

On 8 August 2018, Company disclosed the information to the Financial Services Authority related to the Transaction (as defined below), as the compliance with Rule No. IX.E.2, Attachment to the Chairman of Capital Market and Financial Institution Supervisory Board Decree No. KEP-614/BL/2011 dated November 28, 2011 on Material Transactions and Amendments to the Main Business Activities (“**Regulation No. IX.E.2**”).

The following are the information disclosed:

## **DISCLOSURE OF INFORMATION TO SHAREHOLDERS**

THIS DISCLOSURE INFORMATION IS MADE IN ORDER TO COMPLY WITH RULE NUMBER IX.E.2 CONCERNING MATERIAL TRANSACTIONS AND AMENDMENTS TO MAIN BUSINESS ACTIVITIES, ATTACHMENT TO THE CHAIRMAN'S DECREE OF BAPEPAM-LK NO. KEP-614 / BL / 2011 DATED NOVEMBER 28, 2011 ("REGULATION NO.IX.E.2").

INFORMATION AS STATED IN DISCLOSURE INFORMATION IS IMPORTANT TO BE READ AND NOTICED BY SHAREHOLDERS OF PT UNITED TRACTORS Tbk ("Company").

IF YOU HAVE DIFFICULTY IN UNDERSTANDING THE INFORMATION AS STATED IN THIS DISCLOSURE INFORMATION, YOU SHOULD CONSULT WITH SECURITIES BROKERS, INVESTMENT MANAGERS, LEGAL ADVISORS, PUBLIC ACCOUNTANTS OR OTHER PROFESSIONAL ADVISORS.

THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS OF THE COMPANY, EITHER INDIVIDUALLY OR JOINTLY, ARE FULLY RESPONSIBLE FOR THE TRUTH AND COMPLETENESS OF THIS INFORMATION AND AFFIRM THAT THE INFORMATION DISCLOSED IN THE DISCLOSURE INFORMATION IS TRUE AND NO MATERIAL INFORMATION WHICH IS NOT DISCLOSED CAUSING INFORMATION IN THIS DISCLOSURE IS NOT TRUE AND / OR MISLEADING.

Unless otherwise stated in this Disclosure Information, terms printed in capital letters in this Disclosure Information will have the following meanings:

- |                                  |   |   |
|----------------------------------|---|---|
| Public Accountant                | : | Public Accountant Tanudiredja, Wibisana, Rintis & Rekan (member of PricewaterhouseCoopers firm) as independent auditor, who review the financial statement. |
| Securities Administration Bureau | : | The Company's Shareholders Register, namely PT  |

Raya Saham Registra.

- Jakarta Interbank Offered Rate : The Jakarta Interbank Offered Rate means the average of the interest rate indicative of unsecured loan offered and is intended to be transacted by contributor banks to other contributing banks to lend rupiah for certain tenors in Indonesia.
- Disclosure Information : The information as stated in this Disclosure Information which is carried out in order to fulfill the provisions of Regulation No. IX.E.2.
- London Interbank Offered Rate : The London Interbank Offered Rate means the interest rate on loan denominated in US Dollars displayed on the Reuters monitor system page LIBOR01 or other pages that replace it at 11.00 London time for deposits in US Dollars of the same amount, on 2 (two) days employment (in London) before the first day of the period for a period equal to or equal to the interest period and for the value on the first working day of the loan interest period.
- Financial Services Authority : Financial Service Authority of Indonesia
- Pama : PT Pamapersada Nusantara, a limited liability company domiciled in Indonesia where all of its shares are owned directly or indirectly by PT United Tractors Tbk.
- Buyer : PT Danusa Tambang Nusantara, a limited liability company domiciled in Indonesia where all of its shares are owned either directly or indirectly by PT United Tractors Tbk.
- Seller : Agincourt Resources (Singapore) Pte. Ltd., a limited liability company established under state law and domiciled in Singapore.
- Acquisition : Purchase of Shares in the Target Company.
- Independent Appraiser : Public Appraisal Services Office Firman, Suryantoro, Sugeng, Suzy, Hartomo and Partners who have obtained business licenses from the Ministry of Finance No. 2.09.0074 dated 8 December 2009 and has been registered as a capital market supporting profession with a Registered Letter S-865/BL/2010 dated 29 January 2010, which is appointed by the Company to conduct an assessment of the Transaction based on Letter of Bid No. 049/SBS-SP/FAST-A/V/18 dated 22 May

	2018.
Acquisition Agreement	: Shares Acquisition Agreement between Buyer and Seller, on 8 August 2018.
Target Company	: PT Agincourt Resources, a limited liability company whose shares are owned by: a) Seller in the amount of 4,750,000 series A shares and 76,000,000 series B shares; and b) PT Artha Nugraha Agung in the amount of 250,000 series A shares and 4,000,000 series B shares.
Rupiah	: Indonesian official currency
Series A Shares	: Target Company's share in the amount of Rp2,423 per share.
Series B Shares	: Target Company's share in the amount of Rp8,500 per share.
Shares	: 4,750,000 Series A Shares and 76,000,000 Series B Shares owned by the Seller which represent the 95% of total shares in the Target Company.
Singapore Dollar	: Singapore Dollar which is the official currency of the Republic of Singapore
Transaction	: (i) Acquisition of Shares in the Target Company by the Buyer and (ii) a plan of granting loan by the Company and Pama to the Target Company in the amount of USD325,000,000 or equal to certain amount in Rupiah in the agreed exchange rate by the Company, PAMA and the Target Company (" <b>Loan</b> ").
Material Transaction	: Transaction as defined in Regulation No. IX.E.2.
United States Dollar	: United States Dollar which is the official currency of the United States.

## **PRELIMINARY**

Information as stated in this Disclosure Information is made in order to fulfill the Company's obligation to announce Disclosure Information on Transactions.

Through this Disclosure Information, the Company informs that the Company through its subsidiary, PT Danusa Tambang Nusantara as Buyer, has entered into an Acquisition Agreement whereby pursuant to the Acquisition Agreement, the Buyer has bound itself to purchase the Shares owned by the Seller in the Target Company subject to the fulfillment of conditional

precedents as stipulated in the Acquisition Agreement. Besides, the Company and PAMA plan to provide Loans to the Target Company.

Value of (i) transaction of Acquisition of the Target Company is in the amount of USD917,900,561 calculated based on the enterprise value of the Target Company being USD1,210,000,000 and (ii) Loan (the implementation of which shall be under the terms and conditions of the Acquisition Agreement) to be provided in the maximum of USD325,000,000 or equal to certain amount in Rupiah in agreed exchange rate between the parties. The Acquisition Shares value of the Target Company may still change due to the adjustment of the Target Company's financial position on the Transaction completion date. If there is a change in material information on the Acquisition including changes in the value of the Acquisition we will inform you subject to the provisions of the applicable laws and regulations.

According to the Regulation No. IX.E.2, a transaction conducted by the Company with a value of 20% to 50% of the Company's equity is a Material Transaction that requires a disclosure of information to public, but it does not require an approval of the Company's shareholders.

The Equity of the Company according to the financial statements of the Company at 31 March 2018 ("**Financial Statement**") audited by the Public Accountant as stipulated in their report dated 31 July 2018 (rendering fair opinion in all material respects) is USD3,696,293,181 or equal to Rp50,846,209 millions.

The value of the Transaction above based on the Financial Statement is 32.76% of the Company's equity. Therefore, the Transaction is recognized as the Material Transaction which does not require an approval from the Company's shareholders.

## **DESCRIPTION OF THE TRANSACTION**

### **1. Reasons and Background**

The Company, a legal entity established under the laws of the Republic of Indonesia, is a public company and all of its shares are listed on the Indonesia Stock Exchange ("**IDX**").

Through the Company's subsidiary, Pama, the Company strives to realize its goal of becoming a world-class mining and energy company that has operational excellence and reliable services and to support Indonesia's national welfare. Pama has broad competence and a through understanding of mine development and operations including exploration, planning, infrastructure development, sustainable mining operations, transportation logistics and marketing

To anticipate price fluctuations that can affect future thermal coal demand and to produce sustainable growth over the long term, the Company diversifies its business by expanding its business portfolio to other mineral fields, including gold and coking coal. The company then established a subsidiary, namely Buyer in 2015 specifically intended to conduct gold mining business. In March 2015, the Company through Pama acquired

75.5% of the shares of the Indonesian gold mining company, PT Sumbawa Jutaraya. The share ownership was then increased to a total of 80% in September 2015.

In the future, the Company targets to have a more balanced business portfolio and reduce dependence on the thermal coal mining industry. This Acquisition (which is part of the Transaction) provides an opportunity for the Company to obtain a scale of gold mining assets that have great potential and is directly relevant to the Company's strategy to diversify its business portfolio.

## **2. Transaction Objectives and Benefits**

The Transaction is intended to developing the Company's business in the gold mining sector and become a way for the Company to realize its goal of becoming a world-class mining company through its subsidiaries.

Benefits that can be obtained by the Company from the execution of the Transaction are as follows:

- a. increase new opportunities to develop the Company's business units through gold mining.
- b. potentially increase profits from the mining business unit business, namely the gold mine.
- c. increase the Company's investment portfolio.

## **3. Nature of Transaction**

The value of the Transaction consist of:

- (a) Acquisition of Shares in the Target Company by the Buyer in the amount of USD917,900,561;
- (b) A plan of granting of the Loan by the Company and Pama to the Target Company (the implementation of which shall be under the terms and conditions of the Acquisition agreement) in the maximum amount of USD325,000,000 or equal to certain amount in Rupiah in the agreed exchange rate by the Parties.

The Acquisition Shares value of the Target Company may still change due to the adjustment of the Target Company's financial position on the Transaction completion date. If there is a change in material information on the Acquisition including changes in the value of the Acquisition we will inform you subject to the provisions of the applicable laws and regulations.

## **4. Object and Value of the Transaction**

### **(a) Transaction of Conditional Shares Acquisition based on the Acquisition Agreement**

The important provisions in the Acquisition Agreement dated 8 August 2018 are as follows:

Parties:

- a. Agincourt Resources (Singapore) Pte.Ltd as Seller; and
- b. PT Danusa Tambang Nusantara as a Buyer.

Value and Object:

USD917,900,561 for the Acquisition of the Target Company.

Conditions Precedent:

The completion of the Acquisition Agreement depends on the fulfillment of all preliminary conditions. The following are preliminary conditions that must be fulfilled:

- (a) The Seller has submitted an offer on the same date as the invitation of the general meeting of shareholders ("GMS") as referred to in letter (b) (i) to PT Artha Nugraha Agung ("PTANA") in accordance with Article 7 of the Target Company Articles of Association and Article 58 of the Limited Liability Company Law ("UUPT"), and:
  - (i) the offer gets a written refusal from PTANA; or
  - (ii) PTANA does not provide any response after a 45 days period as determined by Article 7 of the Target Company Articles of Association, which proves PTANA's refusal of the offer.
- (b) The Target Company has:
  - (i) no later than 2 working days after the signature date of the Acquisition Agreement, submitted an invitation by registered mail for the GMS to be held no later than 20 days after the date of invitation; and
  - (ii) hold a preliminary GMS ("Preliminary GMS"), no later than 20 days after the invitation is sent (but not including the date of the meeting), which in principle approves or authorizes, on the following matters:
    - a. amendment to article 2 of the Target Company Articles of Association in connection with the change in the status of the Target Company into a domestic investment company;
    - b. transfer of Shares to Buyer;
    - c. appointment of board of directors and board of commissioners nominated by the Buyer in accordance with the provisions in the Acquisition Agreement where the amendment is effective on the date of Transaction settlement; and
  - (iii) Signed a Loan Agreement 30 days from the signing of the Acquisition Agreement.

(c) The Target Company has:

- (i) no later than 30 days before the invitation for the second GMS, made an announcement in the newspaper with the national circulation in the Republic of Indonesia, in connection with the planned takeover of Shares in accordance with Article 127 of the Company Law and the waiting period of 30 days from the date of announcement has expired and :
  - a. no objections from Target Company creditors; and
  - b. if there is an objection from the Target Company creditor, the objection has been resolved by or on behalf of the Target Company;
- (ii) no later than 30 days before the invitation of the second GMS, announced to the Target Company employees in accordance with Article 127 paragraph (2) and (8) of the Company Law;
- (iii) no later than 20 days before the second GMS (after 30 days from the announcement in letter (c) (i) and (ii) implemented), sent an invitation to the second GMS through registered mail; and
- (iv) conducted the second GMS 20 days after the invitation as referred to in letter (c) (iii) is sent (but not including the date of the meeting), with an agenda to formally approve / restate the matters referred to in letter (b) (ii) (a) - (d).

(d) Target Company obtains an approval from the Ministry of Energy and Mineral Resources to make effective:

- (i) changes in shareholders and composition of shareholders from Target Company that reflect the buyer's share participation in the Target Company; and amendments to Article 2 of the Target Company's Articles of Association to change their status to domestic investment companies; and
- (ii) changes in the Board of Directors and Board of Commissioners of the Target Company submitted by the Buyer, where the changes must be effective on the date of Transaction settlement;

Termination:

The agreement expires if:

- a. Preliminary requirements cannot be met up to a period of no later than 4 (four) months with an extension of time of a maximum 2 (two) months from the date of the Acquisition Agreement or other dates agreed by the parties and preliminary requirements not yet met are not waived by the Buyer.
- b. The Buyer does not pay a deposit 5 working days after the date of signing the Acquisition Agreement.

Applicable law:

English Law.

Dispute resolution:

Singapore International Arbitration Centre.

**(b) Transaction of the Providing Loan Plan**

As a part of the Transaction, the Company and Pama plan to provide the Loan to the Target Company (whereas the implementation of which shall be under the terms and conditions of the Acquisition Agreement) at the time or after the Transaction is completed.

The Company, Pama and the Target Company have agreed several important provisions that will bind the parties as stipulated in the final draft of loan agreement. The Parties agrees that the signing of the loan agreement will occur within 30 days from the signing date of the Acquisition Agreement.

The following are some important provisions that have been agreed upon by the parties that will be stated in a loan agreement:

Parties:

- a. Target Company as a recipient of a loan; and
- b. The Company and Pama as lenders (proportional as their ownership on the Buyer).

Value and Object:

The Loan plan is maximum in the amount of USD 325,000,000 or equal to certain amount in Rupiah in the agreed exchange rate between the parties.

Conditions precedent:

The parties agree that the disbursement of the Loan can be done after the completion of the condition precedents, as follows:

- a. Completion of the Acquisition has been completed according to the Acquisition Agreement;
- b. The Target Company has obtained the shareholders approval as stipulated in its Articles of Association.
- c. The Company and Pama has received the corporate approval as stipulated in their Articles of Association.

Interest:

- a. JIBOR + 2%, if the Loan provided in Rupiah; or
- b. LIBOR + 2%, if the Loan provided in USD.

Due date:

60 months since the date of disbursement of the Loan.

Collateral:

No collateral.

Limitation:

No limitation.

Termination:

This agreement will automatically early terminate without any conditions to do further action from the parties in the event the Acquisition Transaction could not be settled which causes termination of the Acquisition Agreement.

Applicable law:

Indonesian Law.

Dispute resolution:

East Jakarta District Court.

**5. Impact of the Transaction to the Financial Condition of the Company**

**PT UNITED TRACTORS TBK AND SUBSIDIARIES**  
**PROFORMA CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**PROFORMA DATED MARCH 31, 2018**  
(in millions of IDR, unless otherwise stated)

Description	Before Transaction	After Transaction
<b>FINANCIAL REPORT</b>		
<b>ASSET</b>		
Current Assets		
Cash and cash equivalents	18.422.649	2.263.755
Other current assets	32.802.263	34.110.594
<b>Total Current Assets</b>	<b>51.224.912</b>	<b>36.374.349</b>
Total Non Current Assets	32.779.450	52.286.467
<b>TOTAL ASSETS</b>	<b>84.004.362</b>	<b>88.660.816</b>
<b>LIABILITIES AND EQUITY</b>		
Current Liability	26.823.136	27.483.663
Non Current Liability	6.335.017	9.666.384
<b>Total Liabilities</b>	<b>33.158.153</b>	<b>37.150.047</b>
<b>Total Equity</b>	<b>50.846.209</b>	<b>51.510.769</b>
<b>TOTAL LIABILITY ADN EQUITY</b>	<b>84.004.362</b>	<b>88.660.816</b>

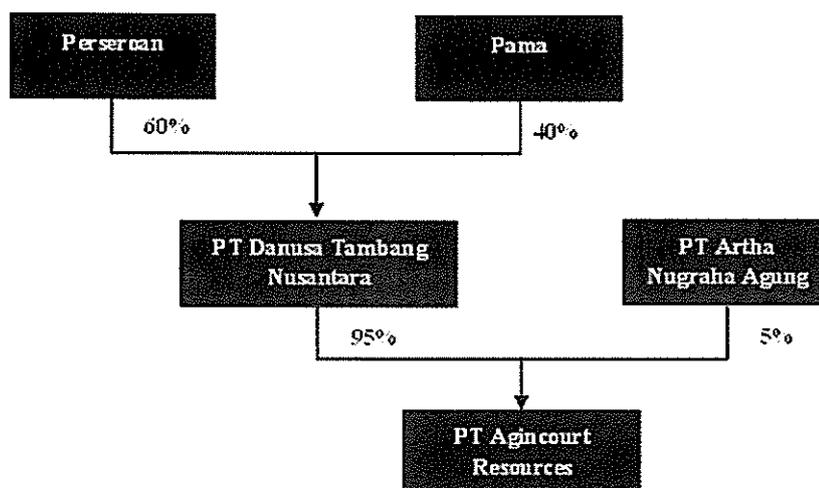
The table below shows the important ratio(s) of the Company which has changed after the Transaction:

Description	Before Transaction	After Transaction
Current Ratio	1.91	1.32
Quick Ratio	1.63	1.03
Debt to Asset Ratio	0.06	0.05
Debt to Equity Ratio	0.09	0.09

## 6. Affiliated Relationship

When this Transaction is carried out and signing of the Loan agreement will be conducted 30 days after the signing date of the Acquisition Agreement, the Board of Directors and the Board of Commissioners of the Company, either individually or jointly declare that there is no an affiliated transaction and the Transaction does not contain any conflict of interest as referred to in Regulation No. IX.E.1 concerning Affiliated Transactions and Transaction Conflict of Interest, Attachment to the Decree of the Chairman of Bapepam-LK No. Kep-412 / BL / 2009 dated November 25, 2009 ("**Regulation No. IX.E.1**").

However when the Loan is disbursed or withdrawn, part of the Transaction which is granting of the Loan will be defined as an affiliated transaction (but not a conflict of interest between the parties), which is shown, as follows:



## 7. Explanation, Consideration and Reason for the Transaction compared to other Transactions that are Similar to Unaffiliated Parties

The Company agrees to provide the Loan to the Target Company for the refinancing loan of the Target Company. The Company will be more profitable if the Target Company obtains this Loan from the Company compared to the Company holds its cash funds in the bank at the current bank deposit rate.

### INDEPENDENT PARTIES APPOINTED IN TRANSACTION

The independent party appointed by the Company in the execution of the Transaction are as follows:

- (a) Public Accountant Tanudiredja, Wibisana, Rintis and Partners who audited the Financial Statement; and

Unofficial English Translation of Disclosure dated 8 August 2018 related to Sale and Purchase of Share in PT Agincourt Resources

- (b) Public Appraisal Services Office Firman, Suryantoro, Sugeng, Suzy, Hartomo and Partners as independent appraisal who appraise and provide an opinion for the Transaction.