

KOMODO FUND

(incorporated as an exempted company
with limited liability in the Cayman Islands)

OFFERING MEMORANDUM

Revised 7th March 2018

This Offering Memorandum is distributed on a confidential basis in connection with a private offering of Participating Shares, none of which will be issued to any person other than a person to whom a copy of this Offering Memorandum is sent. No person receiving a copy of this Offering Memorandum in any territory may treat it as constituting an offer to him, unless in the relevant territory such an offer could lawfully be made to him without compliance with any registration or other legal requirements.

The contents of this Offering Memorandum are not to be construed as a recommendation or advice to any prospective investor in relation to the subscription, purchase, holding or disposition of Participating Shares. **Prospective investors should consult their professional advisers accordingly.**

This document has been prepared in connection with an offer of Participating Shares ("**Participating Shares**") which may be issued on any Subscription Day at the Subscription Price and may be redeemed on any Redemption Day at the Redemption Price in the manner described below under the section headed "Issue and Redemption of Shares".

Founder Shares are not being offered for subscription pursuant to this Offering Memorandum.

The Directors of the Company, whose names appear under the section headed "Directors and Other Parties", accept responsibility for the information contained in this Offering Memorandum. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

No action has been taken to permit the distribution of this Offering Memorandum in any jurisdiction where action would be required for such purpose. Accordingly, no person receiving a copy of this Offering Memorandum and/or an Application Form in any territory may treat it as constituting an invitation to him to purchase or subscribe for Participating Shares nor should he in any event use such an Application Form unless in the relevant territory such an invitation could lawfully be used without compliance with any registration or other legal requirement.

In particular: (i) no offer or invitation to subscribe for Participating Shares may be made to the public in the Cayman Islands; (ii) this Offering Memorandum has not been approved by OJK, Indonesia's Capital Market Regulatory authority, and, accordingly, Participating Shares may not be offered or sold in Indonesia by means of this Offering Memorandum or any other document other than to persons whose ordinary business it is to buy or sell shares or debentures, whether as principal or agent, or in other circumstances which do not constitute an offer to the public for the purposes of the Indonesian Capital Markets Law No. 8, 1995 and OJK regulations; and (iii) the Participating Shares have not been registered under the United States Securities Act of 1933 and are not being offered in the United States of America, nor may they be directly or indirectly offered or sold in the United States of America or in its territories or possessions or areas subject to its jurisdiction or to or for the benefit of nationals, citizens or residents thereof or persons who are normally resident therein (including the estate of such person and corporations or partnerships created or organised therein) except pursuant to an exemption available under the United States Securities Act of 1933.

The articles of association of the Company give powers to the Directors to require the redemption of Participating Shares held by any person if, in the opinion of the Directors, it is in the interests of the Company to do so, or Participating Shares are held or would be held by or for the benefit of a non eligible investor, or to give effect to an exchange, conversion or roll up policy.

Any information given or representation made by any dealer, salesman or other person and (in either case) not contained herein should be regarded as un-authorised and, accordingly, should not be relied upon. Neither the delivery of this Offering Memorandum nor the offer, issue or sale of Participating Shares shall, under any circumstances, constitute a representation that the information contained in this Offering Memorandum is correct at any time subsequent to the date of this Offering Memorandum.

Potential subscribers of Participating Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their citizenship, residence, incorporation or domicile and which might be relevant to the subscription, holding, or disposal of Participating Shares.

SUBJECT TO SUCH HIGHER MINIMUM AS THE COMPANY MAY DETERMINE, PURSUANT TO THE MUTUAL FUNDS LAW (2015 REVISION) THE MINIMUM AGGREGATE EQUITY INTEREST PURCHASABLE BY A PROSPECTIVE INVESTOR IS EIGHTY THOUSAND

CAYMAN ISLANDS DOLLARS (OR ITS EQUIVALENT IN ANY OTHER CURRENCY, APPROXIMATELY US\$100,000).

Maples and Calder (Hong Kong) LLP ("**Maples and Calder**"), 53/F The Center, 99 Queen's Road Central, Hong Kong, acts as Cayman Islands legal counsel to the Company. In connection with the Company's offering of Participating Shares and subsequent advice to the Company, Maples and Calder will not be representing Shareholders. No independent legal counsel has been retained to represent the Shareholders. Maples and Calder's representation of the Company is limited to specific matters as to which it has been consulted by the Company. There may exist other matters that could have a bearing on the Company as to which Maples and Calder has not been consulted. In addition, Maples and Calder does not undertake to monitor compliance by the Investment Manager and/or the Investment Advisor and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does Maples and Calder monitor ongoing compliance with applicable laws. In connection with the preparation of this Offering Memorandum, Maples and Calder's responsibility is limited to matters of Cayman Islands law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Offering Memorandum. In the course of advising the Company, there are times when the interests of Shareholders may differ from those of the Company. Maples and Calder does not represent the Shareholders' interests in resolving these issues. In reviewing this Offering Memorandum, Maples and Calder has relied upon information furnished to it by the Company and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Company.

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DEFINITIONS

For the purposes of this Offering Memorandum, the following expressions have the following meanings:

"Administrator"	means the person, firm or corporation appointed, and from time to time acting, as administrator of the Company.
"Administration Agreement"	means the agreement by which the Company has appointed the Administrator to provide administrative services to the Company.
"Application Form"	means the application form for Participating Shares attached to this Offering Memorandum.
"Articles"	means the articles of association of the Company.
"Authority"	the Cayman Islands Monetary Authority.
"Business Day"	means any day normally treated as a business day in Indonesia and/or such other day or days as the Directors may from time to time determine.
"Cayman Islands"	means the British Overseas Territory of the Cayman Islands.
"Class A Shares"	Participating Shares issued as Class A Shares.
"Class I Shares"	Participating Shares issued as Class I Shares.
"Class S Shares"	Participating Shares issued as Class S Shares.
"Company"	means Komodo Fund.
"Custodian"	means the person, firm or corporation appointed and from time to time acting as custodian of the Company's assets.
"Custodian Agreement"	means the agreement by which the Company has appointed the Custodian to provide custodian services to the Company.
"Directors"	means the directors for the time being of the Company.
"Founder Shares"	Participating Shares issued as Founder Shares.
"Gross Net Asset Value"	has the meaning as set out under the heading, "Investment Manager's Fees".
"High Watermark"	has the meaning as set out under the heading, "Investment

	Manager's Fees".
"IDX Composite Index Change Benchmark"	has the meaning as set out under the heading, "Investment Manager's Fees".
"Investment Advisor"	means PT HB Capital Indonesia or the person, firm or corporation appointed, and from time to time acting, as advisor to the Investment Manager of the Company.
"Investment Manager"	means HB Capital Partners or the person, firm or corporation appointed, and from time to time acting, as Investment Manager of the Company.
"Management Agreement"	means the agreement by which the Company has appointed the Investment Manager to manage the Company's investments.
"Management Share"	means a voting non-participating share in the capital of the Company of US\$1.00 par value designated as a Management Share and having the rights provided under the Articles.
"Member"	has the same meaning as in the Companies Law (2016 Revision).
"Memorandum"	means the Memorandum of Association of the company.
"Minimum Holding"	US\$25,000 for Class A Shares, US\$15 million for Class S Shares and US\$5 million for Class I Shares, or such lesser amount as the Directors may in their discretion determine, provided that such lesser amount is not less than such amount as required by applicable laws.
"Net Asset Value"	means the value of the assets less the liabilities of the Company or, as the context may require, of a Participating Share of a particular series calculated in accordance with the Articles and this Offering Memorandum.
"Non-Eligible Investor"	means those persons who are not eligible to hold Participating Shares, as determined from time to time by the Directors.
"Offering Memorandum"	means this offering memorandum.
"Ordinary Resolution"	means a resolution passed by a simple majority of such Members as, being entitled to do so, vote in person or, where proxies are allowed, by proxy at a general meeting, and includes a unanimous written resolution.
"Participating Share"	means a voting participating redeemable Share in the capital of the Company of US\$0.01 par value designated as a Participating Share and having the rights provided for under

the Articles, and includes all classes and series of Participating Shares.

- "Performance Fee"** means the performance fee payable by the Company to the Investment Manager that is based on the performance of the Company.
- "Redemption Day"** means the last Business Day of each month or such other days as the Directors may at their discretion determine.
- "Redemption Notice"** means a notice in a form approved by the Directors by which a holder of Participating Shares may require the Company to redeem his Participating Shares.
- "Redemption Fee"** means such fee (if any) determined by the Directors as being payable by a Member on a redemption of Participating Shares.
- "Redemption Price"** means the price, calculated in the manner described below under the section headed "Subscription and Redemption Prices", at which Participating Shares will normally be redeemed.
- "Shareholder"** means a person who is registered on the register of members of the Company as the holder of a Participating Share.
- "Special Resolution"** means a resolution passed by a majority of not less than two-thirds of such members as, being entitled to do so, vote in person, or where proxies are allowed, by proxy at a general meeting of which notice specifying the intention to propose the resolution as a special resolution has been duly given, and includes a unanimous written resolution.
- "Subscription Day"** means the last Business Day of each month or such other days as the Directors may at their discretion determine.
- "Subscription Fee"** means such fee (if any) determined by the Directors as being payable by a Member on a subscription of Participating Shares.
- "Subscription Price"** means the price, calculated in the manner described below under the section headed "Subscription and Redemption Prices", at which Participating Shares will be issued.
- "Suspension"** means a determination by the Directors to suspend the calculation of the Net Asset Value of Participating Shares and/or the issue or redemption of Participating Shares and/or the payment of redemption proceeds.
- "US dollars", "US\$" and "cent"** means the currency of the United States of America.

"Valuation Day"

means the last Business Day of each month or such other days as the Directors may at their discretion determine or Business Days, determined from time to time by the Directors, to be the day or days upon which the Net Asset Value per Participating Share is calculated.

"Valuation Point"

means with respect to any Valuation Day the time or times on such Valuation Day that the Directors determine to calculate the Net Asset Value.

SUMMARY OF OFFERING MEMORANDUM

The following is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Offering Memorandum, in the Memorandum and Articles of the Company and other agreements referred to herein.

The Company

Komodo Fund (the "**Company**") is an exempted company incorporated with limited liability in the Cayman Islands on 6 June 2006 under the Companies Law (2016 Revision) of the Cayman Islands.

The Company has an authorised share capital of US\$250,000 divided into 100 Management Shares of US\$1.00 par value each and 24,990,000 ordinary participating shares of US\$0.01 par value each which may be issued as Participating Shares.

Class A Shares, Class S Shares and Class I Shares are being offered for subscription pursuant to this Offering Memorandum.

Founder Shares are a class of Participating Shares and therefore rank pari passu with the Participating Shares in all respects save that no fees shall be payable by the Company to the Investment Manager in respect of the assets attributable to the Founder Shares. Founder Shares are not being offered for subscription pursuant to this Offering Memorandum.

The minimum subscription of Class A Shares is US\$100,000. Class S Shares and Class I Shares are only available for subscription by investors whose minimum initial subscription (exclusive of any Subscription Fee) is at least US\$15 million and US\$5 million, respectively, in each case, waivable at the discretion of the Directors (subject to such minimum as required by applicable laws).

The availability and fees structure in respect of each class of Participating Shares is summarized below:

Features	Class A	Class S	Class I
Class Currency	US Dollars	US Dollars	US Dollars
Minimum Initial Subscription	US\$100,000	US\$15 million	US\$5 million
Subscription Fee	Nil	Nil	Nil
Minimum Subsequent Subscription in the same class of Participating Shares	US\$50,000	US\$1 million	US\$500,000
Minimum Holding	US\$25,000	US\$15 million	US\$5 million
Redemption Cycle	Each calendar month	Each calendar month	Each calendar month
Annual Management Fee	1%	0.75%	1%

Performance Fee	20% above High Water Mark per Participating Share	20% above IDX Composite Index Change Benchmark	25% above IDX Composite Index Change Benchmark
Redemption Fee	Nil	Nil	Nil
Switching Fee	Nil	Nil	Nil

Investment Objective

The assets of the Company are invested according to the investment objectives and policies determined by the Directors. The objective is to achieve long-term capital appreciation through an actively managed portfolio. Investments are principally made in Indonesian securities, debt instruments and derivatives that are readily marketable, although the Company, may also invest in non-Indonesian listed companies which have substantial operations in Indonesia, as well as American Depository Receipts (ADR), Global Depository Receipts (GDR), and Exchange Traded Funds (ETF).

Subscriptions

Each Class of Participating Shares (namely, the Class A Shares, Class S Shares and Class I Shares, but not the Founder Shares) are available for issue on any Subscription Day at the Subscription Price then prevailing. Applications received before 1.00p.m. (Jakarta time) on a Subscription Day will be dealt with on that day.

Applications received after such time or on a day, which is not a Subscription Day will be dealt with on the next following Subscription Day. The Subscription Price will be calculated in the manner described below under the section headed "Subscription and Redemption Prices" at which Participating Shares will be issued. It is not the present intention of the Company that subscriptions for Participating Shares be subject to an initial charge but the Company reserves the right to impose a Subscription Fee for subscriptions for Participating Shares of up to 1 per cent. of the relevant Subscription Price anytime in the future.

Redemptions

Shareholders will have the right to require all or, subject to the relevant Minimum Holding, a portion of their Participating Shares to be redeemed on a Redemption Day at the Redemption Price then prevailing. The Redemption Price will be based on the Net Asset Value per Participating Share calculated on the Valuation Point in the relevant market or markets on the relevant Redemption Day. It is not the present intention of the Company that redemptions of Participating Shares be subject to a Redemption Fee but the Company reserves the right to impose a Redemption Fee of up to 1 per cent. of the relevant Redemption Price anytime in the future.

Switching

Shareholders may switch their Participating Shares between the classes from time to time subject to the provisions set out in this Offering Memorandum and the Articles.

Dividend Policy

It is the present intention of the Directors not to declare or pay dividends, and income earned by the Company will be reinvested and reflected in the value of its Participating Shares.

Risk Factors

Investment in the Company involves significant risks. Investors' attention is drawn to the risks outlined in the section headed "Risk Factors".

Investment Manager's Fee

At present it is the Investment Manager's intention to charge the Company a management fee of 1.0 per cent. in respect of Class A Shares, 0.75 per cent. in respect of Class S Shares and 1.0 per cent. in respect of Class I Shares.

The Investment Manager will also be entitled to receive out of the assets of the Company a Performance Fee payable annually in arrears. In order to ensure that holders of Participating Shares bear the Performance Fee according to the actual performance of their Participating Shares, having regard to the different times and prices at which such Participating Shares were acquired, a new series of Participating Shares of each class will be issued on each Subscription Day.

The Performance Fee will only be charged on Class A Shares when the Gross Net Asset Value is higher than the High Water Mark. The Performance Fee will only be charged on Class S Shares and Class I Shares when the relevant Gross Net Asset Value is higher than the IDX Composite Index Change Benchmark.

THE COMPANY

The Company is an exempted company incorporated with limited liability in the Cayman Islands on 6 June 2006 and empowered under its Memorandum and Articles of Association and the laws of the Cayman Islands to issue and redeem its own Participating Shares and to carry on investment activities.

The Company is managed by its board of Directors and the Directors review the activities of the Administrator, the Investment Manager and the Custodian and decide upon matters of general policy. Subject to the overall supervision of the Directors, the Administrator shall conduct and supervise the administration of the Company. The Company is advised as to its investment activities by the Investment Manager.

The Company has an authorized share capital of US\$250,000 divided into 100 Management Shares of US\$1.00 par value each and 24,990,000 ordinary participating shares of US\$0.01 par value each which may be issued as Participating Shares.

Class A Shares, Class S Shares and Class I Shares are being offered for subscription pursuant to this Offering Memorandum.

Founder Shares are a class of Participating Shares and therefore rank pari passu with the Participating Shares in all respects save that no fees shall be payable by the Company to the Investment Manager in respect of the assets attributable to the Founder Shares. Founder Shares are not being offered for subscription pursuant to this Offering Memorandum.

INVESTMENT OBJECTIVE AND STRATEGY

Investment Objective

The assets of the Company are invested according to the investment objectives and policies determined by the Directors. The objective is to achieve long-term capital appreciation through an actively managed portfolio. Investments are principally made in Indonesian securities, debt instruments and derivatives that are readily marketable, although the Company, may also invest in non-Indonesian listed companies which have substantial operations in Indonesia, as well as American Depository Receipts (ADR), Global Depository Receipts (GDR), and Exchange Traded Funds (ETF).

Investment Restrictions

No investment may be made for the account of the Company, which would result in: -

- (i) the value of the Company's holding of securities of any one issuer exceeding 20 per cent. of the latest available Net Asset Value of the Company; for this purpose, depository receipts representing underlying securities shall be treated as if they were the underlying securities; or
- (ii) the nominal amount of the Company's holding of a security of any one class in any company or body exceeding 30 per cent. of the total nominal amount of all the issued securities of that class; or
- (iii) the value of the Company's holding of interests in unit trusts or mutual fund corporations exceeding 100 per cent. of the latest available Net Asset Value of the Company; or
- (iv) the value of the Company's total holding of securities options and warrants would exceed 25 per cent. of the latest available Net Asset Value of the Company; or

- (v) more than 30 per cent. of the latest available gross assets value of Company being exposed to the creditworthiness or solvency of any one counterparty; or
- (vi) the value of the Company's total holding of unquoted investments (other than interests in unit trusts and mutual fund corporations) exceeding 30 per cent. of the latest available Net Asset Value of the Company; for this purpose, securities dealt in on any recognised market or by a dealer or an association of dealers providing a satisfactory market will be regarded as quoted investments; or
- (vii) the value of the Company's holding of options in respect of futures contracts when aggregated with the total of the contract prices under all outstanding futures contracts (other than share price index futures contracts entered into for hedging purposes) held by the Company exceeding 20 per cent. of the latest available Net Asset Value of the Company.

In addition the Directors may not for the account of the Company:

- (i) make any investment which would involve the assumption of unlimited liability; or
- (ii) guarantee or otherwise become liable for or in connection with any obligation of any person in respect of borrowed money; or
- (iii) grant options other than covered call options; or
- (iv) grant any option which would result in the aggregate of the exercise under all call options granted for the account of the Company exceeding 10 per cent. of the latest available Net Asset Value of the Company; or
- (v) take or seek to take legal or management control of the issuer of any of its underlying investments.

None of the foregoing restrictions apply to the following instruments ("**sovereign instruments**"):

- (i) any instrument issued by or the payment of principal and interest on which is guaranteed by the government of any member state of the Organisation for Economic Co-operation and Development ("**OECD country**"); and
- (ii) any instrument issued in any OECD country by any public or local authority or nationalised industry or undertaking of any OECD country or anywhere in the world by the International Bank for Reconstruction and Development, European Investment Bank, Asian Development Bank or any body which is, in the Directors' opinion, of similar standing.

However, no investment may be made for the account of the Company in any sovereign instrument of any one issue if that would result in the value of that Company's holding of sovereign instruments of that issue exceeding 50 per cent. of the latest available Net Asset Value of the Company and, if the Company's portfolio consists only of sovereign instruments, those sovereign instruments shall be of at least 2 different issues.

The Directors are not required immediately to reduce the relevant holding if any of the above limits is exceeded by reason of the appreciation or diminution in value of any assets, the receipt of any rights or benefits, amalgamations or reconstruction, payments out of the assets of the Company or the realisation of any Participating Shares or any of the Company's assets. However, the Directors are required, within a reasonable period of time, to take all such steps as are necessary to remedy the situation, after taking due account of the interests of shareholders generally.

The Directors have further resolved that these investment restrictions shall not be amended without the approval of a Special Resolution passed at a class meeting of the holders of the Participating Shares.

Borrowing Restrictions

The Directors may exercise the Company's powers to borrow and to charge its assets, but they are required to restrict the borrowings of the Company and to exercise all voting and other rights or powers of control exercisable by the Company so as to secure that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company shall not exceed an amount equal to 50 per cent of the latest available Net Asset Value of the Company.

For the purposes of determining the amount of moneys borrowed for the account of the Company, (i) what would otherwise constitute moneys borrowed for the account of the Company shall be reduced by any amount for the time being deposited out of the assets of the Company with any lender of those borrowed moneys (or its nominee) and (ii) the amount of moneys borrowed from any particular lender shall be reduced by any balance standing to the credit of any account of the Company with such lender.

RISK FACTORS

An investment in the Company involves financial and other risks and is suitable only for sophisticated investors for whom investment in the Company does not represent a complete investment program and who fully understand and are capable of bearing the risks of an investment in the Company. Prospective investors should carefully review the risks involved in investing in the Company, and should evaluate the merits and risks of an investment in the Company in the context of their overall financial circumstances. Investors should be aware that the value of Participating Shares may fall as well as rise.

Whilst it is the intention of the Investment Manager to implement strategies which are designed to minimise potential losses, there can be no assurance that these strategies will be successful. It is possible that an investor may lose a substantial proportion or all of its investment in the Company. As a result, each investor should carefully consider whether it can afford to bear the risks of investing in the Company. The following risk factors which relate to an investment in the Company do not purport to be a complete but should be carefully considered by potential investors.

The risks of investing in the Company include, but are not necessarily limited to, the following:

Emerging Markets

The Asia Pacific markets are primarily emerging markets whose economies and stock markets may be substantially less developed than those of the major developed countries (such as the United States of America, Japan and most Western European countries). Thus, the level of liquidity in stock markets of such countries is lower, and the volatility of and the risks associated with investment in such stock markets are higher than is the case with investment in the equity markets of the major developed countries.

Political, Social, Legal and Regulatory Changes

Given the nature of the Asian markets it is possible that future changes in the political or social situation, or changes in laws and regulations, could have an effect on the value of the investments and there can be no assurance that none of the Asian currencies will be devalued in the future. The Company may at the discretion of the Investment Manager hedge currencies of countries it invests in against US Dollar, and investors should take this into consideration when planning their investment strategy. However, it should be noted that, in the event of any devaluation of a currency of a country that the Company invested in, investors in the Company may suffer a diminution in the value of their holdings. Furthermore if the devaluation occurred any time after the time as at which the Redemption Price in relation to Participating Shares of the Company is calculated and before redemption monies are converted out of that currency, the amount payable in respect of the redemption of such Participating Shares may be adjusted to take account of that devaluation.

Conflict of Interest

The Directors and the service providers may have conflicts of interest in relation to their duties to the Company. However, each shall, at all times, pay regard to its obligation to act in the best interests of the Company and the Directors will ensure that all such potential conflicts of interest are resolved fairly and in the interests of shareholders. When allocating investment opportunities, the Investment Manager will ensure that all such investment will be allocated in a fair and equitable manner.

General

The Company is subject to market fluctuations and to the risks inherent in all investments and markets. As a result the price of Participating Shares may go down as well as up.

The Investment Manager may, when it considers that market conditions or other factors render it prudent, reduce the holdings of the Company and may maintain a 100 per cent. position in cash or investments equivalent to cash.

Absence of Substantive Company Operating History

The Company has an operating history since 2006 only. There can be no assurance that the Company will achieve its investment objective. The past investment performance of the Company or the principals of the Investment Manager may not be indicative of the future results of an investment in the Company.

Performance Fee

The payment to the Investment Manager of a fee based upon the performance of the Company may create an incentive for the Investment Manager to cause the Company to make investments that are riskier or more speculative than would be the case in the absence of such a fee.

Reliance on the Investment Manager

The Investment Manager has complete discretion in investing the assets of the Company. The Company's success depends, to a large extent, on the ability of the Investment Manager to identify successful investments and strategies. The death or disability of principals of the Investment Manager or the withdrawal of the Investment Manager could have a material adverse effect on the investment results of the Company. Further, no assurance can be given that the Investment Manager will be able to retain key personnel or to engage new personnel with comparable investment management skills.

Conditions on Redemptions

While Participating Shares are redeemable at the option of the holder, there may be limited liquidity and/or delays in payments of redemption proceeds. Although the notice requirements governing the right to redeem Participating Shares are believed to be adequate to allow the Company sufficient time to exercise its own rights to withdraw from its investments the amounts necessary to satisfy the redemption requests, it is possible that the Company may not be able to do so in a timely manner. There may be significant fluctuation in the Net Asset Value of the Participating Shares between valuations and before a Shareholder can redeem its Participating Shares. The Company may suspend redemptions of Participating Shares in certain situations, including where circumstances exist as a result of which it is not reasonably practical to realise the Company's investments or a part thereof. In addition, sizeable redemptions of Participating Shares by a Shareholder may have an adverse impact on the ability of the Company to successfully implement its investment strategy and achieve its investment objectives.

Restrictions on Transfer

The Participating Shares are subject to restrictions on transfer and their transferability may also be limited by applicable securities laws. The Participating Shares are unlikely to be registered under the securities laws of any jurisdiction or listed on any exchange and there will be no ready market for them.

Investment Risks

There can be no assurance that the Company will achieve its investment objective or that a Shareholder will recover the full amount invested in the Company. The capital return and income of the Company are based on the capital appreciation and income on the securities it holds, less expenses incurred. Therefore, the Company's return may be expected to fluctuate in response to changes in such capital appreciation or income.

Liquidity and Settlement Risks

The Company will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. Market practices in relation to the settlement of certain securities transactions and the custody of assets could provide increased risks.

Currency Exposure

The Participating Shares are denominated in US Dollars. Assets of the Company may, however, be invested in securities and other investments which are denominated in Indonesian Rupiah or other currencies. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Company may seek to hedge its foreign currency exposure but will necessarily be subject to foreign exchange risks. Prospective investors whose assets and liabilities are predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the US Dollar, the currency of investment and such other currencies.

Investments in Equity Securities

The Company may invest in common stock and similar equity securities which generally represent the most junior position in an issuer's capital structure and, as such, generally entitle holders to an interest in the assets of the issuer, if any, remaining after all more senior claims to such assets have been satisfied. Holders of common stock generally are entitled to dividends only if and to the extent declared by the governing body of the issuer out of income or other assets available after making interest, dividend and any other required payments on more senior securities of the issuer. Warrants and stock purchase rights are securities permitting, but not obligating, their holders to subscribe for other equity securities, and they do not represent any rights in the assets of the issuer. As a result, warrants and stock purchase rights may be considered more speculative than other types of equity investments.

Investments in Securities in General

All investments made by the Company risk the loss of capital. An investment in the Company is highly speculative and involves a high degree of risk due to the nature of the Company's investments and the strategies employed. An investment in the Company should not itself be considered a balanced investment program, but rather is intended to provide diversification in a more complete investment portfolio. Prospective investors should be able to withstand the loss of their entire investment. No guarantee or representation is made that the Company's investment program will be successful or that the Investment Manager will be able to locate suitable investment opportunities in which to deploy the Company's assets.

Borrowing and Leverage

The Company may use borrowings for the purpose of making investments. The use of borrowing creates special risks and may significantly increase the investment risk of the Company. Borrowing creates an opportunity for greater yield and total return but, at the same time, will increase the exposure of the Company to capital risk and interest costs. Any investment income and gains earned on investments made through the use of borrowings that are in excess of the interest costs associated therewith may cause the Net Asset Value of the Participating Shares to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value of the Participating Shares may decrease more rapidly than would otherwise be the case.

Contagion Risk Factor

The Company has the power to issue shares in classes or series. The Articles provide for the manner in which the liabilities are to be attributed across the various classes or series (liabilities are

to be attributed to the specific class or series in respect of which the liability was incurred). However, the Company is a single legal entity. Shareholders of one or more classes or series of shares may be compelled to bear the liabilities incurred in respect of other classes or series which such Shareholders do not themselves own if there are insufficient assets in that other class or series to satisfy those liabilities. Accordingly, there is a risk that liabilities of one class or series may not be limited to that particular class or series and may be required to be paid out of one or more other classes or series. In practice, cross-class or cross-series liability is only expected to arise where liabilities referable to one class or series are in excess of the assets referable to such class or series and it is unable to meet all liabilities attributed to it. In such a case, the assets of the Company attributable to other classes or series may be applied to cover such liability excess and the value of the contributing classes or series will be reduced as a result.

Handling of mail

Mail addressed to the Company and received at its registered office will be forwarded unopened to the forwarding address supplied by Investment Manager to be dealt with. None of the Company, its directors, officers, advisors or service providers (including the organisation which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular the Directors will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed just to the Company).

Requests for Information

The Company, or any directors or agents domiciled in the Cayman Islands, may be compelled to provide information, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g. by the Authority, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Law (2016 Revision), or by the Tax Information Authority, under the Tax Information Authority Law (2017 Revision) or Reporting of Savings Income Information (European Union) Law (2014 Revision) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Company, director or agent, may be prohibited from disclosing that the request has been made.

ISSUE AND REDEMPTION OF SHARES

Subscription and Redemption Request

Applications for subscriptions should be made on the Application Form and sent to the Investment Manager c/o PT HB Capital Indonesia, Kantor Taman E33, Unit A1 4th Floor, Jalan Dr. Ide Anak Agung Gde Agung, Lot 8.6-8.7, Kawasan Mega Kuningan, Jakarta Selatan 12950, Indonesia marked for the attention of Mrs. Sri Yulianti. Each first time subscriber should also complete a Master Application Form to be sent to the same address.

Series of Participating Shares

The Company will pay to the Investment Manager a Performance Fee payable annually in arrears. In order to ensure that Shareholders bear the Performance Fee according to the actual performance of their Participating Shares, having regard to the different times and prices at which such Participating Shares were acquired, a new series of Participating Shares in each class will be issued on each Subscription Day.

Consolidation of Participating Shares

As soon as practicable after the last Valuation Point in December in each year, all Participating Shares in all series of a class which shall have borne a Performance Fee in respect of the relevant financial year will normally be consolidated into a single series of such class, being the oldest series of Participating Shares to have borne a Performance Fee of such class in respect of the relevant financial year and the High Water Mark for all Participating Share of the consolidated series will be the Net Asset Value per Participating Share of the consolidated series of such class as at the last Valuation Point in December, after payment of the Performance Fee.

Subscriptions of Participating Shares

Each Class of Participating Shares (namely, the Class A Shares, Class S Shares and Class I Shares, but not the Founder Shares) are available for issue on any Subscription Day at the Subscription Price then prevailing. Applications received before 1.00p.m. (Jakarta time) on a Subscription Day will be dealt with on that day.

Subscription Day means the last Business Day of each month or such other days as the Directors may at their discretion determine. Applications should be made on the Application Form and sent to the Investment Manager at the address shown in the section entitled "Subscription and Redemption Requests". Copies of the Application Form are available from the Investment Manager. Applications received after 1.00 p.m. Jakarta time on a Subscription Day or on a day which is not a Subscription Day will be treated as having been received at the opening of business on the next following Subscription Day.

The price at which Participating Shares will be issued on any particular Subscription Day will be the Subscription Price per Participating Share calculated in the manner described below under the section headed "Subscription and Redemption Prices".

The minimum initial subscription, subsequent subscription and holding in respect of each of the Class A Shares, Class S Shares and Class I Shares are as follows, in each case, waivable at the discretion of the Directors (subject to such minimum as required by applicable laws):

	Class A Shares	Class S Shares	Class I Shares
Minimum initial subscription	US\$100,000	US\$15 million	US\$5 million
Minimum subsequent subscription in the same class	US\$50,000	US\$1 million	US\$500,000

of Participating Shares			
Minimum Holding	US\$25,000	US\$15 million	US\$5 million

A Shareholder whose shareholding in the Company has fallen below a relevant Minimum Holding threshold is required to either, subscribe for further Participating Shares in the same class to exceed such Minimum Holding threshold or for holders of Class S Shares or Class I Shares, switch their investments into one of the other classes of Participating Shares with a lower Minimum Holding requirement within 6 months of receiving notice from the Company or the Investment Manager that its shareholding has fallen below the relevant Minimum Holding threshold. Shareholders however, are not required to take such action if their holding falls below the relevant Minimum Holding requirement by reason of the depreciation in value of the underlying assets held by the Company and not by the partial redemption of their Participating Shares.

Participating Shares may be issued in fractions of a share provided that the minimum fraction is not less than one-hundredth of a Participating Share. Application monies representing smaller fractions of a Participating Share will be retained by the Company.

No Participating Shares will, unless the Directors otherwise determine, be issued unless and until the relevant application monies have been received in cleared funds by or on behalf of the Company. Application monies must be paid in US dollars and all bank charges and other associated costs will be deducted from the application monies prior to investment in Participating Shares.

Participating Shares may not be issued during the period of any suspension of the determination of the Net Asset Value (for details see the section headed "Valuation and Prices").

Payment for Participating Shares must be made in US dollars by telegraphic transfer to:

Bankers Trust New York (BTRUS33)
Favouring: Deutsche Bank Jakarta (DEUTIDJA)
Account Number: 04411296
Further credit to Komodo Fund Account Number 0086058-050

Please note that for cleared funds to be received in Jakarta prior to 1.00p.m. on any Subscription Day, payment should normally be made two Business Days preceding the respective Subscription Day.

The Company or the Investment Manager may at any time impose an initial Subscription Fee of up to 1 per cent. of the Subscription Price of the Participating Shares which are issued to applicants and an amount equal to any stamp duty and any other governmental taxes and charges payable by the Company with respect to the issue of such Participating Shares. The Subscription Fee may be divided between the Company or the Investment Manager or any sales agents or distributors as the Directors and the Investment Manager may agree.

Participating Shares are issued in registered form and share certificates will not be issued. A confirmation notice will be sent as soon as practicable to successful applicants on acceptance of their application and receipt in cleared funds of their application monies.

The Investment Manager reserves the right to reject any application for Participating Shares in whole or in part. If any application is not accepted in whole or in part, the application monies or (where an application is accepted in part only) the balance thereof will be returned (without interest) in US dollars by bank draft made out in favour of the applicant (or, in the case of joint applicants, the first named) and sent by ordinary post at the risk of the person entitled thereto. Funds may also be returned by telegraphic transfer to the originating account at the discretion of the Investment Manager and at the expense of the applicant.

Subscription Monies

Where a subscription for Participating Shares is accepted, the Participating Shares will be treated as having been issued with effect from the relevant Subscription Day notwithstanding that the subscriber for those Participating Shares may not be entered in the Company's register of members until after the relevant Subscription Day. The subscription monies paid by a subscriber for Participating Shares will accordingly be subject to investment risk in the Company from the relevant Subscription Day.

Redemption

Participating Shares may be redeemed on any Redemption Day at the request of the holder of such Shares. Redemption Days means the last Business Day of each calendar month or such other days as the Directors may at their discretion determine.

Each request should be sent to the Investment Manager at the address shown in the section entitled "Subscription and Redemption Requests", should be given in writing by facsimile with the original to follow by mail and must specify the number or a dollar figure of Participating Shares to be redeemed and give payment instructions for the redemption proceeds. In order for a redemption request to take effect on a particular Redemption Day, the redemption request must be received by the Investment Manager not later than 1.00p.m. Jakarta time on the Subscription Day preceding the relevant Redemption Day or such later day as the Investment Manager in its absolute discretion may decide. Redemption requests received after such time will be processed on the next following Redemption Day.

The Directors have the right to redeem compulsorily any holding of Participating Shares if it is in the interests of the Company to do so or if the Participating Shares are or would be held by or for the benefit of a Non-Eligible Investor or to give effect to an exchange, conversion or roll up policy. Where practicable, the Directors will provide 30 calendar days' written notice of any such compulsory redemption to the effected Shareholders, provided that such notice need not be provided where it is in the interests of the Company to process the compulsory redemption without notice.

A Shareholder redeeming Participating Shares will, except as referred to below, be paid an amount equal to the Redemption Price per Participating Share calculated in the manner described below under the section headed "Subscription and Redemption Prices".

The Company or the Manager may at any time impose a Redemption Fee of up to 1 per cent. of the Redemption Price of the Participating Shares which are redeemed. The Redemption Fee shall be divided between the Company, the Fund and the Manager as the Directors and the Manager may from time to time agree.

Redemption proceeds will be paid in US dollars and, except where the redeeming Shareholder gives alternative payment instructions, will be paid by telegraphic transfer at the cost and risk of the redeeming Shareholder to the bank account specified by him. Payment will, subject as mentioned below under the section headed "Valuation and Prices", be made within 14 Business Days after the relevant Redemption Day or (if later) the day on which the Administrator receives a redemption request form, duly completed and signed by the Shareholder (or, in the case of joint Shareholders, each of them).

Where payment is requested to be made by telegraphic transfer to a bank account with a bank in New York State, the Administrator will need to be satisfied that the signature on the relevant payment instruction is genuine before payment will be made. All costs of effecting any telegraphic transfer will be borne by the Shareholder and may be deducted from the monies to be paid to him.

No redemption of part of a holding of Participating Shares may be made which would result in the Shareholder retaining Participating Shares which have a value of less than the Minimum Holding unless the Investment Manager in its sole discretion determines to permit the redemption.

With a view to protecting the interests of Shareholders the Directors may limit the number of Participating Shares to be redeemed on any one Redemption Day to 15 per cent. of the total Net Asset Value on the preceding Subscription Day. In that event, the limitation will apply *pro rata* so that all Shareholders wishing to redeem Participating Shares on that Redemption Day redeem the same proportion of such Participating Shares. Redemption requests in respect of all Participating Shares not redeemed but which would otherwise have been redeemed on that Redemption Day together with all redemption requests subsequently received will be carried forward to the next Redemption Day (or such earlier day as the Directors may determine), whereupon all the Participating Shares the subject of such redemption requests will (subject to the same limitation and as provided below) be redeemed. If redemption requests are carried forward, the Investment Manager will inform the Shareholders who are affected and on any subsequent Redemption Day priority will be given to requests which have been carried forward according to the length of time for which they have been carried forward.

No redemption of Participating Shares may be effected during the period of any suspension of the determination of the Net Asset Value (for details see the section headed "Valuation and Prices").

Switching

A Shareholder may from time to time with the consent of the Directors or the Investment Manager convert all of his Participating Shares of one class (the "**Original Class**") into Participating Shares of a different class (the "**New Class**"). A request for switching of Participating Shares with a Net Asset Value amounting to less than the minimum investment of the New Class will not be accepted and a switching request to the extent that it would result in a Shareholder owning Participating Shares in the Original Class with an aggregate Net Asset Value of less than the Minimum Holding of the Original Class will be treated as a request for switching of all outstanding Participating Shares of such Shareholder in the Original Class, unless, in each case, the Company's Directors in their absolute discretion determine otherwise.

Switching will be effected by way of a redemption of Participating Shares from the Original Class and a subscription for Participating Shares in the New Class and shall be subject to any applicable redemption provisions and restrictions of the Original Class, any subscription provisions and restrictions of the New Class and any other requirements the Directors may prescribe. Redemption will take place on the relevant Redemption Day of the Original Class and subscription will take place on the first Subscription Day of the New Class following the settlement of the redemption proceeds to the New Class which may be on the same day as the Redemption Day of the Original Class on which the redemption part of the switch takes place or such other day as the Directors or the Investment Manager may determine generally or in any particular case. Settlement of the redemption proceeds will generally take place within a period after the Redemption Day of the Original Class, or, if later, upon receipt by the Administrator of the original switching request duly completed. Accordingly, redemption proceeds may be held over uninvested until the relevant Subscription Day of the New Class and may or may not earn interest at the discretion of the Investment Manager.

For the avoidance of doubt, a Performance Fee may be payable when Participating Shares are redeemed from the Original Class to subscribe for Participating Shares in the New Class.

Redemption Fees, if any, in respect of the relevant Original Class and Subscription Fee, if any, in respect of the relevant New Class will apply. Participating Shares in the New Class issued pursuant to a switching request will be subject to any redemption restriction period applicable to the New Class with effect from the issue date of such Participating Shares in the New Class. Any subsequent Redemption Fee (if any) will be calculated as from the original date of the investment relating to the

relevant Participating Shares as determined by the Investment Manager in its absolute discretion. The Directors have absolute discretion to waive or vary any of the switching requirements.

Dividend Policy

It is the present intention of the Directors not to declare or pay any dividend. Income earned by the Company will be reinvested and reflected in the value of the Participating Shares. If the Directors decide to declare dividends, such dividends may be distributed from net income and/or net realised and unrealised capital gains.

Anti-Money Laundering

In order to comply with legislation or regulations aimed at the prevention of money laundering the Company is required to adopt and maintain anti-money laundering procedures, and may require subscribers to provide evidence to verify their identity, the identity of their beneficial owners/controllers (where applicable), and source of funds. Where permitted, and subject to certain conditions, the Company may also delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

The Company, and the Administrator on the Company's behalf, reserve the right to request such information as is necessary to verify the identity of a Shareholder (i.e. a subscriber or a transferee) and the identity of their beneficial owners/controllers (where applicable). Where the circumstances permit, the Company, or the Administrator on the Company's behalf, may be satisfied that full due diligence may not be required at subscription where an exemption applies under the Anti-Money Laundering Regulations, 2017 of the Cayman Islands, as amended and revised from time to time or any other applicable law. However, detailed verification information may be required prior to the payment of any proceeds from or any transfer of an interest in [Shares].

In the event of delay or failure on the part of the subscriber in producing any information required for verification purposes, the Company, or the Administrator on the Company's behalf, may refuse to accept the application, or if the application has already occurred, may suspend or redeem the interest, in which case any funds received will be returned without interest to the account from which they were originally debited.

The Company, and the Administrator on the Company's behalf, also reserve the right to refuse to make any redemption or dividend payment to a Shareholder if the Directors or the Administrator suspect or are advised that the payment of redemption or dividend proceeds to such Shareholder may be non-compliant with applicable laws or regulations, or if such refusal is considered necessary or appropriate to ensure the compliance by the Company or the Administrator with any applicable laws or regulations.

If any person in the Cayman Islands knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering or is involved with terrorism or terrorist financing and property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority ("**FRA**") of the Cayman Islands, pursuant to the Proceeds of Crime Law (2017 Revision) of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the FRA, pursuant to the Terrorism Law (2017 Revision) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

MANAGEMENT AND ADMINISTRATION

The Directors

The Directors are responsible for the overall investment policies of the Company although the day to day investment, management and administration of the Company will be delegated to the Investment Manager and the Administrator.

At the date of this Offering Memorandum, the Directors, all of whom act in a non-executive capacity, are:

Mr. James Richard Buckby Bryson

Mr. Bryson, British, was educated at the School of Oriental and African Studies, University of London, where he earned an honours degree in Economics and Politics. He has worked in the Asian equities business, since leaving the British Army in 1995. Most of his time in the industry has been spent on the equities sell side in Indonesia, as Head of Equity Sales respectively for BZW Securities, ANZ Securities and then Merrill Lynch Indonesia. After 2 1/2 years with ML Hong Kong in a regional research sales and account management role, Mr. Bryson returned to Indonesia mid 2004 to start and run the equities business for CIMB Niaga Securities. He left CIMB Niaga in June 2005.

Mr. Anthony Moody (Independent Director)

Mr. Anthony Moody, British, has over forty five years experience in the financial services industry, with twenty nine in Asia. He is founder and CEO of Hermes & Hermes Holding Co Ltd, a company he formed in 2002, focused on private equity investing. Prior to establishing Hermes & Hermes he was Regional CEO and Managing Director of Asia-Pacific for Zurich Scudder Investments, the investment management business of Zurich Financial Services, a member of its Global Management Committee and Chairman of Zurich Scudder Investments Japan until acquisition by Deutsche Asset Management in 2002. From 1971 to 1999 Mr. Moody held executive responsibilities for investment management, private equity, capital markets, private banking, and derivatives with Continental Bank and its acquirer Bank of America, during which he was assigned to the USA, Caribbean, Japan, and Hong Kong. Roles included Managing Director & Head of Capital Markets Asia, Head of Private Banking, Trust, and Investment Management Asia, and Head of Portfolio Management and Institutional Marketing for investment management in the USA. From 2006 through 2013 he was Executive Director and Chairman of Asia for Sindicatum Sustainable Resources Group, a 'clean energy' company. He is a Director of Pandaw Investments focused on Myanmar, a Member/Investor of Leopard Capital GP, an asset manager focused on frontier markets, and works on a 'pro bono' basis throughout Asia to further the causes of microfinance and corporate social responsibility.

Dr. Simon Ogus (Independent Director)

Dr. Ogus, British is the founder and CEO of DSGAsia Limited, an independent consultancy, based in Hong Kong. DSGAsia offers analysis of the economies and politics of Asia, and works with a variety of multinational and regional entities in the financial, non-financial and governmental spheres. Simon serves on the board of a number of companies and official bodies, and has also held academic positions and lectured at various universities across the region. Prior to founding DSGAsia in 1999, Simon was Managing Director and Chief Economist for Asia at Swiss Bank Corporation (subsequently SBC Warburg and then UBS) in Hong Kong. Assuming this role in 1994, he was responsible for developing and spearheading the bank's macroeconomic research product for the region including Japan, Non-Japan Asia and Australasia. He is generally recognised as one of the few analysts who accurately predicted both the Asian and the more recent global economic and financial crisis, and during his time on the sell-side he was consistently voted as one of the top ranked regional macro analysts across a range of industry surveys.

The Investment Manager

By the Management Agreement, the Company has appointed HB Capital Partners as its Investment Manager, with responsibility for the selection of investments. The Investment Manager will also supervise the day to day management of the Company and the conduct of the administration of the Company by the Administrator.

The Investment Manager is a limited liability company incorporated in the Cayman Islands on 6 June 2006. The Investment Manager has been registered as an Excluded Person under Section 5(2) and Schedule 4 of the Securities Investment Business Law (2015 Revision) of the Cayman Islands and is not subject to regulation by the Authority.

The directors of the Investment Manager are Mr. Roland Sweder Haas and Mr. James Richard Buckby Bryson. Details for Mr. Bryson are set out above, and for Mr. Haas are as follows:

Mr. Roland Sweder Haas

Mr. Haas, Dutch, was educated at the University of San Francisco, California, USA, where he earned a Masters of Business Administration degree, majoring in Finance and International Business. Roland was President Director at PT Lippo Investment Management from 1994 to 2001, and has extensive experience in the fund management industry starting as an Investment Advisor with Three-G Group, Belgium, in 1990. Subsequently he held an Investment Analyst position at Templeton International and joined G.T. Management (Singapore) Pte. Ltd in 1992 as a Fund Manager.

The appointment of the Investment Manager is for a period of 10 years and will continue thereafter unless and until terminated by the Company or the Investment Manager giving to the other not less than one month's written notice. The Management Agreement may also be terminated in certain other circumstances described therein. The Investment Manager will be entitled to receive the fees described below under the section headed "Charges and Expenses".

The Company has agreed to indemnify the Investment Manager from all liabilities of whatsoever nature which it may incur in performing its obligations under the Management Agreement, other than those liabilities resulting from negligence or willful default on the part of the Investment Manager or its servants or agents.

The Investment Adviser

The Investment Manager has appointed PT HB Capital Indonesia as the Investment Adviser to provide recommendations and investment advice to the Investment Manager in relation to the Company. The Investment Manager will bear the fees of the Investment Adviser. The Investment Manager may, in its absolute discretion, appoint additional investment advisers.

The Investment Adviser is licensed by OJK, the Indonesian banking and capital markets regulator, as an Investment Adviser.

The directors of the Investment Adviser are Mr. Roland Sweder Haas and Mr. James Richard Buckby Bryson, details of whom are set out above.

Administrator

By the Administration Agreement dated 8th January 2007, the Company has appointed Crowe Horwath First Trust Fund Services as its Administrator, with responsibility for the day to day administration duties of the Company.

The appointment of the Administrator is in place unless and until terminated by the Company or the Administrator giving to the other not less than 90 days written notice. The Administration

Agreement may also be terminated in certain other circumstances described therein. The Administrator will be entitled to receive certain fees described below under the section headed "Charges and Expenses".

The Company has agreed to indemnify the Administrator from all liabilities of whatsoever nature which it may incur in performing its obligations under the Administration Agreement, other than those liabilities resulting from the gross negligence or willful default on the part of the Administrator of its servants or agents.

The Administrator is not responsible for the monitoring of the investment and borrowing restrictions laid out by the Directors of the Company.

Custodian

By the Custody Agreement dated 26th January 2007, the Company has appointed Deutsche Bank AG Jakarta as its Custodian. The Custodian will hold the Company's cash, securities and assets.

The appointment of the Custodian is in place until terminated by the Company or the Custodian giving to the other not less than 30 days written notice. The Custodian Agreement may also be terminated in certain other circumstances described therein. The Custodian will be entitled to receive certain fees described below under the section headed "Charges and Expenses".

The Company has agreed to indemnify the Custodian from all liabilities of whatsoever nature which it may incur in performing its obligations under the Custodian Agreement, other than those liabilities resulting from negligence or willful default on the part of the Custodian of its servants or agents.

CHARGES AND EXPENSES

Investment Manager's Fee

Under the terms of the Management Agreement the Investment Manager is entitled to receive a management fee payable by the Company quarterly in arrears. The management fee in relation to the Company is calculated and accrues as at each relevant Subscription Day at the percentage rate per annum (as set out below) based on the Net Asset Value of the Company as at the relevant Subscription Day.

The maximum permitted management fee which the Investment Manager is entitled to charge pursuant to the Management Agreement in respect of the Company is 2.0 per cent. per annum of the Net Asset Value of the relevant class of Participating Shares. At present it is the Investment Manager's intention to limit the management fee to 1.0 per cent. in respect of Class A Shares, 0.75 per cent. in respect of Class S Shares and 1.0 per cent. in respect of Class I Shares. However, the Investment Manager may increase the management fee payable in respect of any one or more classes of Participating Shares up to 2.0 per cent. of the Net Asset Value of the relevant class of Participating Shares on giving six months' notice in writing to the relevant Shareholders.

The Investment Manager will also be entitled to receive out of the assets of the Company a Performance Fee payable annually in arrears. In order to ensure that holders of Participating Shares bear the Performance Fee according to the actual performance of their Participating Shares, having regard to the different times and prices at which such Participating Shares were acquired, a new series of Participating Shares of each class will be issued on each Subscription Day.

The Performance Fee will be calculated in respect of each period of twelve months ending on 31 December in each year (a "Calculation Period") or on the date the relevant Participating Share(s) is/are redeemed.

The Performance Fee will be deemed to accrue on a monthly basis as at each Valuation Day. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Gross Net Asset Value (as defined below) per Participating Share. The Performance Fee will only be charged on Class A Shares when the Gross Net Asset Value is higher than the High Water Mark. The Performance Fee will only be charged on Class S Shares and Class I Shares when the relevant Gross Net Asset Value outperforms the IDX Composite Index Change Benchmark.

The "Gross Net Asset Value" is the Net Asset Value before deduction for any accrued Performance Fees and any distributions payable in respect of the relevant Calculation Period.

The "High Water Mark" per Participating Share of the relevant series is the greater of (a) the Subscription Price per Participating Share of the relevant series at the time of issue of that Participating Share and (b) the Net Asset Value per Participating Share of the relevant series prevailing immediately after the end of a Calculation Period after any Performance Fee and/or distribution payable in respect of such financial year.

The amount of the Performance Fee to be paid per Class A Share will be calculated as 20 per cent. of the positive difference between the Gross Net Asset Value per Class A Share of the relevant series above the High Water Mark per Class A Share of such series.

The amount of the Performance Fee to be paid for each Class S Share of a series will be calculated as 20 per cent. of the amount by which (i) the Gross Net Asset Value per Class S Share of such series at the end of the relevant Calculation Period exceeds (ii) IDX Composite Index Change Benchmark.

The amount of the Performance Fee to be paid for each Class I Share of a series will be calculated as 25 per cent. of the amount by which (i) the Gross Net Asset Value per Class I Share of such

series at the end of the relevant Calculation Period exceeds (ii) the IDX Composite Index Change Benchmark.

The IDX Composite Index Change Benchmark is the High Water Mark per Class S Share or Class I Share of a series, as the case may be, multiplied by the sum of one plus the IDX Composite Index Change (as defined below).

The IDX Composite Index Change in respect of any Calculation Period is equal to the rate of increase or decrease (represented in terms of percentage) in the level of the IDX Composite Index (Bloomberg ticker: JCI Index) over the Calculation Period concerned. For the avoidance of doubt, the IDX Composite Index Change may be either a positive or a negative percentage figure.

A Performance Fee may be payable in respect of a Class S Share or a Class I Share even if the Gross Net Asset Value of the Class S Share or Class I Share, as the case may be, is less than the High Water Mark for such Class S Share or Class I Share, provided that the performance of such Class S Share or Class I Share outperforms the IDX Composite Index as reflected in the IDX Composite Index Change Benchmark. This means even if the IDX Composite Index Change is negative and the Gross Net Asset Value of a Class S Share or a Class I Share is less than the High Water Mark, a Performance Fee may be payable if the negative difference between the High Water Mark and the Gross Net Asset Value of such Class S Share or Class I Share (expressed in terms of percentage) is less than the decrease in the IDX Composite Index Change.

Where Participating Shares are redeemed part way through a Calculation Period, the Performance Fee payable in respect of the Participating Shares redeemed will be calculated as at the Valuation Point relating to the relevant Redemption Day.

The Manager will be entitled to payment of the Performance Fee in the following installments: (i) 90% of the estimated Performance Fee within 30 days after 31 December in each year and (ii) the balance of the Performance Fee upon completion of the Company's audited financial statements.

In the event that the Management Agreement is terminated prior to 31 December in any year, the Performance Fee will be computed as though the termination date is the last day of the Calculation Period.

Any accrued Performance Fees will be crystallized on any redemption of Participating Shares during the course of the year and any accrued Performance Fee attributed to such Participating Shares paid over to the Investment Manager on redemption.

Administrator and Custodian Fees

Crowe Horwarth First Trust Fund Services and Deutsche Bank AG Jakarta, as Administrator and Custodian respectively, will be paid reasonable fees for acting in the capacity of administrator and custodian of the Company as shall be agreed between the Company and the Administrator and Custodian from time to time; and will be entitled to reimbursement for any out-of-pocket expenses incurred in the course of their duties, including any transaction fees.

General Expenses

The Company bears the cost of all brokerage (if any) payable on the purchase or sale of investments, interest on borrowings and fees in respect thereof, fees payable in the Cayman Islands on increases in the share capital of the Company, the annual company registration fee payable in the Cayman Islands, the fees and reasonable travel, hotel and incidental expenses of the Directors, the fees and expenses of the auditors, legal advisers and other service providers to the Company, the cost of printing and distributing the annual and semi-annual reports and statements and all other operating and administrative expenses including the preparation of this Offering Memorandum.

The independent directors (namely Mr. Anthony Moody and Dr. Simon Ogus) shall each be entitled to a fee for their services at a rate of 0.025% of the average Net Asset Value of the Company during any calendar year, with a minimum sum of US\$3,000 per annum and a maximum sum of US\$25,000 per annum per Director. The Directors may also be repaid all reasonable traveling, hotels and other expenses properly incurred by them in attending the Company's meeting.

All or part of any amount payable to the Investment Manager may be allowed or paid, at the discretion of the Investment Manager, to dealers in securities or other intermediaries through whom applications for Participating Shares are received. To the extent that the accounting of expenses adopted by the Company deviates from International Financial Reporting Standards, such non-compliance may result in the auditors qualifying their opinion on those annual accounts depending on the nature and level of materiality of the non-compliance.

CONFLICTS OF INTEREST

Investors' attention is drawn to the following potential conflicts of interest.

The Investment Manager, its holding company, holding company's shareholders, any subsidiaries of its holding company and any of their directors, officers, employees, agents and affiliates ("**Interested Parties**") may be involved in other financial, investment or other professional activities which may on occasion cause conflicts of interest with the Company. These include management of other funds, purchases and sales of securities, investment and management advisory services, brokerage services, and serving as directors, officers, advisers, or agents of other funds or other companies. In particular it is envisaged that the Investment Manager may be involved in advising other investment funds which may have similar or overlapping investment objectives to or with the Company. The Investment Manager may provide services to third parties similar to those provided to the Company and shall not be liable to account for any profit earned from any such services. Where a conflict arises the Investment Manager will endeavor to ensure that it is resolved fairly. In relation to the allocation of investment opportunities to different clients, including the Company, the Investment Manager may be faced with conflicts of interest with regard to such duties but will ensure that investment opportunities in those circumstances will be allocated fairly.

The Investment Manager and/or any company associated with it may enter into portfolio transactions for or with the Company either as agent, in which case they may receive and retain customary brokerage commissions and/or cash commission rebates, or with the approval of the Custodian, deal as a principal with the Company in accordance with normal market practice subject to such commissions being charged at rates which do not exceed customary full service brokerage rates.

The Investment Manager and/or any company associated with it reserves the right to effect transactions by or through the agency of another person with whom the Investment Manager and/or any company associated with it have an arrangement under which that party will from time to time provide to or procure for the Investment Manager and/or any company associated with it goods, services or other benefits (such as research and advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the Company as a whole and may contribute to an improvement in the performance of the Company or of the Investment Manager and/or any company associated with it in providing services to the Company and for which no direct payment is made but instead the Investment Manager and/or any company associated with it undertake to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

The Company or any wholly-owned subsidiary on behalf of the Company, may acquire securities from, or dispose of securities to, any Interested Party or any investment fund or account advised or managed by any such person, but only with the prior approval of the Directors. Any Interested Party may hold Participating Shares and deal with them as it thinks fit. An Interested Party may buy, hold and deal in any investments for its own account notwithstanding that similar investments may be held by the Company or any subsidiary for the account of the Company.

Any Interested Party may contract or enter into any financial or other transaction with any Shareholder or with any entity any of whose securities are held by or for the account of the Company, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions and benefits which it may negotiate in relation to any sale or purchase of any investments of the Company effected by it for the account of the Company and which may or may not be for the benefit of the Company.

Certain of the Directors are also directors and/or officers of the Investment Manager and the fiduciary duties of the Directors may compete with or be different from the interests of the Investment Manager. Only the Directors may terminate the services of the Investment Manager and other agents of the Company.

REPORTS, STATEMENTS AND MEETINGS

The annual audited financial statements of the Company will be made up to 31st December in each year and sent to Shareholders at their registered addresses within four months of the financial year end. Copies of the Investment Manager's half-yearly report on the Company and the half-yearly un-audited financial statements of the Company (made up to the last Valuation Day in June of each year) will be sent to Shareholders within two months of the end of the relevant period. The accounts will be made up in accordance with International Financial Reporting Standards.

The Directors do not intend to hold regular annual general meetings but general meetings of the Company may be convened from time to time by the Directors by notice in writing to Shareholders.

All financial statements, notices and other documents will be sent, in the case of joint holders of Participating Shares, to the holder who is named first in the Register of Members of the Company at his registered address.

TAXATION

Investors should consult their professional advisers on the potential tax consequences of subscribing for, purchasing, holding or redeeming Participating Shares under the laws of their country of citizenship, domicile or residence.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The following is based on the law and practice currently in force in the Cayman Islands, and Indonesia and accordingly, is subject to changes therein.

Taxation - Cayman Islands

The Government of the Cayman Islands will not, under existing legislation, impose any income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Company or the Shareholders. The Cayman Islands are not party to a double tax treaty with any country that is applicable to any payments made to or by the Company.

The Company has obtained an undertaking from the Governor-in-Cabinet of the Cayman Islands that, in accordance with section 6 of the Tax Concessions Law (2011 Revision) of the Cayman Islands, for a period of 20 years from the date of the undertaking, no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations and, in addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable (i) on or in respect of the shares, debentures or other obligations of the Company or (ii) by way of the withholding in whole or in part of a payment of dividend or other distribution of income or capital by the Company to its members or a payment of principal or interest or other sums due under a debenture or other obligation of the Company.

VALUATION AND PRICES

Calculation of Net Asset Value

The Net Asset Value will, unless the Directors determine otherwise, be determined as at the close of business in the relevant market or markets on each Valuation Day as follows:

- (i) subject as provided in paragraphs (iii) and (iv) below, the value of each interest in the Company shall be the last published Net Asset Value per unit or share of the Company (where available) or (if the same is not available) a price calculated by aggregating the last published bid price for such a unit or share and the last published offer price therefor (excluding any preliminary or initial charge included in such offer price) and dividing the result by two;
- (ii) except in the case of any interest in the Company to which paragraph (i) applies and subject as provided in paragraphs (iii) and (iv) below, all calculations based on the value of investments quoted, listed, traded or dealt in on any exchange shall be made by reference to the last traded price (or, lacking any sales, at the mean between the last available bid and asked prices) on the principal exchange for such investments as at the close of business on the day as of which such calculation is to be made and all calculations based on the value of investments traded or dealt in on any over-the-counter market which is the principal exchange therefore shall be made by reference to the mean between the latest available bid and asked price quoted thereon; provided always that if the Directors in their discretion consider that the prices ruling on an exchange other than the principal exchange provide in all the circumstances a fairer criterion of value in relation to any such investment, they may adopt such prices;
- (iii) if no Net Asset Value, bid and offer prices or price quotations are available as provided in paragraph (i) or (ii) above, the value of the relevant asset shall be determined from time to time in such manner as the Directors shall determine;
- (iv) notwithstanding the foregoing, the Directors may, at their absolute discretion, permit some other method of valuation to be used if they consider that such valuation better reflects the fair value; and
- (v) any value (whether of a security or cash) otherwise than in US dollars shall be converted into US dollars at the rate (whether official or otherwise) which the Directors shall in their absolute discretion deem appropriate to the circumstances having regard, inter alia, to any premium or discount which they consider may be relevant and to costs of exchange.

To the extent that the valuation basis adopted by the Company deviates from International Financial Reporting Standards, such non-compliance with International Financial Reporting Standards may result in the auditors qualifying their opinion on those annual accounts depending on the nature and level of materiality of the non-compliance.

Suspension of Calculation of Net Asset Value

The Directors may at any time and from time to time suspend the determination of the Net Asset Value of Participating Shares (of any series) and/or delay the payment of redemption moneys to persons who have redeemed Participating Shares for the whole or any part of a period:-

- (a) during which any exchange or over-the-counter market on which any significant portion of the investments of the Company is listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such exchange or market is restricted or suspended; or

- (b) when circumstances exist as a result of which in the opinion of the Directors it is not reasonably practicable for the Company to dispose of investments comprised in the Company or as a result of which any such disposal would be materially prejudicial to holders of Participating Shares; or
- (c) when a breakdown occurs in any of the means normally employed in ascertaining the value of investments of the Company or the Net Asset Value of the Company or the Redemption Price or Subscription Price per Participating Share or when for any other reason the value of any of the investments or other assets of the Company or the Net Asset Value of the Company or the Redemption Price or Subscription Price per Participating Share cannot reasonably or fairly be ascertained; or
- (d) during which the Company is unable to repatriate funds for the purpose of making payments on the redemption of Participating Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of Participating Shares cannot in the opinion of the Directors be effected at normal rates of exchange.

No Participating Shares may be issued or redeemed during such a period of suspension. The Directors will use their best endeavours to cause a written notice of their declaration of such a suspension to be delivered to each effected Shareholder or otherwise as the Directors may from time to time determine.

Subscription and Redemption Prices

The Articles provide that the Participating Shares in each new series of Participating Shares shall be issued at a Subscription Price equal to the Redemption Price per Participating Share of the oldest series of such Participating Shares in issue on such Subscription Day (before the deduction of any Performance Fee, except where the Participating Share in the new series is issued on the first Subscription Day in January of each year, in which case the Subscription Price will be the Redemption Price per Participating Share of the oldest series of such Participating Shares in issue as at the last Valuation Point in December), the resulting amount being rounded to the nearest cent.

The Subscription Price for the first series of Class S Share and Class I Share issued on a Subscription Day that falls after the issue of this Offering Memorandum shall equal the Redemption Price per Class A Share of the oldest series of the Class A Shares in issue on such Subscription Day (before the deduction of any Performance Fee).

The Articles provide that the Redemption Price of each series of Participating Share for any relevant Valuation Day will, subject as provided below, be determined by dividing the Net Asset Value attributable to such series of Participating Shares as at the close of business in the relevant market or markets on that Valuation Day by the number of Participating Share of such series then in issue, the resulting amount being rounded to the nearest cent.

Under the Articles the Directors are given the power, in determining the Subscription Price of a Participating Share, to add to the Net Asset Value per Participating Share (before making any rounding adjustment) an amount which they consider to be an appropriate allowance for the fiscal and purchase charges which would be incurred for the account of the Company in investing an amount equal to that Net Asset Value per Participating Share. Similarly, the Directors are empowered by the Articles, when determining the Redemption Price of a Participating Share, to deduct from the Net Asset Value per Participating Share (before making any rounding adjustment) for the account of the Company an amount which they consider to be an appropriate allowance for the fiscal and sale charges which would be incurred in realising assets to provide funds to meet any redemption request.

The latest Subscription and Redemption Price per Participating Share so determined will not be published, but may also be obtained from the offices of the Investment Manager.

MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY

The Memorandum and Articles of Association comprise the constitution of the Company.

Memorandum of Association

The Memorandum provides that the Company's objects are unrestricted.

The objects of the Company are set out in full in Clause 3 of the Memorandum.

Articles of Association

The Articles provide, *inter alia*, as follows:

Share Capital

The authorised share capital of the Company is US\$250,000 being made up of 100 Management Shares of US\$1.00 each and 24,990,000 Participating Shares of US\$0.01 each.

The Management Shares may only be issued to the Investment Manager, and are issued for the purpose of enabling all the Participating Shares to be redeemed without liquidating the Company.

A Management Share was allotted and issued to the subscriber to the Memorandum of Association and has been transferred to the Investment Manager. The remaining 99 Management Shares have been allotted and issued to the Investment Manager at par and are fully paid.

Prospective investors should note that there are no provisions under the laws of the Cayman Islands or under the Articles conferring pre-emption rights on Shareholders. The Articles provide that the unissued Participating Shares are at the disposal of the Directors who may offer, allot, issue, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as the Directors think fit.

The Directors shall have power to designate Participating Shares by reference to one or more separate series and determine the manner in which Participating Shares of any series differ from Participating Shares of any other series. For the avoidance of doubt, any reference to a series of Participating Shares in the Articles shall, when the context admits, include a class of Participating Shares and/or a series of Participating Shares of such class.

The Company may by Ordinary Resolution increase its share capital, consolidate its shares or subdivide any of them into shares of a smaller amount or cancel authorised but unissued shares.

Subject to the provisions of Cayman Islands law and the rights of any holders of any class of shares, the Company may by Special Resolution reduce its share capital or any capital redemption reserve fund.

Variation of Class Rights

All or any of the special rights for the time being attached to any class of share for the time being issued (of which there are none at present save as referred to herein) may (unless otherwise provided by the terms of issue of the shares of that class) from time to time (whether or not the Company is being wound up) be altered or abrogated with the consent in writing of the holders of not less than three-quarters of the issued shares of that class or with the sanction of a special resolution passed (i.e. with a two-thirds majority) at a separate class meeting of the holders of such shares on the register of shareholders of the Company at the date on which notice of such separate class meeting is given. To any such separate class meeting all the provisions of the Articles as to general meetings of the Company shall *mutatis mutandis* apply, except that the necessary quorum shall be one person holding or representing by proxy at least one-third of the

issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll

The rights attached to each class of share shall be deemed to be varied by the creation or issue of any shares ranking in priority to them as respects participation in the profits or assets of the Company.

Subject to the paragraph above, the special rights attached to any class of share having preferential or other special rights shall (unless otherwise expressly provided by the conditions of issue of such shares) not be deemed to be varied by the creation, allotment or issue of further shares ranking *pari passu* therewith.

Termination

The Company may be wound up by a Special Resolution. On a winding up, the Participating Shares carry a right to a return of the Net Asset Value after the return of the par amount paid up on the Management Shares.

Quorum and Voting rights

Unless specified in the Directors' resolution creating the Participating Shares the holder of a Participating Share shall (in respect of such Participating Share) have the right to receive notice of, attend at or vote as a Shareholder of the Company at any general meeting of the Company, and may also vote at a separate class meeting convened in accordance with the Articles.

If the Company has only one Shareholder entitled to vote at a general meeting the quorum shall be that one Shareholder present in person or by proxy or (in the case of a corporation or other non-natural person) by a duly authorised representative. In all other cases at least two Shareholders present in person or by proxy who are entitled to vote shall be a quorum for all purposes at any general meeting of the Company.

Subject to any special terms as to voting for the time being attached to any shares, at any general meeting on a show of hands every holder of a share who is present in person shall have one vote and on a poll every member who is present in person or by proxy shall have one vote for every share held by him.

Dividends

Dividends shall only be payable to the holders of Participating Shares and out of the funds of the Company lawfully available therefore including the share premium account. Any dividend unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

Directors

The remuneration to be paid to the Directors, if any, shall be such remuneration as the Directors shall determine. The Directors shall also be entitled to be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of Directors or committees of Directors, or general meetings of the Company, or separate meetings of the holders of any class of Shares or debentures of the Company, or otherwise in connection with the business of the Company, or to receive a fixed allowance in respect thereof as may be determined by the Directors, or a combination partly of one such method and partly the other}.

A Director may hold any other office or place of profit under the Company (other than the office of Auditor) in conjunction with his office of Director, or may act in a professional capacity to the Company, on such terms as to tenure of office, remuneration and otherwise as the Directors may determine.

No person shall be disqualified from the office of Director or alternate Director or prevented by such office from contracting with the Company, either as vendor, purchaser or otherwise, nor shall any such contract or any contract or transaction entered into by or on behalf of the Company in which any Director or alternate Director shall be in any way interested be or be liable to be avoided, nor shall any Director or alternate Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or transaction by reason of such Director holding office or of the fiduciary relationship thereby established. A Director (or his alternate Director in his absence) shall be at liberty to vote in respect of any contract or transaction in which he is interested provided that the nature of the interest of any Director or alternate Director in any such contract or transaction shall be disclosed by him at or prior to its consideration and any vote thereon. The chairman of a director's meeting shall have a casting vote at any meetings of the Directors.

The Directors may exercise the Company's powers to borrow and to charge its assets.

Transfer of Participating Shares

Subject to the provisions set out below, any Shareholder may transfer all or any of his shares by an instrument of transfer in any usual or common form or in any other form which the Directors may approve.

The instrument of transfer of any Share shall be in writing and shall be executed by or on behalf of the transferor (and, if the Directors so require, signed by the transferee). The transferor shall be deemed to remain the holder of a Share until the name of the transferee is entered in the Register of Members.

The Directors may, in their absolute discretion and without assigning any reason therefore, decline to register any transfer of any share (not being a fully paid share), or any share over which the Company has a lien.

Compulsory Redemption and Restrictions on Shareholders

The Directors shall have power to impose such restrictions as they think necessary for the purpose of ensuring that no Participating Shares are held by:

- (i) any person in breach of the law or requirements of any country or governmental authority; or
- (ii) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered.

The Directors have the right to compulsorily redeem any holding of Participating Shares for any reason, including, without limitation, if it is in the interests of the Company to do so or if the Participating Shares are or would be held by or for the benefit of a Non-Eligible Investor, or to give effect to an exchange, conversion or roll up policy.

Where practicable, the Directors will provide 30 calendar days' written notice of any such compulsory redemption to the effected Shareholders, provided that such notice need not be provided where it is in the interests of the Company to process the compulsory redemption without notice.

Alteration of the Articles

The Articles may at any time be altered or added to by Special Resolution.

GENERAL INFORMATION

Material Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company and are, or may be, material:

- (i) the amended and restated Management Agreement dated 12th June 2010 between the Company and the Investment Manager pursuant to which the Investment Manager was appointed, subject to the overall supervision of the Directors, to manage the Company's investments and affairs;
- (ii) the Administration Agreement dated 8th January 2007 between the Company and the Administrator, pursuant to which the Administrator was appointed to provide certain administrative services to the Company;
- (iii) the Custodian Agreement dated 26th January 2007 between the Company and the Custodian pursuant to which the Custodian was appointed as custodian of the assets of the Company; and

Place of business

The Company has not established and does not intend to establish a place of business in the Cayman Islands.

Litigation

The Company is not engaged in any litigation or arbitration and the Directors do not know of any litigation or claim pending or threatened by or against the Company.

Directors' Interests

There are no service contracts in existence between the Company and any of its Directors, nor are such contracts proposed.

Since incorporation of the Company, no remuneration apart from the fee paid to the independent directors (as disclosed elsewhere in this Offering Memorandum) has been paid and no benefits in kind or loans have been granted to the Directors, and the Company has not provided any guarantee for the benefit of any Director.

Save as disclosed elsewhere in this Offering Memorandum,

- (a) no Director has any interest, direct or indirect, in the promotion of or in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company;
- (b) no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature or significant in relation to the business of the Company; and
- (c) no Director (nor any spouse or child under 18 of a Director nor any connected person of a Director) has any interest, direct or indirect, in the share capital of the Company. Such persons may acquire Participating Shares on the same terms as other investors.

Disclosure of Interests

Save as may result from the entry by the Company into the agreements listed under "Material Contracts" above or any other fees, commissions or expenses discharged, reimbursed or paid as disclosed elsewhere in this document, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Company.

Mutual Funds Law

The Company is regulated as a mutual fund under the Mutual Funds Law (2015 Revision) of the Cayman Islands ("**Mutual Funds Law**"). The Authority has supervisory and enforcement powers to ensure compliance with the Mutual Funds Law. Regulation under the Mutual Funds Law entails the filing of prescribed details and audited accounts annually with the Authority. As a regulated mutual fund, the Authority may at any time instruct the Company to have its accounts audited and to submit them to the Authority within such time as the Authority specifies. Failure to comply with these requests by the Authority may result in substantial fines on the part of the Directors and may result in the Authority applying to the court to have the Company wound up.

The Company will not, however, be subject to supervision in respect of its investment activities or the constitution of the Company's portfolio by the Authority or any other governmental authority in the Cayman Islands, although the Authority does have power to investigate the activities of the Company in certain circumstances. Neither the Authority nor any other governmental authority in the Cayman Islands has passed judgment upon or approved the terms or merits of this document. There is no investment compensation scheme available to investors in the Cayman Islands.

The Authority may take certain actions if it is satisfied that a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due or is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors. The powers of the Authority include the power to require the substitution of Directors, to appoint a person to advise the Company on the proper conduct of its affairs or to appoint a person to assume control of the affairs of the Company. There are other remedies available to the Authority including the ability to apply to court for approval of other actions.

Automatic Exchange of Financial Account Information

The Cayman Islands has signed two inter-governmental agreements to improve international tax compliance and the exchange of information – one with the United States and one with the United Kingdom (the "**US IGA**" and the "**UK IGA**", respectively). The Cayman Islands has also signed, along with over 80 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard ("**CRS**" and together with the US IGA and the UK IGA, "**AEOI**").

Cayman Islands regulations have been issued to give effect to the US IGA, the UK IGA and CRS (collectively, the "**AEOI Regulations**"). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the "**TIA**") has published guidance notes on the application of the US and UK IGAs and CRS. It is anticipated that the UK IGA, related regulations and relevant provisions of the guidance notes will be phased out and replaced with CRS.

All Cayman Islands "Financial Institutions" are required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, unless they are able to rely on an exemption that allows them to become a "Non-Reporting Financial Institution" (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes, in which case only the registration requirement would apply under CRS. The Company does not propose to rely on any Non-Reporting Financial Institution exemption and therefore intends to comply with all of the requirements of the AEOI Regulations.

The AEOI Regulations require the Company to, amongst other things (i) register with the Internal Revenue Service ("**IRS**") to obtain a Global Intermediary Identification Number (in the context of the US IGA only), (ii) register with the TIA, and thereby notify the TIA of its status as a "Reporting Financial Institution", (iii) adopt and implement written policies and procedures setting out how it will address its obligations under CRS, (iv) conduct due diligence on its accounts to identify whether any such accounts are considered "Reportable Accounts", and (v) report information on such Reportable Accounts to the TIA. The TIA will transmit the information reported to it to the overseas fiscal authority relevant to a reportable account (e.g. the IRS in the case of a US Reportable Account) annually on an automatic basis.

By investing in the Company and/or continuing to invest in the Company, investors shall be deemed to acknowledge that further information may need to be provided to the Company, the Company's compliance with the AEOI Regulations may result in the disclosure of investor information, and investor information may be exchanged with overseas fiscal authorities. Where an investor fails to provide any requested information (regardless of the consequences), the Company reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, compulsory redemption of the investor concerned.

Beneficial Ownership Regime

The Company is regulated as a mutual fund under the Mutual Funds Law and, accordingly, does not fall within the scope of the primary obligations under Part XVIIIA of the Companies Law (the "**Beneficial Ownership Regime**"). The Company is therefore not required to maintain a beneficial ownership register. The Company may, however, be required from time to time to provide, on request, certain particulars to other Cayman Islands entities which are within the scope of the Beneficial Ownership Regime and which are therefore required to maintain beneficial ownership registers under the Beneficial Ownership Regime. It is anticipated that such particulars will generally be limited to the identity and certain related particulars of (i) any person holding (or controlling through a joint arrangement) a majority of the voting rights in respect of the Company; (ii) any person who is a member of the Company and who has the right to appoint and remove a majority of the board of directors of the Company; and (iii) any person who has the right to exercise, or actually exercises, dominant direct influence or control over the Company.

Sanctions

The Company is subject to laws that restrict it from dealing with entities, individuals, organisations and/or investments which are subject to applicable sanctions regimes.

Accordingly, the Company will require the subscriber to represent and warrant, on a continuing basis, that it is not, and that to the best of its knowledge or belief its beneficial owners, controllers or authorised persons ("**Related Persons**") (if any) are not:

- (a) named on any list of sanctioned entities or individuals maintained by the US Treasury Department's Office of Foreign Assets Control ("**OFAC**") or pursuant to European Union ("**EU**") and/or United Kingdom ("**UK**") Regulations (as the latter are extended to the Cayman Islands by Statutory Instrument);
- (b) operationally based or domiciled in a country or territory in relation to which sanctions imposed by the United Nations, OFAC, the EU and/or the UK apply; or
- (c) otherwise subject to sanctions imposed by the United Nations, OFAC, the EU or the UK (including as the latter are extended to the Cayman Islands by Statutory Instrument) (collectively, a "**Sanctions Subject**").

Where the subscriber or a Related Person is or becomes a Sanctions Subject, the Company may be required immediately and without notice to the subscriber to cease any further dealings with the subscriber and/or the subscriber's interest in the Company until the subscriber ceases to be a

Sanctions Subject, or a licence is obtained under applicable law to continue such dealings (a "Sanctioned Persons Event"). The Company, the directors, the Administrator and the Investment Manager shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by the subscriber as a result of a Sanctioned Persons Event.

In addition, should any investment made on behalf of the Company subsequently become subject to applicable sanctions, the Company may immediately and without notice to the subscriber cease any further dealings with that investment until the applicable sanctions are lifted or a licence is obtained under applicable law to continue such dealings.

Confidential Information

- (a) The Company shall be entitled to retain any information it receives, whether within or without the Cayman Islands, in such manner as it shall, in its absolute discretion, consider appropriate. The Company reserves the right to engage such agents, whether within or without the Islands, as, in its absolute discretion, it shall consider appropriate for the purpose of complying with its obligations pursuant to applicable laws and regulations.
- (b) The Company, the Administrator and the Investment Manager will treat information received from investors as confidential and will not disclose such information other than:
 - (i) to their professional advisers or other service providers, whether within or without the Islands, where the Company, the Administrator or the Investment Manager (as applicable) considers such disclosure necessary or appropriate in the normal course of business or to enable them to conduct their affairs; or
 - (ii) where such disclosure is required by any applicable law or order of any court of competent jurisdiction or pursuant to any direction, request or requirement (whether or not having the force of law) of any central bank, governmental or other regulatory or taxation agency authority.

By subscribing for Shares, an investor is deemed to consent to any such disclosure and the Subscription Agreement contains an express authorization to this effect.

Inspection of Documents

Copies of the following documents are available for inspection free of charge at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) from HB Capital Partners at c/o PT HB Capital Indonesia, Kantor Taman E33, Unit A1 4th Floor, Jalan Dr. Ide Anak Agung Gde Agung, Lot 8.6-8.7, Kawasan Mega Kuningan, Jakarta Selatan 12950, Indonesia, and copies thereof may be obtained from at that address at a cost of US\$10 per set of copy documents:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the agreements referred to in paragraph 1 above; and
- (c) the Companies Law (2016 Revision) of the Cayman Islands.

DIRECTORS AND OTHER PARTIES

Directors of the Company

James Richard Buckby Bryson
Anthony Moody
Simon Ogus

Investment Manager

HB Capital Partners
PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Administrator

Crowe Horwath First Trust Fund Services
8 Shenton Way
#05-01 AXA Tower
Singapore 068811

Custodian

Deutsche Bank AG Jakarta Branch
Deutsche Bank Building
80 Jalan Iman Bonjol
Jakarta 10310
Indonesia

Auditors

Ernst & Young
PO Box 510
62 Forum Lane
Camana Bay
Grand Cayman, KY1-1106
Cayman Islands

Investment Advisor

PT HB Capital Indonesia
Kantor Taman E33, Unit A1 4th Floor
Jalan Dr. Ide Anak Agung Gde Agung
Lot 8.6-8.7, Kawasan Mega Kuningan
Jakarta Selatan 12950
Indonesia

Registered Office

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Legal Advisers

to the Company as to matters of Cayman Islands law:

Maples and Calder (Hong Kong) LLP
53/F The Center
99 Queen's Road Central
Hong Kong