



Press Release

Bakrieland Strengthens its Financial Structure after Completion of the Global Bonds Restructuring

Jakarta, 11 November 2019 - In 2018, PT Bakrieland Development Tbk (Bakrieland, ELTY) recorded a net profit of Rp2.73 trillion or a 1,123% increase compared to the same year in 2017 of Rp266.48 billion net loss.

The increase in net profit in 2018's financial report was mainly due to the completion of the global bonds restructuring of US\$197,28 million or equivalent of Rp 2,81 trillion. The global bonds completion was based on the provisions in the restructuring scheme ("Scheme of Arrangement") for global bonds scheme under the Singapore High Court's decision dated 8 November 2017. With the implementation of the restructuring scheme, in March 2018, the Singapore High Court provided a final notice through its ruling, to release the Company from its liabilities under the scheme and all guarantees related to this successful restructuring.

With the completion of the debt restructuring, the Company's total liabilities in 2018 decreased by 50.13%, to Rp 3.95 trillion compared to Rp 7.92 trillion in 2017. The Company will continue its efforts to restructure and reduce its liabilities gradually to improve and strengthen its financial structure and obligations in order to strengthen the Company's outlook in 2020 and beyond.

"The Company is optimistic that with the successful completion of the bond restructuring, which contributed in decreasing the Company's liabilities, will support the Company's future expansion for its future developments" noted Mr. Ambono Janurianto, President Director & CEO of Bakrieland, during Bakrieland's Annual General Meeting of Shareholders (AGMS) in Jakarta, Monday (11/11).

Throughout 2019, policies issued by the government and Bank of Indonesia, such as the relaxation of the loan to value (LTV) ratio, the decrease trends in the benchmark interest rates, the initiative revision of the tax rules related to luxury goods are expected to bring a positive stimulus to the property industry, which has currently experienced stagnation and general declines. In the current conditions, the Company remains optimistic and will tread more prudently in terms of any future project developments.

In terms of the future, the Company will focus on land bank or existing properties such as properties located in Jakarta, Sidoarjo, Bogor, and Lampung. For the short term, the Company will focus on residential project developments which targets the middle-class segment customers in Sidoarjo and Bogor area. In addition, the Company also plans to conduct existing product refurbishments to optimize their values. Also, aside from new property developments planned, the Company will continue to improve and realign / reconfiguring its products and services towards recurring projects that bring major revenues / income for the Company, including the Theme park, Waterpark, and Hotels sectors

The Company also plans to start new development projects, including the following:

- Kahuripan Nirwana, Sidoarjo Sector 2- an area of 35 Ha in which 10 Ha's is in development. In the second sector, developments remain focused on the middle – class segment housing clusters. In addition, commercial areas or shophouses will be developed as supporting facilities for its residents;
- Nirwana Hills, Bogor - a new township project with a total development area of 364 Ha's. The Company will begin development in stages, with Phase I focusing on the 85 Ha development area, which include more than 1,000 residential housing, commercial areas, club house, supporting facilities and open green area; and
- Rasuna Park, Jakarta - A refurbishment project of the Gelanggang Mahasiswa Soemantri Brodjonegoro (GMSB) and Plaza Festival in Kuningan area South Jakarta, in cooperation with the Regional Government of DKI. This project is set on 9.5 Ha's of land, of which 2 Ha's will remain as an open green space. The development will have range mixed use facilities, complemented by the Transit Oriented Development (TOD), and connected with the LRT lines Cawang - Dukuh Atas, making it easier for residents to access the products and facilities contained in the Rasuna Park and surrounding CBD area.

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