

## 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**

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. ("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 10<sup>th</sup> Floor  
Jl. Jenderal Gatot Subroto  
Lot. 35-36  
Kuningan Timur, Setiabudi  
South Jakarta – Indonesia

Operational Head Office:  
Menara Matahari 15<sup>th</sup> Floor  
Jl. Bulevar Palem Raya No. 7  
Lippo Karawaci 1200,  
Tangerang 15811 – Indonesia  
Phone : +62 21 547 5333  
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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 and LK	:	Capital Market 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	:	<p>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:</p> <ol style="list-style-type: none"> <li>1. GEI is the shareholder of PT Rekata Sinar Bumi as many as 99.999% or amounted to 489,999,999 shares and the shareholder of PT Lenteng Lintas Benua as many as 99.999% or amounted to 99,999 shares.</li> <li>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"> <li>- PT Rekata Sinar Bumi having 99.99% or 489,999,999 shares.</li> <li>- PT Lenteng Lintas Benua having 0.01% or 1 share.</li> </ul> </li> </ol>
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.
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 shares purchase of GEI 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 E-Commerce Global, a company established and under the law of the Republic of Indonesia, running business in field of e-commerce with commercial brand of MatahariMallDotCom.
O2O	:	A model of business combining shopping in traditional shops with online shopping (online to offline and offline to online).
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 285 November 2011 on Material Transactions and Change to Primary Business Activities.
Option Right Agreement	:	An 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 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 if it has been made, at the price to be fixed later under written agreement of the parties.
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 purchasing of new shares of GEI by Company constituting the implementation of Option Right 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 made by the Company in respect of the purchasing of option shares of GEI by the Company amounted to 4,404,700 (four million four hundred and four thousand seven hundred) shares with nominal value of Rp 12,065 (twelve thousand sixty five Rupiahs) per share. Therefore the total transaction value for the purchase is Rp 53,142,705,500 (fifty three billion one hundred forty two million seven hundred five thousand five hundred Rupiahs).

The purchase of shares by the Company mentioned above hereinafter referred to as the **"Transaction"**. The basis of Transaction implementation is the signing of Option Right Agreement.

In respect of the above matter, pursuant to the applicable laws, particularly the Regulation No. IX.E.1, upon the implementation of Transaction by the execution of option on right to shares as meant above on 30 December 2015, 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.

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 and does not constitute a Material Transaction as meant in Regulation IX.E.2.

## 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/h 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 Nawaksari, 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 Nawaksari, 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 2.26% 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 if it has been implemented, at the price of Rp 12,065 per shares. This 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 if 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 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, there is another 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.

With assumption that MPPA as the option holder as mentioned in KPPS dated 13 August 2015 as if it has implemented its option, the Company made the purchase of GEI option shares amounted to 4,404,700 (four million four hundred four thousand seven hundred) shares.

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

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 concurrently with the new opportunity to foster O2O e-commerce components 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.

## **2. Transaction Value and Object**

The purchase of GEI's option shares made by the Company totaling 4,404,700 (four million four hundred four thousand seven hundred) shares with nominal value of Rp 12,065 (twelve thousand six hundred five Rupiahs) per share thus the total transaction value of the shares purchase is Rp 53,142,705,500 (fifty three billion one hundred forty two million seven hundred five thousand five hundred 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. Obtaining new opportunity to foster O2O e-commerce components that encourage the sale increase significantly in the future, and will improve the Company's profit;
- b. Obtaining opportunity to invest in initial stage at preferable price for the future; and
- c. Company may obtain extra profit from the sale of Company's product sales via e-commerce by MatahariMall and may have opportunity to expand the network throughout Indonesia;

## **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 Minister of Law and Human Rights of the Republic of Indonesia ("Menkumham") 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 Menkumham 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. 58 dated 26 June 2015 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 Menkumham through Letter No. AHU-AH.01.03-0948543 dated 6 July 2015 and registered into Company Register pursuant to No. AHU-3529239.AH.01.11.Tahun 2015 dated 6 July 2015.

The Company domiciles in BeritaSatu Plaza 10<sup>th</sup> Floor, Jl. Jenderal Gatot Subroto Kav. 35-36, Kuningan Timur, Setiabudi, South Jakarta and having its operational head office at Menara Matahari 15<sup>th</sup> Floor, Jl. Bulevar Palem Raya No. 7, Lippo Karawaci 1200, 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;
- 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 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 2015 as issued by PT Sharestar Indonesia, as the Company's Securities Administration Bureau, are as follows:

Description	Total Shares	Nominal Value of Share (Rupiah)	
<b>A. Authorized Capital</b>			
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>B. Issued and Paid-up Capital</b>			
<b>Shareholder</b>	<b>Total Shares</b>	<b>Nominal Value of Shares (Rupiah)</b>	<b>%</b>
<b>1. PT. Multipolar Tbk</b>			20.48
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	552,323,757	55,232,375,700	
<b>2. Public</b>			79.52
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	2,100,329,043	210,032,904,300	
<b>Issued and Paid-up Capital</b>			
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

<b>C. Shares in Portfolio</b>			
a. Series A @ Rp 5000			
b. Series B @ Rp 350			
c. Series C @ Rp 100	993,202,560	99,320,256,000	

**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

**Board of Directors**

President Director : Bunjamin Jonathan Mailool  
Vice President Director : Larry Michael Remsen  
Director : Andy N. Purwohardono  
Director (Not Affiliated) : Andre Rumantir

**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 Menkumham 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 Menkumham No. AHU-0937133.AH.01.02.Tahun 2015 on 11 June 2015.

The latest amendment to articles of association contained in Deed of KPPS Statement No. 28 dated 16 December 2015 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 Menkumham pursuant to Letter No. AHU-AH.01.03-0989376 dated 18 December 2015 and registered into Company Register under No. AHU-3595379.AH.01.11.Tahun 2015 dated 18 December 2015.

GEI headquarters is in BeritaSatu Plaza 8<sup>th</sup> Floor, Jl. Gatot Subroto Kav. 35-36, South Jakarta



## ii. Purpose and Objective

Pursuant to Article 3 of GEI's Articles of Association, the purpose, objective, and business activities of GEI is running business in field of service.

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

Running business in field of service, among others:

- Service in general, save for legal and tax;
- 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)	
<b>A. Authorized Capital</b> Rp1,000/share	200,000,000	200,000,000,000	
<b>B. Issued and Paid-up Capital</b> Rp1,000/share	131,916,175	131,916,175,000	
<b>Shareholders</b>	<b>Total Shares</b>	<b>Nominal Value of Shares (Rupiah)</b>	<b>%</b>
1. PT Matahari Department Store Tbk	2,631,580	2,631,580,000	1.99
2. PT Matahari Putra Prima Tbk	2,631,580	2,631,580,000	1.99
3. PT Duta Wibisana Anjaya	5,000,000	5,000,000,000	3.79
4. PT Dutamas Sinar Mustika	10,000,000	10,000,000,000	7.58
5. PT Investama Digital Ventura	111,653,015	111,653,015,000	84.64
Total	131,916,175	131,916,175,000	100.00
<b>C. Shares in Portfolio</b>	68,083,825	68,083,825,000	

As per the date of this Disclosure of Information, the capitalization and shareholding structure of GEI is as follows:

Description	Total Shares	Nominal Value of Shares (Rupiah)	
<b>A. Authorized Capital</b> Rp 1,000/share	200,000,000	200,000,000,000	
<b>B. Issued and Paid-up Capital</b> Rp 1,000/share	136,320,875	136,320,875,000	
Shareholders	Total Shares	Nominal Value of Shares (Rupiah)	%
1. PT Matahari Department Store Tbk	7,036,280	7,036,280,000	5.16*)
2. PT Matahari Putra Prima Tbk	2,631,580	2,631,580,000	1.93
3. PT Duta Wibisana Anjaya	5,000,000	5,000,000,000	3.67
4. PT Dutamas Sinar Mustika	10,000,000	10,000,000,000	7.34
5. PT Investama Digital Ventura	111.653,015	111,653,015,000	81.90
Total	136,320,875	136,320,875,000	100.00
<b>C. Shares in Portfolio</b>	63,679,125	63,679,125,000	

Note:

\*) With assumption that MPPA as the option holder as mentioned in KPPS dated 13 August 2015 as if it has implemented its option, then the Company's shares in GEI will be diluted into 5%.

#### iv. Management and Supervision of 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

##### Board of Directors

President Director : Hadi Wenas  
Director : Andrew John Kandolha  
Director : Yly Suardy

#### 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 has family relationship with indirect controlling shareholder of IDV.

### III. INDEPENDENT PARTY APPOINTED IN TRANSACTION

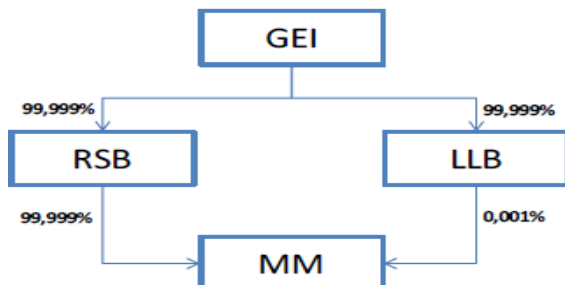
The independent party appointed by the Company in implementing Transaction is KJPP RSR as independent appraiser to appraise the shares of GEI and subsidiary and provide fairness advice on the implementation of Transaction.

#### IV. INDEPENDENT APPRAISER OPINION

KJPP RSR, in Shares Valuation Report of GEI and subsidiary (“**Shares Valuation**”), with the following summary:

**1. Object of Valuation**

The object in this valuation is the Minority Shares of GEI and Subsidiary.



**2. Purpose of Valuation**

The purpose of this valuation is to estimate the Fair Market Value of Minority Shares of GEI and Subsidiary per 31 July 2015, in respect of Company's transaction to take Option Right to obtain Option Shares to be issued by GEI totaling 4,404,700 (four million four hundred four thousand seven hundred) as defined in this report.

**3. Date of Valuation**

The valuation is held on 31 July 2015, the parameter and financial statement used in analysis are based on data per 31 July 2015 that has been audited.

**4. Assumptions and Limiting Conditions**

This Valuation Report is of non-disclaimer opinion. KJPP RSR has reviewed the documents used in valuation process, data and information obtained from accurately credible sources. This Valuation is prepared using financial projection provided by GEI management assumption which has been adjusted by KJPP RSR in order to reflect the fairness of financial projection against the performance ability.

KJPP RSR is responsible on the implementation of valuation and according to KJPP RSR's opinion the adjusted Financial Projection is fair. KJPP RSR, however, is not responsible for the performance. This Valuation Report is open for public unless for confidential information that may influence the company's operation. KJPP RSR is responsible on the opinion provided during the Valuation assignment.

KJPP RSR has obtained information on the legal status of Object of Valuation from the Taskmaster that the shares value is denominated in Rupiah underlay with the understanding that Financial Statement of GEI and Subsidiary is presented in Rupiah currency. Review, consideration, and analysis are based on the data and information given by the management of GEI and Subsidiary as written in Data and Information Source.

**5. Approach and Valuation Methodology**

In order to determine 100% Fair Market value of Mataharimall Shares ("MM"), KJPP RSR applies 2 (two) approaches: revenue approach with Discounted Cash Flow (DCF) and assets approach with Excess Earning Method (EEM).

Based on the analysis result, MM has a good prospect business, where the Revenue is one of primary value drivers of the company. Therefore, valuation is applied with DCF method as primary appraisal method while EEM is used as the secondary valuation method.

In order to determine 100% Fair Market Value of RSB and LLB shares, KJPP RSR applies assets approach with ANAM method as RSB and LLB are a non-operational holding company.

In order to determine 100% Fair Market Value of GEI shares, KJPP RSR applies assets approach with ANAM method as GEI is a non-operational holding company. KJPP RSR adjusts the account of GEI's Investment in RSB and LLB to determine the Fair Market Value of Shares of GEI and Subsidiary.

**6. Conclusion of Valuation**

By applying ANAM method of assets approach as well as considering assumptions and limiting conditions explained in the previous section, KJPP RSR concludes that the 100% Fair Market Value of Minority Shares of GEI and Subsidiary per 31 July 2015 (with GEI's total deposited and paid shares of 100,000,000 shares) is **Rp 1,364,247,471,000.00** (round up) (One Trillion Three Hundred Sixty Four Billion Two Hundred Forty Seven Million Four Hundred Seventy One Thousand Rupiahs) or equal to **Rp 13,642.00** per share (Thirteen Thousand Six Hundred Forty Two Rupiahs per share)

KJPP RSR, in Fairness Opinion Report on Affiliated Transactions ("**Fairness Opinion**"), has given the following opinions on Transaction:

**1. Parties in Transaction**

The relevant parties in Transaction are the Company and GEI

**2. Object of Analysis of Fairness Opinion**

The object of analysis of Fairness Opinion is the Company's Transaction to take Option Shares on the new shares to be issued by GEI.

**3. Purpose of Fairness Opinion**

The purpose of Fairness Opinion report is to provide opinion on the fairness of the Company's Transaction to take Option Shares on the new shares to be issued by GEI as defined in the report, and not for other forms of transaction.

**4. Assumptions Used in Fairness Opinion**

The Fairness Opinion is of non-disclaimer opinion. KJPP RSR has reviewed the documents used in analysis process, data and information obtained from accurately credible sources.

The Fairness Opinion is prepared using projected profit-loss report of the Company reviewed fair but KJPP RSR is not responsible on the performance.

The Fairness Opinion is open for public unless for confidential information that may influence the company's operation.

KJPP RSR has also obtained information on the legal status of object of appraisal of the Company.

**5. Transaction Fairness Review Methodology**

In appraising the fairness of Transaction, KJPP RSR uses analysis methodology as follows:

1. Transactional Analysis in form of identifying parties involved in Transaction, analyzing agreement and requirements of Transaction, analyzing benefit and risk of planned Transaction;
2. Qualitative Analysis in form of analyzing reason and background of Transaction, history of company and business activities, industry as well as operational and prospect of the Company;
3. Quantitative Analysis in form of analyzing historic performance, price fairness and value-added test.

**6. Conclusion of Fairness Analysis**

By considering the fairness analysis on Transaction covering qualitative analysis and quantitative analysis, then in economic and financial views, according to KJPP RSR's opinion, 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:

**PT Matahari Department Store Tbk  
Corporate Secretary**

Menara Matahari 15<sup>th</sup> Floor  
Jl. Bulevar Palem Raya No. 7  
Lippo Karawaci 1200,  
Tangerang 15811 – Indonesia  
Phone: +62 21 546 9333  
Fax: +62 21 547 5232

Website: [www.matahari.co.id](http://www.matahari.co.id)

Email: [corporate.communication.mds@matahari.co.id](mailto:corporate.communication.mds@matahari.co.id)

Jakarta, 04 January 2016  
Board of Directors of the Company