

DISCLOSURE OF INFORMATION

**IN CONNECTION WITH THE PROPOSED CAPITAL INCREASE BY WAY OF PRE-EMPTIVE RIGHTS
(*PMHMETD*) OF
PT SEMEN INDONESIA (PERSERO) TBK (COMPANY)**

THE INFORMATION CONTAINED IN THIS DISCLOSURE OF INFORMATION IS IMPORTANT AND NEEDS TO BE OBSERVED BY THE SHAREHOLDERS OF THE COMPANY IN CONNECTION WITH THE PROPOSED CAPITAL INCREASE BY PRE-EMPTIVE RIGHTS AND THE PROPOSED IN-KIND PARTICIPATION (*INBRENG*).

THIS DISCLOSURE OF INFORMATION IS SUBMITTED IN COMPLIANCE WITH THE FINANCIAL SERVICES AUTHORITY (OJK) REGULATION NUMBER 32/POJK.04/2015 AS AMENDED BY OJK REGULATION NUMBER 14/POJK.04/2019 ON CAPITAL INCREASE FOR PUBLIC COMPANIES WITH PRE-EMPTIVE RIGHTS (OJK REGULATION 32/2015).

ALL INFORMATION CONTAINED IN THIS DISCLOSURE OF INFORMATION IS ONLY A PROPOSAL, WHICH IS SUBJECT TO THE APPROVAL OF THE EGMS AND THE PROSPECTUS ISSUED FOR THE PURPOSE OF THE CAPITAL INCREASE BY PRE-EMPTIVE RIGHTS (*PMHMETD*).

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PT SEMEN INDONESIA (PERSERO) Tbk

Main Business Activities:

Cement Industry

Domiciled in South Jakarta with the Head Office at:

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INTRODUCTION

The Government of the Republic of Indonesia has various agenda in the context of Indonesia's development that have an impact on the cement sector in Indonesia. The agenda is designed and compiled in the 2020-2024 National Medium Term Development Plan (**NMTDP**) in accordance with Presidential Regulation No. 18 of 2020.

The first agenda, which reads “strengthening economic resilience for quality growth”, has a non-oil and gas export growth target of 9.8% in 2024 through the expansion of export markets to Africa, Latin America and Eastern Europe. The consolidation of the Company and PT Semen Baturaja (Persero) Tbk (**SMBR**) is expected to help realize the first agenda of the NMTDP through fulfilling the national and global cement demand in line with the post-pandemic economic recovery, in line with the integration vision of the Company and SMBR to become the Regional National Champion, by increasing the growth of non-cement commodity exports.

The second agenda, which reads “strengthening infrastructure to support economic development and basic services”, aims to accelerate Indonesia's economic growth and equity. The continuation of infrastructure development which has begun in the last few years and was stopped due to the COVID-19 pandemic can support the national cement demand. The integration of the Company and SMBR can help put this agenda into realization by ensuring the smooth supply and distribution of an adequate supply of cement for national development through strengthening the position of State-Owned Enterprises (**SOE**) cement companies.

As further effort from the Government of the Republic of Indonesia to develop the cement industry, the Government of the Republic of Indonesia through Law No. 7 of 2014 on Trade as amended by Law No. 11 of 2020 on Job Creation, stipulates that the Central Government and Regional Government are obliged to control the availability of basic necessities and/or essential goods throughout Indonesia in adequate quantities, of good quality, and at affordable prices. The essential goods in question are strategic goods that play an important role in determining the smooth running of national development, such as fertilizers, cement, as well as fuel oil and gas. Thus, to support the availability and distribution of cement as an essential goods, it is necessary to integrate the SOEs of the Cement Sub-Cluster.

In relation to this background, the Government of the Republic of Indonesia is currently planning to increase its capital in the Company through Pre-emptive Rights (**Pre-Emptive Rights**) in the form of non-cash (**In-kind Participation**). This is as stipulated in Government Regulation No. 33 of 2022 on The Addition of The Republic of Indonesia's Equity Participation in the Share Capital of *Perusahaan Perseroan (Persero)* of PT Semen Indonesia (Persero) Tbk (**GR 33/2022**). Based on GR 33/2022, the Government of the Republic of Indonesia will deposit all Series B shares owned by the Republic of Indonesia in SMBR to become paid-in capital in the Company.

SMBR is a public limited liability company that conducts business in the field of cement and other basic chemical industries as well as optimizing the utilization of SMBR's resources to produce high quality and highly competitive goods and/or services in order to obtain/pursue profits which are all related to cement in order to increase the value of SMBR as a company by applying the principles of a limited liability company.

The proposed Capital Increase with Pre-Emptive Rights and the proposed In-kind Participation, hereinafter, are collectively referred to as the “**Proposed Transaction**”.

DESCRIPTION OF THE PROPOSED CAPITAL INCREASE WITH PRE-EMPTIVE RIGHTS (PMHMETD)

A. MAXIMUM AMOUNT OF THE PROPOSED SHARE ISSUANCE BY PRE-EMPTIVE RIGHTS

The Company plans to issue a maximum of 1,070,000,000 Series B shares with a nominal value of IDR100 or representing a maximum of 18,04% of the Company's issued and fully paid-up capital at the time of this disclosure information. The maximum number of shares is an estimate and the determination will be regulated in accordance with the applicable regulations.

The exercise price for the proposed Capital Increase with Pre-Emptive Rights will be subsequently determined and announced in the Prospectus for the proposed Capital Increase with Pre-Emptive Rights. This is carried out by taking into account the prevailing laws and regulations, including the provisions in the capital market field, namely the Indonesian Stock Exchange (**IDX**) Regulation No. I-A on the Listing of Shares and Equity Securities Other than Shares Issued by the Listed Company, Attachment to IDX Board of Directors Decree No. Kep-00101/BEI/12-2021 dated 21 December 2021.

The new shares offered in this proposed Capital Increase with Pre-Emptive Rights have the same and equal rights in all respects as all of the Company's existing issued and fully paid-up Series B shares.

B. THE ESTIMATED PERIOD OF IMPLEMENTATION OF CAPITAL INCREASE

In accordance with Article 8 paragraph (3) of OJK Regulation 32/2015, the period between the date of approval of the General Meeting of the Shareholders (**GMS**) in connection with the proposed Capital Increase with Pre-Emptive Rights until the effective date of the registration statement is no more than 12 months. The Company intends to carry out the capital increase within this period by taking into account the provisions regarding the period between the valuation date and the date of payment of shares in other forms other than money as described above.

C. ANALYSIS OF THE EFFECT OF THE CAPITAL INCREASE ON THE FINANCIAL PERFORMANCE AND THE SHAREHOLDERS

1. Analysis of the Effect of the Capital Increase on the Financial Performance and Proforma Summary of the Company

Through the proposed In-kind Participation, the Company will become the majority shareholder in SMBR. Furthermore, the Company together with SMBR will synergize with each other to create added value for both parties which will ultimately provide value for the shareholders and the stakeholders.

With the Company's majority share ownership in SMBR, SMBR's financial statements will be consolidated with the Company's Financial Statements. This will increase the consolidated earnings in the future.

In the pro forma consolidated financial information of the Company, an engagement of reasonable assurance has been applied by the Public Accounting Firm Imelda dan Rekan based on the Company's audited historical interim consolidated financial statements dated 30 June 2022. The historical consolidated balance of the Company and its subsidiaries when compared with the pro forma consolidated balance of the Company, is as follows: (i) Total Assets from IDR73,4 Trillion to IDR81,7 Trillion; (ii) Total Liabilities from IDR31,6 Trillion to IDR33,9 Trillion; (iii) Revenue from IDR15,9 Trillion to IDR16,7 Trillion; and (iv) Current Profit from IDR868 Billion to IDR884 Billion.

2. **Analysis of the Effect of Capital Increases on the Shareholders of the Company**

If the new shares offered in this Capital Increase with Pre-Emptive Rights (*PMHMETD*) are not entirely taken by the Holders of the Pre-Emptive Rights (*HMETD*), the remainder will be allocated to other Holders of the Pre-Emptive Rights (*HMETD*) who place additional subscriptions, proportionally based on the Pre-Emptive Rights (*HMETD*) that have been exercised by them. In the event that the shareholders do not exercise their Pre-Emptive Rights, the percentage of their ownership in the Company will be diluted up to a maximum of 15,28%.

D. OUTLINE ESTIMATION OF USE OF FUND

The proceeds from the Capital Increase with Pre-Emptive Rights (*PMHMETD*) plan after deducting all issuance costs will be used for:

1. The consolidation of SMBR into the Company, which is carried out through the participation of the Company's shares in SMBR amounting to 7,499,999,999 Series B shares or representing 75,51% of the total issued and fully paid-up capital in SMBR, as a result of the In-kind Participation of the series B shares owned by the Republic of Indonesia.
2. Environmental, Social and Governance (ESG) and Circular Economy:
 - a. The addition of facilities to increase the use of alternative fuels. The use of alternative fuels aims to reduce non-renewable conventional fuels (coal) used internally in the slag manufacturing process, as well as to help manage external waste to support the achievement of sustainable development at the national level.
 - b. The addition of facilities to increase the use of alternative raw materials. The use of alternative materials aims to reduce the use of mining raw materials, replacing them with hazardous and toxic industrial waste that can be recycled.
 - c. The development of green zone is the construction of facilities for the destruction of waste originating from industrial waste.
3. Company Business Development:
 - a. The development of the business of distribution of building materials and logistics. The improvement of the distribution business of building materials by optimizing the store network and logistics capabilities (warehouse and transportation), the addition of material products, and the development of the modern retail as an initiative to secure downstream channels.
 - b. The development of digital business platforms in realizing the development of the company's digital ecosystem for building materials and providing added value to achieve company growth.
4. The addition of working capital as a source of funding to support the company's operations.

The plans aimed at supporting the improvement of the company's performance will continue to be evaluated and are dynamic in nature following the cCompany's internal and external dynamics.

E. FORM OF PARTICIPATION

1. The Republic of Indonesia, as the controlling shareholder of the Company, with a current ownership of 51,01%, will subscribe for all Pre-Emptive Rights (*HMETD*) to which it is entitled by conducting an In-kind Participation of shares owned by the Republic of Indonesia in SMBR, which is in the amount of 7,499,999,999 Series B shares or representing 75,51% of the total issued and fully paid-up capital in SMBR.

The above In-kind Participation uses the audited historical consolidated financial statements dated 30 June 2022 as the basis.

2. The portion of the exercise of the Pre-Emptive Rights (*HMETD*) originating from the portion of the public/community will be paid-up to the Company in cash.

DESCRIPTION OF THE PROPOSED IN-KIND PARTICIPATION THAT WILL BE CARRIED OUT BY THE GOVERNMENT IN THE PROPOSED CAPITAL INCREASE BY PRE-EMPTIVE RIGHTS (*PMHMETD*)

A. BACKGROUND

Based on the 2020-2024 NMTDP, the Government of the Republic of Indonesia has a number of agendas in the context of Indonesia's development that have an impact on the cement sector, namely "strengthening economic resilience for quality growth" and "strengthening infrastructure to support economic development and basic services". In this case, the Consolidation of the Company and SMBR is expected to help realize the NMTDP agenda through fulfilling the national and global cement demand in line with the post-pandemic economic recovery, in line with the integration vision of the Company and SMBR to become the Regional National Champion, by increasing the growth of cement commodity exports, and ensuring the smooth supply and distribution of an adequate supply of cement for national development through strengthening the position of SOE cement companies.

In the proposed Capital Increase with Pre-Emptive Rights (*PMHMETD*), based on GR 33/2022, the Government of the Republic of Indonesia will conduct an In-kind Participation as a form of participation other than cash to SMBR with reference to the provisions in OJK Regulation 32/2015. The Government of the Republic of Indonesia plans to exercise all Pre-Emptive Rights which the Republic of Indonesia is entitled to in the proposed Capital Increase with Pre-Emptive Rights (*PMHMETD*) with shares owned by the Republic of Indonesia in SMBR, which are in the amount of 7,499,999,999 Series B shares or representing 75,51% of the total issued and fully paid-up capital in SMBR.

B. DESCRIPTION OF THE PROPOSED IN-KIND PARTICIPATION THAT WILL BE IMPLEMENTED IN THE PROPOSED CAPITAL INCREASE WITH PRE-EMPTIVE RIGHTS (*PMHMETD*)

1. DATE OF THE TRANSACTION

The proposed In-kind Participation by the Government of the Republic of Indonesia will be made at the time of settlement of the Pre-Emptive Rights (*HMETD*) payment which is subscribed to by the Government of the Republic of Indonesia by taking into account the value of the investment in shares as stated in the Decree of the Minister of Finance to be issued in connection with GR 33/2022.

2. OBJECT OF THE TRANSACTION

The object of the proposed In-kind Participation is shares owned by the Republic of Indonesia

in the amount of 7,499,999,999 Series B shares or representing 75,51% of the total issued and fully paid-up capital in SMBR.

3. TRANSACTION VALUE

The participation of shares owned by the Republic of Indonesia amounting to 7,499,999,999 Series B shares or representing 75.51% of the total issued and fully paid-up capital in SMBR into the Company will be carried out by referring to the market value according to the assessment of the Public Appraisal Service Firm (**KJPP**) Toto Suharto dan Rekan “**TnR**”, and using the date of the financial statements for the period ended 30 June 2022 which has been audited by the Public Accounting Firm of Imelda dan Rekan with valuation result in the amount of IDR2,848,672,369,646.

The determination of the In-kind Participation value to be carried out by the Government of the Republic of Indonesia will be determined based on the Decree of the Minister of Finance as mandated in GR 33/2022.

4. THE PARTIES AND THE NATURE OF THE RELATIONSHIP OF AFFILIATION

The proposed In-kind Participation transaction between the Company and the Government of the Republic of Indonesia is included in the criteria for the Affiliated Transaction. The affiliation relationship between the Company and the Government of the Republic of Indonesia is in the form of a relationship between a company and the majority shareholder.

C. BENEFITS OF THE TRANSACTION TO THE COMPANY AND SMBR

The benefits of the Proposed Transaction to the Company and SMBR are as follows:

1. The potential of increase in the valuation of state entities (the Company and SMBR);
2. An improvement of performance and cost efficiency of SMBR with the existence of good governance and access to best practices from the parent company (the Company);
3. The potential increase in the financial rating for SMBR with the support of a strong parent company (Government of the Republic of Indonesia and the Company);
4. The coordination in the domestic market to reduce competition among members of the Cement Holding;
5. An improvement to the market position of the Cement Holding post-integration so that it will be able to compete more effectively not only with incumbents such as Tiga Roda but also new players such as Semen Merah Putih, Conch and others.

The benefits of the Proposed Transaction for the Government of the Republic of Indonesia are as follows:

1. A support to the national strategic projects in which cement is an important raw material in the smooth running of national development;
2. An improvement to the performance and efficiency of the Ministry of SOEs by reducing the number of SOEs;
3. The potential increase in tax revenue and dividends by the Ministry of Finance in line with the increased profitability and post-integration valuations;
4. The potential for additional foreign exchange through increasing cement export

opportunities;

5. The coaching or monitoring process becomes more organized or simpler, in which SMBR will be coordinated directly by the Company;
6. An improvement to the competitiveness & position of SOE cement companies in the midst of industrial competition. The strengthening of the company's position and industry consolidation for a more stable industrial ecosystem;
7. New exploration and post-integration export expansion opportunities;
8. The potential for post-integration efficiency, one of which is in fuel, as a result of the increased utilization and implementation of production economies of scale.

D. DESCRIPTION ABOUT THE COMPANY AND SMBR

1. DESCRIPTION ABOUT THE COMPANY

a. Establishment and the Latest Articles of Association

The Company was established under the name of NV Pabrik Semen Gresik on 25 March 1953 by way of a Notarial Deed of Raden Mr. Soewandi No. 41. On 17 April 1961, NV Pabrik Semen Gresik was made into a State Company (Persero) based on Government Regulation No. 132 of 1961, which subsequently changed to PT Semen Gresik (Persero) based on Notarial Deed of JN Siregar, S.H. No. 81 dated 24 October 1969.

The change to the name of the Company (PT Semen Gresik (Persero) Tbk to become PT Semen Indonesia (Persero) Tbk) was based on the Company's Deed of Meeting Resolutions of PT Semen Gresik (Persero) Tbk No.115 dated 20 December 2012, which was drawn up before Hana Tresna Widjaja, S.H., Notary in Jakarta which has obtained the approval of the Minister of Law and Human Rights based on the Decree of the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-65671.AH.01.02.Tahun 2012, dated 21 December 2012, which has been registered in the Company Register Number AHU-0112240.AH.01.09.Tahun 2012 dated 21 December 2012 as well as Decree of the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-66304.AH.01.02.Tahun 2012 dated 21 December 2012, which has been registered in the Company Register Number AHU-0112206.AH.01.09.Tahun 2012 dated 27 December 2012).

The change to the Company's domicile (originally domiciled in Gresik to become domiciled in South Jakarta) was based on the Company's Deed of Meeting Resolutions of PT Semen Indonesia (Persero) Tbk No. 29 dated 13 June 2019, which was drawn up before Leolin Jayayanti, S.H., M.Kn., Notary in South Jakarta, which has obtained the approval of the Minister of Law and Human Rights based on the Decree of the Minister of Law and Human Rights of the Republic of Indonesia No. AHU-0035582.AH.01.02.Tahun 2019 dated 9 July 2019, which has been registered in the Company Register Number AHU-0106148.AH.01.11.Tahun 2019 dated 9 July 2019.

The latest amendment to the Company's articles of association was based on the Deed of Meeting Resolutions on the Company's Amendment to the Articles of Association of PT Semen Indonesia (Persero) Tbk No. 42 dated 21 December 2021, which was drawn up before Aulia Taufani, S.H., Notary in South Jakarta, which has been notified to the Minister of Law and Human Rights based on the Receipt of Notification of Amendment to the Articles of Association No. AHU-AH.01.03-0002716, dated 4 January 2022 and has been registered in the Company Register No. AHU-0000778. AH.01.11.Tahun 2022

dated 4 January 2022.

b. **Capital Structure and Share Ownership of the Company**

The capital structure and shareholders of the Company at the time of this disclosure of information is published are as follows:

No	Shareholders	Number of Shares	Percentage of Ownership
A	Shareholders Owning who owns 5% Shares of or More		
	Republic of Indonesia c/q Ministry of SOEs of the Republic of Indonesia		
	Series A Shares (Dwiwarna)	1	51,01
	Series B Shares	3,025,405,999	
B	Group of Public Shareholders Owning Shares Less than 5% of Shares		
	Public Shares (below 5%)		
	Series B Shares	2,906,114,000	48,99
	Total	5,931,520,000	100,00

c. **Management and Supervision of the Company**

The composition of the Board of Directors and the Board of Commissioners of the Company at the time of this disclosure of information is published is as follows:

Board of Commissioners

President Commissioner	:	Rudiantara
Commissioner	:	Arief Prasetyo Adi
Commissioner	:	Lydia Silvanna Djaman
Commissioner	:	Astera Primanto Bhakti
Commissioner	:	Sony Subrata
Independent Commissioner	:	Aas Asikin Idat
Independent Commissioner	:	Nasaruddin Umar

Board of Directors

President Director	:	Donny Aرسال
Director of Supply Chain	:	Adi Munandir
Director of Operations	:	Yosviandri
Director of Business & Marketing	:	Aulia Mulki Oemar
Director of Human Resources & General Affairs	:	Agung Wiharto
Director of Finance & Risk Management	:	Andriano Hosny Panangian

d. **Main Business Activities of the Company**

(i) Manufacturing industry, including but not limited to:

- 1) The cement industry which includes the business of manufacturing various kinds of cement.

- 2) The industry of goods from cement and lime for construction which includes the business of manufacturing various goods from cement and/or limestone or artificial stone for construction purposes.
 - 3) The industry of mortar or ready-mix concrete which includes the business of manufacturing ready-mixed mortar or concrete.
 - 4) The industry of goods from cement, lime, gypsum and other asbestos which includes the business of manufacturing various goods from cement, lime, gypsum and other asbestos.
 - 5) The industry of refractory bricks, mortar, cement and the like.
- (ii) Mining and quarrying in the cement industry and other industries including but not limited to:
- 1) Limestone excavation which includes excavation, breaking, crushing, screening and refining activities including transportation and sales.
 - 2) Excavation of gravel which includes excavation, cleaning and separation of gravel.
 - 3) Excavation of soil and clay which includes excavation, shaping, crushing and grinding activities.
 - 4) Casting excavation which includes excavation, cleaning, refining and refining.
 - 5) Tracing excavation.
 - 6) Minerals mining.
 - 7) Quartz sand quarrying which includes excavation, breaking, crushing, screening and refining including transportation and sales.
 - 8) Other mining and quarrying support activities.
- (iii) Wholesale and retail trade in the cement industry and other industries including but not limited to:
- 1) Wholesale of roof tiles, bricks, tiles and the like from clay, lime, cement or glass for construction materials.
 - 2) Wholesale of cement, lime, sand and stone.
 - 3) Wholesale trade of various kinds of building materials.
 - 4) Wholesale trade on the basis of remuneration (fees) or contracts.
 - 5) Wholesale trade of second-hand goods and unused remnants.
- (iv) Scientific and technical professional activities for the cement industry and/or other industries, including but not limited to the provision of services:
- 1) Architectural activities.
 - 2) Engineering activities and technical consultancy.
 - 3) Laboratory testing services.
 - 4) Engineering technology research and development.

- 5) Other management consultancy activities.
- 6) Business consultancy and business brokerage activities.
- 7) Other professional, scientific and technical activities.
- 8) Computer consultancy and other computer facilities management activities.

Except consultancy in the field of law and tax.

- (v) Financial and insurance activities, including but not limited to holding company activities, namely investing and participation in other companies and/or business entities.
- (vi) Professional, scientific and technical activities, including but not limited to management consultancy activities, including providing company management services and management consultancy services.
- (vii) Procurement of electricity, gas, steam/hot water and cold air such as exploration, production and distribution of renewable and non-renewable energy, including but not limited to:
 - 1) Power generation;
 - 2) Distribution of electric power;
 - 3) Procurement of steam/hot water and cold air.
- (viii) Water management, waste water management, waste management and recycling and remediation activities, including but not limited to:
 - 1) Storage and distribution of raw water;
 - 2) Collection of non-hazardous waste water;
 - 3) Collection of hazardous waste water;
 - 4) Management and disposal of non-hazardous waste water;
 - 5) Management and disposal of hazardous waste water;
 - 6) Management and disposal of non-hazardous waste;
 - 7) Hazardous waste management and disposal.

2. INFORMATION ABOUT SMBR

a. Establishment and the Latest Articles of Association

SMBR was established based on SMBR's Deed of Establishment of Limited Liability Company No. 34 dated 14 November 1974, which was drawn up before Jony Frederik Berthold Tumbelaka Sinjal, Notary in Jakarta, which has obtained the approval of the Minister of Justice of the Republic of Indonesia based on Decree No. Y.A 5/422/18 dated 22 November 1974, and which has been registered in the register of the office of the Palembang District Court No. 376/1974 dated 22 November 1974 and has been announced in the State Gazette No. 15 of 1975 and the Supplement to the State Gazette No. 2 of 1975 of SMBR, having its headquarter at Jalan Abikusno Cokrosuyoso

PO BOX 1175, Sub-District of Kertapati, District of Kertapati, City of Palembang, Province of South Sumatra.

The latest amendment to the SMBR's articles of association was based on the Deed of Resolutions of the Annual General Meeting of the Shareholders of *Perusahaan Perseroan (Persero)* of PT Semen Baturaja Tbk No. 68 dated 25 June 2021, which was drawn up before Fathiah Helmi, SH, Notary in Jakarta, which notification has been received by the Minister of Law and Human Rights based on the Receipt of Notification of Amendment to the Articles of Association No. AHU-AH.01.03-0430893 dated 23 July 2021, and which has been registered in the Company Register No. AHU-0127661.AH.01.11.Tahun 2021 dated 23 July 2021, and has been announced in the State Gazette of the Republic of Indonesia No. 094, as well as the Supplement to the State Gazette of the Republic of Indonesia No. 036442 dated 23 November 2021.

b. **Capital Structure and Share Ownership of SMBR**

The capital structure and shareholders of SMBR at the time of this disclosure of information is published as follows:

No	Shareholders	Number of Shares	Percentage of Ownership
A	Shareholders Owning 5% of Shares or More		
1	Republic of Indonesia c/q Ministry of SOEs of the Republic of Indonesia		
	Series A Shares (Dwiwarna)	1	75,509
	Series B Shares	7,499,999,999	
2	PT Asuransi Jiwa IFG		
	Series B Shares	839,016,900	8,447
B	Group of Public Shareholders Owning Less than 5% of Shares		
1	Public		
	Series B Shares	1,593,517,436	16,044
	Total	9,932,534,336	100,000

c. **Management and Supervision of SMBR**

The composition of the Board of Directors and the Board of Commissioners of SMBR at the time of this disclosure of information is as follows:

Board of Commissioners

President Commissioner	:	Franciscus MA Sibarani (Franky Sibarani)
Commissioner	:	Oke Nurwan
Independent Commissioner	:	Darusman Mawardi
Independent Commissioner	:	Chowadja Sanova

Board of Directors

President Director	:	Daconi
General and HR Director	:	Gatot Mardiana
Director of Production and Development	:	Suherman Yahya
Director of Marketing	:	Mukhamad Saifudin
Director of Finance and Risk Management	:	Tubagus Muhammad Dharury

d. **Main Business Activities of SMBR**

In accordance with Article 3 of SMBR's Articles of Association, the purpose and objective of SMBR is to conduct business in the cement and other basic chemical industries as well as optimizing the use of resources owned by the SMBR to produce goods and/or services of high quality and strong competitiveness in order to obtain/pursue profits which are entirely related to cement in order to increase the value of SMBR as a company by applying the principles of limited liability companies.

To achieve the purposes and objectives mentioned above, SMBR may carry out the following main businesses:

- (a) other mining and quarrying support activities;
- (b) cement industry;
- (c) the industry of goods from cement and lime for construction;
- (d) the industry of goods from cement, lime, gypsum and other asbestos;
- (e) the industry of mortar or ready-mix concrete;
- (f) iron sand mining;
- (g) iron ore mining;
- (h) limestone excavation;
- (i) excavation of earth and clay;
- (j) excavation of the trajectory;
- (k) excavation of rock, sand and other clay;
- (l) repair of machinery for general purposes;
- (m) installation of industrial machinery and equipment;
- (n) research and development of technology and engineering;
- (o) analysis and other technical tests;
- (p) warehousing and storage;
- (q) other warehousing and storage;
- (r) provision of human resources and management of human resource functions;
- (s) wholesale trade in various kinds of building materials;
- (t) web portals and/or digital platforms for commercial purposes;
- (u) wholesale trade in cement, lime, sand and stone; and
- (v) hazardous waste management and disposal.

E. FULFILLMENT OF APPLICABLE CAPITAL MARKET PROVISIONS

1. As stipulated in OJK Regulation 32/2015, the Company must obtain a GMS approval for the Capital Increase with Pre-Emptive Rights on a date to be determined in accordance with the applicable regulations. Furthermore, the Company will submit a

registration statement and supporting documents to the OJK to obtain an effective statement from the OJK (**Effective Statement**), provided that the period between the date of approval of the GMS and the effective date of the registration statement is no longer than 12 months. Given that there is an In-kind Participation plan, the period of the appraisal report date with the date of payment of shares should not be more than 6 months.

2. OJK Regulation 32/2015 stipulates that in the implementation of the Pre-Emptive Rights, participations are to be made in forms other than money, the implementation of which must meet the following provisions:
 - a. directly related to the planned use of funds;
 - b. using an appraiser to determine the fair value of the form other than money used as participation and the fairness of the transaction for the participation of shares in the form other than money; and
 - c. the period between the date of valuation and the date of payment of shares in the form other than money as referred to above is no longer than 6 months.
3. The In-kind Participation plan meets the criteria for affiliated transactions but is not a conflict-of-interest transaction and does not result in the disruption of the Company's business continuity, as referred to in OJK Regulation No. 42/POJK.04/2020 on Affiliated Transactions and Conflict of Interest Transactions (**OJK Regulation 42/2020**). The affiliation relationship between the Company and the Government of the Republic of Indonesia is in the form of a relationship between a company and the majority shareholder.

Based on Article 23 of OJK Regulation 42/2020, in the event that the Affiliated Transaction is carried out through a Public Offering, the Public Company is only required to comply with the provisions of the laws and regulations in the capital market sector regarding Public Offering. Considering that the Capital Increase with Pre-Emptive Rights is carried out through a public offering, the obligations of Affiliated Transactions in the Proposed Transaction are only subjected to the provisions of OJK Regulation 32/2015 which regulates the procedures for Pre-Emptive Rights.

The In-kind Participation plan is not a material transaction as referred to in OJK Regulation No. 17/POJK.04/2020 on Material Transactions and Changes in Business Activities (**OJK Regulation 17/2020**) because the In-kind Participation value is IDR2,848,672,369,646 which is 7,12% of the Company's equity.

INDEPENDENT PARTIES INVOLVED IN THE PROPOSED TRANSACTION

The independent parties involved in the Proposed Transaction are as follows:

1. Public Accounting Firm *Amir Abadi Jusuf, Aryanto, Mawar dan Rekan*, as the accountant to audit SMBR's consolidated financial statements as of 30 June 2022.
2. Public Accounting Firm *Imelda dan Rekan* as the independent auditor that: (i) performs audit engagements on the interim consolidated financial statements of the Company as of 30 June 2022 and for the six-month period ended on that date as stated in this disclosure information; and (ii) applies a reasonable assurance engagement on the Company's pro forma consolidated financial information dated 30 June 2022 and for the six-month period then ended on the date stated in this disclosure information.

3. *KJPP Toto Suharto dan Rekan* "TnR" as the independent appraiser to conduct the assessment on SMBR shares and provide a fairness opinion on the Proposed Transaction.
4. UMBRA Partnership as the legal consultant that provides legal advice to the Company regarding the Proposed Transaction.

SUMMARY OF OPINIONS OF INDEPENDENT PARTIES

The Company has appointed *KJPP Toto Suharto dan Rekan* "TnR" as the independent appraiser in the assessment of 7,499,999,999 Series B shares owned by the Republic of Indonesia at SMBR, along with the preparation of a fairness opinion on the Proposed Transaction.

KJPP Toto Suharto dan Rekan "TnR" stated that they have no affiliation, whether directly or indirectly, with the Company as defined in Law No. 8 of 1995 on the Capital Market.

A. Summary of the Appraisal of Shares of SMBR

KJPP Toto Suharto dan Rekan as the Independent Appraiser appointed by the Company to conduct an Appraisal of 75,51% of Series B Shares owned by the Republic of Indonesia at PT Semen Baturaja (Persero) Tbk. has delivered a Shares Appraisal Report No. 00333/2.0055-00/BS/04/0060/0/IX/2022, dated 9 September 2022, with the following summary:

1. Identification of the Status of the Appraiser

KJPP Toto Suharto & Rekan (TnR) was originally PT Actual Kencana Appraisal (AKA) which has been active in the appraisal business since 1984. In 2007, AKA changed to become the *Usaha Jasa Penilai Toto Suharto & Rekan* following the Minister of Finance Regulation which regulates public appraisal services in Indonesia.

TnR was established as an official Public Appraisal Service Office based on the Decree of the Minister of Finance Number: 1009/KM.1/2009 dated 28 July 2009, with a Business License for the Public Appraisal Services Office (SIUKJPP) Number: 2.09.0055 and registered as a capital market supporting profession on behalf of Ir. Toto Suharto, M.Sc, MAPPI (Cert).

2. Identification of the Assigner and User of the Report

The Assigner and the User of the Report of PT Semen Indonesia (Persero) Tbk, has its address at South Quarter Tower A, Level 19-20, Jl. RA Kartini Kav. 8, District of West Cilandak, Administrative City of South Jakarta, DKI Jakarta.

3. Object of the Appraisal

The object of the appraisal is 75,51% of series B shares which are owned by the Government of the Republic of Indonesia in PT Semen Baturaja (Persero) Tbk.

4. Purpose and Objectives of the Appraisal

The purpose of the appraisal is to provide an opinion on the Market Value of the Shares of PT Semen Baturaja (Persero) Tbk as of 30 June 2022 for the purposes of transactions in public companies. This business assessment will be carried out by referring to the 2018 Indonesian Appraisal Standard (*Standar Penilaian Indonesia*) Edition VII set by the Indonesian Appraisal Professional Society (*Masyarakat Profesi Penilai Indonesia - MAPPI*) and the Financial Services Authority regulation No. 35/POJK.04/2020.

5. Specific Assumptions and Assumptions

In preparing an independent opinion on the Market Value of 75,51% of Series B Shares owned by the Government of the Republic of Indonesia in PT Semen Baturaja (Persero) Tbk, to ensure that the proposed transaction can be carried out at arm's length conditions within generally accepted commercial limits and does not harm the interests of the company and its shareholders, we use several assumptions, including:

- This valuation is based on the market and economic conditions, general business and financial conditions as well as government regulations related to corporate actions that will be carried out on the date this assessment is issued.
- This appraisal should be viewed as a single entity and partial use of analysis and information without considering other information and analyses as a complete whole may lead to misleading views and conclusions on the process underlying the appraisal. The preparation of this assessment is a complex process and may not be possible through incomplete analysis.
- We assume that from the issuance date of this appraisal until the date of the corporate action plan, there will be no changes that will materially affect the assumptions used in the preparation of this appraisal. We are not responsible for reaffirming or completing, updating our opinion due to changes in assumptions and conditions as well as events that occurred after the issuance date of this Appraisal Report.

6. Approach and Method of the Appraisal

In evaluating the shares of PT Semen Baturaja (Persero) Tbk, to obtain accurate and objective appraisal results, the approach that can be applied to estimate the Market Value of PT Semen Baturaja (Persero) Tbk's shares is the **Income Approach** with the Discounted Cash Flow (DCF) method and the **Market Approach** using the Guideline Publicly Traded Company method. This is based on several considerations regarding the condition of PT Semen Baturaja (Persero) Tbk and macro conditions, such as:

- PT Semen Baturaja (Persero) Tbk is a public company (Tbk) so that the application of the appraisal according to OJK Regulation 35/POJK.04/2020 must use at least 2 (two) appraisal approaches and methods so that the appraiser concludes to using the income approach and the market approach.
- PT Semen Baturaja (Persero) Tbk is still operating in the field of cement and other basic chemical industries as of the date of the assessment.
- PT Semen Baturaja (Persero) Tbk is a company identified as having cash flow economic benefits in the future in the form of cement sales revenue.
- The audited annual financial statements of PT Semen Baturaja (Persero) Tbk for the years ended 31 December 2017, 31 December 2018, 31 December 2019, 31 December 2020, and 31 December 2021 which were audited by KAP Amir Abadi Jusuf, Aryanto, Mawar & Rekan, with a fair opinion in all material aspects.
- The audited financial statements of PT Semen Baturaja (Persero) Tbk for 6 (months) ended 30 June 2022 are used as the cut-off date for the appraisal, which was audited by KAP *Amir Abadi Jusuf, Aryanto, Mawar & Rekan*, with a fair opinion in all material aspects.

- The management has arranged a business plan of PT Semen Baturaja (Persero) Tbk in the future until 2026.

7. Conclusion of the Appraisal

Based on the results of the study and analysis that has been carried out, we weight each indication of the value resulting from the 2 (two) value approaches which were applied in order to produce a final conclusion with a single value (SPI 330 5.38).

The valuation that we give is 60% for an indication of the value with the income approach because the Company is currently still a going concern and experiencing an increase in sales. Meanwhile the valuation of 40% is given to the indication of value with the market approach, because the market data on the market multiple owned by the Company is still varied so that the indication of value is in the minority market approach.

With this valuation, we are of the opinion that the final conclusion is that the Market Value of 75,51% Series B Shares owned by the Government of the Republic of Indonesia in PT Semen Baturaja (Persero) Tbk as of 30 June 2022 is **IDR2,848,672,369,646**.

KETERANGAN	Nilai Pasar	Bobot	Kesimpulan Nilai Pasar
⊙ Pendekatan Pendapatan (<i>Income Approach</i>)	2,747,091,405,515	60%	1,648,254,843,309
⊙ Pendekatan Pasar (<i>Market Approach</i>)	3,001,043,815,843	40%	1,200,417,526,337
Nilai Pasar 75,51% Saham PT Semen Baturaja (Persero) Tbk			2,848,672,369,646

B. Summary of the Fairness Opinion Report

KJPP Toto Suharto dan Rekan as the Independent Appraisers appointed by the Company to conduct a Fairness Opinion on the planned in-kind participation transaction as contained in Government Regulation No. 33 of 2022 on the addition of the Republic of Indonesia's Equity Participation in the Share Capital of *Perusahaan Perseroan (Persero)* of PT Semen Indonesia (Persero) Tbk (**GR 33/2022**). TnR has delivered a Fairness Opinion Report No. 00346/2.0055-00/BS/04/0060/0/IX/2022 dated 26 September 2022 with the following summary:

1. Identification of the Status of the Appraiser

KJPP Toto Suharto & Rekan (TnR) was originally PT Actual Kencana Appraisal (AKA) which has been active in the appraisal business since 1984. In 2007, AKA changed to become *Usaha Jasa Penilai Toto Suharto & Rekan* following the Minister of Finance Regulation which regulates public appraisal services in Indonesia.

TnR was established as an official Public Appraisal Service Office based on the Decree of the Minister of Finance Number: 1009/KM.1/2009 dated 28 July 2009, with a Business License for the Public Appraisal Services Office (SIUKJPP) Number: 2.09.0055 and registered as a capital market supporting profession on behalf of Ir. Toto Suharto, M.Sc, MAPPI (Cert).

2. Identification of the Assigner and User of the Report

The Assigner and the User of the Report of PT Semen Indonesia (Persero) Tbk, has its

address at South Quarter Tower A, Level 19-20, Jl. RA Kartini Kav. 8, District of West Cilandak, Administrative City of South Jakarta, DKI Jakarta.

3. Object of the Appraisal

The object of the Proposed Transaction is the In-kind Participation shares owned by the Government in SMBR to the Company. The following are the shares to be transferred:

Description	Number of Shares	Percentage
Ownership of Series B Shares owned by the Government of the Republic of Indonesia in PT Semen Baturaja (Persero) Tbk	7,499,999,999	75,51%

4. Purpose and Objectives of the Fairness Opinion

This Fairness Opinion Report aims to provide a fairness opinion on the Proposed Transaction in the form of In-kind Participation for 75,51 of SMBR series B shares owned by the Government of the Republic of Indonesia to the Company and the Capital Increase through Pre-emptive Rights (PMHMETD) and in order to comply with the provisions of the Financial Services Authority Regulation (OJK Regulation) No. 42/POJK.04/2020 on Affiliated Transactions and Conflict of Interest Transactions, OJK Regulation No. 17/POJK.04/2020 on Material Transactions and Changes in Business Activities, as well as OJK Regulation No. 14/POJK.04/2019 on Amendments to the Financial Services Authority Regulation Number 32/POJK.04/2015 on the Capital Increase for Public Companies with Pre-emptive Rights.

5. Methodology of the Analysis on the Fairness of the Proposed Transaction

This Fairness Opinion Report is prepared in accordance with the Indonesian Appraisal Standards (*Standar Penilaian Indonesia*) set by MAPPI, where the approach applied is in accordance with the complete assessment standards and Financial Services Authority Regulation (OJK Regulation) Number 35/POJK.04/2020 on Assessment and Presentation of Business Valuation Reports in the Capital Market.

A fairness analysis is carried out by analyzing the Proposed Transaction, qualitative analysis and quantitative analysis of the Proposed Transaction. Whereas the analysis of the Proposed Transaction is carried out by identifying the existence of a relationship in the relationship between the transacting parties. In the analysis of the Proposed Transaction, there is a complete explanation of the decisions of the shareholders outside the agreed General Meeting of Shareholders (GMS), as well as the benefits and risks of the Proposed Transaction.

The qualitative analysis of the Proposed Transaction is based on an analysis of the industry and the environment in which there is a description of the macroeconomic conditions in the world and economic conditions in Indonesia as well as a review of the national banking industry. In addition, a qualitative analysis will explain in more detail the reasons and background as well as the advantages and disadvantages of the Proposed Transaction.

The quantitative analysis of the Proposed Transaction is carried out by identifying the analysis of the Company's financial condition including an assessment of historical performance and ratio analysis of the Company, trend analysis of the Company's historical financial statements and an assessment of the company's financial projections, pro forma analysis of financial statements, sensitivity analysis of the

Proposed Transaction and fairness analysis on the value of the Proposed Transaction.

6. Fairness Opinion on the Proposed Transaction

No	Description	Market Value (IDR)	Transaction Value (IDR)
1	Valuation of 75,51% Shares of PT Semen Baturaja (Persero) Tbk	2,848,672,369,646	2,848,672,369,646
	Incremental Shares Value	0.00%	

Based on OJK Regulation Number 35/POJK.04/2020 Article 48 point (b) "The upper and lower limits of the Value range must not exceed 7,5% (seven point five percent) of the referenced Value". Based on the comparison above, the difference between the Transaction Value of Shares by In-kind Participation is **0.00%** or the same as the Market Value of the Shares. Thus, we are of the opinion that the overall transaction set is **REASONABLE**.

We emphasize that we do not take advantage, both now and in the future, on the fairness opinion. The processed factual data is stored in our files for future reference purposes in the event of additional authorization requiring detailed reports, including documentation. This data is available upon request for review.

STATEMENT OF THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS

The Board of Directors and the Board of Commissioners of the Company declare that they are responsible for the completeness of the information as disclosed in this disclosure of information and confirm its veracity after careful research. There are no important material and relevant facts that are not disclosed or omitted in this disclosure of information, thus causing the information provided to be misleading and there is no conflict of interest in the implementation of the Proposed Transaction.

ADDITIONAL INFORMATION

Further information regarding this information of information is available at the Company during business hours at the following address:

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