

## DISCLOSURE OF INFORMATION TO SHAREHOLDERS PT INDIKA ENERGY TBK. (THE “COMPANY”)

THIS DISCLOSURE OF INFORMATION TO THE SHAREHOLDERS IS PROVIDED BY THE COMPANY IN COMPLIANCE WITH THE FINANCIAL SERVICE AUTHORITY (OJK) REGULATION NO. 17/POJK.04/2020 ON MATERIAL TRANSACTION AND CHANGE OF BUSINESS ACTIVITY (“OJK REGULATION 17/2020”).

BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS STATED THAT THE PROPOSED TRANSACTION IS CONSIDERED TO BE A MATERIAL TRANSACTION IN THE AMOUNT OF MORE THAN 20% BUT LESS THAN 50% OF THE COMPANY’S EQUITY UNDER OJK REGULATION 17/2020.

INFORMATION AS STATED IN THIS DISCLOSURE OF INFORMATION IS IMPORTANT TO BE READ AND CONSIDERED BY THE SHAREHOLDERS OF THE COMPANY.

IF YOU FIND ANY DIFFICULTY TO UNDERSTAND THE INFORMATION AS STATED IN THIS DISCLOSURE OF INFORMATION PLEASE CONSULT TO YOUR LEGAL ADVISOR, PUBLIC ACCOUNTANT, FINANCIAL ADVISOR OR OTHER PROFESSIONALS.

THE COMPANY’S BOARD OF DIRECTORS STATED THAT THE INFORMATION AS STATED IN THIS DISCLOSURE OF INFORMATION IS FOR THE PURPOSE OF PROVIDING INFORMATION AND COMPLETE DESCRIPTION TO THE COMPANY’S SHAREHOLDERS REGARDING THE TRANSACTION AS PART OF THE COMPANY’S COMPLIANCE TO OJK REGULATION 17/2020.

THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS, SEVERALLY AND JONTLY, ARE FULLY RESPONSIBLE FOR THE ACCURACY AND THE COMPLETENESS OF THE INFORMATION AS STATED IN THIS DISCLOSURE OF INFORMATION. THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS DECLARE THAT THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION IS COMPLETE AND AFTER GIVING DUE AND CAREFUL EXAMINATION, EMPHASIZE THAT THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION IS CORRECT AND THAT THERE ARE NO RELEVANT AND MATERIAL FACTS OMITTED WHICH CAN CAUSE THE INFORMATION STATED HEREIN TO BE UNTRUE AND/OR MISLEADING.

THE NOTES ARE NOT OFFERED OR SOLD IN INDONESIA OR TO THE INDONESIAN OR TO THE INDONESIAN CITIZEN, IN THE MANNER OF THE PUBLIC OFFERING OR DEBT SECURITIES OFFERING PERFORMED WITHOUT GOING THROUGH THE PUBLIC OFFERING AS STIPULATED IN LAW NO. 8 OF 1995 ON CAPITAL MARKETS AND ITS IMPLEMENTING REGULATION (INCLUDING BUT NOT LIMITED TO THE FINANCIAL SERVICE AUTHORITY (OJK) REGULATION NO. 30/POJK.04/2019 ON ISSUANCE OF DEBT SECURITIES AND/OR SUKUK WITHOUT PUBLIC OFFERING) AND THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION IS NOT INTENDED FOR A PUBLIC OFFERING OR A RECOMMENDATION TO PURCHASE, DIRECTLY OR INDERECTLY, OF THE COMPANY’S SECURITIES IN ANY JURISDICTION INCLUDING IN INDONESIA.

THE NOTES ARE NOT REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMMENDED (“SECURITIES ACT”) AND SHALL NOT BE OFFERED OR SOLD IN THE TERRITORY OF THE UNITED STATES OF AMERICA (AS DEFINED IN RULE 144A AND REGULATION S OF THE SECURITIES ACT), EXCEPT BASED ON THE EXEMPTION FROM, OR IN THE TRANSACTION NOT IN COMPLIANCE WITH, REGISTRATION REQUIREMENTS UNDER THE SECURITIES ACT. THERE ARE NO PUBLIC OFFERING CONDUCTED IN THE UNITED STATES OF AMERICA OR OTHER JURISDICTIONS IN WHICH SUCH TRANSACTION IS RESTRICTED, PROHIBITED, OR DEEMED AS ILLEGAL.



**PT INDIKA ENERGY TBK.**

**Business Activities**

Trading, Construction, Mining, Transportation and Services

**Domiciled in South Jakarta, DKI Jakarta, Indonesia**

**Office**

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This Disclosure of Information is issued in Jakarta on 26 October 2020

## DEFINITION AND ABBREVIATION

**Accounting Firm** means Accounting Firm Imelda & Rekan.

**Subsidiary Guarantors** means IIC, TIME, TPE, TPEC, and TRIS (any of which as defined below), each of them is the subsidiary of the Company, which is fully owned by the Company, which provides the guarantee to ensure the payment obligation of the Issuer based on the Notes (as defined below).

**Restricted Subsidiary** means subsidiary of the Company owned directly or indirectly by the Company as stipulated under the Indenture of the Notes 2022, Notes 2023, Notes 2024 and the Notes.

**IIC** means PT Indika Inti Corpindo, domiciled in South Jakarta, a limited liability company duly established and organized under the law of the Republic of Indonesia.

**Indenture** means Indenture in relation to the issuance of the Notes entered into by the Issuer, the Company, Subsidiary Guarantors and Trustee dated 22 October 2020.

**MOLHR** means Ministry of Law and Human Rights of the Republic of Indonesia.

**Disclosure of Information** means this Disclosure of Information provided to the Company's Shareholders in order to fulfil OJK Regulation 17/2020.

**Company's Consolidated Financial Statements** means Consolidated Interim Financial Statements of the Company as of 30 June 2020, and for the period of 6 months ending on the date stated therein which has been reviewed on limited basis by Accounting Firm.

**Minister** means Minister of Law and Human Rights of the Republic of Indonesia.

**Financial Service Authority or OJK** means Financial Service Authority, an independent institution, whose duties and authorities covers regulatory, supervisory, inspection, and investigation within the sector of Capital Markets, Insurance, Pension Funds, Financial Institution and other Financial Service Bodies as stipulated in Act No. 21 of 2011 dated 22 November 2011 (on Financial Service Authority as the substitute body of Bapepam-LK effective since 31 December 2012).

**Shareholders** means the Company's shareholders whose names are registered in the shareholders register issued by the Share Registrar.

**Issuer** means Indika Energy Capital IV Pte., Ltd., domiciled in Singapore, a limited liability company duly established and organized under the law of the Republic of Singapore.

**Company** means PT Indika Energy Tbk., domiciled in South Jakarta, a publicly limited liability company whose shares are listed on Indonesian Stock Exchange, duly established and organized under the law of the Republic of Indonesia.

**Controlled Company** means any company which is directly or indirectly controlled by the Company as defined in OJK Regulation 17/2020.

**OJK Regulation 15/2020** means OJK Regulation No. 15/POJK.04/2020, stipulated on 20 April 2020 on the Preparation and Implementation of the General Meeting of Shareholders by the Public Company.

**OJK Regulation 42/2020** means OJK Regulation No. 42/POJK.04/2020, stipulated on 1 July 2020 on Affiliated Transaction and Conflict of Interest Transactions.

**SGX-ST** means Singapore Exchange Securities Trading Limited, a Stock Exchange in Singapore.

**Notes** means the senior notes with amount of USD 450,000,000 (four hundred and fifty million United States of America Dollar) with the fixed rate of 8.250% (eight point two five zero percent) per annum and due in 2025, which issued by Indika Energy Capital IV Pte. Ltd. with unconditionally and unrevocably guaranteed by the Company and the Subsidiary Guarantors.

**Notes 2022** means Senior Notes with amount of USD 265,000,000 (two hundred sixty five million United States of America Dollar) with the fixed rate of 6.875% (six point eight seven five percent) per annum and due in 2022, which issued by Indika Energy Capital II Pte. Ltd. with unconditionally and unrevocably guaranteed by the Company and the Subsidiary Guarantors.

**Notes 2023** means Senior Notes with amount of USD 500,000,000 (five hundred million United States of America Dollar) with the fixed rate of 6.375% (six point three seven five percent) per annum and due in 2023, which issued by Indika Energy Finance II B.V. with unconditionally and unrevocably guaranteed by the Company and the Subsidiary Guarantors.

**Notes 2024** means Senior Notes with amount of USD 575,000,000 (five hundred seventy million United States of America Dollar) with the fixed rate of 5.875% (five point eight seven five percent) per annum and due in 2024, which issued by Indika Energy Capital III Pte. Ltd. with unconditionally and unrevocably guaranteed by the Company and the Subsidiary Guarantors.

**TIME** means PT Tripatra Multi Energi, domiciled in South Tangerang City, a limited liability company duly established and organized under the law of the Republic of Indonesia.

**TPE** means PT Tripatra Engineering, domiciled in South Tangerang City, a limited liability company duly established and organized under the law of the Republic of Indonesia.

**TPEC** means PT Tripatra Engineers and Constructors, domiciled in South Tangerang City, a limited liability company duly established and organized under the law of the Republic of Indonesia.

**TRIS** means Tripatra (Singapore) Pte. Ltd, domiciled in Singapore, a company duly established and organized under the law of the Republic of Singapore.

**Trustee** means Citicorp International Limited.

**Securities Act** means U.S. Securities Act of 1933 (as amended from time to time).

**USD** means United States of America Dollar, which is a legal currency of the United States of America.

## RECITALS

In compliance with the provisions under OJK Regulation 17/2020, Board of Directors of the Company announces Disclosure of Information to provide information to the Shareholders of the Company that the Company, through the Issuer, has issued and offered USD 450,000,000 Notes to investors outside the territory of the Republic of Indonesia subject to Rule 144A and Regulation S under the United States Securities Act 1933 (as amended). The issuance of the Notes is unconditionally and irrevocably

guaranteed by the Company and its Subsidiary Guarantor under the terms and conditions set out in the Indenture.

Information contained in this Disclosure of Information is delivered to the Company's Shareholders in relation to closing of the Transaction by the Company through the Issuer.

The issuance of the Notes, and granting of corporate guarantee by the Company and the Subsidiary Guarantors are provided in the interest of Issuer to the holder of the Notes, which constitute as one transaction under the Transaction and shall not constitute a separate and an independent transaction.

The Transaction shall constitute a Material Transaction under OJK Regulation 17/2020 in which the Notes shall be issued under the framework of the Rule 144A and Regulation S of Securities Act and listed in SGX-ST with the principal amount of USD 450,000,000 which is more than 20% but less than 50% or equal to 46.65% of the Company's equity value as of 30 June 2020 based on the Company's Consolidated Financial Statements.

Based on matters mentioned above and in accordance with the applicable law and regulation, specifically OJK Regulation 17/2020, the Board of Directors of the Company hereby announce this Disclosure of Information in accordance with the guidelines and procedures of the implementation of material transaction which value of the transaction is more than 20% but less than 50% or equal to 46.65% of the Company's equity as stipulated in Article 6 paragraph (1) provision (a) to (c) jo. Article 17 of OJK Regulation 17/2020 with the purpose of providing information as well as complete description to the Company's Shareholders with regards to the Transaction.

## **PROPOSED NOTES ISSUANCE**

### **1. BACKGROUND OF NOTES ISSUANCE TRANSACTION**

Transaction related to issuance of the Notes are one of financing options for the Company to finance the repayment of the Company's maturing debts, including but not limited to, Notes 2022 and Notes 2023, and to finance the Company's plan to expand to non-coal business activities. One of the available financing options is the issuance of Notes by the Issuer with a maximum amount of USD 450,000,000.

The Notes shall not be offered or sold in Indonesia or to Indonesian Citizen by way of public offering or debt securities offering performed without going through the public offering as stipulated in Law No. 8 of 1995 on Capital Markets and any implementing regulation (including but not limited to the Financial Service Authority (OJK) Regulation No. 30/POJK.04/2019 on Issuance of Debt Securities and/or Sukuk Without Public Offering).

### **2. BENEFIT OF NOTES' ISSUANCE TRANSACTION**

Issuance of Notes will increase the Company's liquidity and prolong profile of maturity date of the Company's indebtedness and with the Notes principal payment scheme's by bullet payment, the Company shall be able to maintain its liquidity. In addition, the Company, or indirectly through its subsidiaries, may expand its business or diversify its business into the non-coal sector.

### **3. NATURE OF TRANSACTION**

The aggregate value of the Notes is USD 450,000,000 which shall constitute 46.65% of the equity of the Company as of 30 June 2020 based on the Company's Consolidated Financial Statements. The transaction is a material transaction, where the value of the Transaction

exceeds 20% (twenty percent) but less than 50% (fifty percent) of the Company's equity as calculated based on the Company's Consolidated Financial Statements. Therefore, based on Article 6 paragraph (1) provision (a) to (c) jo. Article 27 paragraph (1) and (3) of OJK Regulation 17/2020, the Company is required to announce information regarding the Transaction to the public through at least the Company's website and the Indonesia Stock Exchange website no later than 2 (two) working days after the date of the material transaction and submit evidence of the announcement to the OJK no later than 2 (two) working days after the date of such announcement.

#### **4. TRANSACTION OBJECT**

**(i) Issuance of Notes:**

Indika Energy Capital IV Pte., Ltd., domiciled in Singapore, a limited liability company duly established and organized under the law of the Republic of Singapore. Issuer is a fully controlled the Company

**(ii) The Notes Aggregate Value:**

USD 450,000,000

Based on the Company's Consolidated Financial Statements, the Company's total equity is USD 964,626,797, so the percentage of Transactions to the Company's total consolidated equity as of 30 June 2020 is 46.65%.

**(iii) Maturity of the Principal Debt Payment:**

The principal of the Notes shall be paid in full on the maturity date of the Notes on 22 October 2025.

**(iv) Coupon and Payment Terms of the Coupon:**

The maximum interest rate is 8.250% per annum.

Interest will be paid every 6 (six) months (semi-annual).

**(vi) Covenants:**

The limitations based on Indenture are as follows:

- Limitation on indebtedness and preferred stock;
- Limitation on restricted payments;
- Limitation on liens;
- Limitation on dividend and other payment restrictions affecting restricted subsidiaries;
- Limitation on sales and issuances of capital stock in PT Kideco Jaya Agung ("Kideco") and restricted subsidiaries;
- Limitation on issuances of guarantees by restricted subsidiaries;
- Limitation on sale and leaseback transactions;
- Limitation on asset sales;
- Limitation on transactions with shareholders and affiliates; and

- Limitation on the issuer's and parent's business activities.

Under the Indenture, there is a limitation on dividend and other payments restrictions that may affect Restricted Subsidiaries and restrictions on making other payments. This provision is a generally accepted provision and is applied globally in the transaction scheme for the issuance of global notes with the high yield category, including the Notes issued by the Issuer.

**(vii) Security**

The issuance of Notes are guaranteed unconditionally and irrevocably with (i) a corporate guarantee by the Company and the Subsidiary Guarantors based on the terms and conditions set out in the Indenture; (ii) security interest over the Issuer's rights under the inter-company loans; (iii) secured by IIC shares owned by the Company, TPE and TPEC shares owned by IIC, TIME and the Company, Kideco shares owned by IIC and the Company, and TRIS shares owned by TPEC, where these securities are common security with Notes 2022, Notes 2023, and Notes 2024; and (iv) share charge of the Issuer which is owned by Indika Energy Capital Pte. Ltd. ("IECPL").

**(viii) Value of the Security**

The Notes are guaranteed in full by corporate guarantee and share pledges amounting to USD 1,161,195,318.

**(ix) Proposed Use of Proceeds from the Transaction:**

The Company will use the proceeds from the issuance of Notes, after deducting the fees, commissions and other expenses associated with the issuance of Notes, among others, to (i) lend a portion of the proceeds from the issuance of Notes, through Indika Capital Pte. Ltd. ("ICPL"), to the Company and/or several Restricted Subsidiaries, to fully repay intercompany loans and which will then use such amounts to fully repay the Notes 2022 to Indika Energy Capital II Pte. Ltd., the issuer of Notes 2022; (ii) lend a portion of the proceeds from the issuance of the Notes, through ICPL, to the Company and several Restricted Subsidiaries to fully repay intercompany loans and which will then use such amounts to repay a portion of the outstanding Notes 2023 to Indo Energy Finance II BV, the issuer of the Notes 2023, and (iii) lend a portion of the proceeds of the offering, through ICPL, to the Company and several Restricted Subsidiaries to fund the Company's plan to expand its non-coal business activities.

**5. THE PARTIES INVOLVED IN THE TRANSACTION OF THE ISSUANCE OF THE NOTES**

**(a) Issuer**

Indika Energy Capital IV Pte., Ltd.

Brief Summary

Issuer is a company incorporated under the laws of Singapore and registered as a company under No. 202029588M on 23 September 2020. The Issuer is domiciled at 7 Temasek Boulevard, # 08-01, Suntec Tower One, Singapore 038987.

### Purposes and Objectives

The purpose and objective of the Issuer is to engage in the business of investing in the shares of other companies (other holding companies) and in general business and management consultancy services.

### Capitalization and Shareholding

The current capital structure and share ownership composition of the Issuer are as follows:

Name of Shareholders	Number of Shares	Total Nominal Value (USD)	%
Indika Energy Capital Pte. Ltd.	10.000	10.000	100,00

### Management and Supervision

The current composition of the Company's Board of Directors are as follows:

#### **Board of Directors**

Director: Charles Cai

Director: Erica Kasim

#### **(b) The Company as the Guarantor**

##### Brief Summary

The Company is duly established by virtue of Deed of Establishment No. 31 dated 19 October 2000, drawn up before Hasanal Yani Ali Amin, S.H., Notary in Jakarta, the said deed has been ratified by the MOLHR by virtue of its Decree No. C-13115 HT.01.01.Th.2001 dated 18 October 2001. The Company's Article of Association has been amended several times and lastly amended by Deed of Statement of Shareholders' Resolution on the Amendment of the Article of Association No. 54 dated 25 April 2019 drawn up before Aulia Taufani, S.H., Notary in Administrative City of South Jakarta, which has been approved by the MOLHR by virtue of his Decree No. AHU-0028175.AH.01.02.Tahun 2019 dated 23 May 2019 and has been registered on the Company Registration maintained by MOLHR under No. AHU-0084104.AH.01.11.Tahun 2019 dated 23 May 2019 and latest composition of the Board of Directors and the Board of Commissioners are based on Deed No. 29 dated 22 April 2020, drawn up before Aulia Taufani, S.H., Notary in Administrative City of South Jakarta, which has been notified to the MOLHR by virtue of Letter of Notification Receipt of Amendment of Company Data No. AHU-AH-01.03.0222591 dated 18 May 2020 and has been registered in the Company Registration No. AHU-0083312.AH.01.11.Tahun 2020 dated 18 May 2020.

The Company is currently domiciled in South Jakarta with registered office at Graha Mitra, 11<sup>th</sup> Floor, Jl. Jenderal Gatot Subroto Kav. 21, South Jakarta 12930, Indonesia.

#### Purposes and Objectives

The purposes and objectives of the Company is to carry out businesses in sector of trading, construction, mining, transportation, and services.

#### Capitalization and Shareholding

The current capital structure of the Company are as follows:

Authorized Capital	:	Rp 1,700,000,000,000
Issued/Paid Up Capital	:	Rp 521,019,200,000
Nominal Value per share	:	Rp 100

The composition of the Shareholders of the Company as of 31 August 2020 are as follows:

Name of Shareholders	Number of Shares	Total Nominal Value (Rp)	%
PT Indika Inti Investindo	1,968,882,699	196,888,269,900	37.79
PT Teladan Resources	1,596,977,091	159,697,709,100	30.65
Public	1,644,332,210	164,433,221,000	31.56
<b>Total</b>	<b>5,210,192,000</b>	<b>521,019,200,000</b>	<b>100.00</b>

#### Management and Supervision

The current composition of the Company's Board of Directors and the Board of Commissioners are as follows:

##### **Board of Directors**

President Director	:	M. Arsjad Rasjid P.M.
Vice President Director	:	Azis Armand
Director	:	Retina Rosabai
Director	:	Purbaja Pantja
Director	:	Kamen Kamenov Palatov

##### **Board of Commissioners**

President Commissioner	:	Agus Lasmono
Vice President Commissioner	:	Richard Bruce Ness
Commissioner	:	Indracahya Basuki
Independent Commissioner	:	Farid Harianto

Independent Commissioner : Eko Putro Sandjojo

**(c) IIC as the Subsidiary Guarantor**

Brief Summary

IIC is a limited liability company duly established under the laws of the Republic of Indonesia by virtue of Deed of Establishment No. 18 dated 20 April 1998, drawn up before Miranti Tresnaning Timur, S.H., Notary in Regency Level II Bogor in Ciawi, the said deed has been ratified by the MOLHR by virtue of its Decree No. C2-10019HT.01.01.Th.98 dated 30 July 1998. The Articles of Association of IIC has been amended several times and lastly amended by Deed of Amendment of the Article of Association and the Composition of the Board of Directors and Board of Commissioners No. 10 dated 24 June 2020, drawn up before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi Regency, which has been approved by the MOLHR by virtue of its Decree No. AHU-0052495.AH.01.02.Tahun 2020 dated 30 July 2020 and has been registered in the Company Registry No. AHU-0124354.AH.01.11 Tahun 2020 dated 30 July 2020.

IIC is currently domiciled in Jakarta having its registered office at Graha Mitra, 4<sup>th</sup> Floor, Jl. Jenderal Gatot Subroto Kav. 21, South Jakarta 12930, Indonesia.

Purposes and Objectives

Purposes and objectives of IIC is to carry out business in the sector of wholesale and retail trade, and scientific and technical professional activities.

Capital and Share Ownership

The current capital structure of IIC are as follows:

Authorized Capital	:	Rp 500,000,000,000
Issued/Paid-up Capital	:	Rp 468,300,000,000
Amount per each share	:	Rp 1,000,000

The current shareholder composition of IIC are as follows:

Shareholder	Number of Shares	Nominal Value (Rp)	%
PT Indika Mitra Holdiko	12	12,000,000	0.00256
Company	468,288	468,288,000,000	99.99744
<b>Total</b>	<b>468,300</b>	<b>468,300,000,000</b>	<b>100.00</b>

Management and Supervision

The current composition of IIC's Board of Directors and Board of Commissioners are as follows:

**Board of Directors**

President Director	:	Azis Armand
Director	:	Retina Rosabai
Director	:	Lucas Djunaidi

**Board of Commissioners**

President Commissioner	:	Agus Lasmono
Commissioner	:	M. Arsjad Rasjid P.M.

**(d) TIME as the Subsidiary Guarantor**Brief Summary

TIME is a limited liability company duly established under the laws of the Republic of Indonesia by virtue of Deed Establishment No. 169 dated 29 October 2012, drawn up before Mellyani Noor Shandra, S.H., Notary in Jakarta. the said deed has been ratified by the MOLHR (currently) by the virtue of its Decree No. AHU-60338.AH.01.01.Tahun 2012 dated 27 November 2012 and has been registered in the Company Registry No. AHU-0102294.AH.01.09.Tahun 2012 dated 27 November 2012 The Articles of Association of TPEC has been amended several times and lastly amended by the Deed No. 75 dated 22 August 2019, drawn up before Elizabeth Karina Leonita, S.H., M.Kn, Notary in Bogor, regarding the amendment to the purposes, objectives, business activities and the terms of the Board of Commissioners. Such amendment has been approved by the MOLHR by virtue of its Decree No. AHU-AH.01.03-0320959 dated 27 August 2019 and has been registered in the Company Registry No. AHU-0150412.AH.01.11.Tahun 2019 dated 27 August 2019 and the latest composition of Board of Directors and Board of Commissioners by the virtue of Deed No. 74 dated 28 April 2020, drawn up before Elizabeth Karina Leonita, S.H., M.Kn., Notary in Bogor City, which has been notified by the MOLHR by virtue of Letter of Notification Receipt of Amendment of Company Data No. AHU-AH.01.03- 0209337 dated 4 May 2020 and has been registered in the Company Registry No. AHU- 0077323.AH.01.11.Tahun 2020 dated 4 May 2020.

TIME is currently domiciled at Indy Bintaro Office Park, Building A, Jl. Boulevard Bintaro Jaya Blok B7/A6 Sektor VII, CBD Bintaro Jaya, Subdistrict Pondok Jaya, Pondok Aren District, South Tangerang City 15424.

Purposes and Objectives

Purposes and objectives of TIME is to carry out businesses in the sectors of wholesale on fee or contract basis, other special wholesale, wholesale of various goods, building construction, road and rail track construction, supporting activities in oil and gas mining, supporting activities in other mining and excavation activities, electricity, water management, waste disposal and management, supporting activities in transportation, personally own or leased real estate and tourism area, head office activities, and management consultation activities.

Capital and Share Ownership

The current capital structure of TIME are as follows:

Authorized Capital	:	Rp 2,500,000,000,000
Issued/Paid-up Capital	:	Rp 631,207,000,000
Amount per each share	:	Rp 1,000,000

The current shareholder composition of TIME are as follows:

Shareholder	Number of Shares	Nominal Value (Rp)	%
PT Indika Energy Tbk	631,167	631,167,000,000	99.994
PT Indika Energy Infrastructure	40	40,000,000	0.006
<b>Total</b>	<b>631,207</b>	<b>631,207,000,000</b>	<b>100.00</b>

#### Management and Supervision

The current composition of TIME Board of Directors and Board of Commissioners are as follows:

##### **Board of Directors**

President Director	:	Joseph Pangalila
Director	:	Shirley Shinta
Director	:	Yovie Priadi

##### **Board of Commissioners**

President Commissioner	:	Darmin Nasution
Vice President Commissioner	:	Eddy Junaedy Danu
Commissioner	:	Farid Harianto
Commissioner	:	Purbaja Pantja
Commissioner	:	Kamen Kamenov Palatov

#### **(e) TPE as the Subsidiary Guarantor**

##### Brief Summary

TPE is a limited liability company duly established under the laws of the Republic of Indonesia by virtue of Deed of Establishment No. 42 dated 10 October 1973, drawn up before Haji Zawir Simon, S.H., Notary di Jakarta, the said deed has been ratified by the MOLHR by the virtue of its Decree No. C2-694.HT.01.01.TH84 dated 30 January 1984. The Articles of Association of TPE has been amended several times and lastly amended by the Deed of Amendment of the Article of Association No. 08 dated 24 April 2019, drawn up before Yohannes Irson Purba, S.H., Notary in Tangerang Selatan City,

which has been approved by the MOLHR by the virtue of its Decree No. AHU-0024532.AH.01.02.Tahun 2019 dated 8 May 2019 and recorded in the Company Registry No. AHU-0073374.AH.01.11.Tahun 2019 dated 8 May 2019 and the the latest composition of the Board of Directors and Board of Commissioners is based on the Deed No. 85 dated 29 June 2020, drawn up before Elizabeth Karina Leonita, S.H., M.Kn., Notary in Bogor City, which has been notifed to the MOLHR by virtue of Letter of Notification Receipt of Amendment of Company Data No. AHU-AH.01.03-0284083 dated 10 July 2020 and has been registered in the Company Registry No. AHU-0110537.AH.01.11.Tahun 2020 dated 10 July 2020.

TPE is currently domiciled at Indy Bintaro Office Park, Building A, Sector VII CBD Bintaro Jaya, Jl. Boulevard Bintaro Jaya Blok B-7 No. A-6, Subdistrict Pondok Jaya, Pondok Aren District, South Tangerang City, Banten.

#### Purposes and Objectives

Purposes and objectives of TPE is to carry out business in the sector of consultation services.

#### Capital and Share Ownership

The current capital structure of TPE are as follows:

Authorized Capital	:	Rp 5,540,000,000
Issued/Paid-up Capital	:	Rp 1,385,000,000
Amount per each share	:	Rp 1,000

The current shareholder composition of TPE are as follows:

Shareholder	Number of Shares	Nominal Value (Rp)	%
PT Tripatra Multi Energi	1,360,000	1,360,000,000	98.19495
Company	24,999	24,999,000	1.80498
IIC	1	1,000	0.00007
<b>Total</b>	<b>1,385,000</b>	<b>1,385,000,000</b>	<b>100.00</b>

#### Management and Supervision

The current composition of TPE's Board of Directors and Board of Commissioners are as follows:

#### **Board of Directors**

President Director	:	Dhira Nandana
Director	:	Hara Mulya H. Siregar
Director	:	Chairul Syahri

### **Board of Commissioners**

President Commissioner	:	Joseph Pangalila
Commissioner	:	Richard Bruce Ness
Commissioner	:	Purbaja Pantja
Commissioner	:	Kamen Kamenov Palatov
Commissioner	:	Farid Harianto

### **(f) TPEC as the Subsidiary Guarantor**

#### Brief Summary

TPEC is a limited liability company duly established under the laws of the Republic of Indonesia by virtue of Deed of Establishment No. 121 dated 26 August 1988, drawn up before Kartini Muljadi, S.H., Notary di Jakarta, the said deed has been ratified by the MOLHR (currently) by the virtue of its Decree No. C2-4485.HT.01.01-TH.89 dated 18 May 1989. The Articles of Association of TPEC has been amended several times and lastly amended by the Deed of Amendment of the Article of Association No. 07 dated 24 April 2019, drawn up before Yohannes Irson Purba, S.H., Notary in Tangerang Selatan City, which has been approved by the MOLHR by virtue of its Decree No. AHU-0024507.AH.01.02.Tahun 2019 dated 8 May 2019 and has been registered in the Company Registry No. AHU-0073282.AH.01.11.Tahun 2019 dated 8 May 2019 and the latest composition of Board of Directors and Board of Commissioners by the virtue of Deed No. 84 dated 29 June 2020, drawn up before Elizabeth Karina Leonita, S.H., M.Kn., Notary in Bogor City, which has been notified by the MOLHR by virtue of Letter of Notification Receipt of Amendment of Company Data No. AHU-AH.0103-0284219 dated 10 July 2020 and has been registered in the Company Registry No. AHU-0110590.01.11.Tahun 2020 dated 10 July 2020.

TPEC is currently domiciled at Indy Bintaro Office Park, Building A, Sector VII CBD Bintaro Jaya, Jl. Boulevard Bintaro Jaya Blok B-7 No. A-6, Subdistrict Pondok Jaya, Pondok Aren District, South Tangerang City, Banten.

#### Purposes and Objectives

Purposes and objectives of TPEC is to carry out businesses in the sectors of construction, industry, wholesale, consultation and information and communication.

#### Capital and Share Ownership

The current capital structure of TPEC are as follows:

Authorized Capital	:	Rp 2,120,000,000,000
Issued/Paid-up Capital	:	Rp 1,092,554,000,000
Amount per each share	:	Rp 1,000,000

The current shareholder composition of TPEC are as follows:

Shareholder	Number of Shares	Nominal Value (Rp)	%
PT Tripatra Multi Energi	560,154	560,154,000,000	51.27014
Company	532,399	532,399,000,000	48.72977
IIC	1	1,000,000	0.00009
<b>Total</b>	<b>1,092,554</b>	<b>1,092,554,000,000</b>	<b>100.00</b>

#### Management and Supervision

The current composition of TPEC's Board of Directors and Board of Commissioners are as follows:

#### **Board of Directors**

President Director : Dhira Nandana  
 Director : Hara Mulya H. Siregar  
 Director : Chairul Syahri

#### **Board of Commissioners**

President Commissioner : Joseph Pangalila  
 Commissioner : Richard Bruce Ness  
 Commissioner : Purbaja Pantja  
 Commissioner : Kamen Kamenov Palatov  
 Commissioner : Farid Harianto

#### **(g) TRIS as the Subsidiary Guarantor**

##### Brief Summary

TRIS is a company duly established under the laws of Singapore and registered under registration number 200602391C on 22 Februaty 2006. TRIS is domiciled at 7 Temasek Boulevard, #08-01, Suntec Tower One, Singapore 038987.

##### Purposes and Objectives

Purposes and objectives of TRIS is to carry out businesses in the sectors of general trading and investment in other holding company (investment holding).

##### Capital and Share Ownership

The current shareholder composition of TRIS is as follows:

Shareholder	Number of Shares	Nominal Value	%

		(USD)	
TPEC	39,000,000	39,000,000	100.00

#### Management and Supervision

The current composition of TRIS's Board of Directors are as follows:

##### **Board of Directors**

Director : Joseph Pangalila  
 Director : Mohammad Mangkuningrat  
 Director : Charles Cai  
 Director : Azis Armand

#### **(h) Initial Purchaser**

Initial purchasers ("Initial Purchasers") are parties who have submitted the number of Notes to be purchased and the desired interest rate with the aim of obtaining an indication of the number of Notes to be issued. The Initial Purchasers are the parties that has the role of purchasing the Notes to be issued by the Issuer and subsequently resold to general investors. The following are the Initial Purchasers of the Notes based on the Purchase Agreement dated 16 October 2020 entered into by the Issuer, the Company, the Subsidiary Guarantors and the Initial Purchasers:

- (i) Standard Chartered Bank (Singapore) Limited  
 Address: Marina Bay Financial Centre, Tower 1, 8 Marina Boulevard, Level 20  
 Singapore 018981
- (ii) Deutsche Bank AG, Singapore Branch  
 Address: One Raffles Quay, #18-00 South Tower, Singapore 048583
- (iii) Mandiri Securities Pte. Ltd.  
 Address: 12 Marina View, #19-06, Asia Square Tower 2, Singapore 018961

#### **6. DESCRIPTION, CONSIDERATION, AND BACKGROUND OF THE PROPOSED TRANSACTION AND THE EFFECT OF THE PROPOSED TRANSACTION TOWARDS THE COMPANY'S FINANCIAL CONDITION**

##### **Description, Consideration and Background of the Proposed Transaction**

In consideration to the uncertainty of increase of the coal price in the future, the Company expects that the issuance of Notes will maintain the Company's liquidity and cash. This is based on consideration that issuance of the Notes, in general, will be used among others to fully repay Notes 2022, repay the outstanding Notes 2023 and to expand non-coal business activities.

## **Effect of the Proposed Transaction towards the Company's Financial Condition**

Issuance of the Notes will increase interest expense of the Company, therefore, on the other hand the issuance of Notes will extend maturity date of the Company's debt. With a longer maturity period, the Transaction is expected to maintain liquidity and cash balance of the Company in the upcoming years.

## **SUMMARY OF FAIRNESS OPINION**

As stipulated under the OJK Regulation 17/2020, to ensure the fairness of Transactions to be carried out by the Company, the Company has appointed a Public Appraisal Service Office (*Kantor Jasa Penilai Publik*) Stefanus Tonny Hardi & Rekan ("KJPP"), to provide a Fairness Opinion on the Transaction, as presented in the Fairness Opinion for Transaction No. 00051/2.0007-00/BS/02/0358/1/X/2020 dated 26 October 2020, with the following summary:

### **1. Parties to the Transaction**

The parties involved in the Transaction are:

- a. The Issuer, as the issuer of the Notes;
- b. The Company, as the Guarantor; dan
- c. IIC, TPEC, TPE, TIME dan TRIS, as the Subsidiary Guarantors.

### **2. Material Transaction**

The issuance of the Notes amounting to USD 450,000,000 (four hundred and fifty million United States Dollars). Based on the Company's Consolidated Financial Statements, the Company's total consolidated equity as of 30 June 2020 is USD 964,626,797, therefore the issuance of USD 450,000,000 Notes is equivalent to 46.65% of the Company's total consolidated equity as of 30 June 2020.

### **3. Object of the Fairness Opinion**

In accordance with the assignment given by the Company, the scope of our assessment is to provide fairness opinion through fairness analysis, qualitative analysis and quantitative analysis of the Transaction.

### **4. Purpose and Objectives of the Fairness Opinion**

Based on the result of the Accountant Firm's review of the Company's consolidated interim financial information based on the Company's Consolidated Financial Statement, the Company's total consolidated equity was USD 964,626,797, so the issuance of Notes amounting to USD 450,000,000 is equivalent to 46.65% of the Company's total consolidated equity as of 30 June 2020. Therefore, since the transaction value is more than 20% of the Company's equity, the Transaction shall constitute a material transaction as defined under OJK Regulation 17/2020.

Thus, this fairness opinion is required in order to comply with applicable regulations, namely OJK Regulation 17/2020.

### **5. Assessment Date**

This fairness opinion is conducted as of 30 June 2020.

## 6. Appraiser Independence

In preparing the fairness opinion on the Transaction, KJPP has acted independently without any conflict of interest and is not affiliated with the Company or other affiliated parties.

KJPP also does not have any personal interests or benefits related to this assignment. Furthermore, this fairness opinion is not made to provide an advantage or disadvantage to any party. The rewards received by KJPP are not at all influenced by the fairness resulting from this fairness analysis process.

## 7. Benefit of the Transaction

The Notes will increase the liquidity of the Company and prolong profile of the maturity date of the Company's indebtedness and with the Notes principal payment scheme's by bullet payment, the Company shall be able to maintain its liquidity. In addition, the Company, or indirectly through its subsidiaries, can expand its business or diversify its business into the non-coal sector.

The issuance of the Notes is an attempt by the Company to anticipate business climate that has not fully recovered.

The following describes the benefits of issuing the Notes for the Company:

- a. By carrying out the Transaction, the Company's financial obligations that must be repaid in 2022 and 2023 or when the Notes 2022 and Notes 2023 becomes due and payable can be converted into financing with a longer term;
- b. With the bullet payment scheme for the Notes, the Company is able to maintain its liquidity, especially when the Notes 2022 and Notes 2023 are due and payable;
- c. Through the Transaction, the Company, or indirectly through its subsidiary, may expand its business or conduct diversification to non-coal sector;
- d. Funds that were originally used by the Company to repay the Notes 2022 and a part of the outstanding Notes 2023 can be reused in the imminent future, so that the funds can be focused on financing the business activities of the Company and its subsidiaries;
- e. Funding through the issuance of the Notes is an alternative financing for the Company considering the limited distribution of financing by banks which is influenced by the coal business climate which has not fully recovered.

## 8. Limitations and Conditions

When preparing the fairness opinion on the Transaction, KJPP uses several assumptions, among others:

- a. The fairness opinion prepared by the business appraiser is a non-disclaimer opinion;
- b. The business appraiser has conducted a review of the documents used in the appraisal process;
- c. Data and information obtained by business appraiser come from sources that can be trusted for their accuracy;

- d. Adjustments to financial projections prepared by management, reflect the fairness and capability to achieve such projections;
- e. Business appraiser is responsible for the assessment and fairness of financial projections, as long as there are no deviations in the implementation;
- f. The fairness opinion report is open to the public, unless there is a confidential information which may affect the Company's operations;
- g. Business appraiser is responsible for the fairness opinion report and the fairness opinion conclusion;
- h. Information on the legal status of the object of assessment from the assignor is considered correct and reliable. Business appraiser is not responsible if the information provided is proven to be inconsistent with the factual conditions;
- i. The results included in this report as well as any other values in the report that are part of the assessed business are only valid for the purposes of the assessment. The results of this fairness opinion may not be used for other purposes of assessment that may result in errors;
- j. KJPP as an Appraiser does not research the validity of documents related to appraisal, thus KJPP does not warranty the correctness or legality of such documents;
- k. The fairness opinion must be used as an integral part and only limited to the purposes and objectives of this assessment only. This report will not be valid for purposes and objectives other than as stated therein;
- l. KJPP assumes that the data provided to us is correct and is related to the object of assessment and KJPP does not conduct further checks on its accuracy;
- m. KJPP is released from all claims and responsibilities relating to the use of reports that are not in accordance with the purposes and objectives of the report.

## 9. Methodology of Fairness Assessment of Transactions

Fairness Analysis of this Transaction is carried out by transaction analysis, qualitative analysis and quantitative analysis in the form of performance analysis and incremental analysis so that the fairness of the Transaction can be determined in terms of the financial impact on the Company's shareholders.

## 10. Analysis on Fairness of the Transaction

On the basis of transaction analysis, qualitative and quantitative analysis that KJPP conducted on the Transaction, KJPP provides the following conclusions:

- 1. The Company through the Issuer has issued the Notes. Considering that there is uncertainty over the development of coal prices in the future, the Company hopes that the issuance of the Notes can develop the Company's business and prolong the maturity date of the Company's indebtedness so as to strengthen the financial condition and maintain the Company's liquidity;
- 2. Transaction is a material transaction as defined under the OJK Regulation 17/2020. Based on the results of a public accountant's review of the Company's Consolidated Financial Statements, the Company's total consolidated equity is USD 964,626,797, so that the issuance of the Notes amounting to USD 450,000,000 is equivalent to 46.65% of the

Company's total consolidated equity as of 30 June 2020. Therefore, since the Transaction value is more than 20% of the Company's equity, the Transaction shall constitute as a material transaction as defined under the OJK Regulation 17/2020. Referring to OJK Regulation 17/2020, to conduct Transactions, the Company is required to use an appraiser to determine the fairness of the Transaction, announce disclosure of information related to Transactions in no later than 2 (two) working days after the Transaction date, and submit evidence of such disclosure of information along with supporting documents to OJK which includes the appraiser's report and other supporting documents. The period between the appraisal date and the Transaction shall be no longer than 6 (six) months. Therefore, the Company has requested KJPP to prepare a fairness assessment to comply with the provisions of OJK Regulation 17/2020.

3. In accordance with the Offering Memorandum of the Notes, proceeds from the issuance of the Notes, after deducted with issuance fee, commission, and other transaction fee, will be used to: (i) repay the entire principal amount of the Notes 2022 amounting to USD265,000,000; (ii) to repay a portion of the principal of the Notes; (iii) the remainder will be used to finance the Company's plans to expand its non-coal business activities.
4. The issuance of Notes are guaranteed unconditionally and irrevocably with (i) a corporate guarantee by the Company and the Subsidiary Guarantors based on the terms and conditions set out in the Indenture; (ii) security interest over the Issuer's rights under the inter-company loans; (iii) secured by IIC shares owned by the Company, TPE and TPEC shares owned by IIC, TIME and the Company, Kideco shares owned by IIC and the Company, and TRIS shares owned by TPEC, where these securities are common security with Notes 2022, Notes 2023, and Notes 2024 and (iv) Issuer's share charge owned by IECPL. The securities provided under this Transactions is a transaction that contains elements of an affiliated transaction as defined under OJK Regulation 42/2020, since the Issuer is a subsidiary of the Company through Indika Energy Capital Pte. Ltd. However, since the security is given to the Issuer where one hundred percent of the shares are owned by the Company indirectly, this security providing is exempted as an affiliated transaction or a material transaction and the Company is only obliged to report to the OJK no later than the end of the 2<sup>nd</sup> (second) days after the transaction for the provision of this security.

The total market value of the shares on a consolidated basis as one of the security for the issuance of Notes is USD 1,161,195,318, with the following details:

Secured Sharea	Ownership	Shares	Ownership Percentage		Market Value
IIC	The Company	468.288	99,997%	USD	617,332,578
Kideco	The Company	100.139	40%	USD	235,604,142
TPEC	The Company	532.399	48,73%	USD	129,762,831
TPEC	TIME	560.154	51,27%	USD	136,527,621
TPE	The Company	24.999	1,80%	USD	367,710
TPE	TIME	1.360.000	98,20%	USD	20,004,223
TRIS	TPEC	39.000.000	100%	USD	21,596,213
<b>Total</b>				<b>USD</b>	<b>1,161,195,318</b>

\*) When conducting share valuation of IIC, valuation was also conducted to subsidiary and associated entity of IIC, including IIC's shares in Kideco, TPE and TPEC.

5. Based on the projection of the Company's cash flow in the next 5 (five) years (2020 - 2025), by carrying out the Transaction, the Company's financial position provides a healthier picture, where in the conditions of conducting the Transaction, the present value of the Company's net cash flows is higher by USD 208,640,291 compared to the condition whereby the Company not conducting the Transaction, as reflected in the current value table of net cash flows below:

Conditions		Current Value Net Cash Flow
Conducting Transactions	USD	981,856,831
Not Conducting Transactions	USD	773,216,540
Margin	USD	208,640,291

#### 11. Conclusion

Based on transaction analysis, qualitative analysis, quantitative analysis and fairness analysis of the Transaction, KJPP is of the opinion that the Transaction is **fair**.

#### **STATEMENT OF THE COMPANY'S BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS**

1. This Disclosure of Information is complete and in accordance with the requirements under OJK Regulation 17/2020.
2. The Transaction does not contain any conflict of interest as stipulated under OJK Regulation 42/2020.
3. Statement and Disclosure of Information conveyed are not contain any statements or information or facts that are untrue or misleading, and contained all information and material facts which required by the investors to make decisions in relation to the Proposed Transaction.

#### **ADDITIONAL INFORMATION**

For any additional information required please contact the Company on the following address:

**PT Indika Energy Tbk.**  
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 Jakarta 12930, Indonesia  
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[www.indikaenergy.co.id](http://www.indikaenergy.co.id)