

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 a 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: corporate.communication.mds@matahari.co.id

THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS, SEVERALLY AND JOINTLY, SHALL BE FULLY RESPONSIBLE FOR 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, domiciled in South Jakarta, where the shareholding structure of GEI in MatahariMall is as follows: <ol style="list-style-type: none">1. GEI is a shareholder of PT Rekata Sinar Bumi as many as 99.999% or amounting to 1,699,999,999 shares and a shareholder of PT Lenteng Lintas Benua as many as 99.999% or amounting 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 1,699,999,999 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 Board 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 under the law of the Republic of Indonesia, operating a business in the field of <i>e-commerce</i> 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 the Company whose names are registered in the Shareholder Register of the Company issued by the 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 of Primary Business Activities.
Investment Agreement	:	An agreement dated 8 December 2017 between the Company and GEI in order to subscribe to GEI's new shares constituting 9,435,638 (nine million four hundred thirty five thousand six hundred eighty eight) shares by the Company that will be executed no later than December 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 subscription of new shares of GEI by the Company amounting 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 rupiah) 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 rupiah).

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 December 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 8 December 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 for the implementation of such Transaction to the Shareholders of the Company in fulfillment of 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, 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

In recent years, e-commerce or online business activities have increased significantly. In view of that, as a retail company, the Company believe that e-commerce business is a potential opportunity to expand its business throughout the archipelago so that consumers can buy the products of the Company without visiting the Company's outlet.

Previously on 23 February 2015, the Company and GEI (formerly PT. Gatra Investama Mulia) have bound themselves in an agreement for the granting of share option rights, in which the option has been exercised on 11 August 2015, thereafter 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 an increase in the issued and paid-up capital of GEI where all new shares are taken by IDV, thus the Company's share in GEI is diluted into 2.26% representing 2,631,580 shares from the total of 116,570,500 shares.

On 13 August 2015, KPPS GEI regarding option rights has been signed whereupon the shareholding percentage of the Company and PT Matahari Putra Prima Tbk (“MPPA”) is a maximum of 5% each of total issued and paid-up capital of GEI upon considering all options to take shares in GEI as if they 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 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 they have 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 a maximum of 5% of issued and paid-up capital of GEI after considering all options to take shares in GEI as if it they have been taken, at the price of Rp 12,065 per share. This agreement also regulates the additional option to take for additional option shares whereupon the total amount of Company’s shares in GEI will represent a maximum of 10% of issued and paid-up capital of GEI after considering all options to take shares in GEI as if they have been taken, 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, there is an increase of issued and paid-up capital of GEI where the total new shares are taken by IDV, thereafter the Company’s share 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 to 4,404,700 (four million four hundred and four thousand seven hundred) shares thereafter the Company’s share 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 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 to 7,864,075 (seven million eight hundred and sixty-four thousand seventy-five) shares thereafter the Company’s share in GEI amounted to 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 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 share 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 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 share in GEI to be 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 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 purchase of GEI shares by Mitsui as a new investor on 28 November 2016, which caused the Company's shares in GEI to be diluted to 8.38% (eight point thirty eight percent) representing 14,900,355 shares 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 to new shares of GEI amounting to 7,326,495 (seven million three hundred twenty six thousand four hundred ninety five) shares which has been executed by the Company on 3 January 2017, thereafter the Company's share in GEI 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 Nawaksari, SH, Notary in Tangerang, with receipt of notification of Company's data change 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.Year 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 which has been executed by the Company on 24 May 2017, thereafter the Company's share in GEI amounted to 16.27% (sixteen point twenty seven percent) representing 31,662,488 shares from the total of 194,643,293 shares, as mentioned in Deed of KPPS Statement No. 37 dated 24 May 2017 made before Notary Sriwi Bawana Nawaksari, SH, Notary in Tangerang, with receipt of notification of Company's data change received and recorded by MOLHR through Letter No AHU-AH.-01.03-0141704 dated 30 May 2017 and registered into Company Register pursuant to No. AHU-0070468.AH.01.11.Tahun 2017 dated 30 May 2017.

On 20 June 2017, another GEI shareholder has subscribed to new shares of GEI which caused the Company's share in GEI to be diluted to 15.83% (fifteen point eighty three percent) representing 31,662,488 shares from the total of 200,023,977 shares, as mentioned in Deed of KPPS Statement No. 72 dated 20 June 2017 made before Notary Sriwi Bawana Nawaksari, SH, Notary in Tangerang, with receipt of notification of Company's data change received and recorded by MOLHR through Letter No AHU-AH.-01.03-0148349 dated 20 June 2017 and registered into Company Register pursuant to No. AHU-0079836.AH.01.11.Tahun 2017 dated 20 June 2017.

The Company and GEI have entered into the Investment Agreement dated 8 December 2017 to subscribe to 9,435,638 (nine million four hundred thirty five thousand six hundred thirty eight) shares no later than December 2017, therefore the Company's share in GEI will be 19.62% (nineteen point sixty two percent) representing 41,098,126 shares from the total of 209,459,615 shares, assuming that the other shareholders will not subscribe to 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 rupiah) 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 help promote significant growth in its sales in the future, thereby contributing to the Company's earnings. The Company also sees this as an opportunity to invest at early stages at a favorable price for the future, as well as to grab the opportunity to promote and market the Company's exclusive brands 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 years since MatahariMall started to operate, thus strengthening the rationale of the Company to perform this Transaction.

Within the framework of e-commerce development, the Company has previously signed a cooperation agreement for product sales through MatahariMall on 8 April 2015. Due to new strategic business direction of the Company's management and in consideration of the recent developments in e-commerce, the Company and MatahariMall agreed to cancel the cooperation agreement for product sales through MatahariMall previously signed on 8 April 2015 and have entered into a cooperation agreement dated 1 November 2016 regulating the cooperation of the Company and MatahariMall for the Company's product sales on www.MatahariStore.com through the MatahariMall platform.

The Company declares the signing of cooperation agreement mentioned above as not being a Material Transaction, yet is an Affiliated Transaction exempted from Regulation IX.E.1 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 made by the Company totals 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 rupiah) 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 rupiah).

3. Purpose or Benefit of Transaction Implementation for the Company

The purpose or benefits that can be obtained by the Company from the implementation of Transaction, are among others:

- a. By becoming a shareholder, obtaining the opportunity to invest at an early stage at a favorable price for the future as well as promote the Company's longevity in the future;
- b. Promoting new opportunity to foster e-commerce through www.MatahariStore.com owned by the Company that will promote significant sales growth in the future, and contribute to the Company's earnings; and
- c. The Company may obtain additional benefit from the sale of the Company's products via e-commerce through www.MatahariStore.com and will have the opportunity to expand its 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.01.11.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. 45 dated 17 May 2017 made before Ir. Nanette Cahyanie Handari Adi Warsito, SH., Notary in Jakarta, received and recorded by MOLHR through Letter No. AHU-AH.-01.03-0139293 dated 24 May 2017 and registered into Company Register No. AHU-0066936.AH.01.11.Tahun 2017 dated 24 May 2017.

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 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			
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	2,187,866,543	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 Independent	: Herbert Stepic
Commissioner	: Sigit Prasetya
Commissioner	: Henry Jani Liando
Commissioner	: William Travis Saucer
Commissioner	: John Riady
Commissioner	: Niel Byron Nielson
Commissioner	: Johannes Jany

Board of Directors

President Director	: Bunjamin Jonathan Mailool
Vice President Director	: Richard Thomas Gibson
Director (Not Affiliated)	: Andre Rumanthir
Director	: Eddy Harsono Handoko
Director	: Christian Kurnia

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 contained in Deed of KPPS Statement No. 72 dated 20 June 2017 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.-01.03-0148349 dated 20 June 2017 and registered into Company Register under No. AHU-0079836.AH.01.11.Tahun 2017 dated 20 June 2017.

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

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 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	700,000,000	700,000,000,000	
B. Issued and Paid-up Capital Rp1,000/share	200,023,977	200,023,977,000	
Shareholders	Total Shares	Nominal Value of Shares (Rupiah)	%
1. PT Investama Digital Ventura	111,653,015	111,653,015,000	55.82
2. Mitsui & Co Ltd	20,599,638	20,599,638,000	10.30
3. PT Matahari Putra Prima Tbk	21,108,836	21,108,836,000	10.55
4. PT Matahari Department Store Tbk	31,662,488	31,662,488,000	15.83
5. PT Dutamas Sinar Mustika	10,000,000	10,000,000,000	5.00

6. PT Duta Wibisana Anjaya	4,794,796	4,794,796,000	2.40
7. Ny. Goh Yiping	205,204	205,204,000	0.10
Total	200,023,977	200,023,977,000	100.00
C. Shares in Portfolio	499,976,023	499,976,023,000	

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 Rp1,000/share	700,000,000	700,000,000,000	
B. Issued and Paid-up Capital Rp1,000/share	209,459,615	209,459,615,000	
Shareholders	Total Shares	Nominal Value of Shares (Rupiah)	%
1. PT Investama Digital Ventura	111,653,015	111,653,015,000	53.30
2. Mitsui	20,599,638	20,599,638,000	9.83
3. PT Matahari Putra Prima Tbk	21,108,836	21,108,836,000	10.10
4. PT Matahari Department Store Tbk	41,098,126	41,098,126,000	19.62*)
5. PT Dutamas Sinar Mustika	10,000,000	10,000,000,000	4.77
6. PT Duta Wibisana Anjaya	4,794,796	4,794,796,000	2.29
7. Ny. Goh Yiping	205,204	205,204,000	0.09
Total	209,459,615	209,459,615,000	100.00
C. Shares in Portfolio	490,540,385	490,540,385,000	

*) 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 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 : Kazuhide Nakajo

v. Financial Performance of GEI

GEI's financial performance review is based on consolidated financial statements for period ended 30 June 2017 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 Current Assets	584,302,490,076
Total Non-Current Assets	425,821,953,509
Total Current Liabilities	467,415,681,677

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 and the subscription made on 24 May 2017 based on the investment agreement dated 10 May 2017 amounting Rp 212,500,003,398 will be in total amount of Rp 590,000,000,691*) which is 33.16% of the Company's total equity of Rp 1,779,306 million as stated in the Company's financial statements for period ended 30 June 2017 which has been limited reviewed 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 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	24 May 2017	22,521	212,500,003,398
3	No later than December 2017	22,521	212,500,003,398
TOTAL			590,000,000,691

III. INDEPENDENT PARTY APPOINTED IN TRANSACTION

The independent party appointed by the Company in for this Transaction is KJPP RSR as the independent appraiser to appraise the shares of GEI and subsidiaries and to provide fairness advice on the implementation of the 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 June 30, 2017, 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 June 30, 2017, all parameters and audited financial statements used in the analysis were based on June 30, 2017.

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 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. 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 and Subsidiary, and LLB and Subsidiary, 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 and Subsidiaries, 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 June 30, 2017 (with number of GEI Shares subscribed and fully paid, amounting 200,023,977 shares) is Rp4,647,302 million (Four Trillion Six Hundred Fourty Seven Billion Three Hundred Two Million Rupiah) or equals to Rp23,234.00 (Twenty Three Thousand Two Hundred Thirty Four Rupiah).

KJPP RSR, in its Fairness Opinion Report on the Affiliate Transaction ("**Fairness Opinion**"), has provided the following opinion 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 to GEI's new shares based on the Investment Agreement.

3. Purpose of Fairness Opinion

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

4. Assumptions and Disclaimer Limitations

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

This fairness opinion is based on the Company's financial projection which KJPP RSR has reviewed as fair however it is not responsible for its achievement.

KJPP RSR is responsible for the fairness opinion in its report. KJPP RSR's opinion is that the Company's financial projection is fair, however KJPP RSR is not responsible for its achievement.

5. Methodology for Fairness Analysis of the Transaction

In evaluating the fairness of the Transaction, we have done the following analysis:

1. Transaction Analysis : analysis of the parties involved in the Transaction and its inter-relation, analysis of the terms and conditions of the agreement, and analysis of the benefit and risk from the Transaction;
2. Qualitative analysis: analysis of the background of the Transaction, the Company's history and nature of business, industry analysis, and the Company's operations and prospects as well as 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

In consideration of the fairness analysis of the Transaction which include qualitative and quantitative analyses, from an economic and financial perspective, KJPP RSR is of the opinion that the Proposed 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, 12 December 2017
Board of Directors of the Company