

**ATTACHMENT OF LETTER NO. 003/SM-DIR/BEI/VIII/2021 DATED AUGUST 10, 2021**

1. In accordance with the corporate action of the Company's bonus shares, the source of bonus shares comes from the treasury shares, please elaborate on:
  - a. The source of bonus shares comes from treasury shares, not causing issuance of new shares. Please explain whether in terms of accounting principles, the usage of treasury shares meets the clause of other equity elements, as regulated in article 3, POJK Number 27/POJK.04/2020 regarding Bonus Shares. Please provide references from PSAK which regulates this matter.

**Company Response:**

Based on *Pernyataan Standar Akuntansi Keuangan* (Indonesian National GAAP) or PSAK 1, Presentation of Financial Statements, Paragraph 79, *Entity shall disclose the following in the statement of financial position or statement of changes in equity, or notes to the financial statements, including:*

*A (i) Shares of the entity owned by the entity itself or by subsidiaries or associates. Thereby, treasury shares are included as part of other equity elements.*

- b. Please provide the transaction journal for the distribution of bonus shares using treasury shares.

**Company Response:**

Based on *Pernyataan Standar Akuntansi Keuangan* (Indonesian National GAAP) or PSAK 50, Financial Instruments: Presentation, Paragraph 33, *if an entity reacquires its equity instruments, then the instruments (treasury shares) are deducted from equity. Gains or losses arising from the purchase, sale, issuance, or cancellation of the entity's equity instruments are not recognized in Profit or Loss Statement. Treasury shares can be acquired and owned by the related entity or by other members of the consolidated group. Fees paid or received are recognized directly in equity.*

The following is journal of accounting transaction that occur when the treasury shares are distributed;

**Transaction Journal**

\*in million Rupiah, unless otherwise stated

Financial Statement Post	Debit	(Credit)
Premium of paid	58,247	
Treasury Shares		(58,247)
(227,253,602 shares x Rp256.31 per share)		

2. The Company provides a pro-forma share ownership and equity position of the Company, before and after the distribution of Bonus Shares.

**Company Response:**

In the Company's Information Disclosures on July 28, 2021, the Company plans to distribute Bonus Shares of 227.253.602 shares. The following is the pro-forma of share ownership and equity position

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of the Company before and after the distribution of the Bonus Shares based on the Statement of Financial Position as of June 30, 2021;

**Shares Ownership Structure as of June 30, 2021**

\*in the number of full shares

Shares Ownership	Before	%	After	%
PT Hotel Candi Baru	18,000,000,000	60.46%	18,137,404,580	60.46%
Concordant Investments Pte. Ltd.	6,300,000,000	21.16%	6,348,091,603	21.16%
Johan Hidayat (Commissioner)	1,843,000	0.01%	1,857,068	0.01%
Leonard (Director)	1,303,600	0.00%	1,313,551	0.00%
Public	5,467,075,200	18.36%	5,508,808,600	18.36%
Sub-Total	29,770,221,800		29,997,475,402	
Treasury Shares	229,778,200		2,524,598	
<b>TOTAL</b>	<b>30,000,000,000</b>		<b>30,000,000,000</b>	

**Statement of Financial Position as of June 30, 2021**

\*in million Rupiah, unless otherwise stated

Equity	Before	Impact of Changes	After
Issued and fully paid – share capital	1,500,000		1,500,000
Additional paid-in capital	707,314	(58,247)	649,067
Treasury shares	(58,895)	58,247	(648)
Retained earnings			-
- Appropriated	322,984		322,984
- Unappropriated	691,776		691,776
Equity attributeable to the owner of parent entity	3,163,179	-	3,163,179
Non-controlling interest	7		7
<b>TOTAL EQUITY</b>	<b>3,163,186</b>	<b>-</b>	<b>3,163,186</b>

3. To explain the impact of the distribution of treasury shares as Bonus Shares on the Statement of Financial Position and Income Statement. If there is an impact on the recognition of losses for the Company, elaborate the reason for the Company to continue to distribute bonus shares using treasury.

**Company Response:**

There is no impact on the Statement of Financial Position and Income Statement on the distribution of Treasury Shares as Bonus Shares. Accounting records in accordance with the provision of PSAK which has been explained in the response to question number 1, point a. The following is the pro-forma Statements of Financial Position and Profit or Loss Statement before and after the distribution of Bonus Shares, based on Financial Statements as of June 30, 2021;

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**Statement of Financial Position as of June 30, 2021**

\*in million Rupiah, unless otherwise stated

Elements of Financial Position Statement	Before	Impact of Changes	After
TOTAL ASSETS	3,591,106		3,591,106
TOTAL LIABILITIES	427,920		427,920
TOTAL EQUITY	3,163,186	-	3,163,186

**Statement of Profit Or Loss For the Period Ended June 30, 2021**

\*in million Rupiah, unless otherwise stated

Elements of P/L Statements	Before	Impact of Changes	After
Sales	1,654,799		1,654,799
Cost of Goods Sold	(724,715)		(724,715)
<b>Gross Profit</b>	<b>930,084</b>	-	<b>930,084</b>
Selling and marketing expenses	(223,959)		(223,959)
General and administrative expenses	(98,687)		(98,687)
Other expenses	(140)		(140)
Other income	13,443		13,443
<b>Operating Profit</b>	<b>620,741</b>	-	<b>620,741</b>
Finance income	22,010		22,010
Finance cost	(398)		(398)
<b>Profit Before Income Tax Expenses</b>	<b>642,353</b>	-	<b>642,353</b>
Income tax expense – net	(140,352)		(140,352)
<b>Profit For the Period</b>	<b>502,001</b>	-	<b>502,001</b>

4. The reason and background of the Company choose the distribution of Bonus Shares as method to distribute the treasury shares to the public.

**Company Response:**

The Company's commitment is to maintain and increase SIDO shares trading liquidity. We have communicated this commitment through several mass media;

"... SIDO is committed to distribute back the treasury shares that been brought by the Company before to the Public. This is done to maintain the trading liquidity of SIDO shares on the exchange..." source:

<https://investasi.kontan.co.id/news/akan-lepas-22978-juta-saham-treasury-ini-penjelasan-sido-muncul-sido>. With the increase of shares liquidity, its expected that the distribution of Company's shares will be more evenly distributed and more reflecting fundamental of the Company.

Therefore, the Company will distribute Bonus Shares derived from Treasury Shares through Shareholders approval at the EGMS that will be held on September 3, 2021. As well as, the transfer of Treasury Shares as Bonus Shares will be done in accordance with OJK, IDX, other applicable regulations in Indonesia.

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