

**DISCLOSURE OF INFORMATION TO THE SHAREHOLDERS OF  
PT DIAN SWASTATIKA SENTOSA TBK  
IN COMPLIANCE WITH FINANCIAL SERVICES AUTHORITY REGULATION NO.  
17/POJK.04/2020 ON MATERIAL TRANSACTIONS AND CHANGES IN BUSINESS  
ACTIVITIES AND FINANCIAL SERVICES AUTHORITY REGULATION NO. 42/POJK.04/2020  
ON AFFILIATED TRANSACTIONS AND CONFLICT-OF-INTEREST TRANSACTIONS  
("DISCLOSURE OF INFORMATION")**

IF YOU HAVE DIFFICULTY UNDERSTANDING THE INFORMATION CONTAINED IN THIS DISCLOSURE OF INFORMATION, YOU SHOULD CONSULT WITH SECURITIES BROKER, INVESTMENT MANAGER, LEGAL COUNSEL, PUBLIC ACCOUNTANT, OR ANY PROFESSIONAL ADVISOR.



**PT DIAN SWASTATIKA SENTOSA TBK  
("Company")**

**Business Activity:**

Electricity and steam supply, wholesale trade, services and housing construction, infrastructure, management consulting and holding companies

**Head Office:**

Sinar Mas Land Plaza, Tower 2, 24<sup>th</sup> Floor  
Jl. M.H. Thamrin No. 51, Central Jakarta 10350  
Telephone: +6221 31990258  
Facsimile : +6221 31990259  
Email: [corsec@dss.co.id](mailto:corsec@dss.co.id)  
Website: [www.dssa.co.id](http://www.dssa.co.id)

The Company will hold an Extraordinary General Meeting of Shareholders ("EGMS") on Tuesday, December 20, 2022 at 09.30 Western Indonesia Time until finished, at Sinar Mas Land Plaza, Tower 2, 39<sup>th</sup> Floor, Jl. M.H. Thamrin No. 51, Central Jakarta 10350. The shareholders of the Company who are entitled to attend the EGMS are those whose names are registered in the shareholders register of the Company on Friday, November 25, 2022 at 16.00 Western Indonesia Time. The Company has announced the plan to hold the EGMS on the Company's website, the Indonesia Stock Exchange website, and the website of PT Kustodian Sentral Efek Indonesia as the facility provider of Electronic General Meeting System ("eASY.KSEI") on Wednesday, November 9, 2022.

By observing compliance with applicable regulations regarding the handling of Covid-19 pandemic, the Company may limit the number of shareholders who can physically attend the EGMS.

The Company recommends the shareholders to grant power of attorney to an independent party appointed by the Company, namely PT Sinartama Gunita as the Company's Securities Administration Bureau or other parties, either with a conventional power of attorney (the form can be downloaded from the Company's website [www.dssa.co.id](http://www.dssa.co.id)) or by electronic power of attorney ("e-Proxy") mechanism available at the eASY.KSEI facility.

This Disclosure of Information is published in Jakarta on November 9, 2022.

The following are important dates in connection with the Company's EGMS:

<b>Event</b>	<b>Date</b>
Announcement of EGMS	November 9, 2022
Disclosure of Information to Shareholders	November 9, 2022
Shareholder Registration Date	November 25, 2022
Notice of EGMS	November 28, 2022
EGMS	December 20, 2022

## DEFINITION

ASX	: means Australian Securities Exchange Ltd, a stock exchange based in Australia
BEI	: means Indonesia Stock Exchange, a stock exchange based in Jakarta, Indonesia
Duchess	: means Duchess Avenue Pte. Ltd., a company established under and subject to the laws of Singapore, which is indirectly owned by Indra Widjaja and his family, acting as the purchaser of GEAR Shares in the GEAR Share Transfer Plan
GEAR	: means Golden Energy and Resources Limited, a holding company established under and subject to the laws of Singapore, registered at the SGX, which is a subsidiary of the Company with 77.49% of its shares being owned by the Company
GEMS	: means PT Golden Energy Mines Tbk, a public limited company established under and subject to the laws of the Republic of Indonesia, registered at the IDX, which is an indirect subsidiary of the Company through GEAR's ownership of 62.50% of the GEMS Shares
Disclosure of Information	: means information as contained in this announcement
MOLHR	: means the Minister of the Ministry of Law and Human Rights of the Republic of Indonesia
OJK	: means Financial Services Authority, as referred to in Law No. 21 of 2011 on Financial Services Authority
Cash Entitled Shareholders	: means public shareholders of GEAR who receive cash (in lieu of receiving dividends in the form of GEMS Shares owned by GEAR)
Company	: means PT Dian Swastatika Sentosa Tbk, a limited liability company established under and subject to the laws of the Republic of Indonesia and registered at the IDX
POJK 15/2020	: means OJK Regulation No. 15/POJK.04/2020 on the Plan and Implementation of the General Meeting of Shareholders of a Public Company

POJK 17/2020	: means OJK Regulation No. 17/POJK.04/2020 on Material Transactions and Changes in Business Activities
POJK 42/2020	: means OJK regulation No. 42/POJK.04/2020 on Affiliated Transactions and Conflict-of-Interest Transactions
GEMS Share Dividend Distribution Plan	: means the plan to distribute stock dividends (dividend <i>in specie</i> ) in the form of GEMS Shares owned by GEAR on a pro-rata basis to all GEAR shareholders amounting to USD497,807,839, of which the Company will receive 1,044,833,358 GEMS Shares with a value of USD385,728,519
GEMS Share Acceptance Plan	: means the plan of the Company to receive 2,848,721,125 GEMS Shares owned by GEAR with a value of USD1,051,682,520, which will be carried out through (i) GEMS Share Dividend Distribution Plan and (ii) GEAR Capital Reduction Plan
GEAR Share Transfer Plan	: means the plan to transfer all GEAR Shares owned by the Company in the amount of SGD0.16/share to Duchess, of which after the implementation of the GEAR Share Transfer Plan, GEAR will take further steps to go private
GEAR Capital Reduction Plan	: means the plan to reduce GEAR's capital by means of a pro-rata return of capital by GEAR to all GEAR shareholders in the form of the distribution of GEMS Shares owned by GEAR in the amount of USD859,457,122, of which the Company will receive 1,803,887,767 GEMS Shares from this reduction with a value of USD665,954,002
Proposed Transaction	: means the plans of the Company and its subsidiaries as described in Part I of this Disclosure of Information
EGMS	: means the Extraordinary General Meeting of Shareholders of the Company related to the Proposed Transaction which will be held in accordance with the prevailing laws and regulations and the provisions of the Company's Articles of Association
GEAR Shares	: means all issued and fully paid shares in GEAR
GEMS Shares	: means all issued and fully paid shares in GEMS
SGX	: means Singapore Exchange Limited, is a stock exchange based in Singapore

## I. INTRODUCTION

The information as stated in this Disclosure of Information is submitted to the shareholders of the Company in connection with the Proposed Transaction.

The Company and its subsidiaries plan to restructure the Company's subsidiaries (the “**Proposed Transaction**”) through the GEMS Share Acceptance Plan and GEAR Share Transfer Plan. The total value of the proposed GEMS Share Acceptance Plan is USD1,051,682,520. Meanwhile, the value of GEAR Share Transfer Plan is SGD0.16/share or equivalent to USD235,398,931 with the exchange rate of SGD1.3894/USD.

In relation to the GEMS Share Acceptance Plan, in order to maintain the Company's majority share ownership in GEMS, the Company and GEAR will act as standby buyers of GEMS Shares owned by GEAR from the Cash Entitled Shareholders at a price of Rp5,500 (five thousand five hundred Rupiah) per share.

The GEMS Share Acceptance Plan and the GEAR Share Transfer Plan are series of transactions deemed as material transactions as referred to in POJK 17/2020. The GEAR Capital Reduction Plan and the GEAR Share Transfer Plan are affiliated transactions as referred to in POJK 42/2020, while the GEMS Share Dividend Distribution Plan is not deemed as a transaction that is subject to POJK 42/2020. The entire Proposed Transaction is not a conflict-of-interest transaction, because there is no discrepancy between the economic interests of the Company and the personal economic interests of members of the Board of Directors, members of the Board of Commissioners, or the ultimate shareholders of the Company which may harm the Company.

To comply with the provisions of Article 14 point a of POJK 17/2020, the Company plans to request approval from independent shareholders at the Company's EGMS.

## **II. DESCRIPTION OF THE PROPOSED TRANSACTION**

### **A. Background and Considerations of the Proposed Transaction**

Currently, the Company carries out its main business activities in mining and trading of coal and gold in Indonesia, Singapore, and Australia, providing electricity and steam in Indonesia, technology in Indonesia, and trading in fertilizers, pesticides, and chemicals in Indonesia through more than 110 subsidiaries, three of which are listed companies in IDX, SGX, and ASX.

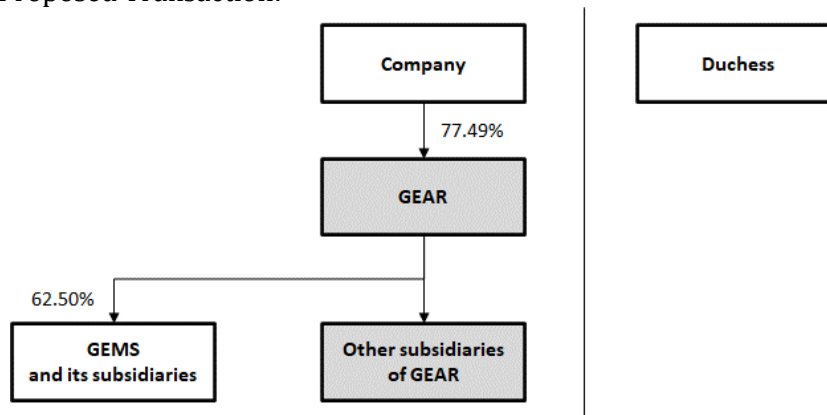
The Company acknowledges the need to improve efficiency in the management and development of the Company's business as well as in making and implementing decisions in the Company's subsidiaries. Therefore, the Company plans to restructure the Company's subsidiaries and focus on business development in Indonesia.

This Proposed Transaction is in line with the Company's vision to become a leading company in the energy and infrastructure sector in Indonesia and is expected to support the achievement of long-term business sustainability goals that can provide added value to the Company's shareholders.

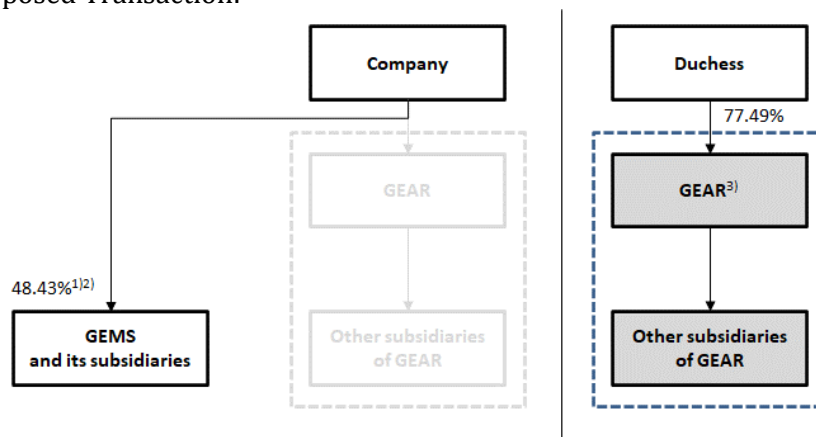
In relation to GEMS Share Dividend Distribution Plan, GEAR Capital Reduction Plan, and GEAR's plan to go private, GEAR shall obtain approval from SGX, GEAR independent shareholders, and creditors (as relevant).

## B. Share Ownership Structure Before and After the Proposed Transaction

Before the Proposed Transaction:



After the Proposed Transaction:



Note:

- <sup>1)</sup> The distribution ratio is 1.3936, where each holder of 1 (one) GEAR Share receives 1.3936 GEMS Shares owned by GEAR.
- <sup>2)</sup> The percentage does not take into account the purchase of GEMS Shares owned by GEAR from the Cash Entitled Shareholders. In the event that the Company purchases GEMS Shares owned by GEAR from the Cash Entitled Shareholders, the maximum total share ownership of the Company in GEMS is 55.46%.
- <sup>3)</sup> After the implementation of GEAR Share Transfer Plan, GEAR will take further steps to go private.

## C. Purpose and Benefits of the Proposed Transaction

The Proposed Transaction is expected to support the achievement of long-term business sustainability goals and provide added value to the Company's shareholders, including the followings:

- The Company can make and implement decisions more effectively
- The Company is able to manage its subsidiaries more efficiently, and
- The Company can focus on developing its business in Indonesia

## D. Object and Value of Proposed Transaction

The object and value of the Proposed Transaction are as follows:

- GEMS Share Acceptance Plan concerning approximately 2,848,721,125 GEMS Shares in the value of USD1,051,682,520.

- GEAR Share Transfer Plan, concerning approximately 2,044,145,469 GEAR Shares in the value of SGD0.16/share or equivalent to USD235,398,931 with an exchange rate of SGD1.3894/USD.

## E. Materiality

The Proposed Transaction consists of a series of transactions which in their entirety are material transactions as referred to in POJK 17/2020, as follows:

Description	Value	Ratio
<b>GEMS Share Acceptance Plan</b>		
GEMS Share Acceptance Plan Value Equity of the Company <sup>4)</sup>	USD 1,051,682,520 USD 2,827,131,322	37.2%
GEMS Total Assets <sup>5)</sup> Company Total Assets <sup>4)</sup>	USD 1,079,705,052 USD 6,522,688,290	16.6%
GEMS Net Profit <sup>5)</sup> Company Net Profit <sup>4)</sup>	USD 341,897,968 USD 521,421,093	65.6%
GEMS Revenues <sup>5)</sup> Company Revenues <sup>4)</sup>	USD 1,334,705,330 USD 2,593,696,367	51.5%
<b>GEAR Share Transfer Plan</b>		
GEAR Share Transfer Plan Company Equity <sup>4)</sup>	USD 235,398,931 USD 2,827,131,322	8.3%
GEAR Total Assets <sup>6)</sup> Company Total Assets <sup>4)</sup>	USD 5,030,779,000 USD 6,522,688,290	77.1%
GEAR Net Profit <sup>6)</sup> Company Net Profit <sup>4)</sup>	USD 502,985,000 USD 521,421,093	96.5%
GEAR Revenues <sup>6)</sup> Company Revenues <sup>4)</sup>	USD 2,431,639,000 USD 2,593,696,367	93.8%

Remarks:

	More than 50% (fifty percent)
	More than 20% (twenty percent), but less than 50% (fifty percent)
	Less than 20% (twenty percent)

Note:

<sup>4)</sup> Based on the Company's consolidated financial statements for the period ended June 30, 2022, which have been limitedly reviewed by Public Accounting Firm Mirawati Sensi Idris

<sup>5)</sup> Based on GEMS' consolidated financial statements for the period ended June 30, 2022, which have been reviewed on a limited basis by Public Accounting Firm Purwantono, Sungkoro & Surja

<sup>6)</sup> Based on GEAR's consolidated financial statements for the period ended June 30, 2022, which have been audited by Public Accounting Firm Ernst & Young LLP, Singapore

## F. Implementation Agreement

The following is a summary of the main terms of the implementation agreement in relation to the GEAR Share Transfer Plan:

Parties	:	- Company - Duchess - GEAR
Contents of the Agreement	:	The matters agreed upon by the parties include the following: - Duchess is to make a conditional offer.

		<ul style="list-style-type: none"> <li>- The parties agree to mutually cooperate, coordinate, and liaise with one another in good faith to implement the transactions contemplated in the agreement.</li> <li>- Subject to the approval from independent shareholders at the EGMS, the Company agrees to receive dividend distribution in the form of GEMS shares (not in cash) and to accept the transfer offer of 2,044,145,469 shares representing approximately 77.49% of GEAR Shares owned by the Company to Duchess.</li> <li>- The Parties agree to carry out the distribution of GEMS Shares owned by GEAR.</li> <li>- The Parties agree to cooperate and coordinate with each other to provide options to GEAR public shareholders who are entitled to receive all (and not part of) their pro-rata rights to GEMS Shares owned by GEAR in cash.</li> <li>- The Company and GEAR agree to act as standby buyers to purchase GEMS Shares held by the Cash Entitled Shareholders in the following order and priority: <ol style="list-style-type: none"> <li>1. The Company will purchase a maximum of 50% of GEMS Shares held by the Cash Entitled Shareholders.</li> <li>2. GEAR will acquire the remaining 50% of GEMS Shares held by the Cash Entitled Shareholders. If the number of GEMS Shares held by the Cash Entitled Shareholders constitute less than 7% of GEMS Shares, then the Company will purchase such number of GEMS Shares that will allow the Company to own approximately 51% of GEMS Shares, and GEAR will purchase the remaining GEMS Shares held by the Cash Entitled Shareholders.</li> </ol> </li> </ul>
Transaction Completion Target and Termination of the Implementation Agreement	:	This agreement between the Parties shall terminate and cease to have any effect on the earlier of (a) the date falling 5 (five) months after the date of the agreement or such other date as may be agreed by the Parties; and (b) the close, lapse, or withdrawal of the offer by Duchess.
Governing Law	:	The laws of Singapore
Dispute Resolution	:	Non-exclusive jurisdiction of the Singapore courts

## **G. Parties Involved in the Proposed Transaction**

### **1. The Company**

#### **a. Brief Profile**

The Company is a public limited liability company established under the laws of the Republic of Indonesia and domiciled in Central Jakarta. The Company's head office is located at Sinar Mas Land Plaza, Tower 2, 24th Floor, Jl. M.H. Thamrin No. 51, Central Jakarta 10350.

The Company was established based on the Deed of Establishment of a Limited Liability Company of PT Dian Swastatika Sentosa Tbk No. 6 dated 2 August 1996, as amended by the Deed No. 35 dated 8 October 1996, both were made before Notary Linda Herawati, S.H. These deeds have been approved by the MOLHR based on Decree No. C2-9854.HT.01.01.TH'96 dated 28 October 1996 and has been announced in the State Gazette of the Republic of Indonesia No. 46 dated 10 June 1997, Supplement No. 2258.

The Company's articles of association have been amended several times, with the latest amendment regarding adjustments and amendments to the articles of association and restatement of all articles of association of the Company as stated in the Deed No. 113 dated 29 June 2020 made before Notary Hannywati Gunawan, S.H., which has obtained approval from the MOLHR in Decree No. AHU-0051729.AH.01.02.TAHUN 2020 dated 28 July 2020.

b. Purpose and Objectives and Business Activities

The Company's purpose and objectives are to engage in the fields of electricity and steam supply, wholesale trade, housing services and development, infrastructure, management consulting, and holding companies.

To achieve the aims and objectives mentioned above, the Company may carry out business activities, including:

- planning, constructing and operating power plants and related facilities
- performing electricity and steam supply services
- conducting a large trading business of various kinds of goods without specializing in certain goods
- establishing and/or running a business in the infrastructure sector including establishing/building telecommunications infrastructure and telecommunications support services in the field of ownership and/or provision and/or rental of towers and their supporting facilities
- conducting investment activities in other companies

c. Current Main Business Activities

As of the date of this Disclosure of Information, the Company's business activities include the provision of electricity and steam, coal and gold mining and trading, technology business, and trading of fertilizers and chemicals.

d. Shareholders Composition

Based on the Company's Shareholders Register as of October 31, 2022, issued by PT Sinartama Gunita as the Company's Securities Administration Bureau, the capital structure and current composition of share ownership of the Company is as follows:

Name of Shareholder	Nominal Value Rp250 per share		
	Total Shares	Nomina Value (Rp)	%
Authorized Capital	2,400,000,000	600,000,000,000	
Issued and Paid-Up Capital			
- PT Sinar Mas Tunggal <sup>7)</sup>	461,552,320	115,388,080,000	59.90%
- Public (each <5%) <sup>8)</sup>	309,000,000	77,250,000,000	40.10%
Total Issued and Paid-Up Capital	770,552,320	192,638.080,000	100.00%
Total Shares in Portfolio	1,629,447,680	407,361,920,000	

Note:

<sup>7)</sup> PT Sinar Mas Tunggal is owned by the Widjaja family. The controlling shareholders of PT Sinar Mas Tunggal are Mr. Franky Oesman Widjaja (President Commissioner), Mr. Indra Widjaja, and Mr.



Muktar Widjaja. Apart from Mr. Franky Oesman Widjaja, other members of the Board of Commissioners and all members of the Board of Directors of the Company do not own the Company's shares either directly or indirectly.

<sup>8)</sup> There are no public shareholders who own more than 5% shares in the Company.

e. **Management and Supervision**

Based on the Deed of Statement of Meeting Resolution No. 55 dated October 6, 2022, made before Hannywati Gunawan, S.H., notary in Jakarta, the current compositions of the members of the Board of Directors and Board of Commissioners of the Company are as follows:

**Board of Commissioners**

President Commissioner	: Franky Oesman Widjaja
Independent Commissioner	: Dr.-Ing. Evita Herawati Legowo
Independent Commissioner	: Dr. Robert A. Simanjuntak
Independent Commissioner	: Ir. F.X. Sutijastoto, M.A.
Independent Commissioner	: Dr. Hendrikus Passagi, S.Sos, S.H., M.Sc.

**Board of Directors**

Presiden Director	: Lay Krisnan Cahya
Vice President Director	: Lokita Prasetya
Director	: Hermawan Tarjono
Director	: Handhianto Suryo Kentjono
Director	: Daniel Cahya
Director	: Alex Sutanto

**2. Duchess**

a. **Brief Summary**

Duchess is a private company limited by shares pursuant to certificate confirming incorporation of company No. UEN 202230747Z, established under the laws of the Republic of Singapore and was incorporated under the Companies Act on and from 31 August 2022. The address of Duchess' registered office is at 20 Cecil Street #11-06 Plus Singapore 049705.

b. **Purpose and Objectives and Business Activities**

Pursuant to the business profile of Duchess (202230747Z), Duchess current operating status is active, and its principal activity is other holding companies (64202).

c. **Shareholders Composition**

The current composition of Duchess shareholders is as follows:

Name of Shareholder	Total Shares	Nominal Value (USD)	%
Star Success Pte Ltd	2	N/A <sup>9)</sup>	N/A
Total	2	N/A <sup>9)</sup>	N/A

Note:

<sup>9)</sup> The concept of nominal value per share does not apply to companies in Singapore

d. Management and Supervision

The current composition of Duchess's Board of Directors is as follows:

**Directors**

Director : Lanny Tranku  
Secretary : Lie Mei Jing Lisa

**3. GEAR**

a. Brief Profile

GEAR is a holding company, established and domiciled in Singapore and listed on the SGX. GEAR's registered office is located at 20 Cecil Street, #05-05 PLUS, Singapore 049705.

b. Business Activities

GEAR's business activities are as an investment holding company and provide management services to entities that are related and not related to GEAR.

c. Shareholders Composition

The current composition of GEAR shareholders is as follows:

Name of Shareholder	Total Shares	Nominal Value (USD)	%
- Company	2,044,145,469	N/A <sup>10)</sup>	77.49%
- Others	593,954,911		22.51%
Total	2,638,100,380		100.00%

Note:

<sup>10)</sup> The concept of nominal value per share does not apply to companies in Singapore

d. Management and Supervision

The current composition of GEAR's Board of Directors is as follows:

**Board of Directors**

Executive Chairman : Fuganto Widjaja  
Group Executive Director and Chief Executive Officer : Dwi Prasetyo Suseno  
Executive Director and Chief Investment Officer : Mark Zhou You Chuan  
Executive Director : Mochtar Suhadi  
Lead Independent Director : Lim Yu Neng Paul  
Independent Non-Executive Director : Lew Syn Pau  
Independent Non-Executive Director : Djuangga Mangasi Mangunsong  
Independent Non-Executive Director : Irwandy Arif  
Independent Non-Executive Director : Noormaya Muchlis

e. Important Financial Data Overview

Important financial data that have been audited for the period ended June 30, 2022, December 31, 2021, and June 30, 2021 (unaudited) are as follows:

## Consolidated Report of Financial Position

(in thousands USD)

FINANCIAL POSITION	June 30, 2022	December 31, 2021
<b>ASSETS</b>		
Current Assets	1,825,393	734,998
Noncurrent Assets	3,205,386	833,055
<b>TOTAL ASSETS</b>	<b>5,030,779</b>	<b>1,568,053</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities		
Current Liabilities	1,155,408	463,712
Noncurrent Liabilities	2,150,010	451,296
<b>Total Liabilities</b>	<b>3,305,418</b>	<b>915,008</b>
<b>Total Equity</b>	<b>1,725,361</b>	<b>653,045</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>5,030,779</b>	<b>1,568,053</b>

## Consolidated Statement of Profit and Loss of Other Comprehensive Income

(in thousands USD)

PROFIT AND LOSS	June 30, 2022	June 30, 2021 (unaudited)
Revenues	2,431,639	806,713
Gross Profit	1,084,224	333,696
Profit before Tax	741,799	131,370
Profit for the Period	502,985	80,232
Other Comprehensive Income (Loss)	(11,293)	5,168
Total Comprehensive Income for the Period	491,692	85,400

### 4. GEMS

#### a. Brief Profile

GEMS is a public limited liability company established under the laws of the Republic of Indonesia and domiciled in Central Jakarta. GEMS head office is located at Sinar Mas Land Plaza, Tower 2, 6th Floor, Jl. M.H. Thamrin No. 51, Central Jakarta 10350.

GEMS was established based on the Deed No. 81 dated 13 March 1997 made before Notary Imam Santoso, S.H., and has been approved by the MOLHR based on Decree No. C2-7.922HT.01.01.TH.98 dated 30 June 1998 and has been announced in the State Gazette of the Republic of Indonesia No. 30 dated 12 April 2002, Supplement No. 3667.

The articles of association of the GEMS have been amended several times, with the latest amendment regarding the adjustment and amendment of the articles of association of the GEMS and the restatement of all the articles of association of the GEMS. The amendments and restatement of the articles of association are contained in the Deed No. 44 dated 12 August 2020 made before Notary Hannywati Gunawan, S.H., which has obtained approval from the MOLHR in Decree No. AHU-AH.01.03-0382092 3 September 2020.

#### b. Purpose and Objectives and Business Activities

The purpose and objective of GEMS is to engage in the trading of mining products and mining services.

To achieve the purpose and objectives mentioned above, GEMS can carry out the following business activities:

- Main business activities are as follows:
  - carry out a business in the field of coal transportation and sales including buying, transporting, and selling coal and/or mineral products, including export, import, inter-insulation and local, either on their own calculations or calculations with other parties on a commission basis, become a distributor, purveyors, supplier, and agents of other companies both domestically and internationally
  - run a business in the field of coal mining services related to mining business activities, which includes:
    - 1) consultation, planning, and implementation in the fields of general investigation, exploration, feasibility studies, mining construction, transportation, mining environment, reclamation, and post-mining, and/or mining safety
    - 2) consulting and planning in mining, or processing and refining
- Supporting business activities are as follows:
  - mining and coal transportation includes construction, utilization, and/or maintenance of transportation and sales infrastructure facilities including stockpile, jetty, or special ports in the mining and coal sector as well as related business activities
  - leasing equipment, vehicles, goods, and other supporting equipment for the purposes of coal mining operations

The current business activities carried out by GEMS are in the mining sector (through participation in subsidiaries) and coal trading.

c. Shareholders Composition

Based on the GEMS' Shareholders Register as of October 31, 2022, issued by PT Sinartama Gunita as GEMS' Securities Administration Bureau, the current capital structure and composition of GEMS shareholding are as follows:

Name of Shareholder	Nominal Value Rp100 per share		
	Total Shares	Nominal Value (Rp)	%
Authorized Capital	20,000,000,000	2,000,000,000,000	
Issued and Paid-Up Capital			
- GEAR	3,676,460,615	367,646,061,500	62.50%
- PT Radhika Jananta Raya	1,764,705,900	176,470,590,000	30.00%
- PT Sinar Mas Cakrawala	30,392,200	3,039,220,000	0.51%
- Public (each <5%)	410,794,285	41,079,428,500	6.98%
Total Issued and Paid-Up Capital	5,882,353,000	588,235,300,000	100.00%
Total Shares in Portfolio	14,117,647,000	1,411,764,700,000	

d. Management and Supervision

Based on the Deed of Minutes of Meeting No. 270 dated July 29, 2022, made before Hannywati Gunawan, S.H., notary in Jakarta, the current compositions of the members of the Board of Directors and Board of Commissioners of GEMS are as follows:

**Board of Commissioners**

President Commissioner	: Lokita Prasetya
Vice President Commissioner	: Avinash Ramakant Shah
Commissioner	: Alex Sutanto
Independent Commissioner	: Ketut Sanjaya
Independent Commissioner	: Ir. Bambang Setiawan
Independent Commissioner	: Madhu Ramachandra Rao

**Board of Directors**

Presiden Director	: Bonifasius
Vice President Director	: Ranganathan Venkataramani
Director	: Kumar Krishnan
Director	: Ir. R. Utoro
Director	: Suhendra
Director	: Leonard Fedrik Sundarto

e. **Important Financial Data Overview**

Important financial data that have been audited for the period ended June 30, 2022, December 31, 2021, and June 30, 2021 (unaudited), are as follows:

**Consolidated Report of Financial Position**

(in USD)

FINANCIAL POSITION	June 30, 2022	December 31, 2021
<b>ASSETS</b>		
Current Assets	683,780,990	434,160,312
Noncurrent Assets	395,924,062	394,866,625
<b>TOTAL ASSETS</b>	<b>1,079,705,052</b>	<b>829,026,937</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities		
Current Liabilities	454,108,927	425,221,593
Noncurrent Liabilities	114,992,189	87,481,301
<b>Total Liabilities</b>	<b>569,101,116</b>	<b>512,702,894</b>
<b>Total Equity</b>	<b>510,603,936</b>	<b>316,324,043</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,079,705,052</b>	<b>829,026,937</b>

**Consolidated Statement of Profit and Loss of Other Comprehensive Income**

(in USD)

PROFIT AND LOSS	June 30, 2022	June 30, 2021 (unaudited)
Revenues	1,334,705,330	733,592,648
Gross Profit	616,007,512	336,523,272
Profit before Tax	441,563,117	193,052,318
Profit for the Period	341,897,968	145,986,490
Other Comprehensive Income	316,591	195,567
Total Comprehensive Income for the Period	342,214,559	146,182,057

## H. Relationship and Nature of Affiliated Relationship of the Parties conducting the Proposed Transaction

The GEAR Capital Reduction Plan and the GEAR Share Transfer Plan are affiliated transactions as referred to in POJK 42/2020, because the Company, GEAR, and Duchess are controlled, either directly or indirectly, by the Widjaja family.

Meanwhile, the GEMS Share Dividend Distribution Plan is not deemed as a transaction that is subject to POJK 42/2020.

## III. EFFECT OF THE PROPOSED TRANSACTION ON THE COMPANY'S FINANCIAL CONDITION

The following pro-forma consolidated statement of financial position and pro-forma statement of profit or loss and other comprehensive income are prepared to show the impact of the Proposed Transaction, assuming the Proposed Transaction occurred on June 30, 2022.

The following pro-forma consolidated statement of financial position and pro-forma statement of profit or loss and other comprehensive income have been reviewed by Public Accounting Firm Mirawati Sensi Idris.

### Pro-forma Consolidated Statement of Financial Position

(in thousands USD)

Description	Pre-Proposed Transaction	Impact of GEMS Share Acceptance Plan and GEAR Share Transfer Plan	Post GEMS Share Acceptance Plan and GEAR Share Transfer Plan	Impact of Purchasing GEMS Shares (held by the Cash Entitled Shareholders)	Post Purchasing GEMS Shares (held by the Cash Entitled Shareholders)
	June 30, 2022		June 30, 2022		June 30, 2022
<b>ASSETS</b>					
Current Assets	2,213,380	(901,353)	1,312,027	(152,790)	1,159,236
Noncurrent Assets	4,309,308	(2,806,026)	1,503,282	-	1,503,282
<b>TOTAL ASSETS</b>	<b>6,522,688</b>	<b>(3,707,379)</b>	<b>2,815,309</b>	<b>(152,790)</b>	<b>2,662,518</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Liabilities</b>					
Current Liabilities	1,303,235	(701,301)	601,934	-	601,934
Noncurrent Liabilities	2,392,322	(2,031,753)	360,569	-	360,569
<b>Total Liabilities</b>	<b>3,695,557</b>	<b>(2,733,054)</b>	<b>962,503</b>	<b>-</b>	<b>962,503</b>
<b>Equity</b>					
Attributable Equity to Owners of the Parent Company	1,747,693	(164,225)	1,583,468	(117,226)	1,466,242
Non-controlling interests	1,079,438	(810,100)	269,338	(35,564)	233,773
<b>Total Equity</b>	<b>2,827,131</b>	<b>(974,325)</b>	<b>1,852,806</b>	<b>(152,790)</b>	<b>1,700,015</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>6,522,688</b>	<b>(3,707,379)</b>	<b>2,815,309</b>	<b>(152,790)</b>	<b>2,662,518</b>

**Pro-forma Consolidated Statement of Profit and Loss and Other Comprehensive Income**

(in thousands USD)

Description	Pre-Proposed Transaction	Impact of GEMS Share Acceptance Plan and GEAR Share Transfer Plan	Post GEMS Share Acceptance Plan and GEAR Share Transfer Plan	Impact of Purchasing GEMS Shares (held by the Cash Entitled Shareholders)	Post Purchasing GEMS Shares (held by the Cash Entitled Shareholders)
	<b>June 30, 2022</b>		<b>June 30, 2022</b>		<b>June 30, 2022</b>
Revenues	2,593,696	-	2,593,696	-	2,593,696
Gross Profit	1,131,628	-	1,131,628	-	1,131,628
Profit (Loss) before Tax	752,765	(192,843)	559,922	-	559,922
Profit (Loss) for the Period	521,421	(192,843)	328,578	-	328,578
Other Comprehensive Income (Loss)	(31,717)	26,645	(5,072)	-	(5,072)
Total Comprehensive Income (Loss) for the Period	489,704	(166,199)	323,505	-	323,505

The assumptions used for the preparation of the Company's pro-forma consolidated financial statements, include the following:

- The Proposed Transaction is assumed to occur on June 30, 2022.
- The exchange rate per 1 USD on June 30, 2022, is assumed to be Rp14,898.
- There is no change in the Company's effective ownership in GEMS in connection with the GEMS Share Acceptance Plan. The Company's effective ownership in GEMS before and after the Proposed Transaction is 48.43%.
- GEAR Shares owned by the Company, which amounted to 2,044,145,469 shares with a value of USD235.4 million, were transferred to Duchess. After the transfer of GEAR shares to Duchess, the Company no longer owns shares in GEAR and no longer consolidated the financial statements of GEAR and its subsidiaries. The Company recorded a loss of USD191.5 million on the disposal of GEAR, which was recorded as a loss on disposal of a subsidiary.
- GEMS Shares held by the Cash Entitled Shareholders purchased by the Company is the maximum number of 413,867,781 shares (7.04% of GEMS Shares) with a purchase price of Rp5,500 per share, so that the maximum share ownership of the Company in GEMS is 55.46%.
- All transactions in the Company's Consolidated Financial Statements, both the transactions between subsidiaries and the parent entities, as well as among subsidiaries, have been eliminated.
- The pro-forma statements do not take into account the impact of taxation and other costs incurred in connection with the Proposed Transaction described above, other than the final tax in respect of the GEMS Share Acceptance Plan totaling USD1.4 million.
- There is no significant difference between Singapore and Indonesia Financial Accounting Standards which will have an impact on the pro-forma.

**IV. INDEPENDENT PARTY OPINION**

The following is a summary of the valuation of 100.00% GEAR Shares assuming that GEMS Shares Acceptance Plan has been implemented based on the Report No. 00171/2.0162-00/BS/02/0153/1/XI/2022 date 2 November 2022 compiled by Kusananto & Partners Public Appraisal Firm ("KJPP KR"):

#### **A. Transaction Parties**

The parties involved in the Proposed Transaction are the Company and Duchess.

#### **B. Valuation Object**

The Valuation Object is the market value of 100.00% GEAR Shares assuming that GEMS Shares Acceptance Plan has been implemented.

#### **C. Objective and Purpose of the Valuation**

The objective of the valuation is to obtain an independent opinion on the market value of the Valuation Object stated in USD and/or its equivalency as of 30 June 2022.

The purpose of the valuation is to provide an overview on the market value of the Valuation Object which would then be used as a reference and consideration by the Company's management in accordance with the implementation of the Proposed Transaction and to comply with POJK 42/2020 and POJK 17/2020.

This valuation was performed in compliance with the provisions of OJK Regulation No. 35/POJK.04/2020 concerning Valuation and Presentation of Business Valuation Report in Capital Markets dated May 25, 2020 ("**POJK 35/2020**") as well as Indonesian Valuation Standards ("**SPI**") 2018.

#### **D. Assumptions and Limiting Conditions**

This valuation was prepared based on the market and economic conditions, general business and financial conditions, as well as applicable government regulations until the date of issuance of this valuation report.

The valuation of the Valuation Object is carried out using the discounted cash flow method based on the projected financial statements of PT Hutan Rindang Banua ("**HRB**"), Ravenswood Gold Group Pty Ltd ("**RGGP**"), Stanmore SMC Pty Ltd ("**SMC**"), and Stanmore IP Coal Pty Ltd ("**SIPC**") which was compiled by the management of HRB, RGGP, SMC, and SIPC. In preparing the financial statement projections, various assumptions were developed based on the performance of HRB, RGGP, SMC, and SIPC in previous years and based on management plans in the future. KJPP KR has made some adjustments to the projected financial statements in order to more fairly describe the operating conditions and performance of HRB, RGGP, SMC, and SIPC at the time of this assessment. Overall, there are no significant adjustments that have been applied to the HRB, RGGP, SMC, and SIPC performance targets that were assessed and reflected their ability to achieve. KJPP KR is responsible for the implementation of the valuation and the fairness of financial statements projections based on the historical performance of HRB, RGGP, SMC, and SIPC and HRB, RGGP, SMC, and SIPC management information on the projected financial statements of HRB, RGGP, SMC, and SIPC. KJPP KR is also responsible for the GEAR valuation report and final value conclusion.

In the valuation assignment, KJPP KR assumed the fulfillment of all conditions precedents in relation to the Proposed Transaction. KJPP KR also assumed that, from the date of the valuation until the date of issuance of the valuation report, there have been no changes that could materially affect the assumptions used in the valuation. KJPP KR are not responsible to reaffirm, supplement, and/or to update KJPP KR's opinion due to the changes in the assumptions and conditions as well as events after the report date.



In performing the analysis, KJPP KR assumed and relied on the accuracy, reliability and completeness of all financial information and other information provided to KJPP KR by the Company or publicly available which were essentially true, complete, and not misleading. KJPP KR are not responsible to perform an independent investigation of such information. KJPP KR also relied on assurances from the management of the Company that they did not know the facts which led to the information given to KJPP KR to be incomplete or misleading.

The valuation analysis of the Valuation Object was prepared using the data and information as disclosed above. Any changes to the data and information may materially affect the outcome of KJPP KR's opinion. KJPP KR are not responsible for the changes in the conclusions of KJPP KR's valuation as well as any losses, damages, costs, or expenses caused by undisclosed information which led the data obtained to be incomplete and/or could be misinterpreted.

Since the result of KJPP KR's valuation highly depended on the data and underlying assumptions, the changes in the data sources and assumptions based on market data would change the result of KJPP KR's valuation. Therefore, KJPP KR stated that the changes to the data used could affect the result of the valuation and that such differences could be material. Although the content of this valuation report has been prepared in good faith and in a professional manner, KJPP KR are unable to accept the responsibility for the possibility of the differences in KJPP KR's conclusion caused by additional analysis, the application of the valuation result as a basis to perform the analysis of the transaction, or any changes in the data used as the basis of the valuation. The valuation report of the Valuation Object represents a non-disclaimer opinion and is an open-for-public report, unless there are confidential information on such report, which might affect the operation of the Company and GEAR.

KJPP KR's work related to the valuation of the Valuation Object shall not and could not be interpreted in any form, a review or an audit, or an implementation of certain procedures of financial information. The work is also not intended to reveal weaknesses in internal control, errors, or irregularities in the financial statements or violation of law. Furthermore, KJPP KR have also obtained the information on the legal status of GEAR based on the articles of association of GEAR.

This valuation was carried out under uncertain conditions, including but not limited to high levels of uncertainty due to the existence of Covid-19 pandemic. The precautionary principle is needed in the use of the results of the valuation, especially regarding changes that occur from the date of the valuation to the date of the use of the results of the valuation. Changes in assumptions and conditions and events that occur after the date of this report will materially affect the results of the assessment.

## **E. Valuation Approach and Methods**

The valuation of the Valuation Object is based on internal and external analysis. Internal analysis will be based on data provided by management, historical analysis of the statement of financial position, and comprehensive income statement of HRB, RGGP, SMC, and SIPC, assessment of operating conditions and management as well as the resources of HRB, RGGP, SMC, and SIPC. The prospect of GEAR in the future is evaluated based on the business plan and projected financial statements provided by management, of which KJPP KR has reviewed for reasonableness and consistency. The external analysis is based on a brief study of the external factors considered as value drivers, including a brief study of the prospects of the concerned industry.

In applying the valuation method to determine the market value indication of a “business interest”, it is necessary to refer to a representative financial statements (statement of financial position and statement of comprehensive income), therefore it is necessary to adjust the book value of the statement of financial position and normalize the profit in the statement of comprehensive income which usually prepared by management on the basis of historical value. However, the book value of a company which is reflected in the statement of financial position and statement of comprehensive income is the acquisition value and does not reflect the economic value that can be fully used as a reference as the market value at the time of the valuation.

## **F. Conclusion**

Based on the analysis of all data and information that KJPP KR have received and by considering all relevant factors affecting the valuation, therefore in KJPP KR’s opinion, the market value of the Valuation Object as of 30 June 2022 was SGD0.42 billion or equivalent to SGD0.1592/share, representing the majority value.

The following is a summary of the valuation of 62.50% of GEMS Shares owned by GEAR based on the Report No. 00172/2.0162-00/BS/02/0153/1/XI/2022 dated 2 November 2022 compiled by KJPP KR:

### **A. Transaction Parties**

The parties involved in the Proposed Transaction are the Company and GEAR.

### **B. Valuation Object**

The Valuation Object is the market value of 62.50% of GEMS Shares owned by GEAR.

### **C. Objective and Purpose of the Valuation**

The objective of the valuation is to obtain an independent opinion on the market value of the Valuation Object stated in USD and/or its equivalency as of 30 June 2022.

The purpose of the valuation is to provide an overview on the market value of the Valuation Object which would then be used as a reference and consideration by the Company’s management in accordance with the implementation of the Proposed Transaction and to comply with POJK 42/2020 and POJK 17/2020.

This valuation was performed in compliance with the provisions of POJK 35/2020 as well as SPI 2018.

### **D. Assumptions and Limiting Conditions**

This valuation was prepared based on the market and economic conditions, general business and financial conditions, as well as applicable government regulations until the date of issuance of this valuation report.

The valuation of the Valuation Object which is carried out using the discounted cash flow method is based on the projected financial statements of PT Barasentosa Lestari (“**BSL**”), PT Roundhill Capital Indonesia (“**RCI**”), PT Borneo Indobara (“**BIB**”), GEMS Trading Resources Pte Ltd (“**GEMS TR**”), PT Kuansing Inti Makmur (“**KIM**”), PT Tanjung Belit Bara Utama (“**TBBU**”), PT Bungo Bara Utama (“**BBU**”), PT Bungo Bara Makmur (“**BBM**”), PT Bara Harmonis Batang Asam (“**BHBA**”), and PT Berkas Nusantara Permai (“**BNP**”) compiled by

the management of BSL, RCI, BIB, GEMS TR, KIM, TBBU, BBU, BBM, BHBA, and BNP. In preparing the financial statement projections, various assumptions were developed based on the performance of BSL, RCI, BIB, GEMS TR, KIM, TBBU, BBU, BBM, BHBA, and BNP in previous years and based on management plans in the future. KJPP KR has made adjustments to the projected financial statements in order to describe the operating conditions and performance of BSL, RCI, BIB, GEMS TR, KIM, TBBU, BBU, BBM, BHBA, and BNP which are assessed at the time of this assessment more fairly. Overall, there are no significant adjustments that have been applied by KJPP KR to the performance targets of BSL, RCI, BIB, GEMS TR, KIM, TBBU, BBU, BBM, BHBA, and BNP which are assessed and have reflected their ability to achieve (fiduciary duty). KJPP KR is responsible for the implementation of the valuation and fairness of financial statements projections based on the historical performance of BSL, RCI, BIB, GEMS TR, KIM, TBBU, BBU, BBM, BHBA, and BNP and GEMS management information on the projected financial statements of BSL, RCI, BIB, GEMS TR, KIM, TBBU, BBU, BBM, BHBA, and BNP. KJPP KR is also responsible for the GEMS valuation report and final value conclusion.

In the valuation assignment, KJPP KR assumed the fulfillment of all conditions precedents in relation to the Proposed Transaction. KJPP KR also assumed that, from the date of the valuation until the date of issuance of the valuation report, there have been no changes that could materially affect the assumptions used in the valuation. KJPP KR are not responsible to reaffirm, supplement, and/or to update KJPP KR's opinion due to the changes in the assumptions and conditions as well as events after the report date.

In performing the analysis, KJPP KR assumed and relied on the accuracy, reliability and completeness of all financial information and other information provided to KJPP KR by the Company and GEMS or publicly available which were essentially true, complete, and not misleading. KJPP KR are not responsible to perform an independent investigation of such information. KJPP KR also relied on assurances from the management of the Company and GEMS that they did not know the facts which led to the information given to KJPP KR to be incomplete or misleading.

The valuation analysis of the Valuation Object was prepared using the data and information as disclosed above. Any changes to the data and information may materially affect the outcome of KJPP KR's opinion. KJPP KR are not responsible for the changes in the conclusions of KJPP KR's valuation as well as any losses, damages, costs, or expenses caused by undisclosed information which led the data obtained to be incomplete and/or could be misinterpreted.

Since the result of KJPP KR's valuation highly depended on the data and underlying assumptions, the changes in the data sources and assumptions based on market data would change the result of KJPP KR's valuation. Therefore, KJPP KR stated that the changes to the data used could affect the result of the valuation and that such differences could be material. Although the content of this valuation report has been prepared in good faith and in a professional manner, KJPP KR are unable to accept the responsibility for the possibility of the differences in KJPP KR's conclusion caused by additional analysis, the application of the valuation result as a basis to perform the analysis of the transaction, or any changes in the data used as the basis of the valuation. The valuation report of the Valuation Object represents a non-disclaimer opinion and is an open-for-public report, unless there are confidential information on such report, which might affect the operation of the Company and GEMS.

KJPP KR's work related to the valuation of the Valuation Object shall not and could not be interpreted in any form, a review or an audit, or an implementation of certain procedures of financial information. The work is also not intended to reveal weaknesses in internal

control, errors, or irregularities in the financial statements or violation of law. Furthermore, KJPP KR have also obtained the information on the legal status of GEMS based on the articles of association of GEMS.

This valuation was carried out under uncertain conditions, including but not limited to high levels of uncertainty due to the existence of Covid-19 pandemic. The precautionary principle is needed in the use of the results of the valuation, especially regarding changes that occur from the date of the valuation to the date of the use of the results of the valuation. Changes in assumptions and conditions and events that occur after the date of this report will materially affect the results of the assessment.

## **E. Valuation Approach and Methods**

The valuation of the Valuation Object is based on internal and external analysis. Internal analysis will be based on data provided by management, historical analysis of the statement of financial position, and comprehensive income statements of BSL, RCI, BIB, GEMS TR, KIM, TBBU, BBU, BBM, BHBA, and BNP, assessment of operating conditions and management and resources owned by BSL, RCI, BIB, GEMS TR, KIM, TBBU, BBU, BBM, BHBA, and BNP. The prospect of GEMS in the future is evaluated based on the business plan and projected financial statements provided by the management, of which KJPP KR has reviewed for reasonableness and consistency. The external analysis is based on a brief study of the external factors considered as value drivers, including a brief study of the prospects of the concerned industry.

In applying the valuation method to determine the market value indication of a “business interest”, it is necessary to refer to a representative financial statements (statement of financial position and statement of comprehensive income), therefore it is necessary to adjust the book value of the statement of financial position and normalize the profit in the statement of comprehensive income which usually prepared by management on the basis of historical value. However, the book value of a company which is reflected in the statement of financial position and statement of comprehensive income is the acquisition value and does not reflect the economic value that can be fully used as a reference as the market value at the time of the valuation.

## **F. Conclusion**

Based on the analysis of all data and information that KJPP KR have received and by considering all relevant factors affecting the valuation, therefore in KJPP KR's opinion, the market value of the Valuation Object as of 30 June 2022 was Rp20.42 trillion or equivalent to Rp5,555/share, representing the majority value.

The following is a summary of the fairness opinion of the Proposed Transaction based on the Report No. 00174/2.0162-00/BS/02/0153/1/XI/2022 dated 9 November 2022 compiled by KJPP KR:

### **A. Transaction Parties**

The parties involved in the Proposed Transaction are the Company, Duchess, and GEAR.

### **B. Fairness Opinion Object**

- The Proposed Transactions in which the Company plans to transfer 2,044,145,469 GEAR Shares or equivalent to 77.49% of GEAR Shares with the transaction amounting to USD235.40 million to the Duchess in connection with the GEAR Share Transfer Plan.

- The Proposed Transaction in which the Company receive a shares dividend (dividend in specie) for 1,044,833,358 GEMS Shares or equivalent to USD385.73 million owned by GEAR to the Company in connection with the Proposed GEMS Share Dividend Distribution.
- The Proposed Transaction in which the Company receive a GEMS's shares through a capital reduction of GEAR by way of a refund of USD665.95 million by GEAR in form of distribution of 1,803,887,767 GEMS Shares owned by GEAR to the Company in connection with the Proposed GEAR Capital Reduction.

### **C. Purpose and Objective of Fairness Opinion**

Purpose and objective of the preparation of fairness opinion on the Proposed Transaction is to provide an overview on the fairness of the Proposed Transaction to the Company's Board of Directors from financial aspects and to comply with the applicable regulations, i.e. POJK 42/2020 and POJK 17/2020.

This fairness opinion was prepared in compliance with the provisions of POJK 35/2020 as well as SPI 2018.

### **D. Assumptions and Limiting Conditions**

The fairness opinion analysis on the Proposed Transaction was prepared using the data and information as disclosed above, such data and information of which KJPP KR have reviewed. In performing the analysis, KJPP KR relied on the accuracy, reliability and completeness of all financial information, information on the legal status of the Company and other information provided to KJPP KR by the Company or publicly available and KJPP KR are not responsible for the accuracy of such information. Any changes to the data and information may materially influence the outcome of KJPP KR's opinion. KJPP KR also relied on assurances from the management of the Company that they did not know the facts which led to the information given to KJPP KR to be incomplete or misleading. Therefore, KJPP KR are not responsible for the changes in the conclusions of KJPP KR's fairness opinion caused by changes in those data and information.

The Company's financial projections before and after the Proposed Transaction was prepared by the Company's management. KJPP KR have reviewed such financial statement projections and those financial projections have described the operating conditions and performance of the Company. Overall, there were not any significant adjustments to be made to the performance targets of the Company.

KJPP KR did not perform an inspection of the Company's fixed assets or facilities. In addition, KJPP KR did not give an opinion on the tax impact of the Proposed Transaction. The service KJPP KR provided to the Company in connection with the Proposed Transaction merely was the provision of fairness opinion on the Proposed Transaction, not accounting services, auditing or taxation. KJPP KR did not perform observation on the validity of the Proposed Transaction from legal aspects and implication of taxation aspects. The fairness opinion on the Proposed Transaction was only performed from economic and financial aspects. The fairness opinion report on the Proposed Transaction represented a non-disclaimer opinion and was an open-for-public report unless there is confidential information on such report, which might affect the Company's operations. Furthermore, KJPP KR have also obtained the information on the legal status of the Company, GEAR, and GEMS based on the articles of association of the Company, GEAR, and GEMS.

KJPP KR's work related to the Proposed Transaction was not and could not be interpreted in any form, a review or an audit, or an implementation of certain procedures of financial information. The work was also not intended to reveal weaknesses in internal control, errors or irregularities in the financial statements, or violation of law. In addition, KJPP KR did not have the authority and was not in a position to obtain and analyze a form of other transactions that existed and might be available to the Company other than the Proposed Transaction and the effect of these transactions to the Proposed Transaction.

This fairness opinion was prepared based on the market and economic conditions, general business and financial conditions as well as government regulations in relation to the Proposed Transaction on the issuance date of this fairness opinion.

In preparing the fairness opinion, KJPP KR applied several assumptions, such as the fulfillment of all conditions and obligations of the Company as well as all parties involved in the Proposed Transaction. The Proposed Transaction would be executed as described according to a predetermined period and the accuracy of information regarding the Proposed Transaction which was disclosed by the Company's management.

The fairness opinion should be viewed as a whole and the use of partial analysis and information without considering other information and analysis as a whole may cause a misleading view and conclusion on the process underlying the fairness opinion. The preparation of the fairness opinion was a complicated process and might not be possible to perform through incomplete analysis.

KJPP KR also assumed that from the issuance date of the fairness opinion until the execution date of the Proposed Transaction, there have been no changes that could materially affect the assumptions used in the preparation of the fairness opinion. KJPP KR are not responsible to reaffirm or to supplement or to update KJPP KR's opinion due to the changes in the assumptions and conditions as well as events occurring after the letter date. The calculation and analysis in the fairness opinion have been performed properly and KJPP KR are responsible for the fairness opinion report.

The conclusion of the fairness opinion is applicable if there are no changes that have material impacts on the Proposed Transaction. Such changes include but are not limited to the changes in conditions both internally on the Company and externally on the market and economic conditions, general conditions of business, trading and financial, as well as relevant regulations after the issuance date of the fairness opinion report. Whenever after the issuance date of the fairness opinion report such changes occur, the fairness opinion on the Proposed Transaction might be different.

The fairness opinion analysis on this Proposed Transaction was carried out under uncertain conditions, including but not limited to the high level of uncertainty due to Covid-19 pandemic. The principle of prudence is required in the use of the fairness opinion report, especially regarding changes that occur from the date of the assessment to the date of use of the fairness opinion report. Changes in assumptions and conditions as well as events that occur after the date of this report will materially affect the conclusion of the fairness opinion.

## **E. The Approaches and Procedures of the Fairness Opinion**

In evaluating the fairness opinion on the Proposed Transaction, KJPP KR had performed analysis through the approaches and procedures of the fairness opinion on the Proposed Transaction as follows:

- i. Analysis of the Proposed Transaction;
- ii. Qualitative and quantitative analysis of the Proposed Transaction; and
- iii. Analysis of the fairness on the Proposed Transaction.

## **F. Conclusion**

Based on the scope of works, assumptions, data, and information acquired from the Company's management which were used in the preparation of this fairness opinion report and a review of the financial impact arising from the Proposed Transaction as disclosed in the fairness opinion report, in KJPP KR's opinion, the Proposed Transaction is FAIR.

## **V. EGMS**

Referring to Article 14 point a of POJK 17/2020, the Company will request an approval of the Proposed Transaction from the Company's independent shareholders at the EGMS which is planned to be held on Tuesday, December 20, 2022 at 09.30 Western Indonesia Time until finished, located at Danamas Room, Sinar Mas Land Plaza, Tower II, 39th floor, Jl. M.H. Thamrin No. 51, Central Jakarta 10350.

The EGMS agendum is the approval of the restructuring plan of the Company's subsidiaries.

The announcement of the EGMS to shareholders has been announced through the Company's website, IDX website, and the eASY.KSEI facility on the same date as this Disclosure of Information. The notice of EGMS will be announced through the Company's website, IDX website, and the eASY.KSEI facility on Monday, November 28, 2022.

Shareholders who are entitled to attend the EGMS are those whose names are recorded in the shareholders register of the Company on Friday, November 25, 2022 at 16.00 Western Indonesia Time.

The EGMS will be held in accordance with the provisions as stipulated in POJK 15/2020. However, by observing compliance with applicable regulations regarding the handling of the Covid-19 pandemic, the Company may limit the number of shareholders who can physically attend the EGMS.

The Company urges the shareholders to grant power of attorney to an independent party appointed by the Company, namely PT Sinartama Gunita as the Company's Securities Administration Bureau or other parties, either through a conventional power of attorney (form can be downloaded from the Company's website [www.dssa.co.id](http://www.dssa.co.id)) or through the e-Proxy available at the eASY.KSEI facility. The e-Proxy facility is available for shareholders who are entitled to attend the EGMS from the date of the invitation until 1 (one) working day before the EGMS.

The EGMS quorum provisions refer to the provisions of Article 44 of POJK 15/2020 as follows:

- a. The EGMS may be held if attended by the Company's independent shareholders who represent more than 1/2 (one-half) of the total shares with valid voting rights owned by the Company's independent shareholders.

The resolution of the EGMS is valid if it is approved by the independent shareholders of the Company who represent more than 1/2 (one-half) of the total shares with valid voting rights owned by the independent shareholders of the Company.

- b. In the event that the quorum for the attendance of the first EGMS as referred to in point (a) is not reached, the second EGMS may be held provided that it is attended by independent shareholders of the Company representing more than 1/2 (one-half) of the total shares with voting rights that legally owned by the Company's independent shareholders.

The decision of the second EGMS is considered valid if it is approved by the independent shareholders of the Company who represent more than 1/2 (one-half) of the total shares with valid voting rights owned by the independent shareholders of the Company who are present at the second EGMS.

- c. In the event that the quorum for the attendance of the second EGMS as referred to in point (b) is not reached, the third EGMS may be convened with the provisions of the quorum of attendance set by OJK at the request of the Company.

The decision of the third EGMS is considered valid if it is approved by the independent shareholders of the Company who represent more than 1/2 (one-half) of the total shares with valid voting rights owned by the independent shareholders of the Company who are present at the third EGMS.

After the EGMS approval is obtained, the Company has 12 months to implement the Proposed Transaction. In the event that the Company has not implemented the Proposed Transaction within 12 months, the Company will hold another EGMS to request the approval related to the Proposed Transaction if it is still planned to be continued.

## VI. INDEPENDENT PARTIES APPOINTED IN THE PROPOSED TRANSACTION

The independent parties appointed by the Company are as follows:

- Makes and Partners Law Firm**, as an independent legal consultant appointed by the Company to provide input to the Company related to compliance with laws and regulations in force in the jurisdiction of the Republic of Indonesia and prepare Disclosure of Information in connection with the Proposed Transaction.  
Address : Menara Batavia, 7<sup>th</sup> Floor, Jl. K.H. Mas Mansyur Kav. 126, Karet Tengsin, Jakarta 10220, Indonesia  
Telephone : +6221 5747181  
Facsimile : +6221 5747180
- Kusnanto & Partners Public Appraisal Firm**, as an independent appraiser appointed by the Company to conduct an assessment and provide a fairness opinion on the Proposed Transaction.  
Address : Citywalk Sudirman, 6<sup>th</sup> Floor, Jl. K.H. Mas Mansyur No. 121, Jakarta 10220, Indonesia  
Telephone : +6221 25558778  
Facsimile : +6221 25556665
- Public Accounting Firm Mirawati Sensi Idris**, as the public accounting firm appointed by the Company to audit the Company's Consolidated Financial Statements for the financial years ended December 31, 2019, 2020, and 2021, conducted a limited review of the Company's Consolidated Financial Statements for the period which ended June 30, 2022, and reviewed the Company's consolidated financial pro-forma information before and after the Proposed Transaction.  
Address : Intiland Tower, 7<sup>th</sup> Floor, Jl. Jenderal Sudirman Kav. 32, Jakarta 10220, Indonesia



Telephone : +6221 5708111  
Facsimile : +6221 5722737

## **VII. STATEMENT OF THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS**

The Board of Directors and Board of Commissioners of the Company hereby declare that the Proposed Transaction consists of series of transactions which are collectively deemed as material transactions as referred to in POJK 17/2020.

The GEAR Capital Reduction Plan and the GEAR Share Transfer Plan are affiliated transactions as referred to in POJK 42/2020, because the Company, GEAR, and Duchess are controlled, either directly or indirectly, by the Widjaja family. Meanwhile, the GEMS Share Dividend Distribution Plan is not deemed as a transaction that is subject to POJK 42/2020. The Proposed Transaction is not a conflict-of-interest transaction as referred to in POJK 42/2020 because there is no discrepancy between the economic interests of the Company and the personal economic interests of members of the Board of Directors, members of the Board of Commissioners, ultimate shareholders, or controlling shareholders that may harm the Company.

The Board of Directors of the Company hereby declares full responsibility for the truth and completeness of information or material facts related to the Proposed Transaction as disclosed in this Disclosure of Information. The Board of Commissioners and Board of Directors of the Company confirm that, after conducting careful research and to the best of their knowledge and belief, all material information presented in this Disclosure of Information is true and can be accounted for and no other material information or facts related to the Proposed Transaction are not disclosed or omitted so that may cause the information presented in this Disclosure of Information to be incorrect and/or misleading.

## **VIII. ADDITIONAL INFORMATIONS**

To obtain additional information in relation to the Proposed Transaction, shareholders of the Company may contact the Corporate Secretary of the Company, during working hours of the Company to the address below:

**Corporate Secretary**  
**PT DIAN SWASTATIKA SENTOSA TBK**  
Sinar Mas Land Plaza, Tower 2, 24<sup>th</sup> Floor  
Jl. M.H. Thamrin No. 51  
Central Jakarta 10350  
Indonesia  
Telephone: +6221 31990258  
Facsimile: +6221 31990259  
Email: [corsec@dss.co.id](mailto:corsec@dss.co.id)  
Website: [www.dssa.co.id](http://www.dssa.co.id)

Jakarta, November 9, 2022  
Board of Directors of the Company