

## **GENERAL CONDITIONS**

### **PT. COMMUNICATIONS CABLE SYSTEMS INDONESIA, TBK**

#### **Company performance Year 2019**

The company's performance in 2019 is very good, the company is able to grow significantly either from the asset or profit. Year 2019, the company's assets amounting to Rp. 452 billion increase by 30% compared to the year 2018, which amounted to Rp. 347.5 billion. Similarly, with a profit before tax, in the year 2019 the company managed to obtain Rp. 74 billion that rose 57.5% when compared to 2018 IE Rp. 47 billion. The company also booked net profit of Rp. 55.5 billion in 2019 which increased 59% when compared to 2018 which amounted to Rp. 34.9 billion. Overall the company's performance is very satisfactory because it has grown significantly.

#### **Company's strategy and policy**

To meet the demands according to market requirements and to achieve the target set, the company continuously conducts the product development. The company also received a customized customize order to suit customers ' needs. The company also maintains the quality of products to remain competitive in the market. Product development, customize order and maintain the quality of products that are carried out continuously is the commitment of the company. This commitment becomes the company's competitive advantage, so it can compete in the fiber optic cable industry today. For the future, the company will create a Product recurrent such as fiber optic cable rental system. Therefore, the company will develop a business model to implement recurrent product.

#### **The company's constraints**

In 2019, the company faced an obstacle at the end of the year that was decreasing demand. However, this condition occurs because a global economic slowdown occurs. At these times the company can only do the minimisation of costs so that the company's target in obtaining profit is achieved. In the future, the company will create a recurrent product to address problems like this.

#### **Business prospects of the company**

The company's business prospects in the future are very good. From the industry side, the need of communication cable industry in Indonesia reaches 9 million kilometers. While domestic production is only 5.4 million kilometers. In terms of communication technology, the trend of technological developments continues to increase. So demand for fiber optic cable will increase with the development of communication technology. At present, the company has collaborated with the Agency for Technology Assessment and implementation (BPPT) on the development and application of the underwater fibre optic system cable technology in Indonesia. With this cooperation, it is expected that the company's performance can increase, so that it can break the dominance of foreign companies in Indonesia. The company also continuously develops new products, such as recurrent product in the form of utilization of fiber optic cable with rental system. Therefore, the company is developing a new business model for recurrent product.