

**INFORMATION DISCLOSURE TO SHAREHOLDERS
PT CITRA TUBINDO TBK
IN ORDER TO COMPLY WITH THE PROVISIONS OF BAPEPAM AND LK
NO.IX.E.1 CONCERNING AFFILIATED TRANSACTIONS AND CONFLICT OF
INTEREST ON CERTAIN TRANSACTIONS ("REGULATION NO.IX.E.1")**

INFORMATION AS LISTED IN THIS INFORMATION DISCLOSURE IS IMPORTANT TO BE READ AND PAY ATTENTION TO THE SHAREHOLDERS OF PT CITRA TUBINDO TBK

If you have difficulty understanding the information contained in this Information Disclosure or are unsure about making a decision, you should consult with a securities broker, investment manager, legal advisor, public accountant or other professional advisor.



PT CITRA TUBINDO Tbk
Vallourec Group

PT CITRA TUBINDO Tbk ("Company")

Main Business Activities:

Steel and Iron Pipe and Pipe Fittings Industry

Domiciled in Batam, Kepulauan Riau, Indonesia

Headquarter:

Kabil Integrated Industrial Zone

Jalan Hang Kesturi I No. 2, Batam, Kepulauan Riau, Indonesia

Phone: (0778) 71121

Facsimile: (0778) 711094

Website: www.citratubindo.com

THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY ARE FULLY RESPONSIBLE FOR THE CORRECTNESS AND COMPLETENESS OF THE INFORMATION AS DISCLOSED IN THIS DISCLOSURE OF INFORMATION AND AFTER CAREFUL RESEARCH, CONFIRM THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE OF INFORMATION IS TRUE AND THERE ARE NO MATERIAL AND RELEVANT IMPORTANT FACTS THAT ARE NOT DISCLOSED OR OMITTED IN THIS DISCLOSURE OF INFORMATION, CAUSING THE INFORMATION PROVIDED IN THIS DISCLOSURE TO BE UNTRUE AND / OR MISLEADING.

This Information Disclosure is published in Batam on 20 October 2020

DEFINITION

CAN	:	PT Citra Agramasinti Nusantara
CMC	:	PT Citramadya Cargindo
CITA	:	PT Pelayaran Citranstirta Tatasarana
CPPI	:	PT Citra Pembina Pengangkutan Industries
CWN	:	PT Citramas Wisata Nusa
Working Days	:	Monday until Friday, except for national holidays stipulated by the Government of the Republic of Indonesia or normal working days which due to certain circumstances are determined by the Government of the Republic of Indonesia as not normal working days.
Information Disclosure	:	information to disclosure the shareholders of the Company in compliance with Regulation No. IX.E.1.
Minister of Law and Human Rights	:	Minister of Law and Human Rights of the Republic of Indonesia
Financial Services Authority or OJK	:	an independent institution as referred to in Law No. 21 of 2011 concerning the Financial Services Authority (" OJK Law "), whose duties and authorities include the regulation and supervision of financial services activities in the banking sector, capital market, insurance, pension funds, financial institutions and other financial institutions, where since December 31, 2012, OJK is an institution that replaces and receives the rights and obligations to perform regulatory and supervisory functions from Bapepam-LK in accordance with the provisions of Article 55 of the OJK Law.
Affiliated Transactions	:	has the meaning as defined in number 1 letter d Regulation No. IX.E.1, namely transactions conducted by Companies or Controlled Companies with Affiliates of the Company or Affiliates of members of the Board of Directors, members of the Board of Commissioners, or major shareholders of the Company.
Capital Market Law	:	Law Number 8 of 1995 concerning Capital Market.

INTRODUCTION

Information as contained in this Information Disclosure is conveyed to the Shareholders of the Company in connection with the Transaction which is an Affiliated Transaction as referred to in Regulation No. IX.E.1.

This Information Disclosure contains information regarding the implementation of the sale and transfer of rights to shares by CPPI totaling 3.999.000 shares and by CMC totaling 1.000 shares, both of which are Controlled Companies of the Company, to CAN and CWN, respectively, as buyers, where one of the members of the Board of Commissioners of the Company is also a member of the Board of Commissioners in CAN and CWN ("**Transaction**").

Thus, based on the prevailing laws and regulations, including Regulation IX.E.1, this Transaction is an Affiliated Transaction which is obliged to deliver Information Disclosure to the public as referred to in Regulation IX.E.1.

INFORMATION ON TRANSACTIONS

I. BRIEF DESCRIPTION OF THE PARTIES TO THE TRANSACTION

A. COMPANY

Brief History of the Company

The Company is a publicly listed company that was established based on the Deed of Establishment Number 78 dated 23 August 1983 drawn up before R. Sudibio Djojopranoto, SH, Notary in Jakarta, and was approved by the Minister of Justice on C2-3168.HT.01.01.Th. 85 based on 25 May 1985 and published in Supplement Number 1208 to the State Gazette of the Republic of Indonesia Number 81, dated 8 October 1985.

The latest complete Articles of Association of the Company is the Deed of Decision of the General Meeting of Shareholders of the Company Number 39 dated 26 June 2008 made before Maria Hilaria Salim, S.H., Notary in Batam, who has obtained the approval of the Minister of Law and Human Rights based on Decree No. AHU-76795.AH.01.02.Tahun 2008, dated 23 October 23, 2008, as last amended by the Deed of Decision of the Extraordinary General Meeting of Shareholders of the Company Number 02, dated 10 February 2020, drawn up before Denny Soebangil, SH, M.Kn., Notary in South Tangerang, which has been notified to the Minister of Law and Human Rights based on a letter Receipt of Notification Number AHU-AH.01.03-0128140, dated March 6, 2020 ("**Company Deed No. 02/2020**").

The Company listed its shares on the Indonesia Stock Exchange through an Initial Public Offering which was conducted in 1989.

Currently, the Company is domiciled in Batam and has its address at Kabil Integrated Industrial Area, Jalan Hang Kesturi I No. 2, Batam, Kepulauan Riau.

Shareholding

The capital structure of the Company based on the Register of Shareholders from the Company's Securities Administration Bureau as of September 30, 2020 is as follows:

Information	Number of Shares	Nominal Value per Share (Rp)	Total Nominal Value (Rp)
Authorized capital	3.200.000.000	100	320.000.000.000
Issued and paid up capital	800.371.500	100	80.037.150.000

The composition of the Company's shareholders based on the Register of Shareholders of the Company's Securities Administration Bureau as of September 30, 2020, is as follows:

Shareholders	Number of Shares	Total Nominal Value (Rp)	Percentage (%)
Kestrel Wave Investment Ltd.	386.029.420	38.602.942.000	48,23
Vallourec Tubes	268.000.000	26.800.000.000	33,48
Nippon Steel & Sumitomo Metal Corporation	55.816.880	5.581.688.000	06,97
Communities with ownership below 5%	90.525.200	9.052.520.000	11,31
Total	800.371.500	80.037.150.000	100,00

Management and Supervision of the Company

The composition of the Board of Directors and the Board of Commissioners of the Company based on the Company Deed No. 02, 10 September 2020, made before Raden Mas Dendy Soebangil, Notary in South Tangerang City, who has received the approval of the Minister of Law and Human Rights based on Decree Number AHU-AH.01.03-0386339, dated September 14, 2020, is as follows:

Board of Directors

President Director:	Satya Heragandhi
Director of Finance:	Valerie Baudart Fajar Wahyudi, ST
Director of Operations:	Alexandre, Pierre Nicolas, Valdelievre
Commercial Director:	Saiful Mizra Bin Kassim

Board of Commissioners

President Commissioner:	Kris Taenar Wiluan
Commissioner:	Olivier Bruno Benedict Mallet
Commissioner:	Pascal, Gustave Ulysee Braquehais Didier, Maurice, Francis Hornet
Commissioner:	Tjetjep Muljana

Independent Commissioner:

Prof. Dr. Johanes Berchmans
Kristiadi Pudjosukanto

B. CPPI

Brief History of CPPI

CPPI is a company engaged in motorized transportation for general goods, motorized transportation for special goods, transportation management services, and rental and leasing activities without options for construction machinery and equipment and civil engineering.

CPPI was established based on Deed of Establishment Number 3, dated October 2, 1980, made before Raden Subidio Djojopranoto, S.H., Notary in Jakarta, which has been approved by the Minister of Justice on February 22, 1983 based on excerpts from the List of Decree of the Minister of Justice No. C2-1676.HT01.01.TH'83, and announced in Supplement Number 37 to the State Gazette of the Republic of Indonesia Number 628, dated May 9, 1986.

The latest complete Articles of Association of CPPI is as stated in the Deed of Circular Decision of the Shareholders of CPPI Number 13, dated June 20, 2008, made before Ruth Widyastuti, SH, Notary in Batam, which has been approved by the Minister of Law and Human Rights based on Decree Number AHU- 41948.AH.01.02.Tahun 2008, dated July 17, 2008 ("**CPPI Deed No. 13/2008**"), as last amended by the Deed of Circular Decision of the Shareholders of CPPI Number 28, dated 19 September 2019, made before Dr. Markus Gunawan, S.H., M.Kn., Notary in Batam, who has received the approval of the Minister of Law and Human Rights based on Decree Number AHU-0073994.AH.01.02.TAHUN 2019, September 24, 2019 ("**CPPI Deed No. 28/2019**").

Currently, CPPI is domiciled in Batam and is located at Jalan Mas Surya Negara Kav. A-9, Kabil Integrated Industrial Zone, Batam 29467.

Shareholding

The capital structure of the CPPI based on the CPPI Deed No.13 / 2008 is as follows:

Information	Number of Shares	Nominal Value per Share (Rp)	Total Nominal Value (Rp)
Authorized capital	16.000.000	1.000	16.000.000.000
Issued capital	8.000.000	1.000	8.000.000.000
Paid-up capital	8.000.000	1.000	8.000.000.000
Portfolio Shares	8.000.000	1.000	8.000.000.000

The composition of the CPPI shareholders is based on the CPPI Deed No. 28/2019:

Shareholders	Number of Shares	Total Nominal Value (Rp)	Percentage (%)
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PT Sarana Citranusa Kabil	7.920.000	7.920.000.000	99,00
CAN	80.000	80.000.000	01,00
Total	8.000.000	8.000.000.000	100,00

Management and Supervision of the Company

The composition of the Board of Directors and the Board of Commissioners of CPPI based on the Deed of Circular Decision of the CPPI Shareholders Number 7, dated October 5, 2020, made before Dr. Markus Gunawan, S.H., M.Kn., Notary in Batam, which has been notified to the Minister of Law and Human Rights based on Receipt of Notification Number AHU-AH.01.03-0394546, October 5, 2020, is as follows:

Board of Directors

President Director: Ludi Darmawan
 Director: Saiful Mizra Bin Kassim

Board of Commissioners

Commissioner: Satya Heragandhi

C. CMC

Brief History of CMC

CMC is a company engaged in the handling of cargo (loading and unloading of goods), motorized transportation for general goods, motorized transportation for special goods, tenanting and leasing activities without the option of construction machinery and equipment and civil engineering

CMC was established under the name PT Citramadya Cargindo, which was established based on Deed of Establishment Number 8, dated June 5, 1989, made before Nurhayati Suryasumirat, SH, Notary in Batam, which was approved by the Minister of Justice on December 30, 1989 based on the Decree of the Minister of Justice Number C2 -11683 HT.01.01.Th.89, and announced in Supplement Number 29 to the State Gazette of the Republic of Indonesia Number 1311, dated April 10, 1990.

The latest complete Articles of Association of CMC is as stated in the Deed of Circular Decision of CMC Shareholders Number 7, dated 13 August 2008, made before Ruth Widyastuti, SH, Notary in Batam, who has received the approval of Minister of Law and Human Rights based on Decree Number AHU-67660 .AH.01.02.Tahun 2008, dated 22 September 2008 ("**CMC Deed No. 7/2008**"), as last amended by the Deed of Circular Decision of the CMC Shareholders Number 27, dated 19 September 2019, made before Dr. Markus Gunawan, SH, M.Kn., Notary in Batam, who has received the approval of the Minister of Law and Human Rights based on Decree Number AHU-0073662.AH.01.02.TAHUN 2019, September 23, 2019 and has been notified to the Minister of Law and Human Rights based on Receipt of Notification AHU-AH Number .01.03-0335777, dated 23 September 2019 ("**CMC Deed No. 27/2019**").

Currently, CPPI is domiciled in Batam and is located at Jalan Mas Surya Negara Kav. A-9, Kabil Integrated Industrial Zone, Batam 29467.

Shareholding

The capital structure of the CMC based on the CMC Deed No.7 / 2008 is as follows:

Information	Number of Shares	Nominal Value per Share (Rp)	Total Nominal Value (Rp)
Authorized capital	1.000.000	1.000	1.000.000.000
Issued capital	250.000	1.000	250.000.000
Paid-up capital	250.000	1.000	250.000.000
Portfolio Shares	750.000	1.000	750.000.000

The composition of CMC shareholders is based on the CMC Deed No.7 / 2008:

Shareholders	Number of Shares	Total Nominal Value (Rp)	Percentage %
CPPI	245.000	245.000.000	98,00
CAN	5.000	5.000.000	02,00
Total	250.000	250.000.000	100,00

Management and Supervision of the Company

The composition of the Board of Directors and the Board of Commissioners of CMC based on the Deed of Circular Decision Statement of CMC Shareholders Number 6, dated 5 October 2020, made before Dr. Markus Gunawan, S.H., M.Kn., Notary in Batam, who was notified to the Minister of Law and Human Rights based on Receipt of Notification Number AHU-AH.01.03-0394531, October 5, 2020, is as follows:

Board of Directors

President Director: Ludi Darmawan
 Director: Valerie Baudart

Board of Commissioners

Commissioner: Fajar Wahyudi

D. CAN

Brief History of CAN

CAN is a company engaged in the steel and iron pipe and pipe connection industry, offshore building industry and floating buildings, residential building construction, office building construction, shopping building construction, lodging building construction, entertainment and sports building construction, construction of communication centers, telecommunications installations, wholesale trade in telecommunications equipment, foreign liner

sea transportation for goods, other crossings for passengers including crossings between countries, bonded warehousing activities or bonded areas, seaport service activities, river and lake port service activities, ferry port service activities, cargo handling (loading and unloading of goods), multimodal transportation, four-star hotels, villas, restaurants, film production activities, videos and television programs by the private sector, private distribution of films, video and television programs, information technology activities and other computer services, web portals and / or digital platforms for commercial purposes, activities of holding companies, self-owned or leased real estate, tourism areas, industrial estates, real estate on the basis of fee or contract, tour travel agent activities, non-tour travel agent activities, nature tourism information services, other reservation services, and golf courses.

CAN was established based on the Deed of Establishment Number 53, dated 27 August 1987, made before Arianny Lamoen Redjo, SH, Notary in Jakarta, which was approved by the Minister of Justice on February 8, 1988 based on the Decree of the Minister of Justice Number 02-1057.HT.01.01. TH.88, and published in the State Gazette of the Republic of Indonesia Number 643 dated July 1, 1988, Supplement Number 53.

CAN's latest complete Articles of Association is as stated in the Deed of Circular Decree of CAN Shareholders Number 22, dated July 28, 2008, made before Ruth Widyastuti, SH, Notary in Batam, who has received the approval of the Minister of Law and Human Rights based on Decree Number AHU-74452 .AH.01.02.Tahun 2008, dated October 16, 2008 ("**CAN Deed No. 22/2008**"), as last amended by the Deed of Circular Decision of CAN Shareholders Number 22, dated 9 August 2019, made before Dr. Markus Gunawan, SH, M.Kn., Notary in Batam, who has received the approval of the Minister of Law and Human Rights based on Decree Number AHU-0050381.AH.01.02.TAHUN 2019, dated 13 August 2019 and has been notified to the Minister of Law and Human Rights based on Receipt of Notification Number AHU- AH.01.03-0312647, dated 13 August 2019 ("**CAN Deed No. 22/2019**").

Currently, CAN is domiciled in Batam and has its address at Citra Nusa Niaga Blok A2 No. 1, Kabil Integrated Industrial Zone, Batam 29467.

Shareholdings

The capital structure of CAN based on CAN Deed Number 59, dated February 21, 2017, made before Dr. Markus Gunawan, SH, M.Kn., Notary in Batam, who has received the approval of the Minister of Law and Human Rights based on Decree Number AHU-0005234.AH.01.02.TAHUN 2017, March 2, 2017 and has been notified to the Minister of Law and Human Rights based on Receipt of Notification AHU Number -AH.01.03-0100453, dated March 2, 2017 ("**CAN Deed No.59/2017**") is as follows:

Information	Number of Shares	Nominal Value per Share (Rp)	Total Nominal Value (Rp)
Authorized capital	80.000.000	1.000	80.000.000.000
Issued capital	55.000.000	1.000	55.000.000.000
Paid-up capital	55.000.000	1.000	55.000.000.000
Portfolio Shares	25.000.000	1.000	25.000.000.000

The composition of CAN shareholders based on the CAN Deed No.59 / 2017:

Shareholders	Number of Shares	Total Nominal Value (Rp)	Percentage %
Kris Taenar Wiluan	38.500.000	38.500.000.000	70,00
Hedy Wiluan (Hedy Kurniawan)	16.500.000	16.500.000.000	30,00
Total	55.000.000	55.000.000.000	100,00

Management and Supervision of the Company

The composition of the Board of Directors and Board of Commissioners of CAN based on the CAN Deed No. 22/2019:

Board of Directors

President Director:	Michael Kristian Wiluan
Director:	Richard James Wiluan
Director:	Peters Vincen

Board of Commissioners

President Commissioner:	Kris Taenar Wiluan
Commissioner:	Hedy Wiluan

E. CWN

Brief History of CWN

CWN is a company engaged in the smart card industry, four-star hotels, three-star hotels, villas, hotel apartments, the provision of other short-term accommodation, travel agent activities, non-tour travel agent activities, other reservation services related to that which are not included in other, performing arts activities, and impresariat services in the arts.

CWN was established under the name PT Turi Citramas Travel, which was established based on the Deed of Establishment Number 54, dated February 16, 1987, drawn up before Raden Sudibio Djojopranoto, SH, Notary in Jakarta, which was approved by the Minister of Justice of the Republic of Indonesia on February 29, 1988 based on the Decree of the Minister of Justice of the Republic of Indonesia Number C2-1881.HT.01.01.TH'88, and announced in the State Gazette of the Republic of Indonesia Number 2809 dated 31 October 1989, Supplement Number 87, which has changed its name several times, most recently becoming PT Citramas Wisata Nusa based on the Deed of Circular Decision Statement of the Shareholders of PT Systran

Electronics Zone No.143, dated 25 January 2018, made before Dr. Markus Gunawan, SH, M.Kn., Notary in Batam, who has received the approval of the Minister of Law and Human Rights based on Decree Number AHU-0002008.AH.01.02.TAHUN 2018, dated 29 January 2018 and has been notified to the Minister of Law and Human Rights based on Receipt of Notification Number AHU- AH.01.03-0041000, dated 29 January 2018 ("**CWN Deed No. 143/2018**").

The latest complete articles of association of CWN is as stated in the Deed of Circular Decree of the Shareholders of PT Systran Electronics Zone Number 6, dated September 8, 2008, made before Ruth Widyastuti, SH, Notary in Batam City, who has received the approval of the Minister of Law and Human Rights based on a Decree AHU-78645.AH.01.02.Tahun 2008, dated 27 October 2008, as last amended by the Deed of Circular Decision of the Shareholders of CWN Number 50, dated 19 August 2019, made before Dr. Markus Gunawan, S.H., M.Kn., Notary in Batam, who has been approved by the Minister of Law and Human Rights based on Decree Number AHU-0054903.AH.01.02.TAHUN 2019, dated August 21, 2019.

Currently, CWN is domiciled in Batam and has its address at Nongsapura Ferry Terminal, Jalan Hang Lekiu, Sambau, Nongsa, Batam 29466.

Shareholdings

The capital structure of CWN is based on the Deed of Circular Decree of the Shareholders Number 2, dated September 2, 2009, drawn up made before Ruth Widyasusti, SH, Notary in Batam, who has received the approval of the Minister of Law and Human Rights based on Decree Number AHU-50217.AH.01.02. 2009, dated 16 October 2009 and has been notified to the Minister of Law and Human Rights based on Receipt of Notification Number AHU-AH.01.10-20383, dated 16 November 2009 is as follows ("**CWN Deed No. 2/2009**"):

Information	Number of Shares	Nominal Value per Share (Rp)	Total Nominal Value (Rp)
Authorized capital	5.000.000	1.000	5.000.000.000
Issued capital	3.500.000	1.000	3.500.000.000
Paid-up capital	3.500.000	1.000	3.500.000.000
Portfolio Shares	1.500.000	1.000	1.500.000.000

The composition of the shareholders of CWN based on the Deed of CWN No.2 / 2009:

Shareholders	Number of Shares	Total Nominal Value (Rp)	Percentage (%)
PT Citramasindah Realtindo	3.499.000	3.499.000.000	99,97
Kris Taenar Wiluan	1.000	1.000.000	0,03
Total	4.000.000	4.000.000.000	100

Management and Supervision of the Company

The composition of the Board of Directors and Board of Commissioners of CWN based on Deed No. 143/2018 is as follows:

Board of Directors

President Director:	Richard James Wiluan
Director:	Urmy Sungkar
Director:	Lucky Hendrati

Board of Commissioners

President Commissioner:	Michael Kristian Wiluan
Commissioner:	Djoko Pramono

II. DESCRIPTION REGARDING TRANSACTIONS

A. Transaction Object

The object of the Transaction is shares in CITA owned by (i) CPPI totaling 3.999.000 (three million nine hundred ninety nine thousand) shares each with a nominal value of Rp1.000, representing 48.77% of the total paid-up and issued capital of CITA, where the shares are sold and transferred to CAN ("**Transaction A**") and (ii) CMC totaling 1.000 (one thousand) shares each with a nominal value of Rp1.000, representing 0.01% of the total paid-up and issued capital of CITA, where the shares were sold and transferred to CWN ("**Transaction B**").

B. Transaction Value

The value of Transaction A is USD 843.700 (eight hundred forty three thousand seven hundred United States Dollars) and the value of Transaction B is USD 200 (two hundred United States Dollars).

C. Nature of Affiliated Relations of the Parties Conducting the Transaction

Transaction conducted by the Company is affiliated transaction as referred to in Regulation IX.E.1 with the affiliation of the parties conducting this Transaction based on the following matters:

1. position relationship with respect to the composition of the Company's Board of Commissioners, namely in relation to Kris Taenar Wiluan who is the President Commissioner of the Company, at the same time also the President Commissioner of one of the buyers in the Transaction, namely CAN; and
2. one of the buyers in the Transaction, namely CWN, is indirectly controlled by Kris Taenar Wiluan who is the President Commissioner of the Company.

D. Considerations and Reasons for conducting the Transaction

CPPI, CAN and CMC are shareholders in CITA, where:

1. CPPI is the holder and owner of 3.999.000 (three million nine hundred ninety nine thousand) shares representing 48,77% (forty-eight point seventy-seven percent) of all shares that have been issued and fully paid-up in CITA;
2. CAN is the holder and owner of 4.200.000 (four million two hundred thousand) shares representing 51,22% (fifty one point twenty two percent) of all shares that have been issued and fully paid-up in CITA; and
3. CMC is the holder and owner of 1.000 (one thousand) shares representing 0,01% (zero point zero one percent) shares that have been issued and fully paid-up in CITA.

Meanwhile, CAN and CWN are companies that are controlled directly or indirectly by Kris Taenar Wiluan.

Therefore, in relation to Transaction A, the transaction is a transaction between the shareholders in CITA while for Transaction B, the transaction is a transaction between CITA's shareholders and parties affiliated with the majority shareholder in CITA.

Transactions between CITA shareholders as well as transactions between CMC, which are CITA shareholders and CWN, who are parties under the same control as CAN as the majority shareholder of CITA, provide advantages in terms of time and efficiency considering that the parties are aware of the condition of the CITA, including but not limited to the financial condition and business prospects, there is no need for a prolonged due diligence and negotiation process.

III. SUMMARY OF REPORTS AND valuation OPINIONS

To ensure the fairness of the Transaction value, the Company has asked an Independent Appraiser registered with the Financial Services Authority, with the following details:

Name : Rengganis Hamid & Partners Public valuation Service Office
("KJPP RHR")
License No. : 2.09.0012
Office Address : Menara Kuningan Lantai 8, Jl. HR. Rasuna Said Blok X-7
Kav. 5, Jakarta
Phone : +6221 3001 6002
Fax. : +6221 3001 6003

Email : kjpp.rhp@rhp-valuation.com

who have been appointed by the Board of Directors of the Company as an independent party in charge of assessing the object of the Transaction and assessing the fairness of the value of the Transaction.

The independent party stated above has no direct or indirect affiliation with the Company as defined in the Capital Market Law.

The following is a summary of the report submitted by KJPP RHR through the Equity Assessment report of PT Pelayaran Citranstirta Tatasarana Number: 00251 / 2.0012-00 / BS / 01/0005/1 / X / 2020, dated October 1, 2020, and the Fairness Opinion report on the Divestment of PT Pelayaran Citranstirta Tatasarana No. 00263/2.0012-00/BS/02/0005/1/X/2020 dated October 15, 2020

Summary of the Transaction Object valuation Report

1. Object of valuation

The object of valuation is 48,78% of CITA's equity owned by CPPI and CMC with ownership of 48,77% and 0.01%, respectively. CITA is a company engaged in transportation services and shipping agencies.

2. Purpose and objectives of valuation

This valuation is carried out with the intent and purpose of providing a Market Value opinion on the object of valuation for divestment purposes.

3. Valuation Date

The valuation date is April 30, 2020.

4. Assumptions and Special Assumptions

Assumptions

- The object of the valuation is assumed to be a company that is running and will continue its business activities in the future;
- The object of valuation is assumed to have fulfilled all legal and statutory aspects that apply generally and specifically to the industry in order to carry out operational activities;
- The object of valuation is provided with valid and legitimate ownership which is free and clean from restriction or limitation;
- The audit financial statements used as the basis for this valuation analysis are assumed to be accurate and true and no information is hidden or is intentionally hidden;
- The valuation is carried out with access to adequate investigation;
- For the purpose of the valuation, we have completed the data provided by the Company's management and the data is assumed to be accurate and true.

Special Assumptions

- In conditions where there are indications of market and macroeconomic conditions changing rapidly or there is potential for uncertainty and data limitations for similar transactions, we recommend that you use this report with care and fully understand the assumptions, limitations, conditions, comments and details of all parts of the report that underlie the opinion on the value of the object of valuation;
- In this assignment, we have received financial projections that have been prepared by management, which have been adjusted to the data and market projection information available as of the valuation date and have obtained approval from the Company's management;
- We understand that CITA has 2 ships, namely LCT Cipta Jaya Mandiri and Intermac 408, as compliance with government regulations. In this valuation, the two vessels are assessed as non-operational assets with the consideration that the two vessels are not used in CITA's existing operational activities and tend to be leased to third parties.

5. Valuation Approach and Method

In this valuation, we apply the Discounted Cash Flow Method (DCF) for the Income Approach and the Excess Income Capitalization Method (KKP) for the Asset Approach.

6. Value Conclusion

Taking into account all relevant information and prevailing market conditions, we are of the opinion that the Market Value of 48.78% of CITA's equity as of April 30, 2020 is USD309,000/- (THREE HUNDRED AND NINE THOUSAND AMERICAN DOLLARS).

Using the exchange rate per valuation date of USD 1 = IDR 15,157, the Market Value of 48.78% of CITA's equity as of April 30, 2020 is Rp4,684,000,000/- (FOUR BILLION SIX HUNDRED EIGHTY FOUR MILLION RUPIAH).

Summary of Fairness Opinion Report

1. Object of Fairness Analysis

The object of the fairness analysis is the divestment plan of 48,78% of CITA's equity owned by CPPI and CMC with ownership of 48,77% and 0,01% respectively.

2. Identity of Parties

The parties involved in the Transaction are:

- a. Company;
- b. CPPI;
- c. CAN;
- d. CMC; and

e. CWN.

3. Purpose and Objectives of Valuation

The purpose and objective of this assignment is to provide a Fairness Opinion on the Transaction in relation to information disclosure to the public.

This fairness opinion report relates to Transactions that are classified as affiliated transactions in accordance with Regulation No. IX.E.1 in the attachment to the Decree of the Chairman of the Capital Market and Financial Institution Supervisory Agency (Bapepam-LK) Number: KEP-412 / BL / 2009 concerning Affiliated Transactions and Conflict of Interest on Certain Transactions.

4. Fairness Analysis Date

The fairness analysis date is April 30, 2020.

5. Assumptions and Limiting Conditions

This Fairness Opinion is carried out with the following limitations:

- The appraiser conducts a review of the relevant documents, data and information related to the appraisal assignment, but no detailed due diligence is carried out on the information on financial statements and company legality documents;
- Tax impact analysis for parties related to the Transaction;
- Transactions other than those mentioned in the object of fairness analysis.

Based on the analysis of the Transaction, KJPP RHR has the following assumptions.

- KJPP RHR assumes that the Transaction will be executed as disclosed by the management of the company and in accordance with the agreement as well as the reliability of information regarding the transaction as disclosed by the management of the Company;
- KJPP RHR also assumes that there is no significant change in the assumptions used in the preparation of this Fairness Opinion between the issuance of the Fairness Opinion and the effective date of the Transaction;
- KJPP RHR assumes that all data and information obtained from company management in connection with the Transaction is accurate and true and no information is hidden or deliberately hidden;
- This opinion should be viewed as a whole and that the use of parts of this analysis and information without considering the overall information and analysis may lead to a misleading view of the process underlying that opinion. The formation of this opinion is a complex process and may not be possible through incomplete analysis;
- This opinion is prepared based on general financial, monetary, regulatory and market conditions that exist today. Changes in certain conditions that are beyond the Company's control will have an unpredictable impact and may affect this fairness opinion.

- In conditions where there are indications of market and macroeconomic conditions in rapid change or potential uncertainty and data limitations for similar transactions, we recommend using this report with caution and fully understand the assumptions, limitations, conditions, comments and details of all parts of the report on which the fairness opinion is based;

6. Approach and Method of Valuation

- a. Analysis of Transactions;
CITA is a company engaged in the transportation services and shipping agencies.

The company, which has indirect share ownership in CITA through its two subsidiaries, namely CPPI and CMC, is currently planning to divest this share ownership. The background for this transaction is based on the consideration that the CITA business sector is not the core business of the Company which is engaged in the pipeline-related services business and its supporting equipment for the oil and gas industry. In addition, the Company also does not have control over CITA due to its minority shareholding, so the Company cannot direct the current CITA business to be in line with the Company's business as a whole. Therefore, the Company plans to relinquish its share ownership in CITA so that the Company can focus only on businesses that are in line with their line of business.

- b. Qualitative Analysis;

Transaction Benefits

- The Company receives cash from this divestment transaction which is used to fund the working capital of the Company's subsidiaries.
- By releasing the minority ownership of CITA, the Company is not exposed to the business risk exposure of CITA.
- By releasing the minority ownership of CITA, the Company can focus on business development that is in line with the Company's business segments.

- c. Quantitative Analysis;

Financial Analysis Before and After Transactions

Based on the pro forma of the Company's financial statements, there was not much change in the Company's statement of financial position, namely the current assets in the form of cash and cash equivalents increased by USD843.,000 / - or by 6,8%. For non-current assets, the divestment of CITA resulted in a decrease in investment in associates by USD774.147 / - or by 31,64%. There was an increase in equity of USD69.753 or 0,07% which was a gain on the divestment of CITA.

In the consolidated statement of income, the Transaction resulted in an increase in other income by 9,9% and net income by 30.4% due to a gain on the divestment of CITA.

Incremental Analysis

Based on the incremental analysis, the projected operating income, gross profit, and operating profit of the Company did not experience significant changes between before and after the transaction. Net profit increased by 2.2% in 2020 after the transaction due to the return on the CITA divestment.

d. Analysis of Transaction Value

Analysis of the fairness of the transaction is carried out by comparing the transaction value stated in the Conditional Sale and Purchase of Shares Agreement dated 1 October 2020 and the Market Value of 48.78% of CITA's equity as of 30 April 2020.

Based on the equity valuation report No. 00251 / 2.0012-00 / BS / 01/0005/1 / X / 2020 dated 1 October 2020, KJPP-RHR believes that the Market Value of 48,78% of CITA's equity as of 30 April 2020 is USD309,000/- (THREE HUNDRED AND NINE THOUSAND AMERICAN DOLLARS).

Based on the Conditional Sale and Purchase of Shares Agreement between CPPI & CMC as seller and CAN & CWN as buyer, the Selling Price of the Object of the Transaction ("Transaction Value") is USD843,900/- (EIGHT HUNDRED FORTY THREE THOUSAND NINE HUNDRED AMERICAN DOLLARS).

Based on the above analysis, the sales transaction value of 48,78% of CITA's equity is 173% higher than the Market Value of 48,78% of CITA's equity, so that the transaction can be said to be unfair because it is higher than the maximum deviation of 7,5% of the Market Value of the Transaction Object. (The maximum limit is stated in the Regulation of the Financial Services Authority of the Republic of Indonesia Number 35 /POJK.04/2020 concerning Guidelines for Assessment and Business Valuation Reports in the Capital Market).

Although in terms of Transaction Value, the Transaction is deemed unnatural due to the large deviation between the Transaction Value and the Market Value, this Transaction does not harm the Company or shareholders, both majority and minority.

7. Conclusions and Opinions

Based on the fairness analysis of the Transaction which includes analysis of the transaction, qualitative and quantitative analysis, analysis of the fairness of the transaction value, and analysis of relevant factors, we are of the opinion that the overall Transaction is unfair.

ADDITIONAL INFORMATION

To obtain information in connection with the Transaction, the shareholders of the Company can contact the Company, on every day and working hour of the Company at the address below:

PT Citra Tubindo Tbk

Kabil Integrated Industrial Zone

Jl. Hang Kesturi I No. 2, Batam, Kepulauan Riau, Indonesia

Tel. (0778) 71121-23

Fax. (0778) 711094, 711164

Email : corsec@citratubindo.co.id

Website : www.citratubindo.com

Batam, October 20, 2020

Directors of the Company