

DISCLOSURE OF INFORMATION TO THE SHAREHOLDERS

FOR THE PURPOSE OF COMPLIANCE WITH THE REGULATION OF FINANCIAL SERVICES AUTHORITY NO. 17/POJK.04/2020 CONCERNING MATERIAL TRANSACTION AND ALTERATION TO THE BUSINESS ACTIVITY (“POJK 17/2020”) AND REGULATION OF FINANCIAL SERVICES AUTHORITY NO. 15/POJK.04/2020 CONCERNING PLAN AND PERFORMANCE OF GENERAL MEETING OF SHAREHOLDERS OF PUBLIC LISTED COMPANY (“POJK 15/2020”)



PT SARIMELATI KENCANA Tbk.
("COMPANY")
Having domicile at Jakarta Selatan, Indonesia

Fields of Business:

Restaurant, Catering, Warehousing, Distribution and Food Processing Industries

Head Office:

Graha Mustika Ratu, 8th Floor

Jl. Jend. Gatot Subroto Kav. 74-75

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Attn.: Corporate Secretary

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This Disclosure of Information to the Shareholders (hereinafter shall be referred to as the “**Disclosure of Information**”) contains information concerning proposed plan of Alteration to Business Field of the Company as regulated under POJK 17/2020 in the form of expansion of new business field, Online Trading through the Media (hereinafter shall be referred to as the “**Alteration to the Business Field**”).

For performing Alteration to the Business Field, pursuant to the provision of Article 22 paragraph (1) letter (a) of POJK 17/2020, the Company is required to obtain prior approval from the General Meeting of Shareholders (hereinafter shall be referred to as the “**GMS**”).

The Board of Directors and the Board of Commissioners shall be fully responsible to the accuracy of the whole information contained under this Disclosure of Information and should there be, any additional information then it shall be published at the latest within 2 (two) working days prior to the date of the Company's GMS, and hereby conform that after performing comprehensive examination to the available information pertaining to the proposed plan of Alteration to the Business Field, it is hereby declared that to the best of knowledge and understanding of the Board of Directors and the Board of Commissioners of the Company, there are no other important and material information related to the proposed plan of the Alteration to the Business Field that have not been disclosed under this Disclosure of Information, which may cause this Disclosure of Information to be inaccurate and/or misleading.

Should you have any difficulties from understanding this Disclosure of Information or hesitate to take any action, then it is highly recommended for you to consult with your Investment Advisor or other professional counsel.

This Disclosure of Information to the Shareholders is published in Jakarta on the date of 13 October 2020.

PRELIMINARY

This Disclosure of Information is prepared in relation to the proposed plan of Alteration to the Business Field which would be performed by the Company, as regulated under the POJK 17/2020, which is required to obtain prior approval from the GMS. In relation to the foregoing, the Board of Directors of the Company hereby announces this Disclosure of Information in order to provide comprehensive information or knowledge to the Shareholders of the Company concerning proposed plan of Alteration to the Business Field.

Pursuant to the provision of Article 27 paragraph (1) of POJK 17/2020, the Board of Directors of the Company is required to announce this Disclosure of Information under the Company's Website and the Website of the Indonesian Stock Exchange for providing information to the Shareholders of the Company concerning proposed plan of the Alteration to the Business Field that would be performed by the Company that requires prior approval under the Company's GMS. This Disclosure of Information shall be used as the ground of consideration by the Shareholders of the Company for providing their approval concerning the proposed plan of Alteration to the Business Field to be presented under the GMS.

I. SUMMARY OF THE COMPANY

A. History of the Company

The Company was established under the Deed of Incorporation of Limited Liability Company dated 16 December 1987 Number 132 passed before Lieke Lianadevi Tukgali, Notary in Jakarta, and was ratified by the Minister of Justice of the Republic of Indonesia under its Decree No. C2-4573.HT.01.01-TH.88 dated 25 May 1988. On the same year, such decree was registered with the District Court of Jakarta Pusat No. 1.1979/1988 dated 1 September 1988 and published under the State Gazette of the Republic of Indonesia No. 102 and its Supplemental Gazette No. 1388 dated 20 December 1988.

The Articles of Associations of the Company has been adjusted with the Law of the Republic of Indonesia No. 40 of 2007 concerning Limited Liability Company, as set forth under Deed dated 4 June 2008 No. 03 passed before Sri Agustini, Notary in Jakarta, and had been ratified by the Minister of Law and Human Rights of the Republic of Indonesia (hereinafter shall be referred to as the "**Minister**") under its Decree dated 4 July 2008 Number AHU-38307.AH.01.02.Tahun 2008 and was published under the State Gazette of the Republic of Indonesia dated 16 January 2019 No. 5, Additional State Gazette No. 1336/2009.

The Articles of Associations had been severally amended as set forth under Deed dated 9 March 2018 No. 11, passed before Aulia Taufani, Notary in Jakarta, and had been ratified by the Minister under its Decree dated 14 March 2018 No. AHU-0005908.AH.01.02.TAHUN 2018. The latest amendment to the Articles of Associations of the Company was set forth under Deed dated 17 Jun 2020 No. 30, passed before Aryanti Artisari, Notary in Jakarta, which had been received under Notification Receipt of the Alteration to the Company Date by the Minister dated 13 July 2020 No. AHU-AH.01.03-0285153 and Deed dated 17 June 2020 No. 32 passed before Aryanti Artisari, Notary in Jakarta, which had been received under Notification Receipt of the Alteration to the Company Date by the Minister dated 13 July 2020 No. AHU-AH.01.03-0285554.

B. Shareholding Structure

The Shareholding Structure of the Company as at the date of this Disclosure of Information are as follows:

Authorized Capital	:	Rp 900,000,000,000 (nine hundred billion Rupiah)
Issued Capital	:	Rp 302,187,500,000 (three hundred two billion one hundred eighty seven million five hundred thousand Rupiah) consisting of 3,021,875,000 (three billion twenty one million eight hundred seventy five thousand) share, each having nominal value of Rp 100 (one hundred Rupiah)
Paid-up Capital	:	Rp 302,187,500,000 (three hundred two billion one hundred eighty seven million five hundred thousand Rupiah)

The latest Shareholding Structure of the Company based on the Register of Shareholders issued by the Shares Administration Bureau of the Company, PT Datindo Entrycom, as at the date of 30 September 2020 are as follows:

Shareholders	Shares Quantity	Shares Value (Rp.)	%
PT Sriboga Raturaya (Controlling)	1,957,933,250	195,793,325,000	64.79
DBS Bank Ltd S/A Albizia Asean Opportunities Fund	168,907,400	16,890,740,000	5.59
JPMCB NA AIF CLT RE - The Scottish Oriental Smaller Companies Trust PLC	159,626,800	15,962,680,000	5.28
Public	735,407,550	73,540,755,000	24.34
Total	3,021,875,000	302,187,500,000	100

C. Board of Directors and Board of Commissioners

The current members of Board of Directors and Board of Commissioners of the Company are as follows:

Board of Directors

President Director	:	Steven Christopher Lee
Director	:	Frederick Estrada Cadlaon
Director	:	Jeo Sasanto
Director	:	Budi Setiawan

Board of Commissioners

President Commissioner	:	Hadian Iswara
Commissioner	:	Stephen James McCarthy
Independent Commissioner	:	Brata Taruna Hardjosubroto

II. SUMMARY OF FEASIBILITY STUDY CONCERNING ALTERATION TO THE BUSINESS FIELD

For securing the fairness valuation of the proposed plan of Alteration to the Business Field, the Company has requested the Independent Appraiser duly registered with the OJK, i.e., Public Independent Appraiser of Syarif, Endang dan Rekan (hereinafter shall be referred to as “**KJPP**”), to act as independent appraiser for providing opinion concerning proposed plan of Alteration to the Business Field.

The KJPP has declared that it does not have any affiliation relationship, either directly or indirectly, with the Company as defined under the Law of the Republic of Indonesia No. 8 of 1995 concerning Capital Market.

A. Information concerning Public Independent Appraiser

KJPP Syarif, Endang dan Rekan

License issued by Minister of Finance No. 1498/KM.1/2012 dated 28 December 2012 with KJPP Permit No. 2.12.0113 and has been duly registered with the Financial Services Authority under the Registration License of Capital Market Supporting Profession No. STTD.PPB-08/PM.2/2018 dated 4 June 2018.

KJPP Syarif, Endang dan Rekan

Qualification	:	Business Appraiser
Appraiser Permit	:	B-1.12.00340
STTD	:	STTD.PPB-08/PM.2/2018
MAPPI	:	09-S-02341

B. Summary of Feasibility Study

Below are the summary of Feasibility Report Concerning Expansion of Business Field No. 00006/2.0113-03/BS/05/0340/1/X/2020 dated 12 October 2020 duly prepared by the KJPP:

a. Object of Feasibility Study

The object of feasibility study relates to the feasibility of proposed plan of Alteration to the Business Field concerning online trading through the media.

b. Purpose and Intention of Feasibility Study

Purpose and intention of feasibility study concerning alteration to the business field of the Company related to online trading through the media if for providing comprehensive explanation concerning feasibility of proposed plan of alteration to the business field of the Company on online trading through the media for complying with the POJK 17/2020.

c. Assumptions and Restrictive Conditions

- The Nature of Feasibility Study Report concerning Proposed Plan of Alteration to the Business Field is *non-disclaimer opinion*.
- KJPP has examined the documents required for the preparation of feasibility study.
- Data and information is obtained from reliable sources.
- KJPP utilizes the financial forecast that has been adjusted representing fairness of financial forecast prepared by the Company's management with its fiduciary duty.
- KJPP is responsible with the implementation of its valuation and fairness of financial forecast.
- The Feasibility Study concerning Proposed Plan of Alteration to the Business Field is opened to public unless there are classified information, which may adversely affect the Company's operational activities.
- KJPP is responsible with the Feasibility Study concerning Proposed Plan of Alteration to the Business Field and its summary of feasibility study.
- KJPP has obtained information concerning terms and conditions under the relevant agreements related to the alteration to the business field of the Company concerning online trading through the media.

d. Method and Approach of Feasibility Study

Pursuant to the result of analysis on market feasibility, technical feasibility, business pattern feasibility and management's capital feasibility, the proposed plan of Alteration to the Business Field is feasible to be implemented. Please find below the summary of analysis on market feasibility, technical feasibility, business pattern feasibility and management's capital feasibility:

- Market Feasibility Analysis

Based on consideration of the market segment, continuity, market potency, market target, market value potency, competitor and marketing strategy, then the proposed plan of Alteration to the Business Field is feasible to be implemented.

- Technical Feasibility Analysis

Based on consideration of the capacity, availability of resources, employees' quality, and facilities to be provided by the Company, then the proposed plan of Alteration to the Business Field is feasible to be implemented.

- Business Pattern Feasibility Analysis

Based on consideration of the competitive advantage, competition quality and capability to create value that would be implemented by the Company under the proposed plan of Alteration to the Business Field, then the proposed plan of Alteration to the Business Field is feasible to be implemented.

- Management's Model Feasibility Analysis

Based on consideration of the availability of human resources, intellectual property management, risk management, capacity and competency of management, and support of the organization structure for the proposed plan of Alteration to the Business Field, then generally it is deemed sufficient to support the operational activities of the Company and the plan of the Alteration to the Business Field is feasible to be implemented.

- Financial Feasibility Analysis
Based on consideration of the investment requirement, equity sources, operational costs, procurement costs, financial forecast, break even point, profitability analysis and return of investment, then the plan of the Alteration to the Business Field is financially feasible to be implemented.

Please find below the explanation concerning the method and approach which are being utilized concerning financial feasibility.

The approach utilized in analyzing the feasibility of alteration to the business field of the Company concerning online trading through the media is income based approach by applying the discounted cash flow method (hereinafter shall be referred to as the “DCF”), with reference to the Internal Rate of Return (IRR), Net Present Value (NPV), Profitability Index (PI), and Payback Period (PP). For the purpose of determining the feasibility, the analysis results of feasibility parameters, are as follows:

- **Net Present Value (NPV) ≥ 0 ---> Feasible**
Generated NPV shows positive value in the amount of Rp.15,310,101,000.
- **Profitability Index (PI) > 1 ---> Feasible**
The PI obtained is in the amount of 1.92911 which means is greater than 1.
- **Payback Period (PP) $<$ from the Production Facility Economical Age**
PP shall be retrieved within the period of 11 months.

Pursuant to the aforementioned parameters, the KJPP hereby opines that the alteration to the business field of online trading through the media is deemed to be feasible.

e. Conclusion of Feasibility Study

With reference to aforementioned financial forecast analysis, and considering the assumptions to be achievable then the Proposed Business Plan of Online Trading Through the Media **shall provide positive contribution and feasible to be implemented.**

III. AVAILABILITY OF EXPERTS IN RELATION TO THE ONLINE TRADING THROUGH THE MEDIA

With regards to the new business field, i.e., by performing online trading through the media, the Company does not require specific expert, because the Company has already operated online trading system which is being managed by dedicated division having obligation for operating and be responsible to the maintenance and operation of information technology system for such trading media.

IV.**EXPLANATION, CONSIDERATION AND REASONING OF
ALTERATION TO THE BUSINESS FIELD**

In order to enhance the Company's performance in the future, the Company as an entity engaging in the business fields of restaurant, catering, warehousing, distribution and food processing industries, considers that there is a new business opportunity of online trading through the media. This business field is not a form of the Company's official business activities. The Company has carefully calculated the business opportunity and services that could be performed on ongoing basis and the Company believes that the Company is capable to optimize the available opportunity, by giving added value to the shareholders. Therefore the Company intends to perform expansion to its business field in the form of online trading through the media.

V. FORECAST OF FINANCIAL RATIO OF ONLINE TRADING THROUGH THE MEDIA

Description	2021	2022	2023	2024	2025	Average
Gross Profit Margin	5.14%	5.19%	5.23%	5.27%	5.30%	5.23%
Net Profit Margin	4.01%	4.15%	4.18%	4.21%	4.24%	4.16%
ROI	22.00%	20.27%	17.19%	15.02%	13.36%	17.57%
ROE	70.66%	43.08%	31.00%	24.43%	20.29%	37.89%

VI. EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

In order to obtain approval from GMS concerning the Proposed Plan of Alteration to the Business Field, the Company shall perform Extraordinary General Meeting of Shareholders on Thursday dated 19 November 2020 at the Smesco Building – Nareswara Room, 4th Floor, Jl. Jend. Gatot Subroto Kav. 94, RT. 11 / RW. 03, Pancoran, Jakarta Selatan 12870, Indonesia.

Considering the Alteration to the Business Field shall amend the provision of Article 3 of the Articles of Associations of the Company concerning Objectives and Purposes and Business Fields, then the quorum requirement for the attendance and voting under the GMS shall be as follows:

- a. The GMS can be performed if the GMS is attended by shareholders or their proxy representing at least 2/3 (two thirds) of total shares with legal voting rights from the cumulative of the Company's issued and paid-up capital.
- b. The resolution to be adopted under the GMS as set forth under point (a) above shall be valid if it is being ratified by more than 2/3 (two thirds) of total voting shares represented in the GMS.
- c. In the event that quorum as referred to in point (a) could not be achieved, a second GMS may be convened with stipulation that such second GMS shall be valid and have the right to adopt resolution if attended by shareholders representing at least 3/5 (three fifths) of total shares with legal voting rights and the resolution of such second GMS shall be valid if approved by more than 1/2 (half) of total voting shares represented in the GMS.
- d. In the event that quorum in the second GMS as referred to in point (c) above could not be achieved, a third GMS may be convened with stipulation that such third GMS shall be valid and have the right to adopt resolution if attended by shareholders with legal voting rights in presence quorum and resolution quorum determined by Financial Service Authority at the request of the Company.

If the Proposed Plan of Alteration to the Business Field as have been elaborated hereinabove fails to obtain approval from the GMS, then such proposed plan can only be resubmitted by the Company only after the lapse of 12 (twelve) months period since the performance date of such GMS.

VII. ADDITIONAL INFORMATION

If the shareholders require any additional information, then you can contact the Company :

PT SARIMELATI KENCANA Tbk.

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Jakarta, 13 October 2020

Board of Directors of the Company

