

INFORMATION DISCLOSURE

In regards to the settlement of the Company's debt to PT Manning Development which is an affiliated party as referred to in Regulation No. 42/POJK.04/2020
Concerning Affiliated Transactions and Conflict of Interest Transactions

The Board of Directors and Board of Commissioners of PT Indonesia Prima Property Tbk (the "Company") both jointly and individually are fully responsible for the accuracy of the information contained in this Disclosure of Information and after conducting a reasonable examination, confirm that there are no material facts, which if not disclosed or omitted in this Disclosure of Information, will cause the information in this Disclosure of Information to be incorrect and/or misleading.



PT INDONESIA PRIMA PROPERTY TBK (“the Company”)

Business Activity:

Business activities in office space, shopping centers, apartments, hotels leasing and housing construction along with all the facilities

Main Office Address

Jl. Jenderal Sudirman Kav. 34, Central Jakarta 10220
Telp. (021) 50913988
Website www.ipp.co.id
Email: corsec@ipp.co.id

This Disclosure of Information is submitted in connection with the settlement of the Company's debt to PT Manning Development (“MD”) through the Capital Increase with Preemptive Rights II (“PMHMETD II”) mechanism which was carried out by the Company with an Effective Statement from the Financial Services Authority through letter No.S-265/S.04/2022 dated 15 December 2022.

This information is published in Jakarta on 18 January 2023

INFORMATION OF THE COMPANY'S DEBT SETTLEMENT TRANSACTION TO PT MANNING DEVELOPMENT

On January 16, 2023 the Company has implemented PMHMETD II which has obtained an effective statement from the Financial Services Authority through letter No.S-265/S.04/2022 dated 15 December 2022. The use of PMHMETD II result fund is to settle the Company's debt to MD in accordance with the Company's Consolidated Financial Statements as of 30 June 2022 audited by Public Accountant William Tanuwijaya, AP No.379/KM.1/2019, with Report No. 00653/2.1265/AU.1/03/1089-1/1/XII/2022 dated 6 December 2022 which was recorded at Rp. 577,581,760,000,- (five hundred seventy seven billion five hundred eighty one million seven hundred and sixty thousand Rupiah). Taking into account the Company's equity as of 30 June 2022, it was recorded at Rp.3.241.979.616.973,- (three trillion two hundred forty one billion nine hundred seventy nine million six hundred and sixteen thousand nine hundred and seventy three Rupiah) then the Company's debt settlement transaction to MD of 17.82% (seventeen point eighty two percent) of the Company's equity, thus in accordance with Regulation No. 17/POJK.04/2020 concerning Material Transactions and Changes in Business Activities (POJK 17/2020) did not achieve material value for the Company.

The settlement of the Company's debt to MD is carried out with the following details:

- a) Rp.529,270,159,500,- (five hundred twenty nine billion two hundred seventy million one hundred fifty nine thousand and five hundred Rupiah) is done by converting debt into shares in order for MD to exercise Pre-emptive Rights ("HMETD") which is his right and implementation of the MD as a standby buyer who took the remaining shares in the implementation of PMHMETD II.
- b) Rp.48,311,600,500,- (forty eight billion three hundred eleven million six hundred thousand and five hundred Rupiah) in cash by using PMHMETD II result fund conducted by the Company with an Effective Statement from the Financial Services Authority through letter No.S-265/S.04/2022 dated 15 December 2022.

MD is an entity which is controlled by the Company's key management personnel so that it is a party that has an affiliated relationship with the Company, thus it is an Affiliated Transaction as referred to in Regulation No. 42/POJK.04/2020 Concerning Affiliated Transactions and Conflict of Interest Transactions (POJK 42/2020).

The Company takes advantage of the consolidated financial statements usage period extension as stipulated in the Financial Services Authority Circular Letters Number 20/POJK.04/2021 and 4/POJK.04/2022 ("Circular Letter") in connection with the Financial Services Authority Regulation Number 7/POJK. 04/2021 concerning Policies in Maintaining Capital Market Performance and Stability Due to the Spread of Corona Virus Disease 2019, thus in preparing this information disclosure document using Financial Statements as of 30 June 2022 audited by Public Accountant William Tanuwijaya, AP No. 379/KM.1/2019, with Report No. 00653/2.1265/AU.1/03/1089-1/1/XII/2022 dated 6 December 2022.

In preparing this Disclosure of Information, the Company has appointed independent parties, namely: Public Appraiser Services Office Edi Andesta and Partners ("KJPP Andesta") as Independent Appraisers who assess the fairness of the proposed transaction and with Report No. 00013/2.0053-00/BS/03/0095/1/I/2023 dated 12 January 2023 the transaction has been declared "Fair".

The settlement of the Company's debt to MD, both in cash and in the form of converting debt into shares, was carried out after the end date of PMHMETD II, on 16 January 2023, thus Disclosure of Information in order to comply with POJK 42/2020 provisions must be reported no later than 2 (two) working days after the transaction is executed.

BACKGROUND, REASONS AND BENEFITS OF THE DEBT REDEMPTION TRANSACTION TO MD

Background of the Company's Debt Settlement to MD

On October 11, 2021, the Company signed a loan agreement with MD for working capital purposes with a maximum loan facility of Rp. 700,000,000,000.- (seven hundred billion Rupiah). This loan is not subject for interest and will be repaid within 1 (one) year, or by repayment which will be determined later based on the agreement of both parties. On 11 October 2022, there was a change in the payment term, to be repaid within 1 (one) year from the date of loan agreement change. As of 30 June 2022, the facility which has been utilized by the Company is Rp.577,581,760,000.- (five hundred seventy seven billion five hundred eighty one million seven hundred and sixty thousand Rupiah).

In order to repay the loan, the Company conducted PMHMETD II with an exercise price of Rp.500,- (five hundred Rupiah) per share which aims to pay off the Company's debt to MD. After the settlement of the Company's debt to MD becomes effective, the Company expects to be able to improve the Company's capital structure by reducing total liabilities and increasing total equity (debt to equity ratio), as well as being able to mitigate and minimize the potential for default on loans at maturity. has the potential to have an impact on the Company's cash flow and financial performance in the future.

Reason of Company's Debt Settlement to MD

On November 8, 2022 MD has given agreement and approval in the Company's PMHMETD II process as follows:

- a) MD as the Shareholder of the Company with ownership of 4.40% (four point forty percent) will exercise the HMETD which is its' right.
- b) MD as the Standby Buyer of the remaining shares which are not subscribed by other shareholders either through Preemptive Rights orders or additional share orders.

Thus the Company has implemented PMHMETD II with the Fund Usage Plan of Company's Debt Settlement to MD in the amount of Rp.577,581,760,000.- (five hundred seventy seven billion five hundred eighty one million seven hundred and sixty thousand Rupiah) with a commitment from MD to be a standby buyer for the entire amount.

Based on KJPP Andesta Report No.00013/2.0053-00/BS/03/0095/1/I/2023 dated 12 January 2023, the Company's debt repayment transaction to MD ("Transaction") is fair.

THE PROCESS OF COMPANY'S DEBT SETTLEMENT TO MD

Transaction implementation was done with below details:

- a) Rp.529,270,159,500,- (five hundred twenty nine billion two hundred seventy million one hundred fifty nine thousand and five hundred Rupiah) is carried out by converting debt into shares in order for MD to exercise HMETD which is his right and the implementation of MD as a standby buyer who takes the remaining shares in the implementation of PMHMETD II.
- b) Rp.48,311,600,500,- (forty eight billion three hundred eleven million six hundred thousand and five hundred Rupiah) made in cash using PMHMETD II result fund conducted by the Company with an Effective Statement from the Financial Services Authority through letter No.S-265/S.04/2022 dated 15 December 2022.

With the Implementation of the Conversion of the Company's Debt to MD, the following is a description of Capital after the implementation of PMHMETD II

INFORMATION	BEFORE PMHMETD II (AS PER 31 DECEMBER 2022)			AFTER PMHMETD II DAN KONVERSI UTANG PERSEROAN KEPADA MD		
	TOTAL SHARES	NOMINAL VALUE	%	TOTAL SHARES	NOMINAL VALUE	%
Authorized Capital						
<i>A Series Share with Nominal Value of Rp.1.000,- per share</i>	495.000.000	495.000.000.000	-	495.000.000	495.000.000.000	-
<i>B Series Share with Nominal Value of Rp.200,- per share</i>	7.025.000.000	1.405.000.000.000	-	7.025.000.000	1.405.000.000.000	-
<i>Total</i>	7.520.000.000	1.900.000.000.000	-	7.520.000.000	1.900.000.000.000	-
Issued and fully deposited capital						
1. First Pacific Capital Group						
<i>A Series Share</i>	192.132.672	192.132.672.000	11,01	192.132.672	192.132.672.000	6,52
<i>B Series Share</i>	963.390.300	192.678.060.000	55,21	1.103.390.300	220.678.060.000	37,46
<i>Total</i>	1.155.522.972	384.810.732.000	66,22	1.295.522.972	412.810.732.000	43,98
2. PT Manning Development						
<i>B Series Share</i>	76.859.700	15.371.940.000	4,40	1.135.400.019	227.080.003.800	38,55
3. Public with less than 5% ownership						
<i>A Series Share</i>	302.867.328	302.867.328.000	17,36	302.867.328	302.867.328.000	10,28
<i>B Series Share</i>	209.750.000	41.950.000.000	12,02	211.420.681	42.284.136.200	7,18
<i>Total</i>	512.617.328	344.817.328.000	29,38	514.288.009	345.151.464.200	17,46
Total Issued and fully deposited capital	1.745.000.000	745.000.000.000	100,00	2.945.211.000	985.042.200.000	100,00
Portfolio Shares						
<i>A Series Share</i>	-	-	-	-	-	-
<i>B Series Share</i>	5.775.000.000	1.155.000.000.000	-	4.574.789.000	914.957.800.000	-

INFORMATION OF PT MANNING DEVELOPMENT

PT Manning Development (MD)

MD was established under the name "PT Manning Development" as stated in Limited Liability Company No. 46 dated 8 July 1974 juncto Deed of Amendment No. 158 dated 21 December 1974, both of which were drawn up before Kartini Muljadi, S.H., Notary in Jakarta and were approved by the Minister of Justice of the Republic of Indonesia in accordance with her Decree No. Y.A.5/22/7 dated 20 January 1975 and has been registered at the Jakarta District Court Office under No. 242 dated 22 January 1975 and has been announced in Supplement No. 78, State Gazette of the Republic of Indonesia No. 9 dated 31 January 1975 ("MD Establishment Deed").

MD articles of association in the Deed of Establishment of MD have been amended several times and the last amendment to the articles of association of MD is as set forth in the deed of Minutes of Meeting No. 24 dated 7 December 2009, drawn up before Hannywati Gunawan S.H., Notary in Jakarta and has obtained the approval of the Menkumham in accordance with its Decree No. AHU-59992.AH.01.02. Year 2009 dated 9 December 2009 and has been registered in the Company Register No. AHU-0082042.AH.01.09. Year 2009 dated 9 December 2009 and has been announced in Supplement No. 25418 State Gazette of the Republic of Indonesia No. 80 dated 5 October 2010, which amended all provisions of MD's articles of association with UUPT ("Deed No. 24/2009") juncto deed of Minutes of Meeting No. 305 dated 30 December 2021, made before Hannywati Gunawan S.H., Notary in Jakarta, and has obtained the approval of the Menkumham in accordance with its Decree No. AHU-0007791.AH.01.02. Tahun 2022 dated January 31, 2022 and has been registered in the Company Register No. AHU-0021691.AH.01.11. Year 2022 dated 31 January 2022, which amended the provisions of Article 3 and Article 4 of the articles of association of MD ("Deed No. 305/2021").

Office Address : Jl. Hayam Wuruk No. 8, Central Jakarta
Phone Number : (021) 3804780
Fax Number : (021) 3804881
Email : manning@cbn.net.id
Business Activity : Holding company of office space rental

Shareholder Composition

The latest MD capital structure and shareholder composition are as stipulated in Deed No. 305/2021, are as follows:

Information	Nominal Value Rp1.000.000,- per share		
	Total Share	Total Nominal (Rp)	%
Authorized capital:	2.500.000	2.500.000.000.000,-	
Issued and fully deposited capital:			
1. PT Prima Tunas Investama	1.753.200	1.753.200.000.000,-	99,99
2. PT Trisarana Adikreasi	100	100.000.000,-	0,01
Total Issued and fully deposited capital	1.753.300	1.753.300.000.000,-	100,00
Number of Shares in Portfolio:	746.700	746.700.000.000,-	

PT Prima Tunas Investama as the main shareholder of MD has entered into a control agreement with Mr. Husni Ali as the President Director of the Company and Mr. Tommy Gozali as the President Commissioner of the Company to jointly have full authority to control the Company with the provision that if there is a difference of opinion it will be determined based on review by the appointed independent party, in this case the Independent Appraiser or Independent Legal Consultant.

Management Composition

The composition of the members of the Board of Directors and the Board of Commissioners of MD as stated in the deed of Minutes of Meeting No. 127 dated 23 March 2022 drawn up before Hannywati Gunawan S.H., Notary in Jakarta, has been received and recorded in the SABH database under No. AHU-AH.01.03-0202886 dated March 25, 2022 and has been registered in the Company Register under No. AHU-0059524.AH.01.11 of 2022 dated 25 March 2022, is as follows:

Board of Director

President Director : Husni Ali
Director : Njudarsono Yusetijo
Director : Indrawana Widjaja

Board of Commissioner

President Commissioner : Tommy Gozali
Comissioner : Lieta Irawati Sumantri
Comissioner : Gunawan Slamet Pryana

Nature of Affiliate Relations with the Company

Affiliation relationship in terms of management and ownership:

- Mr. Husni Ali as President Director of the Company serves as President Director at PT Manning Development;
 - Mr. Njudarsono Yusetijo as Director of the Company serves as Director at PT Manning Development; and
- PT Manning Development is the shareholder of the Company with ownership of 4.40% (four point forty percent) of all issued and fully paid shares in the Company.

FINANCIAL IMPACTS OF THE COMPANY'S DEBT SETTLEMENT TRANSACTION TO MD TO ON THE COMPANY'S FINANCE

Dengan adanya Transaksi sebesar Rp. 577.581.760.000,- (lima ratus tujuh puluh tujuh miliar lima ratus delapan puluh satu juta tujuh ratus enam puluh ribu Rupiah) dengan pembayaran tunai dari dana yang diperoleh dari pelaksanaan PMHMETD II dan pelaksanaan konversi Utang Perseroan menjadi saham dalam pelaksanaan PMHMETD II maka proforma laporan keuangan Perseroan dengan memperhitungkan dampak pelaksanaan PMHMETD II dengan kontribusi MD dengan melaksanakan HMETD yang menjadi haknya dan menjadi Pembeli Siaga adalah sebagai berikut:

With a transaction of Rp. 577581760000 The Company's finances taking into account the impact of implementing PMHMETD II with MD's contribution by exercising HMETD which is his right and becoming a Standby Buyer are as follows:

Financial Statement Report

(in Rupiah unless stated otherwise)

INFORMATION	30 June 2022 (audited)	Impact	Proforma after Transaction Implementation
Current Assets	303.747.357.953	18.369.650.000	322.117.007.953
Non Current Assets	3.709.623.649.716		3.709.623.649.716
TOTAL ASSETS	4.013.371.007.669	18.369.650.000	4.031.740.657.669
Short-term Liabilities	651.332.764.404	(580.003.710.000)	71.329.054.404
Long-term Liabilities	120.058.626.292		120.058.626.292
TOTAL LIABILITIES	771.391.390.696	(580.003.710.000)	191.387.680.696
Equity attributable to Owners of the Parent Entity	3.221.640.332.019	598.373.360.000	3.820.013.692.019
Non-controlling interests	20.339.284.954		20.339.284.954
TOTAL EQUITY	3.241.979.616.973	598.373.360.000	3.840.352.976.973

Statement of Profit and Loss and Other Comprehensive Income

(in Rupiah unless stated otherwise)

INFORMATION	30 June 2022 (audited)	Impact	Proforma after Transaction Implementation
SALES AND BUSINESS INCOME	41.832.904.104		41.832.904.104
COST OF GOODS SOLD AND IMMEDIATE LOAD	(23.077.928.813)		(23.077.928.813)
GROSS PROFIT	18.754.975.291		18.754.975.291
OPERATING EXPENSES			
General and Administrative Expenses	(64.435.428.527)	(1.732.140.000)	(66.167.568.527)
Sales Expenses	(1.472.896.021)		(1.472.896.021)
BUSINESS LOSS	(47.153.349.257)		(48.885.489.257)
Share of Profit and Loss of Associated Entities and Joint Ventures	(105.925.325.818)		(105.925.325.818)
Other gains and losses - net	(1.370.603.168)		(1.370.603.168)
LOSS BEFORE TAX	(154.449.278.243)		(156.181.418.243)
(Expenses) Income Tax Benefit - Net	(327.392.074)		(327.392.074)
LOSS FOR THE PERIOD/YEAR	(154.776.670.317)		(156.508.810.317)
Other Comprehensive Income (Loss) after income tax	6.245.135.200		6.245.135.200
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD/YEAR	(148.531.535.117)		(150.263.675.117)

Cash Flow Statement

(in Rupiah unless stated otherwise)

INFORMATION	30 June 2022 (audited)	Impact	Proforma after Transaction Implementation
Net cash used for operating activities	(54.426.144.577)	(4.154.090.000)	(58.580.234.577)
Net cash used in investing activities	(15.284.778.328)		(15.284.778.328)
Net cash generated from financing activities	71.555.725.796	22.523.740.000	94.079.465.796
Cash and cash equivalents at the beginning of the period	31.651.962.777		31.651.962.777
End of period cash and cash equivalents	33.458.565.613		51.828.215.613

Financial Ratios

INFORMATION	30 June 2022 (audited)	Impact	Proforma after Transaction Implementation
Return on Assets (ROA) – (%)	-3,86%		-3,88%
Return on Equity (ROE) – (%)	-4,77%		-4,08%
Net Profit Margin – (%)	-369,99%		-374,13%
Debt to Assets Ratio (DAR) – (%)	19,22%		4,75%
Debt to Equity Ratio (DER) – (%)	23,79%		4,98%
Debt Service Coverage Ratio (DSCR) – (%)	-7,24%		-68,54%
Interest Coverage Ratio – (%)	-3381,16%		-3421,04%
EBITDA Margin – (%)	-351,05%		-355,19%
Current Ratio	0,47		4,52

SUMMARY REPORT OF INDEPENDENT APPRAISER

KJPP Andesta which has a business license from the Ministry of Finance No. 1/KM.1/2022 dated 3 January 2022 and registered as a capital market supporting profession at the Financial Services Authority with a Capital Market Supporting Professional Registration Certificate from the Financial Services Authority No. STTD-PPB-01/PM.2/2018 (Property Appraiser and Business Appraiser), has been appointed by the Company as an independent appraiser in accordance with Assignment Letter No. 554/PMAR/XII/2022 dated 19 December 2022 to provide a fairness opinion on the Proposed Transaction.

Assignor Identity

Name : PT Indonesia Prima Property Tbk
Business Field : Office space, shopping centers, apartments, hotels leasing and housing developments along with all the facilities.
Address : Jalan Jend. Sudirman Kav. 34, Central Jakarta 10220
Telephone : (62-21) 5091 3988
Website : www.ipp.co.id

Summary of Fairness Opinion on the Proposed Transaction based on Report No. 00013/2.0053-00/BS/03/0095/1/I/2023 dated 12 January 2023 ("Fairness Opinion").

Parties in the Transaction

- a) PT Indonesia Prima Property Tbk (the Company)
- b) PT Manning Development (MD)

Transaction Object

The object of fairness analysis is the Transaction Plan for the settlement of the Company's other debts to MD as of 30 June 2022.

Purpose and Purpose of the Fairness Opinion

The Fairness Opinion Report is to provide an opinion on the fairness of the Company's plan to pay off debts, and to comply with the provisions of Regulation no.42/POJK.04/2020 for Transaction Plans, as defined in this report, and not for other transaction plans.

Assumptions and Limiting Conditions

- a) Fairness Opinion Report which is a non-disclaimer opinion.
- b) KJPP Andesta has conducted a review of the documents used in the appraisal process, but has not conducted research on the validity of the related documents, therefore KJPP Andesta does not guarantee their truth or validity.
- c) KJPP Andesta uses data and information obtained, originating from sources that can be trusted for accuracy.
- d) KJPP Andesta uses the pro forma made by management in accordance with the aims and objectives of the Transaction Plan.
- e) KJPP Andesta is responsible for the implementation of the preparation of the Fairness Opinion and the fairness of the financial projections.
- f) The Fairness Opinion Report is a report that is open to the public unless there is confidential information, which may affect the Company's operations.
- g) KJPP Andesta is responsible for the Fairness Opinion and conclusions of the Fairness Opinion.
- h) KJPP Andesta has obtained information on the terms and conditions in the agreements related to the Transaction Plan from the Company.

Methodology and Fairness of the Proposed Transaction

- a) Analysis of the Transaction Plan.
- b) Qualitative and Quantitative Analysis of Proposed Transactions.
- c) Analysis of the Fairness of the Proposed Transaction.

Fairness Analysis

The following is a summary of the Fairness of the Transaction analysis:

- a) The Company plans to carry out the Proposed Transaction through the PMHMETD II mechanism, with an exercise price of Rp.500 per share.
- b) In order to the Loan settlement, the Company plans to carry out a Transaction Plan. After the Transaction Plan becomes effective, the Company expects to improve the Company's capital structure by reducing total liabilities and increasing total equity (debt to equity ratio).
- c) After the Transaction Plan becomes effective, the Company expects to be able to mitigate and minimize the potential for default on Loans at maturity which has the potential to have an impact on the Company's cash flow and financial performance in the future.
- d) Based on the Company's financial ratios before and after the Proposed Transaction, it can be seen that by carrying out the plan to pay off other related party debts and converting debt into equity participation in the Company, it is seen that the solvency ratio will improve, the ratio of liabilities to equity (DER) will improve from 23.79% to 4.98% and the ratio of liabilities to total assets (DAR) will improve from 19.22% to 4.75%. This can strengthen the capital structure owned by the Company which in turn can increase the Company's loan capacity to third parties or financial or banking institutions, if needed for the Company's business development in the future.

Conclusion

Based on the fairness analysis of the Proposed Transaction as described above, by looking at the scope of work, assumptions, data and information obtained and used, the reasons, benefits, risks and analysis of the fairness of the transaction, as disclosed in this Fairness Opinion Report, we are of the opinion that this Transaction Plan is "Reasonable".

STATEMENT OF THE COMPANY'S BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS

- 1. The Board of Directors and Board of Commissioners of PT Indonesia Prima Property Tbk (the "Company") both jointly and individually are fully responsible for the accuracy of the information contained in this Disclosure of Information and after conducting a reasonable examination, confirms, there are no facts material facts, which if not disclosed or omitted in this Disclosure of Information, will cause the information in this Disclosure of Information to be untrue and/or misleading.
- 2. Settlement of the Company's Debt to MD in the process of implementing PMHMETD II is an Affiliated Transaction as referred to in Regulation No. 42/POJK.04/2020 and is not material as referred to in Regulation No. 17/POJK.04/2020, is the best effort that can be implemented by the Company and will provide benefits to the Company.

ADDITIONAL INFORMATION

For further information regarding the above matters, please contact the Company during business hours at the following address:

Corporate Secretary
PT INDONESIA PRIMA PROPERTY TBK
Jl. Jenderal Sudirman Kav. 34, Central Jakarta 10220
Telephone: (021) 50913988
Website: www.ipp.co.id
Email: corsec@ipp.co.id