INFORMATION DISCLOSURE

WITH RESPECT TO THE CAPITAL INCREASE BY ISSUING THE PRE-EMPTIVE RIGHTS (“RIGHT ISSUE”) IN ACCORDANCE WITH POJK NO.32/POJK.04/2015

The Board of Commissioners and Directors of the Company, both individually and collectively, are fully responsible for the completeness and correctness of all material information of facts contained in this Information Disclosure and confirms that the information stated in Information Disclosure is true and there are no facts material that is not stated that may cause material information in this Information Disclosure to be incorrect and / or misleading.

PT KIMIA FARMA (PERSERO) Tbk
(“Perseroan”)
Main Business Activities
Engaged in the chemical, pharmaceutical, biological, health, food and beverage industries
Based in Central Jakarta
Head Office
Jl. Veteran No. 9 Jakarta 10110
Telephone: +62 21 384 7709
Website: www.kimiafarma.co.id
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Information Disclosure in order to fulfill the needs of the Company in increasing its capital by issuing Pre-Emptive Rights in accordance with The Financial Services Authority Regulation Number 32/POJK/04/2015 dated 16th of December 2015 Concerning Capital Increases With Pre-Emptive Rights for Public Companies.

This Information Disclosure is published in Jakarta, 12th of August 2019
A. MAXIMUM AMOUNT OF SHARES ISSUED REGARDING THE PLAN OF CAPITAL INCREASE THROUGH RIGHT ISSUE

The Company shall be of intention to issue a maximum of 1,578,947,368 (one billion five hundred and seventy-eight million nine hundred and forty-seven thousand three hundred and sixty-eight) shares of Series B to be offered through the Right Issue at a price to be determined and announced later in the Prospectus of Right Issue by considering the applicable laws and regulations.

New Shares of Series B shall be given the same and equal rights in all aspects including the right on dividend with the other issued and fully paid up capital.

B. ESTIMATED PERIOD OF EXECUTION OF THE CAPITAL INCREASE

The Company shall submit a registration statement in order to increase capital by issuing pre-emptive rights upon Extraordinary General Meeting of Shareholders (EGMS) held on 18 September 2019. Therefore, the execution of Capital Increase by Issuing Pre-emptive Rights shall be in no later than 12 (twelve) months after the EGMS.

C. ESTIMATED USE OF PROCEED

The Company intends to utilize the proceeds of Right Issue after deducting the emission costs will be used for the working capital and business development of the Company and its subsidiaries.

D. ANALYSIS ON THE IMPACTS OF CAPITAL INCREASE TOWARDS THE FINANCIAL CONDITION OF THE COMPANY AND THE SHAREHOLDERS

The intention of Capital Increase by Issuing Pre-emptive Rights will increase the issued and fully paid up capital of the Company in accordance with the number shares to be issued. The Company shall obtain cash fund for working capital to finance the development of the Company’s business activities of its subsidiaries by considering the applicable laws and regulations.

The shareholders of Company who does not exercise their pre-emptive rights shall be affected by the dilution of the percentage of ownership in the Company by up to 22.14% (twenty two point one four percent) of the issued and fully paid capital.

GENERAL MEETING OF SHAREHOLDERS

The Company has announced the announcement of the Extraordinary General Meeting of Shareholders (“EGMS”) through the Bisnis Indonesia Daily newspaper, the Indonesia Stock Exchange website and the Company's website www.kimiafarma.co.id on 12 August 2019. The summons of the EGMS were
announced through media on 27 August 2019, the EGMS will be held on 18 September 2019 in Jakarta. List of Shareholders entitled to attend the EGMS are the Shareholders of the Company whose names are recorded/listed in the Shareholder Register of the Company and/or owner of securities account at the closing trading of shares on the stock exchange on Friday, 26th of August 2019 or his representative with a power of attorney.

In accordance with Article 25 Paragraph (5) letter a of the Company's Articles of Association, the Meeting must be attended by more than 2/3 (two thirds) of the total number of shares with voting rights that have been issued by the Company registered in the Register of Shareholders of the Company on the 26th August 2019 at the close of trading of shares on the Indonesia Stock Exchange or its representative with a power of attorney, and agreed to at least 2/3 (two thirds) of all shares with voting rights present at the GMS.

Second Meeting
By considering Article 27 letters c and d of the The Financial Services Authority Regulation No. 32/POJK.04/2014, in the event that the meeting quorum is not reached, the Second GMS can be held if attended by more than 3/5 (three-fifths) of all shares with letter rights that have been issued in the Company and approved by 1/2 (one-half) share of all shares with voting rights present at the GMS.

Third Meeting
In accordance with Article 27 letter e of the The Financial Services Authority Regulation No. 32/POJK.04/2014, in the event that the attendance quorum at the second GMS above is not reached, the third GMS may be held provided that the third GMS is valid and has the right to make decisions if attended by shareholders of shares with valid voting rights in the attendance quorum and quorum decisions in accordance with those stipulated by the Financial Services Authority at the request of the Company.

In the event that the Capital Increase by Issuing Pre-emptive Rights does not obtain approval from the EGMS, then the plan shall only be submitted 12 (twelve) months after the EGMS.

ADDITIONAL INFORMATION

The shareholders who wish to obtain additional information shall contact the Company during business hours at:

Corporate Secretary
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