

**DISCLOSURE OF INFORMATION TO SHAREHOLDERS**

**REGARDING**

**MATERIAL TRANSACTIONS**

DISCLOSURE OF INFORMATION AS CONTAINED HEREIN IS IMPORTANT TO BE CONSIDERED BY SHAREHOLDERS WITH RESPECT TO MATERIAL TRANSACTIONS AND CHANGES OF MAIN BUSINESS ACTIVITIES TO COMPLY WITH THE FINANCIAL SERVICES AUTHORITY REGULATION NO. 17/POJK.04/2020 ON MATERIAL TRANSACTIONS AND CHANGES OF BUSINESS ACTIVITIES ("**OJK REGULATION NO. 17/2020**").

IF YOU ENCOUNTER ANY DIFFICULTIES IN UNDERSTANDING ANY INFORMATION AS CONTAINED HEREIN OR HESITATION IN MAKING A DECISION, YOU SHOULD CONSULT A COMPETENT PARTY OR PROFESSIONAL ADVISOR.



**PT INTI BANGUN SEJAHTERA Tbk**

Line of Business:

Telecommunications Tower and Infrastructure Provider

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THE BOARD OF COMMISSIONERS AND THE BOARD OF DIRECTORS OF THE COMPANY ARE JOINTLY RESPONSIBLE FOR THE ACCURACY OF ANY INFORMATION CONTAINED HEREIN AND CONFIRM AFTER HAVING MADE ANY SUFFICIENT INQUIRY THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF THERE ARE NO HIDDEN OR UNDISCLOSED MATERIAL FACTS THAT MAY MAKE OR CAUSE ANY INFORMATION CONTAINED HEREIN TO BECOME INCORRECT AND/OR MISLEADING.

This disclosure of information is issued in Jakarta on January 29, 2021.

#### **DEFINITIONS AND ABBREVIATIONS**

Public Accountant	:	Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Rekan (Member of BDO International Limited), an independent auditor that reviews the Company's Financial Statements
Board of Commissioners	:	Members of the Board of Commissioners of the Company who are currently serving as of the date this Disclosure of Information is announced
Board of Directors	:	Members of the Board of Directors of the Company who are currently

		serving as of the date this Disclosure of Information is announced
MoLHR	:	The Ministry of Law and Human Rights of the Republic of Indonesia, as amended from time to time
Disclosure of Information	:	Information as contained in the announcement and/or this disclosure of information in compliance with OJK Regulation No. 17/2020
Company's Financial Statements	:	The Company's Financial Statements for the nine months period ended September 30, 2020, which have been reviewed by a Public Accountant
MAPPI	:	Indonesian Society of Appraisers
MoLHR	:	The Minister of Law and Human Rights of the Republic of Indonesia (formerly known as Minister of Justice of the Republic of Indonesia, Minister of Justice and Human Rights of the Republic of Indonesia, or Minister of Law and Legislation of the Republic of Indonesia)

Towers To Be Sold	:	A maximum of 3,000 telecommunications towers of the Company to be sold to the Purchaser
Financial Services Authority or Otoritas Jasa Keuangan (OJK)	:	An independent institution as referred to in Law No. 21 of 2011 on the Financial Services Authority ("OJK Law"), whose duties and authorities include regulating and supervising financial services activities in banking, capital market, insurance, pension funds, financing institutions and other financial institutions sectors, which as of December 31, 2012, OJK is the institution that replaces and received rights and obligations to perform the regulatory and supervisory function of the Minister of Finance and/or Bapepam-LK in accordance with the provisions of Article 55 of the OJK Law
OJK Regulation No. 17/2020	:	Financial Services Authority Regulation Number 17/POJK.04/2020 on Material Transactions and

		Changes of Business Activities promulgated on April 21, 2020
Company	:	PT Inti Bangun Sejahtera Tbk., a public limited liability company established under and subject to the laws of the Republic of Indonesia and having its domicile in Central Jakarta, Indonesia
Conditional Asset Sale and Purchase Agreement or PJBB	:	The Conditional Asset Sale and Purchase Agreement is signed by and between the Company and the Purchaser dated December 21, 2020, as amended by the Variation of the Conditional Sale and Purchase Agreement dated January 4, 2021
Master Land Lease Agreement	:	The Master Land Lease Agreement to be signed by and between the Company and the Purchaser on the Completion Date
Purchaser	:	PT Tower Bersama, a limited liability company established under and subject to the laws of the Republic of Indonesia and having its domicile in South Jakarta, Indonesia

Proposed Transaction	:	The Company's plan to sell the Towers To Be Sold to the Purchaser and to lease out the Company's land related to the Towers To Be Sold to the Purchaser
KJPP	:	Public Appraisal Service Firm Nirboyo Adiputro, Dewi Apriyanti & Rekan
EGMS	:	Extraordinary General Meeting of Shareholders
Completion Date	:	The date of completion of the Proposed Transaction in accordance with the provisions of the PJBB

## **INTRODUCTION**

This Disclosure of Information is made in connection with the Proposed Transaction to be carried out by the Company. The Proposed Transaction is based on conditions precedent as stipulated in the PJBB, including obtaining by the parties necessary approval to carry out the Proposed Transaction. These conditions precedent must be met by the parties by the Completion Date at the latest.

The maximum value of the Proposed Transaction is Rp. 3,975,000,000,000.- or greater than 50% of the Company's equity based on the Company's Financial Statements for the

nine months period ended 30 September 2020 which has been reviewed by a Public Accountant so that the Proposed Transaction is a material transaction as referred to in Article 6 paragraph (1) letter d point 1 of OJK Regulation No. 17/2020 which requires prior approval from the EGMS. Thus, pursuant to OJK Regulation No. 17/2020, the Company must announce information related to the Proposed Transaction to the public through the Company's website and the Indonesia Stock Exchange website together with the announcement of the EGMS. In relation thereto, the Board of Directors of the Company announces this Disclosure of Information in order to provide a thorough information and description to the Shareholders of the Company and the public on the Proposed Transaction.

The Board of Directors and the Board of Commissioners of the Company state that this Proposed Transaction is not an affiliated transaction and does not contain a conflict of interest as referred to in the Financial Services Authority Regulation No. 42/POJK.04/2020 on Affiliated Transactions and Conflict of Interest Transactions promulgated on July 2, 2020 ("**OJK Regulation No. 42/2020**"). Thus, the Company is not obligated to comply with the provisions of OJK Regulation No. 42/2020 in connection with the Proposed Transaction.

The Board of Directors and the Board of Commissioners of the Company states that they have carefully studied the

information available in connection with the Proposed Transaction as described in this Disclosure of Information, and all material information in connection with the Proposed Transaction has been disclosed in this Disclosure of Information and the material information is not misleading. Furthermore, the Board of Directors and the Board of Commissioners of the Company are fully responsible for the accuracy of all information contained in this Disclosure of Information.

## **TRANSACTION**

### **A. Background and Reasons**

The reason for the proposed sale transaction of assets in the form of 3,000 telecommunications towers between the Company and the Purchaser (the "**Proposed Transaction**") is to strengthen the Company's financial position to develop the Company's strategic business in the future.

### **B. Transaction Benefits**

After completing the Proposed Transaction, the Company can obtain the following benefits:

1. Producing a more productive cash flow performance of the Company's investment activities that support the expansion of the Company's business in line with the more recent business strategy in telecommunications infrastructure;



2. Reducing bank loans causing the Company's principal and interest installments to be smaller or lighter;
3. Stronger composition of capital and debt that can support the Company's business growth;
4. Cash receipts from the Proposed Transaction will be used to finance investment in productive assets that are deemed profitable, including constructing new towers using the latest technology.

### **C. Description of Proposed Transaction**

#### **1. Object of Transaction**

A maximum of 3,000 telecommunications towers of the Company will be sold to the Purchaser ("**Towers To Be Sold**"). Some of the Towers To Be Sold to the Purchaser are on the Company's land, therefore the Company will lease the land to the Purchaser.

#### **2. Value of Transaction**

The total sales price is a maximum of Rp. 3,975,000,000,000, equivalent to 64% of the Company's equity based on the Company's Financial Statements.

#### **3. Transactions Parties**

##### **a. The Company as the Seller**

##### Brief History

The Company is a limited liability company established pursuant to and under the laws and regulations in force in the Republic of Indonesia and having its domicile in Central Jakarta.

The company was established by virtue of the Deed of Establishment of the Limited Liability Company "PT Inti Bangun Sejahtera" No. 07 dated April 28, 2006, drawn up before Yulia, S.H., Notary in Jakarta. The deed has obtained the approval of the Minister of Law and Human Rights by Decree No. W7-00873 HT.01.01-TH.2006 dated September 22, 2006, and has been registered in the Company Register in accordance with Law No. 3 of 1982 on the Company Register with Company Registration Certificate No. 090515155266 at the Company Registration Office of Central Jakarta Municipality under No. 029/BH.09.05/I/2007 dated January 5, 2007, and has been published in the State Gazette of the Republic of Indonesia No. 12 dated February 9, 2007, Supplement No. 1337.

The Company changed its status from a private company to a public company and adjusted the entire contents of the Company's Articles of Association to Bapepam-LK Regulation No. IX.J.1 on the Principles of Articles of Association of Companies

Conducting Public Offerings and Public Companies as contained in the Deed of Statement of Resolutions of Shareholders of the Company No. 72 dated April 26, 2012, drawn up before Linda Herawati, S.H., Notary in Central Jakarta, having obtained the approval of the Minister of Law and Human Rights by Decree No. AHU-30477.AH.01.02.Tahun 2012 dated June 6, 2012, and has been registered in the Company Register at the Ministry of Law and Human Rights under No. AHU-0050796.AH.01.09.Tahun 2012 dated June 6, 2012 ("**Deed No. 72/2012**").

On August 15, 2012, the Company obtained an Effective Statement Letter No.S-10134/BL/2012 from Bapepam-LK regarding the Registration Statement submitted for the Company's initial public offering and listed its shares on the IDX on August 31, 2012.

The Articles of Association of the Company after becoming a public company have amended several times, most recently by the Deed of Statement of Resolutions of the Meeting of the Company No. 73 dated October 14, 2019, drawn up before Yulia, S.H., Notary in South Jakarta, in connection with the adjustment of the activities contained in Article 3 of the Company's articles of association

regarding the aims and objectives to comply with the provisions of Government Regulation No. 24 of 2018 on Electronically Integrated Business Licensing Services. The latest amendment to the Company's Articles of Association has obtained the approval of the Minister of Law and Human Rights by Decree No. AHU-0082798. AH.01.02.Tahun 2019 dated October 15, 2019, and has been published in the State Gazette of the Republic of Indonesia No. 10 dated February 4, 2020, Supplement No. 5280.

#### Purposes and Objectives and Business Activities

Pursuant to Article 3 of the Company's articles of association, the purposes and objectives of the Company are to carry out activities in the fields of:

- a. Central Telecommunication Construction (Indonesia Standard Industrial Classification or "KBLI" Code 42217);
- b. Telecommunication Installation (KBLI code 43212);
- c. Trading In Telecommunication Equipment (KBLI code 46523);
- d. Telecommunications Activities With Cables (KBLI code 61100);

- e. Internet Service Provider (KBLI code 61921);
- f. Internet Interconnection Services (NAP) (KBLI code 61924);
- g. Content Services Through Mobile Network Cellular Or Local Fixed Wireless With Limited Mobility (KBLI code 61925);
- h. Other Multimedia Services (KBLI code 61929);
- i. Data Processing Activities (KBLI code 63111);
- j. Real Estate Property Owned Or Rented (KBLI code 68100);
- k. Other Consulting Management Activities (KBLI code 70209)

To achieve the purposes and objectives above the Company may conduct business activities as follows:

A. The main business activities of the Company are as follows:

1. **Central Telecommunication Construction,** it includes construction, maintenance and repair activities of central telecommunication infrastructure including its equipment such as telephone central building, telegraph, tower transmitter, microwave radar receivers, small earth

station and satellite stations. Including local and distance communication pipelines.

2. **Telecommunication Installation**, it includes telecommunication installations in buildings both for residence and non-residence, such as antenna installation. This group also includes the installation, maintenance and repair of telecommunication installations on the telephone/telegraph central, microwave radar transmitter station, small earth station/satellite stations. Including telecommunication networks and transmission installation activities.

3. **Trading In Telecommunication Equipment**, it covers large trading businesses of telecommunications equipment, such as telephone and communication equipment.

4. **Telecommunications Activities With Cables**, it covers operating, maintenance or providing access to facilities for voice, data text, sound and video using telecommunication cable infrastructure, such as the operation and maintenance of conversion and delivery facilities to

provide point to point communication through land lines, microwaves or data and satellite channel connection, operation of cable distribution systems (for distribution of data and television signals) and additional for telegraph equipment and other non vocal communications using its own facilities. Where the transmission facilities that carry out this activity, can be based on a single technology or combination of various technologies. This includes purchasing access and network capacity from network operators and providing telecommunications services which using this capacity for businesses and households and providing internet access through operator cable infrastructure. Network operations for fixed telecommunications intended for the implementation of public telecommunication and rental circuits. Including data connection activities that are sent in package, through a central or through other networks, such as the Public Switched Telephone Network (PSTN). It also includes the operation of terrestrial networks that

serve a certain mobile customers, including trunking radio services and radio calling services for public.

5. **Internet Service Provider**, it covers business services offered by a company to its customer for internet access or can be called gateway to the internet.

B. Supporting Business Activities of the Company are as follows:

1. **Internet Interconnection Services (NAP)**, it covers an activity to organize access and/or routing for internet access service providers. In organizing access for internet access providers, internet interconnection service providers can provide networks for internet transmission. Internet interconnection service providers must connect through interconnection. Internet service providers manage traffic arrangements for internet access services.
2. **Content Services Through Mobile Network Cellular Or Local Fixed Wireless With Limited Mobility**, it covers business services to provide content through cellular mobile networks or wireless local



fixed networks with limited mobility that is charged through prepaid deposits or postpaid telephone bills for mobile cellular subscribers and wireless local fixed networks with limited mobility. The content provided is in all forms of information that can be in the form of text, images, sound, animation or a combination of all of them in digital form, including application software that can be downloaded.

3. **Other Multimedia Services**, other multimedia services that have not been included in groups 61921 to 61924.
4. **Data Processing Activities**, it covers processing and tabulating all types of data. This activity can include the entire processing and writing of reports from data provided by the customer, or only part of the processing. This includes sharing mainframe facilities with clients and providing data entry and big data management activities (big data).
5. **Real Estate Property Owned Or Rented**, it covers the business of purchasing, selling,

renting and operating real estate, both owned and leased, such as apartment buildings, residential buildings and non-residential buildings (such as exhibitions, private storage facilities, malls, shopping centers and others) as well as the provision of houses and flat or apartment with or without furniture to be used permanently, either monthly or annually. Including land sales activities, development of buildings for self operation (for leasing spaces in the building), division of real estate into land lots without land development and operation of residential areas for movable houses.

6. **Other Consulting Management Activities,** it covers provision of advice, guidance and operational assistance to businesses and other organizational and management issues, such as strategic and organizational planning; financial decisions; marketing objectives and policies; human resource planning, practices and policies; production scheduling and control planning. The provision of these business services

can include advisory assistance, guidance and operational management functions, agronomist and agricultural economic management consultancy in agriculture and other similar activity, design of accounting methods and procedures, cost accounting programs, budget monitoring procedures, advisory advice and assistance for business and community services in planning, organizing, efficiency and supervision, information management and others.

#### Capital Structure and Share Ownership

The capital structure of the Company as of the date of this Disclosure of Information is as stated in the Deed No. 72/2012 in conjunction with the Deed of Statement of Resolutions of the Board of Directors of the Company No. 175 dated June 30, 2014, drawn up before Ardi Kristiar, S.H., substitute for Yulia, S.H., Notary in South Jakarta (**"Deed No. 175/2014"**), as follows:

Authorized Capital	:	Rp. 1,500,000,000,000.- divided into 3,000,000,000 shares, having a nominal value of Rp. 500.- each
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Issued and Paid-up Capital	:	Rp. 675,452,463,500.- divided into 1,350,904,927 shares, having a nominal value of Rp. 500.- each
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Deed No. 175/2014 has been notified to the Minister of Law and Human Rights based on the Receipt of Notice of Amendment to the Articles of Association of the Company No. AHU-03761.40.21.2014 dated July 4, 2014 and has been registered in the Company Register at the Ministry of Law and Human Rights under No. AHU-0068368.40.80.2014 dated July 4, 2014.

Based on the Shareholder Register as of December 31, 2020, which is managed by PT Sinartama Gunita as the Share Registrar of the Company, the composition of the Company's shareholders is as follows:

No.	Shareholder	Share	Nominal Value (Rp)	%
1.	PT Bakti Taruna Sejati	835,970,196	417,985,098,000	61.88
2.	PT Dian Swastatika Sentosa Tbk	114,760,000	57,380,000,000	8.50
3.	PT Inovasi Mas	200	100,000	0.00

	Mobilitas			
4.	Public	400,174,531	200,087,265,500	29.62
<b>Total</b>		<b>1,350,904,927</b>	<b>675,452,463,500</b>	<b>100.00</b>

### Management and Supervision

The composition of members of the Board of Commissioners and the Board of Directors of the Company as of the date of this Disclosure of Information is as stated in the Deed No. 03 dated June 14, 2019, drawn up before Hartojo, S.H., Notary in Jakarta ("**Deed No. 03/2019**"), as follows:

#### **Board of Commissioners:**

President Commissioner	:	Farida Bau
Independent Commissioner	:	Kanaka Puradiredja
Commissioner	:	Soebiantoro

#### **Board of Directors:**

President Director	:	Andrie Tjioe
Director	:	Hermansyah
Director	:	Jozef Ignasius Munaba

Deed No. 03/2019 has been notified to the Minister of Law and Human Rights as evident in the Receipt of Notice of Changes in Data of the Company No. AHU-AH.01.03-0288536 dated June 20, 2019, and registered in the Company Register at the Ministry

of Law and Human Rights under No. AHU-00951441.AH.01.11.Tahun 2019 dated June 20, 2019.

**b. The Purchaser**

Brief History

PT Tower Bersama (the "**Purchaser**") is a limited liability company subject to the laws of the Republic of Indonesia, having its domicile in South Jakarta, established by virtue of a Deed of Establishment No. 5 dated July 4, 2006, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, having been approved by the Minister of Law and Human Rights by Decree No. C-20821/HT.01.01.TH.2006 dated July 17, 2006, registered at the Company Registration Office of Central Jakarta Municipality under No. 6357/BH.09.05/VIII/2006 dated August 3, 2006, and published in the State Gazette of the Republic of Indonesia No. 104 dated December 29, 2006, Supplement No. 13530.

The Articles of Association of the Purchaser have been amended several times and the latest amendment to the Articles of Association of the Purchaser is contained in the Deed of Statement of Circular Resolutions of Shareholders No. 168 dated December 23, 2019, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, having been approved by

the Minister of Law and Human Rights by Decree No. AHU-0108308.AH.01.02.TAHUN 2019 dated December 23, 2019, and registered in the Company Register at the Ministry of Law and Human Rights under No. AHU-0249370.AH.01.11.TAHUN 2019 dated December 23, 2019 (**"Deed No. 168/2019"**).

By virtue of Deed No. 168/2019, the shareholders of the Purchaser have agreed to the amendment to the provisions of Article 3 regarding Purposes and Objectives and Business Activities.

Purposes and Objectives and Business Activities of the Purchaser

Pursuant to Article 3 of the Purchaser's articles of association, the purposes and objectives and business activities of the Purchaser are as follows:

1. The purposes and objectives of the Purchaser are:
  - a. Central Telecommunication Construction (42217);
  - b. Wholesale Trade in Telecommunications Equipment (46523);
  - c. Wholesale Trade in Other Machinery and Equipment (46599);

- d. Telecommunications Activities With Cables (61100);
  - e. Internet Service Provider (61921); and
  - f. Communication Systems Services (61922).
2. To achieve the purposes and objectives above the Purchaser may conduct business activities as follows:
- a. Construction, maintenance and repair activities of central telecommunication infrastructure including its equipment such as telephone central building, telegraph, tower transmitter, microwave radar receivers, small earth station and satellite stations. Including local and distance communication pipelines;
  - b. Large trading businesses of telecommunications equipment, such as telephone and communication equipment;
  - c. Large trading businesses of machinery and equipment that has not been classified in groups 46591 to 46594, such as wholesale trade in office furniture, cables and switches and installation of other equipment for industrial purposes, machine



tools of various types for various materials, computer-controlled machine tools and measuring equipment and instruments;

- d. Operating, maintenance or providing access to facilities for voice, data text, sound and video using telecommunication cable infrastructure, such as the operation and maintenance of conversion and delivery facilities to provide point to point communication through land lines, microwaves or data and satellite channel connection, operation of cable distribution systems (for distribution of data and television signals) and additional for telegraph equipment and other non vocal communications using its own facilities. Where the transmission facilities that carry out this activity, can be based on a single technology or combination of various technologies. This includes purchasing access and network capacity from network operators and providing telecommunications services which using this capacity for businesses and households and providing

internet access through operator cable infrastructure. Network operations for fixed telecommunications intended for the implementation of public telecommunication and rental circuits. Including data connection activities that are sent in package, through a central or through other networks, such as the Public Switched Telephone Network (PSTN). It also includes the operation of terrestrial networks that serve a certain mobile customers, including trunking radio services and radio calling services for public;

- e. Business services offered by a company to its customer for internet access or can be called getaway to the internet; and
- f. Communication system services, such as VSAT (Very Small Aperture Terminal) services. VSAR is a system that can be used for sending voice, image, data, information and packages. Those using the VSAT facility are RPUU, Radio Trunking, STBS and others.

#### Capital Structure and Share Ownership

The capital structure of the Purchaser as of the date of this Disclosure of Information is as follows:

Authorized Capital	:	Rp. 300,000,000,000.- divided into 300,000 shares, having a nominal value of Rp. 1,000,000.- each
Issued and Paid-up Capital	:	Rp. 139,050,000,000.- divided into 139,050 shares, having a nominal value of Rp. 1,000,000.- each

The composition of the Purchaser's shareholders as of the date of this Disclosure of Information is as follows:

No.	Shareholder	Share	Nominal Value (Rp)	%
1.	PT Tower Bersama Infrastructure Tbk	136,269	136,269,000,000	98.00
2.	PT Provident Capital Indonesia	2,781	2,781,000,000	2.00
<b>Total</b>		<b>139,050</b>	<b>139,050,000,000</b>	<b>100.00</b>

Management and Supervision

The composition of members of the Board of Commissioners and the Board of Directors of the Purchaser as of the date of this Disclosure of Information is as follows:

**Board of Commissioners:**

Commissioner	:	Herman Setya Budi
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**Board of Directors:**

Director	:	Budianto Purwahjo
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**4. Principles of Transaction Agreement**

**a. Conditional Asset Sale and Purchase Agreement or PJBB**

Parties

- (i) the Company as the seller; and
- (ii) the Purchaser as the purchaser.

Value of Transaction

A maximum of Rp. 3,975,000,000,000

Object of Transaction

Towers To Be Sold

Obligations of the Parties

- (i) Obligations of the Company are:

- to sell the Towers To Be Sold and lease the Object of the Lease (as defined below) under the Master Land Lease Agreement to the Purchaser;
- to handle the Towers To Be Sold having a problem during the rectification period as stipulated in the PJBB (for instance, the Towers To Be Sold having no IMB or requiring an extension of the IMB and the approval of the land owner that has not been obtained); and
- to extend the land lease relating to the Towers To Be Sold which will expire on December 31, 2021.

Under the PJBB, the Company also agreed to lease 32 lands of the Company to the Purchaser in connection with the Towers To Be Sold. The provisions on the lease will be specifically stipulated in the Master Land Lease Agreement and individual land lease agreements to be signed on the Completion Date. Information regarding the land lease or land is described further below.

- (ii) Obligations of the Purchaser: to pay the purchase price to the Company on the Completion Date.

#### Conditions Precedent

Approval required by the parties to carry out the Proposed Transaction.

#### Completion of Transaction

The Proposed Transaction will be completed no later than (i) the 5<sup>th</sup> day after all conditions precedent have been met or waived and (ii) 2 months after the date of the PJBB, whichever occurs later. The Company plans to complete the Proposed Transaction on the Completion Date.

#### Termination

The PJBB can be terminated at any time before the completion of the Proposed Transaction:

- (i) with the mutual written consent of the parties prior to the Long-Stop Date (as referred to in point (ii) below);
- (ii) automatically, if the Proposed Transaction cannot be completed on or before May 31, 2021, or another date that the parties may mutually agree upon in writing (in each case, the "**Long-Stop Date**");

- (iii) by either party, if a competent government agency refuses to give the approval required to carry out the transactions referred to in the PJBB or issue a stipulation, order or decision on certain prohibitions/implementations, or take other actions which, in that matter, invalidate or prohibit or prevent the execution of the transactions referred to in the PJBB;
- (iv) by the Company, if the Purchaser fails to comply with, or is deemed by any competent government agency to have not complied with, the tower regulations and such failure or non-compliance by the Purchaser may prevent the completion of the Proposed Transaction; or
- (v) by the Company or the Purchaser, if there is a material violation of any of the representations, warranties, covenants or undertakings contained in the PJBB by the other party.

#### Governing Law

The laws of the Republic of Indonesia.

#### Dispute Settlement

Arbitration in Jakarta in accordance with the jurisdiction and rules of the Indonesian National Arbitration Board, which as of the date of PJBB, has its domicile in Jakarta with an office address at Wahana Graha 1<sup>st</sup> & 2<sup>nd</sup> Fl, Jl. Mampang Prapatan No. 2, Jakarta 12760, Indonesia, as applicable at that time.

**b. Master Land Lease Agreement**

Parties

- (i) the Company as the lessor; and
- (ii) the Purchaser as the lessee.

Object of Lease

A maximum of 32 lands of the Company relating to the Towers To Be Sold (the "**Object of the Lease**").

Scope

The Company will lease the Object of the Lease to the Purchaser, and the Purchaser will lease the Object of the Lease under the terms and conditions as stipulated in the Land Lease Agreement and individual land lease agreements related to each land (the "**Land Lease Agreement**") as set forth in the Master Land Lease Agreement.

Value of Lease



A maximum of Rp. 10,820,000,000.-

Period of Master Land Lease Agreement

The Master Land Lease Agreement will become effective on and from the Completion Date and, unless terminated earlier in accordance with the provisions thereof, remain in full force and effect as long as a valid Land Lease Agreement still exists.

Period of Land Lease Agreement

The initial term of each Land Lease Agreement will commence on the commencement date of the Land Lease Agreement and will end on that date in 10 years thereafter.

Obligations of the Parties

- (i) Obligations of the Company: to lease the Object of the Lease to the Purchaser; and
- (ii) Obligations of the Purchaser: to pay the lease price to the Company.

Termination

- (i) The Purchaser has the right to terminate the Master Land Lease Agreement upon the occurrence of any of the following events:

- The Company has materially violated or failed to implement a provision contained in the Master Land Lease Agreement and/or the Land Lease Agreement;
- The company undergoes bankruptcy proceedings that it did not initiate, whose petition has not been rejected within 90 days after commencement thereof; or
- postponement of the performance of the Master Land Lease Agreement and/or the Land Lease Agreement due to force majeure events that continue for more than 180 days.

(ii) The Company has the right to terminate the Master Land Lease Agreement upon the occurrence of any of the following events:

- The Purchaser fails to make payment within 5 business days from the due date of payment;
- The Purchaser has materially violated or failed to implement a provision contained in the Master Land Lease Agreement and/or the Land Lease Agreement and has failed to cure the violation within 60 days from

the date of the written request from the Purchaser to cure the violation;

- The Purchaser undergoes bankruptcy proceedings that it did not initiate, whose petition has not been rejected within 90 days after commencement thereof; or
- expropriation of all or part of the Object of the Lease by a government agency;
- postponement of the performance of the Master Land Lease Agreement and/or the Land Lease Agreement due to force majeure events that continue for more than 180 days; or
- The certificate of land on which the Object of the Lease is located will expire during the lease period and despite its best efforts, the Company cannot extend or renew the related land certificate.

#### Governing Law

The laws of the Republic of Indonesia.

#### Dispute Settlement

Arbitration in Jakarta in accordance with the jurisdiction and rules of the Indonesian National Arbitration Board, which as of the date of the Master Land Lease Agreement, has its domicile in Jakarta with an office address at Wahana Graha 1<sup>st</sup> & 2<sup>nd</sup> Fl, Jl. Mampang Prapatan No. 2, Jakarta 12760, Indonesia, as applicable at that time.

**THE EFFECT OF THE TRANSACTION ON THE COMPANY'S FINANCIAL  
CONDITIONS AND SHAREHOLDERS**

The execution of the Proposed Transaction has an impact on the Company's financial condition. The financial condition of the Company before and after the Transaction will be described below.

Based on the Company's Financial Statements for the nine months period ended September 30, 2020 which have been reviewed by the Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Rekan (Member of BDO International Limited) signed by Indra Sri Widodo SE, Ak, M.Ak, CPA, CA Public Accountant, below is an overview of the Company's financial condition prior to the Proposed Transaction and the pro forma financial condition of the Company after the completion of the Proposed Transaction.

<b>Pro Forma Statements of Financial Position</b>			
	<b>30/09/2020 (Historical)</b>	<b>Pro forma adjustments</b>	<b>30/09/2020 (Pro forma)</b>

	Rp	Rp	Rp
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Bank	563,665,903,584	2,716,470,024,712	3,280,135,928,296
Restricted cash	88,165,032,299	-	88,165,032,299
Trade receivables			
Related parties	300,996,300	-	300,996,300
Third parties	531,970,024,032	-	531,970,024,032
Net investment in the lease	93,160,590,947	-	93,160,590,947
Other receivables			
Related parties	1,492,836,792	-	1,492,836,792
Third parties	3,124,409,163	-	3,124,409,163
Inventories	97,338,374,844	-	97,338,374,844
Prepaid taxes	19,508,415,812	1,082,000,000	20,590,415,812
Advances and prepayments	137,147,250,780	-	137,147,250,780
<b>Total current assets</b>	<b>1,535,873,834,553</b>	<b>2,717,552,024,712</b>	<b>4,253,425,859,265</b>
<b>NON-CURRENT ASSETS</b>			
Net investment in the lease	1,056,646,326,646	-	1,056,646,326,646
Advances and prepayments	285,857,908	-	285,857,908
Right-of-use	427,578,160,526	(226,536,167,669)	201,041,992,857

assets			
Property, plant and equipment	7,472,310,931,881	(3,573,940,038,591)	3,898,370,893,290
Other non-current assets	17,906,692,557	-	17,906,692,557
<b>Total non-current assets</b>	<b>8,974,727,969,518</b>	<b>(3,800,476,206,260)</b>	<b>5,174,251,763,258</b>
<b>TOTAL ASSETS</b>	<b>10,510,601,804,071</b>	<b>(1,082,924,181,548)</b>	<b>9,427,677,622,523</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>CURRENT LIABILITIES</b>			
Trade payables			
Related parties	181,128,201	-	181,128,201
Third parties	238,469,639,348	-	238,469,639,348
Other payables	22,362,498,102	-	22,362,498,102
Lease liabilities	140,688,512,341	(94,894,479,159)	45,794,033,182
Unearned revenue	117,806,142,244	(66,392,975,288)	51,413,166,956
Taxes payable	16,774,379,986	398,582,000,000	415,356,379,986
Accrued expenses	35,341,641,084	50,182,203,297	85,523,844,381
Current maturities of long-term bank loans	620,817,104,649	-	620,817,104,649
<b>Total current</b>	<b>1,192,441,045,955</b>	<b>287,476,748,850</b>	<b>1,479,917,794,805</b>

<b>liabilities</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	982,636,228,599	-	982,636,228,599
Unearned revenue	27,300,000,000	9,738,000,000	37,038,000,000
Deferred tax liabilities	3,654,809,348	-	3,654,809,348
Long-term bank loans - net of current maturities	2,039,391,657,984	(1,495,437,641,540)	543,954,016,444
Post-employment benefits obligation	36,708,578,778	-	36,708,578,778
<b>Total non-current liabilities</b>	<b>3,089,691,274,709</b>	<b>(1,485,699,641,540)</b>	<b>1,603,991,633,169</b>
<b>Total liabilities</b>	<b>4,282,132,320,664</b>	<b>(1,198,222,892,690)</b>	<b>3,083,909,427,974</b>
<b>EQUITY</b>			
Share capital - nominal value of Rp 500 per share			
Authorized capital -			

3,000,000,000 shares			
Issued and paid-up capital - 1,350,904,927 shares	675,452,463,500	-	675,452,463,500
Additional paid-in capital	601,957,112,556	-	601,957,112,556
Revaluation reserve	2,833,368,325,508	(1,370,792,668,795)	1,462,575,656,713
Retained earnings			
Appropriated	9,200,000,000	-	9,200,000,000
Unappropriated	2,108,491,581,843	1,486,091,379,937	3,594,582,961,780
<b>Total equity</b>	<b>6,228,469,483,407</b>	<b>115,298,711,142</b>	<b>6,343,768,194,549</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>10,510,601,804,071</b>	<b>(1,082,924,181,548)</b>	<b>9,427,677,622,523</b>
<b>Pro Forma Statements of Profit or Loss and Other Comprehensive Income</b>			
	<b>Nine months</b>		
	<b>2020 (Historical)</b>	<b>Pro forma adjustments</b>	<b>2020 (Pro forma)</b>
	<b>Rp</b>	<b>Rp</b>	<b>Rp</b>
<b>REVENUE</b>	834,256,474,756	-	834,256,474,756
<b>COST OF REVENUE</b>	413,580,817,452	-	413,580,817,452
<b>GROSS PROFIT</b>	420,675,657,304	-	420,675,657,304
Finance income	8,587,340,952	-	8,587,340,952
Administrative expense	(123,714,051,523)	-	(123,714,051,523)



Finance costs	(268,379,720,758)	(12,144,561,757)	(280,524,282,515)
Other gains and losses	118,584,387	226,818,272,896	226,936,857,283
Final income tax	(33,560,251,845)	(99,375,000,000)	(132,935,251,845)
Impairment losses on receivables	(394,940,200)	-	(394,940,200)
Gain recognized on net investment in the lease	94,132,962,625	-	94,132,962,625
<b>PROFIT BEFORE TAX</b>	<b>97,465,580,942</b>	<b>115,298,711,139</b>	<b>212,764,292,081</b>
TAX EXPENSE	(11,205,355,913)	-	(11,205,355,913)
<b>PROFIT FOR THE PERIOD</b>	<b>86,260,225,029</b>	<b>115,298,711,139</b>	<b>201,558,936,168</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Items that will not be reclassified to profit or loss			
Revaluation surplus	137,549,019,641	-	137,549,019,641
Remeasurement of post-employment	2,586,645,645	-	2,586,645,645

benefits obligation			
Related deferred tax	(100,253,496)	-	(100,253,496)
<b>Total other comprehensive income after tax</b>	<b>140,035,411,790</b>	<b>-</b>	<b>140,035,411,790</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>226,295,636,819</b>	<b>115,298,711,139</b>	<b>341,594,347,958</b>
<b>BASIC EARNINGS PER SHARE</b>	<b>64</b>	<b>85</b>	<b>149</b>
<b>Pro Forma Statements of Cash Flows</b>			
	<b>Nine months</b>		
	<b>2020 (Historical)</b>	<b>Pro forma adjustments</b>	<b>2020 (Pro forma)</b>
	<b>Rp</b>	<b>Rp</b>	<b>Rp</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	741,947,441,294	(56,654,975,288)	685,292,466,006
Payments to contractors,	(248,971,414,833)	-	(248,971,414,833)

suppliers and others			
Payments to employees	(86,885,462,280)	-	(86,885,462,280)
Interest proceeds	8,392,516,960	-	8,392,516,960
Payments of tax	(4,286,539,250)	-	(4,286,539,250)
<b>Total cash flows provided from operating activities</b>	<b>410,196,541,891</b>	<b>(56,654,975,288)</b>	<b>353,541,566,603</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of right-of-use assets	(14,291,376,804)	-	(14,291,376,804)
Proceeds from sales of property, plant and equipment	9,105,000	4,273,125,000,000	4,273,134,105,000
Acquisition of property, plant and equipment	(299,008,406,169)	-	(299,008,406,169)
Acquisition of inventory	(53,459,665,477)	-	(53,459,665,477)
Acquisition of software and licenses	(474,123,780)	-	(474,123,780)

Total cash flows provided from (used in) investing activities	(367,224,467,230)	4,273,125,000,000	3,905,900,532,770
CASH FLOWS FROM FINANCING ACTIVITIES			
Receipt of long-term bank loans	507,129,000,000	-	507,129,000,000
Payment of long-term bank loans	(404,321,039,267)	(1,500,000,000,000)	(1,904,321,039,267)
Withdrawal of restricted cash	29,051,996,802	-	29,051,996,802
Payment of lease liabilities	(80,693,561,496)	-	(80,693,561,496)
Payments of finance costs	(186,068,577,362)	-	(186,068,577,362)
Total cash flows used in financing activities	(134,902,181,323)	(1,500,000,000,000)	(1,634,902,181,323)
NET INCREASE (DECREASE) IN CASH AND BANK	(91,930,106,662)	2,716,470,024,712	2,624,539,918,050
CASH AND BANK	655,596,010,246	-	655,596,010,246

AT BEGINNING THE PERIOD	THE OF			
CASH AND BANK AT THE END OF THE PERIOD		563,665,903,584	2,716,470,024,712	3,280,135,928,296

The main assumptions in the presentation of the Company's pro forma financial data are as follows:

- a. Statements of financial position and statements of profit or loss and other comprehensive income summary pro forma are prepared based on the financial statements of the Company for the nine months period ended September 30, 2020, which have been prepared and presented in accordance with the Indonesian Financial Accounting Standards and have been reviewed by Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Rekan (Member of BDO International Limited) signed by Indra Sri Widodo SE, Ak, M.Ak, CPA, CA.
- b. The telecommunications tower sales transaction is assumed to have been carried out on September 30, 2020 which is deemed to be the Completion Date and all terms of the agreement have been fulfilled by the Company and the Purchaser. On the Completion Date, the Company received all proceeds from the sale of telecommunications towers totaling 3,000 units at a price per telecommunications tower of Rp. 1,325,000,000, and an advance payment of 10%

of the selling price is assumed to be received on the Completion Date, with the following details:

	Rp
Total selling price of telecommunications towers	3,975,000,000,000
Value Added Tax (10%)	397,500,000,000
Final Income Tax (2.5%)	(99,375,000,000)
Proceeds from sales of telecommunications towers	4,273,125,000,000

c. As of September 30, 2020, the Company is also assumed to have used the proceeds from the sale of telecommunications towers received from the Purchaser of Rp. 1,500,000,000,000:

- i) To pay loans to PT Bank Syariah Mandiri in the amount of Rp. 143,870,384,766.-
- ii) To pay investment loan I to PT Bank Mandiri (Persero) Tbk in the amount of Rp. 379,110,164,874.-
- iii) To pay other investment loans to PT Bank Mandiri (Persero) Tbk in the amount of Rp. 977,019,450,360.-
- iv) To recognize an early prepayment penalty of 2% of the total outstanding loan from PT Bank Mandiri (Persero) Tbk in the amount of Rp. 7,582,203,297.-

- v) The Company also recognized transaction costs as an expense in the amount of Rp. 4,562,358,460.- for the repayment of the loan.
- d. In the event that the Company fails (either in part or in whole) to settle obligations after closing within 274 days after the Completion Date (the rectification period) related to problem towers (having no licenses/IMB), the Company assumes that the number of problem towers is 284 units and makes a best estimate that the cost of handling problem towers is Rp. 150,000,000.- per telecommunications tower or Rp. 42,600,000,000.- in total.
- e. With respect to the PJBB, the Company is obligated to renew the land lease that will expire on December 31, 2021, under the same terms as the renewed property lease contract and therefore the remaining period for the expiring land lease will be not less than 5 years from the Completion date of the agreement. The company assumes that there are 47 locations whose land lease will expire on December 31, 2021, and has not been renewed, and the cost of renewing land leases until May 31, 2025 is estimated at Rp. 6,270,430,458.-.
- f. The Company assumes that the total liabilities for the settlement of problem telecommunications towers and the renewal of land leases are Rp. 42,600,000,000.- and Rp. 6,270,430,458.-, respectively, totaling 1.23% of the

telecommunication tower selling price is not material and the Company assumes that the liabilities can be settled before the Completion Date of the agreement.

- g. The Company will continue to own the land and lease it to the Purchaser in 32 locations of the Towers To Be Sold to the Purchaser. The Purchaser is obligated to pay the land lease for 32 telecommunication tower locations owned by the Company starting on the Completion Date of the agreement with a period of 10 years, and can be extended or terminated earlier in accordance with the terms of the Master Land Lease Agreement. As of September 30, 2020, the Company assumes that the land lease will last for 10 years and that the total land lease revenue is Rp. 10,820,000,000.- excluding VAT of 10% and received on the Completion Date.
- h. Final income tax on the sale of telecommunication towers will be borne by the Company and paid upon receipt of the transfer proceeds.

#### **SUMMARY OF APPRAISAL REPORT**

- A. Summary of the Appraisal Report on the Market Lease Value of the Assets of PT Inti Bangun Sejahtera Tbk No. 00584/2.0018-00/PI/06/0148/1/XII/2020 dated December 21, 2020**

##### **Object of Appraisal**



Those appraised are the Company's assets in the form of 28 plots of land and 4 rooftop areas used by towers located in several provinces in Indonesia. The details are as follows:

No.	Province	Address	Certificate Document	Land Area (m <sup>2</sup> )
1	Central Java	Karanganyar, RT. 3 RW. 11, Desa Palur, Kecamatan Mojolaban, Kabupaten Sukoharjo, Central Java Province	SHGB No. 00400 / Palur	1,198
2	Central Java	Gendangan RT. 04 RW. 01 Desa Gedangan, Kecamatan Grogol, Kabupaten Sukoharjo, Central Java Province	SHGB No. 02027 / Gedangan	173
3	East Java	Dusun Kembangan RT. 01 RW. 04, Kelurahan Mojojajar, Kecamatan Kemlagi, Kabupaten Mojokerto, East Java Province	SHGB No. 2 / Mojojajar	257
4	East Java	Dusun Randubango RT. 008 RW. 03, Desa Randubango, Kecamatan Mojosari, Kabupaten Mojokerto, East Java Province	SHGB No. 2 / Randubango	186
5	East Java	Dusun Pajaran RT. 06 RW. 02, Desa Pajaran,	SHGB No. 2 / Pajaran	1,433

		Kecamatan Saradan, Kabupaten Madiun, East Java Province		
*6	East Java	Jl. Dupak No.65, Komplek Ruko Mutiara Dupak Blok B-15, Kelurahan Gundih, Kecamatan Bubutan, Kota Surabaya, East Java Province	SHGB No. 495 / Gundih	64
7	West Java	Jl. Wibawa Mukti Kp. Pedurenan RT. 7 RW. 2, Kelurahan Jatiluhur, Kecamatan Jati Asih, Kota Bekasi, West Java Province	PPJB No. 8 Dated 26 September 2019	180
8	West Java	Jl. Sudirman RT. 06 RW. 01, Kelurahan Lemahabang, Kecamatan Indramayu, Kabupaten Indramayu, West Java Province	Sale and Purchase Agreement No. 160 Dated 30 Desember	258
9	West Java	Jl. Suaka, Kp. Sambongpari Kulon RT. 16 RW. 04, Kelurahan Sambongpari, Kecamatan Mangkubumi, Kota Tasikmalaya, West Java Province	SHGB No. 01430 / Mangkubumi	500
10	West Java	Dusun Ciparuang RT. 03 RW. 02, Kelurahan Mangunarga, Kecamatan	SHGB No. 0331 / Mangunharga	454

		Cimanggung, Kabupaten Sumedang, West Java Province		
11	West Java	Jl. Sukaherang RT. 05 RW. 02, Desa Cimarias, Kelurahan Cimarias, Kecamatan Pamulihan, Kabupaten Sumedang, West Java Province	SHGB No. 00003 / Cimarias	527
12	West Java	Kp. Cukang Binong RT. 01 RW. 07, Kelurahan Cipetir, Kecamatan Cibeber, Kabupaten Cianjur, West Java Province	SHGB No. 00026 / Cipetir	276
13	West Java	Jl. Tugu Mas, Kp. Gentong RT. 01 RW. 07, Kelurahan Pasirhalang, Kecamatan Sukaraja, Kabupaten Sukabumi, West Java Province	Sale and Purchase Agreement No. 130 Dated 29 Oktober	450
14	West Java	Kampung Kurulung RT. 1 RW. 7, Desa Sukasari, Kecamatan Cilaku, Kabupaten Cianjur, West Java Province	Sale and Purchase Agreement No. 251 Dated 24 November	400
15	West Java	Kp. Burangkeng, RT. 01 RW. 02, Kelurahan Mangunkerta, Kecamatan Cugenang, Kabupaten	Sale and Purchase Agreement No. 40 Dated 28	400

		Cianjur, West Java Province	Februari	
16	South Sulawesi	Jl. Jendral Sudirman, Kelurahan Manurungge, Kecamatan Tanete Riattang, Kabupaten Bone, South Sulawesi Province	SHGB No. 075 / Manurunge	201
17	South Sulawesi	Jl. Mallombassang Lorong I, Kelurahan Jongaya, Kecamatan Tamalate, Kota Makassar, South Sulawesi Province	Sale and Purchase Agreement Dated 22 Oktober 2009	329
18	South Sulawesi	Lk. Jamarang, Kelurahan Bontolebang, Kecamatan Galesong Utara, Kabupaten Takalar, South Sulawesi Province	SHGB No. 00007 / Bontolebang	268
19	South Sulawesi	Jln Poros sinjai - Bone / Polsek barebbo, Kelurahan Apala, Kecamatan Barebbo, Kabupaten Bone, South Sulawesi Province	SHGB No. 6 / Apala	220
20	North Sulawesi	Jl. Arie Lasut Komplek Wenang Permai II, Kelurahan Kairagi, Kecamatan Singkil, Kota Manado, North Sulawesi Province	SHGB No. 2 / Kairagi Satu	400
21	Bali	Banjar Celukan Bawang Desa Celukan Bawang,	SHGB No. 00187 /	830

		Kecamatan Gerokgak, Kabupaten Buleleng, Bali Province	Celukanbawang	
*22	Banten	Jl. RE Martadinata No. 14 RT. 001 RW. 013, Kelurahan Ciputat, Kecamatan Ciputat, Kota Tangerang Selatan, Banten Province	SHGB No. 00938 / Ciputat	114
23	North Sumatra	Jl. Setia Budi, Desa Sekip, Kecamatan Lubuk Pakam, Kabupaten Deli Serdang, North Sumatra Province	SHGB No. 7 / Sekip	468
24	North Sumatra	Gg. Impres, Jl. Medan Lubuk Pakam Pasar 10 Dusun 1, Desa Wonosari, Kecamatan Tanjung Morawa, Kabupaten Deli Serdang, North Sumatra Province	SHGB No. 7 / Wonosari	230
25	North Sumatra	Gg. Panjang Jl. Pancasila, Kelurahan Tegal Sari III, Kecamatan Medan Denai, Kota Medan, North Sumatra Province	SHGB No. 2 / Tegal Sari Mandala III	365
26	North Sumatra	Jl. Boksit, Kelurahan Kota Bangun, Kecamatan Medan Deli, Kota Medan, North Sumatra Province	SHGB No. 32 / Kota Bangun	298

*27	North Sumatra	Jl. Irian Gg. Pekong Lingkungan IV, Kelurahan Pekan Tanjung Morawa, Kecamatan Tanjung Morawa, Kabupaten Deli Serdang, North Sumatra Province	SHGB No. 304 / Tanjung Morawa Pekan	47
*28	North Sumatra	Jl. Denai No. 45, Kelurahan Tegal Sari, Kecamatan Medan Area, Kota Medan, North Sumatra Province	SHGB No. 00162/Tegal Sarit	85
29	North Sumatra	Gg. Rel Jl. Pintu Air / Jl. Busi, Kelurahan Sitirejo I, Kecamatan Medan Kota, Kota Medan, North Sumatra Province	SHGB No. 00055 / Sitirejo I	468
30	South Sumatra	Perumnas Talang Kelapa Blok 3 RT. 26 RW. 08, Kecamatan Alang-Alang Lebar, Kota Palembang, South Sumatra Province	SHGB No. 6511 / Talang Kelapa	1.167
31	South Sumatra	Jl. Siaran Lorong Kavling RT. 19 RW. 08, Kelurahan Sako, Kecamatan Sako, Kota Palembang, South Sumatra Province	SHGB No. 6371 / Sako	256
32	South Sumatra	Jl. Orde Baru No. 1786 RT. 27 RW. 09, Kelurahan 20 Ilir D II, Kecamatan	SHGB No. 112 / 20 Ilir	224

		Kemuning, Kota Palembang, South Sumatra Province		
<b>Total</b>				<b>12,726</b>

*Note: the \* sign is the 4 rooftop areas used for towers.*

The object of the appraisal is Real Property with single ownership registered under a Right to Build Certificate and a Sale and Purchase Agreement (see asset data).

#### **Registered Owner**

PT Inti Bangun Sejahtera Tbk.

#### **Purpose of Appraisal**

This appraisal is intended to express an opinion on the **Market Lease Value** of the Assets of **PT Inti Bangun Sejahtera Tbk** in accordance with the object of the appraisal mentioned above which will be leased to **PT Tower Bersama**.

#### **Assumptions and Limiting Conditions**

##### **Assumptions**

This appraisal is subject to the following:

1. The object of the appraisal is equipped with documents on land tenure/ownership rights that are legally valid, transferable and free from any encumbrances, claims or obstacles other than those stated in this report.

2. We assume that all data we obtain from the client regarding management reports related to the object of our appraisal are true.
3. The object of the appraisal is assumed to be free from environmental pollution.
4. The data and information received have been validated by MAPPI.

### **Conditions and Limiting Conditions**

1. This appraisal is carried out in uncertain conditions (high level of uncertainty) as a result of the Covid-19 pandemic so that users of the appraisal report are asked to be careful in determining the relevance of the appraisal results to their needs (regarding the use of the appraisal results), especially with regard to the difference between the cut off date and the time when the appraisal results are used in business and economic/financial decision making.
2. Producing a non-disclaimer of opinion Property Appraisal Report.
3. Information and data provided by the client to the appraiser as presented in this appraisal report are deemed to be feasible and reliable. However, the Appraiser is not responsible if it is evident that the information and data provided is proven to be



inconsistent with the actual facts. Information that is presented without citing the source is the result of our review of existing data, examination of documents or statements from the competent government agencies. The responsibility for rechecking the correctness of the information resides entirely with the client.

4. All data and information presented in this report can be accounted for and have been validated by the Indonesian Society of Appraisers (MAPPI).
5. The lists of objects and financial projections of the appraisal that have been given by the client to the Appraiser as presented in the Appraisal Report are deemed to be feasible and reliable (fiduciary duty), but the Appraiser is not responsible if the information provided is proven to be inconsistent with the actual facts. The legal status of the object of the appraisal which is presented without citing the source is the result of our review of existing data, examination of documents or statements from competent government agencies; the responsibility for rechecking the accuracy of the information resides entirely with the Client.
6. This Appraisal Report is prepared based on economic considerations, general business conditions and

financial conditions as well as conditions of the object.

7. The appraisal report and/or any references attached thereto with the exception of confidential information that could affect the company's operations are open to the public.
8. The analysis, opinion and conclusion of value presented in this Appraisal Report are limited by the assumptions and limitations presented in the Appraisal Report, which are the independent Appraiser's analysis results, opinion and conclusions. This Appraisal Report has complied with the Ethical Codes of Conduct of Indonesian Appraisers (KEPI) and the 2018 Indonesian Valuation Standards (SPI 2018 Edition VII) as well as applicable laws and regulations.
9. We are not responsible for reaffirming or completing this appraisal resulting from subsequent events occurring after the date of the report.
10. Our appraisal is based on data provided by the management. Considering that the results of our appraisal are highly dependent on the completeness, accuracy and presentation of the data and the underlying assumptions, changes in data such as new information from the public, information resulting from special investigations, or from other sources will

cause differences in the results of our appraisal. Therefore, we acknowledge that changes to the data used may affect the results of the appraisal, and that any differences that occur could be material. Although this appraisal report has been made in good faith and in a professional manner, we are not responsible for possible differences in conclusions caused by additional analysis, or any changes in the data used as the basis for the appraisal.

11. The object appraised is assumed to have legitimate use and licenses and there are no adverse local conditions and licenses and there are no possible plans which are detrimental.

12. This report is deemed valid if the seal of **KJPP Nirboyo Adiputro, Dewi Apriyanti & Rekan** is affixed thereto.

#### **Inspection Date**

We inspected the assets of **PT Inti Bangun Sejahtera Tbk** on September 28, 2020 to October 16, 2020.

#### **Cut Off Date**

The Cut Off Date is stated as of September 30, 2020.

#### **Appraisal Approach**

The stages in conducting the appraisal are as follows:

##### **1. Determining the Market Value of Assets**

In calculating the Market Value of Assets, the approach used is:

- **Market Data Approach**

The **Market Data Approach** is an Appraisal Approach that uses transaction or offer data on assets that are comparable and similar to the object of the appraisal based on a process of comparison and adjustment. The method we use in this appraisal is the Market Data Comparison Method.

## **2. Determining the Market Lease Value**

In calculating the Market Lease Value of Assets, the approach used is:

- **Market Approach**

The **Market Approach** is an Appraisal Approach that uses transaction or lease offer data on assets that are comparable and similar to the object of the appraisal based on a process of comparison and adjustment. The methods we use in this appraisal are the Market Data Comparison Method and the Transaction Data Comparison Method.

## **Conclusion of Value**

Based on the analysis using the approaches and appraisal methods above and by reference to the assumptions and limiting conditions attached to this report, we conclude

that the **Market Lease Value per ten years** of the assets consisting of 28 plots of land and 4 rooftop areas of **PT Inti Bangun Sejahtera Tbk** in accordance with the object of the appraisal stated, as of September 30, 2020, is:

**Rp. 10,467,000,000.-**

**(TEN BILLION FOUR HUNDRED SIXTY-SEVEN MILLION RUPIAH) .**

**B. Summary of the Appraisal Report on Assets in the form of 3,000 Units of Telecommunication Towers for Sales Purposes No. 00585/2.0018-00/PI/06/0148/1/XII/2020 dated December 21, 2020**

**Object of Appraisal**

Those appraised are assets in the form of 3,000 units of telecommunication towers of PT Inti Bangun Sejahtera Tbk located in several regions in Indonesia. The details are as follows:

<b>Region</b>	<b>Tower</b>	<b>Sample</b>
Central Java	633	288
East Java, Bali & Nusra	542	188
Jabodetabek	527	141
Kalimantan	58	29
Northern Sumatra	294	121
Southern Sumatra	385	166
Sulawesi & Maluku	212	96
West Java	349	141

<b>Grand Total</b>	<b>3,000</b>	<b>1,170</b>
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Height of Tower	GF					RT					Number of Towers
	CO W	Guyed Mast	MC P	Monopole	SST	Minaret	Mini Tower	Minipole	Monopole	Wall Mounted	
0 - 12			1			1	2	312		1	317
13 - 22			3	1	2	1	44	85		1	137
23 - 32	1			50	225		49	7	1		333
33 - 42	28	10	1	24	789		4	6			862
43 - 52		2			503						505
53 - 62					302						302
63 - 72					495						495
73 - 82					45						45
83 - 92					4						4
<b>Total</b>	<b>29</b>	<b>12</b>	<b>5</b>	<b>75</b>	<b>2,365</b>	<b>2</b>	<b>99</b>	<b>410</b>	<b>1</b>	<b>2</b>	<b>3,000</b>

The object of the appraisal above is categorized as Real Property equipped with a Building Permit (IMB).

**Registered Owner**

PT Inti Bangun Sejahtera Tbk

**Purpose of Appraisal**

This appraisal is intended to express an opinion on the **Market Value** of the assets of PT Inti Bangun Sejahtera Tbk in the form of 3,000 units of telecommunication towers which will be sold to PT Tower Bersama.

### **Assumptions and Limiting Conditions**

#### **Assumptions**

This appraisal is subject to the following:

1. We assume that all data we obtain from the client related to the object of our appraisal are true.
2. Assets and equipment that are covered in the appraisal are appraised as integral and inseparable part, in-situ and existing in operating condition.
3. The Appraiser is responsible for the property appraisal.
4. The appraisal report with the exception of confidential information that could affect the company's operations is open to the public.
5. The object of the appraisal is assumed to be free from legal issues and environmental pollution.

#### **Conditions and Limiting Conditions**

1. This appraisal is carried out in uncertain conditions (high level of uncertainty) as a result of the Covid-19 pandemic so that users of the appraisal report are

asked to be careful in determining the relevance of the appraisal results to their needs (regarding the use of the appraisal results), especially with regard to the difference between the cut off date and the time when the appraisal results are used in business and economic/financial decision making.

2. Producing a non-disclaimer of opinion Property Appraisal Report.
3. Information and data provided by the client to the appraiser as presented in this appraisal report are deemed to be feasible and reliable. However, the Appraiser is not responsible if it is evident that the information and data provided is proven to be inconsistent with the actual facts. Information that is presented without citing the source is the result of our review of existing data, examination of documents or statements from the competent government agencies. The responsibility for rechecking the correctness of the information resides entirely with the client.
4. All data and information presented in this report can be accounted for and have been validated by the Indonesian Society of Appraisers (MAPPI).
5. The lists of objects and financial projections of the appraisal that have been given by the client to the Appraiser as presented in the Appraisal Report are



deemed to be feasible and reliable (fiduciary duty), but the Appraiser is not responsible if the information provided is proven to be inconsistent with the actual facts. The legal status of the object of the appraisal which is presented without citing the source is the result of our review of existing data, examination of documents or statements from competent government agencies; the responsibility for rechecking the accuracy of the information resides entirely with the Client.

6. This Appraisal Report is prepared based on economic considerations, general business conditions and financial conditions as well as conditions of the object.
7. The appraisal report and/or any references attached thereto with the exception of confidential information that could affect the company's operations are open to the public.
8. The analysis, opinion and conclusion of value presented in this Appraisal Report are limited by the assumptions and limitations presented in the Appraisal Report, which are the independent Appraiser's analysis results, opinion and conclusions. This Appraisal Report has complied with Regulation No. VIII.C.4 on Guidelines for the Appraisal and Presentation of Property Appraisal

Reports in the Capital Market, the Ethical Codes of Conduct of Indonesian Appraisers (KEPI) and the 2018 Indonesian Valuation Standards (SPI 2018 Edition VII) as well as applicable laws and regulations.

9. We are not responsible for reaffirming or completing this appraisal resulting from subsequent events occurring after the date of the report.
10. Our appraisal is based on data provided by the management. Considering that the results of our appraisal are highly dependent on the completeness, accuracy and presentation of the data and the underlying assumptions, changes in data such as new information from the public, information resulting from special investigations, or from other sources will cause differences in the results of our appraisal. Therefore, we acknowledge that changes to the data used may affect the results of the appraisal, and that any differences that occur could be material. Although this appraisal report has been made in good faith and in a professional manner, we are not responsible for possible differences in conclusions caused by additional analysis, or any changes in the data used as the basis for the appraisal.
11. The object appraised is assumed to have legitimate use and licenses and there are no adverse local conditions

and licenses and there are no possible plans which are detrimental.

12. This report is deemed valid if the seal of **KJPP Nirboyo Adiputro, Dewi Apriyanti & Rekan** is affixed thereto.

### **Inspection Date**

We inspected the assets of PT Inti Bangun Sejahtera Tbk on September 28, 2020 to October 16, 2020.

### **Cut Off Date**

The Cut Off Date is stated as of September 30, 2020.

### **Appraisal Approaches and Methods**

#### **Income Approach**

The Income Approach is an Appraisal Approach based on the income and costs of the object of the appraisal per certain period, which can be generated by the object of the appraisal, which is then capitalized (**Regulation No. VIII.C.4 number 1 point 18**).

#### **Cost Approach**

The Cost Approach is an Appraisal Approach to obtain an indication of the value of the object of the appraisal based on the Reproduction Cost New or the Replacement Cost New on the Cut Off Date after deducting the Depreciation (**Regulation No. VIII.C.4 number 1 point 19**).

Referring to Regulation No. VIII.C.4 number 10 point c, in order to obtain accurate and objective results, 2 (two) Appraisal Approaches must be used.

To appraise a Telecommunication Tower, the Income Approach is used with the Discounted Cash Flow Method (DCF method) and the Cost Approach with the Depreciated Replacement Cost Method (DRC Method).

The reasons for using the Income Approach and the Cost Approach are as follows:

- The assets being appraised meet the criteria as Income Producing Property.
- The Replacement Cost New for the assets being appraised are quantifiable and available in the market.

#### **Conclusion of Value**

Based on the appraisal approaches and methods above and taking into account all relevant data and information and analysis conducted as well as various factors that affect the Market Value of Assets, we conclude that the amount of:

**Rp. 3,603,503,000,000.-**

**(THREE TRILLION SIX HUNDRED THREE BILLION FIVE HUNDRED THREE  
MILLION RUPIAH) .**

is the total Market Value of Assets in the form of 3,000 units of telecommunication towers of PT Inti Bangun

Sejahtera Tbk in accordance with the object of the appraisal stated which was valued as of September 30, 2020.

**C. Summary of the Appraisal Report on Intangible Assets in the form of Remaining Customer Lease Contracts for 3,000 Telecommunication Towers of PT Inti Bangun Sejahtera Tbk No. 00586/2.0018-00/BS/06/0148/1/XII/2020 dated December 21, 2020**

**Object of Appraisal**

In connection with the proposed sale of 3,000 Telecommunication Towers of PT Inti Bangun Sejahtera Tbk (the "Company"), we have made identification and clarification with the management on the intangible assets being the object of the appraisal related to marketing, customers, art, corporate contracts, technology and those from research and development.

Based on the results of the identification and clarification above, the intangible assets that are owned and become the object of the appraisal are customer related intangible assets, namely in the form of customer contracts.

**Registered Owner**

PT Inti Bangun Sejahtera Tbk.

**Purpose of Appraisal**

This appraisal is intended to express an opinion on the **Market Value** of the object of the appraisal on the cut off date which is denominated in Indonesian Rupiah to be used for sales purposes.

### **Assumptions and Limiting Conditions**

#### **Assumptions**

This appraisal is subject to the following:

1. All statements and data contained in this report are relevant, true and accountable in accordance with the generally accepted appraisal procedures and presented in good faith.
2. We use financial projections made by the management and we have made adjustments that reflect the fairness of the projections with the ability to achieve (fiduciary duty).
3. We are responsible for the appraisal and fairness of financial projections.
4. All assumptions of the appraisal used in the process of reviewing the financial projection reports are based on the supporting documents received from the Company's management.
5. All data received in connection with this appraisal are relevant, true and reliable.

6. We have reviewed the information on the legal status of the object of the appraisal from the client, especially 3,000 Telecommunication Towers which have intangible assets.
7. There are no material and significant changes to the political, economic and legal climate in which 3,000 Telecommunication Towers conduct their business.
8. There are no material and significant changes in tax rates or interest rates obtained from the Projected Financial Statements that have been given to us.
9. There are no material and significant changes to the regulations and laws in force in a country where 3,000 Telecommunication Towers have a business which affects the revenues of 3,000 Telecommunication Towers.
10. There are no material and significant changes in labor and other costs.
11. There are no material and significant disturbances to industrial relations or labor associations.
12. There are no material and significant changes to the accounting policies adopted by 3,000 Telecommunication Towers.
13. There are no material and significant changes to industrial technology and market competition in a

country where 3,000 Telecommunication Towers conduct their business.

14. We are responsible for this report and the conclusion of the Assets Appraising KJPP's final value.

#### **Conditions and Limiting Conditions**

1. The appraisal report on Intangible Assets in the form of Remaining Customer Lease Contracts for 3,000 Telecommunication Towers of the Company is made in accordance with the purpose of the appraisal stated in the report, therefore it cannot be used and/or quoted for other purposes without the written permission of the Public Appraisal Service Firm Nirboyo Adiputro, Dewi Apriyanti & Rekan.
2. Information and data provided by the client to the appraiser as presented in this appraisal report on Intangible Assets in the form of Remaining Customer Lease Contracts for 3,000 Telecommunication Towers of the Company are deemed to be feasible and reliable. However, the Appraiser is not responsible if it is evident that the information and data provided is proven to be inconsistent with the actual facts. Information that is presented without citing the source is the result of our review of existing data, examination of documents or statements from the competent government agencies. The responsibility for



rechecking the correctness of the information resides entirely with the client.

3. Producing an appraisal report on Intangible Assets in the form of Remaining Customer Lease Contracts for 3,000 Telecommunication Towers of the Company with the exception of confidential information that could affect the company's operations which is open to the public.
4. Our appraisal is based on data and information provided by the management. Considering that the results of our appraisal are highly dependent on the completeness, accuracy and presentation of the data and the underlying assumptions, changes in data such as new information from the public, information resulting from special investigations, or from other sources will cause differences in the results of our appraisal. Therefore, we acknowledge that changes to the data used may affect the results of the appraisal, and that any differences that occur could be material. Although this appraisal report on Intangible Assets in the form of Remaining Customer Lease Contracts for 3,000 Telecommunication Towers of the Company has been made in good faith and in a professional manner, we are not responsible for possible differences in conclusions caused by additional analysis, or any changes in the data used as the basis for the appraisal.

5. The value presented in this appraisal report on Intangible Assets in the form of Remaining Customer Lease Contracts for 3,000 Telecommunication Towers of the Company and any other values in the report which are part of the object being appraised, shall only apply in accordance with the purposes and objectives of the appraisal. The value used in this appraisal report on Intangible Assets in the form of Remaining Customer Lease Contracts for 3,000 Telecommunication Towers of the Company may not be used for other appraisal purposes which may result in errors.
6. This appraisal report on Intangible Assets in the form of Remaining Customer Lease Contracts for 3,000 Telecommunication Towers of the Company is prepared based on economic considerations, general business conditions and financial conditions as well as the business conditions of 3,000 Telecommunication Towers. The analysis, opinions and conclusions that we presented in this appraisal report on Intangible Assets in the form of Remaining Customer Lease Contracts for 3,000 Telecommunication Towers of the Company have complied with Regulation No. VIII.C.5 on Guidelines for the Appraisal and Presentation of Intangible Asset Appraisal Reports in the Capital Market, the Ethical Codes of Conduct of Indonesian Appraisers ("KEPI") and

the 2018 Indonesian Valuation Standards ("SPI 2018 Edition VII") as well as applicable laws and regulations.

7. We are not responsible for reaffirming or completing this appraisal resulting from subsequent events occurring after the date of the report.
8. The Public Appraisal Service Firm Nirboyo Adiputro, Dewi Apriyanti & Rekan as well as other appraisers and employees have absolutely no financial interest in the value obtained.
9. This Appraisal Report on Intangible Assets in the form of Remaining Customer Lease Contracts for 3,000 Telecommunication Towers of the Company is considered invalid if no seal of the **Public Appraisal Service Firm Nirboyo Adiputro, Dewi Apriyanti & Rekan** is affixed thereto.
10. Producing a non-disclaimer of opinion Appraisal Report on Intangible Assets in the form of Remaining Customer Lease Contracts for 3,000 Telecommunication Towers of the Company.

**Inspection Date**

No inspection was conducted.

**Cut Off Date**

The Cut Off Date is stated as of September 30, 2020.

## **Appraisal Approaches and Methods**

In conducting the appraisal of Intangible Assets in the form of Remaining Customer Lease Contracts for 3,000 Telecommunication Towers of the Company in the form of remaining customer lease contracts, we use the Excess Earnings Method and apply the contributory asset charges.

The Income Based Approach is used to determine the value of intangible assets, by discounting and/or capitalizing actual or hypothetical income, cash flow, or cost savings that will be generated by Intangible Assets being the object of the appraisal using a certain capitalization and/or discount rate.

The method used is the Excess Earnings Method; the value is obtained by estimating the value of Intangible Assets by determining the present value of net cash flows to be received in the future related to Intangible Assets using a discount rate or capitalization rate in accordance with the risk of Intangible Assets. In preparing the Projections, the net cash flows for the Intangible Assets being the object of the appraisal are the result of the subtraction of cash flows from cash flows from contributory asset charges and/or contributions from Goodwill.

We use the income approach with the excess earning method by considering that the intangible assets in the form of

remaining customer lease contracts for 3,000 telecommunication towers of the Company can provide economic benefits in the future.

We cannot apply the market approach because comparable and similar market data are not available. We do not use the cost approach because the cost approach cannot reflect future economic value.

Therefore, we only use one approach in calculating the appraisal of intangible assets in the form of remaining customer lease contracts for 3,000 telecommunication towers of the Company in accordance with Regulation No. VIII.C.5 point 5.c.2).

#### **Conclusion of Value**

The results of the appraisal of **Intangible Assets** in the form of **Remaining Customer Lease Contracts** for **3,000 Telecommunication Towers of the Company** as of September 30, 2020 using the **Income Approach** and applying the **Excess Earnings Method** are as follows:

#### **Conclusion of Value**

#### **Appraisal of Intangible Assets - Remaining Customer Leases**

#### **Contract for 3,000 Telecommunication Tower Units**

#### **Excess Earnings Method**

#### **In Millions of Rupiah**

<b>Object</b>	<b>of</b>		<b>Intangible Assets - Remaining</b>
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<b>Appraisal</b>		<b>Customer Lease Contracts</b>		
<b>Cut Off Date</b>		September 30, 2020		
<b>Discount Rate</b>		<b>18.14%</b>		
<b>Description</b>	<b>Year</b>	<b>AKB</b>	<b>DF</b>	<b>Present Value of AKB</b>
Net Cash Flow	Oct-Dec 2020	(90,087)	0.959189541	(86,410)
Net Cash Flow	2021	51,675	0.811936701	41,956
Net Cash Flow	2022	54,823	0.687289819	37,679
Net Cash Flow	2023	56,819	0.581778475	33,056
Net Cash Flow	2024	61,594	0.492465019	30,333
Net Cash Flow	2025	62,042	0.416862785	25,863
Net Cash Flow	2026	50,853	0.352866852	17,944
Net Cash Flow	2027	45,506	0.298695446	13,592
Net Cash Flow	2028	39,721	0.252840325	10,043
Net Cash Flow	2029	36,379	0.214024789	7,786
Net Cash Flow	2030	31,103	0.181168136	5,635
Net Cash Flow	2031	23,673	0.15335557	3,630
Net Cash Flow	2032	15,606	0.129812733	2,026
Net Cash Flow	2033	7,901	0.109884144	868
Net Cash Flow	2034	2,335	0.093014952	217
Net Cash Flow	2035	5	0.078735485	0
		<b>Total Present Value</b>		<b>144,221</b>
<b>Market Value of Intangible Assets - Remaining Customer Lease Contracts</b>				<b>144,221</b>

By considering all relevant data and information and analysis conducted on various factors that affect the object of the appraisal as well as the assumptions and limiting conditions presented in this report, we conclude that the **Market Value of Intangible Assets in the form of Remaining Customer Lease Contracts for 3,000 Telecommunication Towers of the Company** as of September 30, 2020, is **Rp. 144,221,000,000.- (One Hundred Forty-Four Billion Two Hundred Twenty-One Million Rupiah).**

#### **SUMMARY OF TRANSACTION FAIRNESS REPORT**

**Summary of the Fairness Opinion Report on the Proposed Sales Transaction of Assets in the form of 3,000 Telecommunication Tower units between PT Inti Bangun Sejahtera Tbk and PT Tower Bersama as a subsidiary of PT Tower Bersama Infrastructure Tbk No. 00017/2.0018-00/BS/06/0148/1/I/2021, dated January 18, 2021.**

#### **Object of Appraisal**

The object of the appraisal is the Preparation of Fairness Opinion on the Proposed Sale Transaction of Assets in the form of 3,000 Telecommunication Tower units and the Lease of the Company's Assets in the form of 28 plots of land and 4 rooftop areas used for towers between the Company and the Purchaser as a subsidiary of PT Tower Bersama Infrastructure Tbk.

**Cut Off Date**

September 30, 2020

**Purpose of Appraisal**

This appraisal is intended to provide a Fairness Opinion on the Proposed Sales Transaction of Assets in the form of 3,000 Telecommunication Tower units between the Company and the Purchaser, aimed at complying with the provisions of OJK Regulation No. 17/POJK.04/2020 on Material Transactions and Changes in Business Activities dated April 21, 2020.

In appraising the Proposed Transaction, we refer to OJK Regulation No. 35/POJK.04/2020 dated July 2, 2020, on the Appraisal and Presentation of Business Appraisal Reports in the Capital Market, OJK Circular Letter No. 17/SEOJK.04/2020 on Guidelines for the Appraisal and Presentation of Business Appraisal Reports in the Capital Market, the Ethical Codes of Conduct of Indonesian Appraisers and the 2018 Indonesian Valuation Standards (KEPI & SPI 2018 Edition VII) as well as applicable laws and regulations, and the use of relaxation refers to OJK's letter Number S-101/D.04/2020 dated March 24, 2020, Subject: Extension of the Validity Period of the Financial Statements and Appraisal Reports in the Capital Market, Extension of Initial Offerings and Postponement/Cancellation of Public Offerings as well as applicable laws and regulations.



Based on the explanation from the Company's management, the Proposed Transaction above does not comply with the regulations on affiliated transactions and conflict of interest transactions but is categorized as a material transaction because based on the explanation from the management the value of the Proposed Transaction is above 50% of the Company's equity as of September 30, 2020.

### **Assumptions and Limiting Conditions**

#### **Assumptions**

This appraisal is subject to the following:

1. We assume that the Proposed Transaction is carried out as described by the Company's management and in accordance with the agreement and the correctness of the information regarding the Proposed Transaction disclosed by the Company in the conditional sale and purchase agreement between the Company and the Purchaser that we have received.
2. The Proposed Transaction agreed between the Company and the Purchaser will be carried out before or on March 31, 2021 with the deadline for completion on May 31, 2021. The fairness opinion on the Proposed Transaction is prepared based on economic considerations, general business conditions and financial conditions as well as business conditions of the Company, and the OJK Regulations on the date this Fairness Opinion Report was

prepared. Changes in certain conditions that are beyond the reasonable control of the Company will have an unpredictable impact and may affect this fairness opinion.

3. We assume that from the issuance date of the Fairness Opinion Report on the Proposed Transaction to the effective date of the Proposed Transaction, there will not be any changes that materially affect the assumptions used in the preparation of this fairness opinion.
4. We assume that the Company is a going concern and is managed by professional and competent management.
5. All statements and data contained in this report are relevant, true and accountable in accordance with the generally accepted appraisal procedures and presented in good faith.
6. We use financial projections obtained from the Company's management and we have made adjustments that reflect the fairness of the projections with the ability to achieve (fiduciary duty).
7. We are responsible for the appraisal and fairness of financial projections.
8. All assumptions of the appraisal used in the process of reviewing the financial projection reports are based on the supporting documents received from the Company's management.

9. All data received in connection with this appraisal are relevant, true and reliable.
10. We have reviewed the information on the legal status of the object of the appraisal from the client.
11. There are no material and significant changes to the political, economic and legal climate in which the Company conducts its business.
12. There are no material and significant changes in tax rates or interest rates obtained from the Projected Financial Statements that have been given to us.
13. There are no material and significant changes to the regulations and laws in force in a country where the Company has a business which affects the Company's revenues.
14. There are no material and significant changes in labor and other costs.
15. There are no material and significant disturbances to industrial relations or labor associations.
16. There are no material and significant changes to the accounting policies adopted by the Company's management.
17. There are no material and significant changes to industrial technology and market competition in a country where the Company conducts its business.

18. We are responsible for this report and the conclusion of the final value.

#### **Conditions and Limiting Conditions**

1. This report is made in accordance with the purpose of the appraisal stated in the report, therefore it cannot be used and or quoted for other purposes without the written permission of the Public Appraisal Service Firm Nirboyo Adiputro, Dewi Apriyanti & Rekan.
2. Information provided by the client to the appraiser as presented in this report is deemed to be feasible and reliable. However, the Appraiser is not responsible if it is evident that the information provided is proven to be inconsistent with the actual facts. Information that is presented without citing the source is the result of our review of existing data, examination of documents or statements from the competent government agencies. The responsibility for rechecking the correctness of the information resides entirely with the client.
3. This report with the exception of confidential information that could affect the company's operations is open to the public.
4. Our appraisal is based on data and information provided by the Company's management. Considering that the results of our appraisal are highly dependent on the completeness, accuracy and presentation of the data and the underlying

assumptions, changes in data such as new information from the public, information resulting from special investigations, or from other sources will cause differences in the results of our appraisal. Therefore, we acknowledge that changes to the data used may affect the results of the appraisal, and that any differences that occur could be material. Although this report has been made in good faith and in a professional manner, we are not responsible for possible differences in conclusions caused by additional analysis, or any changes in the data used as the basis for the appraisal.

5. The value presented in this report and any other values in the report which are part of the object being appraised, shall only apply in accordance with the purposes and objectives of the appraisal. The results of the conclusions used in this report may not be used for other appraisal purposes which may result in errors.
6. This report is prepared based on economic considerations, general business conditions and financial conditions as well as the business conditions of the Company. The analysis, opinions and conclusions that we presented in this report have complied with OJK Regulation No. 35/POJK.04/2020 dated July 2, 2020, on the Appraisal and Presentation of Business Appraisal Reports in the Capital Market, OJK Circular Letter No. 17/SEOJK.04/2020 on

Guidelines for the Appraisal and Presentation of Business Appraisal Reports in the Capital Market, and the Ethical Codes of Conduct of Indonesian Appraisers (KEPI) and the 2018 Indonesian Valuation Standards (SPI 2018 Edition VII) as well as applicable laws and regulations.

7. We are not responsible for reaffirming or completing this appraisal resulting from subsequent events occurring after the date of the report.
8. The Public Appraisal Service Firm Nirboyo Adiputro, Dewi Apriyanti & Rekan as well as other appraisers and employees have absolutely no financial interest in the value obtained.
9. This report is considered invalid if no seal of the Public Appraisal Service Firm Nirboyo Adiputro, Dewi Apriyanti & Rekan is affixed thereto.
10. This Fairness Opinion Report is a non-disclaimer of opinion.

#### **Methods and Procedures for Preparing Fairness Opinions**

To be able to provide a fairness opinion on the Proposed Transaction, we implement an appraisal procedure by conducting transaction analysis, qualitative and quantitative analysis, analysis of the fairness of the transaction value and analysis of other relevant factors.

#### **Nature and Reliable Sources of Information**

The analysis is conducted based on data and information obtained from the Company's management as well as from various other sources, namely:

1. The Conditional Asset Sale and Purchase Agreement between the Company and the Purchaser;
2. The Intangible Asset Appraisal Report made by KJPP Nirboyo Adiputro, Dewi Apriyanti & Rekan on Intangible Assets in the form of Remaining Customer Lease Contracts for 3,000 units of Telecommunication Towers of the Company as of September 30, 2020, under No. 00586/2.0018-00/BS/06/0148/1/XII/2020 dated December 21, 2020;
3. The Asset Appraisal Report made by KJPP Nirboyo Adiputro, Dewi Apriyanti & Rekan on Assets in the form of 3,000 units of Telecommunication Towers of the Company as of September 30, 2020, under No. 00585/2.0018-00/PI/06/0148/1/XII/2020 dated December 21, 2020;
4. The Appraisal Report on the Market Lease Value of Assets of the Company made by KJPP Nirboyo Adiputro, Dewi Apriyanti & Partners as of September 30, 2020, under No. 00584/2.0018-00/PI/06/0148/1/XII/2020 dated December 21, 2020;
5. The Company's Financial Statements as of September 30, 2020, which have been reviewed by the Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Rekan (BDO);

6. The Company's Audited Financial Statements as of December 31, 2019, which have been audited by the Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Rekan (BDO) with unqualified opinion;
7. The Company's Audited Financial Statements as of December 31, 2018, which have been audited by the Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Rekan (BDO) with unqualified opinion;
8. The Company's Audited Financial Statements as of December 31, 2017, which have been audited by the Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Rekan (BDO) with unqualified opinion;
9. The Company's Audited Financial Statements as of December 31, 2016, which have been audited by the Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Rekan (BDO) with unqualified opinion;
10. The Company's Projected Financial Statements including projected Income Statement, Statement of Financial Position and Cash Flow Statement with and without regard to the Proposed Transaction obtained from the Company's management;
11. The Company's Pro forma Financial Statements with regard to the Proposed Transaction which have been reviewed by the Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Rekan (BDO);



12. Legal documents such as Notarial Deed and amendments thereto, SIUP, TDP, NPWP, SKDP and other important documents;
13. Information from the Company through interviews and discussions in connection with the Proposed Transaction;
14. Reviews of data and information we have obtained in connection with the Proposed Transaction which we deem relevant;
15. Transaction analysis, qualitative and quantitative analysis, analysis of the fairness of the transaction value and analysis of other relevant factors, which have been conducted;
16. This fairness opinion is prepared based on data and information as well as the principles of integrity.

### **Fairness Opinion on Transaction**

#### **Fairness Opinion Analysis**

The method used in analyzing the preparation of the fairness opinion on the Proposed Transaction is conducting transaction analysis, qualitative analysis and quantitative analysis, analysis of the fairness of the transaction value and analysis of other relevant factors:

##### **1. Transaction Analysis**

Based on the explanation from the Company's management, the Proposed Transaction above is a material transaction

because the value of the Proposed Transaction is higher than 50% of the book value of the Company's equity as of September 30, 2020, which has been reviewed by the Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Rekan (BDO). The Proposed Transaction for the Telecommunication Towers Assets Sale and Purchase is agreed by the Parties at the Proposed Transaction value of Rp. 3,975,000,000,000.- and with the lease of 28 plots of land and 4 rooftop areas used for towers at the Proposed Transaction value of Rp. 10,820,000,000.- or the total Proposed Transaction value of Rp. 3,985,820,000,000.- or 63.99% of the book value of the Company's equity as of September 30, 2020, namely Rp. 6,228,469,000,000.-, so it complies with the regulations on material transactions so that the Company is subject to the provisions stipulated in OJK Regulation No. 17/POJK.04/2020 on Material Transactions and Changes in Business Activities dated April 21, 2020.

## **2. Qualitative and Quantitative Analysis**

a. Analysis of the benefits and risks of the Proposed Transaction are:

### **Benefits of the Proposed Transaction**

- It produces a more productive cash flow performance from the Company's investment activities that support the expansion of the Company's business in

line with the more recent business strategy in telecommunications infrastructure;

- It reduces bank loans causing the Company's principal and interest installments to be smaller/lighter;
- Stronger debt and capital composition that can support the Company's business growth;
- Cash receipts from the Transaction will be used to finance investment in productive assets that are deemed profitable, including constructing new towers using the latest technology.

#### **Risks of the Proposed Transaction**

- The Company's total tower portfolio will decrease by 50% in which the Company will not become the big 4 of tower provider companies in Indonesia;
- The Company's revenue will decrease in 2021 but will begin to increase in 2022 and beyond and will return to the pre-sales transaction within 3 years, in which in the future operators will focus on 5G technology and the Company will focus more on MCP (Microcell Pole) towers in the future.

- b. From December 31, 2015 to December 31, 2019, the Company's total revenue increased by an average CAGR of 21.1%. The same goes for the Company's gross profit

from December 31, 2015 to December 31, 2019, the total gross profit of the Company has increased by an average CAGR of 9.3% per year.

- c. The ratio analysis regarding the effect of the Proposed Transaction on the Company's performance as of September 30, 2020 is as follows:

The pro forma financial position, profit or loss and cash flow regarding the effect of the Proposed Transaction show a difference between before and after the Proposed Transaction on September 30, 2020.

**Pro Forma Financial Ratios Before and After Transactions**

**As of September 30, 2020**

Ratio Analysis	Before	After	Difference
Liquidity Ratio			
Current Ratio	1.29	2.87	123.1%
Quick Ratio	1.21	2.81	132.8%
Cash Ratio	0.55	2.28	316.4%
Solvency Ratio			
Debt to equity ratio	0.69	0.49	-29.3%
Long-term debt to equity ratio	0.50	0.25	-49.0%
Debt to asset ratio	0.41	0.33	-19.7%
Profitability Ratio			

Gross profit margin	50.4%	50.4%	0.0%
Operating profit margin	10.3%	24.2%	133.7%

The table of pro forma financial ratios as of September 30, 2020, shows that there is a significant difference between before and after the Proposed Transaction on September 30, 2020.

Liquidity ratios such as cash ratio, current ratio and quick ratio increased by 123.1%, 132.8% and 316.4% respectively due to the sale of assets in the form of 3,000 telecommunication towers between the Company and the Purchaser.

Meanwhile, solvency ratios such as debt to equity ratio, long-term debt to equity ratio and debt to asset ratio decreased by 29.3%, 49.0% and 19.7% respectively, because some of the proceeds from the sale of assets in the form of Telecommunication Towers were used to pay the Company's bank loans.

Profitability ratios such as gross profit margin did not change, while the operating profit margin changed by 133.7% due to the gain on the sale of assets in the form of telecommunication towers.

In general, it can be said that the Proposed Transaction will improve the Company's financial performance.

- d. The incremental analysis is conducted in connection with the Company's Proposed Transaction by comparing earnings per share during the projection period between before and after the Proposed Transaction based on the Company's projected income statement data. The results of the analysis are as follows:

Descriptio n	30- Sep-20	31-Dec- 30	2020 12 Months	2021	2022	2023	2024	2025
<b>Profit for the Year (Rp Million)</b>								
Before the proposed transactio n	86,260	31,942	118,20 2	54,43 3	150,43 2	299,12 0	458,99 5	602,38 9
After the proposed transactio n	201,55 9	10,484	212,04 3	80,87 5	201,63 7	332,06 3	467,75 4	640,60 5
Difference	115,29 9	(21,459 )	93,840	26,44 2	51,205	32,943	8,759	38,216
% Increase / (Decrease)	133.7%	-67.2%	79.4%	48.6%	34.0%	11.0%	1.9%	6.3%
<b>Earnings per Share (Rp)</b>								
Number of shares (million shares)	1,351							
Before the proposed transactio n	63.9	23.6	87.5	40.3	111.4	221.4	339.8	445.9
After the proposed transactio	149.2	7.8	157.0	59.9	149.3	245.8	346.3	474.2

n								
Difference	85.3	(15.9)	69.5	19.6	37.9	24.4	6.5	28.3
% Increase / (Decrease)	133.7%	-67.2%	79.4%	48.6%	34.0%	11.0%	1.9%	6.3%

The incremental analysis shows that based on the Company's projected profit and loss before and after the Proposed Transaction, the projected earnings per share with regard to the Proposed Transaction shows a better position than before the Proposed Transaction.

- e. In conducting the sensitivity analysis of the transaction value, we assume that the transaction value increases by 5%, increases by 10%, decreases by 5% and decreases by 10%. The results of the analysis are as follows:

Description		5%	10%	5%	10%
		Increase	Increase	Decrease	Decrease
Market Value	3,895,517				
Assets in the form of Telecommunication Tower (3,000 Units)	3,603,503				
Right-Of-Use Assets (Remaining 3 <sup>rd</sup> Party land	147,793				

lease)					
Intangible Assets in the form of Remaining Customer Contract	144,221				
Transaction Value	3,975,00 0	4,173,75 0	4,372,50 0	3,776,25 0	3,577,50 0
Difference	79,483	278,233	476,983	(119,267 )	(318,017 )
%	2.0%	7.1%	12.2%	-3.1%	-8.2%

The above analysis shows that the difference between transaction value and market value will experience changes that are relatively the same as changes in transaction value.

### **3. Analysis of Fairness of Transaction Value**

The Analysis of the Fairness of the Transaction Value is as follows:

To measure the fairness of the transaction value, we make an appraisal of assets in the form of telecommunication towers being the object of the sale and purchase and a calculation of the Market Lease Value for the lease of 28 plots of land and 4 rooftop areas used for the towers of the Company with the following results:

**In Millions of Rupiah**



Description	Transaction Value	Market Value	Difference	%
Assets in the form of Telecommunication Tower (3,000 units)		3,603,503		
Right-of-Use Assets (3 <sup>rd</sup> Party land lease)		147,793		
Intangible Assets in the form of Remaining Customer Contract		144,221		
<b>Total</b>	<b>3,975,000</b>	<b>3,895,517</b>	<b>79,483</b>	<b>2.0%</b>
Lease of 28 plots of land and 4 rooftop areas	10,820	10,467	353	3.4%
<b>Total</b>	<b>3,985,820</b>	<b>3,905,984</b>	<b>79,836</b>	<b>2.0%</b>

The Proposed Transaction for Sale and Purchase of Telecommunication Towers:

- Based on the results of the appraisal conducted by KJPP NDR as contained in the Intangible Asset Appraisal Report File No. 00586/2.0018-00/BS/06/0148/1/XII/2020 dated December 21, 2020, the Market Value of Intangible Assets in the form of Remaining Customer Lease Contracts for Assets in the form of 3,000 units of Telecommunication Towers of the Company as of September

30, 2020, is Rp. 144,221,000,000.- (One Hundred Forty-Four Billion Two Hundred Twenty-One Million Rupiah);

- Based on the results of the appraisal conducted by KJPP NDR as contained in the Asset Appraisal Report File No. 00585/2.0018-00/PI/06/0148/1/XII/2020 dated December 21, 2020, the Market Value of Assets in the form of 3,000 units of Telecommunication Towers of the Company as of September 30, 2020, is Rp. 3,603,503,000,000.- (Three Trillion Six Hundred Three Billion Five Hundred Three Million Rupiah);
- Based on the information from the management regarding the right-of-use assets in the form of the remaining third party land lease contracts will be transferred, is Rp. 147,793,000,000.- (One Hundred Forty-Seven Billion Seven Hundred Ninety-Three Million Rupiah).

Based on the conditional asset sale and purchase agreement agreed by the parties, the transaction price for assets in the form of 3,000 units of telecommunication towers is Rp. 3,975,000,000,000.- (Three Trillion Nine Hundred Seventy Five Billion Rupiah), if compared to the total market value of assets in the form of 3,000 units of telecommunication towers of Rp. 3,895,517,000,000.- (Three Trillion Eight Hundred Ninety-Five Billion Five Hundred Seventeen Million Rupiah), it can be concluded that the agreed price for the Proposed Transaction for the sale and purchase of assets in the form of towers is Rp.

79,483,000,000.- (Seventy-Nine Billion Four Hundred Eighty-Three Million Rupiah) or 2.0% higher than the market value;

The Proposed Transaction for Land Lease:

- Based on the results of the appraisal conducted by KJPP NDR as contained in the Asset Market Lease Value Appraisal Report File No. 00584/2.0018-00/PI/06/0148/1/XII/2020 dated December 21, 2020, the Market Lease Value of the lease for 28 plots of land and 4 rooftop areas used for towers of the Company as of September 30, 2020, is Rp. 10,467,000,000.- (Ten Billion Four Hundred Sixty-Seven Million Rupiah);
- Based on the land lease agreement incorporated into the conditional asset sale and purchase agreement, the total land lease value is Rp. 10,820,000,000.- (Ten Billion Eight Hundred Twenty Million Rupiah).

Based on the lease agreement that has been agreed by the parties and observing the results of the appraisal of the Market Lease Value of the lease for 28 plots of land and 4 rooftop areas used for towers of the Company, it can be concluded that the Proposed Transaction price for the tower asset lease contract agreed is Rp. 353,000,000 (Three Hundred and Fifty-Three Million Rupiah) or 3.4% higher than the market value.

In total, the value of the Proposed Transaction is Rp. 79,836,000,000 (Seventy-Nine Billion Eight Hundred Thirty-Six Million Rupiah) or 2.0% higher than the market value. By considering the agreement between the parties, namely the Company and the Purchaser, in accordance with the agreement on the Proposed Transaction for Sale and Purchase of Assets in the form of Towers and OJK Regulation No. 35/POJK.04/2020 dated July 2, 2020, on the Appraisal and Presentation of Business Appraisal Reports in the Capital Market stating that the transaction value is fair if it is in the upper and lower limit ranges not exceeding 7.5%, it can be concluded that the Value of the Proposed Transaction is fair.

#### **4. Analysis of Other Relevant Factors**

With the Proposed Transaction of the Sale of Telecommunication Towers of the Company to the Purchaser, the company can have the opportunity to develop its business because it is supported by a better financial structure.

#### **Conclusion**

On the basis of our analysis of the fairness of the Proposed Transaction which includes transaction analysis, qualitative analysis and quantitative analysis, analysis of the fairness of the transaction value and analysis of other relevant factors, we are of the opinion that the Proposed Sale Transaction of Assets in the form of 3,000 units of

Telecommunication Towers between PT Inti Bangun Sejahtera Tbk  
(the Company) and PT Tower Bersama (the Purchaser) as a  
subsidiary of PT Tower Bersama Infrastructure Tbk. is Fair.

**ADDITIONAL INFORMATION**

If you need further information, please contact the Company at  
the address:

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