

INFORMATION DISCLOSURE TO SHAREHOLDERS REGARDING CAPITAL INCREASE WITH PRE-EMPTIVE RIGHTS



BULL

PT BUANA LINTAS LAUTAN TBK

MAIN BUSINESS

Engaged in shipping, shipping and transportation services, provision of marine crews, floating storage, storage and warehousing businesses, as well as production, processing and trading of materials and crude petroleum products, gas, and liquid chemicals

HEAD OFFICE

Jl. Mega Kuningan Timur Blok C6 Kav. 12A
Kawasan Mega Kuningan
Jakarta Selatan 12950 – Indonesia
Telp: +62 21 3048 5700
Fax: +62 21 3048 5701
Email: investor@bull.co.id
Website: www.bull.co.id

The information stated in this Information Disclosure is in accordance with the Financial Services Authority Regulation Number 32/POJK.04/2015 concerning Capital Increases with Pre-emptive Rights for Public Companies (“POJK 32/2015”) as amended by Financial Services Authority Regulation Number 14/POJK.04/2019 concerning the Amendments to POJK 32/2015 (“POJK 14/2019”) and the Indonesian Stock Exchange Number I-A on Listing of Shares and Equitable Securities other than Shares issued by the Publicly Listed Company, Attachment to the Decree of the Indonesian Stock Exchange’s Director Number KEP-00101/BEI/12-2021 dated 21 December 2021.

All information disclosed herein serves as a recommendation only, subject to the Shareholders’ approval in the General Meeting of Shareholders and the Prospectus issued with regards to the Capital Increase with Pre-Emptive Rights (“Right Issue”).

Should you have difficulty understanding the information contained in this Information Disclosure or are in doubt to decide, you should consult your securities broker, investment manager, legal consultant, accountant, or other professional advisors.

The Extraordinary General Meeting of Shareholders (“EGMS”) will be held by the Company on Thursday, 21 April 2022 to seek Shareholders’ approval on the Rights Issue plan.

This information disclosure does not constitute or form a part of an offer or opportunity to buy or issue, or solicitation for any offer to acquire new shares (as defined below) or to subscribe for new shares in the jurisdiction or where the offer or solicitation was made is against the law. No party/parties are entitled to obtain the Pre-emptive Rights or new shares except based on the information contained in the prospectus issued in the context of the Rights Issue.

INTRODUCTION

The Company intends to seek new approval from the Shareholders to conduct Right Issue as the period of approval that the Company obtained at the EGMS on 7 June 2021 has almost expired. By considering market conditions and the Company's performance since the late Right Issue approval until now, the Company considers it necessary to continue to execute Right Issue and change the capital structure.

INFORMATION IN RELATION TO THE PROPOSED TRANSACTION

The Company intends to increase its capital through Rights Issue by issuing new Series B shares at a maximum of 4,000,000,000 (four billion) shares from the Company's Unissued Shares Portfolio with a nominal of Rp 100 per share ("**New Share**") and at a maximum of 4,800,000,000 (four billion eight hundred million) of Series V Warrants along with the issuance of these new shares ("**Warrants**").

The New Shares will be issued from the Company's Unissued Shares Portfolio and will be listed in the Indonesian Stock Exchange ("**IDX**") in accordance with the applicable laws and regulations, including IDX Regulation No. I-A. The New Shares issued will have the same and equal rights to the existing shares issued by the Company in all respects including the rights to dividends.

In accordance with POJK 32/2015 as amended by POJK 14/2019, the implementation of the Rights Issue is subject to:

1. Approval from the EGMS in accordance to the provisions stipulated in the Financial Services Authority Regulation Number 15/ POJK.04/2020 concerning the Planning and Implementation of the General Meeting of Shareholders of Public Companies and the Company's Article of Association;
2. Registration Statement for Rights Issue along with supporting documents to OJK; and
3. OJK's Effective Confirmation Statement regarding the Rights Issue plan.

For the avoidance of doubt, the Company has the right to issue part or all of the maximum number of shares and warrants approved for issuance based on the EGMS Resolution. The exercise price for the New Shares will be determined by referring to the provisions of the Additional Shares Listing Requirements through Rights Issue as stipulated in the IDX Regulation No I-A. Provisions regarding the Rights Issue, including the final exercise price and the final amount of the New Shares issued, will be disclosed in the Rights Issue Prospectus, which will be made available to Shareholders who are entitled at that time, in accordance to the prevailing laws and regulations.

IMPLEMENTATION PERIOD OF THE RIGHTS ISSUE

The Company intends to conduct and complete the Rights Issue within a time frame that is deemed appropriate and reasonable, but not more than 12 (twelve) months from the date the Rights Issue was approved in the EGMS. The Rights Issue will be carried out in accordance with the Effective Confirmation Statement by OJK and the prevailing laws and regulations.

USE OF PROCEEDS

The Company intends to use all the funds received from the Rights Issue and Series V Warrants issuance (after deducting all fees, charges and other expenses relating to the issuance of the new shares) for (i) Working capital for operational activities; and/or (ii) business expansion.

Details regarding the use of proceeds will be adjusted accordingly at the time the Pre-emptive Rights are issued by considering optimal capital management for the interests of the Company. The management of the Company has the right to make adjustments to the use of proceeds by considering circumstances and other factors deemed appropriate. Final information regarding the use of funds will be disclosed in the Prospectus, which will be made available to Shareholders.

ANALYSIS OF THE EFFECT OF THE CAPITAL INCREASE ON THE COMPANY'S FINANCIAL AND SHAREHOLDERS

The Company assesses that the Rights Issue could potentially bring a positive impact on the Company's financial position, strengthening its operational performance and capital structure. In addition, the capital increase could assist in the Company's expansion, which in turn will have a positive impact on the Company's profits and is expected to increase Shareholders' return on investment. Following are the Company's financial proforma after capital increase by using assumptions as follows:

1. The total number of shares to be issued by the Company is a maximum of 4,000,000,000 (four billion) new series B shares originating from portfolio shares with a nominal value of Rp 100 per New Share;
2. **The exercise price assumption is Rp 150.00 (one hundred and fifty Rupiah) per share;**
3. The exchange rate of USD against Rupiah is Rp. 14,328.00 (fourteen thousand three hundred and twenty-eight Rupiah) based on the exchange rate of Bank Indonesia on 14 March 2022;
4. The pro forma basis uses the Company's Financial Statements as of 30 September 2021; and
5. **Assumptions for the planned use of funds received from Right Issue are for: (i) working capital for operational activities by 60%; and (ii) business expansion by 40%.**

USD/IDR 14.328

*in USD

| Description | Before Capital Increase (USD) | Change (USD) | After Capital Increase (USD) | Increase (%) |
|----------------------------------|-------------------------------|--------------|------------------------------|--------------|
| Cash | 8.292.885 | 28.775.628 | 37.068.513 | 77,63% |
| Fixed Asset | 631.243.265 | 16.750.419 | 647.993.684 | 2,58% |
| Total Asset | 835.143.801 | 45.526.047 | 880.669.848 | 5,17% |
| Total Liability | 479.962.805 | - | 479.962.805 | 0,00% |
| Total Equity | 355.180.996 | 45.526.047 | 400.707.043 | 11,36% |
| Total Debt | 421.690.211 | - | 421.690.211 | 0,00% |
| Revenue | 137.834.964 | 6.205.000 | 144.039.964 | 4,31% |
| Direct Cost | 90.730.206 | 2.555.000 | 93.285.206 | 2,74% |
| Net Income | 2.853.923 | 3.650.000 | 6.503.923 | 56,12% |
| Total Debt to Total Asset Ratio | 50,49% | | 47,88% | |
| Total Debt to Total Equity Ratio | 118,73% | | 105,24% | |

The assumption of the exercise price is based on the Company's expectations of the reasonable Company's share price considering the Company's solid performance and the Company's positive future prospects. The capital increase improves the Company's important financial ratios:

1. Total Debt to Total Assets Ratio decrease to 47.88%. This shows that after the Capital Increase, the Company can have higher flexibility to expand and utilize its working capital.
2. Total Debt to Total Equity Ratio decreased to 105.24%, indicating that the composition of the Company's equity increased compared to its debt. The decrease in this ratio is good because it reflects the Company's capital structure between equity and liabilities more balanced.

The Rights Issue will have an impact on those shareholders who do not exercise their rights to subscribe to the New Shares, in which their ownership in the Company will be diluted to a maximum of 22.08% (twenty-two point zero eight percent) after the implementation of the Rights Issue.

ADDITIONAL INFORMATION

Shareholders who wish to obtain additional information regarding the Rights Issue can contact the Company during working hours (08.00 to 15.00 WIB) from Monday to Friday (except holidays) at the Company's office at the following address:

Corporate Secretary

PT Buana Lintas Lautan Tbk.

Jl. Mega Kuningan Timur Blok C6 Kav 12A

Kawasan Mega Kuningan

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Telp: +62 21 3048 5700

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Jakarta, 15 March 2022

Board of Directors