



**ANNOUNCEMENT  
INFORMATION DISCLOSURE  
PT MITRABAHTERA SEGARA SEJATI Tbk**

This Information Disclosure is addressed to the Shareholders of the Company in compliance with Regulation IX.E.2 Attachment of Decision of Chairman of Bapepam-LK. Kep-614 / BL / 2011 dated November 28, 2011 concerning Material Transactions and Amendments to Principal Business Activities ("Rule IX.E.2") relating to Intercompany Loan between (i) PT Mitrabahtera Segara Sejati Tbk ("The Company"), (ii) PT Indika Energy Tbk, a limited liability company incorporated under the laws of the Republic of Indonesia, is domiciled in the 11th floor Mitra Building, Jalan. Jend. Gatot Subroto Kav. 21, Jakarta 12920, Indonesia ("Indika Energy") and Indika Capital Pte. Ltd., a company incorporated under the laws of the Republic of Singapore, is based at 9 Temasek Boulevard # 08-02, Suntec Tower 2, Singapore 038989 ("ICPL").

**1. Background**

- 1.1 Based on the information provided by PT Indika Energy Tbk ("**Indika Energy**") to the Company, as part of a series of transactions of bond issuance by Indika Energy through its subsidiary, Indika Energy Capital II Pte. Ltd. ("**Issuer**"), amounting to USD 265,000,000 (two hundred and sixty-five million United States Dollars) ("**Debentures**"), proceeds from the issuance of Debentures distributed by the Issuer to the subsidiaries Indika Energy through inter-company loans. One inter-company loans that have been signed by Indika Energy are among the company's loan agreements between Indika Capital Pte. Ltd. ("**ICPL**") as creditor with Indika Energy as the debtor on 10 April 2017 ("**IE Intercompany Loan**").
- 1.2 Under an agreement between the Company, Indika Energy and ICPL, a portion of IE Intercompany Loan, the amount of USD 41,700,000 (forty-one million seven hundred thousand United States Dollars) was transferred to the Company (the "Company Loan") through an assignment and assumption agreement ("Assignment and Assumption Agreement") signed on April 13, 2017, between Indika Energy as the transferor and the Company as the transferee. The transfer of the loan through Assignment and Assumption Agreement is hereinafter referred to as the "Transaction". The proceeds received by the Company from the Transaction will be used to partially repay the Company's loan to Bank ANZ Indonesia and Standard Chartered, Permata Bank and Exim Bank.
- 1.3 This Transaction is a material transaction as defined in Regulation IX.E.2 because of its value of more than 20% of the equity of the Company. When compared to the total equity of the Company as of December 31, 2016 amounting to USD 197,119,220, the Transaction value is 21.15% of the equity.
- 1.4 Due to the relationship between Indika Energy, ICPL and the Company, the Transaction is an Affiliated Transaction as defined in Regulation no. IX.E.1. In accordance with the provisions of Regulation no. IX.E.1, the Company has obtained the appraisal report of

KJPP Sarwono based on its report No. O-029 / MBSS / 2017 dated April 17, 2017 and the Company has made disclosure in accordance with Regulation No. IX.E.1 on the website of the Company and the Indonesia Stock Exchange on April 18, 2017.

## **2. Description of Transactions**

### **2.1. Object of Transactions and Value of Transactions**

The following is the object and value of the Transaction:

1. The following is information related to Transaction object and value:
  - (a) As stated above, some part of the funds raised by Indika Energy through IE Intercompany Loan, namely in an amount of the Company Loan, re-transferred from Indika Energy to the Company through the Assignment and Assumption Agreement. With the signing of Assignment and Assumption Agreement, the Company will immediately indebted to the ICPL on Company Loan.
  - (b) The Company Loan obtained pursuant to the Assignment and Assumption Agreement, will be used by the Company to pay most of the debts of the Company to PT Bank ANZ Indonesia and Standard Chartered Bank, Indonesia Eximbank and PT Bank Permata Tbk
2. Summary of Assignment and Assumption Agreement Concerning jo. IE Intercompany Loan are as follows:

Creditor	:	ICPL
Initial Debtor/Assignor Party	:	Indika Energy
Assignor Debtor/ Assignor Party	:	Company
Principal Amount	:	USD 41,700,000
Effective Date	:	13 April 2017
Interest Payment	:	Every semester on loan disbursement date in April and October
Due Date	:	5 years until 10 April 2022
Payment	:	The payment of principal including interest payments which remains outstanding shall be paid in bullet payment on 10 April 2022.

## 2.2 The Parties Involved In The Transaction

- (a) ICPL, Indika Energy and Company.
- (b) ICPL is a company incorporated under the laws of the Republic of Singapore, is a subsidiary 100% owned by Indika Energy, through PT Indika Inti Corpindo.
- (c) The Company is a subsidiary of which 51% (fifty one percent) of its shares owned indirectly by Indika Energy, through PT Indika Energy Infrastructure.

## 2.3 Material Transaction

Total equity of the Company is USD 197,119,220 and the amount of Transaction is USD 41,700,000 so that the Transaction value is more than 20% (i.e. 21.15% of the Company's equity value) as of December 31, 2016.

## 3. Considerations and Reasons of the Transactions

- (a) Based on Financial Consolidated Statements of the Company as of December 31, 2016 which have been audited by the Office of the Public Accountant Satrio Bing Eny & Partners, the Company currently has the following loans:
  - (i) Club Deal credit facility from PT Bank ANZ Indonesia and Standard Chartered Bank on 23 May 2013, which ended on May 23, 2018
  - (ii) Al-murabaha financing facility from Indonesia Eximbank ended March 25, 2018.
  - (iii) Term Loan Facility from PT Bank Permata Tbk dated June 14, 2012, which ended on 22 December 2019

The facilities mentioned in (i) through (iii) above hereinafter "**the Company Facilities**".

- (b) Following further elaboration on the benefits to be obtained by the Company are as follows:
  - (i) With the repayment of the Company Facilities, the Company's financial obligations that must be met in the near term turned into a financing with a longer period of time;
  - (ii) Maintaining the liquidity of the Company, which had a positive impact of the Company; and
  - (iii) Inter-company loan is deemed to provide more flexibility for the Company because of the cash that is intended to pay for the Company's Facilities can be used initially by the Company to expand its business, both in the transportation of coal and other potential sectors.

#### 4. Summary Appraisal Reports

**A. The Parties Involved in the Transaction**

The parties involved in the transaction are ICPL, the Company, and Indika Energy.

**B. Material Transaction**

This Transaction plan is a material transaction as defined in Bapepam-LK Regulation No. IX.E.2 Attachment of Decision Letter of Chairman of Bapepam-LK no. Kep-614 / BL / 2011 dated November 28, 2011 concerning Material Transactions and Changes in Primary Business Activities ("Rule IX.E.2"), since the value of Transaction if compared with the Company's equity as of December 31, 2016 amounting to USD 197,119,220, causing Transaction value to be more than 20 percent (i.e. 21.15%) of the Company's equity value.

**C. Object of Transaction**

In accordance with the assignment given, the scope of assessment transaction object which is performed by the Office of Public Appraisal Service Sarwono, Indrastuti & Partners (KJPP) is the provision of a fairness opinion on the fairness of the Transaction through analysis, qualitative analysis and quantitative analysis on Transactions.

**D. Purpose and Objectives Fairness Opinion Giving Up the Transaction Plan**

The Company has signed the Assignment and Assumption Agreement amounting to USD 41,700,000 on April 13, 2017. When compared to the total equity of the Company as of December 31, 2016 amounting to USD 197,119,220, the value of this Transaction is more than 20% of the Company's equity (i.e. 21.15%).

This Transaction is a material transaction as defined in Rule IX.E.2, since the Transaction value is more than 20 percent (ie 21.15%) of the Company's equity as of December 31, 2016.

Thus, an assessment of the fairness of the Transaction is required in order to comply with the provisions of Regulation no. IX.E.2.

**E. Fairness Ratings Date (Cut-Off Date)**

The provision of a fairness opinion is done per December 31, 2016.

## **F. Appraiser Independency**

In preparing the Fairness Opinion Report on this 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 interest or personal vested with this assignment. Furthermore, the Fairness Opinion Report is not intended to give benefit or cause loss to any party. Fees received by KJPP are not affected by the fairness result from the fairness analysis process.

## **G. Benefits of the Transaction**

By the execution of the IE Intercompany Loan as well as Assignment and Assumption Agreement, then the benefits to the Company are as follows:

- a. The Company may carry out good liability management, that meet all covenants related to bank debt of the company and also be able to pay the majority of the bank debt.
- b. IE Intercompany Loan has a tenor of 5 years and has terms of payment of the loan principal in a lump sum (bullet payment) at the end of the loan term, so that the Company could have more cash that can be used for business expansion, both in the transportation of coal as well as other potential sectors.

## **H. Data and Information Used**

To be able to give an opinion on the fairness of the Transaction Plan, as an independent appraiser, KJPP has been conducting interviews with management as well as studying and analyzing the following documents:

- IE Intercompany Loan between ICPL and Indika Energy;
- Assignment Assumption between Indika Energy and Company;
- The Company Projected Statement of Financial Position, Statement of Profit and Loss and Other Comprehensive Income and Statement of Cash Flow of the Company and its subsidiaries for the period as prepared by management of the Company;
- Consolidated Financial Statements audited by Public Accounting Firm Satrio Bing Eny & Partners for the year ended December 31, 2016 with a fairly opinion without exception.
- Consolidated Financial Statements audited by Public Accounting Firm

Osman Bing Satrio & Eny for the year ended December 31, 2015 with a fairly opinion without exception;

- Consolidated Financial Statements audited by Public Accounting Firm Osman Bing Satrio & Eny for the year ended December 31, 2014 with a fairly opinion without exception;
- Consolidated Financial Statements audited by Public Accounting Firm Osman Bing Satrio & Eny for the year ended December 31, 2013 with a fairly opinion without exception.
- Consolidated Financial Statements audited by Public Accounting Firm Osman Bing Satrio & Eny for the year ended December 31, 2012 with a fairly opinion without exception.
- Interviews and discussions with the Company's management with respect to the Transaction Plan;
- A review of the data and information obtained by KJPP relating Transaction Plan which KJPP consider relevant.

## **I. Assumptions and Limiting Conditions**

### **▪ Assupmtions**

In preparing the fairness opinion on the Transaction Plan KJPP using several assumptions, among others:

- 1) This fairness opinion is based on the principle of the integrity of information and data. In preparing the Fairness Opinion, KJPP grounded and based on the information and data that has been provided by the Company's management. In addition, in the preparation of a fairness opinion, KJPP assumes that management of the Company will implement the Transaction Plan as disclosed by the Company's management to KJPP.
- 2) KJPP has obtained information on the legal status of assessment object from the Company's management.
- 3) All information and data from the Company's management as stated above is true, complete and reliable and there were not revealed which will affect the fairness opinion.
- 4) KJPP has conducted a review of the documents used in the process of providing this fairness opinion.

- 5) KJPP financial projections used as a basis for providing a fairness opinion is the financial projections which have been adjusted and reflect fairness of the financial projections made by management with the ability to accomplishments.
- 6) KJPP also holds a statement of management (management representation letter) that management has submitted all necessary information relevant to the Transaction Plan and to the the best of their knowledge Company management there is no material factors which have not been disclosed and can be misleading.
- 7) KJPP not conduct an investigation or evaluation of the validity of the Transaction Plan on the terms of the legal and tax aspects implications.
- 8) Fairness Opinion report is open to the public except for confidential information that could affect the Company's operations.
- 9) KJPP responsible for this Fairness Opinion report.

▪ **Limiting Condition**

The limiting conditions on the Transaction Plan are as follows:

- (a) In providing a Fairness Opinion on this Transaction Plan, KJPP uses the assumption that the transaction was carried out as described by the Company's management and in accordance with the agreement as well as the reliability of the information regarding the transaction were disclosed by the Company's management.
- (b) Transaction Plan is a loan of US \$ 41.7 million to be provided by ICPL to the Company, which is accordance to IE intercompany Loan and Assumption Assignment. As for IE intercompany loan aims to regulate the terms and conditions related to intercompany loans granted to the Company by ICPL. IE Intercompany Loan also regulate how the funds of the Transaction Plan and the Company's obligation to do if it is unable to repay the loan at a specified time.
- (c) Fairness opinion on this Transaction Plan is based on consideration of economic conditions, general business conditions and the financial condition and business condition of the Company, the provisions of law and government regulations, including OJK (d/h Bapepam-LK) regulations. Changes to certain conditions which are beyond the control of the Company will be able to make an impact that is unpredictable and can affect the Fairness Opinion

- (d) KJPP also assumes that the publication date of the Transaction Plan Fairness Opinion until the effective date of the Transaction Plan, no change of any material adverse effect on the assumptions used in the preparation of this Opinion.
- (e) Fairness Opinion on Transaction Plan should be viewed as an integral and the use of part of the analysis and information without considering the overall information and analysis can lead to a misleading view.
- (f) Fairness Opinion Report of the Proposed Transaction is structured for the benefit of the Board of Directors in connection with the purpose of the transaction, and can not be used by others. Furthermore, this report is not intended to provide a recommendation to shareholders to approve or disapprove of the Proposed Transaction or take certain actions on the Proposed Transaction.
- (g) KJPP not responsible for reaffirming or complement KJPP opinion because of events occurring after the date of the report.

**J. Fairness Assessment Methodology Over Transactions**

Fairness assessment methodology on Transaction plan is done with the transaction analysis, qualitative analysis (Qualitative Analysis) and quantitative analysis (Quantitative Analysis).

**K. Analysis Over of the Fairness of the Transaction**

On the basis of transaction analysis, qualitative analysis and quantitative analysis KJPP do with the Transaction Plan can be summed up as follows :

1. With the acceptance of the loan in the form of intercompany loan from ICPL to the Company that the Company's financial obligations that must be met in the near term turned into a financing with a longer period of time. So that the Company may undertake liability management related to the bank's debts well, then ICPL as a company that has an affiliate relationship with the Company, and based Assignment and Assumption between Indika Energy Company, will provide intercompany loan of USD 41.700.00 to the Company.
2. Based on these reasons, the Company will obtain a loan of ICPL as diverted by Indika Energy as a holding company as defined in IE intercompany loan between ICPL (as Lender) and Indika Energy (as the Borrower) and Indika Energy will divert part of the loan funds to the



Company, The transfer of the terms and conditions associated with the loans will be transferred by Indika Energy to the Company as stated in the Assignment and Assumption between Indika Energy Company. Indika Energy will transfer the loan of USD 41.700.000 to the Company, with an interest rate of 7%, the tenor of the loan is 5 years and principal payments will be paid at once (bullet payment) on the date of 10 April 2022.

3. By doing the this Transaction Plan, then the benefits to the Company are as follows:
  - a. The Company may carry out liability management well, that meet all the covenants associated with the Company's bank debt and also make payment of financial obligations to banks that provide loans to the Company.
  - b. The loans have a tenor of 5 years and have terms of payment of the loan principal in a lump sum (bullet payment) at the end of the loan, will give more cash to the Company that can be used for business expansion, both in the transportation of coal and other potential sectors.
  - c. Projected cash and cash equivalents, working capital and net cash flow on condition Implement the Transaction Plan is higher when compared to the conditions Not Implement the Transaction Plan. Based on the analysis of the feasibility of repayment of debt, after obtaining the loans, the company's cash flow remained positive during the projection period.

#### **L. Conclusion**

Based on transaction analysis, qualitative analysis, quantitative analysis and analysis of the fairness of the Proposed Transaction, KJPP found this Transaction Plan is **fair**.

#### **5. Statement of the Board of Commissioners and Board of Directors**

The Board of Directors and the Board of Commissioners of the Company, individually or jointly, shall be fully responsible for the accuracy and completeness of all material information or facts relating to Transactions as disclosed in this Information Disclosure, and affirms that after careful research and as long as the knowledge and beliefs They confirm that material information relating to Transactions contained in this Information Disclosure is true and no other material facts relating to Transactions are not disclosed or omitted thereby causing the information provided in this Information Disclosure to be untrue and misleading.

For Shareholders who need further information about the Transaction please contact:

PT Mitrabahtera Segara Sejati Tbk  
Menara Karya Lantai 12  
Jl. H. R. Rasuna Said Blok X-5 Kav. 1-2  
Jakarta 12950, Indonesia  
Telp. +6221 57944766  
[www.mbss.co.id](http://www.mbss.co.id)

---

Jakarta, 3 May 2017

**PT MITRABAHTERA SEGARA SEJATI Tbk**