

**INFORMATION DISCLOSURE TO SHAREHOLDERS
("Information Disclosure")
IN RELATIONSHIP WITH MATERIAL TRANSACTIONS AND
AFFILIATED TRANSACTIONS
PT KDB TIFA FINANCE Tbk
(the "Company")**

THIS INFORMATION DISCLOSURE IS DELIVERED BY THE COMPANY IN COMPLIANCE WITH THE PROVISIONS CONCERNING MATERIAL TRANSACTIONS AS INTENDED IN THE FINANCIAL SERVICES AUTHORITY REGULATION NUMBER 17/POJK.04/2020 CONCERNING TRANSACTIONS IN BUSINESS AFFAIRS AND AFFILIATED TRANSACTIONS AS INTENDED IN THE FINANCIAL SERVICES AUTHORITY REGULATION NUMBER 42/POJK.04/2020 CONCERNING AFFILIATED TRANSACTIONS AND CONFLICT OF INTEREST TRANSACTIONS ("POJK 42/2020").



Domiciled in South Jakarta, Indonesia

Main Business Activities:
Financing and Financing Services Based on Sharia Principles

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South Jakarta 12710
Phone: (+62-21) 525 2029, 520 0667
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This Information Disclosure is published on 7 December 2020

The Board of Directors and the Board of Commissioners of the Company, both individually and collectively, are fully responsible for the accuracy and completeness of the information as disclosed in this Information Disclosure and after careful examination, confirm that the information contained in this Information Disclosure is true and there are no other important facts that have not been disclosed, causing the information provided in this Information Disclosure to be untrue or misleading.

DEFINITION

- Affiliates** : Is as referred to in Article 1 of the Capital Market Law
- Affiliated Transactions** : Is any activity and / or transaction carried out by a public company or controlled company with an affiliate of a public company or an affiliate of the members of the board of directors, members of the board of commissioners, major shareholders, or controllers, including every activity and / or transaction carried out by a public company or controlled company for the interests of an Affiliate of a public company or an Affiliate of a member of the board of directors, a member of the board of commissioners, a major shareholder or the Controller.
- Material Transactions** : Material Transaction is any transaction carried out by a public company or a controlled company which fulfills the transaction value limit equal to 20% (twenty percent) or more of the equity of the public company.
- Financial Services Authority** : Is an independent institution and free from interference from other parties, which has the function and authority to regulate, supervise, examine and investigate as referred to in Law Number 21 of 2011 dated 22 November 2011. Since 31 December 2012, regulatory functions, duties and authorities and supervision of financial services activities in the capital market sector has shifted from the Minister of Finance and Bapepam LK to the OJK.
- POJK 17/2020** : Is the Financial Services Authority Regulation Number 17/POJK.04/2020 concerning Material Transactions and Changes to Business Activities dated 21 April 2020.
- POJK 42/2020** : Is the Financial Services Authority Regulation Number 42/POJK.04/2020 concerning Affiliated Transactions and Conflict of Interest dated 1 July 2020.
- POJK 31/2015** : Is the Financial Services Authority Regulation Number 31/POJK.04/2015 concerning Information Disclosure of Material Information or Facts by Issuers or Public Companies dated 16 December 2015.

The Company

: Is PT KDB Tifa Finance Tbk, a Limited Liability Company established under the laws of the Republic of Indonesia and domiciled in South Jakarta, Indonesia.

KDB

: Is The Korea Development Bank, a banking company established under the laws of the Republic of Korea and domiciled in Seoul, South Korea.

PRELIMINARY

This Information Disclosure in connection with Material Transactions and Affiliated Transactions contains information regarding transactions between the Company and KDB, a company affiliated with the Company due to the ownership of 84.65% (eighty four point six five percent) of the shares of the Company, where the Company carries out bank loan transactions with KDB based on Credit Agreement dated 3 December 2020 ("Transaction").

The Board of Directors and the Board of Commissioners of the Company, both individually and collectively, state that the Transaction is a Material Transaction and also an Affiliated Transaction **but this Transaction does not contain a conflict of interest as regulated in POJK 17/2020 and POJK 42/2020.**

In connection with the Transaction above, in accordance with applicable laws and regulations, in particular the provisions of POJK 17/2020 and POJK 42/2020, the Board of Directors of the Company hereby announces the Information Disclosure with the intention of providing explanations, considerations and the reasons for the Transaction to the Company's shareholders as part of the fulfilment of these provisions.

DESCRIPTION OF THE TRANSACTION

A. INFORMATION ABOUT THE PARTIES IN THE TRANSACTION

1. THE COMPANY

a. Brief History

The company was founded by PT Dwi Satrya Utama (DSU) under the name PT Tifa Mutual Finance Corporation based on Deed No. 42 dated 14 June 1989 from Esther Daniar Iskandar, S.H., notary in Jakarta. This deed has been approved by the Minister of Justice of the Republic of Indonesia through Decree No. C2-6585.HT.01.01-TH.89 dated 25 July 1989, registered at the South Jakarta District Court with No. 344/Not/1990/PN.JKT.SEL dated 17 May 1990, and announced in Supplement No. 2257 in the State Gazette of the Republic of Indonesia No. 61 dated 30 July 1991.

The company obtained a business license as a finance company from the Minister of Finance of the Republic of Indonesia in Decree Number 1085/KMK.013/1989 dated 26 September 1989, as amended based on Decree Number 526/KMK.013/1990 dated 12 May 1990, and was last amended again based on Decree Number 508/KMK.017/1996 dated 13 August 1996.

In 1996, the Company became a Joint Venture company with the inclusion of foreign shareholder Tan Chong Credit Pte Ltd (TCC) Singapore, which is a subsidiary of Tan Chong Motor Group (TCMG) Malaysia, as the holder of 48.00% (forty eight percent) shares in the Target Company.

Based on the Deed No. 39 dated 16 August 2000 from Adam Kasdarmadji, S.H., notary in Jakarta, the name of the Company was changed from PT Tifa Mutual Finance Corporation to PT Tifa Finance and was legalized by the Minister of Justice

and Human Rights of the Republic of Indonesia with Decree No. C-6276.HT.01.04.TH.2001 dated 27 April 2001.

The Company continues to develop its business so that in 2006 the Company can meet the minimum paid-up capital requirement of Rp100,000,000,000 (one hundred billion Rupiah) in accordance with applicable regulations.

In February 2011, the Company officially opened and operated a Sharia Business Unit as a strategic step in developing its business. Then on 11 July 2011, the Company carried out an Initial Public Offering (IPO) by offering 278,000,000 (two hundred seventy-eight million) shares to the public and listing their shares on the IDX.

Until now, the Company has 6 (six) office networks including 1 (one) Head Office in Jakarta, 1 (one) Branch Office in Surabaya and 4 (four) Representative Offices spread across several regions of Indonesia including Semarang, Makassar, Balikpapan. and Pekanbaru.

The last Articles of Association of the Company have been changed several times, the latest amendment is contained in Deed No. 192 dated 27 August 2020 drawn up before Christina Dwi Utami, SH., MHum., MKn notary in Jakarta, whose amendments have been registered and approved by the Ministry of Law and Human Rights and stated in its Notification Number AHU-AH.01.03 0384918 and Number AHU-0062389.AH.01.02.TAHUN 2020, both of which are dated 10 September 2020, the Company again changed its name from PT Tifa Finance Tbk to PT KDB Tifa Finance Tbk, which changes have been administered by OJK in accordance with the Decree of the Members of the OJK Board of Commissioners Number Kep-270/NB.11/2020 dated 30 September 2020.

b. Head Office of the Company

The company has its head office / is domiciled at Tifa Building, 4th Floor, Jl. Kuningan Barat No. 26, South Jakarta 12710.

c. Main Business

Based on Article 3 of the Companies' Articles of Association as stated in the Deed No. 192 dated 27 August 2020 concerning Purpose and Objectives, the Company is engaged in Financing, including Financing based on Sharia Principles. The company can carry out business activities as follows:

- a. Investment Financing
- b. Working Capital Financing
- c. Multipurpose Financing
- d. Operating Leases and / or fee-based activities as long as they do not conflict with the provisions of laws and regulations in the financial services sector
- e. Sharia financing activities, including: buying and selling financing, investment financing, service financing.

d. Capital Structure and Composition of Shareholders

The Capital Structure and Composition of the Company's Shareholders on the date of this Information Disclosure are as follows :

Information	Nominal Value of Rp 100 per share		
	Number of Shares	Nominal Value (Rp)	(%)
Authorized Capital	4.000.000.000	400.000.000.000	
Issued and fully paid-up capital			
KDB	913.914.700	91.391.470.000	84,65%
PT Dwi Satria Utama	161.955.000	16.195.500.000	15,00%
Public (under 5%)	3.830.300	383.030.000	0,35%
Total Issued and fully paid-up capital	1.079.700.000	107.970.000.000	100,00%
Shares in Portfolio	2.920.300.000	292.030.000.000	

e. Management

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

Board of Commissioners		Board of Directors	
President Commissioner	Lisjanto Tjiptobiantoro	President Director	Bernard Thien Ted Nam
Commissioner	Sng Chiew Huat	Director	Ester Gunawan
Independent Commissioner	Antonius Hanifah Komala	Director	Tjahja Wibisono

f. Summary of Important Financial Data

The following table shows an overview of Important Financial Data taken from the Company Audit Financial Statements audited by KAP Mirawati, Sensi, Idris (Moore Stephens) for the years ended 31 December 2017, 2018, and 2019:

Overview of the Income Statement (Rp Million)	2017	2018	2019
Income			
Accounts receivable income	157.972	165.555	157.764
Consumer financing receivables income	12.084	10.873	5.366
Factoring income	738	195	119
Ijarah Muntahiyah Bittamlik income	20.876	34.783	27.786
Others Income	2.325	7.196	8.807
Total Income	193.995	218.602	199.843
Expenses			
Administration fees and general expenses	103.487	115.704	94.422

The cost of establishing an allowance for impairment losses	41.369	43.555	43.647
Accounts receivable write-off with controlled guarantee	18.249	22.274	18.000
Fixed asset depreciation expense	27	-	-
Total Expenses	163.132	181.533	156.069
Operating Income	30.863	37.069	43.774
Income Tax of the Year	7.852	9.232	10.740
Net Income	23.011	27.837	33.034

Summary of Financial Position Report (Rp Million)	2017	2018	2019
Total Asset	1.631.977	1.514.969	1.212.066
Total Liability	1.308.205	1.169.481	841.357
Total Equity	323.772	345.488	370.709

2. KDB

a. Brief History

KDB was founded in 1954 under the name "Korea Reconstruction Bank" to finance and manage large industrial projects to accelerate industrial development and boost the national economy. The main task of KDB at that time was to restore industrial facilities destroyed during the Korean War and core industries such as electricity, coal and cement to restore economic independence. Over the following years, as Korea's representative for the development finance bank, KDB has driven growth and enhanced strategic industry competitiveness by meeting the industry's changing financial needs.

CEO/President Director	Bapak Lee Dong Gull
Date of Establishment	1954/4/1
Shareholders	The Government of The Republic of Korea (100.0%)
Credit Rating	Aa2(Moody's), AA(S&P), AA-(Fitch)
Global Networks	9 Overseas Branches, 5 Subsidiaries, 8 Representative Offices *
Jumlah Karyawan	3.296

* Including Representative Office in Jakarta

Following public policy, KDB also facilitates management and normalization of problem companies through corporate restructuring and consulting services, as well as providing capital for strategic regional development projects.

After a period of extraordinary growth, Korea now faces many challenges in various fields. The competitiveness of traditional industries is being threatened on the global stage while the new wave of industrial revolution demands a change in the current paradigm towards new growth. To this, KDB has continued its commitment as a leader in Korean policy finance in (1) unlocking the country's

growth potential through developing new and innovative industries that capture the benefits of the fourth industrial revolution, and (2) serving as the financial engine behind job creation and growth. an income-driven economy.

b. Head Office of KDB

KDB is headquartered in South Korea with the address:
 14 Eunhaeng-ro, Yeongdeungpo-gu, Seoul, South Korea
 Phone: (+82) 1588 1500, 1668 1500
 Website: www.kdb.co.kr
 E-mail: connectingdots@kdb.co.kr

c. Main Bussiness

KDB is a specialized bank established under the Korea Development Bank Act. KDB is a unique bank whose main mission is to maintain and develop the industry by providing long-term funding and facilities, as well as industry expertise services. This is where KDB differs from other commercial banks in Korea and this mission will also be embedded in its business strategy in Indonesia.

d. Capital Structure and Composition of Shareholders

As of the date of this Information Disclosure, the capital structure and share ownership composition of KDB are as follows:

<i>In Won Korea</i>			
Shareholders	Type of Shares	Total Shares	Percentage
<i>The Government of the Republic of Korea (Ministry of Economy and Finance)</i>	<i>Common Stock</i>	3.482.306.862	91,10%
<i>The Government of the Republic of Korea (Ministry of Land, Infrastructure and Transport)</i>	<i>Common Stock</i>	275.412.906	7,20%
<i>The Government of the Republic of Korea (Ministry of Trade, Industry and Energy)</i>	<i>Common Stock</i>	40.000.000	1,05%
<i>The Government of the Republic of Korea (Ministry of Ocean and Fisheries)</i>	<i>Common Stock</i>	25.000.000	0,65%
Total Shares	3.822.719.768	Saham Par Value	5.000

e. Management

On the date of this Information Disclosure, the KDB management structure is as follows:

Name	Position
Lee, Dong Gull	<i>Chairman & CEO</i>
Sung, Joo Yung	<i>Vice Chairman & COO</i>
Yang, Chae Yeol	<i>Independent Director</i>
Son, Kyo Deog	<i>Independent Director</i>
Lee, Yune	<i>Independent Director</i>
Yook, Dong Han	<i>Independent Director</i>

Kim, Nam Jun	<i>Independent Director</i>
Seo, Cheol Hwan	<i>Auditor</i>

B. OBJECT OF THE TRANSACTION

The object of this Transaction is the Loan Agreement between the Company and KDB in accordance with the Credit Agreement dated 3 December 2020.

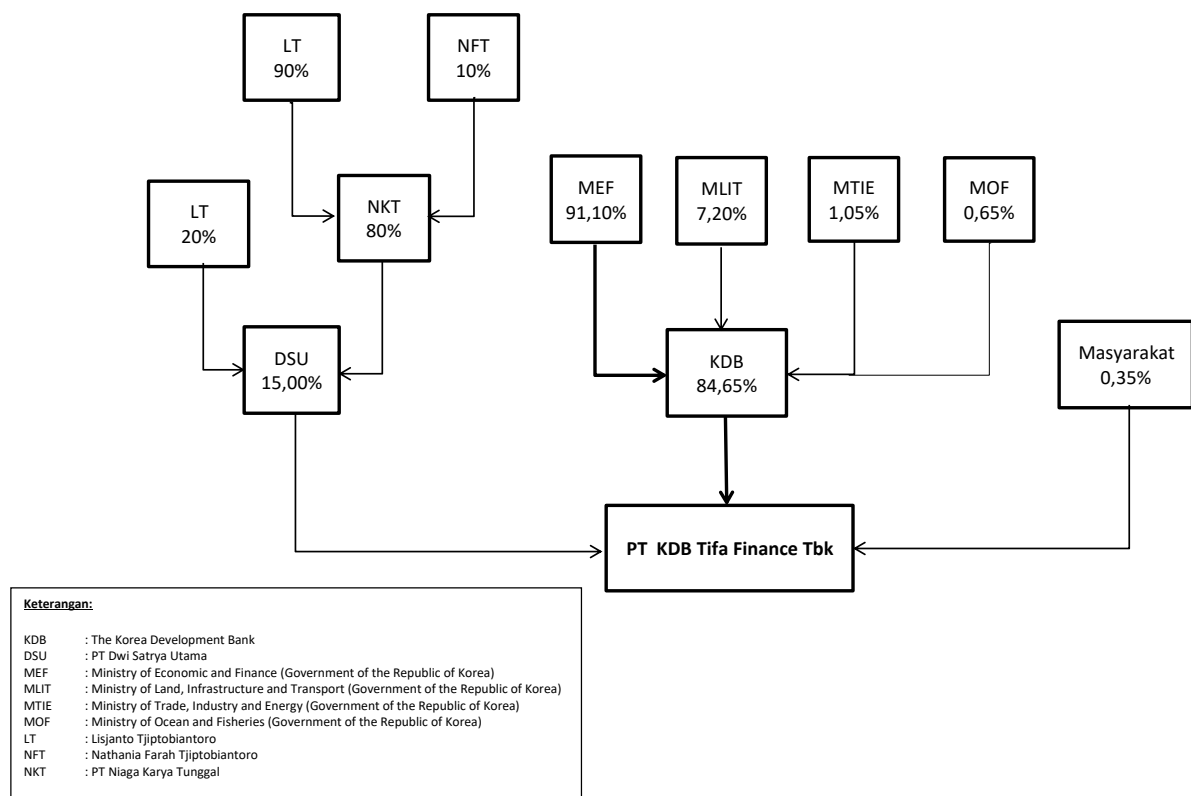
C. TRANSACTION VALUES

The total value of the Transaction is USD 20 million or equivalent to IDR 284,000,000,000 (exchange rate of USD 1 is equivalent to IDR 14,200)

The value of this Transaction is 76.61% (seventy six point six one percent) of the Company's equity as seen from the Company's audited financial statements which ended on 31 December 2019. Therefore, the transactions conducted by the Company are Material Transactions in accordance with the provisions of POJK 17/2020.

D. NATURE OF RELATIONSHIP OF THE PARTIES CONDUCTING THE TRANSACTION

The Company and KDB are affiliated parties because KDB is the controlling shareholder of the Company which owns 84.65% of the issued and fully paid shares in the Company. The following is the structure of the Company's business group on the date of this Information Disclosure:



E. NATURE OF MATERIAL TRANSACTION IN THE TRANSACTION

Transactions carried out under the Credit Agreement dated 3 December 2020 are a Material Transaction as regulated in Article POJK 17/2020 which also contains Affiliate transactions in accordance with POJK 42/2020, in this case the Company is not required to use an Appraiser and obtain GMS approval because it is a loan transaction received directly from foreign banks. In this case, the Company is obliged to submit Information Disclosure to the public through the Company's website and the IDX's website and submit a Report on Information Disclosure on Transactions to OJK along with supporting documents no later than 2 (two) working days after the Transaction date.

F. EXPLANATION, CONSIDERATION AND REASON FOR THE TRANSACTION

The considerations and reasons for conducting this Transaction are in order to meet the urgency of the Company's working capital needs amidst uncertain economic conditions and related to the tight funding facilities obtained by the Company from domestic banks, in addition to the Company's future expansion plans to enter infrastructure projects. The Transaction, which is a Material Transaction, will have an effect on increasing the liquidity and improved funding costs of the Company, thereby increasing the capability of the Company and providing sufficient space for sufficient capital to support the Company's business expansion.

While the considerations and reasons for carrying out this Transaction with affiliated parties of the Company where the Company conducts a Transaction with KDB, which is the controlling shareholder, is because this Transaction provides several advantages for the Company including low interest rates and more flexible terms and conditions, in addition to this as one of KDB's commitments as the controlling shareholder in order to participate in developing the Company's business to be able to compete competitively in the midst of the Industry.

ADDITIONAL INFORMATION

Shareholders who have questions regarding this Information Disclosure or require additional information can contact:

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