

Jakarta, February 7, 2019

To :

Financial Service Authority (“OJK”)
Gedung Soemitro Djojohadikusumo
Jl. Lapangan Banteng Timur No. 2-4
Jakarta 10710

U.P. : Executive Chief of the Capital Market Supervisory

Perihal : **Report on Information Disclosure of Affiliated Transactions and Material Information or Facts in relation to the Corporate Guarantee Granted by PT Barito Pacific Tbk. in favor of several Insurance Companies in relation to the issuance of the Counter Bank Guarantee for PT Barito Wahana Lestari**

Dear Sir/Madam,

Referring to the Regulation of the Capital Market and Financial Institutions Supervisory Agency No. IX.E.1 on the Transaction with Affiliated Parties and Conflict of Interest on Certain Transaction, Attachment Decision of Chairman of Capital Market and Financial Institutions Supervisory Agency No. KEP-412BL/2009 dated November 25, 2009 (“**Regulation No. IX.E.1**”) and OJK Regulation No. 31/POJK.04/2015 on Disclosure of Material Information or Facts by Issuer or Public Companies (“**POJK No.31**”), we, as the Board of Directors of PT Barito Pacific Tbk. (“**Company**”), hereby inform you the report on Material Information or Facts as follows :

Issuer : PT Barito Pacific Tbk.

Business Activity : Forestry, agriculture, mining, industry, property, trade,
renewable energy, and transportation

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1.	Date of Event	:	February 4, 2019
2.	Type of Material Information or Facts	:	The Company has signed the Corporate Guarantee (“ Corporate Guarantee ”) with PT Asuransi Kredit Indonesia, PT Asuransi Jasa Indonesia, PT Asuransi Jasaraharja Putera, and PT Asuransi Bangun Askrida (such insurance companies shall collectively be referred to as “ Insurance Panel ”).
3.	Description of Transaction	:	a. <u>Parties and Nature of Affiliate Relationship between the Parties</u>

		<p><u>PT Barito Wahana Lestari:</u></p> <p>PT Barito Wahana Lestari, a limited liability company duly organized and validly existing under the laws of Republic of Indonesia, domiciled in Jakarta (“BWL”), is one of the subsidiaries of the Company, which 99% (ninety nine percent) of its issued capital is owned directly by the Company.</p> <p>BWL’s Financial Report is consolidated with the Company’s Financial Report.</p> <p>Besides that, Mr. Andry Setiawan who serves as President Director of BWL, also serves as Director of the Company.</p> <p>In view of the above and provisions of Law Number 8/1995 on Capital Market (“UUPM”), the Company and BWL has the affiliated relationship as stipulated in UUPM.</p> <p><u>Company :</u></p> <p>The Company is the majority shareholder and the controlling shareholder of BWL.</p> <p><u>Insurance Panel:</u></p> <p>Neither the Company nor BWL have any affiiate relationship with the Insurance Panel as stipulated in UUPM.</p>
		<p>b. <u>Object and Value of the Transaction:</u></p> <p>The Corporate Guarantee granted by the Company in favor of the Insurance Panel was granted in order to secure BWL’s obligation to the Insurance Panel which may arise due to the issuance of a Counter Bank Guarantee issued by the Insurance Panel to secure the coal power plant development project carried out by PT Indo Raya Tenaga (“IRT”), a subsidiary of BWL, in the nominal value of USD165,620,000 (United States Dollar one hundred sixty five thousand six hundred and twenty thousand) (“Counter BG”).</p>
		<p>c. <u>Affiliated Transaction and Material Transaction Description:</u></p>

		<p>The Corporate Guarantee as mentioned above, is the Affiliated Transaction as stipulated in Regulation No. IX.E.1, because BWL is a subsidiary of the Company which controlled by the Company and the presence of Company's Director who also serves as a Director of BWL.</p> <p>However, as BWL is the Controlled Company under Regulation No.IX.E.1, which 99% of its shares is owned by the Company, then the Company is only required to report such transaction to OJK based on the provision number 2, letter b, item 5 of the Regulation No.IX.E.1.</p> <p>The Company's Board of Director and Board of Commissioner, hereby state individually or collectively that the Transaction does not have any conflict of interest as stipulated in Regulation No.IX.E.1.</p> <p><u>Material Transaction</u></p> <p>The Corporate Guarantee granted by the Company in favor of the Insurance Panel is issued to secure the obligation of BWL to the Insurance Panel, in the amount of USD165,620,000 (United States Dollar one hundred sixty five thousand six hundred and twenty thousand), or equal to 6,3% of the Company's equity based on the audited Consolidated Annual Report of the Company and its subsidiaries for the financial year which ended on June 30, 2018.</p> <p>Therefore, the Corporate Guarantee is not classified as referred to the Regulation No. IX.E.2. because the value of guarantee is less than 20% of the Company's equity.</p>
		<p>d. <u>Explanation, Consideration, and Motivation of the Transaction</u></p> <p>The granting of Corporate Guarantee by the Company in favor of the Insurance Panel as described above, is one of the requirements in the Counter BG Agreement, which the Insurance Panel will not approve the issuance of Counter BG without the Corporate Guarantee from the Company. This is because the</p>

			<p>Company owns 99% of shares in the capital of BWL.</p> <p>The Counter BG is highly required by BWL and IRT to support the business activities and project carried out by BWL through IRT. For long term, if the project is successful, then it will bring positive impact to the Company and increase the dividend that can be distributed to the Company as a shareholder of BWL.</p>
4.	Impact of such material information or fact to the Company's operational, law, financial condition or business	:	The issuance of Counter BG by the Insurance Panel will enable BWL and IRT to run the project which will bring positive impact to the business and productivity of the company. This will bring value added and profit to the Company as a shareholder of BWL.
5.	Other Information	:	-

The Board of Directors and Board of Commissioners of the Company hereby state that all the material information that have been disclosed are not misleading.

This letter is submitted to OJK for the purposes described herein. Thank you for your kind attention and cooperation.

Regards,
PT BARITO PACIFIC Tbk.

Andry Setiawan
 Director

David Kosasih
 Director Independent

Copied to :
 Director of PT Bursa Efek Indonesia