

DEFINITION

Bapepam dan LK	: Capital Market and and Financial Institution Supervisory Board as meant in Regulation of Minister of Finance of the Republic of Indonesia No. 184/PMK.01/2010 dated 11 October 2010 on Organization and Work Order of Ministry of Finance or its assigns and beneficiaries.
Directors	: The incumbent Directors of the Company at the time this Disclosure of Information is disclosed.
GEI	: PT. Global Commerce Indonesia, a company established by virtue of and under the law of the Republic of Indonesia, domiciled in South Jakarta, where the shareholding structure of GEI in MatahariMall is as follows: 1. GEI is the shareholder of PT Rekaia Sinar Bumi as many as 99.999% or amounted to 1,399,999,999 shares and the shareholder of PT Lenteng Lintas Benua as many as 99.999% or amounted to 99,999 shares. 2. PT Rekaia Sinar Bumi and PT Lenteng Lintas Benua are the shareholders of MatahariMall, respectively as many as: - PT Rekaia Sinar Bumi having 99.99% or 1,399,999,999 shares - PT Lenteng Lintas Benua having 0.01% or 1 share.
IDV	: PT Investama Digital Ventura, a company established by virtue of and under the law of the Republic of Indonesia, domiciled in South Jakarta, and one of the shareholders of GEI.
Disclosure of Information	: Information as contained in this Disclosure of Information implemented in order to fulfill the provision of Regulation No. IX.E.1 and Regulation No. IX.E.2.
KJPP RSR	: Public Appraisal Service Firm Ruky, Safrudin & Rekan, having obtained business permit from the Ministry of Finance No. 2.11.0095 pursuant to the Decision Letter of Ministry of Finance No. 1131/KM.1/2011 dated 14 October 2011 and registered as capital market supporting professionals through Registered License of Capital Market Supporting Professionals from Bapepam and LK No. 09/BL/STTD-P/B/2010, as the independent appraiser appointed by the Company to provide fairness opinion on the subscription of GEI shares by the Company.
Commissioners	: The incumbent of the Board of Commissioners of Commissioners of the Company at the time this Disclosure of Information is disclosed.
KPPS	: Resolution of the Shareholders of GEI signed by all shareholders of GEI.
MatahariMall	: PT Solusi Ecommerce Global, a company established and under the law of the Republic of Indonesia, running business in field of e-commerce with commercial brand of MatahariMall.com.
Menkumham	: Ministry of Law and Human Rights
Mitsui	: Mitsui & Co., Ltd., a company established by virtue of and under the law of Japan, domiciled in Japan, and one of the shareholders of GEI.
Shareholders of Company	: The shareholders of Company whose names registered in the Shareholder Register of Company issued by Securities Administration Bureau, i.e. PT Sharestar Indonesia.
Regulation No. IX.E.1	: Regulation of Bapepam and LK Number IX.E.1, Schedule to Decision of Head of Bapepam and LK No. Kep-412/BL/2009 dated 25 November 2009 on Affiliated Transactions and Conflict of Interest in Certain Transactions.
Regulation No. IX.E.2	: Regulation of Bapepam and LK Number IX.E.2, Schedule to Decision of Head of Bapepam and LK No. Kep-614/BL/2011 dated 28 November 2011 on Material Transactions and Change to Primary Business Activities.
Investment Agreement	: An Agreement dated 10 May 2017 between the Company and GEI in order to subscribe the number of GEI's new shares constituting 9,435,638 shares by the Company that will be executed no later than June 2017 at a price of Rp 22,521 per share.
Company	: PT Matahari Department Store Tbk, a public limited liability company established by virtue of and under the law of the Republic of Indonesia domiciled in South Jakarta.
POJK No.32	: Regulation of Financial Service Authority No. 32/POJK.04/2014 dated 8 December 2014 on the Plan and Implementation of General Meeting of Shareholders of Public Company.
POJK No.33	: Regulation of Financial Service Authority No. 33/POJK.04/2014 dated 8 December 2014 on Board of Directors and Board of Commissioners of Issuer or Public Company.
Transaction	: The subscribing of GEI's new shares by the Company constituting the implementation of the subscription of shares as stated in the Investment Agreement.
UUPT	: Law No. 40 of 2007 on Limited Liability Company.

I. INTRODUCTION

The information as contained herein has been made in order to fulfill the obligation of the Company to announce the disclosure of information on Affiliated Transactions and Material Transactions made by the Company in respect of the subscribing the new shares of GEI by the Company amounted to 9,435,638 (nine million four hundred thirty five thousand six hundred thirty eight) shares with nominal value of Rp 22,521 (twenty two thousand five hundred and twenty one rupiahs) per share, therefore the total transaction value for the subscription is Rp 212,500,003,398 (two hundred twelve billion five hundred million three thousand three hundred ninety eight rupiahs).

The subscription of shares by the Company mentioned above hereinafter referred to as the "Transaction". The basis of Transaction implementation is the signing of Investment Agreement that will be executed no later than June 2017. Investment Agreement also stated that the Company may change the Transaction Period with prior notification to GEI no later than 7 (seven) days before the desired period.

In respect of the above matter, pursuant to the applicable laws, particularly the Regulation No. IX.E.1 and Regulation No. IX.E.2, upon the signing of Investment Agreement on 10 May 2017 and will be followed by the implementation of the Transaction on the period mentioned above, the Board of Directors of the Company hereby announces the Disclosure of Information in order to provide explanation, consideration as well as reason of the implementation of such Transaction to the Shareholders of the Company as a part of fulfilling the provision of Regulation No. IX.E.1 and Regulation No. IX.E.2.

The Board of Directors and Board of Commissioners of the Company, whether severally and jointly, declare that this Transaction does not contain conflict of interest as meant in Regulation IX.E.1.

II. INFORMATION ON TRANSACTION

A. EXPLANATION ON TRANSACTION

1. Reason and Background

The Company views e-commerce business as a significant opportunity to expand the business network of the Company throughout Indonesia as a retail company.

Previously on 23 February 2015, the Company and GEI (d/n PT. Gatra Investama Mulia) has bound themselves in an agreement of granting shares option right, in which the option has been exercised on 11 August 2015, therefore the Company's shares in GEI amounted to 2.5% (two point five percent) representing 2,631,580 shares from the total of 105,263,160 shares.

As stated in the Deed of KPPS Statement No. 12 dated 12 August 2015 made before Notary Sriwi Bawana Nawakars, SH, Notary in Tangerang, the ownership structure of GEI has changed where IDV is accessioned as a shareholder. Moreover, as mentioned in Deed of KPPS Statement No. 20 dated 11 September 2015 made before Notary Sriwi Bawana Nawakars, SH, Notary in Tangerang, there is increase in the issued and paid-up capital of GEI where the total of new shares are taken by IDV, thus the Company's shares in GEI are diluted into 2.29% representing 2,631,580 shares from the total of 116,570,500 shares.

On 13 August 2015, KPPS GEI regarding the option right has been signed whereupon the shareholding percentage of the Company and PT Matahari Putra Prima Tbk ("MPPA") is maximum 5% each of total issued and paid-up capital of GEI upon considering all options to take shares in GEI as it has been implemented, at the price of Rp12,065 per share. The KPPS also regulates the additional option right to take additional shares, whereupon the total shareholding of the Company and MPPA will represent maximum 10% each of total issued and paid-up capital of GEI upon considering all options to take shares in GEI as it has been implemented, at the price to be determined later under the written agreement by the parties.

This KPPS then followed by the signing of agreement dated 14 August 2015 between the Company and GEI in order to take some option shares whereupon the total amount of Company's shares in GEI will represent maximum 5% of issued and paid-up capital of GEI after considering all options to take shares in GEI as it has been made, at the price of Rp 12,065 per share. This agreement also regulates the additional option to take additional option shares whereupon the total amount of Company's shares in GEI will represent maximum 10% of issued and paid-up capital of GEI after considering all options to take shares in GEI as it has been made, at the price to be fixed later under written agreement of the parties ("Option Right Agreement").

As mentioned in the Deed of KPPS Statement No. 28 dated 16 December 2015 made before Notary Sriwi Bawana Nawakars, SH, notary in Tangerang, there is increase of issued and paid-up capital of GEI where the total new shares are taken by IDV, therefore the Company's shares in GEI is diluted into 1.99% representing 2,631,580 shares from the total of 131,916,175 shares.

Furthermore, on 30 December 2015 the Company has executed the GEI option shares by subscribing 4,404,700 (four million four hundred and four thousand seven hundred) shares therefore the Company's shares in GEI amounted to 5.16% (five point sixteen percent) representing 7,036,280 shares from the total of 136,320,875 shares, as mentioned in Deed of KPPS Statement No. 64 dated 29 December 2015 made before Notary Sriwi Bawana Nawakars, SH, Notary in Tangerang, with receipt of notification of Company's data change has been received and recorded by MOLHR through Letter No. AHU-AH.01.03-0052473 dated 29 June 2016 and registered into Company Register pursuant to No. AHU-3600142.AH.01.11. Tahun 2016 dated 30 December 2015.

The Company also has executed the GEI option shares on 20 January 2016 by subscribing 7,864,075 (seven million eight hundred and sixty-four thousand seven-hundred) shares therefore the Company's shares in GEI amounted to 10.33% (ten point three percent) representing 14,900,355 shares from the total of 144,184,950 shares, as mentioned in Deed of KPPS Statement No. 17 dated 20 January 2016 made before Notary Sriwi Bawana Nawakars, SH, Notary in Tangerang, with receipt of notification of Company's data change has been received and recorded by MOLHR through Letter No. AHU-AH.01.03-0052473 dated 29 June 2016 and registered into Company Register pursuant to No. AHU-0080855.AH.01.11. Tahun 2016 dated 29 June 2016.

Furthermore, because of the implementation of the share option purchase by another option holder on 29 January 2016, the Company's shares in GEI was diluted to 10% (ten percent) representing 14,900,355 shares from the total of 149,003,547 shares, as mentioned in Deed of KPPS Statement No. 42 dated 29 January 2016 made before Notary Sriwi Bawana Nawakars, SH, Notary in Tangerang, with receipt of notification of Company's data change has been received and recorded by MOLHR through Letter No. AHU-AH.01.03-0052473 dated 29 June 2016 and registered into Company Register pursuant to No. AHU-0015076.AH.01.11. Tahun 2016 dated 1 February 2016.

On 29 June 2016, another option holder has implemented the shares option purchase which caused the Company's shares in GEI was diluted to 9.47% (nine point forty seven percent) representing 14,900,355 shares from the total of 157,281,522 shares, as mentioned in Deed of KPPS Statement No. 64 dated 29 June 2016 made before Notary Sriwi Bawana Nawakars, SH, Notary in Tangerang, with receipt of notification of Company's data change has been received and recorded by MOLHR through Letter No. AHU-AH.01.03-0052473 dated 29 June 2016 and registered into Company Register pursuant to No. AHU-0080855.AH.01.11. Tahun 2016 dated 29 June 2016.

In addition to the implementation of the share option purchase by the option holders, there is also the implementation of shares purchase of GEI by Mitsui as a new investor on 28 November 2016, which caused the Company's shares in GEI was diluted to 8.38% (eight point thirty eight percent) representing 14,900,355 shares

DISCLOSURE OF INFORMATION TO THE SHAREHOLDERS

In order to fulfill the Regulation of Bapepam and LK Number IX.E.1 on Affiliated Transaction and Conflict of Interest in Certain Transactions, Schedule to Decision of Head of Bapepam and LK No. Kep-412/BL/2009 dated 25 November 2009 and the Regulation of Bapepam and LK Number IX.E.2 on Material Transactions and Change of Main Business Activity

THE INFORMATION AS CONTAINED IN THIS DISCLOSURE OF INFORMATION IS IMPORTANT TO BE READ AND NOTED BY THE SHAREHOLDERS OF PT MATAHARI DEPARTMENT STORE TBK. (the "Company")

If you find difficulties in understanding the information as contained in this Disclosure of Information, you should consult with stock trader broker, investment manager, legal advisor, public accountant or other professional advisors.



PT Matahari Department Store Tbk
Business Activities:
Operating store networks, general commerce, general business and service development, distribution networks and related supporting facilities

Head Office:
BeritaSatu Plaza 10th Floor
Jl. Jenderal Gatot Subroto
Lippo Village,
Kuningan Timur, Setiabudi
South Jakarta – Indonesia

Kantor Pusat Operasional:
Menara Matahari Lantai 15
Jl. Bulevar Pallem Raya No.7
Lippo Village,
Tangerang 15811 - Indonesia
Telepon : +62 21 547 5333
Fax : +62 21 547 5232

Website: www.matahari.co.id
Email: corp.comm@matahari.co.id

THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS, SEVERALLY AND JOINTLY, SHALL BE FULLY RESPONSIBLE ON THE VALIDITY AND COMPLETENESS OF THE INFORMATION AS DISCLOSED HEREIN, AND UPON THOROUGH EXAMINATION, CONFIRM THAT TO THE BEST OF THEIR KNOWLEDGE AND BELIEF THERE ARE NO SIGNIFICANT MATERIAL FACTS NOT DISCLOSED OR REMOVED HEREIN RESULTING IN THE INFORMATION GIVEN HEREIN TO BE INCORRECT AND/OR MISLEADING

from the total of 177,881,160 shares.

After the implementation of the subscription of GEI's new shares which are the implementation of option right and additional option right as stated in Option Right Agreement and has been conducted by the Company on 30 December 2015 and 20 January 2016 ("Option Right Transactions") as mentioned above, the Company and GEI have entered into the investment agreement dated 20 December 2016 to subscribe the new shares of GEI amounted 7,326,495 (seven million three hundred twenty six thousand four hundred ninety five) shares, and has been conducted by the Company on 03 January 2017, therefore the Company's shares in GEI, is now amounted to 12.0% (twelve point zero percent) representing 22,226,850 shares from the total of 185,207,655 shares, as mentioned in Deed of KPPS Statement No. 01 dated 03 January 2017 made before Notary Sriwi Bawana Nawakars, SH, Notary in Tangerang, with receipt of notification of Company's data change has been received and recorded by MOLHR through Letter No AHU-AH.-01.03-0001531 dated 04 January 2017 and registered into Company Register pursuant to No. AHU-0000598.AH.01.11.Tahun 2017 dated 04 January 2017.

Furthermore, the Company and GEI have entered into the Investment Agreement dated 10 May 2017 to subscribe 9,435,638 (nine million four hundred thirty five thousand six hundred thirty eight) shares no later than June 2017, therefore the Company's shares in GEI will be 16.27% (sixteen point twenty seven percent) representing 31,662,488 shares from the total of 194,643,293 shares assuming that the other shareholders will not subscribe the GEI's new shares.

As agreed between the Company and GEI as stated in the Investment Agreement, the exercise price of the Investment Agreement is Rp22,521 (twenty two thousand five hundred twenty one rupiahs) per share.

Based on the explanation above, the Company views that this Transaction is made as a foundation for strategic long-term relationship with GEI and MatahariMall. The Company believes that the investment in GEI and partnership with MatahariMall will encourage the sale increase significantly in the future, and will improve the Company's profit. The Company also observes the opportunity to invest in initial stage at preferable price for the future, as well as to grab opportunity to display and market the Company's exclusive brand throughout Indonesia via e-commerce.

The Company has also seen the actual performance of MatahariMall and its positive impact on the Company over the past year since MatahariMall started to operate, thus strengthening the rational of the Company's to perform this Transaction.

In order to e-commerce development, the Company has previously signed a cooperation agreement of product sales through MatahariMall on 8 April 2015.

Due to the policy of the new business strategy of the Company's management and observe the development of e-commerce recently, the Company and MatahariMall agreed to cancel the cooperation agreement of product sales through MatahariMall that have previously signed on 8 April 2015 and has entered into a cooperation agreement dated 1 November 2016 regarding the cooperation of the Company and MatahariMall in the Company's product sales through www.MatahariStore.com that are part of the MatahariMall platform.

The Company declare that the signing of cooperation agreement mentioned above is not the Material Transaction, as it is an exceptional Affiliated Transaction as meant in Regulation IX.E.1 point 2.c.5, as it is to support the business activities of the Company.

2. **Transaction Value and Object**
According to the Investment Agreement, the subscription of GEI's new shares that will be made by the Company totaling 9,435,638 (nine million four hundred thirty five thousand six hundred thirty eight) shares with nominal value Rp 22,521 (twenty two thousand five hundred twenty one rupiahs) per share thus the total transaction value of the shares subscription is Rp 212,500,003,398 (two hundred twelve billion five hundred million three thousand three hundred ninety eight rupiahs).

3. **Purpose or Benefit of Transaction Implementation for the Company**
The purpose or benefit obtained by the Company from the implementation of Transaction, are among others:

a. By becoming a shareholder, obtain the opportunity to invest in initial stages at a preferable price for the future and improve the existence of the Company in the future;

b. Obtaining new opportunity to foster e-commerce components through www.MatahariStore.com owned by the Company that encourage the sale increase significantly in the future, and will improve the Company's profit; and

c. Company may obtain extra profit from the sale of Company's product sales via e-commerce by www.MatahariStore.com and may have opportunity to expand the network throughout Indonesia.

In addition to the purpose and benefit as mentioned above, this Transaction is also beneficial as additional working capital for the business of GEI.

4. **Description on Company and GEI**

1. **Brief History**
The Company was established as PT Stephens Utama International Leasing Corp, a limited liability company domiciles in South Jakarta, under Deed of Establishment No. 2 dated 1 April 1982 made before Misahardi Wilmarta, SH, Notary in Jakarta, ratified by Minister of Justice of the Republic of Indonesia through Decision Letter No. C2-2611-HT.01.01.TH.82 on 18 November 1982 and registered into registry of Jakarta District Court No. 4615 on 25 November 1982 and announced in the State Gazette No. 4 dated 14 January 1983, Additional No. 58.

The Company's Articles of Association have been amended as a whole in order to adjust with UUPT and by considering Regulation of Bapepam and LK No. IX.J.1, Schedule to Decision of Head of Bapepam and LK No. Kep-179/BL/2008 dated 14 May 2008, on Principles of Articles of Association of Company Dealing Security Equity Public Offer and Public Company under the Deed of Statement of Resolution of Meeting No. 16 dated 26 June 2008 made before Stephanie Wilmarta, SH., Notary in Jakarta, ratified by MOLHR No. AHU-82589.AH.01.02. Tahun 2008 on 09 November 2008 and registered into Company Register No. AHU-0105666.AH.01.09.Tahun 2008 dated 6 November 2008, and lastly amended in order to adjust with POJK No. 32 and POJK No. 33 as contained in Deed of Statement of Resolutions of Meeting No. 22 dated 7 July 2015 made before Ir. Nanette Cahyanie Handari Adi Warsito, SH., Notary in Jakarta, received and recorded by MOLHR through Letter No. AHU-AH.-01.03-0952701 dated 29 July 2015 and registered into Company Register No. AHU-3535349.AH.01.HH.Tahun 2015 dated 29 July 2015.

The latest change to Board of Directors and Board of Commissioners of Company is pursuant to Coverture No. 136/EI/08/IV/2017 dated 26 April 2017 made by Ir. Nanette Cahyanie Handari Adi Warsito, SH, Notary in Jakarta, which a deed based on the covernote is currently still in the process of settlement at the office of Ir. Nanette Cahyanie Handari Adi Warsito, SH.

The Company domiciles in BeritaSatu Plaza 10th Floor, Jl. Jenderal Gatot Subroto Kav. 35-36, Kuningan Timur, Setiabudi, South Jakarta and having its operational head office at Menara Matahari 15th Floor, Jl. Bulevar Pallem Raya No. 7, Lippo Village, Tangerang 15811.

ii. **Purpose, Objective and Business Activities**
Pursuant to Article 3 of Company's Articles of Association, the purpose and objective of the Company is to running business in field of retailing, convection, general commerce, agency, representation and running business activities related and necessary to run a business, business development, service in general including management consultation service, as well as company management, self-running or through subsidiary.

In order to achieve the purpose and objective mentioned above, the Company may run its primary business activities as follows:

a. Running business in field of ready-to-wear clothes trade and other products in modern retail format including department store, hypermarket, supermarket, mini-market, franchise and similar business;

b. Leasing space in the stores; and

c. Running trade by way of import, export, local, and inter-insular, whether for self-consolidation or by way of commission on consolidation by other parties, as well as trade businesses as agent and as representation from other companies, domestic or overseas, purveyor, supplier, wholesaler, and distributor of various commodities.

Furthermore, in order to achieve the purpose and objective mentioned above and to support the primary business activities of the Company, the Company may run the supporting business activities as follows:

a. Running business related to and necessary to run business (business development), save for service in field of legal and tax;

b. Running business of garment industry and ready-to-wear clothes (convection) and related activities.

iii. **Capitalization and Shareholding Structure of the Company**
At the time this Disclosure of information is disclosed, the capitalization, shareholding, and ownership of Company pursuant to Company's Shareholder Register per 30 April 2017 as issued by PT Sharestar Indonesia, as the Company's Securities Administration Bureau, are as follows:

Description	Total Shares	Nominal Value of Share (Rupiah)
A. Authorized Capital		
a. Series A @ Rp 5000	6,168,960	30,844,800,000
b. Series B @ Rp 350	259,096,320	90,683,712,000
c. Series C @ Rp 100	3,645,855,360	364,585,536,000
Total	3,911,120,640	486,114,048,000

Shareholders	Total Shares	Nominal Value of Shares (Rupiah)	%
1. PT Investama Digital Ventura	111,653,015	111,653,015,000	60.29
2. Mitsui & Co Ltd	20,599,638	20,599,638,000	11.12
3. PT Matahari Putra Prima Tbk	15,728,152	15,728,152,000	8.49
4. PT Matahari Department Store Tbk	22,226,850	22,226,850,000	12.0
5. PT Dutamas Sinar Mustika	10,000,000	10,000,000,000	5.4
6. PT Dutawibisana Anjaya	5,000,000	5,000,000,000	2.7
Total	185,207,655	185,207,655,000	100.00

C. Shares in Portfolio	Total Shares	Nominal Value of Shares (Rupiah)
	514,792,345	514,792,345,000

After the Company implement the Transaction, then the capitalization and shareholding structure of GEI will be as follows:

Description	Total Shares	Nominal Value of Shares (Rupiah)
A. Authorized Capital		
a. Authorized Capital Rp 1.000/share	700,000,000	700,000,000,000

Shareholders	Total Shares	Nominal Value of Shares (Rupiah)	%
1. PT Investama Digital Ventura	111,653,015	111,653,015,000	57.36
2. Mitsui & Co Ltd	20,599,638	20,599,638,000	10.58
3. PT Matahari Putra Prima Tbk	15,728,152	15,728,152,000	8.08
4. PT Matahari Department Store Tbk	31,662,488	31,662,488,000	16.27
5. PT Dutamas Sinar Mustika	10,000,000	10,000,000,000	5.14
6. PT Dutawibisana Anjaya	5,000,000	5,000,000,000	2.57
Total	194,643,293	194,643,293,000	100.00

*) Note:
The capitalization and shareholding structure above was prepared with the assumption that the other shareholders will not subscribe the GEI's new shares.

iv. **Management and Supervisions GEI**
At the time of this Disclosure of Information is given, the structure of incumbent Board of Directors and Board of Commissioners in GEI is as follows:

Board of Commissioners
Commissioner : Rudy Ramayah
Commissioner : Adrian Suherman
Commissioner : John Riady

Board of Directors
President Director : Hadi Wenas
Director : Andrew John Kandolha
Director : Yy Suardy
Director : Egg Arnold Sebastian
Director : Kazuhide Nakajo

v. **Financial Performance of GEI**
GEI's financial performance review is based on consolidated financial statements for period ended 31 December 2016 which has been audited by Registered Public Accountant Amir Abadi Jusuf, Aryanto, Mawar & Partners. The followings are the summary of GEI's financial data:

Total Current Assets	343,156,835,498
Total Non Current Assets	404,664,585,408
Total Current Liabilities	84,317,542,840

Source: Consolidated Financial Statements of GEI and Its Subsidiaries

B. NATURE OF AFFILIATED RELATIONSHIP OF PARTIES HAVING TRANSACTION WITH COMPANY

The Transaction as explained herein has affiliated relationship because one of the Company's Commissioner who is also one of GEI's Commissioner has family relationship with indirect controlling shareholder of IDV, which is the majority shareholder of GEI.

C. NATURE OF MATERIAL TRANSACTION

The Transaction as explained in this Disclosure of Information combined with the subscription made on 03 January 2017 based on the investment agreement dated 20 December 2016 amounting Rp 164,999,993,895 will be in total amount of Rp 377,499,997,293 which is 20.35% of the Company's total equity of Rp 1,855,243 million as stated in the Company's financial statements for period ended 31 December 2016 which has been audited by Registered Accountant Public Tanudriedja, Wibisana, Rintis & Rekan, and therefore is a material transaction as stipulated in the Regulation No. IX.E.2. Because the value of the total series of transactions exceeds 20% but less than 50% of the Company's total equity, the execution of this Transaction does not need approval from the Company's shareholders as stipulated in the Regulation No. IX.E.2, but still have to do the disclosure of information.

*) Note:
The series of the transactions value is the total value of subscription the new shares of GEI made by the Company as follows:

No	Transaction Period	Price per share (Rp)	Total Shares
1	03 January 2017	22,521	164,999,993,895
2	no later than June 2017	22,521	212,500,003,398
	Total		377,499,997,293

III. INDEPENDENT PARTY APPOINTED IN TRANSACTION

The independent party appointed by the Company in implementing Transaction is KJPP RSR as independent appraiser to appraise the shares of GEI and subsidiary and provide fairness advice on the implementation of Transaction.

IV. INDEPENDENT APPRAISER OPINION

KJPP RSR in the Shares Valuation Report of GEI and subsidiaries ("Shares Valuation") with summaries as follows.

1. Object of the Valuation

The Object of Valuation is Minority Shares of GEI and Subsidiaries. GEI has direct ownership subsidiaries, i.e. PT Rekaia Sinar Bumi ("RSB"), PT Lenteng Lintas Benua ("LLB"), and indirect ownership subsidiary, i.e. PT Solusi Ecommerce Global - MatahariMall.Com ("MM").

2. Purposes of the Valuation

The purposes of the Valuation is to estimate the Fair Market Value of Minority Shares of GEI and Subsidiaries as of December 31, 2016, regarding the Company's Transaction to subscribe GEI's new shares, as defined in this Report.

3. Valuation Date

This Valuation was conducted as of December 31, 2016, all parameters and audited financial statements used in the analysis were based on December 31, 2016.

4. Assumptions and Disclaimer Limitations

This Valuation Report is a non-disclaimer opinions, KJPP RSR has conducted a review of the documents used in the analysis process, the data and information obtained from both the management of GEI and Subsidiaries. This valuation is prepared using financial projections provided by the management of GEI and Subsidiaries that KJPP RSR has been adjusted to reasonable assumption to better reflect its fairness of financial projections with the ability to achieve them.

KJPP RSR is responsible for the valuation process and KJPP RSR's opinion that the financial projections that have been adjusted are fair, however KJPP RSR is not responsible for its achievement. KJPP RSR is responsible for the Valuation Report and its Conclusion.

The denomination of share valuation is stated in the form of Rupiah based on the understanding that the Financial Statements of GEI and Subsidiaries are denominated in Rupiah. Review, calculation and analysis based on the data and information provided by the management of GEI and Subsidiaries as listed in Source of Data and Information.

5. Valuation Approach and Methodology

To estimate the Fair Market Value of 100% Shares of MM, KJPP RSR applied two approaches, i.e. income approach using Discounted Cash Flow (DCF) and asset approach using Excess Earning Method - EEM.

Based on analysis conducted, MM has positive prospect, where income is the main value driver of firm. Thus, the DCF method was used as the primary method, and EEM was used as the second method.

To estimate the Fair Market Value of 100% Shares of RSB