

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
Lot. 35-36
Kuningan Timur, Setiabudi
South Jakarta – Indonesia

Kantor Pusat Operasional:
Menara Matahari Lantai 15
Jl. Bulevar Palem 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

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 Ecommerce Indonesia, a company established by virtue of and under the law of the Republic of Indonesia, domiciles in South Jakarta, where the shareholding structure of GEI in MatahariMall is as follows: <ol style="list-style-type: none">1. GEI is the shareholder of PT Rekata Sinar Bumi as many as 99.999% or amounted to 1,129,999,999 shares and the shareholder of PT Lenteng Lintas Benua as many as 99.999% or amounted to 99,999 shares.2. PT Rekata Sinar Bumi and PT Lenteng Lintas Benua are the shareholders of MatahariMall, respectively as many as:<ul style="list-style-type: none">- PT Rekata Sinar Bumi having 99.99% or 1,129,999,999 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 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. 01/PM/STTD-P/B/2006, as the independent valuer appointed by the Company to conduct the shares valuation of GEI and subsidiary and provide fairness opinion on the implementation of Transaction.

Commissioners	:	The incumbent 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.
MOLHR	:	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 20 Desember 2016 between the Company and GEI in order to subscribe the number of GEI's new shares constituting 7.326.495 shares by the Company that will be executed in no later than January 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 Transaction and Material Transaction that will be undertaken by the Company in respect of the subscription of GEI's new shares by the Company amounted to 7,326,495 (seven million three hundred twenty six thousand four hundred and ninety five) 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 164,999,993,895 (one hundred sixty four billion nine hundred ninety nine million nine hundred ninety three thousand eight hundred and ninety five 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. Investment Agreement also stated that the Company may change the Transaction Period with prior notification to GEI in 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 20 December 2016 and will be followed by the implementation of the Transaction in no later than January 2017, 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 of 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 (previously PT. Gatra Investama Mulia) bound themselves in an agreement of granting shares option right, in which the option was 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 Nawaksari, 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.-01.03-095646 dated 12 August 2015 and registered into Company Register pursuant to No. AHU-3541131.AH.01.11.Tahun 2015 dated 12 August 2015, 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 Nawaksari, SH, Notary in Tangerang, there is an 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 2.26% representing 2,631,580 shares from the total of 116,570,500 shares.

On 13 August 2015, KPPS GEI regarding the option right was signed whereupon the shareholding percentage of the Company and the other option holder respectively is maximum of 5% of total issued and paid-up capital of GEI upon considering all options to take shares in GEI as if it had been implemented, at the price of Rp12,065 per share. This KPPS also regulates the additional option right to take additional shares, whereupon the total shareholding of the Company and the other option holder will respectively represent maximum 10% of total issued and paid-up capital of GEI upon considering all options to take shares in GEI as if it had been implemented, at the price to be determined later under the written agreement by the parties.

This KPPS was 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 if it had 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 if 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 Nawaksari, 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.-01.03-0989376 dated 18 December 2015 and registered into Company Register pursuant to No. AHU-3595379.AH.01.11.Tahun 2015 dated 18 December 2015, 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 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 Nawaksari, 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.01.03-0992536 dated 30 December 2015 and registered into Company Register pursuant to No. AHU-3600142.AH.01.11.Tahun 2015 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 seventy-five) shares therefore the Company's shares in GEI amounted 10.33% (ten point thirty 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 Nawaksari, 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.-01.03-0005576 dated 22 January 2016 and registered into Company Register pursuant to No. AHU-0009307.AH.01.11.Tahun 2016 dated 22 January 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 Nawaksari, 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.-01.03-0014484 dated 1 February 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 Nawaksari, 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.-01.03-0062473 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 from the total of 177,881,160 shares.

After the Company conducted subscription of GEI's new shares which constitutes as 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 to subscribe the new shares of GEI amounting to 7,326,495 (seven million three hundred and twenty six thousand four hundred and ninety five) shares so that the Company's shares in GEI will be 12% (twelve percent) representing 22,226,851 shares from the total of 185,207,656 shares. Execution of Transaction as the implementation of Investment Agreement has been approved by all shareholders of GEI pursuant to the KPPS in lieu of Extraordinary General Meeting of the Shareholders of GEI dated 20 December 2016.

According to the agreement between MDS and GEI as reflected in the Investment Agreement, it has been agreed that the exercise price as referred to in Investment Agreement is Rp 22.521 (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 between the Company and GEI as well as 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 for e-commerce development, the Company 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 was previously signed on 8 April 2015 and has entered into a cooperation agreement dated 1 November 2016 regulating 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 hereby declares that the signing of cooperation agreement mentioned above is not the Material Transaction, yet is an exceptional Affiliated Transaction as meant in Regulation IX.E.I point 2.c.5, as it is to support the business activities of the Company.

2. Transaction Value and Object

In accordance with the Investment Agreement, the subscription of GEI's new shares that will be undertaken by the Company totaling to 7,326,495 (seven million three hundred twenty six thousand four hundred and ninety five) shares with nominal value of Rp 22,521 (twenty two thousand five hundred twenty one rupiahs) per share thus the total transaction value of the shares subscription is Rp 164,999,993,895 (one hundred sixty four billion nine hundred ninety nine million nine hundred ninety three thousand eight hundred and ninety five 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 encourages 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 website 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

a. Company

i. 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 Wilamarta, 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 Wilamarta, SH., Notary in Jakarta, ratified by MOLHR No. AHU-82589.AH.01.02. Tahun 2008 on 6 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 Deed of Statement of Resolutions of Meeting No. 164 dated 27 June 2016 made before Ir. Nanette Cahyanie Handari Adi Warsito, SH, Notary in Jakarta, with receipt of notification of Company's data change has been received and recorded by MOLHR through Letter No. AHU-AH.01.03-0064055 dated 13 July 2016 and registered into Company Register pursuant to No. AHU-0083079.AH.01.11.Tahun 2016 dated 13 July 2016.

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 Palem 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-consideration or by way of commission on consideration 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 November 2016 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			
Series A @ Rp 5,000	6,168,960	30,844,800,000	
Series B @ Rp 350	259,096,320	90,683,712,000	
Series C @ Rp 100	3,645,855,360	364,585,536,000	
Total	3,911,120,640	486,114,048,000	
B. Issued and Paid-up Capital			
Shareholder	Total Shares	Nominal Value of Shares (Rupiah)	%
1. PT Multipolar Tbk			
			17.48
a. Series A @ Rp 5000	1,188,290	5,941,450,000	
b. Series B @ Rp 350	44,017,453	15,406,108,550	
c. Series C @ Rp 100	464,786,257	46,478,625,700	
2. Public			
			82.52*
a. Series A @ Rp 5000	4,980,670	24,903,350,000	
b. Series B @ Rp 350	215,078,867	75,277,603,450	
c. Series C @ Rp 100	2,187,566,543	218,786,654,300	
Issued and Paid-up Capital			
a. Series A @ Rp 5000	6,168,960	30,844,800,000	0.21
b. Series B @ Rp 350	259,096,320	90,683,712,000	8.88
c. Series C @ Rp 100	2,652,652,800	265,265,280,000	90.91
Total	2,917,918,080	386,793,792,000	100.00
C. Shares in Portfolio			
a. Series A @ Rp 5000			-
b. Series B @ Rp 350			
c. Series C @ Rp 100	993,202,560	99,320,256,000	

*) each public shareholder with shares less than 5%

iv. Management and Supervision

At the time this Disclosure of Information is disclosed, the structure of incumbent Board of Directors and Board of Commissioners of the Company is as follows:

Board of Commissioners

President Commissioner	
Independent	: John Bellis
Commissioner Independent	: Jonathan Limbong Parapak
Commissioner	: Sigit Prasetya
Commissioner	: Henry Jani Liando
Commissioner	: William Travis Saucer
Commissioner	: John Riady
Commissioner Independent	: Herbert Stepic
Commissioner	: Niel Byron Nielson
Commissioner	: Johanes Jany

Board of Directors

President Director	: Bunjamin Jonathan Mailool
Vice President Director	: Larry Michael Remsen
Director	: Andy N. Purwohardono
Director (Not Affiliated)	: Andre Rumanthir
Director	: Eddy Harsono Handoko

b. GEI

i. Brief History

GEI was established as PT Gatra Investama Mulia, a limited liability company domiciles in South Jakarta, under the Deed of Establishment No. 41 dated 21 May 2014 made before Sriwi Bawana Nawaksari, SH, M.Kn, a Notary practicing in Tangerang, ratified by MOLHR No. AHU-10193.40.10.2014 on 22 May 2014 and renamed into PT Global Ecommerce Indonesia under the Deed No. 18 dated 28 June 2015 made before Sriwi Bawana Nawaksari, SH., M.Kn, Notary in Tangerang, ratified by MOLHR No. AHU-0937133.AH.01.02.Tahun 2015 on 11 June 2015.

The latest amendment to articles of association which include the inclusion of Mitsui into GEI that caused GEI changed to a Foreign Investment Company as approved by the Investment Coordinating Board (*BKPM*) based on the Principle License No. 3296/1/IP/PMA/2016 dated 18 November 2016, which those amendment have been approved by the Company and other shareholders as contained in Deed of KPPS Statement No. 71 dated 25 November 2016 made before Sriwi Bawana Nawaksari, SH., M.Kn, Notary in Tangerang, with receipt of notification on amendment to company's articles of association received and recorded by MOLHR pursuant to Letter No. AHU-AH.01.03-0102878 dated 28 November 2016 and registered into Company Registry under No. AHU-0141847.AH.01.11.Tahun 2016 dated 28 November 2016 and has been approved by MOLHR pursuant to letter No. AHU-0022528.AH.01.02.Tahun2016 dated 28 November 2016 and has been registered in Company Registry No. AHU-0141847.AH.01.11.Tahun 2016 dated 28 November 2016.

GEI headquarters is located in BeritaSatu Plaza 8th Floor, Jl. Gatot Subroto Kav. 35-36, South Jakarta, with the phone and faximile number at +6221-29110133.

ii. Purpose and Objective

Pursuant to Article 3 of GEI's Articles of Association, the purpose, objective, and business activities of GEI are running business in field of other management consulting activity.

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

- Consultation on business, management and administration including among others management and administration, consultation, advice, and operational assistance, planning, supervision, evaluation and strategy for business development and investment, analysis and feasibility study of other business service and related business activities;
- Consultation on human resources management including consultation on human resources management, labor, transfer of technology and other related business activities.

iii. Capitalization and Shareholding Structure of GEI

Prior to Transaction, the capitalization and shareholding structure of GEI is as follows:

Description	Total Shares	Nominal Value of Shares (Rupiah)	
A. Authorized Capital Rp1,000/share	200,000,000	200,000,000,000	
B. Issued and Paid-up Capital Rp1,000/share	177,881,160	177,881,160,000	
Shareholders	Total Shares	Nominal Value of Shares (Rupiah)	%
1. PT Matahari Department Store Tbk	14,900,355	14,900,355,000	8.38
2. PT Matahari Putra Prima Tbk	15,728,152	15,728,152,000	8.84
3. PT Duta Wibisana Anjaya	5,000,000	5,000,000,000	2.81
4. PT Dutamas Sinar Mustika	10,000,000	10,000,000,000	5.62
5. PT Investama Digital Ventura	111,653,015	111,653,015,000	62.77
6. Mitsui & Co Ltd	20,599,638	20,599,638,000	11.58
Total	177,881,160	177,881,160,000	100.00
C. Shares in Portfolio	22,118,840	22,118,840,000	

After the Company implement the Transaction, the capitalization and shareholding structure of GEI is as follows:

Description	Total Shares	Nominal Value of Shares (Rupiah)	
A. Authorized Capital Rp1,000/share	700,000,000	700,000,000,000 ¹⁾	
B. Issued and Paid-up Capital Rp1,000/share	185,207,656	185,207,656,000	

Shareholders	Total Shares	Nominal Value of Shares (Rupiah)	%
1. PT Matahari Department Store Tbk	22,226,851	22,226,851,000	12
2. PT Matahari Putra Prima Tbk	15,728,152	15,728,152,000	8.5
3. PT Duta Wibisana Anjaya	5,000,000	5,000,000,000	2.7
4. PT Dutamas Sinar Mustika	10,000,000	10,000,000,000	5.4
5. PT Investama Digital Ventura	111,653,015	111,653,015,000	60.28
6. Mitsui & Co Ltd	20,599,638	20,599,638,000	11.12
Total	185,207,656	185,207,656,000	100.00
C. Shares in Portfolio	514,792,344	514,792,344,000	

Note:

- At the time the Company implement the Transaction, the authorized capital will be increased to Rp700,000,000,000.

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 Ramawy
Commissioner : Adrian Suherman
Commissioner : John Riady

Board of Directors

President Director : Hadi Wenas
Director : Andrew John Kandolha
Director : Yly Suardy
Director : Egg Arnold Sebastian
Director : Kenichi Kogiku

v. Financial Performance of GEI

GEI's financial performance review is based on financial statements for period ended 31 July 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:

(in Rupiah)

Total Assets	561,885,386,143
Total Equity – Net	(85,794,879,384)
Net Revenue	114.800.437.293
Total Loss	(490,202,368,826)

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 Commissioners who is also one of GEI's Commissioners 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 one of the transactions in Option Right Transactions made on 20 January 2016 amounting to Rp 94,880,064,875 will be in total amount of Rp 259,880,058,770*) which is 23.49% of the Company's total equity of Rp 1,106,167 million as stated in the Company's financial statements for period ended 31 December 2015 which has been audited by Registered Accountant Public Tanudiredja, 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 that have been and will be made by the Company as follows:

No	Transaction Period	Price per share (Rp)	Total Shares
1	20 January 2016	12,065	94,880,064,875
2	No later than January 2017	22,521	164,999,993,895
TOTAL			259,880,058,770

III. INDEPENDENT PARTY APPOINTED IN TRANSACTION

The independent party appointed by the Company in implementing the Transaction is KJPP RSR as independent valuer to conduct the shares valuation of GEI and subsidiary and provide fairness opinion 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 Rekata 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 July 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 July 31, 2016, all parameters and audited financial statements used in the analysis were based on July 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 of the Company's management as well as a reliable source. This valuation is prepared using financial projections provided by GEI's management that KJPP RSR has been adjust 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. This Valuation Report is open to public except when there is confidential information, which may affect the Company's operations. KJPP RSR is responsible for the opinions generated in this Valuation assignment.

KJPP RSR has obtained information on the legal status of Object Valuation from The Assignor. The values of the shares 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 GEI's management 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 and LLB, KJPP RSR applied the asset approach using ANAM method due RSB and LLB are non-operating parent company.

To estimate the Fair Market Value of 100% Shares of GEI, KJPP RSR applied asset approach using ANAM method due GEI is a non-operating parent company. The adjustment was in GEI's account of Investment on RSB and LLB, then obtained the Fair Market Value of GEI and Subsidiaries.

6. Valuation Conclusion

Using the ANAM method from asset approach, and also considering the assumptions and disclaimer limitations as stated previously, then according to KJPP RSR's opinion, the Fair Market Value of 100% Minority Shares of GEI and Subsidiaries as of July 31, 2016 (with number of GEI Shares subscribed and fully paid, amounting 157,281,522 shares) is Rp3,585,495,000,000.00 (Three Trillion Five Hundred Eighty Five Billion Four Hundred Ninety Five Million Rupiah) or equals to Rp22,797.00 (Twenty Two Thousand Seven Hundred Ninety Seven Rupiah).

KJPP RSR, the Fairness Opinion Reports on Affiliate and Material Transactions ("**Fairness Opinion**"), has provided the following opinions on the Transaction:

1. Parties Involved in the Transaction

Parties involved in the Transaction are the Company and GEI

2. Object of Fairness Opinion

The object of the fairness analysis is the Company's transaction to subscribe in GEI's new shares.

3. Purpose of Fairness Opinion

The purpose of Fairness Opinion Report is to provide an opinion on the fairness of the Company's transaction to subscribe in GEI's new shares, as defined in the fairness opinion report, not for taxation purposes and not for other forms of transaction.

4. Assumptions and Disclaimer Limitations

The Fairness Opinion Report is a non-disclaimer opinions, KJPP RSR have conducted a review of the documents used in the analysis process, the data and information obtained from both of the Company's management as well as a reliable source.

This Fairness Opinion is based on the Company's statements of profit or loss projection prepared by the Company's management which KJPP RSR have review to obtain assurance on the fairness of the statements of profit or loss projection.

This Fairness Opinion Report is open to the public except when there is confidential information, which may affect the Company's operations.

5. Methodology for Fairness Analysis of the Transaction

In evaluating the fairness of the Transaction, KJPP RSR has done the following analysis:

1. Transaction Analysis : analysis of the parties involved in the Transaction and its inter-relation, analysis term and condition of the agreement, and analysis of benefit and risk from the Transaction;
2. Qualitative analysis: analysis of the background of the Transaction, the Company's brief and nature of business, industry analysis, and the Company's operational and prospect and advantages and disadvantages of the Transaction;
3. Quantitative analysis: historical analysis and analysis on the fairness of the Transaction and value-added analysis.

6. Conclusion

By considering fairness analysis of the Transaction which include qualitative and quantitative analysis, then in terms of economic and financial, KJPP RSR is in its opinion that Transaction is **fair**.

V. ADDITIONAL INFORMATION

For the Shareholders of the Company requiring further information on Transaction as disclosed in this Disclosure of Information, please contact:

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Jakarta, 22 December 2016
Board of Directors of the Company