

**INFORMATION DISCLOSURE TO SHAREHOLDERS  
("Information Disclosure")  
IN RELATIONSHIP WITH MATERIAL 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 MATERIAL TRANSACTION AND CHANGES IN BUSINESS ACTIVITIES**



Domiciled in South Jakarta, Indonesia

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

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**This Information Disclosure is published on 10 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.

**BCA**

: Is PT Bank Central Asia Tbk, a banking company established under the laws of the Republic of Indonesia and domiciled Central Jakarta.

## **PRELIMINARY**

This Information Disclosure relates to Material Transactions, where the Company conducts bank loan transactions with BCA based on the Credit Agreement dated 7 December 2020 ("**Transaction**").

The Board of Directors and the Board of Commissioners of the Company, either individually or collectively, state that the Transaction is a Material Transaction but it is not an Affiliated Transaction and 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 the applicable laws and regulations, in particular the provisions of POJK 17/2020, the Board of Directors of the Company hereby announces the Information Disclosure with the intention of providing explanations, considerations and reasons for carrying out the Transaction to the shareholders of the Company as part of fulfilling 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.

In 2020, the controller shareholders of the Company changed with the entry of The Korea Development Bank ("KDB") through the process of acquiring 80.65% of the Company's shares. 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)	(%)
<b>Authorized Capital</b>	<b>4.000.000.000</b>	<b>400.000.000.000</b>	
<b>Issued and fully paid-up capital</b>			
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%
<b>Total Issued and fully paid-up capital</b>	<b>1.079.700.000</b>	<b>107.970.000.000</b>	<b>100,00%</b>
<b>Shares in Portfolio</b>	<b>2.920.300.000</b>	<b>292.030.000.000</b>	

#### 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
<b>Income</b>			
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
<b>Total Income</b>	<b>193.995</b>	<b>218.602</b>	<b>199.843</b>
<b>Expenses</b>			
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	-	-
<b>Total Expenses</b>	<b>163.132</b>	<b>181.533</b>	<b>156.069</b>
<b>Operating Income</b>	<b>30.863</b>	<b>37.069</b>	<b>43.774</b>
<b>Income Tax of the Year</b>	<b>7.852</b>	<b>9.232</b>	<b>10.740</b>
<b>Net Income</b>	<b>23.011</b>	<b>27.837</b>	<b>33.034</b>

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

## 2. BCA

### a. Brief History

1955 NV The Semarang Knitting Factory Trade and Industry Company was established as the forerunner of Bank Central Asia (BCA). BCA began operations on 21 February 1957 and is headquartered in Jakarta. Effective 2 September 1975, the name of the Bank was changed to PT Bank Central Asia (BCA), then BCA strengthened its branch service network. In 1977 BCA developed into a Foreign Exchange Bank, and in the 1980s BCA aggressively expanded its branch network in line with the deregulation of the banking sector in Indonesia. BCA develops various products and services as well as developing information technology, by implementing an online system for branch office networks, and launching the BCA Tabungan Hari Depan (Tahapan). BCA continues to strengthen its business network and also expands the range of innovative products to meet the needs of all customers, making it one of the largest banks in Indonesia.

### b. Head Office of BCA

Menara BCA, Grand Indonesia  
 Jl. MH Thamrin No. 1, Jakarta 10310  
 Telepon : (021) 235 88000  
 Fax : (021) 235 88300

### c. Main Bussiness

BCA is a company engaged in banking services that provides various banking facilities including:

- Savings products
- Credit card
- Credit Facility
- Banking Transaction Services
- Cash Management Services
- Bancassurance products

- Stanby LC / Bank Guarantee
- Export Import Financing (Trade Finance)
- Foreign Exchange Facility
- Electronic Banking
- Domestic Letter of Credit (SKBDN Local LC)
- Mutual Fund Investment Products
- Bond Investment Products

In more detail, information about BCA can be accessed through the official BCA website : [www.bca.co.id](http://www.bca.co.id)

## **B. OBJECT OF THE TRANSACTION**

The object of this Transaction is the Local Credit Agreement between the Company and BCA in accordance with the Credit Agreement dated 7 December 2020 made before Stephanie Wilamarta, SH Notary in Jakarta.

## **C. TRANSACTION VALUES**

The total value of the Transaction is Rp150,000,000,000 (one hundred and fifty billion rupiahs). The value of this Transaction is 40.46% (forty point four six percent) of the Company's equity as seen from the audited financial statements of the Company which ended on 31 December 2019. Therefore, the transactions carried out by the Company are Material Transactions in accordance with the provisions of POJK 17/2020.

## **D. NATURE OF MATERIAL TRANSACTION IN THE TRANSACTION**

Transactions carried out based on the Credit Agreement dated 7 December 2020 are a Material Transaction as regulated in Article POJK 17/2020, 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 a domestic bank. In this case, the Company is obliged to submit Information Disclosure to the public through the Company's website and the Indonesia Stock Exchange 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.

## **E. EXPLANATION, CONSIDERATION AND REASON FOR THE TRANSACTION**

The considerations and reasons for conducting this Transaction are in order to meet the additional working capital requirements of the Company. BCA is one of the creditors who has contributed greatly to the development of the Company's business where the good relationship between the Company and BCA has been established for quite a long time. Additional working capital is also very much needed by the Company in the framework of the Company's future expansion plans to enter into infrastructure projects. The Transaction, which is a Material Transaction, will have an effect on increasing liquidity, thereby increasing the Company's capabilities and providing sufficient space for sufficient capital to support the Company's business expansion.



## **ADDITIONAL INFORMATION**

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

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