



**DISCLOSURE OF INFORMATION
IN ORDER TO COMPLY WITH THE REGULATION OF THE FINANCIAL SERVICES AUTHORITY
NO. 2/POJK.04/2013 CONCERNING THE COMPANY'S PLAN TO BUY BACK ITS SHARES
DURING SIGNIFICANT MARKET FLUCTUATION**

PT SARIMELATI KENCANA Tbk
Located in South Jakarta, Indonesia

Line of Business:
Restaurants, Catering, Warehousing, Distribution & Food Processing Industries

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**INFORMATION TO SHAREHOLDERS IN RELATION TO THE COMPANY'S PLAN TO
BUY BACK ITS SHARES DURING SIGNIFICANT MARKET FLUCTUATION**

PT Sarimelati Kencana Tbk., (the “**Company**”) plans to buy back its shares which has been issued and recorded at the Indonesia Stock Exchange (the “**IDX**”) in accordance with the Regulation of Financial Services Authority (*Otoritas Jasa Keuangan / the “OJK”*) No. 2/POJK.04/2013 dated 23rd of August 2013 concerning Buyback of Shares which Has Been Issued by Issuers or Public Companies during Significant Fluctuating Market Condition (the “**POJK 2/2013**”) and OJK Circular Letter No. 3/SEOJK.04/ 2020 dated 9th of March 2020 concerning Other Conditions Considered Significantly Fluctuating Market Condition during the Buyback of Shares Issued by Issuers or Public Companies (the “**SEOJK 3/2020**”), amounting to maximum Rp.60,000,000,000 (sixty billion Rupiah).

Pursuant to SEOJK 3/2020, the total buyback shares shall not exceed 20% (twenty percent) of the paid-up capital, on condition that the minimum outstanding shares shall be 7.5% (seven point five percent) of such paid-up capital. The Buyback of Company's Shares during Significantly Fluctuating Market Condition (the “**Buyback Shares**”) will be carried out gradually in the period of 3 (three) months effective from the date of this Disclosure of

Information. The Buyback Shares will be executed based on the consideration of the Company's Board of Directors through the IDX.

The Disclosure of Information is published in Jakarta on 16th of March 2020

ESTIMATED SCHEDULE OF THE BUYBACK SHARES

NO.	INFORMATION	DATE
1	Announcement to OJK and IDX concerning Company's Plan to Buy Back its Shares during Significantly Fluctuating Market Condition.	16 th of March 2020
2	Disclosure of Information on the Plan of Buy Back of Shares during Significantly Fluctuating Market Condition at websites of the IDX and the Company.	16 th of March 2020
3	The Period of the Company's Buyback Shares	17 th of March 2020 – 16 th of June 2020

INTRODUCTION

The recent condition of Indonesian capital market has been suffering from significant pressure, indicated by the decline in the Composite Stock Price Index (the “**CSPI**”) by 18.46% (eighteen point forty six percent) and the conditions of the regional and global economies have been experiencing pressure and slowdown, due to, among others, the outbreak of COVID-19 Virus. This occurrence has raised the concern from the OJK and as such the promulgation of the SEOJK 3/2020.

For the purpose of encouraging economic stimulus and to reduce the impacts of significant market fluctuation due to recent trading conditions, the OJK has issued the SEOJK 3/2020. This has provided opportunities for the Company to buy back some of its shares while taking into account its capability and prevailing rules and regulations.

Based on the Company's data, since the date of 2nd of January 2020 until the date of 12th of March 2020, the Company's shares price has decreased by 31.6% (thirty one point six percent), from Rp.1,125 to Rp.770. As the significant decrease of the share price does not reflect its positive performance, the Company therefore intends to show its commitment to increase shareholders' value by returning the excess free cash flows to the shareholders through the Buyback Shares.

ESTIMATED COSTS AND AMOUNT OF BUYBACK SHARES

The cost for the Company's Buyback Shares shall derive from the Company's Retained Earnings. Pursuant to the provision of Article 37 paragraph (1) point (a) of the Law No. 40 of 2007 concerning Limited Liability Company (the “**Company Law**”) regulates that “*the implementation of buyback of shares shall not cause the Company's net worth become lower than the cumulative amount of paid-up capital and the statutory reserve*”. The Company has allocated certain portion of funds as a statutory reserve in compliance with the Company Law.

Use of the Company's Retained Earnings shall not cause the Company's net worth to become lower than the issued and fully paid-up capital added with the statutory reserve that has been allocated. The Company's Retained Earnings as at the date of 30th of September 2019 which have yet to be utilized is recorded at the value of Rp.409,138,476,385 (four hundred nine billion one hundred thirty eight million four hundred seventy six thousand three hundred eighty five Rupiah).

The Company shall allocate the fund in the maximum amount of Rp.60,000,000,000 (sixty billion Rupiah) which will be used to fund Buyback Shares from the aforementioned retained earnings. Such funds already inclusive of the transaction cost, brokerage fees and other expenses related to the Buyback Shares.

Pursuant to SEOJK 3/2020, the number of shares to be buyback shall not exceed the cap of 20% (twenty percent) of the total Company's issued and fully paid-up capital, on condition that the minimum floating shares is 7.5% (seven point five percent) of the paid-up capital. The implementation of the Company's Buyback Shares is based on the consideration of the Company's Board of Directors and to be performed through the IDX.

THE COMPANY'S PLAN FOR THE BUYBACK SHARES

The Company plans to hold the buyback shares as Treasury Stock for a maximum period of up to 3 (three) years. The Company shall be obligated to transfer the buyback shares within the period of 2 (two) years. In the event the transfer of shares has yet to be completed by the Company then at the latest of additional 1 (one) year after the lapse of the aforementioned period, then the transfer should have been duly completed.

The Company may sell the buyback shares if the share price is at least same as or higher than the buyback price and with conditions that the sales of buyback shares can only be carried out (A) after the 30 (thirty) days since the buyback is totally completed, or (B) after the completion of buyback period, and in compliance with requirements stipulated in Article 9 and Article 10 of POJK 2/2013.

In such case, the Company may gain profits from selling the buyback shares. The sales of buyback shares may be carried out through transactions within or outside the IDX, in consideration with provisions governed under Article 16 paragraphs (3) and (4) of the POJK 2/2013.

Shares that have been bought back by the Company shall not be eligible to cast votes at the Company's General Meeting of Shareholders (the "GMS") and shall not be accounted for in determining the quorum to be reached at the GMS in accordance with prevailing rules and regulations. Furthermore, all of the shares that have been bought back shall not be entitled to receive dividend.

ESTIMATED DECREASE TO THE COMPANY'S REVENUES AS THE IMPACTS OF THE BUYBACK SHARES FINANCING COST

Based on the assumption that the Company utilizes the retained earnings reserved for the buyback shares, i.e., amounting up to maximum of Rp.60,000,000,000 (sixty billion Rupiah), the Company's assets and equity shall decrease by Rp.60,750,000,000 (sixty billion seven hundred fifty million Rupiah). There will be a decrease to the Company's net profit, due to the loss of revenue from interest of deposits of those funds, however, such decrease shall not have material impact to the Company's operational cost, hence profit-loss is estimated to still be in line with the Company's target.

The Company believes that its buyback shares shall not raise adverse material effect to the Company's business activities considering the Company has sufficient cash flow to finance buyback shares simultaneously with the Company's operational activities.

PROFORMA OF THE COMPANY'S NET PROFIT PER SHARE FOLLOWING THE BUYBACK SHARES IMPLEMENTATION

The proforma analysis of Total Assets, Net Profit, Equity, and Net Profit per Shares, calculated based on Financial Statements as at the date of 30th of September 2019 by making adjustments to the Financial Statement post should the buyback shares is carried out in 2019 with the fund deriving from the Retained Earnings amounting to Rp.409,138,476,385 (four hundred nine billion one hundred thirty eight million four hundred seventy six thousand three hundred eighty five Rupiah) including expenditures consisting of transaction cost, brokerage fees and other expenses in relation to the Buyback Shares and assuming that the Company uses all of the funds reserved for the Buyback Shares shall be as follows:

Financial Analysis of Buyback Shares For the Year Ends on 30th of September 2019 ⁽¹⁾

	Without Buyback	With Buyback	Impact
Total Assets (Rp million)	1,975,661	1,914,911	(60,750)
Net Profit (Rp million) ⁽²⁾	149,244	148,494	(750)
Equity (Rp million)	1,285,713	1,224,963	(60,750)
Net profit per Share (Rp / Share)	49	51	2

⁽¹⁾ Unaudited

⁽²⁾ with the assumption of saving interest rate for 12 (twelve) months deposit at the rate of 6.25%

SHARE PRICE LIMITATION IN BUYBACK SHARES

The Company's Buyback Shares will be conducted at a price considered good and reasonable by the Management of the Company with the compliance to prevailing laws and regulations.

PERIOD OF BUYBACK SHARES

The Company's Buyback Shares shall be carried out in the maximum period of 3 (three) months effective since the date of 17th of March 2020 until 16th of June 2020. If the allocated funds by the Company for the Buyback Shares have been consumed and/or the quantity of Buyback Shares have been achieved, whichever is the earlier, then the Company shall deliver announcement concerning termination of Buyback Shares.

METHODS USED FOR REPURCHASING COMPANY'S SHARES

The Company shall implement the Buyback Shares with the methods, as follows:

1. The transaction for buyback shares shall be carried out through the IDX.
2. The Company has appointed PT Mandiri Sekuritas to conduct the Company's Buyback Shares for the period commencing on the date of 17th of March 2020 until 16th of June 2020.
3. The volume of Buyback Shares in 1 (one) days shall be unlimited.
4. The implementation of Buyback Shares shall be conducted in compliance with the prevailing laws and regulations.

The Company hereby declares that each of the following parties:

- a. Commissioner, Director, employee, controlling shareholder of the Company;
- b. Individual due to his / her position or profession or because of his / her business relationship with the Company enables him / her to obtain insider information; or
- c. Any party that is no longer included in the aforementioned parties as set forth in points (a) and (b) for the past 6 (six) months,

shall be prohibited from entering into transaction to the Company's shares during the period of Buyback Shares or on the same days as the selling of the Buyback Shares by the Company through the IDX.

MANAGEMENT DISCUSSION AND ANALYSIS CONCERNING THE IMPACT OF BUYBACK SHARES TO THE COMPANY'S BUSINESS ACTIVITIES AND GROWTH TO THE FUTURE

1. The Company's revenues are estimated not to decrease with the implementation of Buyback Shares.
2. The Buyback Shares is estimated to have minimum impact to the financing cost.
3. The Buyback Shares shall reduce the Company's Assets and Equity at the amount of Buyback Shares. If the Company utilizes all of the funds reserved to the Buyback Shares at the maximum amount, then the reduction to the Company's Assets and Equity shall be in the maximum amount of Rp.60,750,000,000 (sixty billion seven hundred fifty million Rupiah).
4. The Buyback Shares is expected to maintain the shares price stability in the near future. The current Company's shares prices do not reflect the fundamental condition and business prospects of the Company, we expect the Buyback Shares shall cause positive impact to the Company's shares fluctuation price at the IDX.

5. The Company believes that the implementation of Buyback Shares shall not raise any negative material impact to its business activities and growth, as the Company currently enjoys sufficient working capital and cash flows to carry out and finance its whole business activities, operational activities and the Buyback Shares.
6. The implementation of Buyback Shares shall not raise material impact to the Company's business growth since the fund utilized for the Buyback Shares derives from the retained earnings. Moreover, the Company is currently in the net cash position and hence the Company still has the potential to increase leverage if needed.

ADDITIONAL INFORMATION

For additional information, any Shareholders may contact the Company, during its working hours at the following address:

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