

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

**THIS DISCLOSURE OF INFORMATION IS SUBMITTED BY THE COMPANY IN COMPLIANCE WITH THE PROVISIONS IN THE FINANCIAL SERVICES AUTHORITY REGULATION NUMBER 17/POJK.04/2020 CONCERNING MATERIAL TRANSACTIONS AND CHANGES IN BUSINESS ACTIVITIES ("POJK 17/2020") AND AFFILIATED TRANSACTIONS AS INTENDED IN 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

Head Office Address:  
Equity Tower 39<sup>th</sup> Floor SCBD Lot 9,  
Jl. Jend. Sudirman Kav. 52-53,  
South Jakarta 12190  
Phone: (+62-21) 5094 1140  
Website: [www.kdbtifa.co.id](http://www.kdbtifa.co.id)  
E-mail: [corporate.secretary@kdbtifa.co.id](mailto:corporate.secretary@kdbtifa.co.id)

**This Information Disclosure is published on June 9, 2022**

**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 in-depth assessment, 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 Transaction and Affiliated Transaction 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 extended the tenor and renew bank loan transactions with KDB based on Credit Agreement dated 3 December 2020 and the changes of terms and conditions dated June 8, 2022 ("**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 in 1989, which was initiated by the DSU Group and is the starting point for the Company's development to date through various phases of continuous growth. Since its establishment, the Company has continued to grow and develop and has made several additional capital additions to strengthen its business. In 1996, the Company transformed into a joint venture company with the entry of a Singaporean company, Tan Chong Credit, Pte., Ltd, which is a subsidiary of Tan Chong Motor Group (TCMG) Malaysia through a 48.00% share ownership in the Company.

In 2000, the Company changed its name to PT Tifa Finance and continued to develop its business, and in 2006, the Company was able to meet the minimum paid-up capital requirement of Rp100,000,000,000,- in accordance with applicable regulations.

As one of the strategic steps in developing its business, the Company officially opened and operated a Sharia Business Unit in 2011. In the same year, the Company sought to strengthen its capital structure by conducting an Initial Public Offering (IPO) by offering 278,000,000 shares to the public and received a Statement of Effectiveness from Bapepam-LK (now the Financial Services Authority) on June 30, 2011 and listed its shares on the Indonesia Stock Exchange on July 11, 2011.

The year 2020 marked an important change for the Company, with the entry of The Korea Development Bank ("KDB") after going through a fairly long process since 2019 through the acquisition of 80.65% shares in the Company which made KDB the new controlling shareholder, and after going through a process Mandatory Tender Offer (MTO), the percentage of KDB shares is 84.65%. With the entry of KDB, the Company made a significant adjustment by changing its name to PT KDB Tifa Finance Tbk. In addition to changing the vision and mission, the company's values are also in line with the direction and strategy of KDB as the parent company.

As one of its strategic steps, the Company in 2021 conducted a Limited Public Offering I (PUT I) by granting Pre-emptive Rights (HMETD) to its shareholders, and this was successfully realized in September 2021 which significantly increased the capital and equity capacity of the Company. This step is expected to open up opportunities for further development of the Company's business with other strategic steps that will be taken by the Company in the future.

#### **b. Head Office of the Company**

The company has its head office is domiciled at Equity Building 39<sup>th</sup> Floor, SCBD Lot 9, Jl. Jend. Sudirman Kav. 52-53, South Jakarta 12190.

#### **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	3.006.779.363	300.677.936.300	84,65%
PT Dwi Satrya Utama	532.707.259	53.270.725.900	15,00%
Public (under 5%)	12.726.378	1.272.637.800	0,35%

Information	Nominal Value of Rp 100 per share		
	Number of Shares	Nominal Value (Rp)	(%)
<b>Total Issued and fully paid-up capital</b>	<b>3.552.213.000</b>	<b>355.221.300.000</b>	<b>100,00%</b>
<b>Shares in Portfolio</b>	<b>447.787.000</b>	<b>44.778.700.000</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	Hwang Kilseog	President Director	Kim Kang Soo
Commissioner	Sim Jae Poong	Director	Ester Gunawan
Independent Commissioner	Choi Jung Sik	Director	Kim Kyung Woo
Independent Commissioner	Antonius Hanifah Komala	Director	Ina Dashinta Hamid

#### 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 2021 and 2020 :

Income Statement Summary (million Rp)	2021	2020
<b>Income</b>		
Accounts receivable income	96.227	132.804
Consumer financing receivables income	2.129	1.730
Ijarah muntahiyah bittamlik income	9.933	14.797
Interest income and profit sharing	4.562	837
Other Income	2.531	8.722
<b>Total Income</b>	<b>115.382</b>	<b>158.890</b>
<b>Expenses</b>		
Interest expense and profit sharing	20.234	60.562
General and administrative expenses	51.495	43.716
Foreign exchange loss net	497	585
Establishment of allowance for impairment losses - net	8.780	27.582
Others	1.770	1.930
<b>Total Expenses</b>	<b>82.776</b>	<b>134.375</b>
<b>Operational Profit</b>	<b>32.606</b>	<b>24.515</b>
<b>Income Tax this year</b>	<b>5.875</b>	<b>9.630</b>
<b>Net Profit</b>	<b>26.731</b>	<b>14.885</b>

Summary of Statement of Financial Position (million Rp)	2021	2020
Total Aset	1.396.548	1.103.816
Total Liabilities	363.487	738.620
Total Equity	1.033.061	365.196

## 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](http://www.kdb.co.kr)  
 E-mail: [connectingdots@kdb.co.kr](mailto:connectingdots@kdb.co.kr)

### c. Main Business

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</i>	<i>Common Stock</i>	3.822.719.768	100%
Total Shares	3.822.719.768	<i>Share Par Value</i>	5.000

### e. Management

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

Name	Position
<b>Lee, Dong Gull</b>	<i>Chairman &amp; CEO</i>
<b>Yook, Dong Han</b>	<i>Director</i>
<b>Joo, Tae Hyun</b>	<i>Auditor</i>
<b>Kim, Young Wook</b>	<i>Director</i>
<b>Cho, Han Hong</b>	<i>Director</i>
<b>Jung, Dong IL</b>	<i>Director</i>
<b>Choi, Dae Hyun</b>	<i>Executive Director</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 and the changes of terms and conditions dated June 8, 2022.

## C. TRANSACTION VALUES

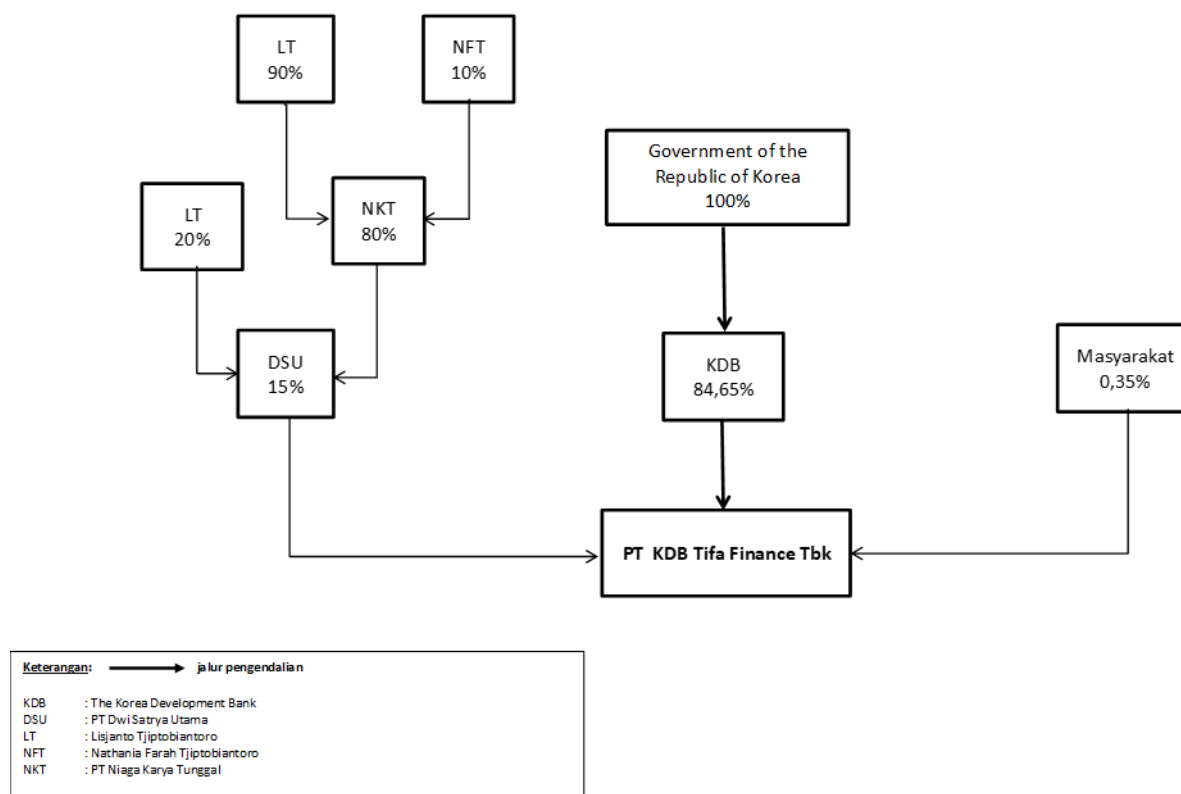
The total value of the Transaction is USD 20 million or equivalent to IDR 289,280,000,000 (based on BI middle rate as of 8 June 2022 : USD 1 is equivalent to IDR 14,464)

The value of this Transaction is 28% (twenty eight percent) of the Company's equity as seen from the Company's audited financial statements which ended on 31 December 2021. 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 and the changes of terms and conditions dated June 8, 2022 are a Material Transaction as regulated in 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, 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:

#### **PT KDB TIFA FINANCE Tbk**

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Jl. Jend. Sudirman Kav. 52-53,  
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