

**DISCLOSURE OF INFORMATION TO SHAREHOLDERS OF  
PT SURYA ESA PERKASA TBK (“COMPANY”)**

This Disclosure of Information is made in compliance with the Bapepam and LK Regulation No. IX.E.1 on Affiliated Transaction and Conflict of Interest of Certain Transactions (“**Regulation No. IX.E.1**”).

If You experience any difficulty in understanding the information contained herein or hesitation in making a decision, You should consult with a stockbroker, investment manager, legal counsel, public accountant or other professional advisor.

**THE COMPANY’S BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS, BOTH SEVERALLY OR JOINTLY, ARE FULLY RESPONSIBLE FOR THE COMPLETENESS AND ACCURACY OF ALL THE INFORMATION CONTAINED HEREIN AND AFTER CONDUCTING A PRUDENT EXAMINATION, EMPHASIZE THAT TO THE BEST OF OUR KNOWLEDGE AND BELIEF, THE INFORMATION STATED HEREIN IS CORRECT. THERE ARE NO MATERIAL AND RELEVANT IMPORTANT FACTS OMITTED WHICH CAN CAUSE THIS DISCLOSURE OF INFORMATION TO UNTRUE AND/OR MISLEADING.**

**This Disclosure of Information is issued in Jakarta on 9 June 2016**



**PT Surya Esa Perkasa Tbk**

**Line of Business**

Engaged in the refining and processing of natural gas business

**Domiciled in South Jakarta, Indonesia**

**Head Office:**

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## DEFINITION

**Bapepam-LK:** Capital Market Supervisory Board and Financial Institution as stipulated in Minister of Finance Regulation No. 184/PMK.01/2010 dated 11 October 2010 on Organization and Administration of the Ministry of Finance as amended from time to time, previously known as Capital Market Supervisory Board (“**Bapepam**”), as stipulated in Article 3 paragraph (1) Law Number 8 of 1995 on Capital Market.

**Subsidiaries:** the companies as stipulated below which are as follows:

- a. the companies whose shares are owned by the Company either directly or indirectly in which the Company owns more than 50% of the total issued and paid-up capital of the respective companies; and
- b. the companies whose financial statements is consolidated into the Company’s financial statements in accordance to the prevailing accounting standards in Indonesia.

**Business Day:** everyday, except for Saturday, Sunday or public holiday in which the banks in Jakarta, Indonesia operates its commercial banking line of business.

**IFC:** International Finance Corporation

**JKR:** Jennywati, Kusnanto & Rekan Public Appraiser Services Office, an independent appraiser registered in OJK that has been appointed by the Company to give a fair opinion on the Transaction.

**JPM:** JP Morgan Chase, Singapore.

**Disclosure of Information:** information as contained in the announcement and/or this disclosure of information.

**SBLC:** the Standby Letter of Credit facility arranged by Genesis in the maximum amount of US\$ 15,000,000.

**MOLHR:** Minister of Law and Human Rights of the Republic of Indonesia.

**OJK:** Financial Services Authority/*Otoritas Jasa Keuangan* is an independent agency as referred to in Law No. 21 of 2011 on Financial Services Authority (“**OJK Law**”), whose duties and authorities include regulating and monitoring of financial services activities in banking, capital market, insurance, pension funds, other financing institutions and financial institutions sectors, which as of 31 December 2012, OJK is the institutions that replaces and received rights and obligations to perform regulatory and supervisory function of Bapepam and/or Bapepam-LK in accordance to Article 55 of OJK Law.

**Plant:** amonia plant and facilities 660,000 TPA owned by PAU in Banggai Regency, Central Sulawesi, Indonesia that are using 55 MMSCFD gas from Senoro-Toili gas station.

**PAU:** PT Panca Amara Utama, a Subsidiary of the Company.

**Facilitation Services Agreement:** Facilitation Services Agreement USD 15 Million SBLC Facility that has been signed on 7 June 2016 by and between the Company and Genesis International Holdings Pvt Ltd, Singapore, as facilitator.

**Company:** PT Surya Esa Perkasa Tbk., a public company established under the laws of Republic of Indonesia and shall comply to the laws of Republic of Indonesia, domiciled in South Jakarta, Indonesia.

**Project:** the plan of ammonia plant building with 2,000 MTPD capacity by PAU in Sulawesi, Indonesia.

**PFSSRA:** Project Funds, Subordination and Share Retention Agreement dated 5 September 2014, including its amendments that are signed by and between the Company, PT Sepchem, Gulf Private Equity Partners Limited, Gulf Financial Limited, Chander Vinod Laroya, Theodore Permadi Rachmat, Garibaldi Thohir, PAU and IFC.

**Genesis:** Genesis International Holdings Pvt Ltd, Singapore, a company established under the laws of Republic of Singapore and shall comply to the laws of Republic of Singapore, domiciled at 17 Phillip Street, #05-01 Grand Building, Singapore.

**Transaction:** the signing of Facilitation Services Agreement.

## **I. INTRODUCTION**

This Disclosure of Information is made in relation to the signing of Facilitation Services Agreement by the Company and Genesis on 7 June 2016 (“**Transaction**”).

The Transaction constitutes an Affiliated Transaction as set out under Regulation No. IX.E.1.

Pursuant to Regulation No. IX.E.1, the Board of Directors and the Board of Commissioners of the Company either individually or jointly, announce this Disclosure of Information is not contained of Conflict of Interest.

In connection to the abovementioned matters, pursuant to Regulation No. IX.E.1, the Board of Directors of the Company announce this Disclosure of Information in order to provide a thorough information and description to the shareholders of the Company on the transaction that has been conducted by the Company and Genesis.

There is no negative covenant that obliges the Company to obtain approval/permit from third party in relation to the Transaction.

## **II. TRANSACTION**

### **A. REASON AND BACKGROUND OF THE TRANSACTION**

The Company is a limited liability company duly established under the laws of Republic of Indonesia and engaged in refining and processing of natural gas business.

PAU is a limited liability company duly established under the laws of Republic of Indonesia and engaged in the field of industry. Its main business is particularly in the field of basic chemical industry originating from oil, natural gas and coal. PAU intends to develop project, ownership and operational of a plant that will produce 660,000 TPA ammonia in Banggai Regency, Central Sulawesi, Indonesia that is using 55 MMSCFD gas from Senoro-Toili gas station (“**Plant**”).

In order to fulfill the Company’s obligation based on PFSSRA, in which the Company is obliged to provide contribution to PAU, a subsidiary controlled by the Company, in form of equity and/or loan, as well as Letter of Credit to cover the contribution amount that has not been fulfilled by the Company and the fund deficiency required to complete the Project, the Company intends to obtain SBLC facility which will be arranged by Genesis. Genesis then agree to arrange such SBLC facility to the Company. Based on the Facilitation Services Agreement, Genesis will arrange the SBLC from JPM on account of Genesis or its director(s). Genesis will also arrange the security and margin that may be required by JPM for the purpose of the SBLC facility. The Company will not provide any asset as security or margin for the purpose. In the event of any amount being claimed by IFC against the SBLC, Genesis shall be entitled to recover the amount from the Company. The Company agrees to pay interest at 10% per annum on the outstanding amounts until the date the Company pay such amounts to Genesis. Genesis agrees that any payable to it by the Company shall be subordinated to the amounts that the Company owes to PT Bank UOB Indonesia.

## **B. BENEFIT OF TRANSACTION**

The benefit of Transaction is to support PAU in realizing the Project in accordance with the proposed period. The facility under the Transaction is required to fulfil the conditions for disbursement of Project loans by IFC to PAU. The Project will contribute significant value in strengthen the Company's business. As the largest shareholder of PAU, at the time the Project operates commercially, it will give large contribution to the Company's performance fundamentally, therefore it will ensure the maximum growth of Company's value.

## **C. DESCRIPTION OF TRANSACTION**

### **Facilitation Services Agreement**

1. Object of Facilitation Services Agreement:  
Service provided by Genesis to arrange a SBLC towards the equity contribution obligation of the Company from JPM.
2. Parties of Transaction:
  - a. The Company

The Company is a limited liability company duly established under the laws of Republic of Indonesia based on Deed of Establishment No. 07 dated 24 March 2006, drawn before Hasbullah Abdul Rasyid, S.H., Notary in Jakarta, which has been ratified by MOLHR pursuant to the Decree No. C-13339 HT.01.01.TH.2006 dated 9 May 2006, registered in the Company Register in the Company Registration Office of South Jakarta with registration agenda No. 1864/BH0903/VIII/2006 dated 2 August 2006 and announced in the State Gazette No. 76 dated 23 September 2011, Supplemental No. 29332 ("**Deed of Establishment of the Company**"). The registered office is located at DBS Bank Tower Ciputra World 1 Jakarta 18<sup>th</sup> floor, Jl. Prof. Dr. Satrio Kav. 3-5, South Jakarta 12940.

Articles of Association of the Company as contained in Deed of Establishment of the Company has been amended several times, with the last being the Deed of Statement of Meeting of the Amendment of Articles of Association No. 65 dated 25 May 2015, drawn before Aryanti Artisari, S.H., M.Kn., Notary in South Jakarta ("**Deed No. 65/2015**"), which has been notified to MOLHR based on Letter No. AHU-AH.01.03-0942679 dated 17 June 2015 and has been registered in the Company Register No. AHU-3520538.AH.01.11.TAHUN 2015 dated 17 June 2015.

Pursuant to Deed No. 65/2015, the shareholders of the Company approved the amendment of Articles of Association to be complied with OJK Regulation.

Pursuant to Article 3 of the Company's Articles of Association, the Company's purpose and objective is engaged in the field of refining and processing oil and natural gas, engaged in the field of petrochemicals, engaged in the field of wholesale trading, main distributor and export

for oil, gas and petrochemical products, engaged in the field of oil and natural gas exploration, engaged in the field of renewable energy and in the field of gas downstream.

The Company's capital structure is as follows:

Authorized Capital	:	Rp 220,000,000,000.00 (two hundred and twenty billion Rupiah)
Issued Capital	:	Rp 110,000,000,000.00 (one hundred and ten billion Rupiah)
Paid-Up Capital	:	Rp 110,000,000,000.00 (one hundred and ten billion Rupiah)

The Authorized Capital of the Company is divided into 2,200,000,000 shares, in which each share with a nominal value of Rp 100.00.

The composition of the Company's shareholders based on the Company's Shareholders Register as of 31 May 2016 issued by PT Datindo Entrycom, as the Company's Securities Administration Bureau, are as follows:

No.	SHAREHOLDER	SHARES	NOMINAL VALUE	%
1.	PT Trinugraha Akraya Sejahtera	330,000,000	33,000,000,000.00	30.000
2.	PT Ramaduta Teltaka	220,000,000	22,000,000,000.00	20.000
3.	UOB Kay Hian Pte. Ltd	103,658,000	10,365,800,000.00	9.423
4.	Public	446,342,000	44,634,200,000.00	40.577
<b>Total</b>		<b>1,100,000,000</b>	<b>110,000,000,000</b>	<b>100.00</b>

The composition of Board of Directors and Board of Commissioners of the Company as at the date of this Disclosure of Information are as follows:

**Board of Directors:**

President Director	:	Garibaldi Tohir
Vice President Director	:	Chander Vinod Laroya
Director	:	Ida Bagus Made Putra Jandhana
Director	:	Isenta Hioe
Independent Director	:	Mukesh Agrawal

**Board of Commissioners:**

President Commissioner : Hamid Awaluddin  
Vice President Commissioner : Theodore Permadi Rachmat  
Independent Commissioner : Ida Bagus Rahmadi Supancana  
Commissioner : Rahul Puri

b. Genesis

Genesis is a company duly established under the laws of the Republic of Singapore on 5 March 2009 pursuant to the Memorandum and Articles of Association dated 28 February 2009 under the Companies Act (Cap 50), registered under registration number 200903969E with the registered address at 17 Phillip Street, #05-01 Grand Building, Singapore.

Based on the Accounting and Corporate Regulatory Authority dated 18 April 2016 (“ACRA”), the board composition of Genesis as at the date of this Disclosure of Information is as follow:

Director : Bhavna Laroya Bhandari

Based on the ACRA, the capital structure and shareholding composition of Genesis is as follow:

No.	NAME OF SHAREHOLDERS	TOTAL SHARES	TOTAL (US\$)
1.	Bhavna Laroya Bhandari	35.000	35.000

3. Main Provision of the Agreement

In regard with the Transaction, the Company and Genesis have signed the Facilitation Services Agreement dated 7 June 2016, with the features as below:

The Parties:

- a. The Company; and
- b. Genesis (“**Facilitator**”).

Object of the Agreement:

Services provided by Genesis to arrange a SBLC to the Company favoring IFC which will be used to the fulfilment of the Company equity contribution obligation as stipulated under PFSSRA.

Fees:

- a. Upfront fee: The Company will pay an upfront fee at 3% per annum of the SBLC amount to Genesis. The first 3% shall be paid before the issuance of

- SBLC and further 3% shall be paid on every anniversary of SBLC;
- b. SBLC fee: The Company will reimburse the SBLC fee paid by Genesis to JPM (expected to be 1% per annum of the SBLC amount).

Negative Covenants:

Either party is prohibited to assign the Facilities Services Agreement without prior written consent from the other party.

Dispute Settlement:

Badan Arbitrase Nasional Indonesia

Governing Law:

Laws of the Republic of Indonesia.

**D. AFFILIATED TRANSACTION**

The transaction entered into by the Company and Genesis constitute as an Affiliated Transaction, whereby Mr. Chander Vinod Laroya, who serves as the Vice President Director of the Company, is also the father of Bhavna Laroya Bhandari, the sole shareholder and Director of Genesis.

**E. THE EFFECT OF THE TRANSACTION TOWARDS THE COMPANY'S FINANCIAL POSITION**

The Transaction will facilitate to fulfill the Company's obligation towards realizing the PAU Project. Without the Transaction, the Company would need to invest equivalent amount in cash immediately. Hence the Transaction will help manage the Company's cash flow. PAU Project is expected to generate an EBITDA of over US\$ 100,000,000 per year after completion which will add to the Company's profitability substantially.

**III. APPRAISER'S SUMMARY REPORT**

JKR as registered appraiser (based on the Ministry of Finance Decree No. 2.09.0022 dated 24 March 2009 and listed as a capital market supporting profession in Bapepam-LK under Registered Letter of Capital Market Supporting Profession of the OJK No. 02/PM.223/STTD-P/B/2014 (business appraiser), has been appointed by the Company's management as independent appraiser in accordance to engagement letter No. JK/160502-001 dated 2 May 2016, to give the fairness opinion of the Transaction.

Here is the summary of Fairness Opinion Report of JKR on the Transaction as stated in report No. JK/FO/160607-001 dated 7 June 2016, with summary as follows:

1. Transacting Parties

The transacting parties based on Facilitation Services Agreement are the Company and Genesis.

## 2. Transaction Object of Fairness Opinion

The Transaction object in the Fairness Opinion of the Transaction is the fee payment transaction by the Company to the Genesis amounting to 3.00% per annum of the SBLC amount and will reimburse the SBLC fee paid by Genesis to JPM (expected to be 1.00% per annum of the SBLC amount).in connection with the Transaction.

## 3. Purposes and Objective of Transaction

The purpose and objective of the preparation of the Fairness Opinion Report of the Transaction is to provide an overview on the fairness of the Transaction from financial aspects to comply with Regulation No. IX.E.1.

## 4. Limiting Conditions and Major Assumptions

The Fairness Opinion analysis on the Transaction was prepared using the data and information as disclosed above, such data and information of which have been reviewed by JKR. In performing the analysis, JKR relied on the accuracy, reliability and completeness of all financial information, information on the legal status of the Company and other information provided to JKR by the Company or publicly available and JKR is not responsible for the accuracy of such information. Any changes to the data and information may materially influence the outcome of JKR's opinion. JKR also relied on assurances from the management of the Company that they did not know the facts which led to the information given to JKR to be incomplete or misleading. Therefore, JKR is not responsible for the changes in the conclusions of our Fairness Opinion caused by changes in those data and information.

The Company's consolidated financial statements projections before and after the Transaction was prepared by the Company's management. JKR has reviewed such financial statements projections and those financial statements projections have described the operating conditions and performance of the Company. Overall, there were not any significant adjustments to be made to the performance targets of the Company.

JKR did not perform an inspection of the Company's fixed assets or facilities. In addition, JKR also did not give an opinion on the tax impact of the Transaction. The services provided by JKR to the Company in connection with the Transaction merely was the provision of the Fairness Opinion on the Transaction not accounting services, auditing or taxation. JKR did not perform observation on the validity of the Transaction from legal aspects and implication of taxation aspects. The Fairness Opinion on the Transaction was only performed from economic and financial aspects. The Fairness Opinion Report on the Transaction represented a non-disclaimer opinion and was an open-for-public report unless there was confidential information on such report, which might affect the Company's operations. Furthermore, JKR has also obtained the information on the legal status of the Company based on the articles of association of the Company.

JKR work related to the Transaction was not and could not be interpreted in any

form, a review or an audit or an implementation of certain procedures of financial information. The work was also not intended to reveal weaknesses in internal control, errors or irregularities in the financial statements or violation of law. In addition, JKR did not have the authority and was not in a position to obtain and analyze a form of other transactions that existed and might be available to the Company other than the Transaction and the effect of these transactions to the Transaction.

This Fairness Opinion was prepared based on the market and economic conditions, general business and financial conditions as well as government regulations related to the Transaction on the issuance date of this Fairness Opinion.

In preparing the Fairness Opinion, JKR applied several assumptions, such as the fulfillment of all conditions and obligations of the Company as well as all parties involved in the Transaction. The Transaction would be executed as described accordingly to a predetermined time period and the accuracy of the information regarding the Transaction which was disclosed by the Company's management.

The Fairness Opinion should be viewed as a whole and the use of partial analysis and information without considering other information and analysis as a whole may cause a misleading view and conclusion on the process underlying the Fairness Opinion. The preparation of the Fairness Opinion was a complicated process and might not be possible to perform through incomplete analysis.

JKR also assumed that from the issuance date of the Fairness Opinion until the execution date of the Transaction, there were no changes that could materially affect the assumptions used in the preparation of the Fairness Opinion. JKR is not responsible to reaffirm or to supplement or to update our opinion due to the changes in the assumptions and conditions as well as events occurring after the letter date. The calculation and analysis in the Fairness Opinion have been performed properly and JKR is responsible for the fairness opinion report.

The conclusion of the Fairness Opinion is applicable for no changes that might materially impact on the Transaction. Such changes include, but not limited to, the changes in conditions both internally on the Company and externally on the market and economic conditions, general conditions of business, trading and financial as well as government regulations of Indonesia and other relevant regulations after the issuance date of the fairness opinion report. Whenever after the issuance date of the fairness opinion report such changes occur, the Fairness Opinion on the Transaction might be different.

## 5. Approaches and Procedures of the Fairness Opinion

In evaluating the Fairness Opinion on the Transaction, JKR had performed analysis through the approaches and procedures of the Fairness Opinion on the Transaction as follows:

- I. Analysis of the Transaction;
- II. Qualitative and Quantitative analysis of the Transaction ; and
- III. Analysis of the Fairness on the Transaction.

## 6. Conclusion

Based on the scope of works, assumptions, data and information acquired from the Company's management which was used in the preparation of this fairness opinion report, a review of the financial impact on the Transaction as disclosed in the Fairness Opinion Report, therefore in JKR's opinion, the Transaction is **fair**.

## IV. INDEPENDENT PARTIES APPOINTED BY THE COMPANY

Independent party who involved in the Transaction and has been appointed by the Company is Public Appraiser Service Office Jennywati, Kusnanto & Rekan, independent appraiser registered in OJK appointed by the Company to provide the fairness opinion of the Transaction.

## V. ADDITIONAL INFORMATION

To the Company's shareholders who require information in further details regarding this Disclosure of Information, may contact us in every business day and hour of the Company at:

**Corporate Secretary,  
PT Surya Esa Perkasa Tbk.**

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