

DISCLOSURE OF INFORMATION WITH RESPECT TO AN AFFILIATED TRANSACTION

To comply with the provisions of the Capital Market and Financial Institutions Supervisory Board Rule (OJK) No. IX.E.1 on Affiliated Transaction and Conflicts of Interest in Certain Transactions (“Decision of OJK No. KEP-412/BL/2009”)

PT SURYA TOTO INDONESIA, Tbk.

(“Company”)

Business line:

Engaged in the production and sale of sanitaryware, fittings, and kitchen system

Head Office:

Jl. Tomang Raya No. 18, Jakarta Barat 11430

Indonesia

Telephone: (021) 29298686, Fax: (021) 5682282, 5601296

BRIEF DESCRIPTION OF THE TRANSACTION

With the development of the Company's business, the needs of personnel and workspaces of employees are felt increasing, as well as the showrooms of the Company's products is now perceived insufficient.

Therefore, the Company is working with PT Surya Pertiwi (“SP”), a distributor of the Company, which both agreed to build a new headquarter building that can fulfill the needs of the above reasons by forming a joint venture company PT Surya Graha Pertiwi (“SGP”). PT SGP engages in building management. PT SGP rents out the building to the Company and PT SP. The lease transaction was announced on 3 August 2018.

The new office building is located on Jl. S. Parman Kav. 81, Kota Bambu Selatan Village, Palmerah District, Jakarta 11420 and completed in mid-2018. The Company decided to immediately move to the new office building, so there is a plan to sell the previous land and building located on Jl. Tomang Raya No. 18, Jakarta 11450 to PT Multi Surya Properti (“MSP”), a related party controlled and significantly influenced by the same party, which engaged in the property sector.

The Company sells these assets to PT MSP because PT MSP runs its business on Jl. Tomang Raya No. 16 which is adjacent to the Company's office building. In addition, PT MSP is an affiliated company. Thus, the Company will operate in a new, more adequate location and PT MSP will obtain additional land and building to support its operational activities.

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According to the decision of Chairman of OJK No. KEP-412/BL/2009 in regard with affiliated transactions, various steps have been taken as follows:

The Company has appointed Independent Appraiser namely Kantor Jasa Penilai Publik independen (KJPP) Benedictus Darmapuspita & Rekan (“BD&R”) to conduct an assessment on fair value of the Company's land and building. The KJPP report of the fair value of land and the building was published on 24 July 2018.

On 28 August 2018, the Company published Interim Financial Statements with report on review of interim financial information published by Independent Auditor Purwanto, Sungkoro & Surja (a member firm of Ernst & Young).

On 30 August 2018, the Board of Commissioners gave an approval to the Board of Directors of the Company in regard with sales plan of land and building in the form of the Company's office building to PT MSP.

On 17 September 2018, the Company and PT MSP have signed Memorandum of Understanding on the sales plan of the Company's land and building.

On 24 September 2018, the Company published Unaudited pro-forma interim financial information with Independent Assurance Report published by Independent Auditor Purwanto, Sungkoro & Surja (a member firm of Ernst & Young).

On 8 October 2018, Independent Appraiser KJPP BD&R published a report of business valuation with the fairness opinion for the transaction and the value of sales of land and building.

On 12 October 2018, the Company as the seller and PT MSP as the buyer signed the deed of sale and purchase of land and building.

Objects of the transaction are:

1. Land area of 1,076 m², a building and complementary facilities on it, which is located on Jl. Tomang Raya No. 18, Jati Pulo Village, Grogol Petamburan District, West Jakarta, DKI Jakarta province.
2. Land area of 246 m², a building and complementary facilities on it, which is located on Jl. Kemuning No. 29, Jatipulo Village, Grogol Petamburan District, West Jakarta, DKI Jakarta province.
3. Land area of 242 m², a building and complementary facilities on it, which is located on Jl. Kemuning No. 29A, Jatipulo village, Grogol Petamburan District, West Jakarta, DKI Jakarta province.

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The transaction value of the three objects is Rp 65,310,000,000 (sixty five billion three hundred ten million Rupiah) before VAT, which is payable in cash at the time of signing the deed of sale and purchase.

The Disclosure of Information is issued in Jakarta, on 16 October 2018