# Pakuwon Jati

## *Results Presentation – 3Q 2020*

PT PAKUWON JATI

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Section 1

# Result summary

PT PAKUWON JATI

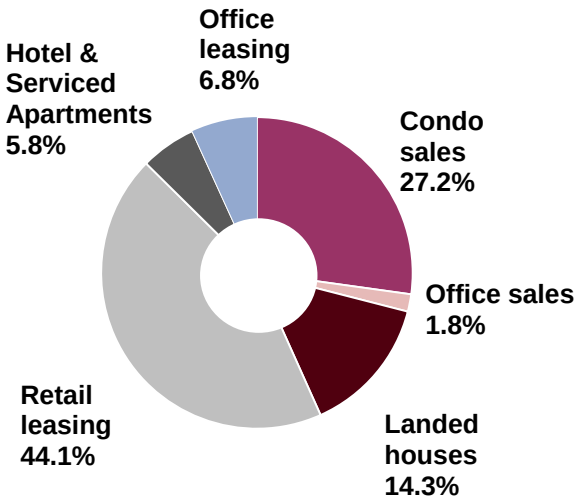
# Results summary

| *(Rp bn unless otherwise stated)* | 3Q 2020 | 3Q 2019 | Variance | Comments |
|---|---|---|---|---|
| **Revenue**[1] | **3,047** | **5,240** | **(41.9%)** | 37% decrease in recurring revenues and 48% decrease in development revenue recognition. Pakuwon Permai contributed Rp 878bn (29%) of revenues. |
| **Gross Profit**[2] | **1,508** | **3,089** | **(51.2%)** | |
| *Gross Profit Margin (%)* | *49.5%* | *58.9%* | | |
| **EBITDA**[2] | **1,604** | **3,005** | **(46.6%)** | |
| *EBITDA Margin (%)* | *52.7%* | *57.3%* | | |
| **Net Income for the Period**[3] | **953** | **2,403** | **(60.3%)** | |
| *Net Income Margin (%)* | *31.3%* | *45.8%* | | |
| **Net Income Attributable to Owners**[3] | **826** | **2,058** | **(59.9%)** | |
| *Net Income Margin (%)* | *27.1%* | *39.3%* | | |
| **Earning Per Share (Rp)**[3] | | | | |
| Basic | 17.14 | 42.73 | (59.9%) | |

Notes:
1 Adjusted for acquisition related COGS from goodwill costs of Rp1bn in 3Q2020 and Rp21bn in 3Q2019
2 Adjusted for acquisition COGS from goodwill costs of Rp1bn in 3Q2020 and Rp21bn in 3Q2019, forex gain (loss) of (Rp239bn) in 3Q2020 and Rp73bn in 3Q2019 respectively, gain on derivative of Rp14bn in 3Q2020 and Rp40bn in 3Q2019 respectively.

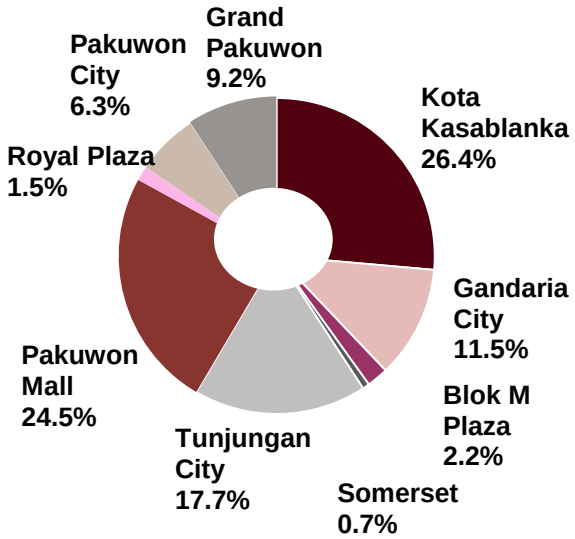
# Results breakdown

## Revenue by segment (3Q2020)



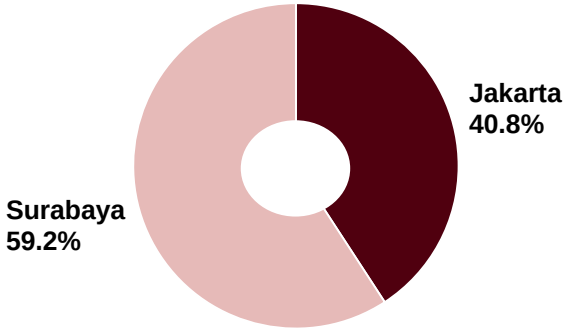

- **57%** recurring revenue
- Contribution of recurring income continues to be driven by retail mall leasing income
- PWON continues to target long term 50/50 recurring/development

## Revenue by project (3Q2020)




- Increased revenue contribution of Surabaya projects primarily from landed house Grand Pakuwon
- Increased revenue contribution of Jakarta projects primarily from condominiums Kota Kasablanka

## Revenue by geography (3Q2020)




- Jakarta revenue contribution expected to grow as PWON recognizes Kota Kasablanka phase 2 condos and develops Bekasi landbank
- Continued management focus on growing in both Jakarta and Surabaya

# Key recent developments

- ✓ Opened Pakuwon Mall Phase 4 on 28 February 2020
- ✓ Opened Four Points by Sheraton Surabaya Pakuwon Indah on 8 December 2019
- ✓ Received in June 2018 ratings upgrade from S&P and Fitch to BB, stable outlook
- ✓ Opened Tunjungan Plaza Phase 6 retail mall on 23 September 2017
- ✓ Received in July 2017 ratings upgrade from Moody's to Ba2, stable outlook
- ✓ Opened Pakuwon Mall Phase 2 & 3 on 22 February 2017
- ✓ Refinanced USD200m of 7.125% Senior Unsecured Note due 2019
- ✓ Issued USD250m of 5.0% Senior Unsecured Note due 2024
- ✓ Acquired in June 2016, 11ha land in Daan Mogot, West Jakarta

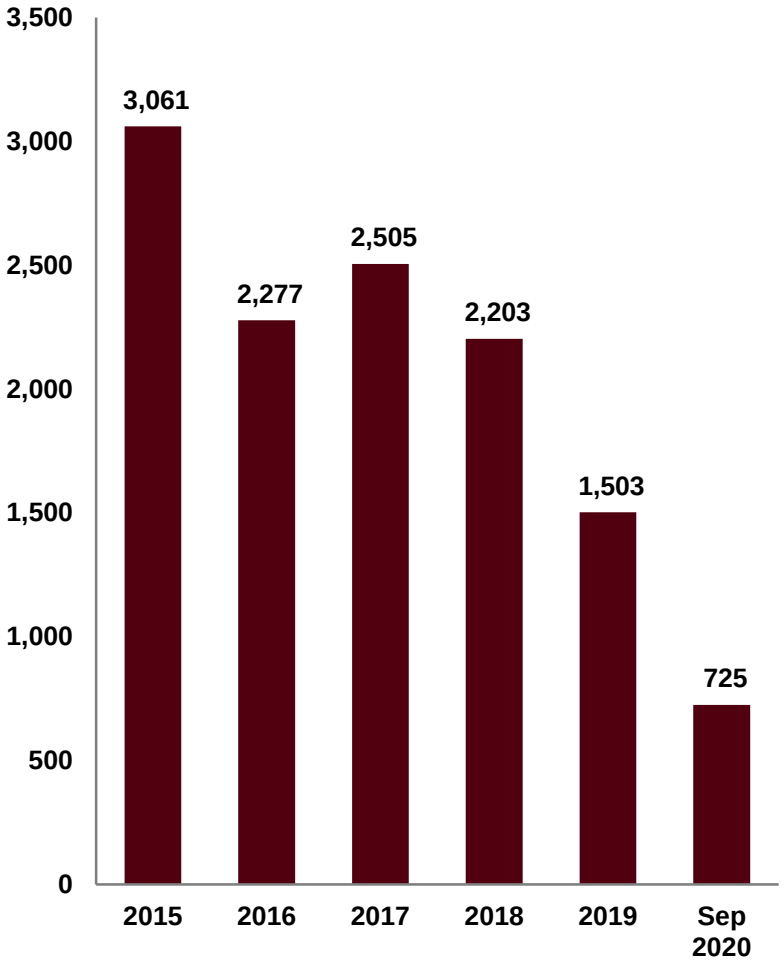
Section 2

# Business summary

# Residential development –take-up of existing projects

## Pre-sales across all residential and office projects underpins future growth

### Historical Pre-sales (Rp bn)




### Pre-sales and construction update (excludes residential township)

| Superblock / Township | Project name | Segment | GSA (sqm) | % Sold | Progress update | Handover Schedule[2] |
|---|---|---|---|---|---|---|
| Kota Kasablanka | 88 Kasablanka A | Office | 36.3K | 100%[1] | Completed | |
| | Casa Grande | Condo | 96.2K | 100% | Completed | |
| | Angelo | Condo | 36.9k | 85% | Completed | |
| | Bella | Condo | 36.8k | 83% | Completed | |
| | Chianti | Condo | 47.3k | 72% | Finishing stage | 2019 |
| | Pakuwon Tower | Office | 32.1k | 17%[1] | Finishing stage | 2019 |
| Pakuwon Mall Bekasi | Amor | Condo | 27.4k | 30% | Preliminary stage | 2025 |
| Tunjungan City | Pakuwon Center | Office | 10.0K | 96%[1] | Completed | |
| | The Peak | Condo | 30.0K | 100% | Completed | |
| | One Icon | Condo | 57.8K | 69% | Completed | |
| | Pakuwon Tower | Office | 16.4K | 55%[1] | Finishing stage | 2019 |
| Pakuwon City | Harvard | Condo | 26.0k | 100% | Completed | |
| | Stanford | Condo | 25.5k | 100% | Completed | |
| | Yale | Condo | 25.4k | 100% | Completed | |
| | Princeton | Condo | 25.7k | 100% | Completed | |
| | Amor | Condo | 47.4k | 82% | At level 36 | 2021 |
| | Bella | Condo | 31.2k | 29% | Foundation stage | 2025 |
| Pakuwon Mall | Orchard | Condo | 27.6K | 100% | Completed | |
| | Tanglin | Condo | 32.3K | 100% | Completed | |
| | La Riz | Condo | 41.4K | 100% | Completed | |
| | Anderson | Condo | 57.1k | 92% | Completed | |
| | Benson | Condo | 53.4k | 81% | Finishing stage | 2020 |
| | La Viz | Condo | 26.7k | 52% | At level 39 | 2021 |

Company data as of September 30, 2020

Note: 1 As % of saleable area, excluding approximately 50-60% of area set aside for lease

2 For handover projects starting 2019 onwards

# Retail malls – Continued leasing interest

## Wide appeal of PWON's malls demonstrated by consistently occupancy

### Historical Occupancy

- Maintained strong occupancy across portfolio

| | 2015 | 2016 | 2017 | 2018 | 2019 | 3Q 2020 |
|---|---|---|---|---|---|---|
| Tunjungan Plaza | 98% | 94% | 98% | 96%[1] | 96% | 95% |
| Kota Kasablanka Mall | 99% | 99% | 98% | 99% | 99% | 98% |
| Gandaria City Mall | 98% | 96% | 96% | 94% | 98% | 93% |
| Pakuwon Mall | 91% | 89% | 94% | 95%[2] | 96% | 90%[3] |
| Pakuwon Trade Center | 92% | 92% | 94% | 92% | 92% | 90% |
| Royal Plaza | 97% | 97% | 97% | 96% | 94% | 91%[4] |
| Blok M Plaza | 92% | 93% | 91% | 96% | 97% | 95% |

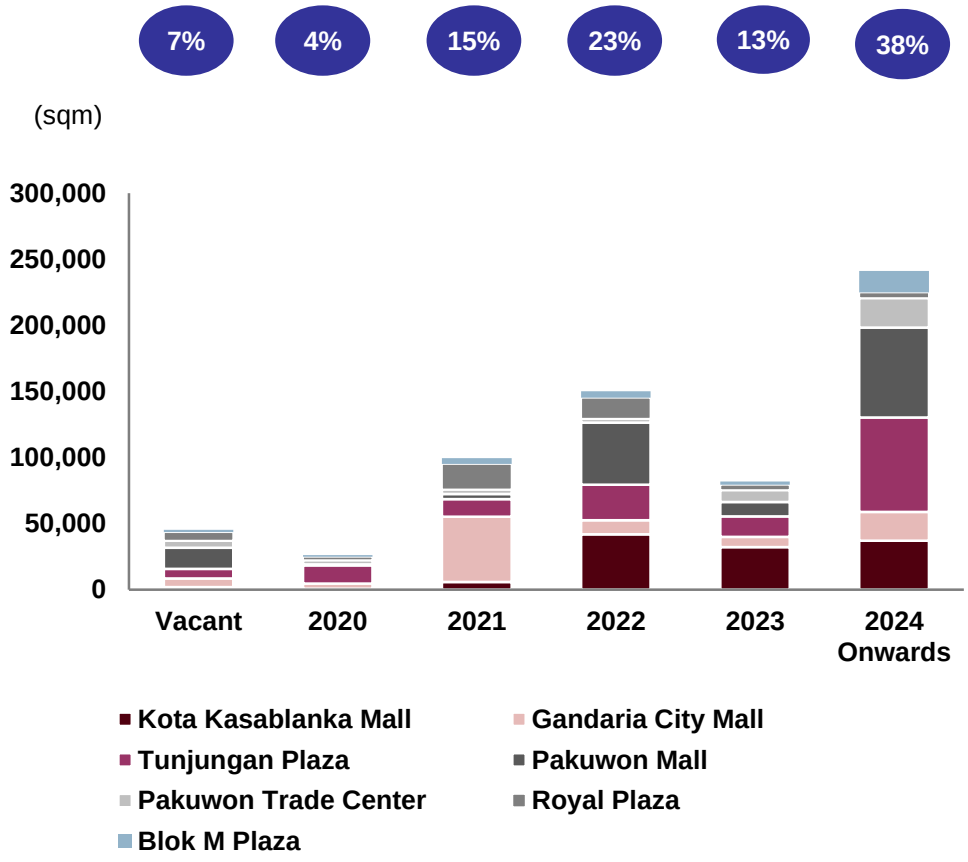
[1] Includes Tunjungan Plaza 6 opened on 23 September 2017

[2] Includes Pakuwon Mall 2 & 3 opened on 22 February 2017

[3] Includes Pakuwon Mall 4 opened on 28 February 2020

[4] Includes refurbished floor opened on 9 October 2020

### Lease Expiry Profile (NLA breakdown)



# Office & hotel –rents and RevPAR

## Offices and hotels further diversify income base and increase recurring income, while complementing existing superblocks

### Average Office Rental (before service charge)

| (Rp'000 psm / month) | 2015 | 2016 | 2017 | 2018 | 2019 | 3Q 2020 | 2019 - 3Q 2020 % Chg |
|---|---|---|---|---|---|---|---|
| Kota Kasablanka Tower A | 223 | 226 | 219 | 215 | 217 | 204 | (6%) |
| Kota Kasablanka Tower B | 168 | 175 | 176 | 176 | 173 | 171 | (1%) |
| Gandaria Tower | 230 | 232 | 236 | 226 | 226 | 223 | (1%) |
| Pakuwon Center | - | - | 159 | 157 | 153 | 155 | +2% |

### Hotel RevPAR

| (Rp '000 /room/day) | 2015 | 2016 | 2017 | 2018 | 2019 | 3Q 2020 | 2019 - 3Q 2020 % Chg |
|---|---|---|---|---|---|---|---|
| Sheraton Surabaya | 717 | 515 | 486 | 621 | 651 | 258 | (60%) |
| Somerset Berlian | 824 | 666 | 705 | 659 | 680 | 394 | (42%) |
| Ascott Waterplace | - | 530 | 728 | 760 | 785 | 485 | (38%) |
| Sheraton Grand Jakarta | - | 510 | 767 | 960 | 1,000 | 289 | (71%) |
| Four Points | - | 414 | 503 | 581 | 659 | 171 | (74%) |

Note: - Average Somerset RevPAR USD/IDR exchange rate of Rp13,118 in 2015

### Major office tenants

ICBC, Regus, AIA, HUAWEI, LG Electronics, hp, MUFG Bank of Tokyo-Mitsubishi UFJ, PRUDENTIAL, Manulife

### Hotel brands (existing)

Sheraton, FOUR POINTS BY SHERATON Surabaya, SOMERSET SERVICED RESIDENCES, THE ASCOTT LIMITED

### Hotel brands (upcoming)

THE WESTIN, FOUR POINTS BY SHERATON, moxy HOTELS

Section 3

# Growth & Strategy

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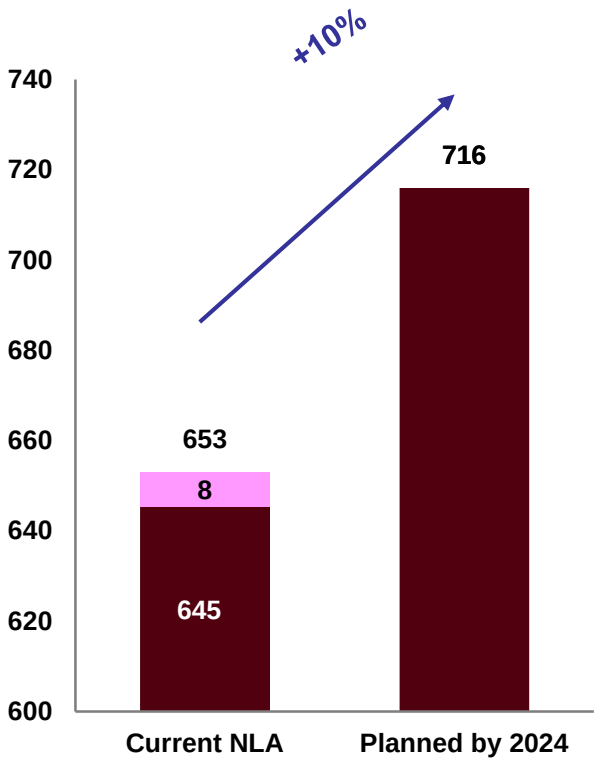
# Long term growth strategy on track

- ✓ Target 50/50 recurring/development revenue mix over the long term
- ✓ Leverage on strength in retail malls and superblock developments
- ✓ Continue to dominate Surabaya and expand Jakarta portfolio
- ✓ Actively replenish land bank + acquire land around existing projects
- ✓ Maintain prudent capital structure and balance sheet

# Growth of recurring income portfolio

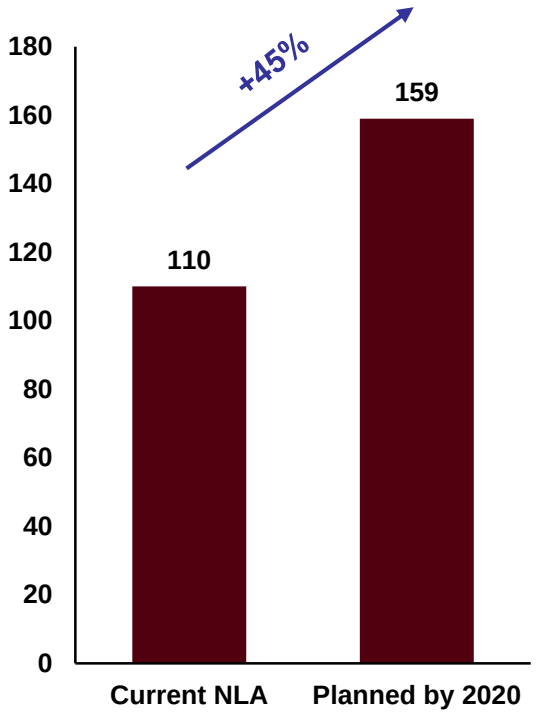
## Plans to continue growing retail, office, and hotel portfolio to maintain recurring income mix

### Retail Mall NLA Growth



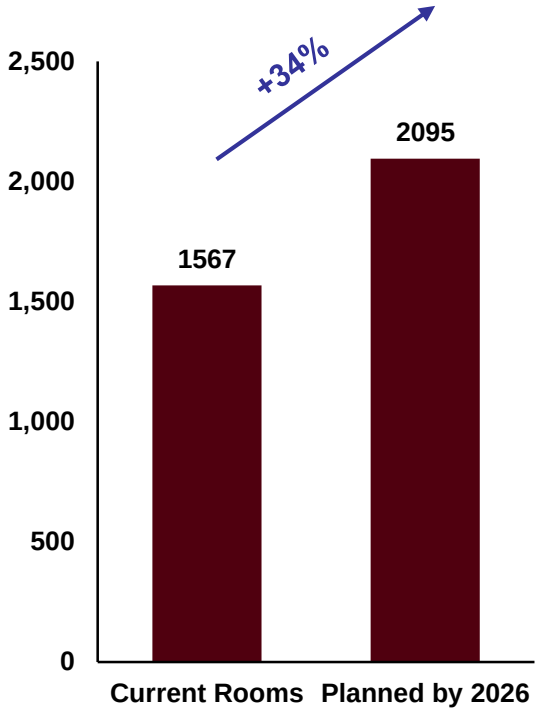

- Pakuwon City Mall 2
- Pakuwon City Mall 3
- Pakuwon Mall Bekasi

### Office Leasing NLA Growth




- Pakuwon Tower Jakarta

### Hotel Room Growth




- The Westin – Pakuwon Mall Surabaya
- Moxy & Four Points – Pakuwon Mall Bekasi

# Land bank – Sufficient for >10 years of development

**477.1 hectares of land bank to sustain growth and high margins, without being a drag on balance sheet and return on capital**

| Location | Project | Land under development (ha) | Additional land bank (ha) | Total land bank (ha) |
|---|---|---|---|---|
| **South Jakarta** | Kota Kasablanka | 2.7 | 3.8 | 6.5 |
| | Gandaria City | - | 1.9 | 1.9 |
| | Simatupang land bank | - | 4.5 | 4.5 |
| **West Jakarta** | Daan Mogot land bank | | 11.0 | 11.0 |
| **Greater Jakarta** | Bekasi land bank | | 3.6 | 3.6 |
| **Central Surabaya** | Tunjungan City | 1.1 | 2.1 | 3.3 |
| **East Surabaya** | Pakuwon City Township | 1.0 | 241.1 | 242.1 |
| | Outside Pakuwon City | - | 21.5 | 21.5 |
| **West Surabaya** | Grand Pakuwon Township | - | 167.7 | 167.7 |
| | Pakuwon Mall | 3.3 | 2.8 | 6.2 |
| | Royal Plaza | - | 1.9 | 1.9 |
| | Outside Grand Pakuwon | - | 6.9 | 6.9 |
| **Total Land Bank** | | | | **477.1** |

Section 4

# Capital management

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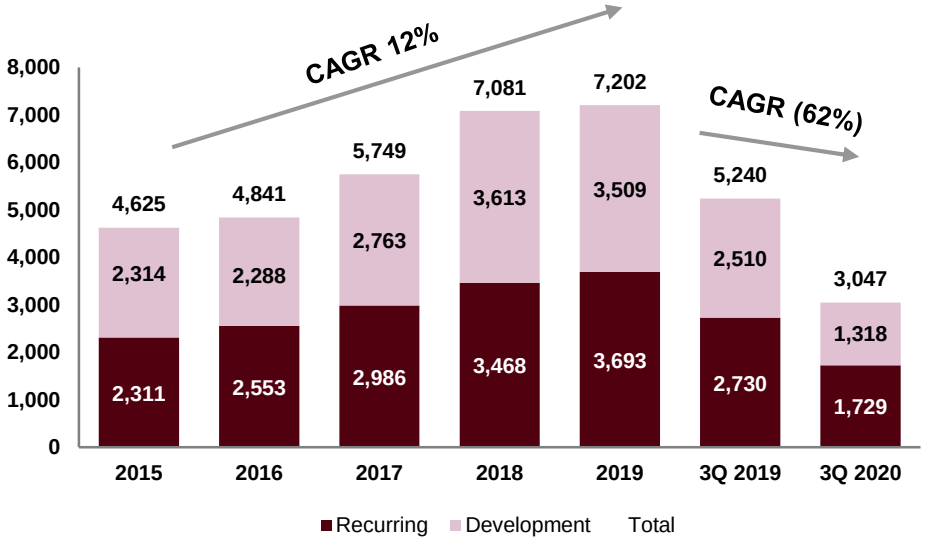
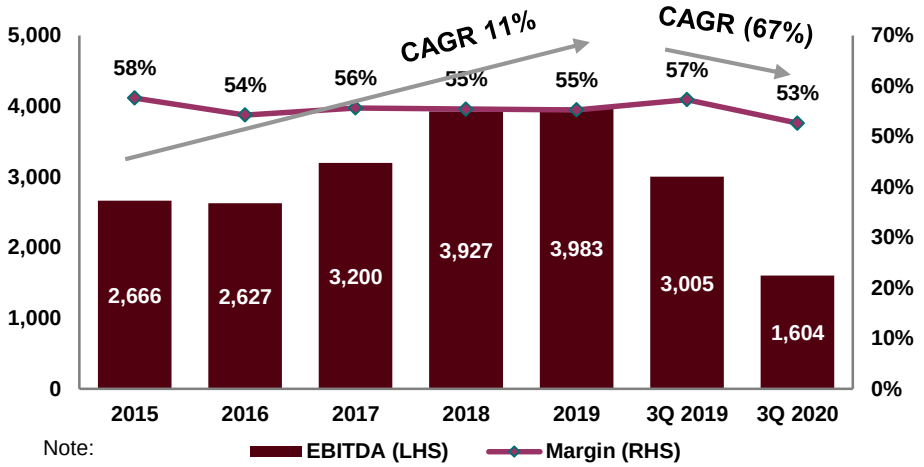
# Strong financial growth and optimized capital structure

## Revenue (Rp bn)



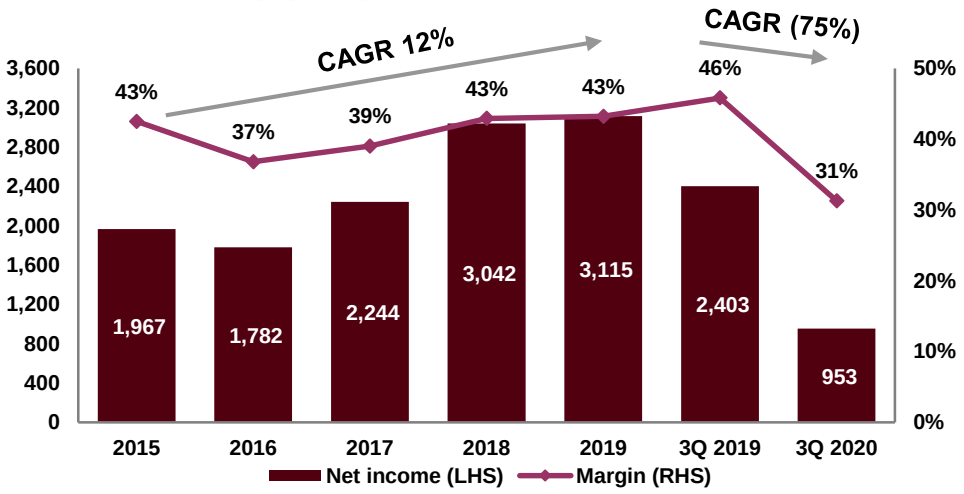

## Adjusted EBITDA[1] (Rp bn)



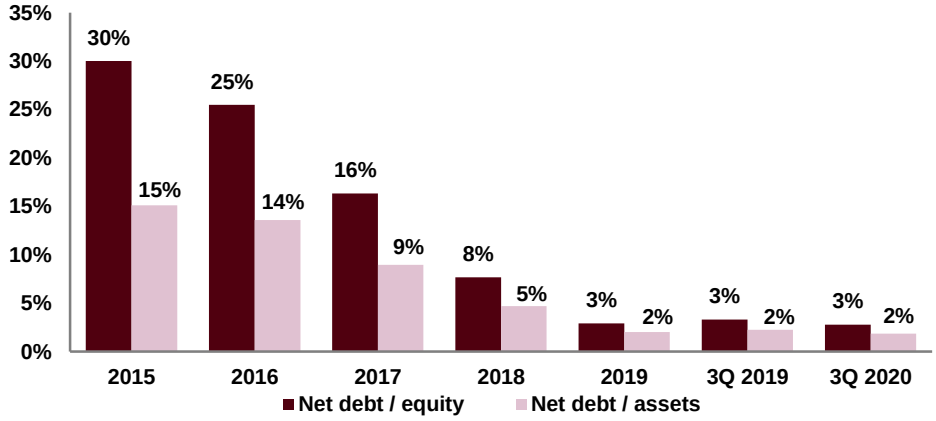

Note:

1. Adjusted for acquisition related COGS from goodwill costs of Rp21bn in 3Q2019 and Rp1bn in 3Q2020

## Net income[1] (Rp bn)




## Consistent deleveraging




Note :

1. Adjusted for forex gains/(losses) of Rp (277bn), 58bn, (25bn), (189bn), 130bn, 73bn and (239bn) in 2015, 2016, 2017, 2018, 2019, 3Q2019 and 3Q2020 ; derivative financial instruments gain/(losses) of Rp (76bn), (32bn), (31bn), (8bn), 25bn, 40bn and 14bn in 2015, 2016, 2017, 2018, 2019, 3Q2019 and 3Q2020, adjusted for additional COGS from goodwill costs of Rp, 108bn, 28bn, 26bn, 18bn, 30bn, 21bn and 1bn in 2015, 2016, 2017, 2018, 2019, 3Q2019 and 3Q2020 and penalty on redemption of bond payable of Rp 154bn in 2017

# Strong financial position and prudent balance sheet

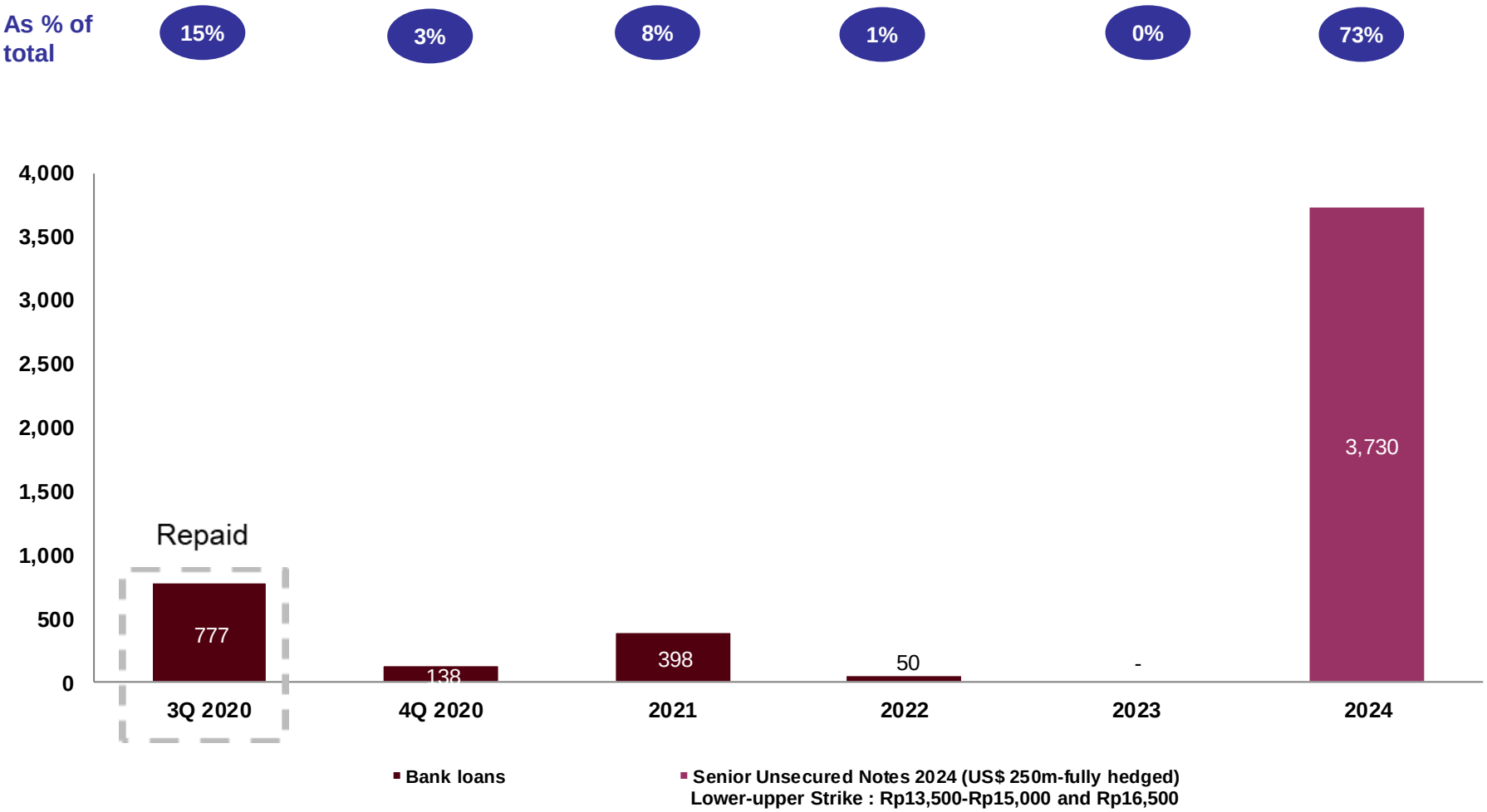
| *(Rp bn unless otherwise stated)* | As of 3Q 2020 | As of 3Q 2019 |
|---|---|---|
| **Cash** | **3,834** | **4,507** |
| **Total Debt[1]** | **4,315** | **5,083** |
| **Net Debt** | **481** | **576** |
| **Net Debt / Equity** | **3%** | **3%** |
| **Net Debt / Assets** | **2%** | **2%** |
| **Fixed Charge Coverage Ratio (FCCR)[2]** | **3.4x** | **5.9x** |
| **% Fixed Rate Debt** | **86%** | **70%** |
| **Credit rating** | | |
| S&P | BB/stable | BB/stable |
| Moody's | Ba2/stable | Ba2/stable |
| Fitch | BB/stable | BB/stable |

Notes:
1. Issuance of US$250m of 5.0% Senior Unsecured Notes due 2024 and redemption of US$200m of 7.125% Senior Unsecured Notes due 2019
2. FCCR calculated as EBITDA / Consolidated Fixed Charges (Interest)

# Well balanced debt maturity profile

## Average debt maturity of 3.6 years, with cost of debt between 5% – 8.75% p.a.[1]

**Debt Maturity Profile (Rp bn)**




Note:
1 Based on post-FX hedging cost of US250m of 5.0% Senior Unsecured Notes due 2024

Appendix A

# Company overview

PT PAKUWON JATI

# What sets Pakuwon Jati apart

- ✓ The largest retail mall owner amongst Indonesian developers
- ✓ A well-balanced portfolio of development and investment properties
- ✓ Growth and value creation from identified development pipeline
- ✓ Strategically located in Indonesia's two largest and wealthiest metropolises
- ✓ One of Indonesia's most established developers, with a 38 year track record

**Market leader in Surabaya**

| | |
|---|---|
| #1 | Largest superblock in Surabaya |
| #1 | Largest land bank in Surabaya City |
| #1 | Largest shopping mall in Indonesia |
| 1st | To launch retail mall and condos in Surabaya |

**Market leader in South Jakarta**

| | |
|---|---|
| #1 + #3 | Largest superblocks in South Jakarta |
| #1 | Largest shopping mall in South Jakarta |
| #2 | Largest mall portfolio in Jakarta |
| #3 | Largest shopping mall in Jakarta |

# Portfolio overview

## Strategically located superblocks and townships in Jakarta and Surabaya

| | Kota Kasablanka | Gandaria City | Tunjungan City |
|---|---|---|---|
| | | | |
| **Location** | **Jakarta Fringe CBD** | **South Jakarta** | **Surabaya CBD** |
| **Description** | 12.9ha located right next to Jakarta's Golden Triangle. Contains the largest mall in South Jakarta, opened on July 28, 2012 | 3rd largest superblock in South Jakarta, sitting on a 9.3ha lot along a main thoroughfare linking South Jakarta to West Jakarta | PWON's first development in 1986, expanded in phases. Developing Phase 5 and 6 with premium retail, office, and residential towers |
| **Residential** | 4 condos, 1,077 units,<br>GSA: 96k sqm<br>3 additional condos,<br>GSA: 121k sqm | 2 condos, 715 units<br>1 condo GSA: 83k sqm | TP5: TP Residence<br>GSA: 30k sqm<br>TP6: One Icon GSA: 58k sqm |
| **Office (for sale)** | Tower A GSA: 34k sqm<br>Tower C GSA: 32k sqm | Tower A GSA: 37k sqm | TP5: Pakuwon Center<br>GSA:10k sqm<br>TP6: Pakuwon Tower<br>GSA: 16k sqm |
| **Retail** | Middle to upmarket<br>NLA: 119k sqm | Middle to upper middle<br>NLA: 98k sqm | NLA: 103k sqm<br>TP5: NLA: 20k sqm<br>TP6 NLA: 25k sqm |
| **Office (for lease)** | Tower A NLA: 24k sqm<br>Tower B NLA: 32k sqm<br>Tower C NLA: 48k sqm | Tower A NLA: 21k sqm | TP5: Pakuwon Center<br>NLA: 10k sqm<br>TP6: Pakuwon Tower<br>NLA: 24k sqm |
| **Hotel** | | 293 rooms, 5-star hotel | 359 rooms, 5-star hotel<br>293 rooms, 4-star hotel |

Projects in red are currently under construction or targeted to start construction within the next 2 years. GSA/NLA and number of units/rooms are estimates.
NLA : Net Leasable Area, GSA: Gross Saleable Area

# Portfolio overview (cont'd)

## Strategically located superblocks and townships in Jakarta and Surabaya

| | Pakuwon Mall | Royal Plaza | Blok M Plaza | Somerset Berlian |
|---|---|---|---|---|
| | | | | |
| **Location** | **West Surabaya** | **South Surabaya** | **South Jakarta** | **South Jakarta** |
| **Description** | 14.6ha Superblock located in West Surabaya's affluent residential neighborhood.<br>Has a mid-market retail mall, Pakuwon Mall ("PM") and a strata retail mall 89% owned and managed by PP, Pakuwon Trade Centre ("PTC").<br>Developing Phase 3 & 4 with premium leased retail, residential condos and hotels.<br>Phase 2 & 3 mall are over 80% leased. | Mid-market strata retail mall 78% owned and managed by a subsidiary of PP.<br>Situated along one of Surabaya's main thoroughfares connecting North, Central and Greater Surabaya and easily accessible from nearby toll roads, bus terminals and train stations. | Mid-market retail mall in South Jakarta's commercial district. Situated along the main thoroughfare connecting South Jakarta and the central business district.<br>MRT terminal connected directly into the Mall in March 2019. | Serviced apartment situated in the exclusive residential area of South Jakarta and a short drive from the financial center.<br>Managed by The Ascott Limited under the "Somerset" brand |
| **Opening date** | PM Phase 1: 2003, PTC: 2004, PM Phase2&3: 2017 | 2006 | 1991 | 2007 |
| **Residential** | Phase 2: "Orchard" & "Tanglin" towers GSA: 60k sqm<br>Phase 3: "LaRiz" tower GSA: 41k sqm<br>Phase 4: Three condo towers GSA: 135k sqm<br>Phase 5: Three condo towers GSA: 105k sqm | | | |
| **Retail** | PM NLA: 48k sqm, PTC NLA: 46k[1] sqm<br>Phase 2 NLA: 37k sqm<br>Phase 3 NLA: 40k sqm<br>Phase 4 NLA: 7k sqm | NLA: 53k[2] sqm | NLA: 31k sqm | |
| **Hospitality** | 317 rooms, 4-star hotel<br>204 rooms, 5-star hotel<br>182 serviced apartment units (Ascott brand) | | | 123 serviced apartment units[3] (Somerset brand) |

Projects in red are currently under construction or targeted to start construction within the next 2 years. GSA/NLA and number of units/rooms are estimates.
NLA : Net Leasable Area, GSA: Gross Saleable Area

Notes:
1. Pakuwon Trade Center ("PTC") NLA excludes sold area of 5,467 sqm
2. Royal Plaza NLA excludes sold area of 15,226 sqm
3. 7 out of 123 units have been sold to 3rd party investors, who in turn receive 5% of all net income generated by the Somerset Berlian

# Portfolio overview (cont'd)

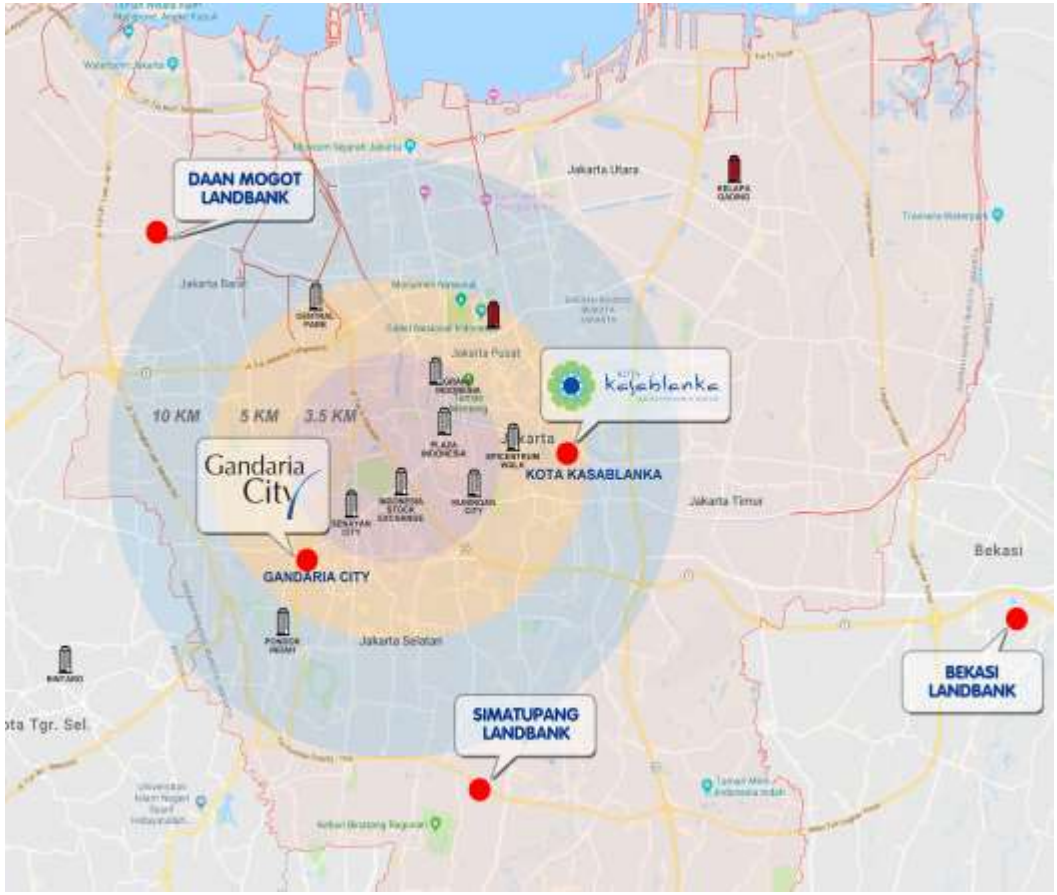
## Strategically located superblocks and townships in Jakarta and Surabaya

| | Pakuwon City | Grand Pakuwon | Bekasi Project |
|---|---|---|---|
| | | | |
| **Location** | **East Surabaya** | **West Surabaya** | **Greater Jakarta** |
| **Description** | Self-contained city in East Surabaya, consisting of a residential area, commercial area, and an education park | Self contained city in West Surabaya, consisting of residential area and a future commercial area | 3,6 ha located at West Bekasi<br>Contains the mall, 4 condominiums, and 2 brand of Hotels |
| **Residential** | House and land lot community<br>4 Educity condos GSA:103k sqm[1]<br>3 ECM condos GSA: 108k sqm | House and land lot community | **4** condominiums, 2.991 unit<br>GSA: 119k sqm |
| **Office (for sale)** | Shophouses, university, schools, and a hospital | | |
| **Retail** | Family shopping centre NLA: 21k sqm<br>PCM Phase 2 NLA: 10k sqm<br>PCM Phase 3 NLA: 11k sqm | | NLA: 43k sqm |
| **Hotel** | | | 180 rooms, Moxy<br>144 rooms, Four Points |

Projects in red are currently under construction or targeted to start construction within the next 2 years. GSA/NLA and number of units/rooms are estimates.
Note 1 : Remaining 15 planned condo developments
NLA : Net Leasable Area, GSA: Gross Saleable Area

# Project locations

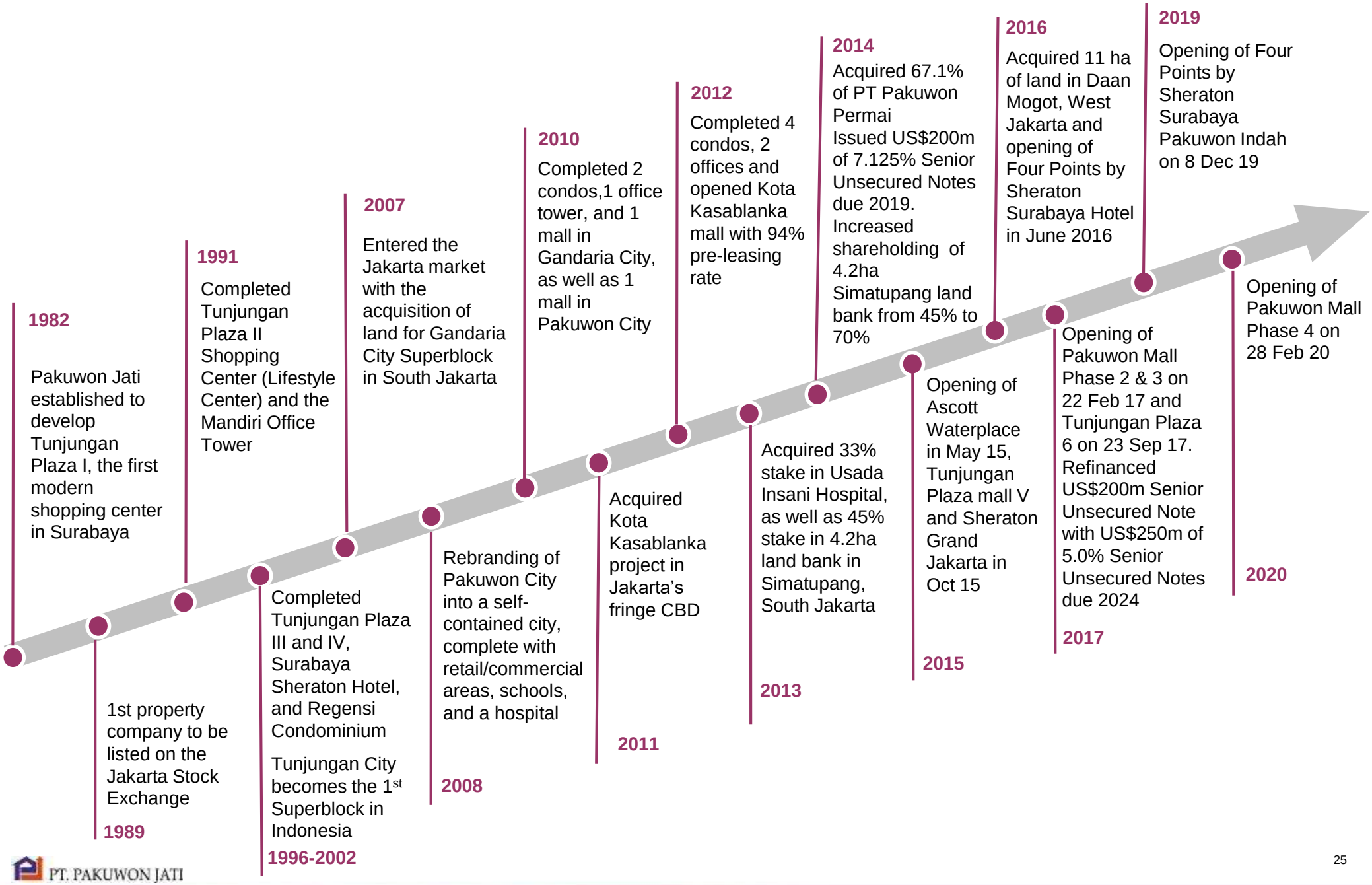
## Jakarta




## Surabaya

Source: Company Data

# 38 year track record and growing…



# Kota Kasablanka Superblock

## Kota Kasablanka Superblock

**Jakarta fringe CBD**

**12.9 ha** of land area

**570,500 sqm** of GFA

**4,500** carpark lots

**2.7 ha** expansion

# Kota Kasablanka Phase 2

## Kota Kasablanka Phase 2

Jakarta fringe CBD

**3** condominiums

**1** office block

## Completed projects

- Angelo Tower
- Bella Tower

Ar

# Gandaria City

**Gandaria City Superblock**

South Jakarta

**9.3 ha** of land area

**573,800 sqm** of GFA

**4,500** carpark lots

**0.9 ha** expansion

# Gandaria City Phase 2

Gandaria City

**Gandaria City expansion**

South Jakarta

**1** condominium

**Completed projects**

**5-star** hotel

Artist rendering

# Tunjungan City

TUNJUNGAN PLAZA

## Tunjungan City Superblock

**Surabaya CBD**

**8.8 ha** of land area

**476,613 sqm** of GFA

**4,200** carpark lots

**1.1 ha** expansion

Artist rendering

# Tunjungan City Phase 5 & 6

TUNJUNGAN PLAZA

**Tunjungan City Phase 5&6**

**Surabaya CBD**

**Mall, offices, condos, hotel**

## Completed projects

Tunjungan City Phase 5

Tunjungan Plaza 6 retail mall

Artist rendering

# Pakuwon City Township

## Pakuwon City Residential Township

East Surabaya

**<30 minutes** from city center

**242.1 ha** township, including :

- **27 ha** residential and commercial center with **19** condominium towers, a **90k sqm** retail mall, and a University, International and Chinese school, hospital
- **215.1 ha** remaining for landed residential developments

### Pakuwon City entrance

### Pakuwon town square

Shopping mall

Artist rendering

### Commercial and education park

Shopping mall, schools, hospital, condos

Artist rendering

# Pakuwon City – East Coast Mansion

**Pakuwon City Residential Township**

**East Surabaya**

- **New projects**
  3 condominiums

- **Pakuwon City Mall**

Artist rendering

# Grand Pakuwon Township

**New middle to high-end gated development in the west of Surabaya poised to replicate the successful roll out of Pakuwon City Township in East Surabaya**

**Grand Pakuwon Township**

West Surabaya

**<10 minutes** from downtown Surabaya

30 minutes from City Center

**167.7 ha** residential township

# Pakuwon Mall

**At completion Pakuwon Mall will be Indonesia's largest retail mall with direct connections to 12 condominium towers, 2 hotels and 1 serviced apartment**

PAKUWON MALL

## Pakuwon Mall

West Surabaya

**16.9 ha** of land area

**960,000 sqm** of GFA

**4.545** carpark lots

Artist rendering

# Pakuwon Mall  Phase 2 and 3

PAKUWON MALL

**Pakuwon Mall**
**Phase 2 & 3**
**West Surabaya**

**2** Retail Mall
**3** condominiums
**2** hotels

**Completed projects**

- Retail mall expansion Phase 2 & 3
- Orchard & Tanglin condominiums
- La Riz condominium
- FourPoints Hotel

Artist rendering

# Pakuwon Mall Phase 4

PAKUWON MALL

## Pakuwon Mall Phase 4

**West Surabaya**

- 3 condominiums
- Retail mall expansion

## Completed projects

- Anderson condominium
- Retail mall expansion

Artist rendering

# Royal Plaza retail mall

## Royal Plaza

**South Surabaya**

**3.2 ha** of land area
**184,423 sqm** of GFA
**1,450** carpark lots

# Blok M Plaza retail mall

**Blok M Plaza**
South Jakarta

**1.1 ha** of land area
**64,049 sqm** of GFA
**600** carpark lots

Appendix B

# PT Pakuwon Permai acquisition

PT PAKUWON JATI

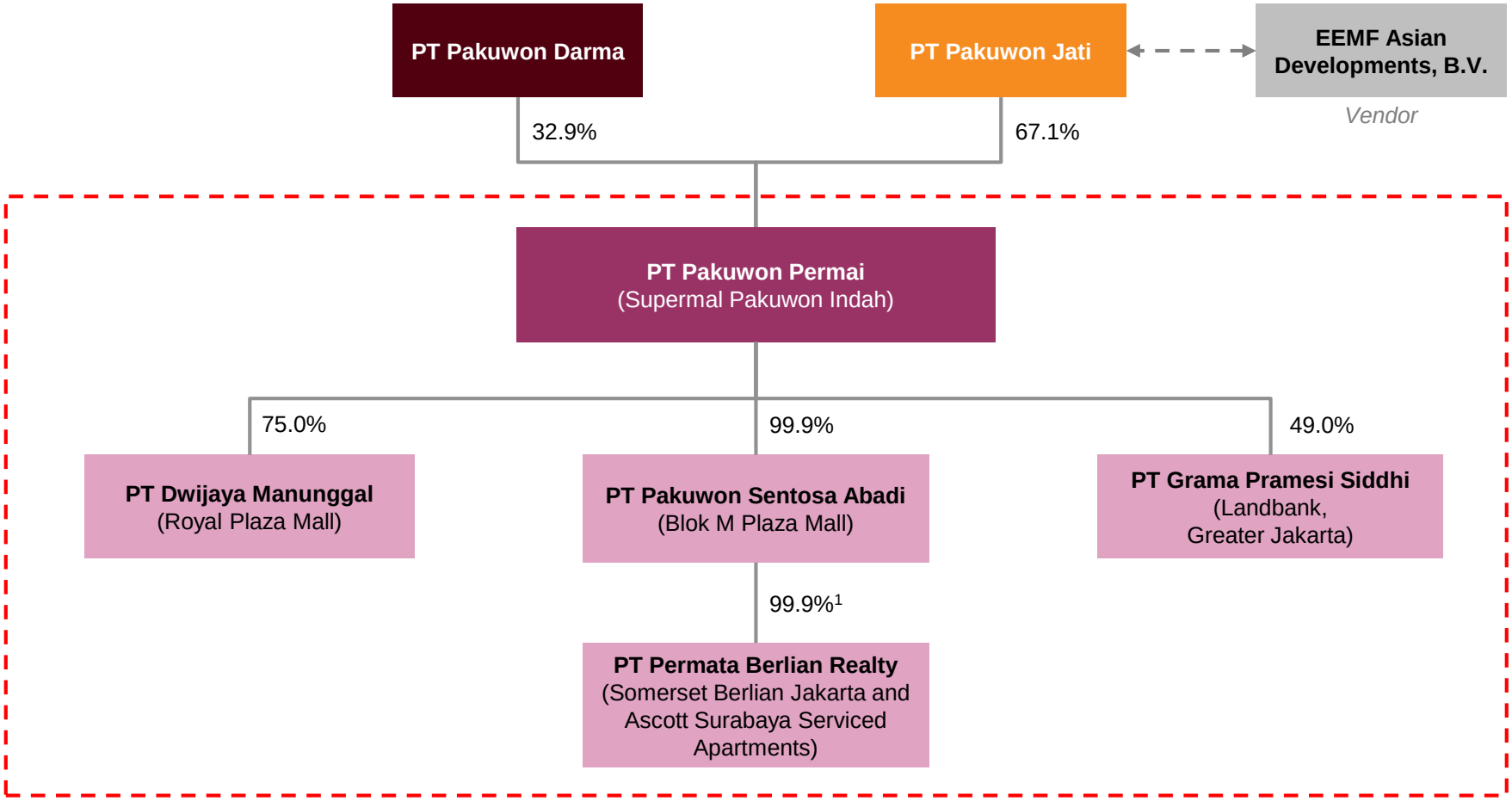
# Acquisition summary

## Acquisition of 67.1% of PT Pakuwon Permai ("PP") for Rp1,685bn (US$138.1m), net of cash on PP balance sheet

| | |
|---|---|
| **Overview of target** | • 67.1% of PT Pakuwon Permai ("PP"), which owns 1 superblock (retail, condos, hotel/serviced apartment) + 2 standalone retail malls + 1 standalone serviced apartment<br>– *Retail mall NLA:* 178k[1] sqm existing & operational + 86k sqm pipeline to start construction in the next 2 years<br>– *Hotel/serviced apartment:* 147[2] rooms existing + 791 rooms under construction<br>– *Condominium GSA:* 101k sqm under construction + 122k sqm pipeline to start construction in the next 2 years<br>• Remaining 32.9% owned by PT Pakuwon Darma (“PD”), an affiliated company of Pakuwon Jati ("PWON")<br>– PWON has no near term plans to acquire PD's stake in PP |
| **Target financials** ***(based on 100% of PP)*** | • FY2014 recurring revenue of Rp388.7bn (US$31.2m)[3]<br>• FY2014 recurring EBITDA of Rp226.5bn (US$18.2m)[3]<br>• PP is debt-free and has Rp980.4bn (US$80.4m) of cash and cash equivalents[4] |
| **Purchase consideration** | • Purchase consideration to vendor: Rp2,343bn (US$192.0m)<br>• Purchase consideration net of cash on PP balance sheet: Rp1,685bn (US$138.1m) (based on 67.1% of cash on PP B/S) |
| **Funding source** | • Net proceeds from US$200m 2019 USD bonds issued in July 2014 |
| **Completion** | • 10 October 2014 |

Notes:
1 Retail mall NLA excludes sold area of 20,693 sqm
2 10 out of 147 units have been sold to 3rd party investors, who in turn receive 5% of all net income generated by the Somerset Berlian
3 USD FY 2014 recurring revenue and EBITDA based on USD:IDR of 1:12,440 as at 31 December 2014, for illustrative purposes only
4 Based on audited balance sheet as of 30 June 2014, including cash on hand, mutual funds, and bond investments classified as current assets
USD:IDR of 1:12,200 used as at PP acquisition date, for illustrative purposes only

# Acquisition shareholding structure




Note:
1 Ownership as at date of acquisition; 49% owned as at 30 Jun 2014

# Rationale for the acquisition

| | |
|---|---|
| **1 In line with current strategy and core expertise** | • Diversify current portfolio with the addition of 1 new superblock, 2 retail malls and 1 serviced apartment<br>• Continued balanced mix between recurring and development income, with 23.1% increase in recurring revenue[1]<br>• Continued balanced mix between Jakarta and Surabaya |
| **2 53% increase in operating retail mall NLA** | • Immediate addition of 178k sqm of retail NLA across 3 malls, with planned expansions of 86k sqm to start construction in the next 2 years<br>• High quality malls with strong anchor tenants and consistently high occupancy<br>• Improves economies of scale and creates a stronger leasing network across Indonesia's two largest cities |
| **3 41% increase in operating hotel rooms** | • Immediate addition of 147 hotel rooms, with further development of 791 rooms under construction<br>• High quality hotels with strong occupancy and rising RevPAR<br>• Diversifies hotel managers to include Ascott/Capitaland |
| **4 74% increase in pipeline condominium GSA** | • 101k sqm GSA condominium towers currently under construction, of which 65.0% pre-sold<br>• Further 3 towers to be launched and begin construction over the next 2-3 years<br>• Increase in condominium GSA to drive further growth in pre-sales |
| **5 Expected increase in earnings and accelerated growth** | • Acquisition funded via net proceeds from US$200m 2019 bonds issued in July this year<br>• Immediate addition to EBITDA will be supportive of credit metrics<br>• Additional c.Rp2.5trn (c.US$205m) of capex targeted from 2015 to 2017, on top of c.Rp351.5bn (US$28.8m) of capex that has already been incurred on projects under construction[2] |

Notes:
1 Based on FY2014 financials
2 As of 30 June 2014

Appendix C

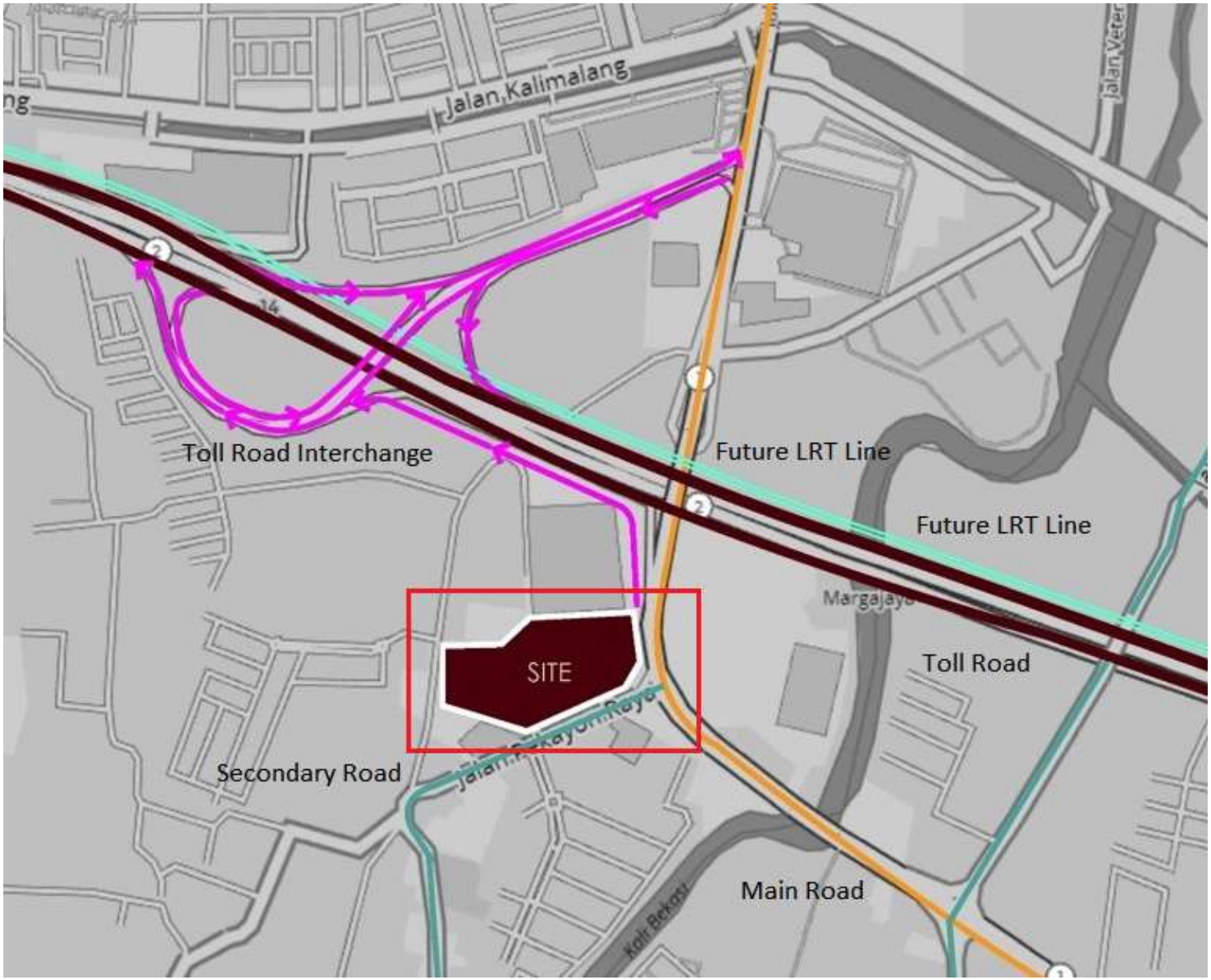
# Landbank

PT PAKUWON JATI

# Expansion into Greater Jakarta – *Site map*

**Site overview**

| | | |
|---|---|---|
| Location | : | Jl. Pekayon Raya<br>Bekasi - Jakarta |
| Land Size | : | 36,000 sqm |



# Bekasi Future Development

## Bekasi Project

**Greater Jakarta**

**1** Retail Mall
**4** condominiums
**2** hotels

Artist rendering

# Pakuwon Mall Phase 5 Future Development

**Pakuwon Mall Phase 5 Project**

**West Surabaya**

**3 condominiums**

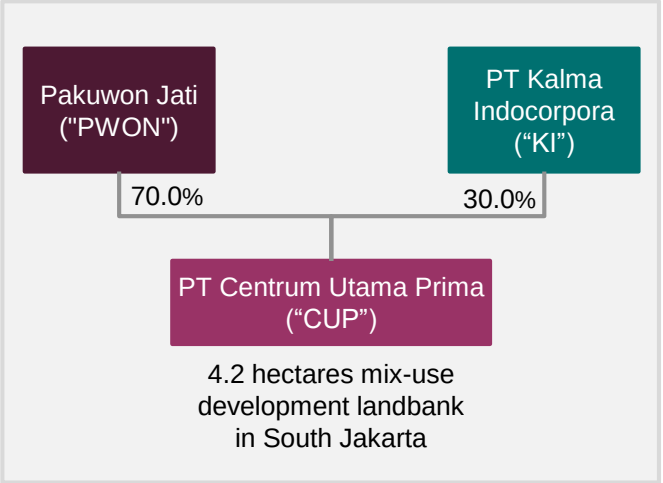
Artist rendering

# Expansion into South Jakarta CBD – *Summary*

## Overview: Acquisition of land in Simatupang, South Jakarta

1. Pakuwon Jati ("PWON") together with two partners acquired **4.2 hectares of land in South Jakarta for Rp.490 billion,** through its joint-venture company PT Centrum Utama Prima ("CUP")
   - Drawing from internal cash flows **PWON invested Rp.247.5 billion in cash for a 45.0% stake in CUP**
   - Executed in partnership with two non-affiliated privately held property companies who own 30.0% and 25.0% of CUP
   - PWON acquired 25% of shares in CUP for Rp.187 billion from MDS on 27 August 2014
2. The land parcel was acquired from Jakarta International School ("JIS") through a closed auction bid arranged by Colliers International Indonesia
3. The JIS land along with land owned by the two non-affiliated property companies were amalgamated and acquired by CUP to facilitate better main road access into the project
4. Land will be utilised for a **mixed-use development with condominiums, offices and F&B components**
5. PWON will draw on its expertise to lead the master planning, development, sales as well as leasing and property management

## Ownership structure

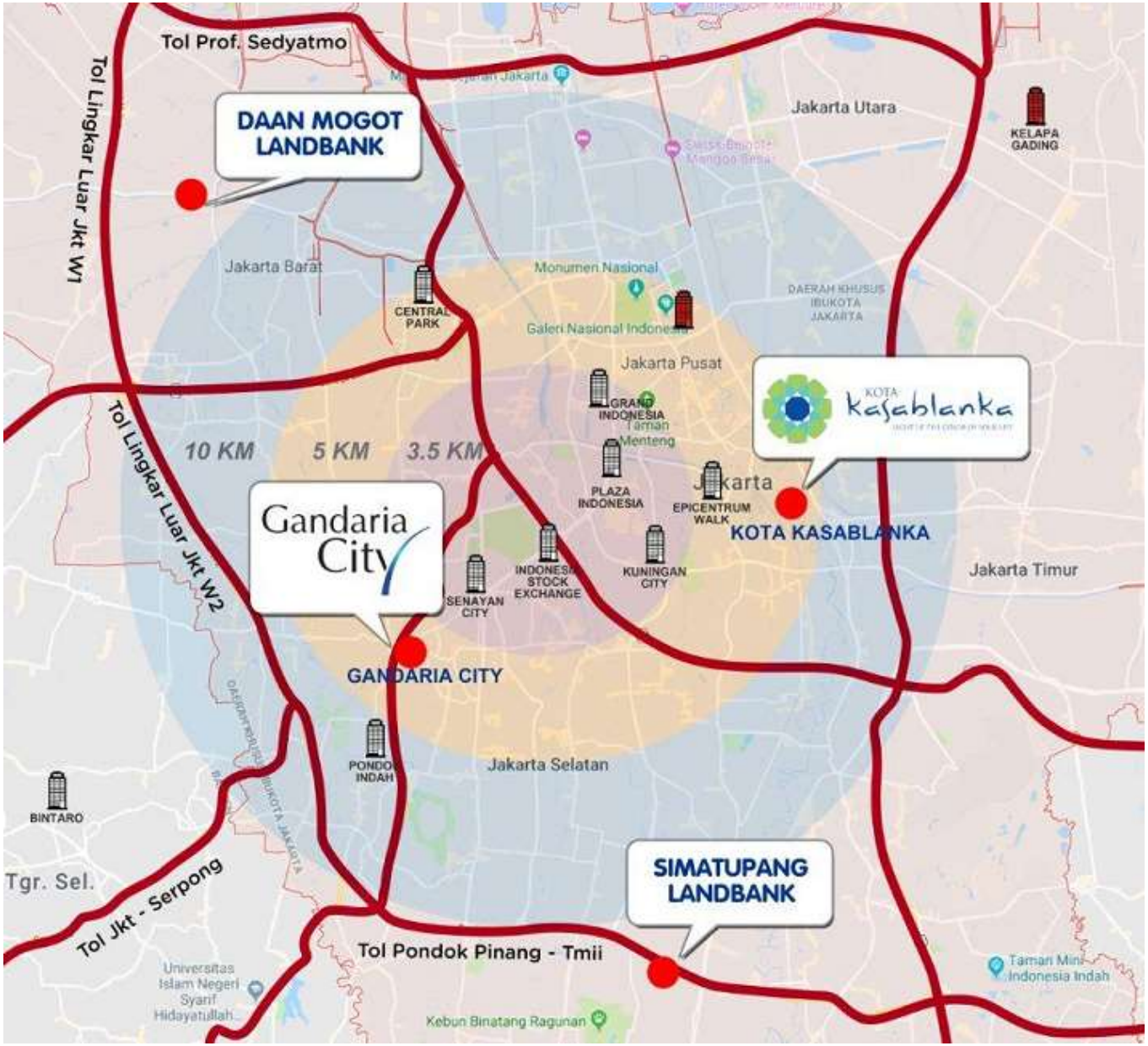



## Rationale for acquisition

- ✓ Expansion of core business into prime South Jakarta area, **tapping into South Jakarta CBD**
- ✓ **Balanced revenue growth** from the project's sales and leasing potential
- ✓ Sizeable land plot expected to sustain around **8 years of development**
- ✓ **Leverages on synergies** with PWON's management team and core expertise

# Expansion into South Jakarta CBD – *Location map*

**Strategically located 20 minutes from Superblock Gandaria City, with direct access to TB Simatupang and Jakarta Outer Ring Road**



# Expansion into South Jakarta CBD – *Site map*

## Site overview

| | | |
|---|---|---|
| Location | : | Jl. TB Simatupang<br>RT002 /RW001<br>Kebagusan<br>Pasar Minggu<br>Jakarta Selatan |
| Land Size | : | 44,725 sqm |

# Expansion into West Jakarta – *Site map*

## Site overview

| | | |
|---|---|---|
| Location | : | Jl. Daan Mogot<br>Rawa Buaya<br>Cengkareng<br>Jakarta Barat |
| Land Size | : | 110,000 sqm |

SITE LOCATION
DAAN MOGOT CITY

Appendix D

# Healthcare & Hospital expansion

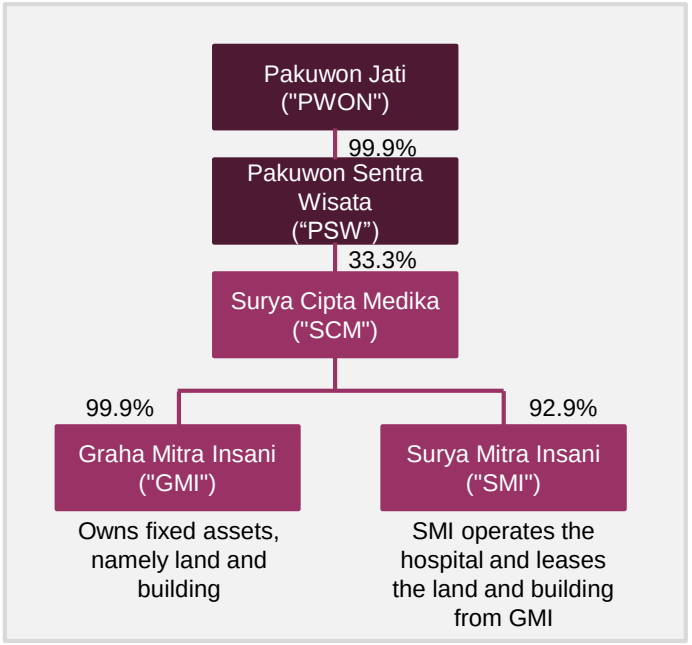
PT PAKUWON JATI

# Healthcare expansion - *Diversifying recurring income base*

## Overview: Acquisition of Usada Insani Hospital ("RSUI")

1. Pakuwon Jati ("PWON"), through its wholly owned subsidiary PT Pakuwon Sentra Wisata ("PSW") has **acquired a 33.3% stake in PT Surya Cipta Medika ("SCM"), a company engaged in the provision of healthcare services and hospital ownership**
2. PWON has undertaken this transaction in partnership with PT Menjangan Sakti ("Mensa Group") and PT Elang Mahkota Teknologi Tbk ("Emtek")
   - Each partner holds an equal investment of 33.3% in SCM
3. Drawing on internal cash flows PWON invested Rp.31 billion in cash for its 33.3% stake in SCM
   - Funds received was used for the acquisition of RSUI and equipment
4. In 2016, Mensa Group sold 33.3% stake to Emtek

## Ownership Structure




## Rationale for acquisition

- ✓ **High quality asset** with significant growth prospects
- ✓ Enlarges recurring income via a **complementary and scalable platform**
- ✓ Taps into Indonesia's nascent **healthcare growth story**
  - **Increases stability of recurring income** given robust underlying fundamentals of healthcare
- ✓ **Leverages on synergies** within PWON's townships and mixed-use development to enhance value
- ✓ Measured entry into a new space with **experienced partners to minimise execution/operational risk**
- ✓ Platform for **corporate social responsibility** programs

# Healthcare expansion – *Asset overview*

## External View

## Facilities & Equipment

## Hospital Overview

| | | |
|---|---|---|
| Location | : | Jl. KH. Hasyim Ashari No. 24, Cipondoh – Tangerang |
| Established | : | September 1991 |
| Land Size | : | 14,030 sqm |
| Building size | : | 17,000 sqm |
| Parking | : | 150 cars; 300 motorcycles |

## Beds and Rooms

| | | |
|---|---|---|
| Beds | : | 350; Bed Occupancy Ratio (BOR) of around 70% |
| Operating rooms | : | 6; Approximately 450 procedures per month |
| Obstetric rooms | : | 6 |

## Facilities

- Laboratories
- Chemotherapy
- Echocardiography
- ECG (Electro Cardiography)
- EEG (Electro Encephalography)
- CTG (Cardio Tocography)
- Cathlab (PCI, Angiography)
- Ambulance service
- Operating theatre
- CSSD / Sterilisation
- Isolation rooms
- Physiotherapy
- Spirometry
- Audiometry
- Treadmill

## Services

- Outpatients – Consultations and care with 11.000 patient per month
- Inpatients - Ward rooms and care (VVIP, VIP, Class 1, Class 2, Class 3
- 3 Pharmacies
- Intensive Care Unit (ICU)
- Polyclinic
- Hemodialysis
- Medical Check Up
- Pathology
- Pharmacy
- Medical Rehabilitation
- Emergency Care
- Center of Excellence : Orthopedic Center
- Center of Excellence : Vascular Surgery

Appendix E

# Senior Unsecured Notes due 2024

PT PAKUWON JATI

# Offering Summary

| | |
|---|---|
| **Notes Offered** | US$250mn aggregate principal amount of 5% Senior Unsecured Notes due 2024 (the “Notes”) |
| **Maturity Date** | Feb 14, 2024 |
| **Interest** | The Notes will bear interest from and including Feb 14, 2017, payable semi-annually in arrears |
| **Issuer Ratings** | Ba3, stable (Moody's) / BB-, stable (S&P) / BB-, stable (Fitch) |
| **Security Ratings** | Ba3 / BB- / BB- |
| **Tenor** | 7NC4 years |
| **Distribution** | Reg S only |
| **Covenants** | Standard high yield covenants, including an FCCR test of not less than 2.5x |
| **Use of Proceeds** | Redemption of 2019 note and general corporate purposes |