

MSCI: high shareholding concentration list & potential treatment in Indonesia

- During yesterday's press conference, IDX is planning to release high shareholding concentration, based on the discussion with MSCI.
- HK's HSC list is set to be used as benchmark; with certain number of shareholders owning >50%+ free-float considered to be concentrated.
- Note that MSCI will delete constituents inside HK's HSC list; and similar treatment in Indonesia shall help MSCI to resolve index replicability.

High-shareholder concentration list 101

As IDX and Indonesian regulators have yet specified further details on the potential release of high share-holding concentration (HSC) list, we observed HK's HSC list as an alternative that can be used as a benchmark for Indonesian stocks. As there are no official rulebook nor metrics that is used by HK regulators, we observe stock that has 50% plus additional free float controlled by certain number or a group of shareholders (i.e. either affiliated and not affiliated) is typically included in the list. Nevertheless, the list is not equivalent to a trading suspension nor an accusation that the stock is being cornered by market-maker or group of shareholders, but rather would act as a notice to investors that there are risks of shareholding concentration, and hence, investors shall take a careful approach in investing in such stock. The stocks that were subject to HSC list in the past is in Fig. 1.

Step-by-step approach in determining stock in HSC lists

While it is not entirely clear how a particular stock ended up in HSC lists, we think HK regulators are observing the shareholding structure on case-by-case basis, especially with price movement & corporate actions – i.e. shares placement, being the primary highlight. This was the case with GR Life Style (0108.HK) which later, had to reveal ultimate beneficial owners (UBO) - refer to Fig. 3. In other cases, HK regulators just came-up with an announcement that certain number of shareholders own certain % of free-float and/or issued shares. Note that company can also issue a response to regulators to clarify their shareholding structures, but this won't always remove them from HSC list.

MSCI treatment on HK HSC list and what we can expect for Indonesia

When MSCI started planning to incorporate HK's HSC list to methodology, consultation was being held to market participants. Thus, we expect MSCI to also open consultation sessions once IDX revealed the list to the public. The consultations include whether market participants agreed to delete existing MSCI constituent included in HSC lists, timeline for MSCI re-inclusion, among others (Fig. 2). If MSCI set to apply similar treatment, existing constituents of MSCI Indonesia that got included into HSC lists would be at risks of being deleted and won't be eligible for re-inclusion in the next 12-months after the stock is included in the HSC lists. Stocks in HSC list also won't be eligible for inclusion until further disclosure confirming an increase in FF equal to 15% or larger is made.

Positive step towards solving the index replicability

In our previous report, we mentioned that MSCI remains concerned on index replicability, and we think HK's HSC lists is a potential solution/alternative to MSCI's concern.

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Fig. 1: Summary of several stocks in HK's HSC lists

| Company | Ownership (%) breakdown | | | Response to SFC | MSCI? | Share price impact |
|--------------------------|-----------------------------------|--|--|--|-------|--|
| LX Technology | 92.27% (Group of 25 shareholders) | | 7.73% (Other shareholders) | Publishes more detailed ownership, explain that several shareholders are a complete 3rd party and not an affiliated party | No | -6% |
| Smart Globe | TeraMetal Holdings (73.53%) | Group of 20 shareholders (17.3%) | 9.17% (Other shareholders) | Mentioned 17.3% of the shareholders are independent 3rd parties and not a connected person | No | -14% during opening but recovered afterwards |
| Affluent Foundation | China VC Holdings (75.37%) | 25 shareholders (15.26%) | 9.37% (Other shareholders) | Mentioned 15.26% of the shareholders are independent 3rd parties and not a connected person | No | -11% |
| Aceso Life Science Group | 3 shareholders (71.94%) | 20 shareholders & related parties (18.79%) | 9.27% (Other shareholders) | No response from the company | No | Flat |
| GR Life Style | Executive directors (60.66%) | 10 Shareholders & related parties (17.02%) | Shareholders receiving shares through placement (13.36%) | Reveal the UBO , and point out that 14 out of the 21 shareholders that received a placement from the company is indeed a 3rd party, but other 7 entities were part of BOD/BOC | No | -21% |

Source: SFC, Bloomberg, Indo Premier

Fig. 2: Conclusion & MSCI treatment for stocks on HK's HSC lists

| New constituents | Existing constituents |
|--|---|
| Companies included on the SFC high shareholding concentration notices will continue to be ineligible for inclusion in the MSCI GIMI until sufficient public disclosure is made by such companies confirming an increase in free float resulting in a Foreign Inclusion Factor equal to or larger than 0.15, following the SFC high shareholding concentration notice | Any constituents of the MSCI GIMI for which the SFC issue the high shareholding notice after the February 2016 QIR would be deleted as part of the subsequent index review |
| Securities deleted as a result of inclusion on the SFC high shareholding concentration notice will only be considered for index re-inclusion 12 months after sufficient public disclosure confirming that high shareholding concentration is no longer present becomes available | Following feedback from investment community, MSCI will exclude securities from the MSCI Global Investable Market Indexes (GIMI) for which the Hong Kong Securities and Futures Commission (SFC) has issued high shareholding concentration notices starting from the February 2016 Quarterly Index Review (QIR). |

Source: MSCI, Indo Premier

Fig. 3: Example from GR Life Style

2. The Company understands that Gang Rui International Investment (HK) Limited entered into a placing agreement with an independent placing agent on 27 October 2025 in relation to the placing of 430,000,000 Shares (the “**Placing Shares**”), representing 13.36% of the issued Shares. Upon completion of the placing on 14 November 2025, there were 21 placees subscribing for the Placing Shares. To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of completion of the placing, 14 placees were independent third parties and were not connected persons (as defined in the Listing Rules) of the Company and its connected persons, including Mr. Wei and Mr. Sun. The ultimate beneficial owners of 7 of the placees are the directors or supervisor of the subsidiaries of the Company and are independent of Mr. Wei or Mr. Sun. The details of those 7 placees are set out below:

| Placee name | Ultimate beneficial owner | Subscription Shares | Relationship with the Company |
|--------------------------------|----------------------------------|----------------------------|--------------------------------------|
| Redemption Limited | Gao Yan | 18,000,000 | Supervisor of the subsidiary |
| Panacea Limited | Ding Kun | 17,000,000 | Director of the subsidiary |
| Solitude Limited | Dang Jian | 18,000,000 | Director of the subsidiary |
| Aspen Grove Assets Limited | Ma Nan | 20,000,000 | Director of the subsidiary |
| Pinnacle Global Assets Limited | Sun Yijie | 20,000,000 | Director of the subsidiary |
| Crestwave Trading Limited | Yan Qian | 19,000,000 | Director of the subsidiary |
| Amity Limited | Chen Henan | 30,000,000 | Director of the subsidiary |

Source: MSCI, Indo Premier

Fig. 4: High concentration of shareholding example in HSC

22 January 2026

**High Concentration of Shareholding
in
Affluent Foundation Holdings Limited (Stock Code: 01757)**

This announcement is made by the Securities and Futures Commission ("SFC") in respect of the concentration of the shareholding of Affluent Foundation Holdings Limited (the "Company") in the hands of a limited number of shareholders as at 12 January 2026.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company ("Shares") could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that, as at 12 January 2026, 25 shareholders held an aggregate of 183,177,000 Shares, representing 15.26% of the issued Shares. Such shareholding, together with 904,390,000 Shares (representing 75.37% of the issued Shares) held by a substantial shareholder of the Company, represented 90.63% of the issued Shares. As such, only 112,433,000 Shares (representing 9.37% of the issued Shares) were in the hands of other shareholders.

As at 12 January 2026, the shareholding structure of the Company was as follows:

| | Number of Shares held (Shares) | % of total number of issued Shares (%) |
|------------------------------------|---|---|
| China VC Holdings Limited (Note 1) | 904,390,000 | 75.37 |
| A group of 25 shareholders | 183,177,000 | 15.26 |
| Other shareholders | 112,433,000 | 9.37 |
| Total | 1,200,000,000 | 100.00 |

Note 1: Based on the Company's announcement on 19 January 2026, China VC Holdings Limited had disposed of an aggregate of 4,390,000 Shares, representing approximately 0.37% of the issued Shares, on 16 January 2026.

Source: Hong Kong SFC, Indo Premier

ANALYSTS CERTIFICATION

The views expressed in this research report accurately reflect the analyst's personal views about any and all of the subject securities or issuers; and no part of the research analyst's compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in the report.

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