

Amendment and/or Additional Information To The Disclosure of Information To The Shareholder Concerning Proposed Increase of Capital Without Pre-emptive Rights (“Disclosure of Information”)

THIS SHAREHOLDERS INFORMATION IS IMPORTANT TO BE PRESENTED FOR THE SHAREHOLDERS OF PT APEXINDO PRATAMA DUTA TBK (“COMPANY”)

If you experience difficulty in understanding the information as contained herein, or hesitant in making a decision, you should consult with a stock broker, investment manager, legal counsel, public accountant or other professional advisor.



PT Apexindo Pratama Duta Tbk

MAIN BUSINESS ACTIVITIES:

Engaged in oil mining business, gas and geothermal both on the land and in sea and land waters, including *cementing, logging, drilling and wireline* as well as general mining such as in the field of coal, mineral and etc.

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INFORMATION TO THE SHAREHOLDERS RELATING TO THE PROPOSED ISSUANCE OF MANDATORY CONVERTIBLE BONDS AND THE IMPLEMENTATION OF INCREASE OF CAPITAL WITHOUT PRE-EMPTIVE RIGHTS

In connection with the provisions stipulated under the Financial Services Authority Regulation Number 32/POJK.04/2015 concerning Increased Capital of a Public Company With Pre-emptive Rights as amended under Financial Services Authority Regulation No. 14/POJK.04/2019 concerning Amendment to Rule No. 32/POJK.04/2015 on Increase of Capital of Public Companies With Preemptive Rights. (“**POJK No. 14**”), the Company plans to issue MCB (as defined below) which will be converted with the Company’s New Shares through the mechanism of Capital Increase without Pre-emptive Rights (“**Increase of Capital**”) in order to improve its financial position.

Total of New Shares which will be issued by the Company from issued and paid-in capital in the Company after the Proposed Transaction (as defined below) with a maximum of 886,616,666 ordinary shares for Tranche 1 dan 109.684.536 ordinary shares for Tranche 2, with the conversion price IDR 1.846,63 or more per shares for Tranche 1 and IDR 9.195,29 or more per shares for Tranche 2. In connection with the Proposed Transaction, the Company intends to seek the approval of the shareholders in the Extraordinary General Meeting of Shareholders (“**EGMS**”) to be held on 21st of February 2020.

Based on the provisions under the Company’s Articles of Association and the laws and regulations applicable to the Company, there are no corporate approval other than the approval of the GMS to approve the Increase of Capital and other than notification to the Minister of Law and Human Rights of the Republic of Indonesia as required under Law No. 40 of 2007 concerning Limited Liability Companies and notification obligations to the Indonesia Stock Exchange and OJK as required under the capital market regulations, there are no licensing obligations or approvals or notices in the context of Increase of Capital from or to the authorized Government agencies.

The Company’s Board of Commissioners and Board of Directors, both individually and jointly, are fully responsible for the completeness and accuracy of the whole information or material facts contained herein and emphasize that the information stated herein is correct and that no unstated material facts can cause the material information herein to be untrue or misleading.

The Company is not involved in a lawsuit and/or material case either inside the Court or other disputes outside the Court related to the implementation of the proposed Increase of Capital involving the Company.

This Disclosure of Information is issued on 17th of February 2020

DEFINITIONS AND ABBREVIATIONS

The terms used in this Disclosure of Information shall have the following meanings, as follows:

Indonesia Stock Exchange (IDX)	: PT Bursa Efek Indonesia.
DPS	: Shareholder Register.
Trading Day	: Day on which the Stock Exchange conducts stock exchange activities.
HMETD	: Pre-emptive Rights.
KSEI	: PT Kustodian Sentral Efek, domiciled in Jakarta, which is a Central Securities Depository in accordance with the Capital Markets Law.
Foreign Syndicated Creditor	: <ol style="list-style-type: none"> 1. Raiffeisen Bank International AG, cabang Singapura ("RBI"); 2. Pathfinder Strategic Credit II LP ("Pathfinder"); 3. ACP I Trading LLC ("ACP"); 4. HSBC Bank PLC ("HSBC PLC"); 5. Intesa Sanpaolo S.p.A cabang Hong Kong ("Intesa"); 6. The Hongkong and Shanghai Banking Corporation Limited ("HSBC LTD") including and in any case, substitute and recipient of the assignment or transfer of their claims based on a Settlement Agreement which homologized under Article 2.2 of the Settlement Agreement.
QNB Creditor	: PT Bank QNB Kesawan Tbk and its substitutes and recipients the assignment or legal recipients of the transfer.
MCB Creditor	: Foreign Syndicated Creditor and QNB Creditor
Public	: Shareholders of the Company of which the shares ownership is less than 5%.
MOLHR	: Ministry of Law and Human Rights of the Republic of Indonesia.
OJK	: Financial Services Authority (formerly Badan Pengawas Pasar Modal dan Lembaga Keuangan/Bapepam-LK).
MCB	: Mandatory Convertible Bonds with no interest, which consist of MCB Tranche 1 and MCB Tranche 2 (as defined below) issued and converted in accordance with the provisions under the Settlement Agreement.
MCB Tranche 1	: MCB with a value of USD115,000,000 which is valued at IDR1,637,255,000,000 ordinary shares, shall be converted within 5 years after the Homologation Date or when the closing price of the Company's shares on the IDX is at the level of IDR1,846.63.
MCB Tranche 2	: MCB with a value of USD70,842,285.52 which is valued at IDR1,008,581,618,948 ordinary shares, shall be converted within 30 years after the Homologation Date or when the closing price of the Company's shares on the IDX is at the level of IDR9,195.29.
Commercial Court	: Commercial Court at the Central Jakarta District Court.
Rule I-A	: Decree of The Board of Directors of PT Bursa Efek Indonesia Number: Kep-00183/BEI/12-2018 dated 26th of December 2018 concerning Listing of Shares (Stock) and Equity-Type Securities Other Than Stock Issued by the Listed Company.
Settlement Agreement	: Settlement Agreement dated 13th of May 2019 as stated in the Decision No. 55/Pdt.Sus-PKPU/2019/PN.Niaga.Jkt.Pst dated 16th of May 2019.
Company	: PT Apexindo Pratama Duta Tbk.

Syndicated Loan	: The USD400,000,000 Term Facility Agreement and the USD45,000,000 Bank Guarantee Facility dated 28th of October 2013 (as amended from time to time, which was last amended and restated on 28th of October 2016) made by, inter alia, the Company as the borrower and syndicated lenders which at the time of this Disclosure of Information was issued had a residual value (outstanding amount) of USD129,821,876.35.
Increase of Capital	: Increase of Capital Without Pre-emptive Rights.
POJK No.14	: OJK Regulation No. 14/POJK.04/2019 concerning Amendment to Rule No. 32/POJK.04/2015 (POJK 32/2015) on Increase of Capital of Public Companies With Preemptive Rights dated 29th of April 2019.
PT	: Perseroan Terbatas/Listed Company.
Composition Plan	: Composition plan that has been composed and prepared by the Company with all its creditors and has been approved based on a vote by all of Company's creditors who are entitled to the creditors' meeting held at the Commercial Court at the Central Jakarta District Court on 13th of May 2019.
Proposed Transaction	: Issuance of MCB as a form of settlement of Debt to be converted into New Shares of up to 886,616,666 ordinary shares for MCB Tranche 1 and profusely 109,684,536 common shares for MCB Tranche 2 through the Increase of Capital mechanism (after MCB conversion) in accordance with the provisions of MCB to improve financial position by taking into account provision under POJK No.14.
Rupiah or IDR	: Rupiah, official currency of the Republic of Indonesia.
GMS	: General Meeting of Shareholders.
EGMS	: The Extraordinary General Meeting of Shareholders.
New Shares	: A total of 886,616,666 ordinary shares for MCB Tranche 1 and 109,684,536 ordinary shares for MCB Tranche 2 will be issued in accordance with the provisions under the transaction documents related to MCB issuance and in line with POJK Regulation No. 14.
Homologation Date	: 16th of May 2019.
MCB Conversion Date	: The date on which the MCB is converted into New Shares.
Bankruptcy Law	: Law No. 37 of 2004 regarding Bankruptcy and Suspension of Debt Payment Obligation.
Capital Markets Law	: Law No. 8 of 1995 regarding Capital Markets.
US\$ or USD	: United States Dollar, the official currency of the United States.
Debt	: Total debt of the Company against (a) Foreign Syndicated Creditor and (b) QNB Creditor, in the amount of MCB Tranche 1 and MCB Tranche 2 under the USD currency.
QNB Debt	: The Company's debt of USD 12,900,000 to QNB Creditor, arising from the facility agreement of USD15,000,000 dated 11th of June 2014 by and between QNB and the Company.

PREFACE

This Disclosure of Information is made for the benefit of the Company's shareholders so that shareholders get complete information about the Proposed Transaction.

The Settlement Agreement regulates about the terms of the restructuring, settlement and repayment of the Company's debt to its creditors, including the MCB Creditor as the issuance of MCB is a form of settlement of the Company's Debt.

Based on the foregoing, the Company plans to issue MCB which will be converted with the Company's New Shares through the Increase of Capital mechanism in order to improve its financial position by taking into account POJK No. 14.

The issuance of MCB and New Shares is carried out with the aim of paying off debts to unaffiliated lenders namely Foreign Syndicated Creditor arising from Syndicated Loan and QNB Creditor arising from QNB Debt. Previously, the Company obtained a Syndicated Loan and QNB Debt and all funds obtained from the two loans were used by the Company for the Company's daily business activities.

With the issuance of MCB and New Shares through the Increase of Capital mechanism, the Company hopes that this step can improve the Company's financial position, where the Company will have a healthier debt ratio, a reduced financial burden and stronger cash flow in the future.

Regarding the Proposed Transaction, the Company plans to seek shareholder approval at the Extraordinary General Meeting of Shareholders on 21st of February 2020.

In its implementation, the Company will fulfill all provisions under POJK No. 14 and listing regulations from the Stock Exchange and other applicable laws and regulations.

Based on POJK No. 14, the Company is excluded from Pre-emptive Rights ("**Pre-emptive Rights**") in the issuance of shares/or equity securities to shareholders, provided that: (i) improvements in financial position; or (ii) in addition to improving financial position; or (iii) issuance of bonus shares which is share dividend as a result of retained earnings which are capitalized into capital; and/or is not a share dividend as a result of share capital or other elements of equity which are capitalized into capital. Furthermore, if the capital increase is made to improve the financial position of the Company which experiences one of the following conditions: (a) Public Company is a banks that receive loans from Bank Indonesia or other government institutions that total more than 100% (one hundred percent) of paid up capital or other conditions may result in bank restructuring by the authorized agency; (b) a publicly listed company other than a bank that has negative net working capital and has an obligation exceeding 80% (eighty percent) of the assets of the publicly listed company at the time the GMS approves Increase of Capital; or (c) a publicly listed company that is unable to meet financial obligations when due to an unaffiliated lender as long as the unaffiliated lender agrees to accept shares or convertible bonds of the public company to settle such loan.

As stated at the beginning of this section, the Company has been bound to a Settlement Agreement that arose and was created as a result of the Suspension of Debt Payment Obligation ("**PKPU**") that the Company had been through. The PKPU arises because the Company was unable to fulfill its financial obligations (in US Dollars) to several of its creditors and therefore showed that the Company's financial position was not in good condition. Based on the Settlement Agreement, MCB Creditor have agreed that the Debt will be settled through the issuance of MCB and New Shares. Therefore, the issuance of New Shares and/or MCB of the Company is carried out by referring to item (c) paragraph above.

COMPANY'S INFORMATION

Brief History

The Company was established and named PT Apexindo Pratama Duta based on the Deed No. 115 dated 20th of June 1984 made before Imas Fatimah, S.H., Notary in Jakarta, with the approval of the Minister of Justice of the Republic of Indonesia with its Decree Letter No. C2-6791 HT.01.01.Th.84 dated 28th of November 1984, which has been registered at Central Jakarta District Court Registrar's Office with its register No. 86/1985 dated 4th of February 1985 and announced in the State Gazette of Republic of Indonesia No. 196 dated 14th of January 1997, Additional No. 4.

The Company's articles of association have been amended several times, most recently with Deed of Statement of Resolution No. 18 dated 4th of July 2017 made before Ardi Kristiar, SH, MBA, substitute Notary of Yulia, S.H., Notary in South Jakarta, which has been notified and accepted by the MOLHR under the Acceptance Letter of Amendment of Articles of Association No. AHU-AH.01.03-0152047 dated 12th of July 2017 and No. AHU-AH.01.01.0152048 dated 12th of 2017.

Business Activities

According to Article 3 Company's Article of Association, main business activities of the Company is oil mining business, gas and geothermal both on the land and in sea and land waters, including *cementing, logging, drilling, and wireline* as well as general mining such as in the field of coal, mineral and etc. The head office of the Company is at Office 8 Building, 20 – 21 Floor, SCBD Lot. 28, Jl. Jend. Sudirman Kav. 52-53, Kebayoran Baru, Jakarta Selatan 12190. Company started its commercial operation since 1984.

Company's Capital Structure and Shareholding Composition

Pursuant to the Company's shareholders register dated 31st of December 2019, the capital structure and shareholding composition of the Company is as follows:

Remarks	Nominal Value IDR 500 per Shares		
	Number of Shares	Nominal Value (IDR)	%
Authorized Capital	6.000.000.000	3.000.000.000.000	
Shareholders:			
1. Aserra Capital, PT	1.781.961.715	890.980.857.500	66,99
2. CDH Archer Limited	132.992.500	66.496.250.000	5,00
3. CDH Bowman Limited	132.992.500	66.496.250.000	5,00
4. PT Trimegah Sekuritas Indonesia, Tbk	185.781.393	92.890.696.500	6,98
5. Eka Dharmajanto Kasih	28.551.560	14.275.780.000	1,07
6. Erwin Sutanto	24.876	12.438.000	0,00
7. Public	397.545.456	198.772.728.000	14,95
Issued and Paid-in Capital	2.659.850.000	1.329.925.000.000	100,00

Board of Commissioners and Board of Directors

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

Board of Commissioners

President Commissioner : Irawan Sastrotanojo
 Commissioner : Eka Dharmajanto Kasih
 Independent Commissioner : Robinson P Simbolon

Board of Directors

President Director : Zainal Abidinsyah Siregar
 Vice President Director : Erwin Sutanto
 Director and Independent Director : Donald Kent Wood

Director : Mahar Atanta Sembiring

INFORMATION REGARDING PROPOSED TRANSACTION

The following is a description of the Proposed Transaction to be carried out by the Company in connection with the implementation of the Proposed Transaction:

1. Background, Rationale and Objective of the Proposed Transaction

Background

The Company was declared in a PKPU based on Decision No.55/Pdt.sus-PKPU/2019/PN.Niaga.Jkt.Pst dated 2nd of April 2019 ("**Temporary PKPU Decision**"). In connection with the PKPU process and the Temporary PKPU Decision, the Company submits a Composition Plan to all of its creditors, where one of the provisions in the Composition Plan is the issuance of the Mandatory Convertible Bonds (MCB) which can be converted into New Shares as a form of settlement of partial debt repayment to several creditors of the Company, in this case is the MCB Creditor. The Settlement Agreement was finally approved on 13th of May 2019 by 98,57 concurrent creditor of the Company and 100% separatist creditor, and thus, such voting has fulfilled provision under the Bankruptcy Law, and then the Composition Plan was transformed into a Settlement Agreement. The Settlement Agreement then received a Homologation from the Commercial Court at the Central Jakarta District Court on 16th of May 2019 based on Decision No.55/Pdt.sus-PKPU/2019/PN.Niaga.Jkt dated 16th of May 2019 and since then it is binding on the Company and all of its creditors.

Rationale and Objective of the Proposed Transaction

The Settlement Agreement stipulates that Company's debt to the MCB Creditor will be settled by way of the issuance of New Shares with the Increase of Capital mechanism through the issuance of MCB at a conversion price following the implementation price as specified in the Settlement Agreement and therefore the Proposed Transaction is a form of implementation of the provisions under the Settlement Agreement. Based on the foregoing and the Company's good faith to abide by the Settlement Agreement and settle its obligations as a debtor to all its creditors, in this case the MCB Creditor Debt settlement, the Company intends to issue MCB which will consist of MCB Tranche 1 and MCB Tranche 2.

Based on the foregoing, the Proposed Transaction is only intended for MCB Creditor and hence only these creditors will participate in the Proposed Transaction. Meanwhile, the Company's debts to other creditors will be settled in accordance with the procedures and mechanism specified under the Settlement Agreement. MCB Creditor as the Company's creditors are parties who are not affiliated to the Company.

Plan on the Use of Proceeds

The results of the implementation of Increase of Capital will be used to settle the Company's Debt to the MCB Creditor.

Following is an overview of the Company's financial data as per 31st March 2019

PT Apexindo Pratama Duta Tbk and its Subsidiaries
Interim Consolidated Statements Of Financial Position
31st of March 2019 dan 2018 (unaudited)
Expressed in United States Dollars

DESCRIPTIONS	March 31, 2019	March 31, 2018
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	13,333,432	8,151,484
Trade receivables from third parties	14,057,340	23,055,996

Restricted cash in banks	5,590,476	5,415,254
Other receivables	291,560	301,274
Inventories	27,431,619	28,859,066
Prepaid taxes	7,751,843	12,086,162
Prepaid expenses	461,470	661,035
Total Current Assets	68,917,740	78,530,271
Non-Current Assets		
Restricted cash in banks	-	82,182
Property and equipment	434,008,746	492,416,726
Advances for purchase of property and equipment	792,839	2,568,776
Prepaid expenses	1,359,382	-
Other assets	1,593,550	1,099,823
Total Non-Current Assets	437,754,517	496,167,507
Total Assets	506,672,257	574,697,778
<u>Liabilities and Capital Deficiency</u>		
-		
Liabilities		
Current Liabilities		
Trade payables to third parties	13,608,888	21,460,240
Other payables to third parties	207,600	387,568
Taxes payable	782,928	1,419,915
Accrued expenses	58,257,086	32,049,224
Advance from customer	3,870,819	-
Payable to a related party	31,470,551	29,000,000
Current maturities of long-term bank loans	315,997,919	302,324,896
Total Current Liabilities	424,195,791	386,641,843
Non-Current Liabilities		
Deferred tax liabilities	38,167,471	42,928,978
Long-term liabilities - net of current maturities:		
Bank loans	-	12,526,799
Finance lease obligations	194,532,740	182,230,976
Payable to third parties	5,039,203	4,811,497
Accrued interest on bank loans	-	345,047
Employee benefits obligations	4,728,643	5,764,380
Total Non-current Liabilities	242,468,057	248,607,677
Total Liabilities	666,663,848	635,249,520
Capital Deficiency		
Capital stock	122,030,559	122,030,559
Additional paid-in capital	(141,970,272)	(141,970,272)
Other comprehensive income	(287,615)	(819,468)
Deficit		
Appropriated	24,406,111	24,406,111
Unappropriated	(164,170,374)	(64,198,672)
Total Capital Deficiency	(159,991,591)	(60,551,742)
Total Liabilities and Capital Deficiency	506,672,257	574,697,778

PT Apexindo Pratama Duta Tbk and its Subsidiaries
Interim Consolidated Statements Of Profit Or Loss And Other Comprehensive Income
For The Three-Month Periods Ended March 31, 2019 dan 2018 (unaudited)
Expressed in United States Dollars

DESCRIPTIONS	March 31, 2019 (Three Months)	March 31, 2018 (Three Months)
Revenues	21,739,101	19,009,379
Direct Costs	(19,870,999)	(21,581,702)
Gross Profit (loss)	1,868,102	(2,572,323)
Operating expenses	(4,024,934)	(3,322,623)
Finance costs	(11,005,770)	(10,550,973)
Gain on foreign exchange - net	797,134	187,754
Interest income	33,468	13,065
Others - net	496,685	(536,008)
Loss before tax	(11,835,315)	(16,781,108)
Income Tax benefit	2,111,315	3,224,875
Loss for Period	(9,724,000)	(13,556,233)
Other comprehensive income	-	-
Total comprehensive loss for period	(9,724,000)	(13,556,233)
Loss for the period attributable to:		
Owners of the Company	(9,724,000)	(13,556,233)
Non-controlling interests	-	-
Loss for the period	(9,724,000)	(13,556,233)
Total comprehensive loss for the period attributable to:		
Owners of the Company	(9,724,000)	(13,556,233)
Non-controlling interests	-	-
Total comprehensive loss for the period	(9,724,000)	(13,556,233)
Basic loss per share	(0.0037)	(0.0051)

RATIO	March 31, 2019	March 31, 2018
Profitability Ratio		
Ebitda Margin	11%	-17%
Gross Profit Margin	9%	-14%
Operating Margin	-10%	-31%
Return on Aset	-14%	-17%
Return on Equity	6%	22%
Solvency Ratio		

Interest Bearing Debts/Total Assets	1.1x	0.9x
Net Interest Bearing Debts/Equity	-3.3x	-8.6x
Total Liabilities/Total Equity	-4.2x	-10.5x
Total Liabilities/Total Assets	1.3x	1.1x

In connection with the Proposed Transaction above, the Company plans to seek shareholder approval at the EGMS on 21st of February 2020. As for the implementation of Increase of Capital, the Company will fulfill all provisions under POJK No. 14 and Rule I-A and other applicable laws and regulations.

2. Information of The Proposed Transaction

Issuance of MCB and New Shares

In accordance with the Settlement Agreement as outlined above, the Company will repay debts to the following creditors through the issuance of MCB and New Shares in the amount as stated in the table below.

Creditors (*)	Company's Debt (**)	Number of MCB Tranche 1	Number of MCB Tranche 2	Number of MCB Shares Tranche 1	Number of MCB Shares Tranche 2
RBI	25,064,099.34	15,509,771.68	9,554,327.65	119,575,844	14,792,888
Pathfinder	36,729,028.92	22,728,079.76	14,000,949.15	175,226,907	21,677,556
ACP	13,399,169.88	8,291,463.73	5,107,706.15	63,924,782	7,908,220
Intesa	18,798,074.50	11,632,328.76	7,165,745.74	89,681,883	11,094,666
HSBC PLC	22,557,689.32	13,958,794.57	8,598,894.76	107,618,260	13,313,599
HSBC LTD	56,394,223.63	34,896,986.42	21,497,237.22	269,045,650	33,283,998
QNB	12,899,999.92	7,982,575.08	4,917,424.85	61,543,340	7,613,609
Total	185,842,285.52	115,000,000.00	70,842,285.52	886,616,666	109,684,536

* Including and in each case, substitutes and recipients of transfer

** Total Debt of the Company which became MCB in USD

MCB Key Provisions

MCB will be issued in IDR denominations in two tranches, namely MCB Tranche 1 and MCB Tranche 2. MCB holders will not receive any interest. No security granted by the Company in relation to the issuance of MCB Tranche 1 and MCB Tranche 2 and MCB is transferable to other party before the due date. MCB Tranche 1 will be cleared through Euroclear Banking S.A./N.V or other system clearing and MCB Tranche 2 will be cleared through the Indonesian Clearing and Guarantee Corporation.

MCB Tranche 1

MCB Tranche 1 must be converted into New Shares when the first event occurs between: (a) the last working day of the month in which the closing price of the Company's shares listed on the Indonesia Stock Exchange is IDR1,846.63 or more per share; or (b) 5 years from the Homologation Date. The procedures for converting MCB to New Shares will be further stipulated in the MCB agreement.

In addition to the above provisions, MCB Tranche 1 holders may also choose to convert all or part of MCB Tranche 1 shares into shares on the voluntary conversion date on the date (i) 31st of March 2021, (ii) 31st of March 2022, (iii) 31st of March 2023 and (iv) 31st of March 2024 ("**Voluntary Conversion Date**"). On each Voluntary Conversion Date, the maximum number of shares of MCB Tranche 1 that can be converted from MCB Tranche 1 is as specified in the table below:

Voluntary Conversion Date	Limit of Cumulative Conversion of Number of Shares
31st of March 2021	177.323.333
31st of March 2022	354.646.666
31st of March 2023	531.970.000
31st of March 2024	709.293.333

MCB Tranche 2

MCB Tranche 2 must be converted into New Shares when the first event occurs between: (a) The last working day of a month where the closing price of the Company's shares listed on the Indonesia Stock Exchange is IDR9,195.29 or more per share; and (b) the thirtieth (30) anniversary from the Homologation Date. The procedures for converting MCB to New Shares will be further stipulated under the MCB agreement.

Transfer Limitation

Every MCB Tranche 1 holder must submit a notice not less than 14 days before transferring and/or leveraging the MCB, while any transfer or transfer of rights from MCB Tranche 2 is subject to approval from the Company.

3. Value and Price Implementation of Proposed Transaction

As the Proposed Transaction is implemented, the Company will issue MCB, which shall be converted into New Shares, consisting of:

a. MCB Tranche 1

MCB *Tranche 1* amounting to USD115,000,000 or equivalent to IDR1,637,225,000,000.00 must be converted to 886,616,666 New Shares fully paid in the Company representing 25% of the Company's total number of shares on a fully diluted basis (after taking into account the issuance effect of MCB shares) when the following event occurs, whichever occurs first:

- (i) The last working day of the month in which the closing price of the Company's shares listed on the Indonesia Stock Exchange is IDR1,846.63 or more per share; or
- (ii) 5 years from the Homologation Date.

b. MCB Tranche 2

MCB *Tranche 2* amounting to USD70,842,285.52 or equivalent to IDR1,008,581,618,948.00 must be converted into maximum of 109,684,536 shares of New Shares fully paid up in the Company. The conversion of MCB to become MCB *Tranche 2* shares can be carried out when:

- (i) The last working day of the month in which the closing price of the Company's shares listed on the Indonesia Stock Exchange is IDR9.195,29 or more per share; or
- (ii) The thirtieth birthday (30) from the Homologation Date

The exercise price above is determined based on the Settlement Agreement, will be carried out properly, does not violate the applicable provisions and is carried out without harming non-controlling shareholders and not major shareholders, in accordance with Rule I-A.

4. Proposed Transaction Implementation Period

The Proposed Transaction will be conducted immediately after obtaining approval at the Company's EGMS, or no later than early March 2020, and the implementation of which will be carried out through the Increase of Capital mechanism by taking into account the provisions under the MCB. The issuance of New Shares resulting from the implementation of MCB conversion will be carried out in accordance with the provisions under MCB issuance documents of which also taking into account applicable laws and regulations.

5. Impact Analysis on The Company's Financial Condition

The following is an analysis of the condition of the Company's Financial Statements for the period 31st of March 2019, before and after the Proposed Transaction based on the assumptions among others:

- Debt settled in the amount of USD185,842,285.52 or equivalent to IDR2,645,836,618,948.00;
- The exercise price of debt conversion is IDR1,846.63 or more per share for Tranche 1 and IDR9,195.29 or more per share for Tranche 2; and
- The total issuance of New Shares is 996.301.202 shares.

With the Proposed Transaction there is an improvement in the Company's equity. The Company's equity has increased from (USD 159,991,591) to USD 57,990,341. In addition, the total liabilities of the Company decreased from USD 666,663,848 to USD 444,945,132 or decreased by USD 221,718,716.

The decrease in debt accompanied by an increase in equity improved the Company's debt to asset ratio from before the Proposed Transaction, from 132% to 88% and increased the Company's current ratio from 16% to 107%.

The following is the Company's financial condition in the form of proforma and the ratio affected after this Proposed Transaction is carried out:

PT Apexindo Pratama Duta Tbk and its Subsidiaries
Interim Consolidated Statements Of Financial Position (Proforma)
31st of March 2019 (unaudited)
Expressed in United States Dollars

DESCRIPTIONS	March 31, 2019	March 31, 2019 (Proforma)
Assets		
Current Assets	68,917,740	65,180,956
Non-Current Assets	437,754,517	437,754,517
Total Assets	506,672,257	502,935,473
Liabilities and Equity (Capital Deficiency)		
-		
Liabilities		
Current Liabilities	424,195,791	61,051,225
Non-Current Liabilities	242,468,057	383,893,907
Total Liabilities	666,663,848	444,945,132
Equity (Capital Deficiency)		
Capital stock	122,030,559	122,030,559
Additional paid-in capital	(141,970,272)	43,872,015

Other comprehensive income	(287,615)	(287,614)
Deficit	(139,764,263)	(107,624,619)
Total Equity (Capital Deficiency)	(159,991,591)	57,990,341
Total Liabilities and Equity (Capital Deficiency)	506,672,257	502,935,473

RATIO	March 31, 2019	March 31, 2019 (Proforma)
Total Current Assets/Total Current Liabilities	16%	107%
Total Liabilities/Total Assets	132%	88%
Total Liabilities/Total Equity	-417%	767%

Separately, the Board of Commissioners and Directors of the Company based on the above analysis also revealed that the Proposed Transaction was not a transaction that contained a conflict of interest, because the Proposed Transaction as the result of the analysis above would actually improve the Company's financial condition and the Proposed Transaction is carried out with unaffiliated parties of the Company.

CAPITAL STRUCTURE

The following table is the Company's capital structure before and after the Proposed Transaction:

	Before Proposed Transaction (as of 31 March 2019)			After MCB conversion					
	Number of Shares	Nominal Value	%	Number of Share Tranche 1	Number of Share Tranche 1	Number of Shares	Nominal Value	% After MCB conversion Tranche 1	% After MCB conversion Tranche 1 & 2
Authorized Capital	6,000,000,000	3,000,000,000,000				6,000,000,000	3,000,000,000,000		
Total Authorized Capital	6,000,000,000	3,000,000,000,000				6,000,000,000	3,000,000,000,000		
Issued and Paid-in Capital:									
- PT Aserra Capital	1,967,743,108	983,871,554,000	73.98%	-	-	1,967,743,108	983,871,554,000	55.48%	53.82%
- CDH Archer Limited	132,992,500	66,496,250,000	5.00%	-	-	132,992,500	66,496,250,000	3.75%	3.64%
- CDH Bowman Limited	132,992,500	66,496,250,000	5.00%	-	-	132,992,500	66,496,250,000	3.75%	3.64%
- Eka Dharmajanto Kasih	28,551,560	14,275,780,000	1.07%	-	-	28,551,560	14,275,780,000	0.81%	0.78%
- Erwin Sutanto	24,876	12,438,000	0.00%	-	-	24,876	12,438,000	0.00%	0.00%
- Pathfinder	-	-	0%	175,226,907	21,677,556	196,904,463	98,452,231,500	4.94%	5.39%
- HSBC LTD	-	-	0%	269,045,650	33,283,998	302,329,648	151,164,824,000	7.59%	8.27%
- Public	397,545,456	198,772,728,000	14.95%	442,344,109	54,722,982	894,612,547	447,306,273,500	23.68%	24.47%
Total	2,659,850,000	1,329,925,000,000	100.00%	886,616,666	109,684,536	3,656,151,202	1,828,075,601,000	100.00%	100.00%
Total Shares in Portepel (Nominal IDR 500)	3,340,150,000	1,670,075,000,000				2,343,848,798	1,171,924,399,000		

Notes : Assumtion there is no changes in Issued and Paid-in Capital

BENEFIT AND RISK OF PROPOSED TRANSACTION

1. Benefit of Proposed Transaction

Reasons and benefit obtained by the Company from this Proposed Transaction include:

- The value of the Company's net assets will increase resulting in the Company's debt ratio becoming much healthier than before. This resulted in the Company's capital structure becoming stronger;
- The Company's financial burden will be reduced, resulting in a stronger future cash flow of the Company; and

- With a decrease in financial burden and a strengthening ratio of debt to equity that continues to improve, will provide the ability and space for the Company to obtain new funding to support the Company's operations and business expansion.

2. Risk of Proposed Transaction

After increase of capital from the Company's Proposed Transaction becomes effective, the percentage of ownership of other shareholders will decrease (dilution) by 27.25%.

EXTRAORDINARY GENERAL MEETINGS OF SHAREHOLDERS

As information, important dates that need to be considered in relation to the implementation of the Company's EGMS as stated in the following schedule table:

No.	Activities	Schedule
1.	Announcement of EGMS Invitation in the newspaper, stock exchange website and company's website	15 January 2020
2.	Report of the advertisement of EGMS Announcement to OJK	17 January 2020
3.	Shareholders Recording Date	29 January 2020
4.	Advertisement on the EGMS invitation in the newspaper, stock exchange website and Company's website	30 January 2020
5.	Report on the advertisement of EGMS invitation to OJK	3 February 2020
6.	EGMS	21 February 2020
7.	Advertisement of Minutes of EGMS in the newspapers, stock exchange website and the Company's website	25 February 2020
8.	Report of the Summary on Advertisement of Minutes of EGMS to OJK	27 February 2020

Place and Quorum of Company's EGMS

The Company's EGMS will be held on Friday, 21st February 2020 at 10:00 WIB until finished, and the venue for the EGMS has been announced through the EGMS Invitation. The Shareholders who are unable to attend the EGMS, can be represented by their attorneys by bringing a valid Power of Attorney in a form acceptable to the Board of Directors provided that members of the Board of Directors, Board of Commissioners and employees of the Company are allowed to act as Shareholders' Attorney in the EGMS, however the votes they cast as Attorney will not be counted in the voting. For Shareholders whose addresses are registered overseas, the Power of Attorney must be legalized by the local Notary and the Indonesian Embassy.

The Power of Attorney form can be obtained every working days from the date of EGMS Invitation, during office hours at the Company's office at the address Office 8 Building, 20 – 21 Floor, SCBD Lot. 28, Jl. Jend. Sudirman Kav. 52-53, Kebayoran Baru, Jakarta Selatan 12190, Phone: +62(21)29333000, Facsimile: +62(21)29333111, Email: info@apexindo.com.

The Power of Attorney must be signed with a seal and received by the Company's Corporate Secretary department no later than 3 (three) business days prior to the EGMS date, on Tuesday, 18th of February 2020.

Company's EGMS Agenda

1. Approval of the Company's plan to carry out the Company's debt settlement through MCB issuance mechanism which will be converted into shares with Capital Increase without Pre-emptive Rights ("**Increase of Capital**");
2. Approval of the Company's plan to conduct Increase of Capital;

3. Approval to the amendments of the Company's Articles of Association related to changes in the Company's capital structure; and
4. Granting power and authority with the right of substitution to the Board of Directors of the Company to implement the decisions above, including but not limited to making or requesting all the deeds, letters or documents needed, present before the party/authorized officials, including Notaries, submit an application to the authorized party/official to obtain approval or report the matter to the authorized party/official as referred to in the applicable laws and regulations.

In accordance with the provisions in the Company's Articles of Association, for the Proposed Transaction Increase of Capital, the Company's EGMS must be attended by shareholders representing more than 2/3 of the total number of shares with valid voting rights and decisions approved by more than 2/3 of the total number of shares with valid voting rights who attend the EGMS.

If the quorum is not reached, a second EGMS may be held within a maximum period of 10 (ten) days and no later than 21 (twenty one) days from the first EGMS. The second EGMS is valid and has the right to make binding decisions if at least 3/5 of the total number of shares with valid voting rights is present or represented and the decision is approved by more than 1/2 of the total number of shares with valid voting rights who attend the EGMS. In the event that the second attendance RUPSLB attendance quorum is not reached, at the request of the Company the attendance quorum and the number of votes to make decisions, invitation and time to hold the EGM are determined by the OJK.

This Disclosure of Information has been approved by the Company's Board of Commissioners and the Board of Directors, and therefore the Company's Board of Commissioners and Board of Directors are responsible for the accuracy of the information contained therein. To the best of the knowledge of the Board of Commissioners and Directors, all material information and opinions expressed in this Information to Shareholders are true and can be accounted for and that no other material information has not been disclosed that could cause this statement to be untrue or misleading.

The Board of Directors and Board of Commissioners of the Company recommend that all shareholders approve the Proposed Transaction as stated in this Disclosure of Information. In providing these recommendations to shareholders, the Board of Directors and Board of Commissioners of the Company have reviewed the opinion report of the Company's independent consultants and the benefits of the Proposed Transaction, and therefore believe that the implementation of the Proposed Transaction is the best choice for the Company and all shareholders of the Company.

ADDITIONAL INFORMATION

For additional information regarding proposed Increase of Capital as explained above, the shareholders of the Company may contact the Company during working days, 08.30 – 16.00 WIB, at this address:

Corporate Secretary
PT Apexindo Pratama Duta Tbk
Office 8 Building, 20 – 21 Floor, SCBD Lot. 28,
Jl. Jend. Sudirman Kav. 52-53, Kebayoran Baru, Jakarta Selatan 12190
Phone: +62(21)29333000, Facsimile: +62(21)29333111
info@apexindo.com