

**DISCLOSURE INFORMATION TO SHAREHOLDERS OF  
PT FAJAR SURYA WISESA TBK (the "COMPANY")  
IN CONNECTION WITH AFFILIATE TRANSACTIONS**

This information is made and is addressed to the Shareholders in compliance with Bapepam and LK Regulation No. IX.E.1 attachment to the Decision of Head of Bapepam and LK No. Kep-412 /BL/2009 dated 25 November 2009 regarding Affiliated Party Transaction and Conflict of Interest on Certain Transaction and Conflict of Interest of Certain Transactions and Anex of decision of the OJK Regulation No.31 / POJK.04 / 2015 dated December 16, 2015 concerning Openness to Information or Material Facts by Issuers or Public Companies

**THIS DISCLOSURE OF INFORMATION CONTAINED AND THE INFORMATION IN IT IS NOT INTENDED AS A GENERAL OFFERING DOCUMENT OR RECOMMENDATION TO BUY, GOOD DIRECT OR INDIRECT, ON ANY EFFECT.**



**PT FAJAR SURYA WISESA Tbk**

**Main Business Activities:**

Engaged in Industry and Packaging Paper Manufacture Company

**Domiciled in Central Jakarta, Indonesia**

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**Factory**

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**THE BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS OF THE COMPANY, INDIVIDUALLY OR JOINTLY, SHALL BE ENTIRELY RESPONSIBLE FOR THE ACCURACY AND COMPLETENESS OF ALL MATERIAL INFORMATION OR FACTS RELATED TO THE TRANSACTION AS DISCLOSED IN THIS DISCLOSURE OF INFORMATION, AND AFFIRMS THAT AFTER COMPREHENSIVE RESEARCH AND AS FAR AS THEY KNOW AND BELIEVE, CONFIRM THAT THE MATERIAL INFORMATION RELATED TO THE TRANSACTION HEREUNDER IS TRUE, AND NO OTHER MATERIAL FACT RELATED TO THE TRANSACTION THAT HAS NOT BEEN DISCLOSED OR ELIMINATED THEREBY CAUSING THE INFORMATION PROVIDED HERewith TO BE UNTRUE AND MISLEADING.**

This Disclosure of Information is published on 7 November 2018

## DEFINITIONS

- Affiliated** : Affiliate as referred to in Article 1 number 1 of the Capital Market Law, namely:
- Family relationships due to marriage and descent to the second degree, both horizontally and vertically;
  - Relationship between parties with employees, Directors or Commissioners of these parties;
  - Relationship between 2 (two) companies where there are one or more members of the same Board of Directors or Commissioners;
  - Relations between the company and the parties, both directly and indirectly, controlling or controlled by the company;
  - Relations between 2 (two) companies controlled, directly or indirectly, by the same party; or Relations between the company and major shareholders.
- Public Accountant** : KAP Satrio Bing Eny & Partners (Member of Deloitte Touche Tohmatsu Limited), whose office is at The Plaza Office Tower, 32nd Floor, Jl. M.H. Thamrin Kav. 28-30, Jakarta 10350.
- Bapepam** : The Capital Market Supervisory Agency as referred to in Article 3 paragraph 1 of the Capital Market Law or an authorized capital market authority institution.
- Bapepam dan LK** : Bapepam and Financial Institutions which are an amalgamation of Bapepam and the Directorate General of Financial Institutions (DJLK), in accordance with the Decree of the Minister of Finance of the Republic of Indonesia No. 606 / KMK.01 / 005 dated 30 December 2005 concerning the Organization and Capital Market Supervisory Body and Finance Institute (Badan Pengawas Pasar Modal and Lembaga Keuangan) as referred to in Finance Ministry of the Republic of Indonesia Regulation No. 184/PMK.01/2010 dated 11 October 2010 regarding Organization and Work Procedures of the Finance Ministry, or substitutes and recipients of their rights and obligations.
- Conflict Interest** : Conflict of Interest as stipulated in Number 1 letter e Regulation No. IX.E.1. Conflict of Interest is the difference between the economic interests of the Company and the personal economic interests of the members of the Board of Directors, members of the Board of Commissioners, or major shareholders who can harm the Company.
- Securities Administration Bureau** : Namely PT Datindo Entrycom, located at di Jl. Hayam Wuruk No. 28, Jakarta 10120, Indonesia.
- CMI** : PT Capital Management Indonesia, a limited liability company established based on and subject to the laws of the Republic of Indonesia and domiciled in Jakarta, Indonesia.

<b>DAP</b>	: PT Dayasa Aria Prima, a limited liability company established based on and subject to the laws of the Republic of Indonesia and domiciled in Jakarta, Indonesia whose 99.99% shares are owned by the Company and their financial statements are consolidated into the Company.
<b>Disclosure Information</b>	: Information as stated in this announcement and any additional information that may or will be available.
<b>Financial Report</b>	: Audited Financial Statements dated 30 June 2018 by a Public Accountant.
<b>Menkumham</b>	: Ministry of Law and Human Rights of the Republic of Indonesia.
<b>Object of Transaction</b>	: namely: <ul style="list-style-type: none"> <li>(i) A plot of land owned by SAIPK based on the Building Use Right Certificate ("SHGB") No. 06 / Desa Sumput as described in the Situation Figure dated 27 April 1995, number 1433/1995, covering an area of 57,960 m<sup>2</sup> and the building standing on it, located on the Driyorejo Highway, Sumput Village, Gresik Regency, East Java ("Tanah SAIPK");</li> <li>(ii) 1 Turbine Gas brand General Electric type 6AA1PB242-1 and 1 Set Heat Recovery Boiler Ahistromhistrom brand with model / type TF82-TEG 136.4 belonging to SAIPK ("SAIPK Machines"); and</li> <li>(iii) A plot of land owned by CMI based on SHGB No. 2336 / Desa Sumput as described in the Measure Letter dated 16 July 2013, number 829 / 02.09 / 2013, covering an area of 27,090 m<sup>2</sup> along with a building that stands on it, located on Driyorejo Highway, Sumput Village, Gresik Regency, East Java ("Land of CMI").</li> </ul>
<b>Financial Services Authority or OJK</b>	: An independent institution established under Law No. 21 of 2011 regarding the Financial Services Authority ("OJK Law"), whose duties and authority includes the regulation and supervision of financial services activities in the banking, capital markets, insurance, pension funds, financing institutes and other financial institutions sectors. Where since 31 December 2012, OJK is the institute that replaced and received the rights and obligations to conduct regulatory and supervisory functions from Bapepam and/or Bapepam-LK in accordance with the provisions of Article 55 of OJK Law.
<b>Shareholders</b>	: Means the Company's shareholders whose names are registered in the list of the Company's shareholders

issued by the Securities Administration Bureau.

- Independen Appraisal** : The Office of Public Appraisal Services of Iwan Bachron and Partners, an independent appraiser registered at the OJK who provides fairness opinion on the Transaction.
- Regulation No. IX.E.1** : Decision of the Chair of Bapepam-LK No. Kep-412/BL/2009 dated 25 November 2009, Regulation No. IX.E.1 regarding Affiliated transactions and Conflicts of Interest in Certain Transactions.
- POJK No. 32/2014** : OJK Regulation No. 32 / POJK.04 / 2014 dated 8 December 2014 concerning the Plan and Implementation of the General Meeting of Shareholders of the Public Company as amended by the Financial Services Authority Regulation No.10 / POJK.04 / 2017 dated March 14, 2017 concerning Amendments to the Financial Services Authority Regulation Number 32 / POJK.04 / 2014 concerning the Plan and Implementation of the General Meeting of Shareholders of the Public Company.
- POJK No. 31/2015** : OJK Regulation No.31 / POJK.04 / 2015 dated 16 December 2015 concerning Openness to Information or Material Facts by Issuers or Public Companies.
- Company** : PT Fajar Surya Wisesa Tbk, a public company established based on and subject to the laws of the Republic of Indonesia and domiciled in Jakarta, Indonesia and its shares are listed on the Indonesia Stock Exchange.
- SAIPK EGMS** : the Extraordinary General Meeting of Shareholders of SAIPK held on Wednesday, 19 September 2018 based on the provisions of OJK Regulation No. 32/2014
- SAIPK** : PT Surabaya Agung Pulp & Paper Industry Tbk, a public company established based on and subject to the laws of the Republic of Indonesia and domiciled in Surabaya, Indonesia.
- Transaction** : means the purchase of the Transaction Object by the DAP, as follows:
- (i) SAIPK land based on the Sale and Purchase Deed ("AJB") No. 19 dated 5 November 2018 made before Diah Wahyuningtyas, S.H., Master of Notary, PPAT in Gresik Regency;
  - (ii) SAIPK Machines based on AJB No. 01 dated 5 November 2018 made before Ayem Agustinah, S.H., M.Kn., Notary in Gresik Regency; and
  - (iii) CMI land based on AJB No. 20 November 5, 2018 made before Diah Wahyuningtyas, S.H., Master of Notary, PPAT in Gresik Regency.

**Capital Market Law** : the Law of the Republic of Indonesia No. 8 of 1995 dated 10 November 1995 concerning Capital Market, State Gazette of the Republic of Indonesia No. 64 of 1995, Supplement No. 3608, along with the changes and the implementing regulations.

**Company Law** : the Law of the Republic of Indonesia No. 40 of 2007 concerning Limited Liability Companies, State Gazette of the Republic of Indonesia No. 106 of 2007 Supplement No. 4756, along with the implementing regulations and their changes.

## PREFACE

Information as stated in this Disclosure Information is made in order to fulfill the Company's obligation to deliver the disclosure information on Transactions which are affiliated transactions that have been carried out by DAP. In connection with the Transaction according to the provisions of the applicable laws and regulations, specifically the provisions of Number 2 letter (a) of Regulation No. IX.E.1, the Board of Directors of the Company must announce to the public and submit proof of announcement and supporting documents to OJK no later than the end of the second business day after the Transaction.

Information disclosure on the execution of the Transaction was carried out with the intention of providing an explanation, consideration and the reasons for the Transaction being carried out to the public and the OJK as part of fulfilling the Company's obligations to Regulation No. IX.E.1 and OJK Regulation No. 31/2015.

## BACKGROUND OF THE TRANSACTIONS

### A. REASONS AND BACKGROUND OF THE TRANSACTION

SAIPK and CMI currently need of funds to increase the cash flow in order to pay their obligations. Therefore, by carrying out the Transaction, they saw a potential and better funding allocation in order to increase the cash flow and liquidity of SAIPK and CMI funds. As for the DAP, Transactions can directly provide an additional assets so that they can develop their business activities. In terms of the Company, the Transaction indirectly can provide additional assets so that it can develop its business activities and indirectly increase the value of the Company's equity and investment portfolio, so that in the future it is expected to increase the Company's revenue.

### B. OBJECT OF THE TRANSACTION

The object of the Transaction is in the form of SAIPK Land, SAIPK Machines and CMI Land as described above with the purchase price, namely (i) SAIPK Land in the amount of Rp55,032,160,000.00 (fifty five billion thirty two million one hundred sixty thousand Rupiah) , (ii) SAIPK Machines in the amount of Rp 32,592,108,000 (thirty two billion five hundred ninety two million one hundred eight thousand Rupiah), and (iii) CMI Land in the amount of Rp.15,500,000,000.00 (fifteen billion five hundred million Rupiah), or a total of IDR 103.124.268.000,00 (one hundred three billion one hundred twenty four million two hundred sixty eight thousand Rupiah).

By comparing the value of the Transaction with the total equity of the Company based on the Financial Report amounting to Rp3,541,972,268,169.00 (three trillion five hundred forty one billion nine hundred seventy two million two hundred sixty eight thousand one hundred sixty nine Rupiah), then the percentage the value of the Transaction against the Company's equity is 2.91%. So that Transactions are not material transactions as stipulated in Bapepam-LK Regulation No. IX.E.2, Attachment to Decision of Chairman of Bapepam-LK No. Kep-614 / BL / 2011 dated November 28, 2011 concerning Material Transactions and Changes in Main Business Activities.

### **C. PARTIES OF THE TRANSACTIONS**

The following is a brief description of the parties involved in the Transaction:

#### **(i) DAP as a buyer**

##### **Brief History**

DAP, domiciled in Central Jakarta is a limited liability company established based on and subject to the laws and regulations in force in the Republic of Indonesia. DAP was established based on the Deed of Establishment of Limited Liability Company No. 87 dated December 14, 2017, made before Yulia, S.H., a Notary in South Jakarta. The deed was approved by Menkumham based on Decree No. AHU-0057018.AH.01.01.Year 2017 dated December 15, 2017 and has been registered in the Register of Companies in accordance with the Company Law with No. AHU-0159931.AH.01.11.Year 2017, December 15, 2017.

The latest Articles of Association of the DAP have undergone the latest changes and changes as contained in the DAP No. Shareholders Decree Deed No. 11 dated 2 October 2018, made before Yulia, S.H., a Notary in South Jakarta, who has obtained (i) Approval Letter of Amendment to Articles of Association with No. AHU-0020530.AH.01.02.Tahun 2018 dated October 3, 2018 and has been registered in the Register of Companies in accordance with the Company Law with No. AHU-0130710.AH.01.11. Year 2018 October 3, 2018 and (ii) Letter of Acceptance of Notification of Amendment to Articles of Association with No. AHU-AH.01.03-0249093 dated October 3, 2018 and registered in the Register of Companies in accordance with the Company Law with No. AHU-0130710.AH.01.11. Year 2018 dated October 3, 2018 ("**Deed No. 11/2018**").

##### **Business Activities**

DAP engaged in trade, development, industry, printing, agriculture, workshop, service and transportation.

##### **Capital and Shareholder Structure**

Based on Deed No. 11/2018 and List of DAP Shareholders as of October 10, 2018, the capital structure and composition of DAP shareholders are as follows:

No.	Shareholders	Number of Share	Amount of Share Nominal Value (Rp) @Rp1.000,00	%
<b>Authorized capital</b>		<b>750.000.000</b>	<b>750.000.000.000</b>	
<b>Issued capital</b>				
1.	The Company	189.999.000	189.999.000.000	99,99
2.	PT Intratata Usaha Mandiri	1.000	1.000.000	0.01
<b>Total Paid Up Capital</b>		<b>190.000.000</b>	<b>190.000.000.000</b>	<b>100,00</b>
<b>Number of Shares in Portfolio</b>		<b>560.000.000</b>	<b>560.000.000.000</b>	

### **Current composition**

Based on the DAP Decree No. DAP. 91 dated 29 August 2018, which was made before Yulia, S.H., a Notary in South Jakarta, who had received a Letter of Acceptance of Notification of Company Data No. AHU-AH.01.03-0237545 dated 30 August 2018 and has been registered in the Register of Companies in accordance with the Company Law with No. AHU-0113997.AH.01.11.Year 2018 dated August 30 2018, the composition of the DAP management is as follows:

### **Board of Commissioners**

Commissioner : Any Indrawati

### **Board of Directors**

President Director : Leonardy Halim  
 Director : Efendy Sugijanto  
 Director : Andree Budi Soesilo

## **(ii) SAIPK as a Seller**

### **Brief History**

SAIPK was established based on the Deed of Establishment of Limited Liability Company No. 35 dated 31 August 1973, which was made before Harsono Sutedja, S.H., Notary in Surabaya. The Deed of Establishment has been approved by the Minister of Justice of the Republic of Indonesia in Decree No. YA-5/26/21 dated January 27, 1975 and announced in the State Gazette of the Republic of Indonesia No. 45 dated 4 June 1976 Supplement No. 420 dated June 4, 1976.

The Articles of Association of SAIPK have undergone several changes with the latest changes as stated in the Deed of Decision of the SAIPK EGMS No.48 dated December 11, 2015, which was made before Anita Anggawidjaja, S.H., Notary in Surabaya, the contents of which are in accordance with OJK Regulation No. 32/2014 and OJK Regulation No. 33 / POJK.04 / 2014 concerning Directors and Board of Commissioners of Issuers or Public Companies, which have obtained Approval Letter of Amendment to Articles of Association of Menkumham with No.AHU-0947958.AH.01.02.Tahun 2015 dated 15 December 2015 and have been reported and accepted as well as recorded in the Kemenkumham Legal Entity Administration System list with No. AHU-AH.01.03-0987854 dated 15 December 2015 and registered in the Company's Register in accordance with

the Company Law with No. AHU-3592791.AH.01.11. Year 2015 dated 15 December 2015 ("**Deed No. 48/2015**").

**Business Activities.**

SAIPK engaged in Industry and Trade.

**Capital and Shareholder Structure**

Based on Deed No.48 / 2015, the capital structure and composition of SAIPK's shareholders are as follows

No.	Shareholders	Number of Shares		Amount of Share Nominal Value (Rp)		%
		Seri A	Seri B	Seri A @Rp1.000,00	Seri B @Rp395,00	
<b>Authorized capital</b>		<b>4.753.140.000</b>	<b>3.156.607.595</b>	<b>4.753.140.000.000</b>	<b>1.246.860.000.025</b>	
<b>Issued capital</b>						
1.	ZT Holding Pte. Ltd.	1.359.667.303	2.632.174.045	1.359.667.303.000	1.039.708.747.775	72,45
2.	Public	993.299.163	524.433.550	993.299.163.000	207.151.252.250	27,55
<b>Total Paid Up Capital</b>		<b>2.352.966.466</b>	<b>3.156.607.595</b>	<b>2.352.966.466.000</b>	<b>1.246.860.000.025</b>	<b>100</b>
<b>Number of Shares in Portfolio</b>		<b>2.400.173.534</b>	<b>-</b>	<b>2.400.173.534.000</b>	<b>-</b>	

**Current composition**

Based on the Deed of Decision of the SAIPK Shareholders No. 27 dated October 5, 2018, which was made before Anita Anggawidjaja, S.H., Notary in Surabaya, who had obtained the Letter of Acceptance of the Company's Data Change Notification No. AHU-AH.01.03-0251202 dated October 10, 2018 and has been registered in the Register of Companies in accordance with the Company Law with No. AHU-0133869.AH.01.11. In 2018 on 10 October 2018, the composition of the SAIPK management is as follows:

**Board of Commissioners**

President : Cruz Herminigildo Jr Javier  
 Commissioner  
 Independent : Djohan Tedjosoejanto  
 Commissioner

**Board of Directors**

Independent Director : Rasmachahjana Sulisty  
 Directors : Zhang Hui Han Sindu  
 Directors : Tio Kuncoro Sulisty

**(iii) CMI as a Seller**

**Brief History**

CMI was established based on the Deed of Establishment of Limited Liability Company No. 4 dated December 12, 2003, which was made before Susanna Tanu, S.H., Notary in Jakarta. The deed was approved by Menkumham based on Decree No. C-05752 HT.01.01.TH.2004 dated March 9, 2004 and has been registered in the Company Register in accordance with Law No. 3 of 1982 concerning Obligatory Registration of Companies with No. 0687 / BH 09.05 / III / 2004 dated March 25, 2004.



CMI's articles of association have been amended several times with changes to the latest articles of association as stated in the Deed of Decision of the Extraordinary General Meeting of Shareholders of Limited Liability Company CMI No. 6 dated September 27, 2012, made before Muslim, S.H., M.Kn., Notary in Karawang.

**Business Activities.**

CMI engaged in the field of electricity generation and the power plant machinery industry.

**Capital and Shareholder Structure**

Based on the Deed of Decision of the Decision of CMI Shareholder No. 1 dated June 1, 2011, made before Jimmy Tanal, SH, in lieu of Hasbullah Abdul Rasyid, SH, M.Kn., a Notary in South Jakarta, who had obtained an Approval of Amendment to the Articles of Association of Menkumham with No.AHU-29256. AH.01.02.Tahun 2011 dated June 10, 2011 and has been reported and received and recorded in the Kemenkumham Legal Entity Administration System list with No. AHU-AH.01.10-19866 dated June 27, 2011 and registered in the Register of Companies in accordance with the Company Law with No. AHU-0052064.AH.01.09.In 2011 dated June 27, 2011, the capital structure and composition of the Company's shareholders are as follows:

No.	Shareholders	Number of Share	Amount of Share Nominal Value (Rp) @Rp1.000.000,00	%
<b>Authorized capital</b>		<b>440.000</b>	<b>440.000.000.000</b>	
<b>Issued capital</b>				
1.	Meton Properties Sendirian Berhad	104.500	104.500.000.000	95,00
2.	Wielianto Setyono	5.500	5.500.000.000	5,00
<b>Total Paid Up Capital</b>		<b>110.000</b>	<b>110.000.000.000</b>	<b>100,00</b>
<b>Number of Shares in Portfolio</b>		<b>330.000</b>	<b>330.000.000.000</b>	

**Current composition**

Based on the Deed of Meeting Decree CMI No. 11 dated June 8, 2015, which was made before Wimphry Suwignjo, S.H., Notary in Surabaya, who had obtained a Letter of Acceptance of Company Data Change Notification No. AHU-AH.01.03-0938985 dated June 10, 2015 and has been registered in the Register of Companies in accordance with the Company Law with No. AHU-3515778.AH.01.11.In 2015 on 10 June 2015, the composition of the DAP management is as follows:

**Board of Commissioners**

Commissioner : Lee Siew Chain

**Board of Directors**

Directors : Rasmachahjana Sulisty

#### **D. Nature of Affiliate Relationship of the Transacted Parties**

Persuant on Regulation No. IX.E.1, the Company, DAP, SAIPK and CMI are affiliated parties to the Company because our Commissioner and Shareholder and DAP controlling shareholder, Winarko Sulisty, is the uncle of each of Rasmachahjana Sulisty, (i) brother of Tio Kuncoro Sulisty who is the Director of SAIPK, (ii) uncle of Rasmachahjana Sulisty who is President Director of SAIPK and Director of CMI, and (iii) uncle of Zhang Hui Han Sindu who is the Director of SAIPK. As for Vilia Sulisty who is the Director and shareholder of the Company and that Company is the controlling shareholder of DAP, and as (i) niece of Tio Kuncoro Sulisty who is Director of SAIPK and (ii) cousin of Rasmachahjana Sulisty who is President Director of SAIPK and Director of CMI and Zhang Hui Han Sindu is the Director of SAIPK.

In connection with the planned sale of its assets, SAIPK has obtained the approval of an independent shareholder based on the SAIPK EGMS September 19, 2018, whose decision is contained in the Deed of Minutes of the SAIPK EGMS No. 143 dated September 19, 2018, made by Anita Anggawidjaja, S.H., Notary in Surabaya.

Independent parties who play a role in the Transaction and have been appointed by the Company are as follows:

Law Consultant : Makes & Partners Law Firm  
Independent Appraiser : KJPP Iwan Bachron dan Rekan

#### **SUMMARY OF THE APPRAISAL REPORT**

To ensure the fairness of the value of the Transaction, the Company has requested an Independent Appraiser registered with the Financial Services Authority ("OJK"), namely the Office of Public Appraisal Services (KJPP) Iwan Bachron and Rekan ("KJPP IDR") as the official KJPP. 2.09.0047, Kep. Minister of Finance No. 552KM.1 / 2009 dated April 13, 2009 from the Ministry of Finance of the Republic of Indonesia registered as a capital market supporting profession at OJK with Capital Market Supporting Professionals (STTD) No. STTD.PPB-27 / PM.2 / 2018 (Property and Business Assessment) as an independent appraiser to provide opinions on the market value of SAIPK and CMI Assets and the fairness of the Transaction.

##### **A. Summary of Assessment Report**

The following is a summary of the SAIPK and CMI 1057 / IDRBDG / PEN / IX / 2018 Asset valuation reports dated 20 September 2018 compiled by KJPP IDR:

- a. Fairness Opinion Object  
The fairness opinion objects are SAIPK and CMI Assets in the form of land, buildings, and machinery and equipment located on Jalan Sumput, Sumput Village, Driyorejo District, Gresik.
- b. Purposes of the Fairness Opinion  
The purpose of the valuation of SAIPK and CMI Assets is to provide opinions on the market value of SAIPK and CMI Assets as of June 30, 2018 which are stated in Rupiah. The purpose of the valuation is to provide an overview of the market

value of SAIPK and CMI Assets which will then be used by the Company as a reference in the course of implementing the Transaction.

c. Limitation and Assumptions

- Assessments and Assessment Reports are prepared only for the purpose and objectives as stated in the Assessment report. We are not responsible to other parties other than the Assignor. Other parties who use this report are responsible for all risks that arise.
- Information that has been given by another party to the Appraiser as mentioned in the Assessment report is deemed feasible and reliable, but the Appraiser is not responsible if it turns out that the information provided is proven to be not in accordance with the real thing. Information stated without mentioning the source is the result of our review of existing data. Examination of documents or statements from authorized government agencies. The responsibility for re-checking the correctness of the information is entirely on the part of the Assignor.
- The value stated in this report and any other values in the report that are part of the object that is considered only applies in accordance with the purpose and objective of the Assessment. The value used in this assessment report may not be used for other purposes of evaluation that can result in errors.
- Appraisers do not carry out research and investigations that have to do with the truth of legality, and receivables that result in losses on the property assessed, because it is not the scope of the appraiser's work. We assume that the object assessed is free from all lawsuits.
- The field inspection that we did was only on the condition of the assets stated in this report which is a visible condition, so that it is not intended to check the condition of property below the ground / water level. Do not investigate construction feasibility (building audit) and do not investigate detailed technical conditions.
- We do not conduct investigations on environmental issues relating to pollution. If not informed otherwise. Our assessment is based on assumptions about the absence of pollution that can affect value.
- Office of Public Appraisal Services (KJPP) IWAN BACHRON AND PARTNERS are not obliged to give testimony or attend before a court or government official, if this is not related to the purpose and purpose of this report, and outside the scope of the assignment.
- If in the future the Appraiser is asked to provide explanations and explanations made outside the work area of our office, or to parties other than the Assignor and service users, then all forms of costs that arise are borne by the Assignor.
- This valuation report is invalid if it is not signed by the office and office seal from KJPP IWAN BACHRON AND PARTNERS.

d. The Valuation Methods Applied

The approach and methodology that being used in this valuation is the cost approach. The cost approach is the valuation approach to get the value of the valuation object based on the reproduction cost new or the replacement cost new at the cut-off date after being reduced by depreciation.

New reproduction costs / new replacement costs are calculated by considering the costs incurred for the procurement of property including planning and supervision costs, unit or material procurement costs, foundation costs, construction or installation costs, including all standard expenditures relating to transportation, insurance, import duties, taxes, and interest costs during the

construction period, but not including costs due to time delay and overtime costs.

e. Conclusion

Based on the analysis of all data and information received and taking into account all relevant factors that influence the valuation, KJPP IDR concludes that the market value of SAIPK and CMI Assets as of June 30, 2018 is Rp110,071 billion.

**B. Summary of fairness opinion report**

The following is a summary of the fairness opinion report No. 025 / IDRBDG-FO / XI / 2018 November 6, 2018 compiled by KJPP IDR:

a. The Transacting Parties

The Transaction parties are the Company, SAIPK, CMI, and DAP.

b. The Transaction Object

The Transaction Object is the Transaction carried out by the Company for the purchase of Assets owned by SAIPK and CMI.

c. Purpose and Objective of the Fairness Opinion

Purpose and objective of the preparation of the fairness opinion report of the Divestment Transaction is to provide an overview on the fairness of the Divestment Transaction to the Company's Directors and to comply with the applicable regulations, i.e. Rule IX.E.1.

d. Limiting Conditions and Major Assumptions

- KJPP IDR assumes that since the Transaction until the issuance of this fairness opinion there has been no change whatsoever has a material effect on the Transaction.
- KJPP IDR assumes that the Company complies with all regulations stipulated by the government, especially those related to the Company's operations, both in the past and in the future
- KJPP IDR assumes that the legality of the Company has no problems either legally or other issues both before and after the Transaction.
- KJPP IDR assumes that the Company has and will fulfill obligations relating to taxation, levies and other levies in accordance with applicable regulations.
- KJPP IDR has reviewed the documents used in the assessment process.
- This Fairness Opinion Report is a non-disclaimer opinion.
- Fairness opinion is a report that is open to the public unless there is confidential information, which can affect the Company's operations.
- KJPP IDR is responsible for the fairness opinions and conclusions of fairness opinions.
- KJPP IDR has obtained information on the terms and conditions in the agreements related to Transactions from the Company.

e. Assessment Approach and Procedure

In evaluating the fairness of the Transaction, the IDR has conducted (a) analysis of Transactions, namely an analysis of the identification and relations between the parties involved in the Transaction, analysis of binding agreements and requirements in Transactions, analysis of benefits and risks of Transactions; (b) qualitative analysis of Transactions that include the Company's history and the Company's business activities, industry analysis, operational analysis and

prospects of the Company, analysis of the reasons for the Transaction, Transaction gains and losses; (c) quantitative analysis, which includes analysis of the Company's historical financial statements, analysis of the Company's cash flows, analysis of the Company's financial ratios, analysis of the Company's financial projections, value added analysis; and (d) analysis of the fairness of the value of the Transaction.

f. Final Conclusion

Based on the fairness analysis of the Transaction plan as described in the fairness opinion analysis above, KJPP IDR believes that the Transaction is reasonable.

**ADDITIONAL INFORMATION**

Any further information needed, please contact the Company at the address:

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Jakarta, 7 November 2018

**Board of Directors**