PT First Media Tbk.

The object transaction was brand of Suara Pembaruan. The transaction value was amounted to Rp4,900.

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**24. PERJANJIAN-PERJANJIAN PENTING**

- a. Perusahaan mempunyai perjanjian distribusi program dan jasa teknik dengan beberapa penyedia layanan program televisi.

Perjanjian tersebut dapat diperbaharui kembali dan berlaku untuk jangka waktu satu (1) hingga tiga (3) tahun. Beberapa perjanjian juga mengizinkan Perusahaan untuk menayangkan program komersial dan mengharuskan penempatan uang jaminan kepada pemberi program. Selain itu, perjanjian menetapkan, antara lain, biaya yang harus dibayar untuk setiap tipe pelanggan yang dilayani oleh Perusahaan.

- b. Pada tanggal 27 Juni 2011, Perusahaan menandatangani perjanjian televisi berbayar dengan PT First Media Television, dimana PT First Media Television memberikan otoritas eksklusif yang tidak dapat dibatalkan dan tanpa persyaratan kepada Perusahaan untuk mengelola bisnis televisi di wilayah Republik Indonesia untuk periode sampai dengan 10 November 2020, tergantung pada, antara lain, pembayaran biaya per pelanggan. Sebagaimana telah diperpanjang berdasarkan Amendemen No. 2 terhadap Perjanjian Televisi Berbayar tanggal pada tanggal 2 November 2020 untuk jangka waktu sampai dengan 10 November 2030.
- c. Pada tahun 2019 dan 2020, Perusahaan mengadakan perjanjian dengan PT Indonesia Comnets Plus ("ICON+") terkait pemanfaatan Tiang Penyangga jaringan listrik PLN, dimana kewajiban Perusahaan kepada ICON+ berupa pembagian pendapatan berdasarkan perhitungan yang disepakati dan dapat ditinjau kembali.

**25. MANAJEMEN RISIKO KEUANGAN DAN NILAI WAJAR INSTRUMEN KEUANGAN****a. Kebijakan Manajemen Risiko**

Dalam menjalankan aktivitas operasi, investasi dan pendanaan, Perusahaan dan Entitas Anak menghadapi risiko keuangan yaitu risiko mata uang, risiko kredit, risiko likuiditas dan risiko suku bunga.

**24. SIGNIFICANT AGREEMENTS**

- a. The Company has program distribution and technical service agreements with various TV program providers.

The agreements are renewable and valid for periods ranging from one (1) to three (3) years. Certain agreements also allow the Company to broadcast commercials and require placement of security deposits with program providers. Furthermore, the agreements stipulate, among others, the fees to be paid for each type of subscribers serviced by the Company.

- b. On June 27, 2011, the Company entered into a Pay TV Agreement with PT First Media Television, whereby PT First Media Television, irrevocably and unconditionally, grants exclusive authority to the Company to manage its TV business in the territory of the Republic of Indonesia for a period until November 10, 2020 subject to, among others, the payment of a fee per subscriber. As extended based on Amendment No. 2 to Pay TV Agreement dated November 2, 2020 for a period until November 10, 2030.
- c. On 2019 and 2020 period, the Company entered into an agreement with PT Indonesia Comnets Plus ("ICON+") related to utilization of PLN electricity network poles, where the Company have an obligation to ICON+ of the revenue share at agreed amount and could be reviewed.

**25. FINANCIAL RISK MANAGEMENT AND FAIR VALUE OF FINANCIAL INSTRUMENTS****a. Risk Management Policies**

In its operating, investing and financing activities, the Company and Subsidiaries are exposed to currency risk, credit risk, liquidity risk and interest rate risk.

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**25. MANAJEMEN RISIKO KEUANGAN DAN NILAI  
WAJAR INSTRUMEN KEUANGAN (lanjutan)**

**a. Kebijakan Manajemen Risiko (lanjutan)**

**1) Risiko pasar - Risiko nilai tukar mata uang asing**

Risiko nilai tukar mata uang adalah risiko dimana nilai wajar atau arus kas masa mendatang dari suatu instrumen keuangan akan berfluktuasi akibat perubahan nilai tukar mata uang asing.

Risiko nilai tukar mata uang terutama timbul dari kas dan setara kas, piutang usaha, utang usaha, beban akrual dan pinjaman jangka panjang dalam mata uang USD. Manajemen telah menetapkan kebijakan yang mewajibkan Perusahaan dan Entitas Anak untuk mengelola risiko mata uang asing terhadap Rupiah yang timbul dari transaksi komersil di masa depan serta aset dan kewajiban yang diakui. Perusahaan dan Entitas Anak mengelola risiko mata uang asing dengan melakukan pengawasan fluktuasi kurs mata uang secara berkelanjutan sehingga Perusahaan dapat melakukan tindakan yang tepat.

Pada tanggal 31 Desember 2021 dan 2020, jika Rupiah melemah/ menguat sebesar 5% terhadap USD dengan semua variabel lainnya dianggap tetap, laba setelah pajak untuk tahun ini akan menjadi masing-masing sebesar Rp8.832 dan Rp9.658 lebih rendah/lebih tinggi. Dampak terhadap ekuitas akan menjadi sama seperti dampak pada laba setelah pajak untuk tahun ini.

**2) Risiko kredit**

Risiko kredit timbul terutama dari kas di bank, deposito berjangka, piutang usaha, dan piutang pihak berelasi non-usaha dengan eksposur maksimum sebesar jumlah tercatat dari setiap instrumen tersebut.

Jumlah eksposur risiko kredit maksimum aset keuangan pada 31 Desember 2021 dan 2020 adalah sebagai berikut:

**25. FINANCIAL RISK MANAGEMENT AND FAIR  
VALUE OF FINANCIAL INSTRUMENTS  
(continued)**

**a. Risk Management Policies (continued)**

**1) Market risks - Foreign exchange risk**

Foreign exchange rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Foreign exchange rate risk arises from cash and cash equivalents, trade receivables, trade payables, accruals and long-term debt in USD. Management has established a policy requiring the Company and Subsidiaries to manage foreign exchange risk against the Rupiah arising from future commercial transactions and recognized assets and liabilities. The Company and Subsidiaries manage the foreign currency risk by monitoring the fluctuation in currency rates continuously so that they can undertake the appropriate action.

As of December 30, 2021 and 2020, if Rupiah had weakened/strengthened by 5% against USD with all other variables held constant, profit after tax for the year would have been Rp8,832 and Rp9,658, respectively, lower/higher. The impact on equity would have been the same as the impact on post-tax profit for the year.

**2) Credit risk**

Credit risk arises primarily from cash in banks, time deposits, trade receivables and non-trade receivables from related parties, with the maximum credit risk exposure equivalent to the carrying amounts of each instrument.

Total maximum credit risk exposure of financial assets on December 31, 2021 and 2020 are as follows:

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**25. MANAJEMEN RISIKO KEUANGAN DAN NILAI  
WAJAR INSTRUMEN KEUANGAN (lanjutan)**

**25. FINANCIAL RISK MANAGEMENT AND FAIR  
VALUE OF FINANCIAL INSTRUMENTS  
(continued)**

**a. Kebijakan Manajemen Risiko (lanjutan)**

**a. Risk Management Policies (continued)**

**2) Risiko kredit (lanjutan)**

**2) Credit risk (continued)**

	31 Desember 2021/ December 31, 2021		31 Desember 2020/ December 31, 2020		
	Nilai tercatat/ Carrying amount	Eksposur Maksimum/ Maximum exposure	Nilai tercatat/ Carrying amount	Eksposur Maksimum/ Maximum exposure	
<b>Aset keuangan</b>					<b>Financial assets</b>
Kas dan setara kas	270.796	270.796	359.642	359.642	Cash and cash equivalents
Piutang usaha	443.197	443.197	287.651	287.651	Trade receivables
Piutang pihak berelasi non-usaha	11.488	11.488	11.513	11.513	Non-trade receivables
Aset tidak lancar lainnya - uang jaminan	27.483	27.483	25.270	25.270	Other non-current assets - security deposit
<b>Jumlah</b>	<b>752.964</b>	<b>752.964</b>	<b>684.076</b>	<b>684.076</b>	<b>Total</b>

Perusahaan dan Entitas Anak mengelola risiko kredit dari kas di bank dan deposito berjangka dengan memonitor reputasi dan peringkat kredit bank-bank dan membatasi risiko agregat untuk setiap individu bank. Kas di bank dan deposito bank jangka pendek ditempatkan pada bank domestik dengan reputasi tinggi.

The Company and Subsidiaries manage credit risk from cash in banks and time deposits by monitoring the reputation and credit rating of the banks and limiting the aggregate risk to any individual bank. Cash in banks and short-term bank deposits are placed with highly reputable domestic banks.

Tabel berikut menganalisis aset yang telah jatuh tempo tetapi tidak mengalami penurunan nilai dan yang belum jatuh tempo dan tidak mengalami penurunan nilai serta aset keuangan yang ditentukan secara individu mengalami penurunan nilai:

The following tables analyze assets that are due but not impaired and not yet due and not impaired and financial assets that are individually determined to be impaired:

	31 Desember/December 31, 2021						
	Mengalami penurunan nilai individual/ Individually impaired	Belum jatuh tempo dan tidak mengalami penurunan nilai/Not yet due and not impaired	Lewat jatuh tempo yang tidak mengalami penurunan nilai/Due but not impaired			Jumlah/ Total	
			31 - 60 Hari/Days	61 - 90 Hari/Days	>90 Hari/Days		
Kas dan setara kas	-	270.796	-	-	-	270.796	Cash and cash equivalents
Piutang usaha	350.981	305.373	36.226	20.264	81.334	794.178	Trade receivables
Piutang pihak berelasi non usaha	-	11.488	-	-	-	11.488	Non-trade receivables from related parties
Aset tidak lancar lainnya - uang jaminan	-	27.483	-	-	-	27.483	Other non-current assets - security deposit
<b>Jumlah</b>	<b>350.981</b>	<b>615.140</b>	<b>36.226</b>	<b>20.264</b>	<b>81.334</b>	<b>1.103.945</b>	<b>Total</b>

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25. MANAJEMEN RISIKO KEUANGAN DAN NILAI  
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25. FINANCIAL RISK MANAGEMENT AND FAIR  
VALUE OF FINANCIAL INSTRUMENTS  
(continued)

a. Kebijakan Manajemen Risiko (lanjutan)

a. Risk Management Policies (continued)

2) Risiko kredit (lanjutan)

2) Credit risk (continued)

31 Desember/December 31, 2020						
Mengalami penurunan nilai individual/ Individually impaired	Belum jatuh tempo dan tidak mengalami penurunan nilai/Not yet due and not impaired	Lewat jatuh tempo yang tidak mengalami penurunan nilai/Due but not impaired			Jumlah/ Total	
		31 - 60 Hari/Days	61 - 90 Hari/Days	>90 Hari/Days		
Kas dan setara kas	-	359.642	-	-	359.642	Cash and cash equivalents
Piutang usaha	386.465	200.340	20.985	23.150	674.116	Trade receivables
Piutang pihak berelasi non usaha	-	11.513	-	-	11.513	Non-trade receivables from related parties
Aset tidak lancar lainnya - uang jaminan	-	25.270	-	-	25.270	Other non-current assets - security deposit
<b>Jumlah</b>	<b>386.465</b>	<b>596.765</b>	<b>20.985</b>	<b>23.150</b>	<b>1.070.541</b>	<b>Total</b>

Sehubungan dengan risiko kredit piutang usaha, Perusahaan dan Entitas Anak menentukan persyaratan umum dan kondisi fasilitas kredit kepada pelanggan. Perusahaan dan Entitas Anak juga memiliki kebijakan kredit di mana setiap pelanggan korporasi baru dianalisa secara individu untuk kemampuan kredit mereka sebelum Perusahaan dan Entitas Anak melakukan penawaran standar dan kondisi pembayaran.

In respect of the credit risk from trade receivables, the Company and Subsidiaries establish general terms and conditions of credit to customers. The Company and Subsidiaries also have a credit policy under which each new corporate customer is analyzed individually for their creditworthiness before the Company and Subsidiaries offer standard payment conditions.

3) Risiko suku bunga

3) Interest rate risk

Risiko suku bunga adalah risiko dimana nilai wajar atau arus kas masa datang dari suatu instrument keuangan akan berfluktuasi akibat perubahan suku bunga pasar. Perusahaan dan entitas anak memiliki risiko suku bunga karena memiliki pinjaman dengan suku bunga mengambang.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company and Subsidiaries have interest rate risk because it has a loan with a floating interest rate.

Untuk tahun yang berakhir 31 Desember 2021, jika suku bunga pasar naik/turun sebesar 0,5% dan semua variable lainnya dianggap konstan, maka laba bersih tahun berjalan akan lebih rendah sebesar Rp11.991 yang terjadi sebagai akibat naiknya pendapatan bunga atas kas dan setara kas yang dikompensasi dengan naiknya beban bunga atas pinjaman.

For the year ended December 31, 2021, if market interest rates increase/decrease by 0.5% and all other variables held constant, the net income for the year would be lower amounting to Rp11,991 that occur as a result of higher interest income on cash and cash equivalents that compensated with higher in finance cost.

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25. MANAJEMEN RISIKO KEUANGAN DAN NILAI  
WAJAR INSTRUMEN KEUANGAN (lanjutan)

a. Kebijakan Manajemen Risiko (lanjutan)

3) Risiko suku bunga (lanjutan)

Informasi mengenai suku bunga pinjaman yang dikenakan kepada Perusahaan dijelaskan pada Catatan 12 dan 13.

4) Risiko likuiditas

Tanggung jawab utama manajemen risiko likuiditas terletak pada Direksi, yang telah membangun kerangka manajemen risiko likuiditas yang sesuai untuk persyaratan manajemen likuiditas dan pendanaan jangka pendek, menengah dan jangka panjang. Perusahaan dan Entitas Anak mengelola risiko likuiditas dengan menjaga kecukupan simpanan, fasilitas bank dan cadangan fasilitas pinjaman dengan terus menerus memonitor perkiraan dan arus kas aktual dan mencocokkan profil jatuh tempo aset dan liabilitas keuangan.

Perusahaan dan Entitas Anak berniat untuk membayar semua liabilitas pada saat atau sekitar jatuh tempo. Untuk memenuhi komitmen kas, Perusahaan dan Entitas Anak berharap dapat menghasilkan arus kas masuk yang cukup. Perusahaan dan Entitas Anak memiliki kas dan setara kas (Catatan 4) yang cukup untuk memenuhi kebutuhan likuiditas.

Tabel dibawah ini menganalisa liabilitas keuangan Perusahaan dan Entitas Anak pada tanggal pelaporan dan ke kelompok jatuh tempo yang relevan berdasarkan tahun yang tersisa sampai dengan tanggal jatuh tempo kontrak. Jumlah yang diungkapkan dalam tabel adalah arus kas kontraktual yang tidak didiskontokan termasuk estimasi pembayaran bunga.

	Dalam satu tahun/ <i>Within one year</i>	Antara satu dan dua tahun/ <i>Between one and two years</i>	Antara dua dan lima tahun/ <i>Between two and five years</i>	Jumlah arus kas yang didiskontokan/ <i>Total discounted cash flows</i>	
<b>31 Desember 2021</b>					<b>December 31, 2022</b>
Pinjaman bank jangka pendek	496.600	-	-	496.600	Short-term bank loans
Utang usaha	613.780	-	-	613.780	Trade receivables
Utang lain-lain	4.273	-	-	4.273	Non-trade receivables
Beban akrual	190.747	-	-	190.747	Accruals
Liabilitas sewa jangka panjang	162.257	164.734	39.464	366.455	Long-term lease liabilities
Pinjaman bank jangka panjang	306.635	462.500	1.713.324	2.482.459	Long-term bank loans
<b>Jumlah</b>	<b>1.774.292</b>	<b>627.234</b>	<b>1.752.788</b>	<b>4.154.314</b>	<b>Total</b>

25. FINANCIAL RISK MANAGEMENT AND FAIR  
VALUE OF FINANCIAL INSTRUMENTS  
(continued)

a. Risk Management Policies (continued)

3) Interest rate risk (continued)

Information regarding the interest rate of loans charged to the Company was described in Notes 12 and 13.

4) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Directors, who have put in place an appropriate liquidity risk management framework for the management of short, medium and long-term funding and liquidity management requirements. The Company and Subsidiaries manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities and continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company and Subsidiaries intend to settle all liabilities at or around their contractual maturities. In order to meet such cash commitments, the Company and Subsidiaries expect to generate sufficient cash inflows. The Company and Subsidiaries have ample cash and cash equivalents (Note 4) to meet its liquidity needs.

The table below analyzes the Company's and Subsidiaries' financial liabilities at the reporting date and into relevant maturity groupings based on the remaining years to contractual maturity dates. The amounts disclosed in the table are the contractual discounted cash flows including estimated interest payments.

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**25. MANAJEMEN RISIKO KEUANGAN DAN NILAI  
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**a. Kebijakan Manajemen Risiko (lanjutan)**

**4) Risiko likuiditas (lanjutan)**

	Dalam satu tahun/ Within one year	Antara satu dan dua tahun/ Between one and two years	Antara dua dan lima tahun/ Between two and five years	Jumlah arus kas yang didiskontokan/ Total discounted cash flows
<b>31 Desember 2020</b>				
Pinjaman bank jangka pendek	1.500.000	-	-	1.500.000
Utang usaha	787.737	-	-	787.737
Utang lain-lain	2.988	-	-	2.988
Beban akrual	236.642	-	-	236.642
Liabilitas sewa jangka panjang	93.859	81.087	84.853	259.799
<b>Jumlah</b>	<b>2.621.226</b>	<b>81.087</b>	<b>84.853</b>	<b>2.787.166</b>

**December 31, 2020**  
Short-term bank loans  
Trade receivables  
Non-trade receivables  
Accruals  
Long-term lease liabilities

**Total**

**b. Manajemen permodalan**

Tujuan Perusahaan dalam pengelolaan permodalan adalah untuk mempertahankan kelangsungan usaha Perusahaan dan Entitas Anak guna memberikan imbal hasil kepada pemegang saham dan manfaat kepada pemangku kepentingan lainnya serta menjaga struktur modal yang optimal untuk mengurangi biaya modal.

Perusahaan menelaah secara berkala dan mengelola struktur permodalannya untuk memastikan struktur permodalan dan keuntungan pemegang saham yang optimal, dengan mempertimbangkan kebutuhan modal masa depan dan efisiensi modal Perusahaan dan Entitas Anak, proyeksi profitabilitas, arus kas operasi, dan pengeluaran modal. Dalam rangka mempertahankan atau menyesuaikan struktur modal, Perusahaan dapat menggunakan dana internal untuk mengurangi utang.

**c. Estimasi nilai wajar**

Nilai tercatat bruto atas aset keuangan yang jatuh tempo kurang dari setahun, termasuk kas dan setara kas, piutang usaha dan piutang berelasi non usaha yang mendekati nilai wajarnya karena jatuh tempo dalam jangka waktu pendek.

Nilai tercatat liabilitas keuangan yang termasuk utang usaha, beban akrual, utang non usaha dan utang sewa pembiayaan mendekati nilai wajar karena dampak dari diskonto tidak dianggap signifikan.

**25. FINANCIAL RISK MANAGEMENT AND FAIR  
VALUE OF FINANCIAL INSTRUMENTS  
(continued)**

**a. Risk Management Policies (continued)**

**4) Liquidity risk (continued)**

**b. Capital management**

The Company's objectives when managing capital are to safeguard the Company and Subsidiaries' ability to continue as a going concern in order to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the costs of capital.

The Company periodically reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements and capital efficiency of the Company and Subsidiaries, prevailing and projected profitability, projected operating cash flows, and projected capital expenditures. In order to maintain or adjust the capital structure, the Company may use internal funding to reduce debt.

**c. Fair value estimation**

The gross carrying amounts of financial assets with maturities of less than one year, including cash and cash equivalents, trade and related party non-trade receivables approximate their fair values due to their short-term maturity.

The carrying values of financial liabilities which include trade payables, accrued expenses, non-trade payables and finance lease payables approximate their fair values as the impact of discounting is not considered significant.

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**26. ASET DAN LIABILITAS MONETER DALAM MATA UANG ASING**

Pada tanggal 31 Desember 2021 dan 2020, Grup memiliki aset dan liabilitas moneter dalam mata uang asing sebagai berikut:

	31 Desember/ December 31, 2021			31 Desember/ December 31, 2020			
	Mata uang asing/ Foreign Currency	Rupiah/ Rupiah equivalent		Mata uang asing/ Foreign Currency	Rupiah/ Rupiah equivalent		
<b>Aset</b>							<b>Assets</b>
Kas dan setara kas	USD	3.117.960	44.490	5.139.593	72.494	USD	Cash and cash equivalents
	SGD	65.641	691	58.519	825	SGD	
Piutang usaha	USD	926.598	13.222	3.329.261	46.959	USD	Trade receivables
Jumlah			58.403		120.278		Total
<b>Liabilitas</b>							<b>Liabilities</b>
Utang usaha	USD	(3.225.422)	(46.024)	(4.941.370)	(68.588)	USD	Trade payables
Beban akrual	USD	(1.823.399)	(26.018)	(5.451.986)	(76.900)	USD	Accruals
Liabilitas sewa	USD	(14.932.705)	(213.075)	(15.690.812)	(221.319)	USD	Lease liabilities
Jumlah			(285.117)		(366.807)		Total
<b>(Liabilitas) Neto</b>			<b>(226.714)</b>		<b>(246.529)</b>		<b>Net (Liabilities)</b>

**27. INFORMASI SEGMENT**

Pembuat keputusan dalam operasional adalah Direksi. Direksi melakukan penelaahan terhadap pelaporan internal Perusahaan untuk menilai kinerja dan mengalokasikan sumber daya. Manajemen menentukan operasi segmen berdasarkan laporan ini. Direksi mempertimbangkan bisnis dari sudut pandang imbal hasil dari modal yang diinvestasikan. Total aset dikelola secara tersentralisasi dan tidak dialokasikan. Perusahaan mengoperasikan dan mengelola bisnis dalam satu segmen yang menyediakan jasa pelayanan terpadu dalam hal penyediaan, antara lain, internet berkecepatan tinggi dan distribusi program televisi.

**26. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES**

As of December 31, 2021 and 2020, the Group has monetary assets and liabilities denominated in foreign currencies as follows:

**27. SEGMENT INFORMATION**

The chief operating decision-maker is the Board of Directors. The Board reviews the Company's internal reports in order to assess performance and allocate resources. Management has determined the operating segments based on these reports. The Board considers the business from the return on invested capital perspective. Total assets are managed centrally and are not allocated. The Company operates and manages the business as a single segment which provides for integrated services, among others, high-speed internet and distribution of television programs.

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## 28. INFORMASI TAMBAHAN UNTUK ARUS KAS

## a. Transaksi Non-Kas

Aktivitas investasi dan pendanaan non kas pada 31 Desember 2021 dan 2020 adalah sebagai berikut:

	2021	2020
Pembelian aset tetap dan peralatan untuk instalasi melalui utang	215.161	395.911

Purchase of property and equipment for installation through payables

## b. Rekonsiliasi Liabilitas yang Timbul dari Aktivitas Pendanaan

Tabel dibawah ini menunjukkan rekonsiliasi liabilitas yang timbul dari aktivitas pendanaan untuk tahun yang berakhir pada tanggal 31 Desember 2021 dan 2020, sebagai berikut:

	Saldo Awal/ Beginning Balance	Arus Kas Masuk/ Cash Inflows	Arus Kas Keluar/ Cash Outflows	Lain-lain/ Others	Saldo Akhir/ Ending Balance	
<b>31 Desember 2021</b>						<b>December 31, 2021</b>
Pinjaman bank jangka pendek	1.500.000	700.000	(1.700.000)	(3.400)	496.600	Short-term bank loans
Liabilitas sewa	259.799	219.548	(137.073)	24.181	366.455	Lease liabilities
Pinjaman bank jangka panjang	-	2.500.000	-	(17.541)	2.482.459	Long-term bank loans
<b>Jumlah</b>	<b>1.759.799</b>	<b>3.419.548</b>	<b>(1.837.073)</b>	<b>3.240</b>	<b>3.345.514</b>	<b>Total</b>
<b>31 Desember 2020</b>						<b>December 31, 2020</b>
Pinjaman bank jangka pendek	800.000	4.000.000	(3.300.000)	-	1.500.000	Short-term bank loans
Liabilitas sewa	91.172	244.353	(86.272)	10.546	259.799	Lease liabilities
<b>Jumlah</b>	<b>891.172</b>	<b>4.244.353</b>	<b>(3.386.272)</b>	<b>10.546</b>	<b>1.759.799</b>	<b>Total</b>

Pada tanggal 31 Desember 2021 dan 2020, lain-lain merupakan penambahan aset atas liabilitas sewa, biaya transaksi keuangan, selisih kurs, dan akresi bunga liabilitas sewa.

## b. Reconciliation of Liabilities Arising from Financing Activities

The below table sets out a reconciliation of liabilities arising from financing activities for the year ended December 31, 2021 and 2020, as follows:

As of December 31, 2021 and 2020, others represent assets addition from lease liabilities, cost of loan, foreign exchange difference and interest accretion of lease liabilities.

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**29. STANDAR AKUNTANSI YANG TELAH  
DITERBITKAN NAMUN BELUM BERLAKU  
EFEKTIF**

Standar akuntansi yang telah diterbitkan sampai tanggal penerbitan laporan keuangan konsolidasian Grup namun belum berlaku efektif diungkapkan berikut ini. Manajemen bermaksud untuk menerapkan standar yang dipertimbangkan relevan terhadap Grup pada saat standar tersebut berlaku efektif, dan dampak penerapan standar tersebut terhadap posisi dan kinerja keuangan konsolidasian Grup masih diestimasi pada tanggal 31 Desember 2021. Kecuali disebutkan lain, Grup tidak mengharapkan adopsi pernyataan tersebut di masa depan memiliki dampak signifikan terhadap laporan keuangannya.

Mulai efektif pada atau setelah 1 Januari 2022

- Penyesuaian Tahunan 2020 - PSAK 71: Instrumen Keuangan.

Penyesuaian ini mengklarifikasi fee (imbalan) yang diakui oleh pemegang terkait penghentian pengakuan liabilitas keuangan. Dalam menentukan fee (imbalan) yang dibayarkan setelah dikurangi fee (imbalan) yang diterima, pemegang hanya memasukkan fee (imbalan) yang dibayarkan atau diterima antara pemegang dan pemberi pinjaman, termasuk fee (imbalan) yang dibayar atau diterima baik pemegang atau pemberi pinjaman atas nama pihak lain.

Entitas menerapkan Penyesuaian Tahunan 2020 untuk liabilitas keuangan yang dimodifikasi atau dipertukarkan pada atau setelah awal periode pelaporan tahunan di mana entitas pertama kali menerapkan amendemen tersebut. Penerapan lebih dini diperkenankan.

**29. ACCOUNTING STANDARDS ISSUED BUT NOT  
YET EFFECTIVE**

The accounting standards that have been issued up to the date of issuance of the Group's consolidated financial statements but not yet effective are disclosed below. The management intends to adopt these standards that are considered relevant to the Group when they become effective, and the impact to the consolidated financial position and performance of the Group is still being estimated as of December 31, 2021. Unless otherwise indicated, the Group does not expect that the future adoption of the said pronouncements to have a significant impact on its financial statements.

Effective beginning on or after January 1, 2022

- 2020 Annual Improvements – PSAK 71: Financial Instruments

This improvements clarifies the fees that are recognized by the borrower in relation to derecognition of financial liabilities. In determining the fee to be paid after deducting the fee received, the borrower only includes the fees paid or received between the borrower and lender, including fees paid or received by either the borrower or lender on other's behalf.

An entity applies the improvements to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. Earlier application is permitted.

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### 29. STANDAR AKUNTANSI YANG TELAH DITERBITKAN NAMUN BELUM BERLAKU EFEKTIF (lanjutan)

Mulai efektif pada atau setelah 1 Januari 2023

- Amendemen PSAK 1: Penyajian Laporan Keuangan tentang Klasifikasi Liabilitas sebagai Jangka Pendek atau Jangka Panjang

Amendemen menentukan persyaratan untuk mengklasifikasikan liabilitas sebagai jangka pendek atau jangka panjang. Amendemen tersebut menjelaskan:

- Apa yang dimaksud dengan hak untuk menangguhkan penyelesaian.
- Bahwa hak entitas untuk menangguhkan penyelesaian liabilitas harus ada pada akhir periode pelaporan.
- Klasifikasi tersebut tidak terpengaruh oleh kemungkinan bahwa entitas akan menggunakan haknya untuk menangguhkan penyelesaian liabilitas.
- Hanya jika suatu derivatif melekat dalam liabilitas konvertibel merupakan instrumen ekuitas saja, penggunaan frasa liabilitas tidak akan memengaruhi klasifikasinya.

Amendemen tersebut berlaku efektif untuk periode pelaporan tahunan yang dimulai pada atau setelah 1 Januari 2023 dan harus diterapkan secara retrospektif. Grup saat ini sedang menilai dampak amendemen terhadap praktik saat ini dan apakah negosiasi ulang atas perjanjian pinjaman yang ada mungkin diperlukan. Penerapan lebih dini diperkenankan.

### 30. HAL-HAL LAIN

Corona Virus Disease 2019 (Covid-19)

Operasi Grup telah dan mungkin terus dipengaruhi oleh penyebaran virus Covid-19. Dampak virus Covid-19 terhadap ekonomi global dan Indonesia termasuk dampak terhadap pertumbuhan ekonomi, penurunan pasar modal, peningkatan risiko kredit, depresiasi nilai tukar mata uang asing dan gangguan operasi bisnis. Dampak pandemik terhadap Grup tidak memberikan pengaruh signifikan. Pengaruh lebih lanjut yang signifikan dari pandemik ini, bila ada, akan direfleksikan dalam pelaporan keuangan Grup di periode-periode berikutnya.

### 29. ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Effective beginning on or after January 1, 2023

- Amendments to PSAK 1: Classification of Liabilities as Current or Non-current

The amendments specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation. Earlier application is permitted.

### 30. OTHER MATTERS

Corona Virus Disease 2019 (Covid-19)

The Group's operation has and may continue to be impacted by the outbreak of Covid-19 virus. The effects of Covid-19 virus to the global and Indonesia economy include effect to economic growth, decline in capital markets, increase in credit risk, depreciation of foreign currency exchange rates and disruption of business operation. The effects of the pandemic to the Group is not significant. Further significant pandemic, if any, will be reflected in the Group's financial reporting in the subsequent periods.

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**PT LINK NET Tbk  
AND ITS SUBSIDIARIES  
NOTES TO CONSOLIDATED THE FINANCIAL  
STATEMENTS  
As of December 31, 2021 and  
for the Year Then Ended  
(Expressed in Millions Rupiah,  
unless otherwise stated)**

**30. HAL-HAL LAIN (lanjutan)**Pertumbuhan jumlah pelanggan di tengah kelangkaan chipset global

Di tengah pandemi Covid-19, Grup dihadapkan pada pertumbuhan jumlah pelanggan dan kelangkaan chipset global yang dimulai dari tahun 2020. Kondisi ini mungkin akan mempengaruhi kemampuan Grup dalam memberikan pelayanan yang terbaik kepada pelanggan. Kelangkaan tersebut berpengaruh terhadap ketersediaan stok *customer premises equipment* (CPE) yang merupakan bagian dari peralatan untuk instalasi (Catatan 10). Sebagai langkah antisipasi, Grup telah melakukan pembelian CPE dalam jumlah yang cukup untuk memenuhi kebutuhan sampai 6 bulan ke depan dan menjalin kerja sama dengan beberapa vendor untuk menjamin ketersediaan CPE sehingga Grup tetap dapat memberikan pelayanan yang terbaik kepada pelanggan dalam kondisi kelangkaan chipset global ini.

**31. PERISTIWA-PERISTIWA SETELAH PERIODE PELAPORAN**

- Merujuk pada Laporan Informasi atau Fakta Material yang disampaikan Perusahaan kepada Otoritas Jasa Keuangan (OJK) No.: SB-006/CSL-LN/OJK/I/22 tanggal 27 Januari 2022, berdasarkan Surat PT First Media Tbk. kepada OJK No. SB-005/FM-CSL/OJK/I/2022 tanggal 27 Januari 2022 yang diberikan tembusan kepada Perusahaan dan Keterbukaan Informasi sehubungan dengan Transaksi Afiliasi PT XL Axiata Tbk. tanggal 27 Januari 2022 yang diumumkan pada website Bursa Efek Indonesia, Perusahaan mengerti bahwa pada tanggal 27 Januari 2022, PT First Media Tbk dan Asia Link Dewa Pte. Ltd. (secara bersama-sama disebut sebagai "Para Penjual") dan Axiata Investments (Indonesia) Sdn. Bhd. PT XL Axiata Tbk. (secara bersama-sama disebut sebagai "Para Pembeli") telah menandatangani *Share Purchase Agreement* ("SPA") sehubungan dengan rencana pengambilalihan 66,03% kepemilikan saham dalam Perusahaan (di luar saham *treasury*) milik Para Penjual oleh Para Pembeli, atau setara dengan 1.816.735.484 saham ("Rencana Transaksi"). Harga pembelian adalah Rp4.800/saham, dimana penyelesaian dari Rencana Transaksi masih bergantung pada pemenuhan atau pengesampingan persyaratan pendahuluan oleh para pihak yang sebagaimana diatur dalam SPA. Setelah dilakukannya Rencana Transaksi, Axiata Investments (Indonesia) Sdn. Bhd. akan memperoleh 1.266.419.288 saham atau mewakili 46,03% kepemilikan saham dalam Perusahaan sedangkan PT XL Axiata Tbk akan memperoleh 550.316.196 saham atau mewakili 20% kepemilikan saham dalam Perusahaan.

**30. OTHER MATTERS (continued)**Growth in the number of subscribers amidst global chipset shortage

In the midst of Covid-19 pandemic, the Group are faced with growth in the number of subscribers and global chipset shortage which starts from 2020. This condition may affect the Group capability to give its best services to the customer. The shortage is affecting the availability of customer premises equipment (CPE) stock which is part of equipment for installation (Note 10). As an anticipation effort, the Group has purchased enough number of CPE to cover the demand until 6 months in advance and cooperate with a number of vendors to ensure the availability of the CPE so the Group can keep giving the best services to the customers under this global chipset shortage condition.

**31. EVENTS AFTER THE REPORTING PERIOD**

- Regarding to the Report on Information or Material Facts submitted to the Financial Services Authority (OJK) No. SB-006/CSL-LN/OJK/I/22 dated 27 January 2022, based on the Letter of PT First Media Tbk to the OJK No. SB-005/FM-CSL/OJK/I/2022 dated January 27, 2022 copied to the Company and Disclosure Information regarding to the Affiliation Transaction PT XL Axiata Tbk dated January 27, 2022 announced on the Indonesia Stock Exchange website, the Company understand that on January 27, 2022, PT First Media Tbk and Asia Link Dewa Pte. Ltd. (collectively referred to as the "Seller"), and Axiata Investments (Indonesia) Sdn. Bhd., PT XL Axiata Tbk (collectively referred to as the "Buyer") has signed *Share Purchase Agreement* ("SPA") regarding to the acquisition of 66,03% shares of the Company (exclude the treasury stock) of the Seller by the Buyer, or representing 1,816,735,484 shares ("Proposed Transaction"). The share's purchase price is Rp4,800/share, the completion of the Proposed Transaction is depend on the fulfillment or waiver of the conditions precedent by the parties as set out in the SPA. Upon the fulfillment of the Proposed Transaction, Axiata Investments (Indonesia) Sdn. Bhd. Will hold 1,266,419,288 shares or representing of 46.03% of share ownership in Company and PT XL Axiata Tbk will hold 550,316,196 shares or representing of 20% of share ownership in Company.

**AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)**

*The original consolidated financial statements included herein are in Indonesian language.*

**PT LINK NET Tbk  
DAN ENTITAS ANAKNYA  
CATATAN ATAS LAPORAN KEUANGAN  
KONSOLIDASIAN**  
Tanggal 31 Desember 2021 dan untuk  
Tahun yang Berakhir pada Tanggal Tersebut  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)

**PT LINK NET Tbk  
AND ITS SUBSIDIARIES  
NOTES TO CONSOLIDATED THE FINANCIAL  
STATEMENTS**  
As of December 31, 2021 and  
for the Year Then Ended  
(Expressed in millions Rupiah,  
unless otherwise stated)

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**31. PERISTIWA-PERISTIWA SETELAH PERIODE  
PELAPORAN (lanjutan)**

- Pada tanggal 11 Februari 2022, Perusahaan melakukan transaksi sewa pembiayaan dengan Cisco Systems Capital Asia Pte. Ltd., berdasarkan perjanjian No. Z025000541, untuk jangka waktu fasilitas selama 24 bulan dengan suku bunga 1,78% per tahun.

**32. TANGGUNG JAWAB MANAJEMEN ATAS  
LAPORAN KEUANGAN KONSOLIDASIAN**

Manajemen Perusahaan bertanggung jawab atas penyusunan dan penyajian laporan keuangan konsolidasian yang telah disetujui untuk diterbitkan pada tanggal 25 Maret 2022.

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**31. EVENTS AFTER THE REPORTING PERIOD  
(continued)**

- On February 11, 2022, the Company entered into finance lease agreement with Cisco Systems Capital Asia Pte. Ltd., based on the agreement No. Z025000541, for a facility period of 24 months with interest rate 1,78% per annum.

**32. MANAGEMENT RESPONSIBILITY FOR THE  
CONSOLIDATED FINANCIAL STATEMENTS**

*The management of the Company is responsible for the preparation and presentation of the consolidated financial statements that were authorized for issuance on March 25, 2022.*

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein are in Indonesian language.

## Lampiran I

Berikut ini adalah Informasi Keuangan terpisah PT Link Net Tbk. (Entitas Induk), terdiri dari laporan posisi keuangan Entitas Induk pada tanggal 31 Desember 2021 dan laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas dan arus kas Entitas Induk terkait untuk tahun yang berakhir 31 Desember 2021, dan ikhtisar kebijakan akuntansi signifikan. Informasi Keuangan Entitas Induk disajikan sebagai informasi tambahan terhadap laporan keuangan konsolidasian Grup pada tanggal 31 Desember 2021 dan untuk tahun yang berakhir pada tanggal tersebut.

## Appendix I

The following is separate PT Link Net Tbk. (the Parent Entity)'s Financial Information, consisting of the statement of financial position of the Parent Entity as of December 31, 2021, and the related separate statements of profit or loss and other comprehensive income, changes in equity and cash flows of the Parent Entity for the year ended December 31, 2021, and a summary of significant accounting policies. The Parent Entity's Financial Information is presented as supplementary information to the consolidated financial statements of the Group as of December 31, 2021 and for the year then ended.

<b>PT LINK NET Tbk. (ENTITAS INDUK SAJA) LAPORAN POSISI KEUANGAN Tanggal 31 Desember 2021 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)</b>	<b>2021</b>	<b>2020</b>	<b>PT LINK NET Tbk. (PARENT ENTITY ONLY) STATEMENT OF FINANCIAL POSITION As of December 31, 2021 (Expressed in million of Rupiah, unless otherwise stated)</b>
<b>ASET</b>			<b>ASSETS</b>
<b>ASET LANCAR</b>			<b>CURRENT ASSETS</b>
Kas dan setara kas	240.899	357.745	Cash and cash equivalents
Piutang usaha - neto			Trade receivables - net
Pihak ketiga	395.745	285.167	Third parties
Pihak berelasi	47.458	3.581	Related parties
Pajak dibayar di muka	21.935	7.250	Prepaid taxes
Bagian lancar			Current maturities of
biaya dibayar di muka	116.604	107.042	prepaid expenses
Piutang lainnya - pihak berelasi	100.220	-	Other receivables - related party
<b>Jumlah aset lancar</b>	<b>922.861</b>	<b>760.785</b>	<b>Total current assets</b>
<b>ASET TIDAK LANCAR</b>			<b>NON-CURRENT ASSETS</b>
Piutang pihak berelasi			Non-trade receivables -
non-usaha	11.488	15.213	related parties
Investasi pada saham	20.776	20.776	Investment in shares
Biaya dibayar di muka			Prepaid expenses -
setelah dikurangi bagian lancar	14.787	17.218	net of current maturities
Aset pajak tangguhan - neto	92.229	95.760	Deferred tax assets - net
Aset tetap - neto	6.721.144	5.643.926	Property and equipment - net
Aset hak guna - neto	425.757	253.925	Right of use assets - net
Aset takberwujud - neto	124.256	106.101	Intangible assets - net
Aset tidak lancar lainnya	1.452.318	890.750	Other non-current assets
<b>Jumlah aset tidak lancar</b>	<b>8.862.755</b>	<b>7.043.669</b>	<b>Total non-current assets</b>
<b>JUMLAH ASET</b>	<b>9.785.616</b>	<b>7.804.454</b>	<b>TOTAL ASSETS</b>

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein  
are in Indonesian language.

## Lampiran I

## Appendix I

PT LINK NET Tbk.  
(ENTITAS INDUK SAJA)  
LAPORAN POSISI KEUANGAN (lanjutan)  
Tanggal 31 Desember 2021  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)

PT LINK NET Tbk.  
(PARENT ENTITY ONLY)  
STATEMENT OF FINANCIAL POSITION (continued)  
As of December 31, 2021  
(Expressed in million of Rupiah,  
unless otherwise stated)

	2021	2020	
<b>LIABILITAS DAN EKUITAS</b>			<b>LIABILITIES AND EQUITY</b>
<b>LIABILITAS</b>			<b>LIABILITIES</b>
<b>LIABILITAS JANGKA PENDEK</b>			<b>CURRENT LIABILITIES</b>
Pinjaman bank jangka pendek	496.600	1.500.000	Short-term bank loans
Utang usaha			Trade payables
Pihak ketiga	478.428	642.496	Third parties
Pihak berelasi	162.777	193.425	Related parties
Utang lain-lain			Other payables
Pihak ketiga	4.260	2.416	Third parties
Utang pajak	117.623	140.426	Taxes payable
Beban akrual	268.710	240.104	Accruals
Biaya langganan diterima di muka dan deposito pelanggan			Unearned subscription fees and subscriber deposits
Pihak ketiga	2.991	4.364	Third parties
Liabilitas imbalan kerja jangka pendek	37.929	48.058	Short-term employee benefit liabilities
Bagian pendek atas liabilitas jangka panjang			Current maturities of long-term liabilities
Pinjaman bank	306.635	-	Bank loans
Liabilitas sewa	162.257	93.859	Lease liabilities
Jumlah liabilitas jangka pendek	2.038.210	2.865.148	Total current liabilities
<b>LIABILITAS JANGKA PANJANG</b>			<b>NON-CURRENT LIABILITIES</b>
Liabilitas jangka panjang setelah dikurangi bagian lancar			Long-term liabilities net of current maturities
Pinjaman bank	2.175.824	-	Bank loans
Liabilitas sewa	204.198	165.940	Lease liabilities
Utang pihak berelasi non-usaha	-	2.000	Non-trade payable from related parties
Liabilitas imbalan kerja jangka panjang	145.347	191.649	Long-term employee benefit liabilities
Jumlah liabilitas jangka panjang	2.525.369	359.589	Total non-current liabilities
<b>Jumlah liabilitas</b>	<b>4.563.579</b>	<b>3.224.737</b>	<b>Total liabilities</b>
<b>EKUITAS</b>			<b>EQUITY</b>
Modal saham - Nilai nominal Rp100 per saham (Rupiah penuh)			Share capital - Par value of Rp100 per share (in Rupiah full amount)
Modal dasar - 8.040.000.000 saham			Authorized - 8,040,000,000 shares
Modal ditempatkan dan disetor penuh - 2.863.195.484 saham per 31 Desember 2021 dan 2020	286.320	286.320	Issued and fully paid - 2,863,195,484 shares as of December 31, 2021 and 2020
Tambahan modal disetor - neto	1.341.144	1.341.144	Additional paid-in capital - net
Saham treasuri	(410.259)	(410.259)	Treasury stocks
Saldo laba	4.004.832	3.362.512	Retained earnings
<b>Jumlah ekuitas</b>	<b>5.222.037</b>	<b>4.579.717</b>	<b>Total equity</b>
<b>JUMLAH LIABILITAS DAN EKUITAS</b>	<b>9.785.616</b>	<b>7.804.454</b>	<b>TOTAL LIABILITIES AND EQUITY</b>

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein  
are in Indonesian language.

## Lampiran I

## Appendix I

	2021	2020	
<b>PT LINK NET Tbk (ENTITAS INDUK SAJA) LAPORAN LABA RUGI DAN PENGHASILAN KOMPREHENSIF LAIN Untuk Tahun yang Berakhir pada Tanggal 31 Desember 2021 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)</b>			<b>PT LINK NET Tbk (PARENT ENTITY ONLY) STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME For the Year Ended December 31, 2021 (Expressed in millions of Rupiah, unless otherwise stated)</b>
Pendapatan	4.462.743	4.047.964	Revenue
Beban pokok pendapatan (tidak termasuk beban penyusutan aset tetap dan amortisasi aset takberwujud)	(981.191)	(883.475)	Cost of revenue (excluding depreciation of property and equipment and amortization of intangible assets)
Laba kotor	3.481.552	3.164.489	Gross profit
Beban penjualan	(354.294)	(365.437)	Selling expenses
Beban umum dan administrasi	(631.780)	(504.174)	General and administrative expenses
Beban penyusutan	(1.103.813)	(883.669)	Depreciation expenses
Beban amortisasi	(51.082)	(46.590)	Amortization expenses
Pendapatan (beban) lain-lain	12.203	(3.666)	Other income (expenses)
<b>Laba usaha</b>	<b>1.352.786</b>	<b>1.360.953</b>	<b>Operating profit</b>
Beban keuangan	(203.960)	(142.161)	Finance costs
Penghasilan keuangan	12.755	15.013	Finance income
Laba sebelum pajak penghasilan	1.161.581	1.233.805	Profit before income tax
Beban pajak penghasilan	(260.625)	(302.465)	Income tax expenses
<b>Laba tahun berjalan</b>	<b>900.956</b>	<b>931.340</b>	<b>Profit for the year</b>
<b>Penghasilan komprehensif lain</b>			<b>Other comprehensive income</b>
<b>Pos-pos yang tidak akan direklasifikasi ke laba rugi</b>			<b>Item that will not be reclassified to profit or loss</b>
Pengukuran kembali atas program imbangan kerja	31.244	21.975	Remeasurement of employee benefit plan
Beban pajak penghasilan terkait	(7.293)	(4.444)	Related income tax (expense)
Jumlah penghasilan komprehensif lain	23.951	17.531	Total other comprehensive income
<b>Jumlah laba komprehensif tahun berjalan</b>	<b>924.907</b>	<b>948.871</b>	<b>Total comprehensive income for the year</b>
<b>Laba per saham dasar (dalam Rupiah penuh)</b>	<b>322</b>	<b>340</b>	<b>Basic earnings per share (in Rupiah full amount)</b>

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein  
are in Indonesian language.

## Lampiran I

## Appendix I

**PT LINK NET Tbk  
(ENTITAS INDUK SAJA)  
LAPORAN PERUBAHAN EKUITAS  
Untuk Tahun yang berakhir pada tanggal  
31 Desember 2021  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT LINK NET Tbk  
(PARENT ENTITY ONLY)  
STATEMENT OF CHANGES IN EQUITY  
For the Year Ended  
December 31, 2021  
(Expressed in millions of Rupiah,  
unless otherwise stated)**

	Modal saham/ Share capital	Tambahan modal disetor - neto/ Additional paid in capital - net	Saham treasuri/ Treasury stock	Saldo laba/ Retained earnings	Jumlah ekuitas/ Total equity	
Saldo per 1 Januari 2020	286.320	1.341.144	(105.088)	2.905.624	4.428.000	Balance as of January 1, 2020
Laba tahun berjalan	-	-	-	931.340	931.340	Profit for the year
Penghasilan komprehensif	-	-	-	17.531	17.531	Other comprehensive income
Jumlah penghasilan komprehensif tahun berjalan	-	-	-	948.871	948.871	Total comprehensive income for the year
Dividen kas	-	-	-	(491.983)	(491.983)	Cash dividend
Saham treasuri	-	-	(305.171)	-	(305.171)	Treasury stock
<b>Saldo per 31 Desember 2020</b>	<b>286.320</b>	<b>1.341.144</b>	<b>(410.259)</b>	<b>3.362.512</b>	<b>4.579.717</b>	<b>Balance as of December 31, 2020</b>
Laba tahun berjalan	-	-	-	900.956	900.956	Profit for the year
Penghasilan komprehensif lain	-	-	-	23.951	23.951	Other comprehensive income
Jumlah laba komprehensif tahun berjalan	-	-	-	924.907	924.907	Total comprehensive income for the year
Dividen kas	-	-	-	(282.587)	(282.587)	Cash dividend
<b>Saldo per 31 Desember 2021</b>	<b>286.320</b>	<b>1.341.144</b>	<b>(410.259)</b>	<b>4.004.832</b>	<b>5.222.037</b>	<b>Balance as of December 31, 2021</b>

## AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)

The original consolidated financial statements included herein are in Indonesian language.

## Lampiran I

## Appendix I

	2021	2020	
<b>PT LINK NET Tbk (ENTITAS INDUK SAJA) LAPORAN ARUS KAS Untuk Tahun yang Berakhir pada Tanggal 31 Desember 2021 (Disajikan dalam jutaan Rupiah, kecuali dinyatakan lain)</b>			<b>PT LINK NET Tbk (PARENT ENTITY ONLY) STATEMENT OF CASH FLOWS For the Year Ended December 31, 2021 (Expressed in millions of Rupiah, unless otherwise stated)</b>
<b>ARUS KAS DARI AKTIVITAS OPERASI</b>			<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>
Penerimaan dari pelanggan	4.135.243	4.092.715	Receipts from customers
Pembayaran kepada pemasok dan lainnya	(1.541.396)	(1.769.103)	Payments to suppliers and others
Pembayaran kepada karyawan	(301.080)	(321.926)	Payments to employees
Pembayaran pajak penghasilan badan	(274.780)	(158.759)	Payments of corporate income taxes
Penerimaan bunga	12.755	15.013	Interest receipts
<b>Arus kas neto diperoleh dari aktivitas operasi</b>	<b>2.030.742</b>	<b>1.857.940</b>	<b>Net cash flows provided by operating activities</b>
<b>ARUS KAS DARI AKTIVITAS INVESTASI</b>			<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>
Penambahan investasi pada entitas anak	-	(547)	Additional investment in subsidiary
Pembayaran uang muka	(165.871)	(39.722)	Payment of advances
Perolehan aset tetap dan peralatan untuk instalasi	(2.899.221)	(1.667.638)	Purchases of property and equipment for installation
Perolehan perangkat lunak komputer	(69.237)	(57.710)	Purchases of computer software
<b>Arus kas neto digunakan untuk aktivitas investasi</b>	<b>(3.134.329)</b>	<b>(1.765.617)</b>	<b>Net cash flows used in investing activities</b>
<b>ARUS KAS DARI AKTIVITAS PENDANAAN</b>			<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>
Penerimaan dari pinjaman bank	3.200.000	4.000.000	Proceeds from bank loans
Pembayaran atas pinjaman bank	(1.700.000)	(3.300.000)	Repayments of bank loans
Pembayaran biaya keuangan	(25.600)	-	Payments of cost of loan
Pembayaran kepada pihak berelasi	(98.495)	-	Payment due from related party
Penerimaan dari liabilitas sewa jangka panjang	219.548	244.353	Proceeds from long-term lease liabilities
Pembayaran liabilitas sewa	(137.073)	(86.272)	Repayments of lease liabilities
Pembayaran bunga	(189.735)	(91.069)	Payments of interest
Pembayaran dividen kas	(282.587)	(491.983)	Payments of cash dividends
Pembelian saham treasury	-	(305.171)	Purchases of treasury stock
<b>Arus kas neto diperoleh dari (digunakan untuk) aktivitas pendanaan</b>	<b>986.058</b>	<b>(30.142)</b>	<b>Net cash flows provided by (used in) financing activities</b>
(Penurunan)/kenaikan neto kas dan setara kas	(117.529)	62.181	Net (decrease)/increase in cash and cash equivalents
<b>KAS DAN SETARA KAS PADA AWAL TAHUN</b>	<b>357.745</b>	<b>295.022</b>	<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>
Dampak perubahan selisih kurs terhadap kas dan setara kas	683	542	Effects of foreign exchange rate changes on cash and cash equivalents
<b>KAS DAN SETARA KAS PADA AKHIR TAHUN</b>	<b>240.899</b>	<b>357.745</b>	<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>

**AUDITED FINANCIAL STATEMENTS OF LINK NET FOR THE FYE 31 DECEMBER 2021 (Cont'd)**

*The original consolidated financial statements included herein are in Indonesian language.*

**Lampiran I****Appendix I**

**PT LINK NET Tbk  
(ENTITAS INDUK SAJA)  
Tanggal 31 Desember 2021 dan  
untuk Tahun yang Berakhir pada Tanggal Tersebut  
(Disajikan dalam jutaan Rupiah,  
kecuali dinyatakan lain)**

**PT LINK NET Tbk  
(PARENT ENTITY ONLY)  
As of December 31, 2021 and  
for the Year Then Ended  
(Expressed in millions of Rupiah,  
unless otherwise stated)**

**IKHTISAR KEBIJAKAN AKUNTANSI YANG PENTING****SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****Dasar Penyajian Informasi Keuangan Entitas Induk****Basis of Preparation of Parent Entity Financial Information**

Laporan keuangan tersendiri disajikan sesuai dengan Pernyataan Standar Akuntansi Keuangan (PSAK) No. 4, "Laporan Keuangan Konsolidasian dan Tersendiri".

*The separate financial statements are prepared in accordance with the Statement of Financial Accounting Standard (PSAK) No. 4, "Consolidated and Separate Financial Statements".*

PSAK No. 4 menyatakan bahwa ketika sebuah entitas induk memilih untuk menyajikan laporan keuangan terpisah, laporan keuangan tersebut seharusnya hanya disajikan sebagai informasi tambahan terhadap laporan keuangan konsolidasi. Laporan keuangan tersendiri yang disajikan oleh entitas induk, di mana investasi dalam entitas anak, entitas asosiasi dan entitas dikendalikan bersama dicatat berdasarkan atas kepemilikan langsung dan bukan berdasarkan hasil yang dilaporkan dan aset neto entitas investasi.

*PSAK No. 4 provides that when a parent entity chose to present the separate financial statements, such financial statements should only be presented as supplementary information to the consolidated financial statements. Separate financial statements are those presented by a parent, in which the investments in the subsidiary, associate entity and jointly controlled entity are accounted for on the basis of the direct equity interest rather than on the basis of the reported results and net assets of the investees.*

Kebijakan akuntansi yang diterapkan dalam penyusunan informasi keuangan entitas induk adalah sama dengan kebijakan akuntansi yang digunakan dalam penyusunan laporan keuangan konsolidasian Grup sebagaimana dijelaskan dalam Catatan 2 atas laporan keuangan konsolidasi, kecuali untuk investasi pada entitas anak.

*Accounting policies adopted in the preparation of the parent entity financial information are the same as the accounting policies adopted in the preparation of the Group's consolidated financial statements as disclosed in Note 2 to the consolidated financial statements, except for investments in subsidiaries.*

Sesuai dengan PSAK No. 4, entitas induk mencatat investasi pada entitas anak menggunakan metode biaya.

*In accordance with PSAK No. 4, the parent entity recorded the accounting for investments in subsidiaries using cost method.*

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Jakarta, 29 April 2022

Our Ref.: 99/04/22

To: **The Board of Directors**  
**Axiata Group Berhad**  
 Level 3, Corporate Headquarters,  
 Axiata Tower, 9 Jalan Stesen Sentral 5,  
 Kuala Lumpur Sentral,  
 50470 Kuala Lumpur

Dear Sir/ Madam,

**AXIATA GROUP BERHAD (“AXIATA” OR “COMPANY”)**

**LEGAL OPINION ON THE OWNERSHIP OF TITLE TO SECURITIES IN THE REPUBLIC OF INDONESIA, ENFORCEABILITY OF AGREEMENTS, REPRESENTATIONS AND UNDERTAKINGS GIVEN BY FOREIGN COUNTER-PARTIES UNDER THE RELEVANT LAWS OF THE REPUBLIC OF INDONESIA, AND EXPERT OPINION ON THE POLICIES ON FOREIGN INVESTMENTS AND REPATRIATION OF PROFITS OF THE REPUBLIC OF INDONESIA (COLLECTIVELY, THE “OPINION”)**

We, Hiswara Bunjamin & Tandjung, have been instructed by the Company to provide a legal and expert opinion on the above subject matter in relation to the proposed acquisition by Axiata Investments (Indonesia) Sdn Bhd (“**All**”), an indirect wholly-owned subsidiary of Axiata, and PT XL Axiata Tbk (“**XL**”), an indirect 61.48% owned subsidiary of Axiata (together with All, the “**Purchasers**”), of 1,816,735,484 ordinary shares in PT Link Net Tbk (the “**Target**”) (the “**Sale Shares**”), representing approximately 66.03% equity interest in the Target held by PT First Media Tbk (the “**Indonesian Seller**”) and Asia Link Dewa Pte Ltd (“**ALD**”, and together with the Indonesian Seller, the “**Sellers**”) for a total cash consideration of Indonesian Rupiah (“**IDR**”) 8,720,330,323,200 (equivalent to approximately Ringgit Malaysia (RM) 2,546,336,454) (the “**Proposed Acquisition**”).

Upon completion of the Proposed Acquisition, All will undertake the proposed mandatory tender offer to acquire all the remaining ordinary shares in the Target (“**Link Net Shares**”) not owned by All and XL after the Proposed Acquisition (“**Proposed MTO**”, and together with the Proposed Acquisition, the “**Proposals**”).

Terms defined in the SPA (as defined below) shall have the meaning when used in this Opinion, unless defined otherwise.

**1. DOCUMENTS**

For the purpose of giving this Opinion, we have examined such documents as we have considered necessary, including copies of the following documents:

- 1.1 the executed copies of the share purchase agreement and disclosure letter dated 27 January 2022 relating to the Proposed Acquisition entered into between the Purchasers and the Sellers in English and Indonesian language forms (the “**SPA**”);

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- 1.2 the deed of establishment of each of the Target, the Indonesian Seller and the subsidiaries of the Target, i.e. PT First Media Television (“**FMTV**”) and PT Infra Solusi Indonesia (“**ISOL**”) together with FMTV, the “**Target’s Subsidiaries**”), as set forth in Schedule 1 to this Opinion;
- 1.3 the articles of association of each of the Target, the Indonesian Seller and the Target’s Subsidiaries as set forth in Schedule 1 to this Opinion;
- 1.4 the register of securities ownership which reaches 5% or more of issued and paid-up shares of the Target issued by PT Sharestar Indonesia (as the share registrar of the Target) as at 31 March 2022 (the “**Shareholders Register**”);
- 1.5 statement of securities account of FM as at 17 February 2022 (“**FM Account Statement**”) and statement of securities account of ALD as at 17 February 2022; and
- 1.6 such other documents and records as we have deemed necessary to examine in order that we may render this Opinion.

## 2. ASSUMPTIONS

In giving this Opinion, we have assumed the following:

- 2.1 the due authorisation, execution, delivery and issue of the SPA by the parties thereto (other than the Indonesian Seller), that the performance thereof is within the capacity and powers of the parties thereto (other than the Indonesian Seller) and that the SPA is binding upon each of the parties thereto (other than the Indonesian Seller);
- 2.2 the SPA is legal, valid, binding and enforceable under the laws of Singapore and that the performance of any obligation thereunder will not be illegal or ineffective by virtue of the laws of Singapore;
- 2.3 the genuineness of all documents submitted to us as originals, the conformity to original documents of all copies or specimen copies of documents examined by us and the genuineness of all signatures on them or the originals;
- 2.4 the corporate documents of the Indonesian Seller, which, inter alia, contains the articles of associations, complete list of the current members of the board of directors and the board of commissioners of the Indonesian Seller are true, complete, correct and up-to-date copies of the corporate documents of the Indonesian Seller;
- 2.5 the Shareholders Register accurately reflects the shareholder composition of the Target with respect to the Sale Shares held by the Sellers as at the date of this Opinion;
- 2.6 the Sale Shares are listed on the Indonesia Stock Exchange (“**IDX**”) and freely tradable, and are validly issued, fully paid and non-assessable;
- 2.7 none of the opinions expressed below will be affected by the laws (including the public policy) of any jurisdiction outside the Republic of Indonesia;
- 2.8 the execution and delivery of the SPA by the parties thereto and the performance of the obligations thereunder do not and will not contravene with the laws of any jurisdiction other than the Republic of Indonesia or public policy in the Republic of Indonesia;
- 2.9 the truth, correctness and completeness of the representations and warranties of the parties and all facts and statements contained in the SPA, upon their due execution by the parties thereto, or other documents examined by us other than those that are subject to any of our opinions set forth below;

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- 2.10 the absence of fraud or other unconscionable conduct in relation to the execution, delivery and performance of the SPA;
- 2.11 the entering into the SPA is in the corporate interest of each of the parties;
- 2.12 the absence of any other arrangements between any of the parties to the SPA which modify or supersede any of the terms of the SPA;
- 2.13 no litigation, arbitration or administrative proceedings are current or pending or threatened nor are there any writs or any order of any nature issued by any court, board of arbitration, governmental authority, commission or official against or affecting the Sellers or on the ability of the Sellers to perform each of their respective obligations under the SPA;
- 2.14 no party, including the Sellers, is or will be, seeking to conduct any relevant transactions or take any actions other than those contemplated by the SPA in a manner or of a nature which might render the SPA or any relevant transaction or activity pursuant thereto illegal, void or avoidable or subject to any declaration to similar effect by any competent court or authority under applicable laws (but based on our review of the documents provided to us and the SPA, we have no reason to believe otherwise);
- 2.15 no liquidation or dissolution proceedings with respect to each of the Sellers have been commenced by any person or are intended or anticipated by the Sellers and no order or resolution for the winding-up of the Sellers have been made, proposed or threatened;
- 2.16 no appointment or notice of the appointment of a receiver, judicial manager or supervisory judge (*Hakim Pengawas*) of each of the Sellers or any of its assets or property has been made or given or proposed or threatened;
- 2.17 the legality, validity and enforceability of the SPA, upon its due execution by the parties thereto, is not affected by any other agreements, documents or letters given or made by the Sellers; and
- 2.18 there is no document (other than those already stated above in paragraph 1) which has not been delivered to us which will adversely affect our Opinion on any matter expressed herein and the content of the documents stated above in paragraph 1 are true and remain unchanged as of the date of this Opinion.

### 3. QUALIFICATIONS

Our Opinion is subject to the following qualifications:

- 3.1 we express no opinion as to any laws other than the laws of the Republic of Indonesia as are in force at the date of this Opinion;

- 3.2 our opinion that an obligation or document is enforceable means that the obligation or document is of a type and form which courts in the Republic of Indonesia should enforce. It is not to be taken as meaning that the obligation or document can necessarily be enforced in accordance with its terms in all circumstances. In particular, the enforceability of an obligation may be affected by (i) statutes of limitation, by laws and regulations affecting the rights of creditors generally including under the Indonesian bankruptcy law (*kepailitan* or *failissement*), insolvency, fraudulent conveyance (*actio pauliana*), reorganisation, moratorium (*penundaan pembayaran* or *surseance van betaling*) and as a result of unlawful acts and (ii) the public policy of Indonesia;
- 3.3 a reference to the validity and binding effect of an obligation, or to its enforceability is not to be taken as indicating its enforcements by way of specific performance, injunctive relief or any other discretionary remedy or power of a court nor to the recognition or enforcement in Indonesia of any judgement obtained outside Indonesia;
- 3.4 we have made no specific inquiries or investigations with regard to any factual matters or circumstances relating to or referred to in this Opinion;
- 3.5 any provision that certain calculations, determinations or certificates will be conclusive and binding will not apply if such calculations, determinations or certificates are fraudulent or manifestly inaccurate;
- 3.6 there exists no reliable public registry for obtaining, or confirming the accuracy of corporate information of a company including the articles of association of the Indonesian Seller and for making conclusive searches as to whether any company (foreign or otherwise) is in good standing in the Republic of Indonesia;
- 3.7 we express no opinion with regards to taxation other than as expressly set out herein;
- 3.8 the enforcement of the SPA in the Republic of Indonesia will be subject to the rules of civil procedure as applied by the Indonesian courts. Specific performance may not always be available under the laws of the Republic of Indonesia;
- 3.9 certain remedies, such as injunctions and pre-judgement attachment, are discretionary and may not be awarded by the courts of the Republic of Indonesia in enforcement of the SPA;
- 3.10 Indonesian judges operate in an inquisitorial legal system, have very broad fact finding powers and a high level of discretion as to the manner in which those powers are exercised, including for the purpose of enforcing a foreign arbitration award. Consequently, Indonesian courts can sometimes be influenced by factors, issues, and evidence which may not immediately be apparent on the face of the court documents in questions;
- 3.11 an Indonesian court has power to render judgements in foreign currency, but whether it does so or not is at the discretion of the court; and
- 3.12 Law No. 24 of 2009 on National Flag, Language, Coat of Arms and Anthem ("**Law 24/2009**") contains a general requirement to use the Indonesian language for any memorandum of understanding or an agreement which involves an Indonesian party. Further, for a memorandum of understanding or an agreement involving a foreign party, the parties may, in addition to the Indonesian language, also use the national language of the foreign party and/or the English language. Pursuant to Presidential Regulation No. 63 of 2019 on Use of Indonesian Language ("**Presidential Regulation 63**"), in the event that an agreement is made in both Indonesian language and English (or any other foreign language), the parties to that agreement may choose which language would be the prevailing language of such agreement. The SPA has been executed in both English and Indonesian language, and provides that the English version shall prevail in the event of any inconsistency or difference in interpretation between the English language version and the Indonesian language version.

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However, please note that when an English language document is submitted to an Indonesian court as evidence, the court would assess the Indonesian language translation of such document. Some concepts in the English language may not have corresponding terms in the Indonesian language and the exact meaning of the English text may not be fully captured by the Indonesian language translation and therefore there can be no assurance that the Indonesian language version reflects the original intent of the parties to the SPA and whether the Indonesian courts would interpret and enforce the SPA as intended. We have not been involved in the preparation and finalisation of the Indonesian language version of the SPA.

#### 4. OPINION

Based upon the foregoing assumptions and subject to the qualifications set out above, we are of the opinion that:

##### **Ownership of title to securities in the Republic of Indonesia**

- 4.1 The Target is a limited liability company duly incorporated and validly existing under the laws of the Republic of Indonesia.
- 4.2 The Sellers have valid legal title to the respective Sale Shares held by them and are registered as the holders of the respective Sale Shares in the Shareholders Register.
- 4.3 Based on the SPA, the Shareholders Register and the FM Account Statement, the Sale Shares owned by the Indonesian Seller are currently subject to a pledge in favour of DB International Trust (Singapore) Limited (the “**Pledgee**”) to secure the obligations of the Indonesian Seller under the FM Loan Agreement (as defined in the SPA) pursuant to Deed No. 06 of Pledge over Shares dated 20 June 2019 entered into between the Indonesian Seller (as pledgor) and the Pledgee (as pledgee) (the “**Pledged Sale Shares**”). The Indonesian Seller will not be able to transfer the Pledged Sale Shares to All or XL until the Pledgee releases the pledge over the Pledged Sale Shares and unconditionally instructs PT Kustodian Sentral Efek Indonesia (“**KSEI**”), the Indonesian Central Securities Depository, to unblock the pledge of the Pledged Sale Shares on the sub-account maintained by KSEI.
- 4.4 In relation to ALD, to the best of our knowledge, there is no record of any current pledge over the Sale Shares owned by ALD and therefore the Sale Shares owned by ALD can be sold and transferred by ALD in accordance with the SPA.

##### **Enforceability of agreements, representations and undertakings given by the Indonesian Seller under the laws of the Republic of Indonesia**

- 4.5 The Indonesian Seller is a limited liability company duly incorporated and validly existing under the laws of the Republic of Indonesia.

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- 4.6 The SPA has been duly executed by the Indonesian Seller, and constitutes a legal, valid and binding obligation of the Indonesian Seller, and the SPA (including the representations and undertakings given by the Indonesian Seller thereunder) under the laws of the Republic of Indonesia is enforceable against the Indonesian Seller, in accordance with its terms. Pursuant to Article 15, paragraph 3(c) of the Articles of Association of the Indonesian Seller, the board of directors of the Indonesian Seller will require prior written approval from the board of commissioners of the Indonesian Seller to complete the proposed transfer of the Sale Shares owned by the Indonesian Seller to All and XL under the SPA.
- 4.7 No governmental approval, consent, order, filing, registration of or with any court or governmental agency or body in the Republic of Indonesia is required to be obtained in connection with the execution or performance of the obligation of the Indonesian Seller under the SPA, except for:
- 4.7.1 the conditions as mentioned in paragraphs 2(a), 8, 13(a) and 14 of Clause 4.3 and paragraphs 2, 8, 13 and 14 of Schedule 2 of the SPA, subject to the terms in the SPA;
- 4.7.2 obligation of the Indonesian Seller to: (i) obtain valuation on the Target and fairness opinion on the proposed sale and transfer of Sale Shares owned by the Indonesian Seller to the Purchasers (the "**Indonesian Seller's Proposed Transaction**") from an independent appraiser, (ii) announce information disclosure on the Indonesian Seller's Proposed Transaction, (iii) submit the information disclosure to Financial Services Authority (the OJK) and (iv) obtain approval from the Indonesian Seller's shareholders (points (i) to (iv) shall be referred to as the "**Material Transaction Requirements**"), as required under OJK Rule No. 17/POJK.04/2020 on Material Transaction and Change of Business Activities ("**Rule 17/2020**"). Under Rule 17/2020, the Indonesian Seller would be subject to the Material Transaction Requirements to conduct the Indonesian Seller's Proposed Transaction if: (a) the value of the Indonesian Seller's Proposed Transaction reaches 50% of the equity of the Indonesian Seller, (b) the total assets of the Target constitutes more than 50% of the total asset of the Indonesian Seller, (c) the total operating revenue of the Target constitutes more than 50% of the total operating revenue of the Indonesian Seller; or (d) the net profit of the Target constitutes more than 50% of the net profit of the Indonesian Seller.
- 4.7.3 reporting requirement under the OJK Rule No. 11/POJK.04/2017 on the Report on Ownership or Any Change in Ownership of Shares in a Public Company ("**Rule 11/2017**"). Under Rule 11/2017, any shareholders who directly or indirectly own 5% or more shares in a public company is subject to a reporting obligation to the OJK if there is a change of 0.5% or more from their initial ownership as a result of a single transaction or a series of transactions. The report must be submitted in a prescribed form within 10 calendar days, or within 5 calendar days if being submitted by a proxy of the relevant shareholders) as of the change to the shareholding ownership.
- 4.8 The agreement by the parties in the SPA that the Singapore International Arbitration Centre (the "**SIAC**") has jurisdiction to settle any dispute which may arise from or in connection with the SPA constitutes a valid and binding submission to the jurisdiction of such arbitral tribunal and does not contravene any laws of the Republic of Indonesia and the waiver of any objection to the venue of any proceeding in any competent courts in any jurisdiction in which a party may have assets is valid and does not contravene any laws of the Republic of Indonesia. The submission to arbitration in the SPA under the arbitration rules of the SIAC is valid and binding.

- 4.9 Under the laws of the Republic of Indonesia, the parties to a contract may specify in that contract the law to govern its validity, interpretation and performance and other related matters as long as it is not contrary to public policy or existing laws and regulations. The choice of the laws of Singapore to govern the validity, interpretation and performance of the SPA is a valid choice of law and should be honoured by the courts of the Republic of Indonesia. A judgment of a non-Indonesian court will not be enforceable in the Republic of Indonesia. The matter should be re-litigated in the Indonesian Court; but the non-Indonesian court decision could be adduced as non-conclusive evidence in the Indonesian court proceedings on the underlying claim. However, in practice the courts in the Republic of Indonesia from time to time have applied the laws of the Republic of Indonesia, notwithstanding the choice of foreign law provisions in the relevant documents.
- 4.10 A foreign arbitration award, which meets with the requirements of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Award (the “**Convention**”) and the requirements of Law No. 30 of 1999 on Arbitration and Alternative Dispute Resolution (“**Law 30/1999**”) as set out below will be recognised and enforced in the Republic of Indonesia:
- 4.10.1 the award is rendered by an arbitration body or an arbitrator in a country which is bilaterally/ multilaterally bound to the Republic of Indonesia on the recognition and enforcement of foreign arbitration awards;
- 4.10.2 the foreign arbitration awards are only limited to awards which, according to the laws of the Republic of Indonesia, fall within the scope of its commercial law;
- 4.10.3 the foreign arbitration awards do not contravene the public order in the Republic of Indonesia; and
- 4.10.4 a foreign arbitration award may be enforced in the Republic of Indonesia after an *exequatur* (writ of execution) has been applied for and obtained from the Chairman of the Central Jakarta District Court (the “**CJDC**”). Such *exequatur* (writ of execution) must then be registered in the CJDC in which the foreign arbitration award is sought to be enforced.
- 4.11 No stamp or registration or similar taxes or charges are payable in the Republic of Indonesia in connection with the execution, performance or admissibility into evidence of the SPA or any transaction contemplated by them other than: (i) a stamp duty of IDR10,000 on each of the SPA and other document ancillary to the SPA (where required) when it is first used in the Republic of Indonesia; and (ii) the taxes and charges referred to in the SPA.

## 5. FOREIGN INVESTMENT AND REPATRIATION OF PROFITS OF THE REPUBLIC OF INDONESIA

The policies on foreign investment and repatriation of profits of the Republic of Indonesia in this section fairly and accurately summarise the Indonesian legal principles relevant to these issues.

### 5.1 Foreign Investment

#### 5.1.1 Overview of the Indonesian foreign investment regulatory regime

Foreign direct investments in Indonesia are regulated by Law No. 25 of 2007 regarding investment as recently amended by Law No. 11 of 2020 regarding Job Creation (“**Omnibus Law**”).

The Presidential Regulation No. 10 of 2021 on Investment Business Lines as last amended by Presidential Regulation No. 49 of 2021 (“**2021 Investment List**”) does not include fixed telecommunication network and internet service provider business lines, and therefore these business lines should now be 100% open for foreign investment. The 2021 Investment List and Government Regulation No. 52 of 2005 regarding Broadcasting Operation of Subscription Broadcasting Institution provide that a pay-TV company is subject to foreign capital ownership restriction of maximum 20%. Further, telecommunication construction business is subject to 67%-70% maximum foreign ownership restriction and certain qualitative requirements under the Government Regulation No. 5 of 2021 regarding Implementation of Risk-Based Licensing.

The 2021 Investment List includes a general exemption where the foreign ownership restrictions in the list do not apply to any indirect or portfolio investment made through the domestic capital market. This means that the exemption will generally apply if the target company is a public company whose shares are listed on the IDX and the investment is made through the IDX system.

The Indonesian Constitutional Court had on 25 November 2021 issued a decision declaring the Omnibus Law to be conditionally unconstitutional and required the legislators to amend the Omnibus Law within two (2) years since the Indonesian Constitutional Court’s decision to satisfy certain deficiencies. The Indonesian Constitutional Court declared that the Omnibus Law shall continue to be valid until the amendment of the Omnibus Law is issued within the prescribed period. If the amendment is not issued within the prescribed period, the Omnibus Law will become permanently unconstitutional and the relevant laws or provisions of laws that were amended or revoked by the Omnibus Law shall be reinstated. Given the decision has only recently been issued and declared to the public, it remains unclear at this stage whether any further amendment to the Omnibus Law may affect the current investment law regime.

#### 5.1.2 Foreign ownership restrictions applicable to the Target Group

Currently, there is no foreign ownership restriction applicable to the Target (which operates as a telecommunication network service provider, and specifically an internet service provider and fixed telecommunication network provider). The Target is currently registered as an Indonesian or domestic investment company. As completion of the Proposals will be settled through the IDX system, and the Purchasers will not be recorded in the corporate deed of the Target following the completion of the Proposals, the Purchasers’ investment in the Target will be deemed as a domestic investment and therefore, the Target should not be required to convert its status to become a “foreign investment company” (*Perusahaan Penanaman Modal Asing* or “**PMA Company**”). If the Target is required to convert to a PMA Company status following the Proposals, the Target may not be able to maintain its current shareholding ownership in its subsidiaries, i.e. FMTV and ISOL. Each of the Target, FMTV and ISOL should arguably be able to continue maintaining its status as a domestic investment company following the Proposals unless required otherwise by the relevant Indonesian authorities.

#### 5.2 Repatriation of Profits

In general, there are no exchange control restrictions in Indonesia that would restrict Indonesian limited liability companies from making any payments of dividends, or other distributions due or made in respect of their issued shares. However, the transfer of foreign

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currency to and from abroad is subject to reporting obligations to Bank Indonesia. Furthermore, transfer of IDR to an account outside of Indonesia is prohibited.

Since IDR cannot be transferred outside of Indonesia, transfer of funds from Indonesia to another jurisdiction will require that IDR is first converted into a foreign currency acceptable to the receiving bank, and accordingly the transferor must purchase foreign currency (e.g. United States Dollars (“USD”)) using IDR. Under Bank Indonesia Regulation No. 18/18/PBI/2016 on Foreign Exchange Transactions against IDR between Banks and Domestic Parties (“**PBI 18/18/2016**”), any purchase of foreign currency using IDR in Indonesia by any party in an amount exceeding certain thresholds (e.g. USD25,000 for spot transactions, USD1 million for option transactions, USD5 million for forward transactions and USD100,000 for standard derivative transactions) must be supported by valid underlying and supporting documentation. A valid underlying transaction for the purposes of PBI 18/18/2016 may consist of: (i) domestic and international trade of goods and services; (ii) investment in the form of direct investment, portfolio investment, loans, capital and other investment inside and outside Indonesia; and/or (iii) the granting of facility or financing from a bank in foreign currencies and/or IDR for trade and investment activities.

Under Bank Indonesia Regulation No. 21/15/PBI/2019 on the Supervision of Foreign Exchange Activities between Banks and Customers, as amended (“**PBI No. 21/15/PBI/2019**”), any outgoing transfer from Indonesia to another jurisdiction in foreign currencies exceeding USD100,000 (or its equivalent) by any party through an Indonesian bank (save for any transfer of such party’s own bank deposit to its own bank account outside of Indonesia) must be supported by valid underlying and supporting documentation as prescribed in PBI No. 21/15/PBI/2019. Such documentation includes copies of export duty, letter of credit or invoice. The maximum amount of outgoing transfers must be equal to the amount stated in the supporting documentation plus 2.5%.

This Opinion is addressed to you for your sole benefit in connection with the Proposals and is not to be relied upon by any other person or for any other purpose, nor is it to be quoted, disclosed or referred to in any public document or filed with any governmental agency or other person without our prior written consent. However, this Opinion may be disclosed by the addressees hereof (i) to your affiliates and professional advisers; (ii) to the extent required by law, regulation or any governmental or competent regulatory authority or reasonably necessary in asserting any defense to actual or threatened court proceedings relating to the Proposals; (iii) to Bursa Malaysia Securities Berhad; and/or (iv) in the circular to shareholders to be issued by Axiata to its shareholders and the public in connection with the Proposals (provided that in such cases you will give us as much prior notification of such disclosure as is reasonably possible).

Yours faithfully,

**Hiswara Bunjamin & Tandjung**

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## SCHEDULE 1

## LIST OF REVIEWED DOCUMENTS

In this Schedule 1, “**MOLHR**” means Ministry of Law and Human Rights of the Republic of Indonesia, previously known as ‘Ministry of Justice of the Republic of Indonesia’ and ‘Ministry of Law and Regulation of the Republic of Indonesia.

1. **Deed of Establishment**
  - 1.1 In relation to the Indonesian Seller
    - 1.1.1 Deed No. 37 dated 6 January 1994 made before Siti Safariyah, S.H., Candidate Notary, acting as Substitute Notary for Bandoro Raden Ayu Mahyastoeti Notonagoro, S.H., Notary in Jakarta under its previous name “PT Safira Ananda”, which was ratified by the MOLHR under Decree No. C2-1.446 HT.01.01.Th.95 dated 1 February 1995 and announced in the State Gazette of the Republic of Indonesia No. 81 dated 8 October 1999, Supplement No. 6613.
  - 1.2 In relation to the Target
    - 1.2.1 Deed No. 93 dated 14 March 1996 made before Misahardi Wilamarta, S.H., Notary in Jakarta under its previous name “PT Seruling Indah Permai”, which was ratified by MOLHR under Decree No. C2-8324 HT.01.01.Th.96. dated 7 August 1996 and announced in the State Gazette of the Republic of Indonesia No. 96 dated 29 November 1996, Supplement No. 9456.
  - 1.3 In relation to ISOL
    - 1.3.1 Deed No. 20 dated 5 August 2019 made before Charles Hermawan, S.H., Notary in Tangerang City, which was ratified by the MOLHR under Decree No. AHU-0038402.AH.01.01.Tahun 2019 dated 7 August 2019 and announced on the State Gazette of the Republic of Indonesia No. 64 dated 9 August 2019, Supplement No. 20986 (“**ISOL Deed No. 20**”).
  - 1.4 In relation to FMTV
    - 1.4.1 Deed No. 03 dated 9 October 2008 made before Charles Hermawan, S.H., Notary in Tangerang City, which was ratified by the MOLHR under Decree No. AHU-78703.AH.01.01.Tahun 2008 dated 27 October 2008 and announced in the State Gazette of the Republic of Indonesia No. 94 dated 21 November 2008, Supplement No. 24812.
2. **Articles of Association**
  - 2.1 In relation to the Indonesian Seller:
    - 2.1.1 Deed No. 33 dated 15 May 2015 made before Andalia Farida, S.H., M.H., Notary in Jakarta which was notified to the MOLHR under MOLHR Notification Receipt No. AHU-AH.01.03-0940134 dated 11 June 2015;

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- 2.1.2 Deed No. 23 dated 26 April 2019 made before Andalia Farida, S.H., M.H., Notary in Jakarta which was approved by MOLHR under MOLHR Decree No. AHU-0024893.AH.01.02.Tahun 2019 dated 9 May 2019;
- 2.1.3 Deed No. 14 dated 25 June 2021 made before Andalia Farida, S.H., M.H., Notary in Jakarta which was notified to the MOLHR under MOLHR Notification Receipt No. AHU-AH.01.03-0430599 dated 22 July 2021;
- 2.1.4 Deed No. 15 dated 25 June 2021 made before Andalia Farida, S.H., M.H., Notary in Jakarta which was notified to the MOLHR under MOLHR Notification Receipt No. AHU-AH.01.03-0430925 dated 23 July 2021.
- 2.2 In relation to the Target:
- 2.2.1 Deed No. 22 dated 12 June 2020 made before Rini Yulianti, S.H., Notary in Jakarta, which was notified to the MOLHR under MOLHR Notification Receipt No. AHU-AH.01.03-0249051 dated 16 June 2020;
- 2.2.2 Deed No. 13 dated 19 July 2021 made before Rini Yulianti, S.H., Notary in Jakarta which was notified to the MOLHR under MOLHR Notification Receipt No. AHU-AH.01.03-0429788 dated 19 July 2021.
- 2.3 In relation to ISOL:
- 2.3.1 ISOL Deed No. 20;
- 2.3.2 Deed No. 90 dated 24 May 2021 made before Charles Hermawan, S.H., Notary in Tangerang City as notified to the MOLHR under MOLHR Notification Receipt No. AHU-AH.01.03-0323278 dated 24 May 2021;
- 2.3.3 Deed No. 1 dated 2 June 2021 made before Charles Hermawan, S.H., Notary in Tangerang City as notified to the MOLHR under MOLHR Notification Receipt No. AHU-AH.01.03-0347313 dated 3 June 2021; and
- 2.3.4 Deed No. 60 dated 14 July 2021 made before Charles Hermawan, S.H., Notary in Tangerang City as approved by the MOLHR under MOLHR Decree No. AHU-0039636.AH.01.02.Tahun 2021 dated 14 July 2021.
- 2.4 In relation to FMTV:
- 2.4.1 Deed No. 182 dated 17 June 2011 made before Dr. Irawan Soerodjo, S.H., M.Si., Notary in Jakarta which was approved by the MOLHR by MOLHR Decree No. AHU-32166.AH.01.02.Tahun 2011 dated 27 June 2011;
- 2.4.2 Deed No. 45 dated 19 August 2014 made before Charles Hermawan, S.H., Notary in Tangerang City which was notified to the MOLHR under MOLHR Notification Receipt No. AHU-05345.40.21.2014 dated 21 August 2014;
- 2.4.3 Deed No. 41 dated 18 June 2019 made before Charles Hermawan, S.H., Notary in Tangerang City which was approved by the MOLHR under MOLHR Decree No. AHU-0031921.AH.01.02.Tahun 2019 dated 20 June 2019;
- 2.4.4 Deed No. 200 dated 29 July 2020 made before Charles Hermawan, S.H., Notary in Tangerang City which was notified to the MOLHR under MOLHR Notification Receipt No. AHU-AH.01.03-0328886 dated 5 August 2020.

Date: 29 April 2022

To: **The Board of Directors**  
**Axiata Group Berhad**

Level 3, Corporate Headquarters  
Axiata Tower, 9 Jalan Stesen Sentral 5  
Kuala Lumpur Sentral  
50470 Kuala Lumpur

Dear Sir or Madam,

### **AXIATA GROUP BERHAD (“AXIATA”)**

#### **LEGAL OPINION ON THE ENFORCEABILITY OF AGREEMENTS, REPRESENTATIONS AND UNDERTAKINGS GIVEN BY A FOREIGN COUNTERPARTY UNDER SINGAPORE LAW**

#### **1. AGREEMENTS REFERRED TO IN THIS OPINION**

1.1 We have acted as Singapore legal advisers to Herbert Smith Freehills LLP, who in turn is the international legal counsel to Axiata, in connection with the Proposed Acquisition (as defined below), and have been instructed to issue a legal opinion in connection with the issuance of the circular to shareholders of Axiata in relation to the proposed acquisition (the “**Proposed Acquisition**”) by Axiata Investments (Indonesia) Sdn Bhd (“**All**”), an indirect wholly-owned subsidiary of Axiata, and PT XL Axiata Tbk (“**XL**”), an indirect 61.48% owned subsidiary of Axiata, of 1,816,735,484 ordinary shares in PT Link Net Tbk (“**Link Net**”), representing approximately 66.03% equity interest in Link Net, held by Asia Link Dewa Pte. Ltd. (“**ALD**” or the “**Singapore Company**”) and PT First Media Tbk (“**FM**”) for a total cash consideration of Indonesian Rupiah 8,720,330,323,200 (equivalent to approximately Ringgit Malaysia 2,546,336,454) (the “**Circular**”).

1.2 In this opinion:

1.2.1 the share purchase agreement dated 27 January 2022 entered into between ALD, FM, All, and XL in relation to the Proposed Acquisition (and governed by Singapore law) is referred to as the “**Agreement**”;

1.2.2 “**Company**” means any party to the Agreement and together, the “**Companies**”;

1.2.3 “**IRDA**” means the Insolvency, Restructuring and Dissolution Act 2018 of Singapore; and

1.2.4 headings are for ease of reference only and do not affect interpretation.

#### **2. SCOPE OF THIS OPINION**

2.1 We are advocates and solicitors qualified in Singapore. We express no opinion as to any law other than Singapore law as applied by Singapore courts and reported and in effect on the date of this opinion.

2.2 No opinion is expressed as to matters of fact.

**SINGAPORE LEGAL OPINION (Cont'd)**

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- 2.3 We have taken instructions solely from Herbert Smith Freehills LLP in its capacity as international legal counsel to Axiata in connection with the Proposed Acquisition. Our sole client in relation to this matter is Herbert Smith Freehills LLP, and we have not received instructions from, nor otherwise been involved in any discussions to date with, any Company nor advised any party other than Herbert Smith Freehills LLP, including without limitation, Axiata, in connection with the Agreement or any related document. In particular, but without affecting the generality of the foregoing sentence, we have not advised any Company on the type, adequacy, nature and appropriateness of the interests, rights, obligations or remedies which may arise under the Agreement. Notwithstanding the provision of this opinion, we expressly reserve the right to represent our client (if it so requests) in relation to any matters affecting the Agreement at any time in the future (whether or not you retain separate advisers on any such matter), and the fact that we have provided this opinion to you shall not be deemed to have caused us to have any conflict of interest in relation to the giving of any such advice. The provision of this opinion to you does not create or give rise to any client relationship between this firm and you.
- 2.4 This opinion and any non-contractual obligations arising out of or in connection with it are governed by and shall be construed in accordance with Singapore law. This opinion is given on condition that the courts of Singapore have exclusive jurisdiction to settle any dispute or claim arising out of or in connection herewith (including any non-contractual disputes or claims).
- 2.5 This opinion is not designed to and is not likely to reveal fraud, misrepresentation, bribery or corruption by any person.

**3. DOCUMENTS WHICH WE HAVE EXAMINED AND ENQUIRIES WHICH WE HAVE MADE**

- 3.1 We have examined the following documents for the purposes of giving this opinion:
- 3.1.1 a scanned version of the English language version of the signed Agreement;
- 3.1.2 a copy of the Certificate of Incorporation and the Constitution of the Singapore Company (together the “**constitutional documents**”);
- 3.1.3 a copy of the minutes of (and resolutions from) a meeting of the board of directors of the Singapore Company dated 15 December 2021; and
- 3.1.4 a copy of the written resolutions of the sole shareholder of the Singapore Company dated 16 December 2021.
- 3.2 We have also examined the results of the online searches carried out on the Singapore Company through the search portals, at the times, on the dates and for the periods as set out in the Appendix (collectively referred to hereafter as the “**Searches**”).
- 3.3 Except as stated above, we have not for the purpose of this opinion examined any agreements, documents or corporate records entered into by or affecting the Companies or made any other enquiries concerning the Companies.

**4. ASSUMPTIONS**

- 4.1 This opinion is based upon the assumption (which may or may not be the case) that:
- 4.1.1 **Due Incorporation:** each party to the Agreement (other than the Singapore Company) is duly incorporated under the laws of the place of its incorporation and to the extent such concept is legally relevant under the laws of the place of its incorporation, is in good standing;
- 4.1.2 **Authenticity:** all documents (including scanned and copy documents) examined by us are authentic, complete and accurate and all signatures and seals (if any) thereon are genuine;

## SINGAPORE LEGAL OPINION (Cont'd)

- 4.1.3 **Documents up to date, etc.:** all documents (including the constitutional documents) which we have reviewed are and remain up-to-date and have not been terminated or rescinded;
- 4.1.4 **Due execution:** the Agreement has been duly executed and, where applicable, delivered on behalf of the Singapore Company by persons authorised by the resolutions referred to in paragraph 3.1.3;
- 4.1.5 **Other parties – capacity and authority, etc.:** each party to the Agreement other than the Singapore Company has the power and legal capacity to enter into, perform and exercise its rights under the Agreement and the Agreement has been duly authorised, executed and, where applicable, delivered by all of the parties thereto other than the Singapore Company in accordance with all applicable laws;
- 4.1.6 **Solvency:** the Singapore Company was not (and will not be deemed to be) unable to pay its debts within the meaning of section 125(2) of the IRDA at the time it entered into the Agreement and will not as a result of entering into or performing the Agreement or any transaction contemplated by the Agreement be (or be deemed to be) unable to pay its debts within the meaning of that section and each Company was solvent at the time of the execution and delivery of the Agreement and did not become insolvent as a result of entering into the arrangements contained in the Agreement and none of the Companies has entered into any composition or arrangement with its creditors (or any class of them);
- 4.1.7 **Administration, etc.:** no step has been taken to wind-up any Company or to place it into receivership or judicial management and no provisional liquidator, liquidator, judicial manager, receiver and manager or receiver has been appointed over or in respect of the assets of any Company, nor has any analogous procedure or step been taken in any jurisdiction which (in either case) has not been revealed by the Searches;
- 4.1.8 **Resolutions:** the resolutions referred to in paragraph 3.1.3 were passed at properly convened and conducted meetings of the directors, and the written resolutions referred to in paragraph 3.1.4 were validly passed, and in each case, remain in full force and effect;
- 4.1.9 **Filings:** the public files, documentation and information available through the relevant search portals are complete, accurate and up-to-date;
- 4.1.10 **Directors:** the directors of the Singapore Company have acted in good faith and have complied with their duties under all applicable laws in relation to the approval of and entry into the Agreement;
- 4.1.11 **Commercial benefit:** the transactions contemplated by the Agreement may be considered to be in the interests, and for the commercial benefit, and the provisions of the Agreement accurately reflect the commercial intent, of the respective parties;
- 4.1.12 **Validity/enforceable obligations:** the Agreement constitutes legal, valid, binding and enforceable obligations of all of the parties thereto under all applicable laws (other than Singapore law) and to the extent that the laws or regulations of any jurisdiction other than Singapore may be relevant to (a) the obligations or rights of any of the parties under the Agreement, or (b) any of the transactions contemplated by the Agreement, such laws and regulations do not prohibit, and are not inconsistent with the entering into and performance of any such obligations, rights or transactions;
- 4.1.13 **No breach:** no party will, by reason of the transactions contemplated by the Agreement, be in breach of any of their respective obligations under any agreement, licence, authorisation, consent or similar document;

## SINGAPORE LEGAL OPINION (Cont'd)

- 4.1.14 **Misconduct, etc.:** no party to the Agreement (and no individual employed by or acting on behalf of any such party) is, or will be, engaging in criminal, misleading, deceptive or unconscionable conduct or seeking to conduct any relevant transaction or any associated activity in a manner or for a purpose not evident on the face of the Agreement which might render the Agreement (or any part thereof) or any transaction contemplated thereby or any associated activity illegal, unlawful, void or unenforceable; and
- 4.1.15 **No facts or circumstances:** there are no facts or circumstances not evident on the face of the Agreement or any laws other than Singapore law that would render any part of this opinion incorrect.

5. **OPINION**

- 5.1 Based on the Agreement and other documents referred to in paragraph 3 and subject to the assumptions contained in paragraph 4 and the qualifications contained in paragraph 6 and to matters not disclosed to us, it is our opinion that:

5.1.1 **Status**

The Singapore Company is a company incorporated with limited liability under Singapore law.

5.1.2 **Capacity**

The Singapore Company has the power and legal capacity to enter into and perform its obligations under the Agreement and the execution and performance of its obligations under the Agreement will not contravene its constitutional documents.

5.1.3 **Authority**

The Singapore Company has taken all necessary corporate actions to authorise the execution, performance and delivery of the Agreement.

5.1.4 **Enforceability**

The representations, undertakings and obligations of each Company under the Agreement constitute enforceable representations, undertakings and obligations of such Company under Singapore law.

5.1.5 **Choice of law**

The choice of Singapore law in clause 16.1 of the Agreement by each Company is a valid choice of law and would be given effect by a Singapore seated arbitral tribunal.

5.1.6 **Arbitration agreement**

The agreement of each Company in the Agreement for all disputes between the parties to be determined by arbitral tribunals applying Singapore law is of a type and form generally found to constitute a legal, valid, binding, and enforceable arbitration agreement and the submission of each Company to arbitration in accordance with the Singapore International Arbitration Centre Rules is a valid submission.

5.1.7 **Enforcement of awards**

A final arbitral award against each Company in respect of the Agreement duly obtained in an arbitration proceeding under the terms thereof in respect of any sum payable by such Company thereunder will be recognisable and enforceable in the Singapore courts without re-examination of the merits of the case, subject to the conditions and qualifications contained in the International Arbitration Act 1994 of Singapore.

## SINGAPORE LEGAL OPINION (Cont'd)

5.1.8 **Stamp duty**

No stamp duty is payable in Singapore in connection with the execution and delivery by each Company of the Agreement.

6. **QUALIFICATIONS**

- 6.1 This opinion is subject to the qualifications contained in this section.
- 6.2 **Searches:** The results of the Searches may not be complete or up to date and may in fact contain errors or omissions because the requisite documents, notices or resolutions may either not have been filed or having been filed, have not been processed and made available to the public on the date of the relevant Search, or errors or omissions may have occurred when the data was processed.
- 6.3 **Insolvency, etc.:** This opinion is subject to all insolvency and other laws affecting the rights of creditors (whether secured or unsecured) generally.
- 6.4 **Validity:** The opinion that the obligations of a Company under the Agreement constitute legal, valid, binding and enforceable obligations means that the obligations are of a type and form generally found to be legal, valid, binding and enforceable by the Singapore courts or arbitral tribunals applying Singapore law. It is not, however, certain that each or any obligation within a document will necessarily be legal, valid or binding or will be enforced in all circumstances in accordance with its terms since the existence, effect and enforcement of legal obligations is subject to principles of law, equity, court or the arbitral tribunal's discretion, issues of public policy and procedure of general application. In addition, equitable remedies, such as specific performance and injunctions, are within the discretion of the court or arbitral tribunal and therefore a Singapore court or arbitral tribunal may make an award of damages if it considers this an adequate remedy for breach of legal obligations and not to require specific performance or grant an injunction in such circumstances. Further:
- 6.4.1 claims may become time-barred;
- 6.4.2 enforcement of rights and obligations may become frustrated;
- 6.4.3 claims may be subject to defences of set off or counterclaim;
- 6.4.4 a failure or delay to exercise a right may constitute a waiver of that right;
- 6.4.5 any indemnity obligations imposed under the Agreement may not be effective insofar as they relate to fines and penalties arising out of matters of civil or criminal liability and an indemnity for costs of litigation may not be effective;
- 6.4.6 an agreement whereby a party is to pay the whole or part of the costs of the arbitration in any event will not be valid if made before the dispute in question has arisen;
- 6.4.7 any terms excluding or limiting the duties owed by or the liability of any person may be void or unenforceable, including if and to the extent they do not satisfy the relevant tests of reasonableness or fairness imposed by law and will be construed strictly;
- 6.4.8 an obligation to negotiate or enter into further agreements may not be enforceable;
- 6.4.9 a Singapore court or arbitral tribunal applying Singapore law may choose not to treat any certificate or determination as being conclusive;
- 6.4.10 the severance of any invalid or illegal provision and the continued effect of any other obligations will be determined by a Singapore court or arbitral tribunal applying Singapore law, at its discretion;
- 6.4.11 any discretion or determination may be required to be exercised or made in a timely manner, reasonably or in good faith or any combination of them, and not arbitrarily, capriciously, perversely or irrationally, whether or not there is any express obligation to do so;

## SINGAPORE LEGAL OPINION (Cont'd)

- 6.4.12 any provision in a contract which requires payment of additional amounts by any party as a result of breach of its contractual obligations (whether expressed by way of fee, additional interest (whether described as penalty or default interest or implemented by margin ratchet), or specified or liquidated damages or otherwise), or which results in the loss of a right to future payment or a requirement to transfer assets at an undervalue or a forfeiture of assets or which provide for or require the imposition of any other detriment on a party may be unenforceable as a penalty;
- 6.4.13 notwithstanding any contractual provision that requires a variation to be made in writing or to comply with some other formality, a party may in some circumstances be prevented from enforcing the original terms where a variation was agreed orally or by conduct of the parties;
- 6.4.14 a contract may not be binding if the consideration given for the benefit of a promise is not valuable consideration or is past consideration;
- 6.4.15 if a provision lacks certainty it may not be contractually binding;
- 6.4.16 a Singapore court or any arbitral tribunal applying Singapore law may choose not to enforce or recognise as binding obligations which are incompatible with Singapore public policy or which purport to override mandatory rules of Singapore law;
- 6.4.17 any right to apply payments in a specific order may not be effective if a Company, in making payment, specifies a contrary order of application;
- 6.4.18 a contract may be void if the parties are mistaken as to some matter that is essential to the contract;
- 6.4.19 Singapore courts or arbitral tribunals applying Singapore law can give judgments or awards in currencies other than Singapore dollars if, subject to the terms of the contract, it is the currency which most fairly expresses the plaintiff's loss but such judgments may be required to be converted into Singapore dollars for enforcement purposes;
- 6.4.20 the Singapore courts, at their discretion, may order a plaintiff in an action, being a party not ordinarily resident in Singapore or a corporation which, based on credible testimony, will not be able to pay the costs of the defendant if successful in his defence, to provide security for costs;
- 6.4.21 a Singapore court or arbitral tribunals applying Singapore law may refuse to give effect to any provision of the Agreement (a) for the payment of expenses in respect of the costs of enforcement (actual or contemplated) or of unsuccessful litigation brought before a Singapore court or where the court has itself made an order for costs; or (b) which would involve the enforcement of foreign revenue or penal laws;
- 6.4.22 the courts of Singapore are bound to follow judicial precedents laid down by superior courts of Singapore – however the Court of Appeal, which is the highest court in Singapore, has power to depart from such precedents where adherence will cause injustice in a particular case or constrain the development of law in conformity with the circumstances of Singapore; and
- 6.4.23 rights under the Agreement may be held to have been suspended, impaired or waived by representation, conduct and delay.
- 6.5 **References:** We express no opinion on any document referred to in the Agreement.
- 6.6 **Tax:** Save as expressly set out in paragraph 5.1.8, we express no opinion as to the tax treatment of the Agreement or the transactions contemplated thereby.
- 6.7 A Singapore court or arbitral tribunal may not give effect to a choice of law applicable to a contract where:

**SINGAPORE LEGAL OPINION (Cont'd)**

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- 6.7.1 all relevant circumstances at the time of choice are connected with a country other than the country whose law has been chosen by the parties and the only purpose for choosing that law was to evade the operation of the law which would otherwise have applied to the contract but for the choice of law (in which case the Singapore court or arbitral tribunal may apply such rules of law of the connected country as may not be derogated from by contract);
- 6.7.2 it is bound, in relation to specified proceedings, specified types of contract or specified issues, to apply the law of a different jurisdiction; or
- 6.7.3 the application of the parties' choice of law is incompatible with Singapore public policy.
- 6.8 **Sanctions:** Where a party to the Agreement is the subject of targeted financial sanctions or restrictive measures implemented or effective in Singapore, or is owned or controlled (directly or indirectly) by, or is acting on behalf of, a person subject to such sanctions (a "**Sanctioned Person**"), then the obligations and rights of those parties under the Agreement may be unenforceable or void. Where the performance of any obligations under the Agreement would otherwise involve the provision of any funds or assets (directly or indirectly) to a Sanctioned Person or a use of or dealing with funds or assets belonging to, owned held or controlled by a Sanctioned Person, then such obligations may be unenforceable or void. Where any party to the Agreement is the subject of other restrictive measures (including trade sanctions or embargoes, financing restrictions and investment restrictions) implemented or effective in Singapore which affect the provision of finance or credit to, or payments to or from, such persons (as a result of being resident in, incorporated in or constituted under the laws of a country which is subject to such measures, or being part of a class of persons of a generic description subject to such measures, or being named as subject to such measures), then the obligations and rights of those parties under the Agreement may be unenforceable or void.
- 6.9 **English language version:** This opinion only applies to the English language version of the Agreement and not to any Bahasa Indonesia version of the Agreement. We have not reviewed the Bahasa Indonesia version of the Agreement and express no opinion on the same. Although the parties have agreed that the English language version of the Agreement will prevail for all purposes and that the Bahasa Indonesia versions have been prepared solely for compliance with Indonesian Law No. 24 of 2009 on National Flag, Language, Coat of Arms and Anthem, we express no opinion as to whether the courts of the Republic of Indonesia, the Singapore courts or the Singapore International Arbitration Centre will make use of or rely on the Bahasa Indonesia version.

**7. ADDRESSEES AND RESPONSIBILITY**

- 7.1 This opinion is addressed to you personally, as the client of Herbert Smith Freehills LLP, subject to the terms of the letter from Herbert Smith Freehills LLP to you dated the date of this opinion under the cover of which this opinion has been issued and on condition that the terms of such letter apply. It is provided solely in connection with the Proposed Acquisition. It may not be relied upon by (or disclosed to) any other entity or person without our prior written consent, save that this opinion may be disclosed without such consent:
- 7.1.1 to the extent required by the rules of any listing authority or stock exchange with which you are legally bound to comply (including to Bursa Securities and as an appendix to the Circular);
- 7.1.2 to the extent required by the laws or regulations of any country with jurisdiction over your affairs;
- 7.1.3 to your affiliates and professional advisers, or the professional advisers of your affiliates,
- provided that:

**SINGAPORE LEGAL OPINION (Cont'd)**

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- 7.1.4 such disclosure is made for information purposes only and not for the purposes of reliance;
- 7.1.5 we do not assume any duty or liability to any person to whom such disclosure is made and no such person to whom this opinion is disclosed may rely on it without our prior written consent; and
- 7.1.6 any such person to whom such disclosure is made in accordance with paragraph 7.1.3 acknowledges that this opinion is confidential and agrees not to further disclose this opinion or its contents to any other person, other than as permitted above, without our prior written consent, except that no such acknowledgement or agreement is required where the recipient is subject to professional obligations to maintain the confidentiality of the opinion or is otherwise bound by legal or contractual obligations of confidentiality.

Yours faithfully,

*Prolegis LLC*

**Prolegis LLC**

## SINGAPORE LEGAL OPINION (Cont'd)

## APPENDIX

## Asia Link Dewa Pte. Ltd. (UEN 201108211K)

Search	Search Portal	Date and time of Search	Period covered by Search
Business Profile	Bizfile Search	29 April 2022	N/A
Appeal Cases (Supreme Court) Module	e-Litigation Cause Book Search	2019 to 2021: 8 March 2022 as at 12:23PM 2022: 29 April 2022 as at 10:28AM	2019 to 2022
Appeal Cases (State Courts) Module			
Civil Cases (Supreme Court) Module			
Civil Cases (State Courts) Module			
Enforcement (Supreme Court) Module		2019 to 2021: 8 March 2022 as at 12:53PM 2022: 29 April 2022 as at 10:41AM	
Enforcement (State Courts) Module			
Enforcement (Family Division of the High Court) Module			
Enforcement (Family Courts) Module			
Insolvency Module (including judicial management)			

## EXPERT'S REPORT ON FAIRNESS OF THE PURCHASE CONSIDERATION



29 April 2022

**Axiata Group Berhad**  
Level 5, Corporate Headquarters, Axiata Tower,  
9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral,  
50470 Kuala Lumpur  
Malaysia

**Attention: The Board of Directors**

Dear Sirs,

**FAIRNESS OPINION ON THE PURCHASE CONSIDERATION FOR THE PROPOSED ACQUISITION OF 66.03% EQUITY INTEREST IN PT LINK NET TBK BY AXIATA INVESTMENTS (INDONESIA) SDN BHD AND PT XL AXIATA TBK ("PROPOSED ACQUISITION")**

## 1 Introduction

On 27 January 2022, Axiata Group Berhad ("Axiata" or the "Client") had announced ("the Announcement") that Axiata Investments (Indonesia) Sdn Bhd ("All"), an indirect wholly-owned subsidiary of Axiata, and PT XL Axiata Tbk ("XL"), an indirect 61.48% owned subsidiary of Axiata, (collectively referred to as the "Purchasers") had entered into a conditional share purchase agreement ("SPA") with Asia Link Dewa Pte Ltd and PT First Media Tbk (collectively referred to as the "Sellers") to acquire 1,816,735,484 ordinary shares of PT Link Net Tbk ("Target" or "Link Net") ("Link Net Shares"), representing 66.03% of equity interest in Link Net, which is computed based on the issued and paid-up Link Net Shares (excluding 111,614,500 treasury shares) of 2,751,580,984 as at 17 January 2022 owned by the Sellers at IDR4,800 per ordinary share.

The total cash consideration is IDR8,720,330,323,200 ("Purchase Consideration").

Deloitte Corporate Advisory Services Sdn Bhd ("DCAS") has been engaged by Axiata to opine on the fairness of the Purchase Consideration (the "Services") in connection with the Proposed Acquisition based on terms and conditions as set out in the letter of engagement dated 10 March 2022 ("Engagement Letter") and a letter of representation on the bases and assumptions dated 29 April 2022.

## 2 Terms of Reference

This letter ("Letter") is a requirement under Item (4), Part F of Appendix 10B of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

This Letter is prepared for inclusion in the circular to the shareholders of Axiata (the "Circular") solely for the purpose of providing a fairness opinion on the Purchase Consideration of the Proposed Acquisition. The indicative valuation carried out is only for the purpose of our evaluation on the fairness of the Purchase Consideration and not for the consideration of the Board of Directors of Axiata ("Board") to arrive at the Purchase Consideration.

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**EXPERT'S REPORT ON FAIRNESS OF THE PURCHASE CONSIDERATION (Cont'd)**

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**2 Terms of Reference (cont'd)**

Save and except for the purpose stated above, this Letter cannot be used or relied upon for any other purposes and/or by any other persons including, without limitation, any of the shareholders, employees, directors as individuals, investors or any other person.

This Letter and the data on which this Letter is prepared is not intended to form the only basis of any decision made in relation to the Proposed Acquisition. Furthermore, this Letter does not contain all the information necessary to fully evaluate the Proposed Acquisition.

DCAS has had no involvement in any other aspects pertaining to the Proposed Acquisition, including, without limitation, the negotiations, deliberations or decision made by the respective parties to enter into the Proposed Acquisition. DCAS does not, by this Letter or otherwise, advise, recommend, evaluate, comment or form any judgment or opinion on the legal, commercial or financial rationale, merits or risks in relation to the Proposed Acquisition or the relative merits of the Proposed Acquisition as compared to any alternative transactions considered by Axiata, the Sellers and/or the Target or that otherwise may be available to Axiata, the Sellers and/or the Target in the future or on the future growth prospects or earnings potential of Axiata, the Sellers and/or the Target. Such advice, recommendation, evaluations, comments, judgment or opinion are and remain the sole responsibility of the Board and other advisers engaged for the purpose.

The Client is solely responsible for determining the Purchase Consideration with which negotiations shall occur with respect to the Proposed Acquisition as well as the ultimate price to be paid in connection with the Proposed Acquisition.

DCAS does not guarantee or warrant the achievability of the financial estimation of Link Net projected by the market analysts which are inherently uncertain and are based on estimations of future events that cannot be assured and could be based on certain assumptions that may not materialise. Accordingly, actual results can be significantly different from those projected. Hence, the valuation considered as part of assessing the fairness of the Purchase Consideration may be materially or adversely affected should the actual results differ from the bases and assumptions upon which the valuation was based upon.

The findings and assumptions of the valuation have been discussed with the management of Axiata prior to finalisation, and we understand that Axiata is agreeable to and responsible for the assumptions the estimation relied on. The management of Axiata has confirmed to us that, to the best of their knowledge and belief, the information contained in this Letter and the data on which this Letter is prepared constitute a full and true disclosure of all relevant and material facts available on the Target and there is no other information or fact, the omission of which would cause any of the information disclosed to us or relied by us or any information contained herein and in the data on which this Letter is prepared to be untrue, incomplete or misleading in any material respect.

We have not independently verified publicly available information, whether written or verbal, and accordingly, we cannot and do not warrant, opine or accept any responsibility for the accuracy, completeness or adequacy of such information we received from or on behalf of Axiata and/or the Target, as the case may be. We have not carried out any work which constitutes an audit in accordance with generally accepted auditing standards including any in-depth investigation into the Target and affairs of the Target. In performing our fairness opinion herein, we relied upon and have assumed that all information made available to us is true, accurate, not misleading and complete in all material respects as at the date hereof.

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**EXPERT'S REPORT ON FAIRNESS OF THE PURCHASE CONSIDERATION (Cont'd)**


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**2 Terms of Reference (cont'd)**

The estimates of the market values of the Target are based on generally accepted valuation procedures and practices that rely on the use of assumptions and the consideration of uncertainties not all of which can be easily quantified or ascertained. The final analysis leading to our estimates of the range of market values of the Target represents an assessment based on our best professional judgement and experience predicated on all relevant and available references and resources. By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived in many cases will of necessity be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. Whilst DCAS considers the indicative valuation used in the fairness opinion to be both reasonable and defensible based on the information available to DCAS, others may place a different value on the Target.

The estimates of the range of market values of the Target used in our evaluation of the fairness of the Purchase Consideration are based on the market, economic, industry and other conditions prevailing at the time as at the valuation date and the information made available to us by or on behalf of the management of Axiata. We assume no responsibility to update, revise or reaffirm our evaluation or assumptions in light of any subsequent events or circumstances that may affect the estimate of the range of market values of the Target or any factors or assumptions contained herein. Should DCAS become aware of any significant changes to events or circumstances, between the date of this Letter and the date of Circular, affecting the information contained in this Letter, or being informed of any material changes in the subject matters by the Client which may have an impact on DCAS's opinion or have reasonable grounds to believe that any statement in this Letter is misleading or deceptive leading to a material omission by DCAS in this Letter, DCAS will promptly notify the Board.

**3 Background Information of the Link Net and its subsidiaries<sup>1</sup> ("Link Net Group")**

Link Net was incorporated in Indonesia on 14 March 1996 under the name of PT Seruling Indah Permai as a private limited company. It then changed its name to PT Link Net Tbk and commenced its commercial operations in 2000. Link Net was listed on the Indonesia Stock Exchange on 2 June 2014. As at 31 December 2021, Link Net has three (3) subsidiaries, namely PT First Media Television, PT Infra Solusi Indonesia and Link Net Global Solution Pte Ltd.

The Link Net Group are engaged in telecommunication activities by cable, telecommunication operations, internet service providers, communication system services, network access point services, other multimedia services, wireless telecommunication activities, satellite telecommunication activities, telephony value-added services, internet telephony services for public, management consultancy activities, call centre activities, wholesale on a fee or contract basis, wholesale of computer and computer equipment, wholesale of software, wholesale of telecommunication equipment, wholesale of various goods, telecommunication installation, other computer programming activities, computer consultancy activities and other computer facilities management, other computer service and information technology activities.

The Link Net Group is among the leading providers of high-speed broadband and cable TV in Indonesia, serving the residential and enterprise markets across Greater Jakarta, Greater Surabaya and Bandung, Bali, Serang, Cilegon, Semarang, Solo, Medan, Batam, Purwakarta, Cirebon, Tegal, Yogyakarta and Kediri.

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<sup>1</sup> Source: Axiata's announcement dated 27 January 2022, Link Net's Annual Report for the financial year ("FY") 2020, Link Net's audited consolidated financial statements for FY2021

## EXPERT'S REPORT ON FAIRNESS OF THE PURCHASE CONSIDERATION (Cont'd)



### 3 Background Information of Link Net and its subsidiaries<sup>1</sup> ("Link Net Group") (cont'd)

Details of Link Net's investments in its subsidiaries and affiliates are provided in the table below:

Name	Country of incorporation	Equity interest	Principal activities
Link Net Global Solution Pte Ltd	Singapore	100.00%	Telecommunication resellers or third-party telecommunications providers and internet service providers
PT First Media Television	Indonesia	99.99% <sup>2</sup>	Provision of pay-TV service
PT Infra Solusi Indonesia	Indonesia	100.00%	Trading, construction services and labour provider
PT Indonesia Media Televisi	Indonesia	17.03% <sup>3</sup>	Provision of pay-TV service by television

Source: Link Net's Annual Report for FY2020 and Link Net's audited consolidated financial statements for FY2021

### 4 Purchase Consideration

The Purchase Consideration proposed was a total cash consideration of **IDR8,720,330,323,200** (equivalent to approximately RM2,572,497,445) or **IDR4,800** (equivalent to approximately RM1.42) per Link Net Share was arrived on a willing buyer willing seller basis after taking into consideration the following:

- (i) Internal assessment by the management of Axiata based on common valuation methodologies such as enterprise value ("EV") to earnings before interest, tax, depreciation and amortisation ("EBITDA") ("EV/EBITDA") multiples and discounted cash flow ("DCF") valuation method;
- (ii) Historical closing prices of Link Net Shares for the last two (2) years up to and including 26 January 2022, being the last trading day prior to the Announcement, ranging between IDR1,765 and IDR4,600;
- (iii) Audited consolidated net assets ("NA") of Link Net as at 31 December 2020 of IDR4,622,711 million or IDR1,615 per share; and
- (iv) Historical financial performance of the Link Net Group, rationale and benefits of the Proposed Acquisition and prospects of the telecommunications industry in Indonesia as set out in the Announcement.

### 5 Indicative valuation analysis

#### 5.1 Subject of Valuation

For the purpose of this Letter, the subject of valuation covers the entire 66.03% equity interest in Link Net.

<sup>2</sup> The remaining 0.01% shares are owned by PT Citra Investama Andalan Terpadu

<sup>3</sup> The remaining 49.95% shares are owned by PT Multipolar Multimedia Prima, 6.88% shares are owned by PT Tigayasa Multinasional, 2.30% shares are owned by Mitsui & Co. (Asia Pacific) Pte Ltd, and 23.84% shares are owned by PT Graha Raya Ekatama Andalan Terpadu

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**EXPERT'S REPORT ON FAIRNESS OF THE PURCHASE CONSIDERATION (Cont'd)**


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**5 Indicative valuation analysis (cont'd)**
**5.2 Approach and Method of Valuation**

In our evaluation on the fairness of the Purchase Consideration, we have compared the Purchase Consideration to the market value of the Link Net Group as at 31 December 2021 derived from common valuation methods. In addition, we have compared the Purchase Consideration to the historical price of Link Net Shares that has been traded on the Indonesia Stock Exchange.

The common valuation methods considered in deriving the range of market values of the Link Net Group are as follows:

- (i) Market approach – The market approach estimates value based upon market prices of comparable companies and/or actual comparable transactions, adjusted for differences as between the subject company and comparable companies. We refer to Guideline Public Company Method (“GPCM”) and Guideline Transactions Method (“GTM”) to estimate value based upon comparable listed companies, market price of similar transactions and the analysts’ target prices of Link Net Shares. The EV/EBITDA multiple of the guideline public companies (“GPC”) and guideline transactions (“GT”) as well as the range of analysts’ target price are used to form the range of indicative value;
- (ii) Income approach – The income approach bases value on the estimated future cash flows which the Link Net Group is expected to generate. The DCF method, based on market consensus and other publicly available information, is adopted as a more robust estimate of future income to be expected as a shareholder of the Link Net Group; and
- (iii) Cost approach – The general principle behind the cost approach is that the value of an enterprise is equivalent to the values of its individual assets net of its liabilities. For the purpose of this Letter, we deemed the cost approach may not be appropriate as it does not properly reflect the future earnings potential of the Link Net Group.

**5.3 Bases of Valuation**

The bases of valuation in estimating the range of values of the Link Net Group are as follows:

- As agreed with Axiata, the standard of value will be market value. According to International Valuation Standards effective 31 January 2022, market value is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. We will use the market value standard for our work, presuming the application of existing use (“As-Is” basis) to the 66.03% equity interest in Link Net;
- The valuation is carried out based on a valuation date of 31 December 2021 (the “Valuation Date”). In this Letter, the valuation parameters were based on the information of comparable companies and transactions as of 31 December 2021, extracted on 13 April 2022.;
- As of the date of this Letter, DCAS is not aware of any event or fact that will materially affect the valuation of the Target after the Valuation Date;

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**EXPERT'S REPORT ON FAIRNESS OF THE PURCHASE CONSIDERATION (Cont'd)**


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**5 Indicative valuation analysis (cont'd)**
**5.3 Bases of Valuation (cont'd)**

- The information relating to the Link Net Group contained herein has been obtained from the management of Axiata and publicly available information and the market consensus ("Public Sources") as DCAS did not have any access to the management of the Link Net Group for any clarifications of information. Information sourced from Public Sources is being taken in good faith by DCAS and valid as at the cut-off date of 13 April 2022 ("Cut-off Date");
- There will be no material changes, after the date of this valuation, in the market conditions under which the business of the Link Net Group operates;
- The indicative valuation is based on generally accepted valuation procedures and practices that rely on the use of assumptions and considerations of uncertainties that cannot be easily quantified or ascertained. The analysis leading to DCAS's indicative valuation presents an independent assessment based on DCAS's best professional judgment and experience. Axiata should note that there would usually be differences between the projections and the actual results because events and circumstances frequently do not occur as expected and these differences may be material;
- In this Letter, the IDR amounts which are translated to RM equivalents are based on the exchange rate of IDR100.00:RM0.0295, being the middle rate prevailing as at 5.00 p.m. on 13 April 2022 as published by Bank Negara Malaysia ("Exchange Rate");
- Due to rounding, numbers presented throughout this Letter may not add up precisely to the totals provided; and
- In undertaking this indicative valuation, we have considered the following:
  - i. The audited consolidated financial statements of the Target for FY2015, FY2016, FY2017, FY2018, FY2019, FY2020 and FY2021;
  - ii. Discussions and correspondences with management of Axiata and the financial advisers of Axiata;
  - iii. Link Net's company presentations as well as market and industry research reports published by other reputable sources; and
  - iv. Selected analyst reports published by market analysts including PT Credit Suisse Sekuritas Indonesia, Citigroup Global Markets Inc, PT CGS-CIMB Sekuritas Indonesia and others.

**6 Indicative valuation range based on Valuation Method Adopted**

The following valuation methods using i.e., Market Approach and Income Approach have been performed to evaluate the fairness of the Purchase Consideration.

**6.1 Market approach - GPCM**

GPCM was used to evaluate the fairness of the Purchase Consideration given that the Target is a listed company and the implied valuation multiple derived from Purchase Consideration can be compared with observed multiples from GPCs derived from commonly used valuation metrics and applied to the Target's historical and projected financials based on market consensus.

## EXPERT'S REPORT ON FAIRNESS OF THE PURCHASE CONSIDERATION (Cont'd)



## 6 Indicative Valuation range based on Valuation Method Adopted (cont'd)

## 6.1 Market approach – GPCM (cont'd)

DCAS has derived the range of indicative values of 66.03% equity interest in Link Net from the average and median of the last twelve months ("LTM") and the projected FY2022 estimate ("FY2022E") EV/EBITDA multiple of GPCs as set out in the table below. We have then applied Link Net Group's adjusted FY2021 EBITDA of IDR2.4 trillion and FY2022E EBITDA of IDR2.6 trillion.

Market approach – GPCM	Multiple and value range	
	LTM	FY2022E
EV/EBITDA multiple of the GPCs	5.8x to 9.4x	5.3x to 7.3x
Indicative EV of the Link Net Group [IDR trillion]	13.9 to 22.6	13.8 to 19.0
Less: Net debt adjustments of the Link Net Group <sup>4</sup> [IDR trillion]	(2.8)	(2.8)
Indicative value of 100.00% equity interest in Link Net [IDR trillion]	11.1 to 19.8	11.0 to 16.2
<b>Indicative value of 66.03% equity interest in Link Net [IDR trillion]</b>	<b>7.3 to 13.1</b>	<b>7.3 to 10.7</b>
<b>Indicative value per Link Net Share<sup>5</sup> [IDR/share]</b>	<b>4,000 to 7,200</b>	<b>4,000 to 5,900</b>

Source: S&P Capital IQ ("Capital IQ"), DCAS analysis

The details of the selected GPCs are provided in Appendix 1.

Based on the above, we have estimated the indicative value of 66.03% equity interest of Link Net based on market approach – GPCM ranges between IDR7.3 trillion to IDR10.7 trillion or IDR4,000 to IDR5,900 per Link Net Share, which is the overlap of LTM and FY2022E values.

## 6.2 Market approach - GTM

DCAS has also considered GTM to assess the fairness of the Purchase Consideration as the methodology reflects a reasonable estimate of multiples that others have paid for similar companies in the past from the Asia Pacific. We have considered the relevant transactions from the Asia Pacific for the past 5 years from the Valuation Date for our analysis.

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<sup>4</sup> Net debt adjustment to EV comprises of total debt (IDR3.0 trillion), cash and cash equivalents (IDR0.3 trillion) and other assets and liabilities (-IDR0.1 trillion) as at 31 December 2021

<sup>5</sup> Indicative value per Link Net Share is computed based on number of shares to be acquired, i.e. 1,816,735,484.

## EXPERT'S REPORT ON FAIRNESS OF THE PURCHASE CONSIDERATION (Cont'd)

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## 6 Indicative Valuation range based on Valuation Method Adopted (cont'd)

### 6.2 Market approach - GTM (cont'd)

DCAS has derived the range of indicative values of 66.03% equity interest in Link Net based on the average and median of the EV/EBITDA multiple of GTs as illustrated in the table below and applied on Link Net Group's adjusted FY2021 EBITDA of IDR2.4 trillion:

Market approach – GTM	Multiple and value range
EV/EBITDA multiple of the GTs	11.5x to 12.2x
Indicative EV of the Link Net Group [IDR trillion]	27.6 to 29.3
Less: Net debt adjustments of the Link Net Group <sup>6</sup> [IDR trillion]	(2.8)
Indicative value of 100.00% equity interest in Link Net [IDR trillion]	24.8 to 26.5
<b>Indicative value of 66.03% equity interest in Link Net [IDR trillion]</b>	<b>16.4 to 17.5</b>
<b>Indicative value per Link Net Share<sup>7</sup> [IDR/share]</b>	<b>9,000 to 9,600</b>

Source: Capital IQ, DCAS analysis

The details of the selected GTs are provided in Appendix 2.

### 6.3 Market approach - Analysts' Target Price

Given that Link Net is a listed entity on the Indonesia Stock Exchange, target prices are estimated by several equity analysts from investment banks, which are publicly available. DCAS has considered publicly available analyst reports that have been issued as at the Cut-Off Date.

DCAS has derived the range of indicative values of 66.03% equity interest in Link Net from the range of target price per Link Net Share provided by several equity analysts as set out in the table below:

Market approach – Analysts' Target Price	Value range
Target price estimated by analysts (on per share basis) [IDR] <sup>8</sup>	4,100 to 5,500
Outstanding Link Net Shares [million]	2,752
Indicative value of 100.00% equity interest in Link Net [IDR trillion]	11.3 to 15.1
<b>Indicative value of 66.03% equity interest in Link Net [IDR trillion]</b>	<b>7.4 to 10.0</b>

Source: Analyst reports, DCAS analysis, Link Net's audited consolidated financial statements for FY2021

Based on the above, we have estimated the indicative value of 66.03% equity interest of Link Net based on market approach – Analysts' Target Price ranges IDR7.4 trillion to IDR10.0 trillion or IDR4,100 to IDR5,500 per Link Net Share.

<sup>6</sup> Net debt adjustment to EV comprises of total debt (IDR3.0 trillion), cash and cash equivalents (IDR0.3 trillion) and other assets and liabilities (-IDR0.1 trillion) as at 31 December 2021

<sup>7</sup> Indicative value per Link Net Share is computed based on number of shares to be acquired, i.e. 1,816,735,484.

<sup>8</sup> Source: Analyst reports

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**EXPERT'S REPORT ON FAIRNESS OF THE PURCHASE CONSIDERATION (Cont'd)**


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**6 Indicative Valuation range based on Valuation Method Adopted (cont'd)**
**6.4 Income approach - DCF (based on market consensus and publicly available information)**

DCF was used to estimate the net present value of the future economic benefits expected to be generated by the Link Net Group. The key inputs of the DCF have been projected based on market consensus and other publicly available information as there is no access to the management of Link Net for the financial projections on the Link Net Group.

The valuation range derived from the income approach is subject to several key assumptions, and if the actual results deviate from the assumptions used, there could be an adverse impact on the valuation range. The assumptions include, but are not limited to, the achievability of cash flow assumptions are summarised below:

- The valuation has been carried out on the basis that the Link Net Group is and will continue as a going concern without consideration for any potential synergies;
- The projected revenue is contributed mainly by two business segments, i.e. broadband internet and network services as well as cable television. Revenue is expected to grow based on the projected increase in broadband subscribers' base and the Link Net Group's existing market share;
- The forecasted EBITDA margin is within the historical performance of the Link Net Group;
- There are no undisclosed actual or contingent assets or liabilities which would have a material effect on the financial position of the Link Net Group;
- Mid-point discounting convention is adopted; and
- The long-term growth is consistent with those of market consensus.

The weighted average cost of capital ("WACC") used in the income approach was computed based on the Capital Asset Pricing Model ("CAPM"). The estimated WACC ranges from 11.0% to 12.0%. Amongst others, the key assumptions adopted in estimating the WACC are as follows:

- i. Risk-free rate of 6.5%;
- ii. Levered beta of 0.81;
- iii. Equity risk premium of 6.0%;
- iv. Post-tax cost of debt of 6.5%;
- v. Debt-to-equity ratio of 0.18; and
- vi. Appropriate size and company-specific risk premium.

The Link Net Group is valued on an 'As-Is' basis, and there will be no material changes on the Link Net Group's business, the management team, and the general market conditions where the business operates.

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## EXPERT'S REPORT ON FAIRNESS OF THE PURCHASE CONSIDERATION (Cont'd)



## 6 Indicative Valuation range based on Valuation Method Adopted (cont'd)

## 6.4 Income approach - DCF (based on market consensus and publicly available information) (cont'd)

The range of indicative value of 66.03% equity interest in Link Net and the implied EV/EBITDA multiple applied on Link Net Group's adjusted FY2021 EBITDA of IDR2.4 trillion and FY2022E EBITDA of IDR2.6 trillion are as follows:

Income approach - DCF	Implied multiple and value range
EV of the Link Net Group [IDR trillion]	15.3 to 17.3 <i>Implied EV/FY2021 EBITDA: 6.4x to 7.2x</i> <i>Implied EV/FY2022E EBITDA: 5.9x to 6.7x</i>
Less: Net debt adjustments <sup>9</sup> [IDR trillion]	(2.8)
Indicative value of 100.00% equity interest in Link Net [IDR trillion]	12.5 to 14.5
<b>Indicative value of 66.03% equity interest in Link Net [IDR trillion]</b>	<b>8.3 to 9.6</b>
<b>Indicative value per Link Net Share<sup>10</sup> [IDR/share]</b>	<b>4,600 to 5,300</b>

Source: DCAS analysis

Based on the above, we have estimated the indicative value of 66.03% equity interest of Link Net based on income approach - DCF ranges between IDR8.3 trillion to IDR9.6 trillion or IDR4,600 to IDR5,300 per Link Net Share.

## 6.5 Comparison between Indicative Valuation Range and Purchase Consideration

The Purchase Consideration of IDR8.7 trillion or IDR4,800 per share for the Proposed Acquisition falls within the range of the estimated indicative equity values of 66.03% equity interest of IDR8.3 trillion to IDR9.6 trillion or IDR4,600 to IDR5,300 per Link Net Share in Link Net as shown below:

Method of valuation	Indicative equity value for 66.03% of Link Net (IDR trillion)	Value per Link Net share (IDR)
Market approach - GPCM	7.3 to 10.7	4,000 to 5,900
Market approach - GTM	16.4 to 17.5	9,000 to 9,600
Market approach - Analysts' Target Price	7.4 to 10.0	4,100 to 5,500
Income approach - DCF (based on market consensus and public information)	8.3 to 9.6	4,600 to 5,300
<b>Range of indicative equity values of Link Net</b>	<b>8.3 to 9.6</b> <i>(equivalent to RM2.4 billion to RM2.8 billion)</i>	<b>4,600 to 5,300</b> <i>(equivalent to RM1.36 to RM1.56)</i>
<b>Purchase Consideration</b>	<b>8.7</b> <i>(equivalent to RM2.6 billion)</i>	<b>4,800</b> <i>(equivalent to RM1.42)</i>

Source: DCAS analysis

<sup>9</sup> Net debt adjustment to EV comprises of total debt (IDR3.0 trillion), cash and cash equivalents (IDR0.3 trillion) and other assets and liabilities (-IDR0.1 trillion) as at 31 December 2021

<sup>10</sup> Indicative value per Link Net Share is computed based on number of shares to be acquired, i.e. 1,816,735,484.

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**EXPERT'S REPORT ON FAIRNESS OF THE PURCHASE CONSIDERATION (Cont'd)**


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**6 Indicative Valuation range based on Valuation Method Adopted (cont'd)**
**6.5 Comparison between Indicative Valuation Range and Purchase Consideration (cont'd)**

The above estimated indicative equity values of 66.03% equity interest of IDR8.3 trillion to IDR 9.6 trillion is determined by the overlapping value range among the valuation methods. The implied EV/LTM EBITDA from GTM is not considered in concluding the value range, given that most of the GTs are mainly from developed countries with higher GDP per capita and disposable income.

**7 Analysis of Purchase Consideration and Average Market Price**

In addition, we have considered the volume-weighted average market price ("VWAMP") computation as stated in the Announcement and compared it to the Purchase Consideration. Based on the Purchase Consideration, each Link Net Share of IDR4,800 would represent a premium of 10% to 22% when compared to the 5-days to 12-months VWAMP of Link Net Share as at the last trading day before the Announcement, i.e. 26 January 2022. When the same comparison is carried out based on a more recent period of 5-day to 6-month VWAMP of the Link Net Share, each Link Net Share of IDR4,800 will represent a premium of 10% to 17%.

To analyse the premium mentioned above, we have referred to the control premiums observed in the telecommunication industry. The parameters used in extracting the control premium<sup>11</sup> includes transactions with more than 50% equity stake for the past 5 years within South East Asia and Asia Pacific. We have observed that the average of the medians of control premium 1-week and 1-month prior to the transaction ranges from approximately 20% to 26%.

Based on the analysis above, the premium of the Link Net Share based on the Purchase Consideration over the VWAMP of 10% to 22% is lower than the relevant control premiums observed in the past 5 years from the telecommunication industry related transactions within South East Asia and Asia Pacific.

**8 Conclusion**

Based upon and subject to the foregoing and other information used in the preparation of this Letter, DCAS is of the opinion that the Purchase Consideration of IDR8.7 trillion or IDR4,800 per Link Net Share for the Proposed Acquisition is fair from a financial point of view.

The indicative valuation is based on the assumptions set out in the previous sections. As with all assumptions, there are inherent uncertainties, and there can be no guarantee that the assumptions will be achieved. The indicative valuation range used in the assessment of fairness of the Purchase Consideration should be considered together with the bases of valuation and key limitations highlighted.

DCAS wishes to highlight that the Proposed Acquisition is a commercial and business decision undertaken by Axiata, All and XL's Board of Directors and the future contribution of the Link Net Group is dependent on the Link Net Group's future business prospects and the ability of Axiata, All and XL to realise the benefits arising from the Proposed Acquisition.

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<sup>11</sup> Source: Capital IQ and DCAS analysis.

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**EXPERT'S REPORT ON FAIRNESS OF THE PURCHASE CONSIDERATION (Cont'd)**


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## 9 Restrictions

Save for the purpose of public inspection in relation to the Proposed Acquisition and other public documents to be made in accordance with the rules and regulations set out by the relevant authorities, this Letter may not be reproduced, disseminated or quoted for any other purpose without DCAS prior written consent.

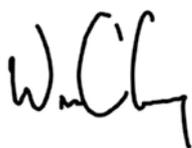
This Letter is governed by, and should be construed in accordance with, the laws of Malaysia, and are strictly limited to the matters stated herein. DCAS reserves the right to amend this Letter in terms of its format and contents before providing our consent.

Accordingly, we are not responsible or liable for any form of losses however occasioned to any third party as a result of the circulation, publication, reproduction or use of, or reliance on this Letter, in whole or in part, contrary to the provision set out in this Letter and our engagement letter.

Neither DCAS nor any of its members or employees undertakes responsibilities arising in any way whatsoever to any person in respect of this Letter, including any error or omission therein, however caused, as a result of the unauthorised circulation, publication, reproduction or use of this Letter, or any part hereof.

Yours faithfully,

**DELOITTE CORPORATE ADVISORY SERVICES SDN BHD**



**Leonard Woo**  
Executive Director



**Ooi Siew Choo**  
Executive Director

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Appendix 1: Guideline Public Companies

Appendix 2: Guideline Transactions

**EXPERT'S REPORT ON FAIRNESS OF THE PURCHASE CONSIDERATION (Cont'd)**
**Appendix 1 – Guideline Public Companies**

No.	Name	Country	Business description	EV/LTM EBITDA multiple	EV/FY2022E EBITDA multiple
1	Jasmine International Public Company Limited	Thailand	The company provides telecommunications services to individual and corporate clients in Thailand.	5.6x	3.1x
2	Telekom Malaysia Berhad	Malaysia	The company engages in the establishment, maintenance, and provision of telecommunications and related services in Malaysia and internationally.	5.8x*	5.3x
3	Converge Information and Communications Technology Solutions, Inc.	Philippines	The company operates as a high-speed fixed broadband operator in the Philippines.	18.2x	12.5x
4	Link Net	Indonesia	The company distributes television programs and high-speed Internet through its broadband communication network in Indonesia.	5.8x	5.2x
5	TIME dotCom Berhad	Malaysia	The company provides telecommunications services in Malaysia and internationally.	11.4x*	10.5x
				<b>Average</b>	<b>7.3x</b>
				<b>Median</b>	<b>5.3x</b>

Source: Capital IQ, after a number of adjustments by DCAS including pre-IFRS 16 (Leases)

\*Note: The pre-IFRS 16 adjustment to the EV/EBITDA multiple for Telekom Malaysia Berhad and TIME dotCom Berhad were computed based on last twelve months lease payments as at 30 September 2021. This is because the audited financial statements of these 2 companies have not been released as at 13 April 2022.

**EXPERT'S REPORT ON FAIRNESS OF THE PURCHASE CONSIDERATION (Cont'd)**
**Appendix 2 – Guideline Transactions**

No.	Transaction year	Acquiree	Acquirer	Deal size (USD'mil)	Acquiree Country	Percent sought	Implied EV/LTM EBITDA
1	2021	Vocus Group Limited	Aware Super Pty Ltd; Macquarie Infrastructure and Real Assets	3,569	Australia	100%	14.2x
2	2017	Hutchison Global Communications Investment Holding Limited	Asia Cube Global Communications Limited (subsidiary of I Squared Capital Advisors LLC)	1,856	Hong Kong (China)	100%	12.1x
3	2019	WTT HK Limited	HKBN Ltd.	1,336	Hong Kong (China)	100%	12.5x
4	2019	CJ Hello Co., Ltd.	LG Uplus Corp.	1,258	South Korea	50%	6.4x
5	2019	LBN Co Pty Ltd	Uniti Group Limited	68	Australia	100%	12.2x
						<b>Average</b>	<b>11.5x</b>
						<b>Median</b>	<b>12.2x</b>

Source: Capital IQ and Mergermarket

Note: The implied EV/LTM EBITDA from GTM is not considered in concluding the value range, given that most of the GTs are mainly from developed countries with higher GDP per capita and disposable income.

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**EXPERT'S REPORT ON TAXATION POLICIES IN INDONESIA**


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**Private and Confidential**

The Board of Directors  
 Axiata Group Berhad  
 Corporate Headquarters, Axiata Tower  
 9 Jalan Stesen Sentral 5  
 Kuala Lumpur Sentral  
 50470 Kuala Lumpur

29 April 2022

Dear Sirs

**EXPERT'S OPINION ON THE TAXATION POLICIES OF INDONESIA**

We have been requested to provide an expert's opinion on the taxation policies of Indonesia in connection with the acquisition by Axiata Investments (Indonesia) Sdn Bhd ("AII") and PT XL Axiata Tbk ("XL") of 1,816,735,484 ordinary shares in PT Link Net Tbk ("Link Net") representing approximately 66.03% equity interest of Link Net ("Expert's Opinion").

**DETAILS OF THE PROPOSED ACQUISITION AND BACKGROUND INFORMATION OF LINK NET**

AII, an indirect wholly-owned subsidiary of Axiata Group Berhad ("Axiata") and XL, an indirect 61.48% owned subsidiary of Axiata (collectively referred to as the "Purchasers"), had on 27 January 2022 entered into a share purchase agreement with Asia Link Dewa Pte. Ltd. and PT First Media Tbk (collectively referred to as the "Sellers") for a potential acquisition of 1,816,735,484 ordinary shares in Link Net ("Link Net Shares"), a company listed on the Indonesian Stock Exchange ("IDX"), representing approximately 66.03% equity interest of Link Net for a total consideration of Indonesian Rupiah ("IDR") 8,720,330,323,200 (equivalent to approximately RM2,546,336,454) ("Proposed Acquisition").

Upon completion of the Proposed Acquisition, the aggregate shareholding of the Purchasers in Link Net will increase from nil to 66.03% resulting in a change of control of Link Net, following which AII will be obligated to undertake the proposed mandatory tender offer to acquire all the remaining Link Net Shares not owned by AII and XL after the Proposed Acquisition pursuant to Regulation No. 9/POJK.04/2018 on Public Company Takeover issued by the Indonesian Financial Services Authority (Otoritas Jasa Keuangan (OJK)).

Link Net was incorporated in Indonesia on 14 March 1996 under the name of PT Seruling Indah Permai as a private limited company and for income tax purposes it is considered a tax resident of Indonesia. It then changed its name to PT Link Net Tbk and commenced its commercial operations in 2000. Link Net was listed on the IDX on 2 June 2014.

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*PricewaterhouseCoopers Taxation Services Sdn Bhd (464731-M),  
 Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia  
 T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, [www.pwc.com/my](http://www.pwc.com/my)*



Link Net and its subsidiaries are engaged in telecommunication activities by cable, telecommunication operations, internet service providers, communication system services, network access point services, other multimedia services, wireless telecommunication activities, satellite telecommunication activities, telephony value added services, internet telephony services for public, management consultancy activities, call centre activities, wholesale on a fee or contract basis, wholesale of computer and computer equipment, wholesale of software, wholesale of telecommunication equipment, wholesale of various goods, telecommunication installation, other computer programming activities, computer consultancy activities and other computer facilities management, other computer service and information technology activities.

## **A. INDONESIA**

### **1. TAXATION POLICIES**

#### ***Tax residency***

Companies are regarded as Indonesian tax resident if it is established, domiciled or having its place of management or control in Indonesia.

#### ***Corporate income tax***

Resident companies are taxed based on worldwide income. A foreign company carrying out business activities through a permanent establishment in Indonesia will generally be required to assume the same tax obligations as a resident taxpayer.

The current corporate income tax rate ("CIT") in Indonesia is 22%. Domestic withholding tax ("WHT") is payable at the rate of 15% on payments of interest and royalties to resident corporations.

#### ***Tax on dividends***

Dividend income received by an Indonesian resident corporate taxpayer from a domestic limited liability company is exempt from the income tax.

Dividends paid by companies abroad received by domestic taxpayers may be exempted if the dividends are reinvested or used for business activities in Indonesia within a certain period.

#### ***Double tax treaties***

Indonesia has entered into double tax treaties with a large number of countries including Malaysia for the purposes of avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital gains.



### ***Transfer pricing***

Under Indonesia's transfer pricing rules, entities with a "special relationship", broadly, a direct or indirect shareholding of 25% or more, or by way of management or control, must determine their transactions with their related parties in accordance with the arm's length principle which means that they must be priced as if they were dealing with an independent company. The Indonesian Tax Office ("TTO") is authorised to make adjustments on non-arm's length related party transactions.

A summary of transfer pricing disclosures is required in the corporate income tax return (as an appendix of the tax return), which includes various disclosures such as the nature and value of transactions with related parties, the transfer pricing methods applied to those transactions, the rationale for selecting the methods and whether the company has prepared transfer pricing documentation.

The Indonesian Ministry of Finance ("MoF") had issued a regulation dated 30 December 2016, regarding transfer pricing documentation which requires taxpayers under certain criteria to prepare transfer pricing documentation, namely the Master File, Local File, and Country-by-Country Report.

### ***Thin capitalisation***

The MoF is authorised to make a determination on an appropriate ratio of debt to equity. The general ratio of 4:1 is applicable for group companies, except for exempted taxpayers.

### ***Capital gains tax***

Capital gains are generally assessable together with ordinary income and subject to tax at the standard CIT rate. However, gains from the transfer of land and buildings are not subject to regular CIT, but rather are subject to final income tax at a rate of 2.5% of the transaction value or the government-determined value, whichever is higher.

The proceeds from sales of shares listed on the Indonesian stock exchange are not subject to normal CIT. Instead, the proceeds are subject only to a final WHT of 0.1% of the gross sales consideration. An additional tax of 0.5% applies to the share value of founder shares at the time an initial public offering takes place, irrespective of whether the shares are held or sold. Shareholders may elect not to pay this tax, in which case the actual gain will be subject to normal tax at the time the shares are sold.

### ***Controlled Foreign Company***

Certain income of a controlled foreign company ("CFC") is subject to deemed dividend rules in Indonesia. This income includes dividends, interest, rentals, royalties, and gains from sales or transfer of assets, with certain limitations. A CFC is a foreign entity that is at least 50% owned by an Indonesian taxpayer or at least 50% collectively owned by Indonesian taxpayers. The scope of income of a CFC also covers income from indirectly owned CFCs with a minimum of 50% ownership by another CFC, collective ownership by an Indonesian taxpayer's CFC, or collective ownership by a number of CFCs including under the same or different Indonesian taxpayers.



The ownership threshold that is used to determine the CFC status is the ownership percentage at the end of the Indonesian taxpayer's fiscal year, which is based on either the percentage of paid-up capital or the percentage of paid-up capital with voting rights. The only situation in which the rules do not apply is when the CFC's shares are listed on a recognised stock exchange.

On top of foreign dividends, the following income may also be exempted if these income are reinvested or used for business activities in Indonesia within a certain period:

- Income received by an Indonesian taxpayer from a permanent establishment abroad.
- Active business income received by an Indonesian taxpayer from abroad which is not from a permanent establishment or foreign subsidiary.

Where the foreign subsidiary is a dormant company, the CFC rule as stated above may then not be applicable.

### **Other taxes**

#### **Value-added tax**

The current standard value-added tax ("VAT") rate of 11% (increase from 10% effective from 1 April 2022) applies to most goods and services. Exemptions and reduced rates are available for certain selected goods and services. VAT on export of goods is zero-rated, while the import of goods is subject to VAT at a rate of 11%. Zero-rated VAT is also applicable on exported services, but subject to limitation by the MoF.

Effective from 1 January 2025, the standard VAT rate would increase from 11% to 12%.

Entrepreneurs delivering taxable goods or services exceeding IDR4.8 billion in a calendar year are required to register for VAT and issue VAT invoices on delivery of taxable goods and services.

## **2. REPATRIATION OF PROFITS**

### **Regulatory approval**

In relation to remitting profits, the Indonesian Government does not require investors to concern themselves with loss prevention requirements, timing requirements, or pre-remittance compliance.

Indonesia holds tax treaties with over 60 countries, reducing the relatively high withholding taxes the country levies. In order for foreign tax residents to qualify for tax treaty benefits, recipients of remittances must confirm their tax residency by providing the ITO with a certificate of domicile certified by their home country's tax authority.

When earnings are remitted to a non-resident company or individual, taxes must be withheld by the payer and submitted to the ITO by the 10<sup>th</sup> day of the following month. Upon remittance, Indonesia levies the following withholding taxes:

**Dividend** - Remittance of dividends to foreign shareholders is liable to a 20% withholding tax. This amount can be reduced through a tax treaty. Even with a tax treaty, however, the rate is generally still

## EXPERT'S REPORT ON TAXATION POLICIES IN INDONESIA (Cont'd)



between 10 and 15%. Based on the tax treaty between Indonesia and Malaysia, the reduced withholding tax rate is 10% subject to meeting the relevant treaty requirements.

**Interest** - Indonesia withholds 20% on interest payments to foreign shareholders / overseas companies. Tax treaties offer lower rates and several opportunities for exemptions. Payments to banks or other financial institutions are generally accompanied by lowered tax rates. If paid to a government, a bank connected to a government loan agreement, or specified banks and financial institutions, the withholding tax may be completely exempt. Based on the tax treaty between Indonesia and Malaysia, the reduced withholding tax rate is 10% subject to meeting the relevant treaty requirements. A domestic withholding tax rate of 15% (the withholding will be exempt, if it is paid to banks in Indonesia) is administered for local recipients in Indonesia including a permanent establishment ("PE") in Indonesia, however, the withholding tax paid would serve as a tax credit in calculating their annual corporate income tax return.

**Royalties** - As with dividends and interest, royalties payments to foreign shareholders / overseas companies are subject to a 20% withholding tax. Lower rates are available for many sectors in most tax treaties, including for artistic copyrights and industrial, commercial, or scientific equipment and experience. Based on the tax treaty between Indonesia and Malaysia, the reduced withholding tax rate is 10% subject to meeting the relevant treaty requirements. For local recipients in Indonesia including a PE in Indonesia, the standard 15% domestic rate is used, however, the withholding tax paid would serve as a tax credit in calculating their annual corporate income tax return.

**Technical and management fees** - No withholding tax is applicable on technical and management services fully rendered offshore and where the non-residents recipient does not have a PE in Indonesia.

**Branch Profits Tax** - Indonesia charges PEs in Indonesia a 20% branch profits tax on after-tax profits, even if funds are not remitted to the home country. This amount can be lowered through a tax treaty or exempted if profits are reinvested in Indonesia. Based on the tax treaty between Indonesia and Malaysia, the reduced withholding tax rate is 12.5% subject to meeting the relevant treaty requirements.

**Treaty benefits** - A non-Indonesian tax resident wishing to access the tax treaty benefits must provide a Certificate of Domicile ("CoD") in a prescribed format known as a DGT Form. The CoD must be endorsed or certified by the competent tax authority of the foreign income recipient's jurisdiction. To apply for the lower WHT rate, the foreign income recipient has to meet substance and administrative requirements.

### **Foreign exchange controls**

Indonesia does not have foreign exchange controls over the inflow and outflow of money. However, companies must provide Bank Indonesia with a record of all transfers to foreign countries, including the amount transferred in IDR, annual balance sheets, and profit and loss statements. In most cases, payments within the country must be made in IDR.

### **Taxability of Foreign Source Income in Malaysia**

As announced during the tabling of Malaysia's Budget 2022, foreign-sourced income earned by Malaysian tax resident companies and received in Malaysia will no longer be exempted from tax effective from 1 January 2022. Notwithstanding the Finance Act 2021 incorporating this amendment, the

## EXPERT'S REPORT ON TAXATION POLICIES IN INDONESIA (Cont'd)



Ministry of Finance Malaysia had announced on 30 December 2021 that foreign-sourced dividend received by Malaysian tax resident companies in Malaysia will continue to be exempt from tax from 1 January 2022 to 31 December 2026, subject to conditions to be prescribed by the Malaysian Inland Revenue Board.

**NOTES TO THIS EXPERT'S OPINION**

*The following areas have been excluded from our opinion:*

- *Indirect taxes other than VAT*
- *Stamp duty*

*This Expert's Opinion is based on the completeness and accuracy of the facts and/or representation provided by you. If any of the aforementioned facts, representations or assumptions are not entirely complete or accurate, it is imperative that we be informed immediately, as inaccuracy and incompleteness could have a material effect on the validity of this Expert's Opinion.*

*This Expert's Opinion reflects our interpretation of the applicable laws and the corresponding jurisprudence.*

*This Expert's Opinion is prepared based on current tax laws and policies that are in force in Indonesia at the date of this letter and are subject to changes in such laws, or in the interpretation thereof. Such changes may be retrospective and may impact our opinion materially. While the comments are considered to be a correct interpretation of existing laws in force as at the latest practicable date, no assurance can be given that courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation or that changes in such laws will not occur.*

*We have no obligation to update the contents of this Expert's Opinion as laws or practices change, unless specifically requested to do so.*

*No inference beyond their normal meaning should be drawn from the use of the words "will", "should", etc as they relate to the relative strengths of a particular position outlined in the document.*

*The opinion does not purport to be a comprehensive description of all tax considerations that may be relevant in the jurisdictions. It does not cover every aspect of investments and cannot provide information regarding individual circumstances. We would further inform you that the information given in this letter is limited to the tax regulations and does not constitute legal advice.*

*This Expert's Opinion has been prepared to be included in the circular to the shareholders of Axiata and was prepared solely for Axiata on the basis of the engagement letter concluded between Axiata and ourselves. Third parties' notice of its content is entirely at their own risk.*

*We have no obligation, responsibility or duty of care towards third parties (reliance restricted), unless otherwise confirmed to a third party in advance in writing.*

EXPERT'S REPORT ON TAXATION POLICIES IN INDONESIA (Cont'd)

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Yours faithfully

DocuSigned by:  
*Gan Pei Tze*  
9F14E71FB90C453...

Gan Pei Tze  
Partner

## FURTHER INFORMATION

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### 1. DIRECTORS' RESPONSIBILITY STATEMENT

This Circular has been seen and approved by our Board and they collectively and individually accept full responsibility for the accuracy of the information contained in this Circular and confirm that, after making all reasonable enquiries and to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this Circular misleading.

All statements and information in relation to the Sellers and the Link Net Group contained in this Circular were obtained from and confirmed by the directors and management of the Sellers, and the Link Net Group respectively, and/or extracted from publicly available information. The sole responsibility of our Board is limited to ensuring that such information is accurately reproduced in this Circular.

### 2. CONSENTS AND CONFLICT OF INTEREST

#### 2.1. Maybank IB

Maybank IB, being the Principal Adviser for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name and all references thereto in the form and context in which it appears in this Circular.

Maybank IB and its related and associated companies ("**Maybank Group**") form a diversified financial group and are engaged in a wide range of investment and commercial banking, brokerage, securities trading, asset and fund management and credit transaction services businesses. The Maybank Group has engaged and may in the future, engage in transactions with and perform services for our Group and/or any of our affiliates, in addition to the role set out in this Circular. In addition, in the ordinary course of business, any member of the Maybank Group may at any time offer or provide its services to or engage in any transaction (on its own account or otherwise) with any member of our Group, the shareholders of our Company, and/or our affiliates and/or any other entity or person, hold long or short positions in securities issued by our Company and/or our affiliates, and may trade or otherwise effect transactions for its own account or the account of its other customers in debt or equity securities or senior loans of any member of our Group and/or our affiliates. This is a result of the businesses of the Maybank Group generally acting independently of each other and accordingly, there may be situations where parts of the Maybank Group and/or its customers now have or in the future, may have interest or take actions that may conflict with the interest of our Group. Nonetheless, the Maybank Group is required to comply with the applicable laws and regulations issued by the relevant authorities governing its advisory business, which require, among others, segregation between dealing and advisory activities and Chinese wall between different business divisions.

As at the LPD, the Maybank Group has extended credit facilities amounting to RM2,383.0 million to our Group, of which RM1,856.3 million is outstanding.

Notwithstanding this, Maybank IB is of the view that the aforesaid lending relationship will not give rise to a conflict of interest situation in its capacity as Principal Adviser for the Proposals as:

- (i) the extension of credit facilities arose in the ordinary course of business of the Maybank Group;
- (ii) the conduct of the Maybank Group in its banking business is strictly regulated by, among others, the Financial Services Act 2013, Islamic Financial Services Act 2013 and the Maybank Group's own internal controls and checks; and
- (iii) the total outstanding amount owed by our Group to the Maybank Group is not material when compared to the audited NA of the Maybank Group as at 31 December 2021 of RM85.8 billion.

**FURTHER INFORMATION** *(Cont'd)*

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Maybank IB confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as Principal Adviser for the Proposals.

**2.2. HBT**

HBT, being the Indonesia legal counsel for the Indonesia Legal Opinion, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the Indonesia Legal Opinion and all references thereto in the form and context in which they appear in this Circular.

HBT confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as the Indonesia legal counsel for the Indonesia Legal Opinion.

**2.3. Prolegis**

Prolegis, being the Singapore legal adviser to Herbert Smith Freehills LLP, who in turn is the international legal counsel for the Proposed Acquisition, in relation to the Singapore Legal Opinion has given and has not subsequently withdrawn its written consent to the inclusion of its name, the Singapore Legal Opinion and all references thereto in the form and context in which they appear in this Circular.

Prolegis confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its aforementioned capacity.

**2.4. DCAS**

DCAS, being the expert on the fairness opinion of the Purchase Consideration for the Proposed Acquisition, has given and has not subsequently withdrawn its written consent to the inclusion of its name, in the Expert's Report on Fairness of the Purchase Consideration for the Proposed Acquisition and all references thereto in the form and context in which they appear in this Circular.

PT Deloitte Advis Indonesia has carried out a financial and tax due diligence on Link Net for the purpose of the Proposed Acquisition. DCAS and PT Deloitte Advis Indonesia are part of the Deloitte global network of member firms. Notwithstanding this, DCAS is of the view that the aforesaid relationship will not give rise to a conflict of interest situation as DCAS and PT Deloitte Advis Indonesia are legally separate and independent entities and are each liable only for its own acts and omissions, and not those of each other. There are on-going separation safeguards including ethical walls practice amongst the Deloitte member firms.

DCAS confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as the expert on the fairness opinion of the Purchase Consideration for the Proposed Acquisition.

**2.5. PwC Tax**

PwC Tax, being the expert on the taxation policies in Indonesia, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the Expert's Report on Taxation Policies in Indonesia and all references thereto in the form and context in which they appear in this Circular.

PwC Tax confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as the expert on the taxation policies in Indonesia.

**FURTHER INFORMATION (Cont'd)**

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**2.6. AM**

AM, being the independent market researcher for the Proposals, has given and has not subsequently withdrawn its written consent to the inclusion of its name, the IMR Report and all references thereto in the form and context in which they appear in this Circular.

AM confirms that it is not aware of any circumstance that exists or is likely to exist which would give rise to a possible conflict of interest situation in its capacity as the independent market researcher for the Proposals.

**3. MATERIAL COMMITMENTS AND CONTINGENT LIABILITIES****3.1. Material commitments**

As at 31 March 2022, save as disclosed below, our Board is not aware of any material commitments incurred or known to be incurred by our Group which may have a material impact on the financial position of our Group:

<b>Capital expenditure</b>	<b>RM'000</b>
Approved and contracted for	3,957,314
<b>Total</b>	<b><u>3,957,314</u></b>

**3.2. Contingent liabilities**

As at 31 March 2022, save as disclosed below, our Board is not aware of any contingent liabilities incurred or known to be incurred by our Group which, upon becoming enforceable, may have a material impact on the financial position of our Group:

<b>Description</b>	<b>RM'000</b>
Litigation and claims by third parties against our Group	15,451,348
<b>Total</b>	<b><u>15,451,348</u></b>

**FURTHER INFORMATION (Cont'd)**

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**4. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at our registered office at Level 5, Corporate Headquarters, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia from Monday to Friday (except public holidays) from the date of this Circular up to and including the date of our forthcoming EGM:

- (i) the Constitution of our Company;
- (ii) the audited financial statements of our Company for the past two (2) FYEs 31 December 2020 and 31 December 2021;
- (iii) the memorandum and articles of association of Link Net;
- (iv) the audited financial statements of Link Net for the past two (2) FYEs 31 December 2020 and 31 December 2021;
- (v) the SPA referred to in **Appendix I** of this Circular;
- (vi) the Indonesia Legal Opinion referred to in **Appendix IV(A)** of this Circular;
- (vii) the Singapore Legal Opinion referred to in **Appendix IV(B)** of this Circular;
- (viii) the Expert's Report on Fairness of the Purchase Consideration referred to in **Appendix V** of this Circular;
- (ix) the Expert's Report on Taxation Policies in Indonesia referred to in **Appendix VI** of this Circular;
- (x) the IMR Report; and
- (xi) the letters of consent referred to in Section 2 above.



**AXIATA GROUP BERHAD**  
Company No.: 199201010685 (242188-H)  
(Incorporated in Malaysia)

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

**NOTICE IS HEREBY GIVEN THAT THE EXTRAORDINARY GENERAL MEETING (“EGM”) OF AXIATA GROUP BERHAD (“AXIATA” OR “COMPANY”) IS TO BE HELD ON A VIRTUAL BASIS AND CONDUCTED ENTIRELY THROUGH LIVE STREAMING AND REMOTE VOTING USING THE REMOTE PARTICIPATION AND VOTING FACILITIES FROM THE BROADCAST VENUE AT AUDITORIUM, LEVEL 32, AXIATA TOWER, 9 JALAN STESEN SENTRAL 5, KUALA LUMPUR SENTRAL, 50470 KUALA LUMPUR, MALAYSIA ON THURSDAY, 26 MAY 2022 AT 12.00 P.M., OR AT ANY ADJOURNMENT THEREOF OR IMMEDIATELY AFTER THE CONCLUSION OR ADJOURNMENT OF THE COMPANY’S THIRTIETH (30<sup>TH</sup>) ANNUAL GENERAL MEETING, WHICHEVER IS LATER, FOR THE PURPOSE OF CONSIDERING AND IF THOUGHT FIT, PASSING WITH OR WITHOUT MODIFICATIONS, THE FOLLOWING RESOLUTION:**

### **ORDINARY RESOLUTION**

- (A) PROPOSED ACQUISITION BY AXIATA INVESTMENTS (INDONESIA) SDN BHD (“AII”) AND PT XL AXIATA TBK (“XL”) OF 1,816,735,484 ORDINARY SHARES IN PT LINK NET TBK (“LINK NET”) (“LINK NET SHARES”), REPRESENTING APPROXIMATELY 66.03% EQUITY INTEREST IN LINK NET FOR A TOTAL CASH CONSIDERATION OF INDONESIAN RUPIAH (“IDR”) 8,720,330,323,200 (EQUIVALENT TO APPROXIMATELY RM2,572,497,445) (“PROPOSED ACQUISITION”); AND**
- (B) PROPOSED MANDATORY TENDER OFFER BY AII TO ACQUIRE ALL THE REMAINING LINK NET SHARES NOT OWNED BY AII AND XL AFTER THE PROPOSED ACQUISITION**

### **(COLLECTIVELY REFERRED TO AS THE “PROPOSALS”)**

**THAT**, subject to the approvals of all relevant authorities and/or parties being obtained, approval be and is hereby given to the Company:

- (a)** for All and XL to acquire 1,816,735,484 Link Net Shares, representing approximately 66.03% equity interest in Link Net for a total cash consideration of IDR8,720,330,323,200 (equivalent to approximately RM2,572,497,445) in accordance with the conditional share purchase agreement dated 27 January 2022 entered into between Asia Link Dewa Pte. Ltd., PT First Media Tbk., All and XL; and
- (b)** for All to acquire all the remaining Link Net Shares not owned by All and XL after the Proposed Acquisition pursuant to the OJK Regulation No. 9/POJK.04/2018 on Public Company Takeovers.

**AND THAT**, the Board of Directors of the Company (“**Board**”) be and is hereby authorised and empowered to do all acts, deeds and things and to execute, sign, deliver and cause to be delivered on behalf of the Company, all such agreements, arrangements and documents as may be necessary, expedient and/or appropriate in the best interest of the Company in order to implement, finalise, give full effect to and complete the Proposals (including without limitation, to delegate such authority to designated officer(s)), with full powers to assent to and/or accept any conditions, variations, arrangements and/or amendments as may be imposed or permitted by any relevant authorities and/or parties in connection with the Proposals.

**FURTHER NOTICE IS HEREBY GIVEN THAT** for the purpose of determining a member who shall be entitled to attend, speak and vote at this Extraordinary General Meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Clause 75 of the Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 (“**SICDA**”) to issue a General Meeting Record of Depositors as at 17 May 2022. Only a depositor whose name appears in the General Meeting Record of Depositors as at 17 May 2022 shall be entitled to attend, speak and vote at the said meeting or appoint proxies to attend, speak and vote on his/her behalf.

By Order of the Board

**Suryani Hussein** (LS0009277)  
Group Company Secretary  
Kuala Lumpur, Malaysia

11 May 2022

**Notes:**

**Virtual Meeting**

1. *The Broadcast Venue is strictly for the purpose of compliance with Section 327(2) of the Companies Act 2016 and Clause 72(i) of the Company’s Constitution which stipulate that the Chairman of the meeting shall be present at the main venue of the Extraordinary General Meeting (“**EGM**”) in accordance with Clause 72(ii) of the Company’s Constitution which allows a meeting of members to be held at more than one venue, using any technology or method that enables the members to attend and exercise their right to speak and vote at the general meeting.*
2. *No shareholders from the public are permitted to be physically present nor to be admitted at the Broadcast Venue on the day of the EGM.*
3. *Shareholders and proxies will have to register to attend the EGM remotely by using the Remote Participation and Voting Facilities (“**RPV**”) according to the procedures as set out in the Administrative Notes.*
4. *Shareholders and proxies may raise questions before the EGM to the Chairman or Board of Directors via our Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd (“**Tricor**”)’s TIH Online website at <https://tiah.online>, by selecting ‘e-Services’ to login and submit the questions electronically no later than Wednesday, 25 May 2022 at 12.00 p.m. The Chairman or Board of Directors will endeavour to address the questions received at the EGM.*
5. *Shareholders and proxies may also pose questions via real time submission of typed text at the EGM via Tricor’s TIH Online website at <https://tiah.online>, by selecting ‘e-Services’ to login and submit the questions electronically.*

**Proxy and/or Authorised Representative**

1. *A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy without any restriction to the qualification of the proxy to attend and vote in his/her stead.*
2. *The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to Clause 41 of the Constitution in relation to the Record of Depositors made available to the Company.*
3. *A member entitled to attend and vote at the Meeting is not entitled to appoint more than two proxies to attend and vote on his/her behalf. Where a member appoints two proxies, the appointment shall be invalid unless the percentage of the shareholding to be represented by each proxy is specified.*
4. *Where a member of the Company is an authorised nominee as defined under the SICDA, it may appoint at least one proxy but not more than two proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.*

*Every appointment submitted by an authorised nominee as defined under the SICDA, must specify the CDS Account Number.*

5. *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in respect of each securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.*
6. *The instrument appointing a proxy shall:*
  - a) *in the case of an individual, be signed by the appointer or by his/her attorney; or*
  - b) *in the case of a corporation, be either under its common seal or signed by its attorney or an officer on behalf of the corporation.*

*If the instrument appointing a proxy is signed by an officer on behalf of the corporation, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document, which is still in force, no notice of revocation has been received". If the instrument appointing a proxy is signed by the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under a power of attorney, which is still in force, no notice of revocation has been received".*

*Any alteration to the instrument appointing a proxy must be initialled.*

7. *In view that this is a virtual meeting, we strongly advise the members who are unable to attend, speak and vote remotely via the RPV at the EGM to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.*
  - a) *Where a member of the Company is an authorised nominee as defined in the SICDA, the beneficial owner of the shares held by the authorised nominee may request the authorised nominee to appoint him/her as a proxy to attend, speak and vote remotely via the RPV at the EGM.*
  - b) *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), each beneficial owner of the shares or where the shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall be entitled to instruct the exempt authorised nominee to appoint the Chairman of the meeting to attend and vote remotely via the RPV at the EGM on his/her/their behalf.*
  - c) *Authorised nominees, Exempt Authorised Nominee and corporate members are to refer to the Administrative Notes for the EGM for further details.*
8. *A corporation which is a member, may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, in accordance with Clause 101 of the Constitution. Pursuant to Section 333 (3) of the Companies Act 2016, if the corporation authorises more than one person, every one of the representative is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if every one of the representative was an individual member of the Company. However, if more than one of the representatives do not purport to exercise the power in the same way, the power is treated as not exercised.*
9. *The instrument appointing a proxy together with the duly registered power of attorney referred to in Note 6 above, if any, must be deposited at the office of Tricor at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than Wednesday, 25 May 2022 at 12.00 p.m. The proxy appointment may also be lodged electronically via Tricor's TIIH Online website at: <https://tiah.online> no later than Wednesday, 25 May 2022 at 12.00 p.m. For further information on the electronic lodgement of Proxy Form, kindly refer to the Administrative Notes of the EGM.*
10. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolution set out in the Notice of EGM will be put to vote on poll.*

# PROXY FORM

(Before completing the form, please refer to the notes overleaf)



**AXIATA GROUP BERHAD**  
Company No.: 199201010685 (242188-H)

**“A” I/We,** \_\_\_\_\_  
(NAME AS PER NRIC/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)  
with (NEW NRIC NO.) \_\_\_\_\_ (OLD NRIC NO.) \_\_\_\_\_ (COMPANY NO.) \_\_\_\_\_  
of \_\_\_\_\_

\_\_\_\_\_ (FULL ADDRESS)  
\_\_\_\_\_ (TELEPHONE/MOBILE NO.) \_\_\_\_\_

being a member/members of **AXIATA GROUP BERHAD** hereby appoint \_\_\_\_\_

with (NEW NRIC NO.) \_\_\_\_\_ (OLD NRIC NO.) \_\_\_\_\_  
(NAME AS PER NRIC IN CAPITAL LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

or failing him/her, the Chairman of the Meeting\*, as my/our **first** proxy to vote for me/us on my/our behalf at the Extraordinary General Meeting (“**EGM**”) of **AXIATA GROUP BERHAD** to be held as virtual meeting conducted entirely through live streaming and remote voting using the Remote Participation and Voting Facilities from the Broadcast Venue at Auditorium, Level 32, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Thursday, 26 May 2022 at 12.00 p.m. or at any adjournment thereof or immediately after the conclusion or adjournment of our Company’s Thirtieth (30th) Annual General Meeting, whichever is later.

**“B” If you wish to appoint a second proxy, please complete this section.**

I/We, \_\_\_\_\_  
(NAME AS PER NRIC/CERTIFICATE OF INCORPORATION IN CAPITAL LETTERS)  
with (NEW NRIC NO.) \_\_\_\_\_ (OLD NRIC NO.) \_\_\_\_\_ (COMPANY NO.) \_\_\_\_\_  
of \_\_\_\_\_

\_\_\_\_\_ (FULL ADDRESS)  
\_\_\_\_\_ (TELEPHONE/MOBILE NO.) \_\_\_\_\_

being a member/members of **AXIATA GROUP BERHAD** hereby appoint \_\_\_\_\_

with (NEW NRIC NO.) \_\_\_\_\_ (OLD NRIC NO.) \_\_\_\_\_  
(NAME AS PER NRIC IN CAPITAL LETTERS)

of \_\_\_\_\_  
(FULL ADDRESS)

or failing him/her, the Chairman of the Meeting\*, as my/our **second** proxy to vote for me/us on my/our behalf at the EGM of **AXIATA GROUP BERHAD** to be held as virtual meeting conducted entirely through live streaming and remote voting using the Remote Participation and Voting Facilities from the Broadcast Venue at Auditorium, Level 32, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia on Thursday, 26 May 2022 at 12.00 p.m. or at any adjournment thereof or immediately after the conclusion or adjournment of our Company’s Thirtieth (30th) Annual General Meeting, whichever is later.

Note:

\* Strike out if inapplicable

For appointment of two proxies, percentage of shareholdings to be represented by the proxies:-	
	Percentage (%)
Proxy* “A”	
Proxy* “B”	
<b>TOTAL</b>	100%

\*Please fill in the proportion of the holding to be presented by each proxy



\*My/Our proxy/proxies is/are to vote as indicated below:-

Please indicate with an 'X' in the appropriate box against each resolution how you wish your proxy to vote. If no instruction is given, this form will be taken to authorise the proxy to vote or abstain at his/her discretion.

	Resolution	Proxy "A"		Proxy "B"	
		For	Against	For	Against
1.	(A) Proposed Acquisition by Axiata Investments (Indonesia) Sdn Bhd ("All") and PT XL Axiata Tbk of 1,816,735,484 Ordinary Shares In PT Link Net Tbk ("Link Net") ("Link Net Shares"); and (B) Proposed Mandatory Tender Offer By All to Acquire All the Remaining Link Net Shares				

Signed this            day of    2022

No. of ordinary shares held	CDS Account No. of Authorised Nominee*													

\*Applicable to shares held through a nominee account

Signed this            day of    2022

Signature(s)/Common Seal of member(s)

**NOTES:**

**Proxy and/or Authorised Representative**

1. A member entitled to attend and vote at the above Meeting is entitled to appoint a proxy without any restriction to the qualification of the proxy to attend and vote in his/her stead.
2. The Company shall be entitled to reject any instrument of proxy lodged if the member is not shown to have any shares entered against his name in the Register and/or subject to Clause 41 of the Constitution of the Company in relation to the Record of Depositors made available to the Company.
3. A member entitled to attend and vote at the Meeting is not entitled to appoint more than two proxies to attend and vote on his/her behalf. Where a member appoints two proxies, the appointment shall be invalid unless the percentage of the shareholding to be represented by each proxy is specified.
4. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 ("SICDA"), it may appoint at least one proxy but not more than two proxies in respect of each Securities Account it holds with ordinary shares of the Company standing to the credit of the said Securities Account.  
  
Every appointment submitted by an authorised nominee as defined under the SICDA, must specify the CDS Account Number.
5. Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in respect of each securities account (omnibus account), there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each omnibus account it holds.
6. The instrument appointing a proxy shall:-
  - (a) in the case of an individual, be signed by the appointer or by his/her attorney; or
  - (b) in the case of a corporation, be either under its common seal or signed by its attorney or an officer on behalf of the corporation.

If the instrument appointing a proxy is signed by an officer on behalf of the corporation, it should be accompanied by a statement reading "signed as authorised officer under an Authorisation Document, which is still in force, no notice of revocation has been received". If the instrument appointing a proxy is signed by the attorney duly appointed under a power of attorney, it should be accompanied by a statement reading "signed under a power of attorney, which is still in force, no notice of revocation has been received".

Any alteration to the instrument appointing a proxy must be initiated.

7. *In view that this is a virtual meeting, we strongly advise the members who are unable to attend, speak and vote remotely via the Remote Participation and Voting Facilities ("RPV") at the EGM to appoint the Chairman of the meeting as his/her proxy and indicate the voting instructions in the Proxy Form.*
  - (a) *Where a member of the Company is an authorised nominee as defined in the SICDA, the beneficial owner of the shares held by the authorised nominee may request the authorised nominee to appoint him/her as a proxy to attend, speak and vote remotely via the RPV at the EGM.*
  - (b) *Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), each beneficial owner of the shares or where the shares are held on behalf of joint beneficial owners, such joint beneficial owners, shall be entitled to instruct the exempt authorised nominee to appoint the Chairman of the meeting to attend and vote remotely via RPV at the EGM on his/her/their behalf.*
  - (c) *Authorised nominees, Exempt Authorised Nominees and corporate members shall refer to the Administrative Notes of the EGM for further details.*
8. *A corporation which is a member, may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting, in accordance with Clause 101 of the Constitution. Pursuant to Section 333 (3) of the Companies Act 2016, if the corporation authorises more than one person, every one of the representative is entitled to exercise the same powers on behalf of the corporation as the corporation could exercise if every one of the representative was an individual member of the Company. However, if more than one of the representatives do not purport to exercise the power in the same way, the power is treated as not exercised.*
9. *The instrument appointing a proxy together with the duly registered power of attorney referred to in Note 6 above, if any, must be deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor"), Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia no later than Wednesday, 25 May 2022 at 12.00 p.m. The proxy appointment may also be lodged electronically via Tricor's TIIH Online Website at <https://tiih.online> no later than Wednesday, 25 May 2022 at 12.00 p.m. For further information on the electronic lodgment of Proxy Form, kindly refer to the Administrative Notes of the EGM.*
10. *Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Berhad, all resolution set out in the Notice of the EGM will be put to vote on poll.*

**Members Entitled to Attend, Speak and Vote**

11. *For purposes of determining a member who shall be entitled to attend, speak and vote at the EGM, the Company shall be requesting Bursa Depository, in accordance with Clause 75 of the Constitution and Section 34(1) of the SICDA, to issue a General Meeting Record of Depositors as at 17 May 2022. Only a depositor whose name appears in the General Meeting Record of Depositors as at 17 May 2022 shall be entitled to attend, speak and vote at the said meeting or appoint proxy(ies) on his/her behalf.*

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AFFIX  
STAMP

**AXIATA GROUP BERHAD Company No.: 199201010685 (242188-H)**  
**c/o TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN BHD**  
Unit 32-01, Level 32  
Tower A, Vertical Business Suite  
Avenue 3, Bangsar South  
No. 8, Jalan Kerinchi  
59200 Kuala Lumpur  
Malaysia

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AXIATA GROUP BERHAD

LIST OF QUESTIONS AND ANSWERS PROVIDED PRIOR TO THE EXTRAORDINARY GENERAL MEETING (“EGM”) HELD ON 26 MAY 2022

No.	Date/ Time	Name	Question	Answer
1.	17 May 2022	MINORITY SHAREHOLDERS WATCH GROUP (“MSWG”)	<p>There can be no assurance that the anticipated benefits of the Proposals, including the various expected synergistic benefits will be realised or that the Group will be able to generate sufficient returns from this investment to offset the cost of this investment (Page 17 the Circular).</p> <p>(a) As an experienced telecommunications operator with existing operations in Indonesia and other parts of Asia, how does Axiata plan to address the investment and synergy realisation risk?</p> <p>(b) In terms of timing, when does Axiata anticipate any expected synergistic benefits to be realised?</p> <p>(c) What is Axiata’s targeted financial return from this investment?</p>	<p>(a) Prior to entering into the Proposed Acquisition, a thorough financial, technical and legal due diligence exercise on PT Link Net Tbk (“Link Net”) has been undertaken in order to assess the feasibility of the investment in Link Net. In addition, we have adopted prudent investment criteria in evaluating the Proposals, whereby the Purchase Consideration of IDR4,800 per share is arrived at having considered the implied EV to EBITDA multiple of 6.3 times, which is within the range of 6.2 times to 20.3 times of the comparable companies listed on page 8 of the Circular.</p> <p>We wish to also highlight that the Purchase Consideration of IDR 8.7 Trillion (equivalent to approximately RM2.6 billion) is within the range of indicative values of 66.03% equity interest in Link Net of IDR 8.3 Trillion to IDR 9.6 Trillion (equivalent to approximately RM2.4 Billion to RM2.8 Billion), as ascribed by Deloitte Corporate Advisory Services Sdn Bhd (“DCAS”) in its Expert Report on Fairness of the Purchase Consideration on page 170 Appendix V of the Circular. From our evaluation of Link Net, we have identified the below potential synergies that could possibly be realized:</p> <p>i) Cost savings in the form of (a) network capex and opex savings; and (b) selling and administrative opex savings, arising from sharing of network and resources between Link Net and PT XL Axiata Tbk (“XL”).</p> <p>ii) Revenue increase for (a) residential and (b) enterprise segment, arising from collaboration between Link Net and XL to bundle mobile and fixed broadband services as well as improved customer reach via cross selling of various services to their respective customers.</p> <p>Our Group have been operating in Indonesia via XL and we have related experience in the fixed broadband business via Dialog Axiata. Dialog Axiata is one of the leading mobile and fixed broadband providers in Sri Lanka and its fixed telecommunications arm serve more than 1 million individuals and corporates, providing services such as broadband internet and fixed telephony. Through these 2 subsidiaries of our Group, we have</p>

No.	Date/ Time	Name	Question	Answer
				<p>gained valuable experience and insights to appreciate the dynamics of the Link Net business.</p> <p>These experience and insights will help us address the risks involved relating to this investment and in realising the synergies for this Proposed Acquisition. Being the majority shareholders of both XL and Link Net, we consider our ability to manage synergies between the two companies is high.</p> <p>In addition, we will monitor the financial performance of Link Net and work closely with the management team of Link Net to develop appropriate business strategies towards achieving the financial targets of Link Net to ensure that the aspirations towards Link Net are met. We wish to also highlight that the existing management team of Link Net has highly capable executives, with an average of 15 to 20 years of related working experience.</p> <p>(b) The Proposed Acquisition is expected to create meaningful synergies for Link Net and XL as described in item (1)(a) above, by leveraging their respective positions in telecommunication services.</p> <p>In order to realise these potential upsides, Link Net and XL will work together to unlock the cost and revenue synergies that are mutually beneficial to both companies, with the aim to realise those synergies as soon as we possibly can. In addition, our Group will continue to evaluate new areas of collaboration for these two entities with the aim to further enhance long-term shareholders value.</p> <p>(c) The targeted financial return from the Proposals is to be above the Weighted Average Cost of Capital (WACC) of 12% that is adopted in evaluating the Proposals.</p>
2.		MSWG	<p>As at 31 December 2021, the Group's gearing level stood at 1.17 times. After the Proposed Acquisition and Proposed MTO, the Group's gearing level will increase to 1.40 times (Page 22 of the Circular).</p> <p>Does the Group intend to improve its gearing level in the next few years post-Proposed Acquisition and Proposed MTO? If so, what is the targeted timeframe to reduce the gearing level, and what is the Group's optimal gearing level?</p>	<p>The expected increase in Axiata's gearing level (Gross Debt/Equity) after the Proposed Acquisition and Proposed MTO is premised on the assumption that these will be entirely debt funded.</p> <p>In our view, Link Net generates positive cash flow and has delivered an average dividend payout ratio of 53%, translating into an average (absolute) payout of IDR483 billion (~RM140 million equivalent) over the last 3 years, which should help in serving the additional debt taken for this Proposed Acquisition. Axiata has its deleveraging plan which include exploring certain monetization opportunities of other assets and other funding options depending on the economics, market condition and other factors.</p>

No.	Date/ Time	Name	Question	Answer
				Consistent with most peers in the sector, Axiata adopts Gross Debt/EBITDA ratio as the guardrail measure, as this is also the measure assessed by the international credit rating agencies. The Gross Debt/EBITDA ratio is expected to remain below 3.0x after the Proposed Acquisition and Proposed MTO. Axiata is also committed to maintain its investment grade issuance/corporate rating.

**LIST OF QUESTIONS AND ANSWERS PROVIDED DURING THE EGM HELD ON 26 MAY 2022**

No.	Date/ Time	Name	Question	Answer
1	26 May 2022 11:42 AM	STEPHEN LYE TUCK MENG	What has happened to Boost e-Wallet? How much is the Market Share compared with other leading e-wallets in Malaysia? Is it still making a loss?	BHSB grew its customer base by 900k and merchants by 139k in FY2021. Today, Boost remains one of the top three e-wallet services in Malaysia.  As highlighted earlier, BHSB already generates positive Gross Profit and is on a clear path towards profitability and sustainability at PAT level. Our model has evolved well beyond the original e-wallet service, with services like lending, insurance and banking shortly. #
2	26 May 2022 12:33 PM	LEE MUN HOE	May I know how much allowances or any food / petrol allowances will be reimbursed or claim by board members who attend this virtual EGM?	In accordance with the approved remuneration for Directors, a meeting allowance of RM3,000 and RM2,000 is payable to the Chairman and Non-Executive Directors respectively, for attendance at today's Extraordinary General Meeting. #
3	26 May 2022 12:38 PM	YAP YIK YONG	What's the expected payback period for this investment?	A thorough financial, technical and legal due diligence exercise on Link Net has been undertaken in order to assess the feasibility of the investment in Link Net, and ascertaining the synergy areas for Link Net prior to entering into the Proposed Transaction. In addition, we have adopted prudent investment criteria in evaluating the Proposals.  Based on this, the payback period is anticipated to be approximately 10 years, subject to the market conditions and dynamics of Link Net business.  Our returns is also targeted to be above the Weighted Average Cost of Capital ("WACC") of 12% adopted in evaluating the Proposals.
4	26 May 2022 12:40 PM	YAP YIK YONG	What's the chance of remaining shareholders of Link Net accepting the mandatory offer?	Assuming the Proposed MTO takes place in July 2022, the MTO price will be the higher of (i) offer price of IDR 4,800 or (ii) average 90 days price that is 6 months before Proposed MTO, which was in Jan 2022 of IDR 4,138.  Based on an illustrated offer price of MTO price of IDR 4,800, we anticipate a high probability of acceptance of the offer by the remaining public shareholders of Link Net. The closing price of Link Net yesterday is IDR4,490.

No.	Date/ Time	Name	Question	Answer
5	26 May 2022 12:43 PM	YAP YIK YONG	What're the reasons that Asia Link Dewa Pte. Ltd. and PT First Media Tbk decided to divest their investment, in the opinion of the Board?	Asia Link Dewa (CVC) and PT First Media Tbk (Lippo Group) have been long-term shareholders in Link Net and are now seeking to realise their investment returns.
6	26 May 2022 12:59 PM	HIU CHEE KEONG	How Cukai Makmur and minimum wage affect the company?	The estimated additional taxes due to the introduction of Cukai Makmur is in the range of RM80 million to RM100 million, attributed to Celcom and edotco groups of companies in Malaysia.

**AXIATA GROUP BERHAD**

(242188-H)

**Extraordinary General Meeting**

Auditorium, Level 32, Axiata Tower, 9 Jalan Stesen Sentral 5, Kuala Lumpur Sentral, 50470 Kuala Lumpur, Malaysia

On 26-May-2022 at 12:00PM

**Result On Voting By Poll**

Resolution(s)	Vote For				Vote Against				Total Votes			
	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%	No of Units	%	No of P/S	%
Resolution 1	4,837,532,957	57.8295	940	87.9326	3,527,634,581	42.1705	129	12.0674	8,365,167,538	100.0000	1,069	100.0000