IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS UNDER RULE 144A OR (2) OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following applies to this exchange offer and consent solicitation memorandum, and you are therefore advised to read this carefully before reading, accessing or making any other use of this exchange offer and consent solicitation memorandum. In accessing this exchange offer and consent solicitation memorandum, you agree to be bound by the following terms and conditions, including any modifications to them, any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR SOLICITATION IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THIS EXCHANGE OFFER AND CONSENT SOLICITATION MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS EXCHANGE OFFER AND CONSENT SOLICITATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAW OF OTHER JURISDICTIONS. ANY INVESTMENT DECISION SHOULD BE MADE ON THE BASIS OF THE FINAL TERMS AND CONDITIONS OF THE SECURITIES AND THE INFORMATION CONTAINED IN THIS EXCHANGE OFFER AND CONSENT SOLICITATION MEMORANDUM. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORIZED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED HEREIN.

Confirmation of your Representation: In order to be eligible to view this exchange offer and consent solicitation memorandum or make an investment decision with respect to the securities, investors must be either (1) qualified institutional buyers ("**QIBs**") (within the meaning of Rule 144A under the Securities Act) or (2) outside of the United States and to the extent you purchase securities described in the attached exchange offer and consent solicitation memorandum, you will be doing so pursuant to Regulation S under the Securities Act. This exchange offer and consent solicitation memorandum is being sent at your request and by accepting the e-mail and accessing this exchange offer and consent solicitation memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) outside of the United States and (2) that you consent to delivery of this exchange offer and consent solicitation memorandum by electronic transmission.

The communication of this exchange offer and consent solicitation memorandum is not being made, and this exchange offer and consent solicitation memorandum has not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000. Accordingly, this document is not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of this document is directed at and is only for circulation to: (a) persons outside the United Kingdom; (b) persons within the United Kingdom falling within the definition of investment professionals (contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**")) or within Article 43 of the Order, or other persons to whom it may lawfully be communicated in accordance with the Order; or (c) any person to whom it may otherwise lawfully be made (such persons together being "relevant persons"). This document is directed only at relevant persons and the transactions contemplated herein will be available only to, or engaged in only with relevant persons, and this exchange offer and consent solicitation memorandum must not be relied or acted upon by persons other than relevant persons.

The attached document is not a prospectus for the purposes of the European Union's Regulation (EU) 2017/1129, including as the same forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020.

You are reminded that this exchange offer and consent solicitation memorandum has been delivered to you on the basis that you are a person into whose possession this exchange offer and consent solicitation memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located. If this is not the case, you must return this exchange offer and consent solicitation memorandum to us immediately. You may not, nor are you authorized to, deliver or disclose the contents of this exchange offer and consent solicitation memorandum to any other person.

The materials relating to this offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that this offering be made by a licensed broker or dealer and the dealer managers or any affiliate of the dealer managers is a licensed broker or dealer in that jurisdiction, this offering shall be deemed to be made by the dealer managers or such affiliate on behalf of PT Kawasan Industri Jababeka Tbk. or Jababeka International B.V. in such jurisdiction.

This exchange offer and consent solicitation memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of J.P. Morgan Securities plc, Mandiri Securities Pte. Ltd., Standard Chartered Bank (Singapore) Limited or UBS AG Singapore Branch (together, the "**Dealer Managers**" and each, a "**Dealer Manager**"), PT Kawasan Industri Jababeka Tbk. ("**Jababeka**") or Jababeka International B.V. (the "**Old Notes Issuer**"), nor any person who controls any of them nor any director, officer, official, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between this exchange offer and consent solicitation memorandum received by you in electronic format and the electronic version initially distributed.

You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

INVESTOR REPRESENTATIONS

By accessing the attached exchange offer and consent solicitation memorandum, you are further deemed to have made the following representations, warranties, agreements, undertakings, confirmations and acknowledgements to Jababeka, the Old Notes Issuer, each Dealer Manager, the Old Notes Trustee, the New Notes Trustee, the New Notes Collateral Agent, the Principal Paying and Transfer Agent and Registrar. For the purposes of the below, "**you**" means such holder participating in the exchange offer and consent solicitation by submitting instructions and tendering the Old Notes (as defined in this exchange offer and consent solicitation memorandum) for exchange pursuant to the terms described in this exchange offer and consent solicitation memorandum.

(1) you acknowledge that the Dealer Managers may submit exchange instructions for its own account as well as on behalf of other Eligible Holders (as defined in this exchange offer and consent solicitation memorandum);

(2) you have observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or requisite payments due from you, in each respect, in connection with this exchange offer and consent solicitation, in tendering the Old Notes for exchange or submitting a consent for the consent solicitation, in any jurisdiction and that it has not taken or omitted to take any action in breach of these representations or which will or may result in Jababeka, the Old Notes Issuer and/or each Dealer Manager or any other person acting in breach of the legal or regulatory requirements of any such jurisdiction in connection with this exchange offer and consent solicitation;

(3) you will not hold the Dealer Managers or any of its branches, subsidiaries, associates and affiliates and their respective directors, members, officers, employees, agents, financiers, advisers (including, without limitation, financial advisers, counsel and accountants) and controlling persons, responsible for any misstatements in or omission from any publicly available information concerning Jababeka and its subsidiaries; and none of such persons has made any warranty, representation or recommendation to you, express or implied, with respect to the exchange offer and consent solicitation, the merits thereof, the business, properties and condition, financial or otherwise of Jababeka and its subsidiaries; the accuracy, completeness or adequacy of any publicly available information and any other matter relating thereto or in connection therewith, and none of them has any obligation to review the results of operations, financial condition or affairs of Jababeka and its subsidiaries or to advise you of any information (including but not limited to any change or development reasonably likely to involve a change in Jababeka and its subsidiaries since the date hereof) coming to their attention;

(4) you have been afforded a meaningful opportunity to request from Jababeka and to review, and have received, all additional information you consider to be necessary to verify the accuracy of or to supplement the information contained herein;

(5) you have made an independent investment decision in consultation with your own investment, tax and other professional advisors to the extent you deem necessary;

(6) you acknowledge that you may not revoke an instruction you grant after the Early Exchange Deadline or the Early Consent Deadline, as applicable, subject to the terms described in this exchange offer and consent solicitation memorandum;

(7) you acknowledge that you empower, authorize, and request the Old Notes Issuer, Jababeka and its other subsidiaries, the Dealer Managers, the Old Notes Trustee (as defined in this exchange offer and consent solicitation memorandum) and the information, exchange and tabulation agent (as defined in this exchange offer and consent solicitation memorandum) to do all such other things as may be necessary or expedient to carry out and give effect to the exchange offer and consent solicitation;

(8) you consent to the disclosure of all of the information contained in your instruction to the Old Notes Issuer, Jababeka and its other subsidiaries, the Dealer Managers, the Old Notes Trustee and the information, exchange and tabulation agent;

(9) you acknowledge that none of the Old Notes Issuer, Jababeka and its other subsidiaries, the Dealer Managers, the Old Notes Trustee and the information, exchange and tabulation agent or any of their respective affiliates, directors, employees, officers, consultants or agents has given you any information with respect to the exchange offer and consent solicitation (as defined in this exchange offer and consent solicitation memorandum) save as expressly set forth in this exchange offer and consent solicitation memorandum and any notice in relation thereto

nor has any of them made any recommendation or statement to you as to as to whether you should participate in the exchange offer and consent solicitation and you shall make your own decision with regard to participating in the exchange offer or consent solicitation based on any legal, tax or financial advice you deem necessary to seek;

(10) you acknowledge that no other person has been authorized to give information or to make any representation concerning the Old Notes Issuer, Jababeka and its other subsidiaries or the exchange offer and consent solicitation other than as contained in this exchange offer and consent solicitation memorandum and, if given or made, such other representation should not be relied upon as having been authorized by the Old Notes Issuer, Jababeka and its other subsidiaries, the Dealer Managers, the Old Notes Trustee, the New Notes Trustee, the New Notes Collateral Agent and the information, exchange and tabulation agent;

(11) you agree to ratify and confirm each and every act or thing that may be done or effected by Jababeka, any of its directors or any person nominated by Jababeka in the proper exercise of his or her powers and/or authority hereunder;

(12) you agree to do all such acts and things as shall be necessary and execute any additional documents deemed by Jababeka to be desirable, in each case to perfect any of the authorities expressed to be given hereunder;

(13) all communications, payments or notices to be delivered to or by you will be delivered by or sent to or by it at your own risk;

(14) the terms and conditions of the exchange offer and consent solicitation shall be deemed to be incorporated in, and form a part of, its instructions which shall be read and construed accordingly and that the information given by you or on your behalf in the relevant instruction is true and will be true in all respects at the Early Exchange Deadline, the Early Consent Deadline, the Exchange Expiration Deadline, the Consent Expiration Deadline, the Consent Settlement Date and the Exchange Settlement Date (each term as defined in this exchange offer and consent solicitation memorandum);

(15) you accept that Jababeka is under no obligation to complete the exchange offer and consent solicitation and accordingly the completion of the exchange offer and consent solicitation is at the sole and absolute discretion of Jababeka;

(16) each instruction is made on the terms and conditions set forth in this exchange offer and consent solicitation memorandum;

(17) each instruction is being submitted in compliance with all applicable laws and/or regulations of the jurisdiction in which you are located and/or in which you are resident and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with each such instruction; and

(18) you (and/or the relevant direct participant in the clearing systems through which your Old Note is held) are not (i) a person that is, or is owned or controlled by a person that is, identified as a "specially designated national" or "blocked person" in the most current U.S. Treasury Department list of "Specially Designated National and Blocked Persons" or included in the U.S. Treasury Department's Sectoral Sanctions Identifications List (which can be found at: https://sanctionssearch.ofac.treas.gov/), or in the European Union and UK Consolidated Lists of financial sanctions, or in the EU/UK list of persons subject to restrictive measures in view of Russia's actions destabilizing the situation in Ukraine; or (ii) a person that is organized, resident or located in a country or territory subject to comprehensive/country-wide economic sanctions; (iii) a person that is otherwise the subject of, or in violation of, any sanctions under (x) the laws and regulations that have been officially published and are administered or enforced by the U.S. Government (including, without limitation, the Office of Foreign Assets Control of the U.S. Treasury Department or the U.S. Department of State), or any enabling legislation or executive order relating thereto; or (y) any equivalent sanctions or measures officially published and imposed by the European Union, any member state of the European Union, His Majesty's Treasury, the United Nations or any other relevant sanctions authority, including sanctions imposed against certain states, organizations and individuals under the European Union's Common Foreign or (iv) acting for or on behalf of any of the foregoing parties (a "**Sanctions Restricted Person**").



JABABEKA & CO.

PT Kawasan Industri Jababeka Tbk.

(incorporated with limited liability under the laws of the Republic of Indonesia)

OFFER TO EXCHANGE
JABABEKA INTERNATIONAL B.V.'S OUTSTANDING 6.50% GUARANTEED SENIOR NOTES DUE 2023 FOR PT KAWASAN INDUSTRI JABABEKA TBK.'S GUARANTEED SENIOR SECURED NOTES DUE 2027, AND SOLICITATION OF CONSENTS TO AMEND THE 2023 INDENTURE (AS DEFINED HEREIN)

- THE EXCHANGE OFFER (AS DEFINED HEREIN) COMMENCED ON NOVEMBER 8, 2022, AND WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME ON DECEMBER 7, 2022, UNLESS EXTENDED OR EARLIER TERMINATED BY PT KAWASAN INDUSTRI JABABEKA TBK. ("**JABABEKA**," "**PARENT**," THE "**NEW NOTES ISSUER**," "**WE**," "**US**" AND "**OUR**") IN OUR SOLE DISCRETION (SUCH TIME, AS IT MAY BE EXTENDED, THE "**EXCHANGE EXPIRATION DEADLINE**"). THE CONSENT SOLICITATION (AS DEFINED HEREIN) COMMENCED ON NOVEMBER 8, 2022, AND WILL EXPIRE AT 11:59 P.M., NEW YORK CITY TIME ON DECEMBER 7, 2022, UNLESS EXTENDED OR EARLIER TERMINATED BY US IN OUR SOLE DISCRETION (SUCH TIME, AS IT MAY BE EXTENDED, THE "**CONSENT EXPIRATION DEADLINE**").

- SUBJECT TO THE TERMS AND CONDITIONS HEREIN, HOLDERS OF THE OLD NOTES (AS DEFINED HEREIN) WHO VALIDLY TENDER OLD NOTES FOR EXCHANGE ON OR PRIOR TO 5:00 P.M., NEW YORK CITY TIME ON NOVEMBER 25, 2022, UNLESS EXTENDED OR EARLIER TERMINATED BY US IN OUR SOLE DISCRETION (SUCH TIME, AS MAY BE EXTENDED, THE "**EARLY EXCHANGE DEADLINE**"), WILL BE ELIGIBLE TO EXCHANGE THEIR OLD NOTES FOR THE EARLY EXCHANGE CONSIDERATION (AS DEFINED HEREIN). UPON TENDERING OLD NOTES FOR EXCHANGE ON OR PRIOR TO THE EARLY EXCHANGE DEADLINE, SUBJECT TO THE TERMS AND CONDITIONS HEREIN, SUCH HOLDERS WILL ALSO BE DEEMED TO HAVE CONSENTED TO THE CONSENT SOLICITATION AND WILL BE ELIGIBLE TO RECEIVE THE EARLY CONSENT FEE (AS DEFINED HEREIN).

- SUBJECT TO THE TERMS AND CONDITIONS HEREIN, HOLDERS OF OLD NOTES WHO VALIDLY TENDER OLD NOTES FOR EXCHANGE AFTER THE EARLY EXCHANGE DEADLINE AND ON OR PRIOR TO THE EXCHANGE EXPIRATION DEADLINE WILL BE ELIGIBLE TO EXCHANGE THEIR OLD NOTES FOR THE LATE EXCHANGE CONSIDERATION (AS DEFINED HEREIN). UPON TENDERING OLD NOTES FOR EXCHANGE AFTER THE EARLY EXCHANGE DEADLINE AND ON OR PRIOR TO THE EXCHANGE EXPIRATION DEADLINE, SUBJECT TO THE TERMS AND CONDITIONS HEREIN, SUCH HOLDERS WILL ALSO BE DEEMED TO HAVE CONSENTED TO THE CONSENT SOLICITATION AND WILL BE ELIGIBLE TO RECEIVE THE LATE CONSENT FEE (AS DEFINED HEREIN).

- ON THE EXCHANGE SETTLEMENT DATE (AS DEFINED HEREIN), ALL ELIGIBLE HOLDERS (AS DEFINED HEREIN) WHOSE OLD NOTES ARE VALIDLY TENDERED AND ACCEPTED FOR EXCHANGE WILL ALSO RECEIVE A CASH PAYMENT EQUAL TO THE APPLICABLE ACCRUED AND UNPAID INTEREST ON THE OLD NOTES VALIDILY TENDERED FOR EXCHANGE FROM THE LAST INTEREST PAYMENT DATE UP TO, BUT EXCLUDING, THE EXCHANGE SETTLEMENT DATE (THE "**ACCRUED AND UNPAID INTEREST**").

- SUBJECT TO THE TERMS AND CONDITIONS HEREIN, HOLDERS OF THE OLD NOTES WHO DELIVER VALID CONSENTS (WITHOUT TENDERING THEIR OLD NOTES FOR EXCHANGE) ON OR PRIOR TO 5:00 P.M., NEW YORK CITY TIME ON NOVEMBER 25, 2022, UNLESS EXTENDED OR EARLIER TERMINATED BY US IN OUR SOLE DISCRETION (SUCH TIME, AS MAY BE EXTENDED, THE "**EARLY CONSENT DEADLINE**"), WILL BE ELIGIBLE TO RECEIVE THE EARLY CONSENT FEE.

- SUBJECT TO THE TERMS AND CONDITIONS HEREIN, HOLDERS OF THE OLD NOTES WHO DELIVER VALID CONSENTS (WITHOUT TENDERING THEIR OLD NOTES FOR EXCHANGE) AFTER THE EARLY CONSENT DEADLINE AND ON OR PRIOR TO THE CONSENT EXPIRATION DEADLINE WILL BE ELIGIBLE TO RECEIVE THE LATE CONSENT FEE.

- IN RELATION TO THE TIMES AND DATES INDICATED HEREIN, HOLDERS HOLDING OLD NOTES THROUGH DTC PARTICIPANTS (AS DEFINED HEREIN) SHOULD NOTE THE PARTICULAR PRACTICES AND POLICIES OF THE RELEVANT DTC PARTICIPANT REGARDING THEIR COMMUNICATIONS DEADLINES WHICH WILL DETERMINE THE LATEST TIME AT WHICH TENDERS OF THE OLD NOTES FOR EXCHANGE AND CONSENTS MAY BE DELIVERED TO THE RELEVANT DTC PARTICIPANT (WHICH MAY BE EARLIER THAN THE DEADLINES HEREIN) SO THAT THEY ARE RECEIVED BY US WITHIN THE DEADLINES SET FORTH HEREIN.

- A SEPARATE EXCHANGE INSTRUCTION MUST BE SUBMITTED ON BEHALF OF EACH BENEFICIAL OWNER OF THE OLD NOTES. YOUR INSTRUCTIONS IN CONNECTION WITH THE EXCHANGE OFFER AND CONSENT SOLICITATION ARE IRREVOCABLE AFTER THE EARLY EXCHANGE DEADLINE. ONCE YOU TENDER OLD NOTES FOR EXCHANGE IN THE EXCHANGE OFFER, YOU MAY WITHDRAW FROM THE EXCHANGE OFFER AT ANY TIME UP TO (AND INCLUDING) THE EARLY EXCHANGE DEADLINE. YOU MAY NOT WITHDRAW FROM THE EXCHANGE OFFER AFTER THE EARLY EXCHANGE DEADLINE. ONCE YOU TENDER OLD NOTES FOR EXCHANGE ON OR PRIOR TO THE EARLY EXCHANGE DEADLINE OR THE EXCHANGE EXPIRATION DEADLINE, AS APPLICABLE, YOU ARE DEEMED TO HAVE CONSENTED TO THE CONSENT SOLICITATION. INSTRUCTIONS IN CONNECTION WITH THE CONSENT SOLICITATION ARE REVOKABLE AT ANY TIME UP TO (AND INCLUDING) THE EARLY CONSENT DEADLINE BUT IRREVOCABLE AFTER THE EARLY CONSENT DEADLINE. ONCE YOU DELIVER A CONSENT, YOU MAY NOT REVOKE YOUR CONSENT AFTER THE EARLY CONSENT DEADLINE.

This amended and restated exchange offer and consent solicitation memorandum dated November 21, 2022 (this "**exchange offer and consent solicitation memorandum**") amends and restates the exchange offer and consent solicitation memorandum dated November 8, 2022 in its entirety. Upon the terms and subject to the conditions set forth in this exchange offer and consent solicitation memorandum, Jababeka is offering to eligible holders to exchange (the "**exchange offer**") the outstanding 6.50% Guaranteed Senior Notes due 2023 issued by Jababeka International B.V. (the "**Old Notes Issuer**"), which we refer to collectively as the "**Old Notes**," for Jababeka's Guaranteed Senior Secured Notes due 2027, guaranteed by certain of its subsidiaries, which we refer to collectively as the "**New Notes**." The New Notes will be secured by applicable Collateral (as defined herein). See "Description of the New Notes" and "Description of the Indonesian Security Documents and the Collateral."

Exchange Offer and Consent Solicitation Terms

6.50% Guaranteed Senior Notes Due 2023

ISIN	CUSIP	Coupon	Maturity	Amount Outstanding*	New Note Description	Early Exchange Consideration per US$1,000 of Old Notes	Late Exchange Consideration per US$1,000 of Old Notes
US46638AAC45 USN4717BAD84	46638AAC4 N4717BAD8	6.50%	October 5, 2023	US$300,000,000	Guaranteed Senior Secured Notes due 2027	US$700.00 of New Notes plus US$300.00 of cash consideration	US$700.00 of New Notes plus US$250.00 of cash consideration

Early Consent Fee	Late Consent Fee
US$2.00 per US$1,000 in Principal Amount of Old Notes	US$1.00 per US$1,000 in Principal Amount of Old Notes

* As of the date of this exchange offer and consent solicitation memorandum, US$1,500,000 in aggregate principal amount of the Old Notes is held by or on behalf of the Old Notes Issuer, Jababeka and/or their respective affiliates, which is not regarded as outstanding for the purpose of the exchange offer and consent solicitation.

Concurrently with the exchange offer, Jababeka is soliciting consents from the holders of the Old Notes (the "**consent solicitation**") to amend the terms of the indenture dated as of October 5, 2016 and as supplemented and amended by a first supplemental indenture dated as of December 21, 2018 (the "**2023 Indenture**") that governs the Old Notes among the Old Notes Issuer, the Parent, the subsidiary guarantors names therein and The Bank of New York Mellon, as trustee (the "**Old Notes Trustee**"). The proposed amendments would amend certain terms of the 2023 Indenture including to amend the definition of "change of control", eliminate substantially all of the restrictive covenants and the reporting requirements, and certain of the events of default in the 2023 Indenture.

In conjunction with the exchange offer and consent solicitation, Jababeka is concurrently soliciting consents from holders of any and all of the outstanding Old Notes to the Proposed Amendments (as defined herein) to the 2023 Indenture (the "**concurrent consent solicitation**"). The concurrent consent solicitation is not part of the exchange offer and consent solicitation and is conducted pursuant to, and on the terms and subject to the conditions set forth in, a separate consent solicitation statement dated November 8, 2022 (as amended and restated on November 21, 2022, the "**consent solicitation statement**"), which may be obtained from the information, exchange and tabulation agent for the concurrent consent solicitation or the website for the concurrent consent solicitation: https://projects.morrowsodali.com/jababekaconsent. Eligible Holders may choose to deliver consents to the Proposed Amendments without tendering their Old Notes for exchange in accordance with the procedures, and on the terms and subject to the conditions, set forth in the consent solicitation statement. **Eligible Holders of Old Notes who participate in the exchange offer and consent solicitation will not be eligible to also separately participate in the concurrent consent solicitation with respect to the same Old Notes tendered for exchange pursuant to the exchange offer and consent solicitation. Holders of the Old Notes who participate in the concurrent consent solicitation will not be eligible to also separately participate in the exchange offer and consent solicitation with respect to the same Old Notes for which consents have been validly delivered on the concurrent consent solicitation.**

The New Notes will be issued by Jababeka and will be guaranteed on an unsecured basis by certain of its subsidiaries (collectively, the "**Subsidiary Guarantors**"). The New Notes will be secured by applicable Collateral. The New Notes will bear interest as follows: (i) during the one-year period from (and including) the New Notes Original Issue Date (as defined herein) to (but excluding) the date that is one year after the New Notes Original Issue Date (the "**First Anniversary Date**"), 7.00% per annum payable in cash; (ii) from (and including) the First Anniversary Date to (but excluding) the date that is one year after the First Anniversary Date (the "**Second Anniversary Date**"), 7.50% per annum payable in cash; (iii) from (and including) the Second Anniversary Date to (but excluding) the date that is one year after the Second Anniversary Date (the "**Third Anniversary Date**"), 8.00% per annum payable in cash; (iv) from (and including) the Third Anniversary Date to (but excluding) the date that is one year after the Third Anniversary Date (the "**Fourth Anniversary Date**"), 8.50% per annum payable in cash; and (v) from (and including) the Fourth Anniversary Date to (but excluding) the date of maturity of the New Notes, 9.00% per annum payable in cash. Interest will be payable semi-annually in arrears on specific dates of each year, commencing on the date that is six months after the New Notes Original Issue Date.

The aggregate principal amount of New Notes to be issued to any holder in the exchange offer will be in minimum denominations of US$100,000 and integral multiples of US$1,000 thereof. Accordingly, an Eligible Holder must tender Old Notes for exchange in a principal amount sufficient to receive minimum denominations of US$100,000 and integral multiples of US$1,000 thereof of New Notes in exchange for such Old Notes, based on the Early Exchange Consideration or the Late Exchange Consideration, as applicable. Any Eligible Holder that tenders Old Notes for exchange less than such amount will not be able to participate in the exchange offer. Subject to the foregoing, exchange instructions with respect to Old Notes will be accepted only in permitted denominations, which are minimum denominations of US$200,000 and integral multiples of US$1,000 thereof. The amount of New Notes to be issued to any Eligible Holder will be rounded down to the nearest US$1,000. Any fractional portion of New Notes not received as a result of rounding down will be paid in cash.

For Old Notes validly tendered and accepted for exchange on or prior to the Early Exchange Deadline, holders will, subject to the terms and conditions set forth herein, receive US$700.00 principal amount of New Notes for each US$1,000 principal amount of Old Notes tendered for exchange together with a cash payment equal to US$300.00 for each US$1,000 principal amount of Old Notes tendered for exchange (the "**Early Exchange Consideration**"). Upon tendering Old Notes for exchange on or prior to the Early Exchange Deadline, you are deemed to have consented to the consent solicitation and, subject to the terms and conditions herein, will be eligible to receive the Early Consent Fee.

Holders of Old Notes, which have been validly tendered and accepted for exchange after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline, will, subject to the terms and conditions set forth herein, receive US$700.00 principal amount of New Notes for each US$1,000 principal amount of Old Notes tendered together with a cash payment equal to US$250.00 for each US$1,000 principal amount of Old Notes tendered (the "**Late Exchange Consideration**").

Upon tendering Old Notes after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline, you are deemed to have consented to the consent solicitation and, subject to the terms and conditions herein, will be eligible to receive the Late Consent Fee.

Holders of Old Notes who do not wish to exchange their Old Notes or do not validly tender Old Notes for exchange on or prior to the Exchange Expiration Deadline but who deliver valid consents on or prior to the Early Consent Deadline or the Consent Expiration Deadline, as applicable, will be eligible to receive the Early Consent Fee or the Late Consent Fee, as applicable, subject to the terms and conditions herein.

The exchange offer will expire on the Exchange Expiration Deadline. The consent solicitation will expire on the Consent Expiration Deadline. Your instructions in connection with the exchange offer and consent solicitation are irrevocable after the Early Exchange Deadline or the Early Consent Deadline, as applicable. Once you tender Old Notes for exchange in the exchange offer, you may withdraw from the exchange offer at any time up to (and including) the Early Exchange Deadline. You may not withdraw from the exchange offer after the Early Exchange Deadline. Upon tendering Old Notes for exchange on or prior to the Early Exchange Deadline or the Exchange Expiration Deadline, as applicable, you are deemed to have consented to the Proposed Amendments. Instructions in connection with the consent solicitation are revokable at any time up to (and including) the Early Consent Deadline but irrevocable after the Early Consent Deadline. Once you deliver a consent, you may not revoke your consent after the Early Consent Deadline.

The exchange offer and the consent solicitation are subject to the conditions discussed under "Description of the Exchange Offer and the Consent Solicitation—Conditions to the Exchange Offer and the Consent Solicitation," including that we have received valid consents to the Proposed Amendments from holders of at least a majority of the outstanding principal amount of the Old Notes. The exchange offer is also conditional upon the satisfaction or waiver of valid offers for exchange being received and accepted from holders of Old Notes in the exchange offer in an amount representing at least 90% of the outstanding aggregate principal amount of Old Notes (the "**Exchange Minimum Participation Condition**") and the consent solicitation is also conditional upon the satisfaction or waiver of consents being validly delivered by holders of Old Notes in the consent solicitation in an amount representing at least 90% of the outstanding aggregate principal amount of Old Notes (the "**Consent Minimum Participation Condition**").

Jababeka reserves the right, upon receipt of the Requisite Consents (as defined herein) to the Proposed Amendments, to consummate or not to consummate the consent solicitation following the Consent Expiration Deadline, subject to the terms and conditions herein. If Jababeka consummates the consent solicitation, Jababeka will pay, subject to the terms and conditions herein, (i) the Early Consent Fee for the Old Notes for which consents were validly delivered or, deemed to be delivered, on or prior to the Early Consent Deadline, (ii) the Late Consent Fee for the Old Notes for which consents were validly delivered, or deemed to be delivered, after the Early Consent Settlement Deadline and on or prior to the Consent Expiration Deadline and (iii) Jababeka and the Old Notes Trustee, among others, will execute and deliver the second supplemental indenture relating to the Proposed Amendments with respect to the Old Notes (the "**Second Supplemental Indenture**"); and the Proposed Amendments with respect to the Old Notes will become operative in accordance with the Second Supplemental Indenture upon payment of the Early Consent Fee and the Late Consent Fee, as applicable, to all holders of Old Notes who have validly delivered, or deemed to have validly delivered, their consents, in each case, on a date promptly following the Consent Expiration Deadline, which date is expected to be the second business day following the Consent Expiration Deadline (the "**Consent Settlement Date**").

Jababeka reserves the right to consummate or not to consummate the exchange offer following the Exchange Expiration Deadline, subject to the terms and conditions herein. If Jababeka consummates the exchange offer, Jababeka will pay, subject to the terms and conditions herein, (i) the Early Exchange Consideration for the Old Notes validly tendered and accepted for exchange on or prior to the Early Exchange Deadline and (ii) the Late Exchange Consideration for the Old Notes validly tendered and accepted for exchange after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline, on a date promptly following the Exchange Expiration Deadline, which date is expected to be the sixth business day following the Exchange Expiration Deadline (the "**Exchange Settlement Date**").

On the Exchange Settlement Date, all Eligible Holders whose Old Notes are validly tendered and accepted for exchange will also receive a cash payment equal to the Accrued and Unpaid Interest. For the avoidance of doubt, any cash consideration as part of the Early Exchange Consideration or the Late Exchange Consideration, as applicable, and any accrued interest to be received by Eligible Holders will be settled through DTC and not via the Old Notes Trustee.

You should carefully read the "Risk Factors" section beginning on page 47 and the "Risk Factors Relating to the Exchange Offer and the Consent Solicitation" section beginning on page 73 before you make any decision regarding the exchange offer and the consent solicitation.

You must make your own decision whether to tender your Old Notes for exchange in the exchange offer or deliver consents pursuant to the consent solicitation. Neither Jababeka, the Old Notes Issuer, the Subsidiary Guarantors, the Dealer Managers (as defined herein), the information, exchange and tabulation agent, the Old Notes Trustee, nor any other person is making any recommendation as to whether or not you should tender your Old Notes for exchange in the exchange offer or deliver consents pursuant to the consent solicitation.

Application has been made to the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the listing and quotation of the New Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions or reports contained in this exchange offer and consent solicitation memorandum. Admission of the New Notes to the Official List of the SGX-ST and quotation of the New Notes on the SGX-ST are not to be taken as an indication of the merits of Jababeka, the Old Notes Issuer, the Subsidiary Guarantors, their respective subsidiaries or associated companies, the applicable guarantees or the New Notes. The New Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 as long as any of the New Notes are listed on the SGX-ST. A paying agent in Singapore will be appointed upon the issue of the New Notes. For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we will appoint and maintain a paying agent in Singapore where the New Notes may be presented or surrendered for payment or redemption in the event that a Global Certificate is exchanged for definitive notes. In addition, in the event that a Global Certificate is exchanged for definitive notes, an announcement of such exchange will be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive New Notes, including details of the paying agent in Singapore.

The New Notes, including the applicable guarantees, have not been nor will they be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and they may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the New Notes are being offered to investors who are either (A) "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A under the Securities Act in reliance on the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereunder or (B) outside the United States in offshore transactions pursuant to Regulation S, and which are deemed to have made the representations set forth in the section "Transfer Restrictions." Holders of Old Notes who have previously certified to us that they are eligible to participate in the exchange offer through the eligibility process we have made available are referred to as "**Eligible Holders**." Only Eligible Holders are authorized to receive or review

this exchange offer and consent solicitation memorandum or to participate in the exchange offer. See "Notice to Prospective Investors in the United States" for certain important information for U.S. investors and "Transfer Restrictions" for a description of certain restrictions on purchase resale or transfer of the New Notes.

Neither the United States Securities and Exchange Commission nor any other federal or state securities commission or regulatory authority nor any commission has approved or disapproved of these securities or determined if this exchange offer and consent solicitation memorandum is truthful or complete. Any representation to the contrary is a criminal offense.

Dealer Managers

J.P. Morgan	**Mandiri Securities**	**Standard Chartered Bank**	**UBS**

The date of this amended and restated exchange offer and consent solicitation memorandum is November 21, 2022.

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In making your investment decision, you should rely only on the information contained in this exchange offer and consent solicitation memorandum. We have not, and the Dealer Managers have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the Dealer Managers are not, making an offer to sell or exchange securities, and we are not soliciting an offer to buy or exchange securities, in any jurisdiction where the offer, sale or exchange is not permitted.

NOTICE TO INVESTORS

Each holder of the Old Notes, by accepting this exchange offer and consent solicitation, will be deemed to have made certain acknowledgments, representations and agreements as set forth under "Transfer Restrictions." Each person acquiring New Notes in the exchange offer and consent solicitation should be aware that it may be required to bear the financial risks of this investment for an indefinite period of time.

Each direct participant in The Depository Trust Company ("**DTC**"), Euroclear Bank SA/NV ("**Euroclear**") or Clearstream Banking S.A. ("**Clearstream**" and together with Euroclear, the "**Clearing Systems**" and each a "**Clearing System**"), by validly tendering Old Notes for exchange, will be deemed to have given authority to the relevant Clearing System or DTC to provide details concerning such direct participant's identity to the information, exchange and tabulation agent.

We accept responsibility for the information contained in this exchange offer and consent solicitation memorandum. Having made all reasonable inquiries, we confirm that this exchange offer and consent solicitation memorandum contains all information with respect to us that is material in the context of the exchange offer and consent solicitation and that this exchange offer and consent solicitation memorandum does not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or that is necessary in order to make the statements herein, in the light of the circumstances under which they are made, not misleading, in each case as of the date hereof and subject to any revision or amendment as described herein. Accordingly, other than as provided above and in the paragraph below, we accept no responsibility for the information contained in this exchange offer and consent solicitation memorandum.

None of the Dealer Managers, the Old Notes Trustee, The Bank of New York Mellon, as the trustee of the New Notes (the "**New Notes Trustee**") or Watiga Trust Ltd, as the collateral agent of the New Notes (the "**New Notes Collateral Agent**") makes any representation or warranty, express or implied, as to the accuracy or completeness of any of the information in this exchange offer and consent solicitation memorandum. Each person receiving this exchange offer and consent solicitation memorandum acknowledges that such person has not relied on the Dealer Managers, the Old Notes Trustee, the New Notes Trustee or the New Notes Collateral Agent in connection with its investigation of the accuracy of such information or its investment decision. Each person contemplating accepting the exchange offer and consent solicitation and making an investment in the New Notes must make its own investigation and analysis of the creditworthiness of Jababeka and its subsidiaries and its own determination of the suitability of such investment, with particular reference to its own investment objectives and experience, and any other factors that may be relevant to it in connection with such investment.

The delivery of this exchange offer and consent solicitation memorandum shall not in any circumstances create any implication that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the condition (financial or otherwise) of Jababeka or its subsidiaries since the date of this exchange offer and consent solicitation memorandum. Unless otherwise indicated, all information in this exchange offer and consent solicitation memorandum is given as of the date hereof. None of Jababeka or its subsidiaries undertake any obligation to update or review this exchange offer and consent solicitation memorandum, whether as a result of new information, future events or otherwise.

This exchange offer and consent solicitation memorandum does not constitute an offer of, or the solicitation of an offer to, exchange the Old Notes for the New Notes in any jurisdiction where it is unlawful to make such an offer or solicitation. The distribution of this exchange offer and consent solicitation memorandum in certain jurisdictions may be restricted by law. Persons into whose possession this exchange offer and consent solicitation memorandum comes are required by Jababeka and its subsidiaries (including the Old Notes Issuer), and by the Dealer Managers, the Old Notes Trustee, the New Notes Trustee and the New Notes Collateral Agent to inform themselves about and to observe any such restrictions. This exchange offer and consent solicitation memorandum may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorized or is unlawful.

None of Jababeka or its subsidiaries (including the Old Notes Issuer), the Dealer Managers, the Old Notes Trustee, the New Notes Trustee and the New Notes Collateral Agent or any of their respective affiliates or agents makes any representation about the legality of the acceptance of the exchange offer and consent solicitation or the acquisition of the New Notes by an investor under applicable investment or similar laws. None of Jababeka and its subsidiaries (including the Old Notes Issuer), the Dealer Managers, the Old Notes Trustee, the New Notes Trustee, the New Notes Collateral Agent and any of their respective affiliates or agents makes any recommendation as to whether holders of Old Notes should tender Old Notes for exchange pursuant to the exchange offer and consent solicitation and, if given or made any such recommendation may not be relied upon as authorized by Jababeka and its subsidiaries (including the Old Notes Issuer), the Dealer Managers, the Old Notes Trustee, the New Notes Trustee, the New Notes Collateral Agent or any of their respective affiliates or agents. Each prospective investor is advised to consult its own counsel and business adviser as to legal, business and related matters concerning the acceptance of the exchange offer and the New Notes. The contents of this exchange offer and consent solicitation memorandum are not to be construed as legal, business or tax advice.

Each prospective purchaser of the New Notes must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells the New Notes and must obtain any consent, approval or permission required of it for the purchase, offer or sale by it of the New Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and none of Jababeka and its subsidiaries (including the Old Notes Issuer), the Dealer Managers, the Old Notes Trustee, the New Notes Trustee and the New Notes Collateral Agent or any of their respective affiliates or agents shall have any responsibility therefor.

To the fullest extent permitted by law, no Dealer Manager or solicitation agent or any of their respective directors, employees, officers, consultants, agents or affiliates accepts any responsibility for the contents of this exchange offer and consent solicitation memorandum, for any failure by Jababeka to disclose events that may have occurred or may affect the significance or accuracy of such information or the terms of the exchange offer and consent solicitation, or for any statement made or purported to be made by any Dealer Manager or solicitation agent or on any of their behalf in connection with Jababeka, the Old Notes Issuer, the exchange of the Old Notes, the issue and offering of the New Notes or the solicitation of consents. The Dealer Managers accordingly disclaim all and any liability whether arising in tort or contract or otherwise which they might otherwise have in respect of this exchange offer and consent solicitation memorandum or any such statement.

Each Dealer Manager and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Each Dealer Manager and its affiliates are entitled to have or hold positions in the Old Notes either for their own account or for the account, directly or indirectly, of third parties and, subject to applicable law, may make or continue to make a market in, or subject to the provisions of the transaction documents relating to the Old Notes (the "**Notes Documentation**"), vote in respect of, or act as principal in any transactions in, or relating to, or otherwise act in relation to, the Old Notes and may or may not, subject to the provisions of the Notes Documentation, participate in the exchange offer and consent solicitation or take any other action in respect of the Old Notes for its own account or for the account of third parties. Each Dealer Manager is entitled to continue to hold or dispose of, in any manner it may elect, the Old Notes that it may hold as at today's date or, from such date, to acquire further Old Notes, subject to applicable law. No such participation or non-participation by any Dealer Manager should be taken by any holder of Old Notes or any other person as any recommendation or otherwise by any of Jababeka, the Old Notes Issuer or the relevant Dealer Manager or any person who controls, or any director, officer, representative, adviser, employee, agent or affiliate of, any such person, as the case may be, as to the merits of participating or not participating in the exchange offer and consent solicitation.

Each of the Dealer Manager is an agent only of Jababeka and owes no duty to any holder of the Old Notes.

This exchange offer and consent solicitation memorandum contains summaries intended to be accurate with respect to certain terms of the New Notes and the indenture relating to such New Notes, but reference is made to the actual documents, certain of which

will be made available free of charge to prospective investors upon request to Jababeka or at the office of the information agent, for complete information with respect thereto, and all summaries are qualified in their entirety by such reference.

The New Notes are a new issue of securities for which there is currently no market. The Dealer Managers have advised Jababeka and the Old Notes Issuer that they intend to make a market for the New Notes as permitted by applicable law. They are not obligated, however, to make a market in the New Notes and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for the New Notes. Each Dealer Manager or its affiliates may purchase the New Notes for its own account or enter into secondary market transactions or derivative transactions relating to the New Notes, including, without limitation, purchase, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackagings and credit default swaps, at the same time as the offering of the New Notes. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the New Notes to which this exchange offer and consent solicitation memorandum relates (notwithstanding that such selected counterparties may also be a purchaser of the New Notes). As a result of such transactions, a Dealer Manager or its affiliates may hold long or short positions relating to the New Notes. Each of the Dealer Managers and its affiliates may also engage in investment or commercial banking and other dealings in the ordinary course of business with Jababeka, the Old Notes Issuer or their respective affiliates from time to time and may receive fees and commissions for these transactions.

In addition to the transactions noted above, each Dealer Manager and its affiliates may, from time to time after completion of the offering of the New Notes, engage in other transactions with, and perform services for, Jababeka, the Old Notes Issuer or their respective affiliates in the ordinary course of business. Each Dealer Manager or its affiliates may also purchase New Notes for asset management and/or proprietary purposes but not with a view to distribution or may hold New Notes on behalf of clients or in the capacity of investment advisors. While each Dealer Manager and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause a Dealer Manager or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the New Notes. Each Dealer Manager may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the New Notes.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The New Notes and the applicable guarantees (collectively, the "**securities**") have not been and will not be registered under the Securities Act or any state securities laws in the United States. Subject to certain exceptions, the securities may not be offered or sold within the United States or to any national, resident or citizen of the United States. Pursuant to this offering, the securities may not be offered or sold in the United States except that the securities may be offered or sold to investors who are either (a) "qualified institutional buyers," as defined in Rule 144A under the Securities Act, in reliance on the exemption from the registration requirements of the Securities Act provided by Section 4(a)(2) thereunder or (b) outside the United States in offshore transactions in reliance on Regulation S. Any purported sale or transfer of a New Note (or beneficial interest therein) which is not made in compliance with the restrictions set forth herein shall be void and will not be honored by Jababeka. See "Transfer Restrictions—Required Sale or Redemption." Jababeka shall be entitled to require any holder of securities (or beneficial interest therein) who is in the United States that is determined not to have been a "qualified institutional buyer" and to have not met the other requirements set forth under "Transfer Restrictions" herein at the time of acquisition of such securities (or such beneficial interest) to sell such New Note (or such beneficial interest therein) (within 30 days after notice of the sale requirement is given) to either (a) a person that is a "qualified institutional buyer" (and meets the requirements set forth under "Transfer Restrictions") in a transaction meeting the requirements of Rule 144A, or (b) a person that is outside the United States in an offshore transaction meeting the requirements of Regulation S. Alternatively, Jababeka shall be entitled to redeem such securities (upon 30 days' notice to the holder thereof) in an amount equal to the outstanding principal amount of such securities plus accrued interest.

Neither the United States Securities and Exchange Commission (the "**SEC**") nor any state securities commission has approved or disapproved of the New Notes or the applicable guarantees or determined if this exchange offer and consent solicitation memorandum is truthful or complete. Any representation to the contrary is a criminal offense in the United States. Prospective purchasers are hereby notified that the sellers of the securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

The securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this exchange offer and consent solicitation memorandum entitled "Transfer Restrictions." By

purchasing the securities, you will be deemed to have made the acknowledgments, representations, warranties and agreements described under the heading "Transfer Restrictions" in this exchange offer and consent solicitation memorandum.

NOTICE TO INVESTORS IN CANADA

This exchange offer and consent solicitation memorandum is not an approved offering document pursuant to Canadian securities laws and no offer/sell of securities will be made except in compliance with NI 45-106. Resale of the New Notes may be subject to resale restrictions or seasoning period under Canadian securities laws. Canadian Qualified Holders should seek legal advice as regard to prospectus and registration exemptions available and related restrictions on resale that may be applicable.

Jababeka and the Old Notes Issuer (the "**Foreign Entities**") are entities formed under the laws of jurisdictions outside of Canada. All of the directors and officers of the Foreign Entities may be located outside of Canada and, as a result, it may not be possible for Canadian holders of the New Notes to effect services of process within Canada upon such company or such persons. All or a substantial portion of the assets of the Foreign Entities may be located outside of Canada and, as a result, it may not be possible for Canadian holders of the New Notes to satisfy or collect a judgment in Canada against the Foreign Entities or its directors and officers or to enforce a judgment obtained in Canadian courts against the Foreign Entities or such persons outside of Canada. Interest will not be governed by the laws of any province or territory of Canada. Accordingly, it may not be possible to enforce interest on the New Notes in accordance with their terms in a Canadian court.

NOTICE TO INVESTORS IN THE REPUBLIC OF INDONESIA

This offer does not constitute a public offering or private placement in Indonesia under Law No. 8 of 1995 on Capital Market (the "**Indonesian Capital Market Law**") and Financial Services Authority (*Otoritas Jasa Keuangan* or "**OJK**") Regulation No. 30/POJK.04/2019 on the Issuance of Debt-Linked Securities and/or Sukuk by way of Private Placement ("**OJK Regulation No. 30**"). The New Notes have not been offered or sold and will not be offered or sold: (i) in Indonesia, to Indonesian residents and institutions or foreign citizens and institutions or other form of legal entity domiciled or currently in Indonesia; and (ii) outside Indonesia, to Indonesian citizens and institutions or other form of Indonesian legal entity (wherever they are domiciled or located); in a manner which constitutes a public offering or private placement under the Indonesian Capital Market Law and OJK Regulation No. 30, including by way of invitation, offering or advertisement, and this exchange offer and consent solicitation memorandum and any other offering material relating to the New Notes has not been distributed, and will not be distributed in a manner which would constitute a public offering or private placement under the Indonesian Capital Market Law and OJK Regulation No. 30.

NOTICE TO INVESTORS IN HONG KONG

The exchange offer and consent solicitation are not being made in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the exchange offer and consent solicitation may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to the exchange offer and consent solicitation which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

NOTICE TO INVESTORS IN THE REPUBLIC OF ITALY

Neither the offer to exchange described in this exchange offer and consent solicitation memorandum, this exchange offer and consent solicitation memorandum or any other document or materials relating to such offer to exchange have been or will be submitted to the clearance procedures of the CONSOB pursuant to Italian laws and regulations. The offer to exchange described herein is being carried out in Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of February 24, 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 3 of CONSOB Regulation No. 11971 of May 14, 1999, as amended (the "**Regulation No. 11971**"). Accordingly, qualified investors (as defined in Article 26, first

paragraph, letter d) of CONSOB Regulation No. 16190 of October 29, 2007, as amended (the "**Regulation No. 16190**"), pursuant to Article 34-ter, first paragraph, letter b) of Regulation No. 11971) who are holders or beneficial owners of Old Notes that are located in Italy can tender Old Notes for exchange through authorized persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, the Regulation No. 16190 and Legislative Decree No. 385 of September 1,1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB, the Bank of Italy or any other Italian authority.

NOTICE TO INVESTORS IN FRANCE

The offer to exchange described herein is not being made, directly or indirectly, to the public in the Republic of France ("**France**"). Neither this exchange offer and consent solicitation memorandum nor any other document or material relating to the offer to exchange has been or shall be distributed to the public in France and only (i) providers of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*), other than individuals, acting for their own account, all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code monétaire et financier, are eligible to participate in the offer to exchange. This exchange offer and consent solicitation memorandum has not been and will not be submitted for clearance to nor approved by the Autorité des Marchés Financiers.

NOTICE TO INVESTORS IN BELGIUM

Neither this exchange offer and consent solicitation memorandum nor any other documents or materials relating to the offer to exchange have been submitted to or will be submitted for approval or recognition to the Belgian Financial Services and Markets Authority ("*Autorité des services et marchés financiers/Autoriteit voor Financiële Diensten en Markten*") and, accordingly, the offer to exchange may not be made in Belgium by way of a public offering, as defined in Articles 3(1)(1) and 3(6) of the Belgian Law of April 1, 2007 on public takeover bids (the "**Belgian Takeover Law**") or as defined in Article 3 of the Belgian Law of June 16, 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (together, the "**Belgian Public Offer Law**"), each as amended or replaced from time to time. Accordingly, the offer to exchange may not be advertised and the offer to exchange will not be extended, and neither this exchange offer and consent solicitation memorandum nor any other documents or materials relating to the offer to exchange (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than (i) to "qualified investors" in the sense of Article 10 of the Belgian Public Offer Law (as amended from time to time), acting on their own account, or (ii) in any circumstances set out in Article 6(4) of the Belgian Takeover Law. Insofar as Belgium is concerned, this exchange offer and consent solicitation memorandum has been issued only for the personal use of the above qualified investors and exclusively for the purpose of the offer to exchange. Accordingly, the information contained in this exchange offer and consent solicitation memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

NOTICE TO INVESTORS IN JAPAN

No securities registration statement pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Law of Japan (the "**FIEL**") has been filed or will be filed with respect to the solicitation of an offer to acquire the New Notes, as the case may be, to any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) since such solicitations constitute the private placement to qualified institutional investors under Article 2, Paragraph 3, Item 2i of the FIEL.

Neither the New Notes nor any interest therein may be offered, sold, resold or otherwise transferred, directly or indirectly, in Japan or to or for the account of any resident of Japan unless the transferee is a qualified institutional investor within the meaning of Item 1, Paragraph 3 of Article 2 of the FIEL. As used in this paragraph, resident of Japan means any person resident in Japan, including any corporation or other entity organized under the laws of Japan.

NOTICE TO INVESTORS IN MALAYSIA

The exchange offer and consent solicitation have not been approved by the Securities Commission of Malaysia and will not be made available in Malaysia except to a Labuan company or foreign Labuan company (as defined under the Labuan Companies Act

1990 of Malaysia) with total net assets exceeding ten million ringgit or its equivalent in foreign currencies based on the last audited accounts.

This exchange offer and consent solicitation memorandum has not been and will not be registered as a prospectus with the Securities Commission of Malaysia. Accordingly, this exchange offer and consent solicitation memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Notes may not be circulated or distributed, nor may the New Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than to a Labuan company or foreign Labuan company (as defined under the Labuan Companies Act 1990 of Malaysia) with total net assets exceeding ten million ringgit or its equivalent in foreign currencies based on the last audited accounts.

NOTICE TO INVESTORS IN THE NETHERLANDS

In The Netherlands, the exchange offer and consent solicitation are and may only be made, and this exchange offer and consent solicitation memorandum is exclusively addressed to, holders of Old Notes who or which are qualified investors as defined in Section 1:1 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*) (which incorporates the definition of "qualified investor" from the Prospectus Directive (see "Notice to investors in the European Economic Area")).

NOTICE TO INVESTORS IN SWITZERLAND

The New Notes may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland. The New Notes are being offered in Switzerland only (i) on a private placement basis and (ii) to holders of the Old Notes. Neither this exchange offer and consent solicitation memorandum nor any other offering or marketing material relating to Jababeka, the Old Notes Issuer, the Subsidiary Guarantors or the New Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd, and neither this exchange offer and consent solicitation memorandum nor any other offering or marketing material relating to Jababeka, the Old Notes Issuer, the Subsidiary Guarantors or the New Notes may be publicly distributed or otherwise made publicly available in Switzerland.

NOTICE TO INVESTORS IN SINGAPORE

This exchange offer and consent solicitation memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore ("**MAS**"). Accordingly, this exchange offer and consent solicitation memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Notes may not be circulated or distributed, nor may the New Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore (as modified or amended form time to time, the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275, of the Securities and Futures Act and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the New Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(i) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor;

securities (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the New Notes pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the Securities and Futures Act; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

In connection with Section 309B of the SFA and the Capital Markets Products (the "**CMP**") Regulations 2018, the New Notes are prescribed capital markets products (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Solely for the purposes of its obligations pursuant to Sections 309(b)(1)(a) and 309(b)(1)(c) of the SFA, the New Notes Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the New Notes are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and "excluded investment products" (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

NOTICE TO INVESTORS IN THE UNITED KINGDOM

The communication of this exchange offer and consent solicitation memorandum and any other documents or materials relating to the exchange offer and consent solicitation are not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials are directed at and are only for circulation to: (a) persons outside the United Kingdom; (b) persons within the United Kingdom falling within the definition of investment professionals (contained in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**")) or within Article 43 of the Order, or other persons to whom it may lawfully be communicated in accordance with the Order; or (c) any person to whom it may otherwise lawfully be made (such persons together being "relevant persons"). This exchange offer and consent solicitation memorandum is directed only at relevant persons and the transactions contemplated herein will be available only to, or engaged in only with relevant persons, and this exchange offer and consent solicitation memorandum must not be relied or acted upon by persons other than relevant persons.

This exchange offer and consent solicitation memorandum is not a prospectus for the purposes of the European Union's Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 (the "**EUWA**").

The New Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

NOTICE TO INVESTORS IN THE EUROPEAN ECONOMIC AREA

This exchange offer and consent solicitation memorandum is not a prospectus for the purposes of the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**").

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

FORWARD-LOOKING STATEMENTS

Certain statements in this exchange offer and consent solicitation memorandum are not historical facts and constitute "forward-looking statements". All statements other than statements of historical facts included in this exchange offer and consent solicitation memorandum, including those regarding our financial position and results, business strategies, plans and objectives of management for future operations (including development plans and dividends), followed by or that include the words "believe", "expect", "aim", "intend", "will", "may", "project", "estimate", "anticipate", "predict", "seek", "should" or similar words or expressions, are forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future.

Forward-looking statements involve inherent risks and uncertainties. The forward-looking statements included in this exchange offer and consent solicitation memorandum reflect our current views with respect to future events and are not a guarantee of future performance. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement. These factors include, but are not limited to, the following:

- the anticipated demand for our properties and related capital expenditures and investments;
- whether we can successfully execute our business strategies and carry out our growth plans;
- macroeconomic factors, in particular interest rates, unemployment rates, disposable income, availability of adequate credit and affordable financing and consumer confidence in Indonesia;
- changes in Government laws and regulations and their interpretation, including property laws and tax laws, as well as the level of enforcement of such laws and regulations;
- significant delays in obtaining or renewing our various permits, proper legal titles or approvals for our properties under development or held or planned to be held for future development;
- changes in our needs for capital and the availability and cost of financing and capital to fund these needs;
- competition in the Indonesian real estate industry, including changes in real estate prices and sales activity;
- our ability to anticipate and respond to consumer preferences;
- war or acts of international or domestic terrorism;
- occurrences of catastrophic events, outbreaks of communicable diseases, natural disasters and acts of God that affect our business or properties (including uncertainties arising from the ongoing COVID-19 pandemic);
- changes in our senior management team or loss of key employees;

- the impact of environmental damages, construction defects, product liability and warranty claims, including the adequacy of self-insurance accruals, the applicability and sufficiency of our environmental insurance coverage;

- the availability and cost of labor and building and construction materials, including the ability to secure materials and subcontractors; and

- construction delays and weather conditions.

Additional factors that could cause our actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors", "Risk Factors Relating to the Exchange Offer and the Consent Solicitation", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business". When relying on forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. These forward-looking statements speak only as of the date of this exchange offer and consent solicitation memorandum. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We do not intend to update any of the forward-looking statements after the date of this exchange offer and consent solicitation memorandum to conform those statements to actual results, subject to compliance with all applicable laws including the rules of the SGX-ST.

CONVENTIONS

Unless indicated otherwise, in this exchange offer and consent solicitation memorandum:

- "Old Notes Issuer" refers to Jababeka International B.V., the issuer of the Old Notes;
- "Old Notes Trustee" refers to The Bank of New York Mellon, in its capacity as trustee of the Old Notes;
- "New Notes Trustee" refers to The Bank of New York Mellon, in its capacity as trustee of the New Notes;
- "New Notes Collateral Agent" refers to Watiga Trust Ltd, in its capacity as collateral agent of the New Notes;
- "Dealer Managers" refers to J.P. Morgan Securities plc, Mandiri Securities Pte. Ltd., Standard Chartered Bank (Singapore) Limited and UBS AG Singapore Branch in their capacities as dealer managers and solicitation agents;
- "Subsidiary Guarantors" refers to certain of Jababeka's subsidiaries, collectively, as indicated in "Description of the New Notes"; and
- "Jababeka," "Company," "Parent," "New Notes Issuer," "we," "us" and "our" refers to PT Kawasan Industri Jababeka Tbk., the issuer of the New Notes and which is soliciting consents and making offers in connection with the exchange offer and consent solicitation and, where relevant, its consolidated subsidiaries as of the date of this exchange offer and consent solicitation memorandum.

As used in this exchange offer and consent solicitation memorandum, all references to "Indonesia" are references to the Republic of Indonesia and all references to the "Government" are references to the government of Indonesia. As used in this exchange offer and consent solicitation memorandum, all references to "Rupiah" and "Rp" are to Indonesian Rupiah, the lawful currency of Indonesia, all references to "S$" are to Singapore dollars, the lawful currency of the Republic of Singapore and all references to "US$" and "U.S. dollars" are to United States dollars, the lawful currency of the United States of America.

PRESENTATION OF FINANCIAL INFORMATION

The financial information included in this exchange offer and consent solicitation memorandum has been derived from our audited consolidated financial statements as of and for the years ended December 31, 2019, 2020 and 2021 and the unaudited interim consolidated financial statements as of and for the seven-month periods ended July 31, 2021 and 2022, included elsewhere in this exchange offer and consent solicitation memorandum, collectively referred to herein as "consolidated financial statements". Unless otherwise indicated, the consolidated financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("**Indonesian FAS**"), which differ in certain respects from International Financial Reporting Standards ("**IFRS**"), and are not comparable to financial statements prepared under IFRS. For a summary of certain differences between Indonesian FAS and IFRS, see "Summary of Certain Differences Between Indonesian FAS and IFRS".

Unless otherwise indicated or otherwise required by the context, all references in this exchange offer and consent solicitation memorandum to "Rupiah" or "Rp" are references to the lawful currency of Indonesia. References to "U.S. dollars" or "US$" are references to United States dollars, the lawful currency of the United States. Rounding adjustments have been made in calculating some of the financial information included in this exchange offer and consent solicitation memorandum. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

INDUSTRY AND MARKET DATA

Industry and market data, forecasts and statements regarding our position in our industry made in this exchange offer and consent solicitation memorandum are based on industry publications and surveys, including a market research report, which was prepared by Colliers Indonesia, and reports of governmental agencies. Certain industry publications and surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of included information. While we have taken reasonable actions to ensure that the information is extracted accurately and in its proper context, neither we nor the Dealer Managers have independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein. As a result, you are cautioned against undue reliance on such information.

NON-INDONESIAN FAS AND NON-GAAP FINANCIAL MEASURES

EBITDA and Adjusted EBITDA as well as the related ratios presented in this exchange offer and consent solicitation memorandum are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Indonesian FAS or IFRS. We define EBITDA as net (loss) profit before interest expense, income tax expense/(benefit), depreciation and amortization. We define Adjusted EBITDA as EBITDA adjusted for final tax expense, tax adjustments, unrealized foreign exchange loss (gain) - net, provision for employee benefits net of benefits paid in the period, and certain non-cash items, such as losses from write-off (reversal of allowance) of receivables – net, and impairment loss in investments in associates and investments in share of stock. The adjustments from EBITDA to Adjusted EBITDA take account of the impact of such certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance. EBITDA and Adjusted EBITDA are not measurements of financial performance or liquidity under Indonesian FAS or IFRS and should not be considered as alternatives to comprehensive income, net profit, operating income or any other performance measures derived in accordance with Indonesian FAS or IFRS or as alternatives to cash flow from operating activities as measures of liquidity.

We believe that EBITDA and Adjusted EBITDA facilitate comparisons of operating performance across periods and companies by eliminating potential differences caused by variations in capital structures (affecting interest expense and finance charges), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses), and the age and booked depreciation and amortization of assets (affecting relative depreciation and amortization of expense). We have presented EBITDA and Adjusted EBITDA because we believe that they are frequently used by securities analysts, investors and other interested parties in evaluating similar companies, many of whom present such non-Indonesian FAS and non-GAAP financial measures when reporting their results. Finally, EBITDA and Adjusted EBITDA are presented as supplemental measures of our ability to service debt. Nevertheless, EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider them in isolation from, or as a substitute for analysis of, our financial condition or results of operations as reported under Indonesian FAS. In addition, EBITDA and Adjusted EBITDA are not standardized terms, hence a direct comparison between companies using such terms may not be possible. Furthermore, EBITDA and Adjusted EBITDA as presented in this exchange offer and consent solicitation memorandum are calculated differently from "Consolidated EBITDA" as defined in the indenture governing the New Notes (the "**New Notes Indenture**"), which is used in connection with the limitation on incurrence of indebtedness covenant in the New Notes, as well as certain of our agreements. Because of these limitations, EBITDA and Adjusted EBITDA should not be considered as measures of discretionary cash available to us to invest in the growth of our businesses.

Recurring revenue consists of revenues derived from service and maintenance fees, power plant and dry port. Non-recurring revenue consists of revenues derived from developed land, land and factory building, office spaces and shop house, land and houses, apartment, land villa and tourism, golf, office space factory and shop houses rental, condominium, and agribusiness and consulting. We use such metrics, which are not consistent with Indonesian FAS internally to evaluate our ongoing operations. We do not, nor do we suggest that investors should, consider such metrics in isolation from, or as a substitute for, financial information prepared in accordance with Indonesian FAS.

See "Selected Consolidated Financial Information and Operating Data" for a reconciliation of our net income under Indonesian FAS to our definition of Adjusted EBITDA.

EXCHANGE RATE INFORMATION

We publish our financial statements in Rupiah, our reporting currency. Solely for your convenience, this exchange offer and consent solicitation memorandum contains translations of certain Rupiah amounts into U.S. dollars at specified rates, or certain Rupiah amounts into U.S. dollars at specified rates. Unless otherwise indicated, such translations have been made based on the exchange rate on July 31, 2022 of Rp14,958 = US$1.00, being the middle exchange rate announced by Bank Indonesia on that date. You should not construe these translations as representations that the Rupiah amounts have been, could have been or could actually be converted into any U.S. dollar.

AVAILABLE INFORMATION

We are subject to the information reporting requirements of the Financial Services Authority (*Otoritas Jasa Keuangan* or "**OJK**", formerly known as "**Bapepam-LK**") and, accordingly, we file semi-annual financial reports, annual financial reports and other material information that can influence the price of the securities listed at the Indonesia Stock Exchange ("**IDX**") with the OJK and the IDX. In addition, we file Interim Financial Reports comprising first quarter and third quarter financial reports with the IDX. Our IDX filings are available at the IDX's website *(http://www.idx.co.id)* or through our web site *(http://www.jababeka.com)*. We

have not incorporated by reference into this exchange offer and consent solicitation memorandum the information included on or linked from our website, and you should not consider it part of this exchange offer and consent solicitation memorandum.

This exchange offer and consent solicitation memorandum and any other relevant notices and documents with respect to the exchange offer and the consent solicitation will be available at https://projects.morrowsodali.com/jababekaexchange (the "**Offer Website**"), operated by the information, exchange and tabulation agent for the purpose of the exchange offer and consent solicitation.

ENFORCEABILITY

Enforceability of Foreign Judgments in Indonesia

The New Notes, the Subsidiary Guarantees and the agreements entered into with respect to the issue of the New Notes, including the New Notes Indenture, are governed by the laws of the State of New York.

Each of the New Notes Issuer and the Subsidiary Guarantors is incorporated in Indonesia. All of the New Notes Issuer's and the Subsidiary Guarantors' respective commissioners and directors reside in Indonesia, and substantially all of the respective assets of the New Notes Issuer and the Subsidiary Guarantors are located in Indonesia. As a result, it may not be possible for investors to effect service of process upon the New Notes Issuer, the Subsidiary Guarantors or such commissioners and directors or to enforce judgments against the New Notes Issuer, the Subsidiary Guarantors or such persons obtained in non-Indonesian courts, including judgments based upon the civil liability provisions of the securities laws in jurisdictions outside of Indonesia.

We have been advised by our Indonesian counsel that judgments of non-Indonesian courts are not recognized or enforceable in Indonesia, although such judgment could be admissible as evidence in a proceeding on the underlying claim in an Indonesian court, in its sole discretion, as Indonesian court deems it appropriate under the circumstances. There is doubt as to whether Indonesian courts will enter judgments on original actions brought in Indonesian courts based solely upon the civil liability provisions of the federal securities laws of the United States or any state or territory within the United States or similar claims in other jurisdictions. Accordingly, in order to obtain an order of an Indonesian court (on the basis of Indonesian law) in respect of a claim, a successful party in a foreign proceeding must commence a new action in an Indonesian court and re-argue the matter on its merits. There can be no assurance that the claims or remedies available under Indonesian Law will be the same, or as extensive, as those available in other jurisdictions.

Enforceability of the New Notes and Subsidiary Guarantees in Indonesia

Under the Indonesian Civil Code, a guarantor of a debt obligation may waive its right to require the beneficiary of the guarantee to exhaust its legal remedies against the principal obligor's assets prior to the beneficiary exercising its rights against the guarantor under the guarantee. Although the Subsidiary Guarantees include a waiver of this right, the Subsidiary Guarantors have been advised by their Indonesian counsel that the Subsidiary Guarantors may, nonetheless, require that a beneficiary of the Subsidiary Guarantees first prove that all available legal remedies against the New Notes Issuer, as the obligor, have been exhausted. For a description of potential limitations on enforcement against the New Notes Issuer and Subsidiary Guarantors and the right of the holders of New Notes (the "**Noteholders**") under the Subsidiary Guarantees, see "Risk Factors— Risks Relating to the New Notes, the Subsidiary Guarantees and the Collateral—It may not be possible for you to effect service of process or to enforce judgments of a foreign court on the New Notes Issuer or the Subsidiary Guarantors in Indonesia."

Indonesian Regulations on Reporting of Offshore Borrowings, Foreign Exchange Activity, Activities and Implementations of Prudential Principles in the Management of Non-Bank Corporations' Offshore Borrowings

Under Presidential Decree No. 59/1972 dated October 12, 1972 on Offshore Commercial Borrowings ("**PD 59/1972**"), Jababeka and the Subsidiary Guarantors are required to report particulars of their offshore borrowings and the Subsidiary Guarantees (as relevant) to the Minister of Finance of Indonesia and Bank Indonesia, on the acceptance, implementation, and repayment of principal and interest. The Minister of Finance Decree No. KEP-261/KMK/IV/5/73 dated May 3, 1973, as amended by the Minister of Finance Decree No. 417/KMK.013/1989 dated May 1, 1989 and the Minister of Finance Decree No. 279/KMK.01/ 1991 dated March 18, 1991, as the implementing regulation of PD 59/1972, further set forth the requirement to submit periodic reports to the Minister of Finance of Indonesia and Bank Indonesia on the effective date of the contract and each subsequent three-month period. In addition, under Presidential Decree No. 39/1991 dated September 4, 1991 ("**PD 39/1991**"), all offshore commercial borrowers must submit periodic reports to the Offshore Commercial Borrowings Coordination Team (*Tim Koordinasi Pinjaman Komersial Luar Negeri*, or the "**PKLN Team**") upon the implementation of their offshore commercial borrowing and the Notes Guarantees (as relevant). On July 20, 2020, the President of the Republic of Indonesia issued Presidential Regulation No. 82 of 2020 on Corona Virus Disease of 2019

(COVID-19) Handling and National Economy Restoration Committee, as amended by the Presidential Regulation No. 108 of 2020 ("**PR 82/2020**"). PR 82/2020 revokes PD 39/1991 and disbands the PKLN Team. However, PR 82/2020 states that the implementation of the roles and functions of the PKLN team will be further conducted by the Ministry of Finance. In the absence of a regulation providing for the Ministry of Finance's role as the PKLN Team, it is unclear as to whether the periodic reports required under PD 39/1991 are still required to be made.

On January 9, 2019, Bank Indonesia Regulation No. 21/2/PBI/2019 on Reporting of Foreign Exchange Traffic Activity ("**PBI 21/2**") was enacted and took effect from March 1, 2019. This regulation revokes and replaces the provisions of Bank Indonesia Regulation No. 16/22/PBI/2014 dated December 31, 2014 on Reporting of Foreign Exchange Traffic Activity and Reporting of Implementation of Prudential Principles in the Management of Offshore Debt of Non-Bank Corporation ("**PBI 16/22**") that particularly relate to reporting of foreign exchange traffic activities. Hence, the provisions of PBI 16/22, pertaining to reporting of prudential principles implementation with respect to offshore borrowings of non-bank corporations, remain valid. See "— Offshore Loan Prudential Principles" below.

With respect to offshore loan reporting, Bank Indonesia has issued the following implementing regulations for PBI 21/2: (i) Members of the Board of Governor of Bank Indonesia Regulation No. 21/4/PADG/2019 as amended by Regulation No. 23/28/PADG/2021 on the Reporting of Foreign Exchange Activities in the form of Foreign Debts and Risk Participation Transactions; and (ii) Members of the Board of Governor of Bank Indonesia Regulation No. 21/7/PADG/2019 dated 12 April 2019 on the Reporting of Foreign Exchange Activities for Non-Bank Corporations.

PBI 21/2 requires all Indonesian residents who engage in foreign exchange traffic activities, whether individuals or legal entities, to report to Bank Indonesia. The report shall cover information relating to: (i) any trading of goods, services and other transactions between an Indonesian resident and a non-Indonesian resident; (ii) principal data of offshore borrowings (including information on the principal and interest payments) and/or risk participation transaction (including information on the principal and interest payments; (iii) plans to draw and/or repay the offshore borrowings and/or risk participation transaction; (iv) realization of drawing and/or repayment of offshore borrowings and/or risk participation transaction; (v) positions and changes of offshore financial assets, offshore financial liabilities and/or risk participation transaction; and/or (vi) plans to obtain new offshore borrowings and/or changes thereto. The report must be submitted on a monthly basis using an online system by the 15th day of the following month, while any correction thereto must be notified by the 20th day of such month. For offshore borrowings plan during the ongoing year, the report shall be submitted at the beginning of each year, no later than March 15 and any amendment thereto, no later than June 15.

As implementing regulation to PBI 21/2, Bank Indonesia issued Regulation of the Members of Board of Governors of Bank Indonesia No. 21/4/PADG/2019 dated February 28, 2019 on Reporting of Foreign Exchange Traffic Activities in the Form of Offshore Debts and Risk Participation Transactions, as amended by the Regulation of the Members of Board of Governors of Bank Indonesia No. 23/28/PADG/2021 on the Reporting of Foreign Exchange Activities in the form of Foreign Debts and Risk Participation Transactions ("**PADG 21/4**"). PADG 21/4 further specifies that the reporting requirement to Bank Indonesia on foreign exchange traffic activities also applies to Indonesian residents who obtain offshore borrowings through debt securities instrument. Offshore borrowings obtained by an entity must all be reported without any minimum threshold on the amount thereof. The report includes information on principal data of offshore borrowing, recapitulation data of offshore borrowing and plans to obtain new offshore borrowings and/or changes thereto. The report of the principal data and recapitulation data must be submitted monthly to Bank Indonesia at the latest on the 15th day of the following month. The first report of: (i) the principal data must be submitted to Bank Indonesia by no later than the 15th day of the following month from 07:10 Western Indonesia time to 16:15 Western Indonesia time and (ii) the recapitulation data must be submitted to Bank Indonesia by no later than the 15th day of the following month at 24:00 Western Indonesia time, after the signing of the loan agreement or the issuance of the debt securities and/or the debt acknowledgment over the trade credits and/or other loans.

Offshore Loan Prudential Principles

Bank Indonesia issued Bank Indonesia Regulation No. 16/21/PBI/2014 on December 29, 2014 on the Implementation of Prudential Principles in Managing External Debt of the Non-Bank Corporation, as amended by Bank Indonesia Regulation No. 18/4/PBI/2016 dated April 22, 2016 ("**PBI 16/21/2014**"), which is applicable to non-bank corporations that obtain offshore debt in a foreign currency (non-Rupiah). For the implementation of PBI 16/21/2014, Bank Indonesia also issued (i) Bank Indonesia Circular Letter No. 16/24/DKEM dated December 30, 2014, as lastly amended by Bank Indonesia Circular Letter No. 18/6/DKEM dated April 22, 2016 ("**SEBI 16/24**") and (ii) SEBI 17/3/DSta as lastly amended by Bank Indonesia Circular Letter No. 17/24/DSta dated October 12, 2015.

PBI 16/21/2014 requires non-bank corporations that have offshore debt in a foreign currency (non-Rupiah) to maintain the following prudential principles: (i) minimum hedging requirements, (ii) minimum liquidity requirements and (iii) minimum credit

ratings. Since December 31, 2015, the minimum hedging ratio is set at 25% of (i) the negative difference between the foreign exchange assets and the foreign exchange liabilities that will become due within three months from the end of the relevant quarter and (ii) the negative difference between the foreign exchange assets and the foreign exchange liabilities that will become due in the period of more than three months up to six months after the end of the relevant quarter. This hedging requirement applies when the aforementioned negative difference exceeds US$100,000. Foreign currency assets comprise of cash, demand deposits, regular deposits, term deposits, account receivables, inventories, marketable securities and receivables from forwards, swaps or options transactions in a foreign currency (non-Rupiah) calculated based on the position at the end of the relevant quarter. The account receivables which are calculated as foreign currency assets are account receivables to residents and non-residents which will be due (a) within three months from the end of the relevant quarter or (b) in the period of more than three months up to six months after the end of the relevant quarter, that are true-sale in nature or non-refundable and after deducted for amortization. Accounts receivable are calculated as foreign currency assets if the underlying agreement was executed prior to July 1, 2015. Account receivables with an underlying agreement executed after July 1, 2015 are counted as foreign exchange assets if: (a) they are related to strategic infrastructure projects and have obtained Bank Indonesia approval; or (b) the transaction which underlies the foreign currency assets is permitted to be in foreign currency pursuant to Bank Indonesia Regulation No. 17/3/PBI/2015 dated March 31, 2015 on the Mandatory Use of Rupiah in the Territory of the Republic of Indonesia ("**PBI 17/3/2015**"). Inventory which may be calculated as a foreign currency asset is inventory from exporters with export income to business revenue ratio of more than 50% in the previous calendar year.

SEBI 16/24 defines foreign currency liabilities as liabilities in a foreign currency to residents or non-residents, including liabilities deriving from forwards, swaps or options transactions maturing (a) within three months from the end of the relevant quarter; or (b) between three and six months from the end of the relevant quarter. A foreign currency liability is not calculated as a foreign currency liability if (a) it is in the process of a roll over, revolving, or a refinancing, to the extent the transaction which underlies it is in accordance with the regulation of the use of Rupiah within the territory of the Republic of Indonesia; (b) it constitutes a foreign currency liability with respect to project financing which will be due within the next six months to the extent secured by an offshore debt drawdown in foreign currency where the schedule of such drawdown is liabilities and the transaction activities are in accordance with the regulation of the use of Rupiah within the territory of the Republic of Indonesia. These two points must be proven by sufficient supporting documentation. SEBI 16/24 determines that only corporations that have negative difference of more than US$100,000 are obliged to fulfill the minimum hedging requirement. In addition, PBI 16/21/2014 also stipulates that hedging transactions for the fulfillment of the minimum hedging requirement shall be conducted with banks in Indonesia and shall become effective on January 1, 2017.

On the minimum liquidity requirement, non-bank corporations that have offshore debt in a foreign currency are also required to comply with the minimum liquidity ratio of at least 70% by providing sufficient foreign exchange assets against foreign exchange liabilities that will become due within three months from the end of the relevant quarter. The minimum credit rating requirement is required to be maintained at BB- (BB minus) or its equivalent from a rating agency recognized by Bank Indonesia. Such credit rating may be for the relevant corporation (issuer rating) or the relevant bonds (issue rating), or both, in accordance with the type and period of such foreign currency offshore debt. Such rating shall be valid for two years as of the rating issuance. PBI 16/21/2014 sets additional provisions where corporations may use their parent company credit rating if (i) such corporation enters into offshore debt in foreign currency with its parent company, or if the offshore debt is guaranteed by the parent company, or (ii) such corporation is a newly established corporation with a maximum three years since the corporation commenced its commercial operation, and shall follows the requirement that is stipulated in SEBI 16/24. Based on the SEBI 16/24, the requirement to fulfill the minimum credit rating requirement is exempted for (i) the refinancing of offshore debt in foreign currency (such exemption is limited to refinancing which does not increase the outstanding amount of the previous debt or if it increases, such increase shall not exceed (a) US$2,000,000 or its equivalent or (b) 5% of the amount outstanding of such refinanced debt if such 5% figure is higher than US$2,000,000 or its equivalent); (ii) offshore debt in foreign currency for infrastructure project financing derived (a) all from an international bilateral/multilateral lending agency or (b) from a syndicated loan where more than 50% of the contribution comes from international bilateral/multilateral institutions; (iii) offshore debt in a foreign currency for a central or regional government infrastructure project financing; (iv) offshore debt in a foreign currency which is secured by international bilateral/multilateral institutions; (v) offshore debt in foreign currency in the form of trade credits; (vi) offshore debt in foreign currency in form of other loans; (vii) offshore debt in a foreign currency entered into by a finance company (a business entity which conducts financing activities for the procurement of goods and services) to the extent (a) such finance company has a minimum financial soundness of "healthy" as lastly issued by OJK; (b) such finance company fulfills the maximum gearing ratio as regulated by OJK; or (viii) offshore debt in a foreign currency by *Lembaga Pembiayaan Ekspor Indonesia* (Indonesia Eximbank). Non-bank corporations that have offshore debt in a foreign currency are obliged to a submit report to Bank Indonesia on the implementation of prudential principles and any exemptions, together with the relevant supporting documents. Bank Indonesia will monitor for compliance and may impose administrative sanctions in the form of warning letters for any failure to comply with the said three prudential criteria. PBI 16/21/2014 does not specify any other sanction in the event the non-bank corporations ignore such warning letter, however Bank Indonesia may inform related parties, such as relevant offshore creditors, the Ministry of State-Owned Companies (for state-owned non-bank

corporation), the Ministry of Finance on behalf of Directorate General of Tax, OJK and the Indonesian Stock Exchange (the IDX) (for publicly listed non-bank corporation) on the implementation of administrative sanctions.

PBI 16/21/2014 became effective as of January 1, 2015, with exceptions for the implementation of (i) the administrative sanction requirement, which became effective starting from the delivery of the fourth quarter report of 2015, and (ii) the minimum credit rating requirement, which applies to offshore debt that is signed or issued on or after January 1, 2016.

LANGUAGE OF THE TRANSACTION DOCUMENTS

Pursuant to Law No. 24 of 2009 on National Flag, Language, Coat of Arms, and Anthem enacted on July 9, 2009 ("**Law No. 24/2009**"), agreements to which an Indonesian person or entity is a party must be executed in the Indonesian language, although, when a foreign entity is also a party to the agreement, a dual version of the agreement in English, or the national language of the foreign party, is permitted. On September 30, 2019, the President of the Republic of Indonesia issued Presidential Regulation No. 63 of 2019 on Use of Indonesian Language ("**Regulation No. 63/2019**") to implement the provisions of Law No. 24/2009. Regulation No. 63/2019 stipulates that Indonesian language must be used in memorandums of understanding or agreements that involve, among others, Indonesian private entities (including Indonesian limited liability companies). If the agreement involves a foreign party, the agreement may also be made in the national language of such foreign party or in English. This provision also implies that the Indonesian language version of the agreement must be executed at the same time as the English version of the agreement, or the agreement will need to be executed in a bilingual version. In addition, Regulation No. 63/2019 expressly confirms that parties to an agreement involving foreign parties may agree on any prevailing language of the agreement if there are any inconsistencies between the Indonesian language version and the foreign language version.

In addition, on June 20, 2013, the District Court of West Jakarta ruled that a loan agreement entered into between an Indonesian company, PT Bangun Karya Pratama Lestari, as borrower, and a foreign company, Nine AM Ltd, as lender, was null and void under Indonesian law. The agreement was governed by Indonesian law and the agreement was executed in the English language. The court was of the opinion that failure by the parties to the agreement to enter into a Bahasa Indonesia language version of the agreement violates Law No. 24/2009. On May 7, 2014, the High Court of Jakarta rejected the appeal submitted by Nine AM Ltd. and affirmed the decision of the District Court of West Jakarta. The decision by an Indonesian court as to matters of Indonesian law is not legally binding on lower courts or on the same court in any subsequent case but may in practice be referred to as a source of guidance by legal practitioners and judges. However, there can be no assurance that an Indonesian court will not, in the future, issue a similar decision in relation to the validity and enforceability of agreements which are entered into by Indonesian party(ies) but executed only in English language.

Furthermore, Law No. 2 of 2014 on Amendment to the Law No. 30 of 2004 on Notary Profession ("**Notary Law**") provides that a notarial deed made after January 15, 2014 must be drawn up in the Indonesian language. If the parties require, the notarial deed can be made in a foreign language and in such event the notary must translate the deed into the Indonesian language. In the event of different interpretations as to the contents of the foreign language deed, the Indonesian language version of the deed shall prevail. See "Risk Factors–Risks Relating to Indonesia–Indonesian law requires agreements involving Indonesian parties to be written in Indonesian language may raise issues as to the enforceability of agreements entered into in connection with the offer and sale of the New Notes and the Subsidiary Guarantees".

SUMMARY

This summary contains basic information about the exchange offer and consent solicitation including an overview of Jababeka. It may not contain all of the information that is important to you in deciding to exchange the Old Notes for the New Notes under the exchange offer and providing your consent in respect of the consent solicitation and it is qualified in its entirety by, and must be read in conjunction with, the more detailed information and financial statements included in this exchange offer and consent solicitation memorandum. You should carefully consider the information contained in this exchange offer and consent solicitation memorandum, including our consolidated financial statements and related notes and the sections entitled "Risk Factors" and "Risk Factors Relating to the Exchange Offer and the Consent Solicitation." In addition, certain statements include forward-looking information that involves risks and uncertainties. See "Forward-Looking Statements."

Overview

We are a leading fully integrated industry-based township developer in Indonesia, listed on the Indonesia Stock Exchange. Our core business is developing industry-based real estate, supported and enhanced by infrastructure and township management services. Our business model is to develop industrial real estate sites in a manner which builds a critical mass at each site and allows us to offer and enhance our complementary commercial and residential real estate development as well as our infrastructure and estate management services; thereby creating an industry-based township.

We offer a wide range of industrial real estate and complementary infrastructure and estate management services which we believe are attractive to businesses engaged in light, medium and heavy industries. We also develop commercial and residential real estate as part of our integrated industry-based township development. Our flagship industry-based township, Kota Jababeka, in Cikarang, is strategically located 35 kilometers east of Jakarta along the Bekasi-Cikampek corridor, which connects Jakarta and Bandung. We are also developing an integrated township in Tanjung Lesung that caters to the tourism, hospitality and leisure industries. Tanjung Lesung, which enjoys Special Economic Zone status, lies approximately 170 kilometers southwest of Jakarta. Kendal Industrial Park–Park by the Bay, which is designated as a Special Economic Zone, is an industry-based township project being developed through a Joint Venture with Sembawang Corporation and is located nearby the city of Semarang, the capital of Central Java, along the Jakarta–Semarang–Surabaya Economic Corridor.

Each of our developments has or is expected to have dedicated infrastructure to support and complement the activities at each development. For example, Kota Jababeka has its own dry port, which facilitates import, export and domestic distribution activities by occupants of the estate, as well as a dedicated 130-megawatt power plant, which became operational in January 2013 supported by an off-take contract with Perusahaan Listrik Negara ("**PLN**"), and which provides occupants with a stable supply of electricity.

For the years ended December 31, 2019, 2020 and 2021 and for the seven-month periods ended July 31, 2021 and 2022, our total revenue was Rp2,253.9 billion, Rp2,396.1 billion and Rp2,490.3 billion (US$166.5 million), and Rp1,271.9 billion and Rp1,330.7 billion (US$89.0 million), respectively, and our gross profit was Rp843.5 billion, Rp1,018.4 billion and Rp1,092.6 billion (US$73.0 million), and Rp491.4 billion and Rp668.9 billion (US$44.7 million), respectively.

As of December 31, 2019, 2020 and 2021 and July 31, 2021 and 2022, our total assets was Rp12,184.6 billion, Rp12,200.2 billion and Rp12,292.1 billion (US$821.8 million), and Rp12,394.0 billion and Rp12,527.8 billion (US$837.5 million), respectively. As of July 31, 2022, our land bank (inventory and land for development) was approximately 5,185 hectares.

For the years ended December 31, 2019, 2020 and 2021 and the seven-month periods ended July 31, 2021 and 2022, real estate marketing sales was Rp1,664.4 billion, Rp898.7 billion and Rp1,417.5 billion (US$97.1 million), and Rp548.2 billion and Rp1,015.8 billion (US$69.6 million), respectively. Marketing sales comprise all sales for which an agreement has been entered into with a buyer in the respective period, including sales where the revenue is not recognized in the period under Indonesian FAS.

Our Competitive Strengths

Leading fully integrated industry-based township developer with strategically located premier developments and high-quality facilities

We are a leading fully integrated industry-based township developer in Indonesia, with our land bank (inventory and land for development) comprising 5,185 hectares in area as of July 31, 2022. Our premier development is our Kota Jababeka township, which is a fully integrated township development that is strategically located along the Bekasi-Cikampek corridor and adjacent to the main east-west railroad line in Java. As one of the few industrial estates located in the Bekasi-Cikampek corridor that is not exclusively affiliated

with a major manufacturer or conglomerate, Kota Jababeka has attracted a diversified and high-quality customer base consisting of both international and domestic companies operating in various industries, including automotive, consumer, electronics, manufacturing, services and trading.

As a result of the scale of Kota Jababeka's development, we are able to provide a variety of infrastructure services and amenities to address the most pressing needs of industrial customers operating or seeking to operate in Indonesia, including a power plant for the provision of electricity, which became operational in January 2013; a dry port located proximately to Indonesia's largest seaport in Tanjung Priok; water and wastewater treatment facilities; complementary commercial, residential and educational offerings; estate management and security services and planned medical facilities. In addition, we are exploring the development of a second power plant to meet the growing demand for electricity in Indonesia. We are currently in discussions with Mitsui to jointly tender for a 450 MW gas power plant. A number of our infrastructure service offerings have attained ISO and other international standards certifications. As a result, Kota Jababeka has evolved into a one-stop industrial destination for high-quality industrial companies in a variety of industries. We provide a full range of services designed to allow potential customers to efficiently establish and run operations in our development and in Indonesia generally, including assistance with obtaining business licenses and sourcing skilled labor.

Sizeable land bank for sustainable future growth

We believe that our land bank, as complemented by our existing infrastructure services and other amenities, is strategically located, attractive to our target customers and provides us with strong development opportunities. As of July 31, 2022, our total land bank was approximately 5,185 hectares, comprising mainly of 1,249 hectares in Kota Jababeka, 1,495 hectares in Tanjung Lesung, 555 in Kendal Regency and 1,885 in Morotai. Our sizeable land bank positions us well to take advantage of any increased demand for industrial land in and around Jakarta, Banten and Central Java. Historically, we have been able to meet our goals of maintaining the size of our current land bank by acquiring land at a rate of acquisition corresponding to the rate at which land is utilized for our developments, subject to pricing and availability considerations. We strive to maintain a minimum land bank visibility of industrial land at Kota Jababeka of five years.

With regard to our land bank outside of Kota Jababeka, we intend to use the experience we have gained from Kota Jababeka to replicate our success for additional developments. We believe that our Kota Jababeka, Kendal Regency, Tanjung Lesung and Morotai land banks are strategically located to attract the necessary critical mass of township occupants to enable us to move to the next stage of infrastructure development in these areas. For example, our Tanjung Lesung township is close to existing tourist attractions and in an area slated by the Government for future tourism development. The Government's planned construction of a new toll road from Serang Timur to Tanjung Lesung, would support the development of leisure, tourism and hospitality in the township. Our Kendal Regency site is strategically located nearby the city of Semarang, which is the capital of Central Java, and its international airport and international seaport. In addition, the area is accessible by provincial and secondary roads and railway. Morotai is strategically located in the Halmahera group of eastern Indonesia's Maluku islands, which lies in the heart of Pacific Asia in between Asia and Australia. It is only a three-hour flight from Singapore and Taipei. Morotai has great potential for tourism, agricultural and fishing industries, and as a logistics hub.

Diversified earnings base with significant recurring revenue, supported by our Bekasi power plant and Cikarang Dry Port

Our evolution into a one-stop industrial development solutions provider has enabled us to both diversify our earnings base beyond real estate sales and grow our recurring revenue as our occupant base expands. Earnings from the Cikarang Dry Port, Bekasi power plant and our infrastructure services provide a stream of recurring revenue derived from a captive market that complements the revenue generated by sales of our real estate.

We believe that a reliable supply of electricity is one of the primary concerns for industrial occupants seeking to establish manufacturing facilities in Indonesia. Indonesia currently faces electricity shortages due to historic underinvestment in power plants and transmission and distribution infrastructure. Our wholly owned subsidiary, PT Bekasi Power, whose first power plant became fully operational in January 2013, is licensed to sell electricity directly to consumers and has entered into a long-term sales and purchase agreement with PLN, whereby all of PT Bekasi Power's electricity will be purchased by PLN. PT Bekasi Power may also buy back power from PLN to supply its occupants directly to meet demand for power at the industrial estate. Our ownership of a power plant combined with our off-take and buy-back arrangement with PLN will allow us to offer our occupants a reliable supply of electricity while also helping to ensure sufficient revenue from the operation of the power plant. We source natural gas from two entities, including the state owned PGN, to support the operation of the power plant, with fuel costs borne by PLN on a pass-through basis. Additionally, as the only industrial estate in Cikarang with a dedicated power plant, we believe that this will provide us with a significant marketing advantage over our competitors.

The Cikarang Dry Port helps address bottlenecks in customs and quarantine clearance at Indonesia's largest seaport at Tanjung Priok in Jakarta. The Government has included the Cikarang Dry Port as part of its program to address under-capacity and improve transport and logistics efficiency at Tanjung Priok, and licensed the Cikarang Dry Port as the first fully-integrated customs services estate in Indonesia. To improve access to the dry port, the Government has constructed an access road from the main toll road leading directly into the industrial estate at kilometer marker 29. This is complemented by the completed toll access at kilometer marker 34.7, which was constructed to benefit the residential estate. Each of these toll access points allow for more efficient processing of throughput in the estate, increasing its attractiveness over the congested Tanjung Priok.

In addition to revenue from the power plant and dry port, we derive additional recurring revenue from the provision of treated water, wastewater treatment and estate management services, which purchasers of land in our Kota Jababeka township are required to purchase from us.

Experienced management team

We have a highly experienced management team with deep industry knowledge. The members of our board of directors and senior management team have an average of approximately 20 years of experience in industrial property development and related industries. Together, our board of directors and senior management team form a talented and experienced leadership team. We believe that our management team follows a prudent approach in order to implement a balanced growth strategy.

Our Business Strategies

Our core strategy is to develop a sufficient critical mass in our core industrial township development business to support and sustain related businesses, services, infrastructure offerings and amenities, which in turn enhances the value and attractiveness of our core industrial townships.

Continue to develop Kota Jababeka and leverage our experience for the development of new properties

The critical mass of occupants at our Kota Jababeka township provides us with the opportunity to continue to introduce and provide complementary services and infrastructure that make the industry-based township more attractive to existing and future occupants. We also plan to leverage our significant experience in industry-based township design and development by replicating our core strategy when developing new projects, including our Kendal Regency development, Tanjung Lesung development and Morotai development. Once we secure anchor occupants for Tanjung Lesung we expect to commence more extensive infrastructure development.

Opportunistically acquire land bank properties

We plan to continue our practice of acquiring new land at our existing development sites, as well as acquire development land in new areas on an opportunistic basis. We plan to expand our land bank at Kota Jababeka in tandem with sales of land in order to maintain adequate land supplies, so long as we are able to do so at attractive valuations.

Increase and strengthen recurring revenue base

We have expanded our recurring revenue base through the introduction of additional infrastructure such as the power plant and the dry port. The Bekasi power plant has been operating since January 2013 and generated Rp377.9 billion (US$25.3 million) in revenue for the seven-month period ended July 31, 2022. We plan to continue to leverage our scale and expand our recurring revenue base through additional service and infrastructure offerings, including through the planned construction of a second power plant adjacent to the existing power plant. Over the past several years we have also leveraged the critical mass that we achieved at our Kota Jababeka industry-based township to expand our recurring revenue base by providing basic infrastructure such as water, wastewater treatment and estate management services. We are also exploring the expansion of our recurring revenue base through acquisitions. Additionally, once we reach critical mass at our Kendal Regency and Tanjung Lesung developments, we plan to expand our services and infrastructure offerings in each of those developments to further diversify our revenue base.

Enter into strategic partnerships to jointly develop new properties

Our substantial experience with industrial land development has made us an attractive potential partner for governments and entities looking to enter the industrial land development sector. Additionally, we have strong relationships with a number of our existing occupants, which we believe we can leverage into future joint development projects, such as developments of additional space in our existing estates for the integration of our existing occupants' suppliers or other value chain participants or through the joint development of a new estate with an existing occupant and its suppliers or other value chain participants as anchor occupants.

We are also seeking to leverage our industry-based township development experience through potential joint developments of properties owned by third parties. In addition to the joint venture with Sembcorp Development Indonesia to develop an industrial township in Kendal Regency, we entered into a joint venture with the Creed Group from Japan in 2018 to develop Kawana Golf Residence, a serviced apartment that sits on 2.7-hectares of land in the Jababeka Residence area with direct access to golf facilities.

In addition, we have been approached by various local governments throughout Indonesia to assist with the development of industrial land in their respective regions. In each of these instances, our contribution of experience and established development processes provide us with the opportunity to participate in potential property developments without contributing the levels of capital that would be required if we were to develop these properties on our own. In addition, we are open to entering strategic partnerships with certain of our subsidiaries, if the economic conditions and agreement terms are favorable.

Recent Developments

Collaboration with Mitsui Fudosan

On September 2, 2022, we announced that we had signed a joint venture agreement with Mitsui Fudosan Asia, a subsidiary of Mitsui Fudosan, on August 26, 2022. We will collaborate with Mitsui Fudosan to build three housing clusters, located in Jababeka Sports City, East Bekasi, West Java. The estimated development value of this development is more than Rp800 billion, and is expected to involve the construction of approximately 808 units of housing and shophouses. There will also be one hectare of sports hub facilities, such as mini golf, basketball courts, mini soccer, a skatepark and outdoor gym.

Mitsui Fudosan is a Japanese real estate firm that was founded in 1941. Mitsui Fudosan has 367 subsidiaries worldwide, including entities located in Europe, the United States, China, Taiwan, Southeast Asia and India. Mitsui Fudosan has a strong track record and has been involved in some iconic developments including the Tokyo Midtown, the Halekulani Hotel, and 50 and 55 Hudson Yards.

Official launch of Correctio

On September 8, 2022, we announced the official launch of Correctio, a development project for a future innovation hub and the largest technology-based integrated contemporary business area dubbed as "The Next Silicon Valley" in Indonesia. One of its objectives is to accelerate growth of startup enterprises that will contribute towards Indonesia's transition to Industry 4.0 and Society 5.0. In furtherance of this, we had signed a memorandum of understanding with the National Research and Innovation Agency and PT Bisa Artificial Indonesia on, July 21, 2022 and May 20, 2022 respectively.

It is expected that a number of world-class facilities will be developed that are ready to support the development of Industry 4.0 and Society 5.0, such as the development of district cooling systems, the application of solar panels, urban farming, fabrication labs, data centers, and smart command centers.

Correctio is located in Cikarang and is accessible by LRT, MRT, high-speed trains and highways that support easy community access for public transportation. It is also served by Djawatan Angkoetan Motor Repoeblik Indonesia (DAMRI), a bus operator in Indonesia. In addition, there is other supporting industrial infrastructure including the Cikarang Dry Port, the Bekasi powerplant, and other industrial and telecommunication infrastructure and services.

US$100.0 million Term Loan Facility with PT Bank Mandiri (Persero) Tbk.

On October 10, 2022, we signed a credit agreement with PT Bank Mandiri (Persero) Tbk. for a US$100.0 million secured term loan facility (the "**Mandiri Loan**") to refinance Jababeka's existing indebtedness, including the Old Notes. Terms of the Mandiri Loan include:

Borrowers	PT Kawasan Industri Jababeka Tbk., PT Grahabuana Cikarang, PT Bekasi Power and PT Jababeka Infrastruktur
Currency / Size	U.S. Dollars / Up to US$100.0 million
Use of Proceeds	Refinancing of existing indebtedness, including the Old Notes
Maturity Date	5-years from signing of Credit Agreement (Perjanjian Kredit)
Repayment	Amortization of principal on a semi-annual basis, resulting in a Weighted Average Life of approximately 3.5-years

Security

- Collateral includes land and buildings on Cikarang Golf Course and Jababeka Country Club on behalf of PT Grahabuana Cikarang
- Fiducia security over industrial estate service receivables

Interest

5.50% per annum (payable monthly)

Financial Covenants

- Ratio of total current assets to current liabilities shall be at least 100%
- Ratio of total debt (excluding sales advances, guarantees from customers and income received in advance) to equity (share capital plus retained earnings) shall be maintained at a maximum of 300%
- Debt service coverage ratio (current year's EBITDA plus previous year's cash, divided by current year's liability on interest plus current year's liability on principal) shall be at least 120%
- Maintain positive equity

Transaction Accounts

- Collection account
  - Cash collection account(s) for income receipts in U.S. dollars and Rupiah
- Debt service accrual account
  - Escrow account that accumulates interest and principal payments for the relevant month
  - Maintain account to pay the debt obligations under the loan facility, the Old Notes and the New Notes
  - Maintain a minimum balance of one interest payment for each of the Old Notes and the New Notes and one principal and interest payment under the loan facility
- Debt service reserve account
  - Escrow account that holds reserve funds for interest and principal payments for the next payment date under the loan facility
  - Maintain a minimum balance of one principal payment and three interest payments under the loan facility
- Disbursement account
  - Escrow account that receives drawdown funds under the loan facility

Amortization schedule

Year	Month	Repayment	Principal per semester	Principal per year
1	1 s.d 6	AP	AP	AP
	7 s.d 12	5%	5,000,000	5,000,000
2	1 s.d 12	10%	5,000,000	10,000,000
3	1 s.d 12	20%	10,000,000	20,000,000
4	1 s.d 12	30%	15,000,000	30,000,000
5	1 s.d 12	35%	17,500,000	35,000,000
Total		100%		100,000,000

In addition, if the aggregate principal amount of the New Notes to be issued pursuant to the exchange offer is less than US$200,000,000, the borrowers under the Mandiri Loan will be required to provide reserve funds in the form of a savings deposit, demand deposit or time deposit in the amount equal to the aggregate principal amount of the Old Notes outstanding immediately after the closing of the exchange offer. Such reserve funds will be in a blocked account and can only be used for the purpose of making payments of principal or interest under the Old Notes.

Drawdown under the Mandiri Loan is subject to additional terms and conditions, including completion of a liability management transaction in respect of the Old Notes and any new notes that may be issued in connection with such liability management exercise must have a tenor longer than the Mandiri Loan.

We expect to enter into a credit agreement with PT Bank Mandiri (Persero) Tbk. in respect of the Mandiri Loan on or about the date of this exchange offer and consent solicitation memorandum.

General Information

Jababeka's registered address is Hollywood Plaza No. 10-12, Jl. H. Usmar Ismail — Indonesia Movieland, Kota Jababeka Cikarang, Bekasi 17550, Indonesia, and its telephone number is +62 21 572 7337.

SUMMARY OF THE EXCHANGE OFFER AND THE CONSENT SOLICITATION

The material terms of the exchange offer and the consent solicitation are summarized below. In addition, we urge you to read the detailed descriptions in the sections of this exchange offer and consent solicitation memorandum entitled "Description of the Exchange Offer and the Consent Solicitation" and "Description of the Proposed Amendments."

Old Notes Issuer	Jababeka International B.V.
Old Notes	6.50% Guaranteed Senior Notes due 2023 ISIN: US46638AAC45, USN4717BAD84 CUSIP: 46638AAC4, N4717BAD8
New Notes Issuer	PT Kawasan Industri Jababeka Tbk.
New Notes	Guaranteed Senior Secured Notes due 2027 to be guaranteed by certain of Jababeka's subsidiaries and secured by applicable Collateral.
New Notes Interest Rate	Interest on the New Notes will begin to accrue on the New Notes Original Issue Date. The New Notes will bear interest as follows: (i) during the one-year period from (and including) the New Notes Original Issue Date to (but excluding) the First Anniversary Date, 7.00% per annum payable in cash; (ii) from (and including) the First Anniversary Date to (but excluding) the Second Anniversary Date, 7.50% per annum payable in cash; (iii) from (and including) the Second Anniversary Date to (but excluding) the Third Anniversary Date, 8.00% per annum payable in cash; (iv) from (and including) the Third Anniversary Date to (but excluding) the Fourth Anniversary Date, 8.50% per annum payable in cash; and (v) from (and including) the Fourth Anniversary Date to (but excluding) the date of maturity of the New Notes, 9.00% per annum payable in cash. Interest will be payable semi-annually in arrears on specific dates of each year, commencing on the date that is six months after the New Notes Original Issue Date.
New Notes Original Issue Date	The Exchange Settlement Date.
The Exchange Offer	Upon the terms and subject to the conditions set forth in this exchange offer and consent solicitation memorandum, Jababeka is offering to exchange the outstanding Old Notes for Jababeka's New Notes. As of November 8, 2022, US$300.0 million aggregate principal amount of Old Notes were outstanding. As of the date of this exchange offer and consent solicitation memorandum, US$1,500,000 in aggregate principal amount of the Old Notes is held by or on behalf of the Old Notes Issuer, Jababeka and/or their respective affiliates, which is not regarded as outstanding for the purpose of the exchange offer and consent solicitation.

Subject to the terms and conditions herein, holders of Old Notes validly tendered for exchange in the exchange offer and accepted will waive any and all rights with respect to the Old Notes (other than the right to receive the Early Exchange Consideration or the Late Exchange Consideration, as applicable, and the Early Consent Fee or the Late Consent Fee, as applicable) and will release and discharge us from any and all claims such holder may have, now or in the future, arising out of or related to such Old Notes, including any and all accrued and unpaid interest thereon.

The Consent Solicitation ..... Concurrently with the exchange offer, Jababeka is soliciting the consent of holders of a majority of the outstanding aggregate principal amount of the Old Notes (the "**Requisite Consents**") to amend certain terms of the 2023 Indenture. The proposed amendments would amend the definition of "change of control", eliminate substantially all of the restrictive covenants and reporting requirements, and certain of the events of default in the 2023 Indenture, as set forth in "Description of the Proposed Amendments to the 2023 Indenture" (the "**Proposed Amendments**"). The Requisite Consents are required in order for the Proposed Amendments to be adopted and the Proposed Amendments will become operative once the Second Supplemental Indenture has been executed and become effective in accordance with its terms and payment of the Early Consent Fee and/or the Late Consent Fee is completed. Requisite Consents shall include the consents validly delivered or deemed to be delivered pursuant to the consent solicitation and consents delivered pursuant to the concurrent consent solicitation (as defined below).

All consents validly delivered or deemed to be delivered will be deemed to be consents to the Proposed Amendments as a whole.

Holders who validly tender any Old Notes for exchange in the exchange offer on or prior to the Early Exchange Deadline or the Exchange Expiration Deadline, as applicable will be deemed to have delivered a consent to the Proposed Amendments. Holders will have the option with respect to any particular holding of Old Notes to participate in the consent solicitation without participating in the exchange offer.

Purpose of the Exchange Offer and the Consent Solicitation ..... The purpose of the exchange offer is to refinance the Old Notes. The purpose of the consent solicitation is to adopt the Proposed Amendments to amend the definition of "change of control", eliminate substantially all of the restrictive covenants and reporting requirements, and certain of the events of default in the 2023 Indenture.

Concurrent Consent Solicitation .....

In conjunction with the exchange offer and consent solicitation, Jababeka is concurrently soliciting consents from holders of any and all of the outstanding Old Notes to the Proposed Amendments to the 2023 Indenture (the "**concurrent consent solicitation**"). The concurrent consent solicitation is not part of the exchange offer and consent solicitation and is conducted pursuant to, and on the terms and subject to the conditions set forth in, a separate consent solicitation statement dated November 8, 2022 (as amended and restated on November 21, 2022, the "**consent solicitation statement**"), which may be obtained from the information, exchange and tabulation agent for the concurrent consent solicitation or the website for the concurrent consent solicitation: https://projects.morrowsodali.com/jababekaconsent. Eligible Holders may choose to deliver consents to the Proposed Amendments without tendering their Old Notes for exchange in accordance with the procedures by participating in the Concurrent Consent Solicitation, and on the terms and subject to the conditions,

	set forth in the consent solicitation statement. **Eligible Holders of Old Notes who participate in the exchange offer and consent solicitation will not be eligible to also separately participate in the concurrent consent solicitation with respect to the same Old Notes tendered for exchange pursuant to the exchange offer and consent solicitation. Holders of the Old Notes who participate in the concurrent consent solicitation will not be eligible to also separately participate in the exchange offer and consent solicitation with respect to the same Old Notes for which consents have been validly delivered on the concurrent consent solicitation.**
Early Exchange Consideration	For each US$1,000 principal amount of outstanding Old Notes that is validly tendered and accepted for exchange on or prior to 5:00 p.m., New York City time, on November 25, 2022 (such time, the "**Early Expiration Deadline**"), holders will receive, subject to the terms and conditions set forth herein, US$700.00 principal amount of New Notes and an amount in cash equal to US$300.00 (together with the New Notes, the "**Early Exchange Consideration**").
Late Exchange Consideration	For each US$1,000 principal amount of outstanding Old Notes that is validly tendered and accepted for exchange after the Early Expiration Deadline and on or prior to 11:59 p.m., New York City time, on December 7, 2022 (such time, the "**Exchange Expiration Deadline**"), holders will receive, subject to the terms and conditions set forth herein, US$700.00 principal amount of New Notes and an amount in cash equal to US$250.00 (together with the New Notes, the "**Late Exchange Consideration**").
Early Consent Fee	All holders of the Old Notes who (i) validly tender Old Notes for exchange in the exchange offer on or prior to the Early Exchange Deadline, and are thereby deemed to have delivered a consent on or prior to 5:00 p.m., New York City time, on November 25, 2022 (such time, the "**Early Consent Deadline**") or (ii) without tendering any of the Old Notes for exchange, validly deliver a consent to the Proposed Amendments on or prior to the Early Consent Deadline, will receive US$2.00 (the "**Early Consent Fee**") for each US$1,000 principal amount of outstanding Old Notes tendered for exchange or held by such holder, for providing such consent, subject to the conditions set forth herein.
Late Consent Fee	All holders of the Old Notes who (i) validly tender Old Notes for exchange in the exchange offer after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline, and are thereby deemed to have delivered a consent on or prior to 11:59 p.m., New York City time, on December 7, 2022 (such time, the "**Consent Expiration Deadline**") or (ii) without tendering any of the Old Notes for exchange, validly deliver a consent to the Proposed Amendments on or prior to the Consent Expiration Deadline, will receive US$1.00 (the "**Late Consent Fee**") for each US$1,000 principal amount of outstanding Old Notes tendered for exchange or held by such holder, for providing such consent, subject to the conditions set forth herein.
Accrued and Unpaid Interest	On the Exchange Settlement Date, all Eligible Holders whose Old Notes are validly tendered and accepted for exchange will also receive a cash payment equal to the applicable accrued and unpaid interest on the Old Notes from the last interest payment date up to, but excluding, the Exchange Settlement Date (the "**Accrued and Unpaid Interest**").
Exchange Settlement Date	With respect to Old Notes validly tendered and accepted for exchange on or prior to the Early Exchange Deadline, payment of the Early Exchange Consideration will be made promptly after the Exchange Expiration Deadline on the Exchange Settlement Date, subject to the terms and conditions herein.

	With respect to Old Notes validly tendered and accepted for exchange after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline, payment of the Late Exchange Consideration will be made promptly after the Exchange Expiration Deadline on the Exchange Settlement Date, subject to the terms and conditions herein. The Exchange Settlement Date will be the sixth business day following the Exchange Expiration Deadline, which is expected to be December 15, 2022.
Consent Settlement Date	With respect to Old Notes for which consents have been validly delivered or deemed delivered on or prior to the Early Consent Deadline, payment of the Early Consent Fee will be made promptly after the Consent Expiration Deadline on the Consent Settlement Date, subject to the terms and conditions herein. With respect to Old Notes for which consents have been validly delivered or deemed delivered after the Early Consent Deadline and on or prior to the Consent Expiration Deadline, payment of the Late Consent Fee will be made promptly after the Consent Expiration Deadline on the Consent Settlement Date, subject to the terms and conditions herein. The Consent Settlement Date is expected to be the second business day following the Consent Expiration Deadline, which is expected to be December 9, 2022. Holders agree that by delivering consents in the consent solicitation and upon receipt of an agent's message from DTC, the relevant holder's Old Notes will be blocked in the relevant account at DTC. The consenting holder's position cannot be sold or transferred until the Consent Settlement Date.
Early Exchange Deadline	5:00 p.m., New York City time, on November 25, 2022, unless extended or earlier terminated in our sole discretion.
Exchange Expiration Deadline	11:59 p.m., New York City time, on December 7, 2022, unless extended or earlier terminated in our sole discretion.
Early Consent Deadline	5:00 p.m., New York City time, on November 25, 2022, unless extended or earlier terminated in our sole discretion.
Consent Expiration Deadline	11:59 p.m., New York City time, on December 7, 2022, unless extended or earlier terminated in our sole discretion.
Withdrawal and Revocation	Once your Old Notes are tendered for exchange in the exchange offer, you may withdraw from the exchange offer in respect of such Old Notes at any time up to (and including) the Early Exchange Deadline. You may not withdraw from the exchange offer in respect of such Old Notes after the Early Exchange Deadline. Upon tendering your Old Notes for exchange on or prior to the Early Exchange Deadline or the Exchange Expiration Deadline, as applicable, you are deemed to have provided your consent to the Proposed Amendments pursuant to the consent solicitation in respect of such Old Notes. Instructions in connection with the consent solicitation are irrevocable. Once you deliver a consent, you may revoke your consent at any time up to (and including) the Early Consent Deadline but may not revoke your consent after the Early Consent Deadline.
Holders Eligible to Participate	The exchange offer is only being made to, and the New Notes and applicable guarantees are being offered and will be issued pursuant to the exchange offer only to, eligible holders (the "**Eligible Holders**") who have certified to us through the eligibility process previously made available to them that they are (i) either (A) persons who are "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or whose brokers, dealers, custodians, trust companies or

other nominees have completed and submitted a certification, which states among other things that such holder is a QIB or (B) persons located outside the United States, or certain fiduciaries holding accounts for the benefit of persons outside the United States and (ii) are not residents of, or persons located in Indonesia, subject to certain exceptions described herein.

All holders of outstanding Old Notes will be eligible to participate in the consent solicitation.

Only Eligible Holders who have, or on whose behalf their brokers, dealers, custodians, trust companies or other nominees have, completed the procedures described in this exchange offer and consent solicitation memorandum are eligible to participate in the exchange offer. Only Eligible Holders who have, or on whose behalf their brokers, dealers, custodians, trust companies or other nominees have, validly tendered their Old Notes for exchange in accordance with the procedures herein on or prior to the Early Exchange Deadline will be eligible to receive the Early Exchange Consideration and the Early Consent Fee.

For a description of restrictions on resale or transfer of the New Notes, see "Transfer Restrictions." Eligible Holders of Old Notes who participate in the concurrent consent solicitation will not be eligible to also separately participate in this exchange offer and consent solicitation with respect to the same Old Notes.

Conditions to the Exchange Offer and the Consent Solicitation .....

Conditions to the Consent Solicitation

Our obligation to consummate the consent solicitation is conditioned upon the following:

- the Consent Minimum Participation Condition has been satisfied or waived;
- we have received Requisite Consents to the Proposed Amendments;
- we have received all valid consents required by Jababeka and its subsidiaries, including the Old Notes Issuer, for the consummation of the consent solicitation, from third parties, including the lenders of Jababeka or any of its subsidiaries; and
- the other conditions described in "Description of the Exchange Offer and the Consent Solicitation—Conditions to the Exchange Offer and the Consent Solicitation—Consent General Conditions" have been satisfied or waived.

Conditions to the Exchange Offer

Our obligation to consummate the exchange offer is conditioned upon the following:

- the Exchange Minimum Participation Condition has been satisfied or waived;
- we have received Requisite Consents to the Proposed Amendments;
- the Second Supplemental Indenture has been executed and become effective;
- the issuance of the New Notes has taken place;
- we have received all valid consents required by Jababeka and its subsidiaries, including the Old Notes Issuer, for the consummation of the exchange offer, from third parties, including the lenders of Jababeka or any of its subsidiaries; and

- the other conditions described in "Description of the Exchange Offer and the Consent Solicitation—Conditions to the Exchange Offer and the Consent Solicitation" have been satisfied or waived.

We may terminate, extend or withdraw the exchange offer and consent solicitation at any time if any of the conditions are not satisfied, extended or waived by the Exchange Settlement Date or the Consent Settlement Date, as applicable. We may also extend the exchange offer and consent solicitation from time to time until the conditions are satisfied or waived. We reserve the right to amend, modify or waive, at any time, the terms and conditions of the exchange offer and consent solicitation, subject to applicable law.

Procedures for Tendering Old Notes for exchange and Delivering Consents .....

To participate in the exchange offer, a holder must validly tender its Old Notes for exchange pursuant to the exchange offer on or prior to the Exchange Expiration Deadline pursuant to the procedures described herein. A holder who validly tenders its Old Notes for exchange on or prior to the Exchange Expiration Deadline will be deemed to have delivered a consent pursuant to the consent solicitation with respect to such tendered Old Notes for exchange.

To deliver a consent with respect to Old Notes, a hold must either (i) validly tender its Old Notes for exchange pursuant to the exchange offer on or prior to the Exchange Expiration Deadline pursuant to the procedures described herein, in which case the holder will be deemed to have consented pursuant to the consent solicitation; or (ii) without tendering any of its Old Notes for exchange in the exchange offer, validly deliver a consent prior to the Consent Expiration Deadline pursuant to the procedures described herein.

Automated Tender Offer Program ("ATOP") .....

Each Eligible Holder of Old Notes wishing to participate in the exchange offer must execute their execution instructions through the Automated Tender Offer Program ("**ATOP**") procedures of The Depository Trust Company ("**DTC**") as described below, on or prior to the Early Exchange Deadline or Exchange Expiration Deadline, as applicable. A holder who validly tenders its Old Notes for exchange on or prior to the Early Exchange Deadline or Exchange Expiration Deadline, as applicable will be deemed to have delivered a consent pursuant to the consent solicitation with respect to such tendered Old Notes for exchange.

Each Eligible Holder of Old Notes wishing to participate in the consent solicitation, without tendering any of the Old Notes, should submit their consent through DTC's ATOP procedures prior to the Consent Expiration Deadline.

Tendering and Consenting through a Custodian .....

If you wish to participate in the exchange offer and consent solicitation and your Old Notes are held by a custodial entity, such as a bank, broker, dealer, trust company or other nominee, you must instruct that custodial entity to tender your Old Notes for exchange or deliver your consents on your behalf pursuant to the procedures of that custodial entity.

Custodial entities that are participants in DTC ("**DTC participants**") must tender Old Notes for exchange or deliver consents through ATOP.

Beneficial owners of Old Notes who hold such Old Notes through Euroclear or must follow the procedures established by Euroclear or Clearstream, for tendering those Old Notes for exchange in the exchange offer.

	For further information, Eligible Holders should contact the Dealer Managers or the information, exchange and tabulation agent at their respective telephone numbers and addresses set forth on the back cover page of this exchange offer and consent solicitation memorandum or consult their broker, dealer, commercial bank, trust company or nominee for assistance. No guaranteed delivery procedures are being offered in connection with the exchange offer and consent solicitation.
Acceptance of Tenders; Delivery of New Notes	Subject to the terms and conditions described herein, we will accept the Old Notes that are validly tendered for exchange on or prior to the Exchange Expiration Deadline. Upon our determination that the conditions to the exchange offer and consent solicitation have been satisfied or waived, participants in the exchange offer who validly tender Old Notes that are accepted for exchange will receive New Notes on the Exchange Settlement Date and such New Notes will accrue interest from the New Notes Original Issue Date.
Minimum Aggregate Principal Amount of Old Notes to be tendered for exchange.....	The aggregate principal amount of New Notes to be issued to any holder is in a minimum denomination of US$100,000 and integral multiples of US$1,000 in excess thereof. Accordingly, an Eligible Holder must tender Old Notes for exchange in a principal amount sufficient to receive minimum denominations of US$100,000 and integral multiples of US$1,000 thereof of New Notes in exchange for such Old Notes, based on the Early Exchange Consideration or the Late Exchange Consideration, as applicable. Any Eligible Holder that tenders for exchange less than such amount will not be able to participate in the exchange offer and consent solicitation. Subject to the foregoing, exchange instructions with respect to Old Notes will be accepted only in permitted denominations, which are minimum denominations of US$200,000 and integral multiples of US$1,000 thereof. The amount of New Notes to be issued to any Eligible Holder will be rounded down to the nearest US$1,000. Any fractional portion of New Notes not received as a result of rounding down will be paid in cash.
Consequences of Failure to Exchange Notes ...	For a description of the consequences of failing to exchange your Old Notes, see "Risk Factors Relating to the Exchange Offer and the Consent Solicitation" and "Description of the Exchange Offer and the Consent Solicitation—Certain Consequences to Holders of Old Notes Not Participating in the Exchange Offer and the Consent Solicitation."
Extension, Amendments and Termination	To the extent we are legally permitted to do so, we expressly reserve the absolute right to (i) waive certain conditions to the exchange offer or consent solicitation, (ii) amend any of the terms of the exchange offer or consent solicitation and (iii) modify the consideration offered. Any amendment to the exchange offer or consent solicitation will apply to all Old Notes tendered for exchange, regardless of when or in what order such Old Notes were tendered for exchange, subject to applicable law. If we make a material change in the terms of the exchange offer or consent solicitation, we will issue a press release setting forth such changes or other public announcement, disseminate additional offer materials, if appropriate, and will extend the exchange offer or consent solicitation to the extent required by law. We have the right, in our sole discretion, to extend the Early Exchange Deadline, the Early Consent Deadline, the Exchange Expiration Deadline, the Consent Expiration Deadline and any other dates. Additionally, we expressly reserve the right, in our absolute discretion, to terminate the exchange offer or consent solicitation at any time if any of the conditions to the exchange offer or consent solicitation are not satisfied or

	waived on or prior to the Exchange Settlement Date or the Consent Settlement Date, as applicable. In the event that the exchange offer or consent solicitation is terminated, withdrawn or otherwise not consummated on or prior to the Exchange Expiration Deadline or the Consent Expiration Deadline, as applicable, no consideration will be paid or become payable and no New Notes will be issued or become issuable to Eligible Holders who have validly tendered their Old Notes for exchange pursuant to the exchange offer and no consents will be accepted. In any such event, the Old Notes previously tendered for exchange pursuant to the exchange offer will be promptly returned to the tendering holders.
	In the event that the exchange offer is not completed, but the consent solicitation is consummated in accordance with the conditions set out herein, all Old Notes will be returned to the holders of such Old Notes and the Early Consent Fee or the Late Consent Fee, as applicable, for the Old Notes for which consents were validly delivered or, deemed to be delivered, shall be paid. In accordance with the terms and conditions set out herein, the Proposed Amendments approved pursuant to the consent solicitation will be binding on all holders of the Old Notes even if the exchange offer does not close.
Use of Proceeds	We will not receive any cash proceeds from the exchange offer and consent solicitation.
Taxation	For a discussion of certain United States federal income tax consequences of the exchange offer and other tax matters, see "Taxation."
Brokerage Commissions	No brokerage commissions are payable by the holders of the Old Notes to us, the Dealer Managers, or the information, exchange and tabulation agent.
Dealer Managers	J.P. Morgan Securities plc, Mandiri Securities Pte. Ltd., Standard Chartered Bank (Singapore) Limited and UBS AG Singapore Branch.
Solicitation Agents	The Dealer Managers are acting as the solicitation agents for the consent solicitation. You can find the address and telephone number for the Dealer Managers on the back cover of this exchange offer and consent solicitation memorandum.
Information, Exchange and Tabulation Agent	Morrow Sodali Ltd. has been appointed as the information, exchange and tabulation agent for the exchange offer and the consent solicitation. You can find the address and telephone number for the information, exchange and tabulation agent on the back cover of this exchange offer and consent solicitation memorandum.
Offer Website	This exchange offer and consent solicitation memorandum and the other relevant notices and documents will be available on the Offer Website, https://projects.morrowsodali.com/jababekaexchange, operated by the information, exchange and tabulation agent.
Trustees	The Bank of New York Mellon is the trustee of the Old Notes appointed under the 2023 Indenture (the "**Old Notes Trustee**") and the trustee of the New Notes appointed under the New Notes Indenture (the "**New Notes Trustee**").
New Notes Collateral Agent	Watiga Trust Ltd is the collateral agent of the New Notes appointed under the New Notes Indenture.

Further Information	Questions about the terms of the exchange offer or consent solicitation should be directed to the Dealer Managers, and the information, exchange and tabulation agent. If you have questions regarding tender, exchange or consent procedures or require additional copies of this exchange offer and consent solicitation memorandum, please contact the information, exchange and tabulation agent. Beneficial owners may also contact their brokers, dealers, commercial banks, trust companies or other nominee for assistance concerning the exchange offer and consent solicitation. ALL DOCUMENTATION RELATING TO THE EXCHANGE OFFER, TOGETHER WITH ANY UPDATES, NOTICES AND PRESS RELEASES, WILL BE AVAILABLE VIA THE OFFER WEBSITE: https://projects.morrowsodali.com/jababekaexchange.

SUMMARY OF THE NEW NOTES

The following is a brief summary of the terms of the New Notes and is qualified in its entirety by the remainder of this exchange offer and consent solicitation memorandum. For a detailed description of the New Notes, see the section entitled "Description of the New Notes." Such section prevails to the extent of any inconsistency with the summary set forth in this section. This summary is not intended to be complete and does not contain all of the information that is important to an investor. Phrases used in this summary and not otherwise defined shall have the meanings given to them in "Description of the New Notes."

Issuer	PT Kawasan Industri Jababeka Tbk.
Initial Subsidiary Guarantors.....	All of the Restricted Subsidiaries (as defined in the New Notes Indenture) other than Jababeka International B.V., PT Jababeka Mitrafamili Residen, PT Mitra Pengembang Kawasan, PT Media Membangun Negeri, PT Jababeka Keihan Residence, PT Jababeka Creed Residence, PT Rumah Prima Sehat, PT Sarana Indah Permai Residen, PT Ritel Maju Sejahtera, PT Faunaland Tanjung Lesung, PT Tanjung Lesung Leisure Industry, PT Kawasan Industri Kendal, PT United Power, PT Tanjung Lesung Power, PT Jababeka Longlife City, PT Jababeka Plaza Indonesia, PT Duta Bandara Banten, PT Infrastruktur Cakrawala Telekomunikasi, PT Nusantara Gas Energi, PT Jababeka Pembangunan Perumahan Properti, PT Proteksi Usaha Indonesia and PT Tanjung Sari Power.
New Notes Offered.....	Guaranteed Senior Secured Notes due 2027.
Issue Price	100% of the principal amount of the New Notes.
Interest.....	The New Notes will bear interest as follows: (i) during the one-year period from (and including) the New Notes Original Issue Date to (but excluding) the First Anniversary Date, 7.00% per annum payable in cash; (ii) from (and including) the First Anniversary Date to (but excluding) the Second Anniversary Date, 7.50% per annum payable in cash; (iii) from (and including) the Second Anniversary Date to (but excluding) the Third Anniversary Date, 8.00% per annum payable in cash; (iv) from (and including) the Third Anniversary Date to (but excluding) the Fourth Anniversary Date, 8.50% per annum payable in cash; and (v) from (and including) the Fourth Anniversary Date to (but excluding) the date of maturity of the New Notes, 9.00% per annum payable in cash. Interest will be payable semi-annually in arrears on specific dates of each year, commencing on the date that is six months after the New Notes Original Issue Date.
Interest Payment Dates.....	Assuming the New Notes Original Issue Date occurs on December 15, 2022, June 15 and December 15 of each year, commencing June 15, 2023.
Ranking of the New Notes	The New Notes will: • be general obligations of the New Notes Issuer; • be senior in right of payment to any existing and future obligations of the New Notes Issuer expressly subordinated in right of payment to the New Notes; • rank at least *pari passu* in right of payment with all unsubordinated Indebtedness of the New Notes Issuer (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law); • be guaranteed by the Subsidiary Guarantors on an unsubordinated basis, subject to the limitations described under "Description of the New Notes — Subsidiary Guarantees" and in "Risk Factors — Risks

Relating to the New Notes, the Subsidiary Guarantees and the Collateral;

- be effectively subordinated to the secured obligations of the New Notes Issuer and the Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor (other than the Collateral);
- be effectively subordinated to all existing and future obligations of any Subsidiaries other than Subsidiary Guarantors; and
- be secured by the Collateral, once granted, (subject to any Permitted Lien) as described under "Description of the New Notes — Security."

Subsidiary Guarantees ..... The Subsidiary Guarantors will guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the New Notes.

The New Notes Issuer will cause each of its future Restricted Subsidiaries (other than Jababeka International B.V.) to execute and deliver to the New Notes Trustee a supplemental indenture to the New Notes Indenture pursuant to which such Restricted Subsidiary will guarantee the payment of the New Notes.

The Subsidiary Guarantees may be released in certain circumstances. See "Description of the New Notes — The Subsidiary Guarantees — Release of the Subsidiary Guarantees".

Ranking of the Subsidiary Guarantees . The Subsidiary Guarantees will:

- be a general obligation of such Subsidiary Guarantor;
- be effectively subordinated to secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor (other than the Collateral to the extent applicable);
- be senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee;
- rank at least *pari passu* with all other unsecured, unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law); and
- will be secured by the Collateral, once granted, (subject to any Permitted Lien) as described under "Description of the New Notes — Security."

Collateral ..... The obligations of Jababeka and the Subsidiary Guarantors under the New Notes and the Subsidiary Guarantees will be secured on a first priority basis (subject to any Permitted Lien) by Liens on the Collateral which shall initially consist of first ranking mortgages (*hak tanggungan*) over land parcels measuring an area of not less than 300 hectares and located either in Tanjungjaya Village, Panimbang District, Pandeglang Regency, West Java/Banten Province or in Senang Sari Village, Pagelaran District, Pandeglang Regency, Banten Province (the "**Collateral Locations**") (the "**Collateral**"). Jababeka and PT Banten West Java Tourism Development will be obligated to take all necessary actions to establish, perfect and

register the security interests in the Collateral securing the New Notes and the Subsidiary Guarantees within 90 days following the New Notes Original Issue Date.

Commencing from December 15, 2023, for so long as the New Notes remain outstanding, Jababeka shall, on each anniversary of the date of issuance of the New Notes, provide to the New Notes Trustee and furnish to the holders of the New Notes a report from an independent valuer setting out the fair market value of the Collateral. For the avoidance of doubt, Jababeka is not required to maintain a minimum fair market value of the Collateral. See "Risk Factors — Risks Relating to the New Notes, the Subsidiary Guarantees and the Collateral — We will have control over the Collateral, and the sale of particular assets by us could reduce the pool of assets securing the New Notes and the Subsidiary Guarantees."

At any point in time, Jababeka may, at its option, replace land parcels forming a part of the Collateral with other land parcels located in the Collateral Locations, which shall be secured by way of first ranking mortgages (*hak tanggungan*) in favor of the holders of the New Notes, as long as the land area of the Collateral is at least the Minimum Collateral Size at all times.

See "Description of the New Notes — Security" and "Description of the Indonesian Security Documents and the Collateral."

Use of Proceeds ..... We will not receive any cash proceeds from the issuance of the New Notes.

Mandatory Redemption upon Relevant Collateral Sale ..... Upon the final completion of any sale, transfer, conveyance, lease or other disposition of all or any part of the land parcels constituting the Collateral (including by way of merger, consolidation or Sale and Leaseback Transaction) in one transaction or a series of related transactions by Jababeka or any Restricted Subsidiary to any Person (the "**Collateral Sale**") for which Jababeka receives Net Cash Proceeds in an aggregate amount in excess of US$5 million (or its equivalent) (the "**Relevant Collateral Sale**"), Jababeka will use all of the Net Cash Proceeds it receives from such Relevant Collateral Sale (the "**Collateral Proceeds**") to redeem the New Notes.The Minimum Collateral Size shall be deemed reduced by the size of the land sold, transferred, conveyed, or otherwise disposed under the Relevant Collateral Sale.

If Jababeka carries out a Collateral Sale for which the Company receives Net Cash Proceeds in an aggregate amount (on a cumulative basis) equal to, or less than, US$5 million (or its equivalent), Jababeka shall promptly procure that additional land parcels located in the Collateral Locations be secured by way of first ranking mortgages (*hak tanggungan*) in favor of the holders of the New Notes such that the land area of the Collateral is at least the Minimum Collateral Size.

The redemption price (the "**Mandatory Redemption Price**") will be as follows: (a) if the Relevant Collateral Sale occurs before the Second Anniversary Date, the Mandatory Redemption Price will be equal to 100% of the outstanding principal amount of the New Notes being redeemed, or (b) if the Relevant Collateral Sale occurs on or after the Second Anniversary Date and before the date of maturity of the New Notes, the Mandatory Redemption Price will be equal to 101% of the outstanding principal amount of the New Notes being redeemed, in each case, together with any accrued and unpaid interest on the principal amount of the New Notes up to, but not including, the Mandatory Redemption Date (subject to the right of the Holder of record on the relevant Record Date to receive interest due on the relevant interest payment date). Neither the Trustee nor the Paying Agent will be responsible for calculating or verifying the Mandatory Redemption Price.

	Following the Mandatory Redemption Date, the redeemed New Notes will be cancelled.
Optional Redemption.....	At any time prior to the First Anniversary Date, the New Notes Issuer may redeem the New Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the New Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, the redemption date. At any time and from time to time on or after the First Anniversary Date, the New Notes Issuer may at its option redeem the New Notes, in whole or in part, at the redemption prices set forth under "Description of the New Notes—Optional Redemption", plus accrued and unpaid interest, if any, to (but not including) the redemption date.
Repurchase of Notes upon a Change of Control.....	Not later than 30 days following a Change of Control, the New Notes Issuer will make an offer to repurchase all outstanding New Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the repurchase date. The New Notes Trustee shall not be required to take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred and shall not be liable and responsible to any person for any failure to do so.
Original Issue Discount	Interest payments in excess of 7.00% will not be qualified stated interest for U.S. federal income tax purposes. As a result, the New Notes may be considered to be issued with original issue discount ("**OID**") for U.S. federal income tax purposes. There may be additional OID to the extent that the issue price of the New Notes is less than their stated principal amount as determined for U.S. federal income tax purposes. Holders subject to U.S. federal income taxation generally will be required to include this OID in gross income (as ordinary income) as it accrues on a constant yield basis, in advance of the receipt of cash payments to which such income is attributable and regardless of a holder's method of accounting for U.S. federal income tax purposes. For further discussion, see "Taxation—Certain U.S. Federal Income Tax Considerations."
Withholding Tax; Additional Amounts.	Payments with respect to the New Notes and any Subsidiary Guarantee will be made without withholding or deduction for taxes imposed by the jurisdictions in which the New Notes Issuer and each Subsidiary Guarantor or any future Subsidiary Guarantors are incorporated or resident for tax purposes, or through which payment is made except as required by law. Where such withholding or deduction is required by law, the New Notes Issuer or the applicable Subsidiary Guarantor will make such deduction or withholding and will, subject to certain exceptions, pay such additional amounts as will result in receipt by the Holder of such amounts as would have been received by such Holder had no such withholding or deduction been required. See "Description of the New Notes — Additional Amounts".
Redemption for Taxation Reasons.....	Subject to certain exceptions and as more fully described herein, the New Notes Issuer may redeem the New Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the New Notes Issuer for redemption, if, as a result of certain changes in tax law, the New Notes Issuer would be required to pay certain additional amounts; provided that where the additional amounts are payable as a result of changes affecting Indonesian taxes, the New Notes may be redeemed only in the event that the withholding tax rate exceeds 20%.
Covenants	The New Notes Indenture will limit the ability of the New Notes Issuer and the Restricted Subsidiaries to, among other things:

- incur additional Indebtedness and issue preferred stock;
- make investments or other specified Restricted Payments;
- enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends and transfer assets or make inter-company loans;
- issue or sell Capital Stock of Restricted Subsidiaries;
- issue guarantees by Restricted Subsidiaries
- enter into transactions with shareholders or affiliates;
- create any Lien;
- enter into Sale and Leaseback Transactions;
- sell assets;
- engage in different business activities; or
- effect a consolidation or merger.

These covenants are subject to a number of important qualifications and exceptions described in "Description of the New Notes — Certain Covenants".

Selling and Transfer Restrictions.....	The New Notes will not be registered under the Securities Act or under any state securities law of the United States and will be subject to customary restrictions on transfer and resale. See "Transfer Restrictions".
Form, Denomination and Registration .	The New Notes will be issued only in fully registered form, without coupons, in denominations of US$100,000 and integral multiples of US$1,000 in excess thereof and will be initially represented by one or more Global Note registered in the name of a nominee of DTC.
Book-Entry Only	The New Notes will be issued in book-entry form through the facilities of DTC for the accounts of its participants, including Euroclear and Clearstream. For a description of certain factors relating to clearance and settlement, see "Description of the New Notes — Book-Entry; Delivery and Form".
Trustee	The Bank of New York Mellon.
Principal Paying and Transfer Agent and Registrar	The Bank of New York Mellon.
New Notes Collateral Agent.....	Watiga Trust Ltd.
Rule 144A Global Note	CUSIP Number: 74390M AA2; ISIN Number: US74390MAA27
Regulation S Global Note.....	CUSIP Number: Y70908 AA9; ISIN Number: USY70908AA90
Listing.....	Application has been made to the SGX-ST for the listing and quotation of the New Notes on the Official List of the SGX-ST. The New Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 for so long as the New Notes are listed on the SGX-ST.

	A paying agent in Singapore will be appointed upon the issue of the New Notes. For so long as the New Notes are listed on the SGX-ST and the rules of the SGX-ST so require, we will appoint and maintain a paying agent in Singapore where the New Notes may be presented or surrendered for payment or redemption in the event that a Global Certificate is exchanged for definitive notes. In addition, in the event that a Global Certificate is exchanged for definitive notes, an announcement of such exchange will be made by or on behalf of us through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive New Notes, including details of the paying agent in Singapore.
Governing Law.....	The New Notes and the New Notes Indenture will be governed by and will be construed in accordance with the laws of the State of New York.
Risk Factors.....	For a discussion of certain factors that should be considered in evaluating an investment in the New Notes, see “Risk Factors”.

SUMMARY OF CONSOLIDATED FINANCIAL INFORMATION AND OPERATING DATA

You should read the summary financial information presented below in conjunction with our consolidated financial statements thereto included elsewhere in this exchange offer and consent solicitation memorandum. You should also read the section of this exchange offer and consent solicitation memorandum entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations".

We have derived our summary financial information and other data presented in the tables below from our audited consolidated financial statements as of and for the years ended December 31, 2019, 2020 and 2021 and our unaudited interim consolidated financial statements as of and for the seven-month periods ended July 31, 2021 and 2022, included elsewhere in this exchange offer and consent solicitation memorandum.

Our audited consolidated financial statements as of and for the years ended December 31, 2019, 2020 and 2021 have been audited by KAP Tanubrata Sutanto Fahmi Bambang & Rekan ("**BDO Indonesia**"), independent public accountants and a member of BDO International Limited, in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants ("**IAPI**"), as stated in their audit reports included elsewhere in this exchange offer and consent solicitation memorandum. Our unaudited interim consolidated financial statements as of and for the seven-month periods ended July 31, 2021 and 2022 were reviewed by BDO Indonesia, in accordance with Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("**SRE 2410**") established by the IAPI, as stated in their review reports included elsewhere in this exchange offer and consent solicitation memorandum. A review conducted in accordance with SRE 2410 established by the IAPI is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the IAPI, and consequently, does not enable BDO Indonesia to obtain assurance that they would become aware of all significant matters that might be identified in an audit. Accordingly, BDO Indonesia does not express an audit opinion on our interim consolidated financial statements as of and for the seven-month periods ended July 31, 2021 and 2022. These unaudited interim consolidated financial statements have been prepared on the same basis as our audited financial statements and reflect all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of our results of operations and financial condition. Our results for any interim period may not be indicative of our results for the full year or for any period.

We have prepared and presented our consolidated financial statements in accordance with Indonesian FAS, which differs in certain significant respects from IFRS. You should read the section of this exchange offer and consent solicitation memorandum entitled "Summary of Certain Differences Between Indonesian FAS and IFRS" for a description of certain differences between Indonesian FAS and IFRS.

Consolidated Statements of Profit or Loss and Other Comprehensive Income Data

	For the Years Ended December 31,				For the Seven-Month Periods Ended July 31,		
	2019	2020	2021	2021	2021	2022	2022
	Rp	Rp (audited)	Rp	US$ (unaudited)	Rp	Rp (unaudited)	US$
	(Rp in billions and US$ in millions)						
Sales and service revenue	**2,253.9**	**2,396.1**	**2,490.3**	**166.5**	**1,271.9**	**1,330.7**	**89.0**
Cost of sales and service revenue	**1,410.5**	**1,377.7**	**1,397.7**	**93.4**	**780.5**	**661.8**	**44.2**
Gross profit	**843.5**	**1,018.4**	**1,092.6**	**73.0**	**491.4**	**668.9**	**44.7**
Selling expenses	(89.8)	(57.3)	(60.1)	(4.0)	(36.8)	(35.6)	(2.4)
General and administrative expenses	(455.8)	(466.0)	(447.7)	(29.9)	(218.8)	(262.6)	(17.6)
Financial income	39.0	35.2	29.7	2.0	16.0	14.8	1.0
Financial expenses	(424.7)	(466.6)	(466.6)	(31.2)	(249.6)	(298.1)	(19.9)
Final tax expense	(41.2)	(24.5)	(28.8)	(1.9)	(16.3)	(21.7)	(1.4)
Other (expenses) income — net	302.2	(1.7)	(18.8)	(1.3)	(104.4)	(135.4)	(9.0)
Profit before income tax (expense) benefit	**173.3**	**37.5**	**100.3**	**6.7**	**(118.5)**	**(69.6)**	**(4.7)**
Income tax (expense) benefit							
Current	(32.6)	(2.8)	(10.5)	(0.7)	(4.4)	(10.7)	(0.7)
Deferred	0.5	10.6	(2.2)	(0.1)	(4.4)	4.0	0.3
Income tax (expense) benefit — net	**(32.1)**	**7.8**	**(12.7)**	**(0.8)**	**(8.8)**	**(6.8)**	**(0.5)**
Net (loss) profit	**141.1**	**45.2**	**87.6**	**5.9**	**(127.4)**	**(76.3)**	**5.1**
Other comprehensive (loss) income:							
Items that will not be reclassified to profit or loss							
Remeasurement gain on employee benefits liabilities	2.0	14.8	27.6	1.8	16.1	-	-
Related income tax	(0.2)	(1.9)	(3.5)	(0.2)	(2.0)	-	-
Items that will be reclassified subsequently to profit or loss							
Foreign currency translation reserve	(8.1)	1.4	(0.1)	(0.0)	(0.9)	(4.0)	(0.3)
Other comprehensive (loss) income - net of tax	**(6.3)**	**14.4**	**24.0**				

				1.6	13.2	(4.0)	(0.3)
Net comprehensive (loss) income	**134.9**	**59.6**	**111.6**	**7.5**	**(114.2)**	**(80.3)**	**(5.4)**

Consolidated Statements of Financial Position Data

	As at December 31,				As at July 31,	
	2019	2020	2021	2021	2022	2022
	Rp	Rp (audited)	Rp	US$ (unaudited)	Rp (unaudited)	US$ (unaudited)
			(Rp in billions and US$ in millions)			
Assets						
Current Assets						
Cash and cash equivalents	1,005.1	1,178.5	1,111.5	74.3	1,224.8	81.9
Short-term investments	23.5	4.0	6.3	0.4	9.8	0.7
Trade receivables from third parties — net	563.1	309.7	415.5	27.8	385.8	25.8
Other receivables from third parties — net	81.9	64.3	56.4	3.8	60.2	4.0
Inventories	1,398.7	1,513.2	1,507.9	100.8	1,507.6	100.8
Land for development — current portion	4,909.6	4,876.2	4,987.9	333.5	5,173.4	345.9
Prepaid taxes	39.0	53.5	57.4	3.8	61.3	4.1
Prepaid expenses	6.7	7.9	11.4	0.8	10.8	0.7
Advances	513.2	512.5	484.7	32.4	493.8	33.0
Total current assets	**8,540.9**	**8,519.7**	**8,638.9**	**577.5**	**8,927.6**	**596.8**
Non-Current Assets						
Investments in associates and joint venture	260.1	259.3	226.8	15.2	219.4	14.7
Investments in share of stock	29.0	29.0	39.3	2.6	39.3	2.6
Derivative financial assets	342.7	329.1	240.9	16.1	231.5	15.5
Property, plant and equipment — net	2,140.9	2,033.8	1,948.4	130.3	1,944.5	130.0
Intangible assets – net	4.0	6.1	4.2	0.3	3.3	0.2
Right of use assets— net	—	2.2	37.1	2.5	28.8	1.9
Investment properties — net	71.6	67.5	94.2	6.3	90.2	6.0
Land for development — non-current portion	620.5	651.1	679.0	45.4	684.6	45.8
Deferred tax assets	29.9	23.3	17.8	1.2	18.9	1.3
Estimated claim for income tax refund	75.0	156.5	189.1	12.6	172.8	11.6
Refundable deposits and other deposits	13.0	12.6	8.1	0.5	10.6	0.7
Restricted cash and cash equivalents	57.1	110.0	168.1	11.2	156.2	10.4
Total non-current assets	**3,643.7**	**3,680.4**	**3,653.2**	**244.2**	**3,600.2**	**240.7**
Total assets	**12,184.6**	**12,200.2**	**12,292.1**	**821.8**	**12,527.8**	**837.5**

	As at December 31,				As at July 31,	
	2019	2020	2021	2021	2022	2022
	Rp	Rp (audited)	Rp	US$ (unaudited)	Rp (unaudited)	US$ (unaudited)
			(Rp in billions and US$ in millions)			
Liabilities						
Current Liabilities						
Short-term bank loans	64.6	35.3	—	—	1.0	0.1
Trade payables to third parties	137.0	124.3	149.9	10.0	195.0	13.0
Other payables to third parties	138.3	83.1	74.5	5.0	96.7	6.5
Taxes payable	55.3	36.5	41.3	2.8	31.1	2.1
Accrued expenses	237.1	287.6	178.5	11.9	234.0	15.6
Dividends payable	0.1	0.1	0.1	0.0	0.1	0.0
Customers' deposits — current portion	703.9	751.5	808.1	54.0	747.9	50.0
Security deposits — current portion	0.5	0.7	5.0	0.3	26.8	1.8
Unearned income — current portion	10.2	13.1	19.6	1.3	19.8	1.3
Current portion of long-term debts:						
Bank loans	48.5	45.7	28.0	1.9	27.8	1.9
Lease liabilities	0.4	0.7	15.0	1.0	8.9	0.6
Total current liabilities	**1,395.9**	**1,378.8**	**1,320.1**	**88.3**	**1,389.2**	**92.9**
Non-Current Liabilities						
Long-term debts — net of current portion:						
Senior notes	3,984.6	4,082.9	4,173.9	279.0	4,403.6	294.4
Bank loans	79.4	73.5	56.2	3.8	38.8	2.6
Lease liabilities	—	1.5	28.1	1.9	20.0	1.3
Unearned income — non-current portion	17.6	13.6	12.0	0.8	15.4	1.0
Customers' deposit — non-current portion	1.9	0.2	0.2	0.0	22.4	1.5
Security deposits – non-current portion	91.6	99.1	100.2	6.7	109.1	7.3
Employee benefit liabilities	206.0	209.7	148.5	9.9	159.5	10.7
Deferred tax liabilities	100.6	80.7	80.9	5.4	78.0	5.2
Total non-current liabilities	**4,481.7**	**4,561.2**	**4,599.9**	**307.5**	**4,846.9**	**324.0**
Total liabilities	**5,877.6**	**5,939.9**	**5,920.1**	**395.8**	**6,236.1**	**416.9**

Equity						
Share capital	1,864.4	1,864.4	1,864.4	124.6	1,864.4	124.6
Additional paid-in capital — net	1,396.1	1,396.1	1,396.1	93.3	1,396.1	93.3
Treasury shares	—	(47.8)	(47.8)	(3.2)	(47.8)	(3.2)
Retained earnings:						
Appropriated	0.5	0.5	0.5	0.0	0.5	0.0
Unappropriated	2,049.2	1,947.9	1,942.7	129.9	1,843.3	123.2
Foreign currency translation reserve	44.9	46.3	46.2	3.1	42.2	2.8
Other capital reserves	17.6	30.6	54.8	3.7	54.8	3.7
Equity attributable to owners of the parent company	5,372.7	5,238.0	5,256.8	351.4	5,153.5	344.5
Non-controlling interests	934.3	1,022.3	1,115.2	74.6	1,138.2	76.1
Total equity	**6,307.0**	**6,260.3**	**6,372.0**	**426.0**	**6,291.7**	**420.6**
Total liabilities and equity	**12,184.6**	**12.200.2**	**12,292.1**	**821.8**	**12,527.8**	**837.5**

Consolidated Statements of Cash Flow

	For the Years Ended December 31,				For the Seven-Month Periods Ended July 31,		
	2019	2020	2021	2021	2021	2022	2022
	Rp	Rp (audited)	Rp	US$ (unaudited)	Rp	Rp (unaudited)	US$
	(Rp in billions and US$ in millions)						
Net cash flows (used in) provided by operating activities	371.1	446.8	334.6	22.4	188.1	286.9	19.2
Net cash flows used in investing activities	(227.7)	(144.7)	(272.2)	(18.2)	(133.9)	(163.1)	(10.9)
Net cash flows (used in) provided by financing activities	(8.4)	(131.2)	(130.6)	(8.7)	(93.0)	(19.4)	(1.3)
Net increase (decrease) in cash and cash equivalents	126.2	173.4	(67.0)	(4.5)	(34.3)	113.3	7.6
Cash and cash equivalents at beginning of period	878.9	1,005.1	1,178.5	78.8	1,178.5	1,111.5	74.3
Cash and cash equivalents at end of period	1,005.1	1,178.5	1,111.5	74.3	1,144.2	1,224.8	81.9

Other Financial Data

	For the Years Ended December 31,				For the Seven-Month Periods Ended July 31,		
	2019	2020	2021	2021	2021	2022	2022
	Rp	Rp (audited)	Rp	US$ (unaudited)	Rp	Rp (unaudited)	US$
	(Rp in billions and US$ in millions)						
EBITDA[(1)] (unaudited)	757.4	663.1	695.8	46.5	214.1	317.6	21.3
Adjusted EBITDA[(1)] (unaudited)	656.8	789.1	817.2	54.6	354.3	538.7	36.0
Interest expense	415.1	451.8	434.6	29.1	245.5	288.1	19.3
Adjusted EBITDA margin[(2)] (unaudited)	29%	33%	33%	33%	28%	40%	40%
Net debt[(3)]/Adjusted EBITDA[(4)] (unaudited)	4.8	3.9	3.9	3.9	9.1	3.3	3.3
Adjusted EBITDA[(1)]/interest expense (unaudited)	1.6	1.7	1.9	1.9	1.4	1.9	1.9
Recurring Revenue[(5)] (unaudited)	1,291.3	1,060.5	1,123.3	75.1	731.5	682.9	45.7
Recurring revenues as % of total sales and service revenues (unaudited)	57%	44%	45%	45%	58%	51%	51%

(1) See "Non-Indonesian FAS and Non-GAAP Financial Measures" for our definition of EBITDA and Adjusted EBITDA. EBITDA and Adjusted EBITDA and their related measures are supplemental measures of our performance that is not required by, or presented in accordance with, Indonesian FAS or IFRS. EBITDA and Adjusted EBITDA are not measurements of financial performance or liquidity under Indonesian FAS or IFRS and should not be considered as an alternative to net income or any other performance measures derived in accordance with Indonesian FAS or an alternative to comprehensive income, cash flows from operating activities as measures of liquidity. Our presentation of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures presented by other companies. You should not compare our EBITDA and Adjusted EBITDA with EBITDA and Adjusted EBITDA presented by other companies because not all companies use the same definition. We have included EBITDA and Adjusted EBITDA because we believe they are indicative measures of our operating performance and are used by investors and analysts to evaluate companies in our industry. The term "Consolidated EBITDA" as used in the section titled "Description of the New Notes" summarizing certain provisions of the New Notes Indenture, the New Notes and the Subsidiary Guarantees, is calculated differently from EBITDA and Adjusted EBITDA and is not a measurement of financial performance or liquidity under Indonesian FAS. The following table reconciles our net profit under Indonesian FAS to our definition of EBITDA and Adjusted EBITDA for the periods indicated:

	For the Years Ended December 31,				For the Seven-Month Periods Ended July 31,		
	2019	2020	2021	2021	2021	2022	2022
	Rp	Rp (audited)	Rp	US$ (unaudited)	Rp	Rp (unaudited)	US$
	(Rp in billions and US$ in millions)						
Net (loss) profit	**141.1**	**45.2**	**87.6**	**5.9**	**(127.4)**	**(76.3)**	**(5.1)**
Interest expense	415.1	451.8	434.6	29.1	245.5	288.1	19.3
Income taxes	32.1	(7.8)	12.7	0.8	8.8	6.8	0.5
Depreciation expense	163.4	166.3	145.8	9.7	82.3	85.8	5.7
Amortization expense	5.6	7.6	15.1	1.0	4.9	13.2	0.9

EBITDA (unaudited)	**757.4**	**663.1**	**695.8**	**46.5**	**214.1**	**317.6**	**21.3**
Reconciling items[6]							
Final tax expense	41.2	24.5	28.8	1.9	16.3	21.7	1.4
Tax adjustments[7]	-	-	26.3	1.8	-	-	-
Unrealized foreign exchange loss/(gain)-net[8]	(168.3)	60.7	77.7	5.2	113.6	208.2	13.9
Provision for employee benefits, net of benefits paid[9]	25.9	18.5	(33.5)	(2.2)	(19.6)	11.0	0.7
Other non-cash items:							
Losses from write-off (reversal of allowance) of receivables-net	0.7	22.3	2.0	0.1	5.5	(19.8)	(1.3)
Impairment loss in investments in associates and investments in share of stock	-	-	20.1	1.3	24.4	-	-
Adjusted EBITDA (unaudited)	**656.8**	**789.1**	**817.2**	**54.6**	**354.3**	**538.7**	**36.0**

(2) We calculate our Adjusted EBITDA margin by dividing Adjusted EBITDA by total sales and service revenues.

(3) We define net debt as our total debts (short-term and long-term bank loans, lease liabilities and senior notes), less cash and cash equivalents. The following table reconciles net debt with our total debts (short-term and long-term bank loans, lease liabilities and senior notes) and cash and cash equivalents:

	For the Years Ended December 31,				For the Seven-Month Periods Ended July 31,		
	2019	**2020**	**2021**	**2021**	**2021**	**2022**	**2022**
	Rp	**Rp (audited)**	**Rp**	**US$ (unaudited)**	**Rp**	**Rp (unaudited)**	**US$**
			(Rp in billions and US$ in millions)				
Total Debt:							
Senior notes	3,984.6	4,082.9	4,173.9	279.0	4,219.9	4,403.6	294.4
Bank loans	192.4	154.5	84.2	5.6	112.4	67.6	4.5
Lease liabilities	0.4	2.2	43.1	2.9	43.8	28.8	1.9
Less: Cash and cash equivalents	(1,005.1)	(1,178.5)	(1,111.5)	(74.3)	(1,144.2)	(1,224.8)	(81.9)
Net debt (unaudited)	**3,172.3**	**3,061.1**	**3,189.7**	**213.2**	**3,231.9**	**3,275.3**	**219.0**

(4) For the purposes of net debt/Adjusted EBITDA as of July 31, 2022, Adjusted EBITDA is calculated on the basis of the last 12 months July 31, 2022. We calculate our Adjusted EBITDA for the last 12 months July 31, 2022 as follows: Adjusted EBITDA for the seven-month period ended July 31, 2022 (Rp538.7 billion) *plus* Adjusted EBITDA for the year ended December 31, 2021 (Rp817.2 billion) *less* Adjusted EBITDA for the seven-month period ended July 31, 2021 (Rp354.3 billion), which equals Rp1,001.6 billion.

(5) Recurring revenue consists of revenues derived from service and maintenance fees, power plant, and dry port. The New Notes Issuer uses such metric, which is not consistent with Indonesian FAS, internally to evaluate its ongoing operations. The New Notes Issuer does not, nor does it suggest that investors should, consider such metric in isolation from, or as a substitute for, financial information prepared in accordance with Indonesian FAS. The following table reconciles our revenue from service and maintenance fees, power sales and the dry port under Indonesian FAS to our metric, "recurring revenue".

	For the Years Ended December 31,				For the Seven-Month Periods Ended July 31,		
	2019	**2020**	**2021**	**2021**	**2021**	**2022**	**2022**
	Rp	**Rp (audited)**	**Rp**	**US$ (unaudited)**	**Rp**	**Rp (unaudited)**	**US$**
			(Rp in billions and US$ in millions)				
Service and maintenance fees	257.7	277.2	315.7	21.1	181.5	185.7	12.4
Power plant	831.8	637.8	633.5	42.4	447.0	377.9	25.3
Dry port	201.8	145.5	174.1	11.6	103.0	119.3	8.0
Recurring revenue (unaudited)	**1,291.3**	**1,060.5**	**1,123.3**	**75.1**	**731.5**	**682.9**	45.7

(6) Reconciling items are used by Jababeka to arrive at Adjusted EBITDA as Jababeka believes that adjusted EBITDA with these line items gives a more accurate result of its EBITDA performance accepted by investors and more closely follows EBITDA definitions in its debt agreements. The adjustments from EBITDA to Adjusted EBITDA take account of the impact of such certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance.

(7) Tax adjustments relate to net tax penalties and tax receipts from overpayment/ underpayment of income taxes.

(8) Unrealized foreign exchange loss/(gain)-net primarily relate to impact of foreign exchange rate fluctuations on foreign currency denominated Senior notes and its related accrued interest.

(9) Provision for employee benefits relates to the total cost (benefit) recognized in profit or loss from Jababeka's recognition of post-employee benefits based on the Labor Law. Benefits paid during the seven-month periods ended July 31, 2021 and 2022, and for the years ended December 31, 2019, 2020 and 2021 amounted to Rp7.7 billion, Rp0.2 billion, Rp2.7 billion, Rp5.6 billion and Rp13.3 billion, respectively.

Operating Data (unaudited)

	As of and for the Years Ended December 31,			As of and for the Seven-Month Periods Ended July 31,	
	2019	**2020**	**2021**	**2021**	**2022**
Industrial					
Cikarang					
Marketing sales (Rp in billions)[1]	319.7	305.2	666.4	273.4	381.3
Marketing sales (sq m) (thousands)[1]	113.3	104.8	246.9	99.9	81.5
Average selling price for land (Rp per sq m land area) (thousands)	2,822.3	2,911.7	2,699.3	2,737.3	4,677.1
Total number of industrial customers	**1,633**	**1,623**	**1,664**	**1,638**	**1,681**
Kendal					
Marketing sales (Rp in billions)[1]	722.9	216.2	423.9	110.0	362.2

Marketing sales (sq m) (thousands)[1]	583.4	169.9	371.3	80.7	258.0
Average selling price for land (Rp per sq m land area) (thousands)	1,239.1	1,272.2	1,335.8	1,363.6	1,403.8
Total number of industrial customers	62	65	70	68	76
Residential/Commercial					
Cikarang (Landed property)					
Marketing sales (Rp in billions)[1]	418.8	312.6	235.5	115.6	154.6
Marketing sales (sq m) (thousands)[1]	37.6	43.8	17.7	9.6	10.3
Average selling price for land (Rp per sq m land area(thousands)	11,142.7	7,137.8	13,275.0	12,062.3	14,965.4
Cikarang (Apartments)					
Marketing sales (Rp in billions)[1]	63.7	20.1	40.6	14.4	26.5
Total number of residential customers	10,184	10,272	10,452	10,403	10,551
Total number of commercial customers	1,601	1,676	1,815	1,787	1,819
Others (Tanjung Lesung, Morotai, Rental, etc.)					
Marketing sales (Rp in billions)[1]	139.4	44.6	51.2	34.8	91.2
Grand Total Marketing Sales (Rp in billions)	**1,664.4**	**898.7**	**1,417.5**	**548.2**	**1,015.8**

(1) Marketing sales comprise all sales for which an agreement has been entered into with a buyer in the respective period, including sales where the revenue is not recognized in the period under Indonesian FAS. Accordingly, the New Notes Issuer uses marketing sales data, which is not compiled in accordance with Indonesian FAS, internally to evaluate its ongoing operations. The New Notes Issuer does not itself, nor does it suggest that investors should, consider such operating financial data in isolation from, or as a substitute for, financial information prepared in accordance with Indonesian FAS.

	As of and for the Years Ended December 31,			As of and for the Seven-Month Periods Ended July 31,	
	2019	2020	2021	2021	2022
Land bank (sq m) (thousands) — inventory and land for development					
Cikarang	12,367.6	12,404.6	12,452.1	12,345.8	12,492.6
Kendal	5,827.0	5,600.6	5,542.5	5,522.2	5,549.8
Tanjung Lesung	14,957.1	14,956.4	14,954.4	14,956.4	14,954.1
Morotai	17,839.2	17,936.2	17,948.7	17,936.2	18,853.0
Total land bank (sq m) (thousands) — inventory and land for development	**50,990.8**	**50,897.7**	**50,897.8**	**50,760.5**	**50,849.5**

SUMMARY TIMETABLE

The following summarizes the current schedule for the exchange offer and consent solicitation. This summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this exchange offer and consent solicitation memorandum.

These dates are indicative only. We reserve the right to extend the dates below, including the Early Exchange Deadline, the Early Consent Deadline, the Exchange Expiration Deadline and the Consent Expiration Deadline in our sole discretion. In such a case, the announcement of the results of the exchange offer and consent solicitation and other dates, including the Exchange Settlement Date and the Consent Settlement Date, will be adjusted accordingly.

In relation to the times and dates indicated herein, holders holding Old Notes in DTC participants should note the particular practices and policies of the relevant DTC participant regarding their communications deadlines, which will determine the latest time at which tenders of the Old Notes for exchange and consents may be delivered to the relevant DTC participant (which may be earlier than the deadlines herein) so that they are received by us within the deadlines set forth herein.

All notices to holders of the Old Notes will be released via SGXNET and through delivery to DTC for communication to direct participants.

All references in this exchange offer and consent solicitation memorandum to times are to New York City time, unless stated otherwise.

Date	**Event**
November 8, 2022	Commencement of the exchange offer and consent solicitation and announcement via SGXNET and through DTC. This exchange offer and consent solicitation memorandum to be delivered to the holders of the Old Notes, and made available to the Eligible Holders on the Offer Website https://projects.morrowsodali.com/jababekaexchange.
November 25, 2022 (5:00 p.m. New York City time)	Early Exchange Deadline. Subject to the terms and conditions herein, holders of the Old Notes who validly submit offers to exchange on or prior to the Early Exchange Deadline are eligible to receive the Early Exchange Consideration. Upon tendering Old Notes for exchange on or prior to the Early Exchange Deadline, you are deemed to have consented to the consent solicitation and will be eligible to receive the Early Consent Fee. Subject to the terms and conditions herein, holders of the Old Notes who validly tender Old Notes for exchange after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline are eligible to receive the Late Exchange Consideration. Upon tendering Old Notes for exchange after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline, you are deemed to have consented to the consent solicitation and will be eligible to receive the Late Consent Fee. Early Consent Deadline. Subject to the terms and conditions herein, holders of the Old Notes who validly deliver consents (or are deemed to deliver consents) on or prior to the Early Consent Deadline are eligible to receive the Early Consent Fee.

November 28, 2022	Announcement of the amount of tenders for exchange and total amount of consents received on or prior to the Early Exchange Deadline and the Early Consent Deadline, as applicable.
December 7, 2022 (11:59 p.m., New York City time)	Exchange Expiration Deadline. Deadline for the receipt of all tenders of Old Notes (including by DTC Instructions (as defined herein)) for exchange as this is the last date and time for holders of the Old Notes to participate in the exchange offer. Subject to the terms and conditions herein, holders of the Old Notes who validly submit offers to exchange after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline are eligible to receive the Late Exchange Consideration. Consent Expiration Deadline. Deadline for the receipt of all consents. Subject to the terms and conditions herein, holders of the Old Notes who validly deliver consents (or are deemed to deliver consents) after the Early Consent Deadline and on or prior to the Consent Expiration Deadline are eligible to receive the Late Consent Fee. Any consents delivered after the Consent Expiration Deadline will not be accepted by Jababeka.
December 8, 2022	Announcement of the final aggregate principal amount of the Old Notes validly tendered and accepted for exchange on or prior to the Exchange Expiration Deadline and total amount of consents received on or prior to the Consent Expiration Deadline (if the Exchange Expiration Deadline or the Consent Expiration Deadline, as applicable, has not been extended). Announcements will be submitted via SGXNET and through DTC.
No later than December 9, 2022	Consent Settlement Date. If Jababeka receives the Requisite Consents to the Proposed Amendments, the settlement date on which (i) the Early Consent Fee are to be delivered to the holders of Old Notes for which consents were validly delivered or, deemed to have been delivered, on or prior to the Early Consent Deadline and (ii) the Late Consent Fee are to be delivered to the holders of Old Notes for which consents were validly delivered or, deemed to have been delivered, after the Early Consent Deadline and on or prior to the Consent Expiration Deadline, subject to the terms and conditions herein. Jababeka and the Old Notes Trustee, among others, will execute the Second Supplemental Indenture, and the Proposed Amendments with respect to the Old Notes will become operative in accordance with the Second Supplemental Indenture.
No later than December 15, 2022	Exchange Settlement Date. The settlement date on which (i) the Early Exchange Consideration and Accrued and Unpaid Interest are to be delivered to the holders of Old Notes that have been validly tendered for exchange on or prior to the Early Exchange Deadline and accepted for exchange and (ii) the Late Exchange Consideration and Accrued and Unpaid Interest are to be delivered to the holders of Old Notes that have validly tendered for exchange after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline and accepted for exchange, in each case, subject to the terms and conditions herein.
No later than December 16, 2022.....	Listing of the New Notes on the SGX-ST.

RISK FACTORS

An investment in the New Notes involves a number of risks. You should carefully consider all the information contained in this exchange offer and consent solicitation memorandum including the risks described below before making an investment decision. Our business, financial condition and results of operations could be materially and adversely affected by any of these risks. The market price of the New Notes could decline due to any of these risks and you may lose all or part of your investment. The risks described below are not the only ones that may affect us or the New Notes.

This exchange offer and consent solicitation memorandum also contains forward-looking statements that involves risks, uncertainties and assumptions. See "Forward-Looking Statements". The New Notes Issuer's actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by the New Notes Issuer as described below and elsewhere in this exchange offer and consent solicitation memorandum.

The risks described below are not the only ones that may affect the New Notes Issuer or the New Notes. In general, investing in securities of companies in emerging market countries such as Indonesia involves risks not typically associated with investing in the securities of companies in more developed economies.

Risks Relating to Our Business

The ongoing COVID-19 global pandemic or any other infectious disease outbreak, or fear of an outbreak, or any other serious public health concerns in Indonesia or elsewhere may have an adverse effect on the Indonesian and global economy and may adversely affect us.

The novel strain of the coronavirus identified in late 2019 has spread globally, including in Indonesia, and has resulted in authorities implementing numerous measures to contain the spread of the virus, including travel restrictions (including domestically within Indonesia), quarantines and lockdowns. These measures have impacted and may further impact our business and results of operations, our workforce and operations, the operations of our business partners and customers, as well as our suppliers. There is considerable uncertainty about such measures and future potential measures, and restrictions on access to our offices and other properties or on our workforce, and restrictions or disruptions of transportation.

On March 31, 2020, by virtue of Presidential Decree No. 11 of 2020, the President of Indonesia declared the COVID-19 pandemic a "Public Health Emergency" (*Darurat Kesehatan Masyarakat*) and on April 13, 2020 through Presidential Decree No. 12 of 2020, a "National Disaster" (*Bencana Nasional*). The Government implemented various protective measures, including the large-scale social restriction (*Pembatasan Sosial Berskala Besar*) through the Minister of Health Regulation No. 9 of 2020 on the Large-Scale Social Restriction Guidelines for the Acceleration of COVID-19 Handling. The scope of restrictions includes closing of certain schools and workplaces, restrictions on religious activities, social-cultural activities and activities in public places or facilities. The Government also imposed temporary travel restrictions in certain regions during the large-scale social restriction period. In Jakarta, the local government enacted the Jakarta Regional Regulation No. 2 of 2020 on COVID-19 Mitigation, which regulates the technical provision on the large-scale social restriction, including the fines for any violations of the large-scale social restriction. Most recently, on November 7, 2022, the Minister of Home Affairs issued Instruction No. 47 of 2022 on the Enforcement of Restrictions on Community Activities (*Pemberlakuan Pembatasan Kegiatan Masyarakat* or PPKM) in condition of Corona Virus Disease 2019 in the Java and Bali region. The Government allows the community to carry out activities such as: (i) direct physical learning (*pembelajaran tatap muka*) (in accordance with the applicable enforcement guidelines); (ii) carry out activities of a maximum of 100% for non-essential sectors such as Work From Office (WFO) available for the vaccinated workers; (iii) carry out activities in essential sectors such as finance and capital market with a capacity of 100% and 75% for office administration services, as well as the information and communication technology sector with a maximum capacity of 100%. As for the non-quarantine handling hotel sector and export-oriented and supporting industries, it can be implemented 100% with the obligation to use the "*Peduli Lindungi*" mobile application. In this regard, the Government has implemented strict health protocols that allow 100% operational capacity of shopping centers or malls with operating hours until 22.00 WIB. Public facilities are also permitted to operate with parental guidance and health protocols for children under 12 (twelve) years of age. The Government has also mandated that every citizen should use the "*Peduli Lindungi*" mobile application before entering shopping centers, malls, hotels, and other public places (including workplaces). This ministerial instruction is valid until November 21, 2022.

Such restrictions have resulted in a material adverse effect on our financial condition and results of operations. For example, marketing sales for the year ended December 31, 2020 decreased approximately 46% as compared to marketing sales for the year ended December 31, 2019 primarily as a result of such restrictions. Whereas marketing sales for the year ended December 31, 2021

and for the seven-month period ended July 31, 2022 picked up and increased approximately 58% and 61%, respectively as compared to the previous year/period, there is no guarantee that marketing sales will return to pre-COVID-19 levels.

The spread of the COVID-19 pandemic has caused us to modify our business practices by implementing social distancing measures in our premises, adopting technology in our operations, such as installing touchless equipment like thermal scanners for measuring body temperature and utilizing QR codes, limiting opening hours, implementing workforce productivity initiatives including allowing employees to work from home to the extent possible, and adopting frequent disinfecting measures and stricter health protocols (including vaccinating our staff and distributing safety protective equipment to our township occupants). We may take further actions as may be required by government authorities or that we determine are in the best interests of our employees and customers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the virus, and our ability to maintain day to day operations of our properties could be negatively impacted.

Accordingly, the COVID-19 pandemic has had, and may continue to have an adverse impact on our business, financial condition, results of operations and prospects. All of the foregoing has continued to adversely impact our results of operations subsequent to December 31, 2020. As the impact of the COVID-19 pandemic is fluid and evolving, significant market uncertainty exists. Moreover, the COVID-19 pandemic may also have the effect of heightening many of the other risks described in this "*Risk Factors*" section.

We may be adversely affected by global economic and real estate market conditions.

The Indonesian economy is affected by global economic conditions. Global credit markets have experienced, and may continue to experience, volatility and liquidity disruptions, which have resulted in the consolidation, failure or near failure of a number of institutions in the banking and insurance industries. These events could adversely affect us insofar as they result in:

- an increase in the unemployment rate in Indonesia;
- social unrest or political instability in Indonesia;
- a negative impact on the ability of the township occupants to pay their rents in a timely manner or continue their leases, thus reducing our cash flow;
- a decline in the demand for leased retail and office space in the Greater Jakarta, Banten, West Java and Central Java regions and the rents that can be charged when leases are renewed or new leases are entered compared to rents that are currently charged;
- a decline in the market values of our properties;
- access to capital markets becoming more difficult, expensive or impossible resulting in a material adverse effect on our ability to obtain debt or equity capital to fund its operations, meet its obligations, purchase additional properties or otherwise conduct its business;
- an increase in counterparty risk (being the risk of monetary loss we may be exposed to if any of our counterparties encounters difficulty in meeting its obligations under the terms of its respective transaction); and/or
- an increased likelihood that one or more of (i) our banking syndicates (if any) or (ii) our insurers, being unable to honor their commitments to us.

The COVID-19 pandemic has had a negative impact on the Indonesian and the global economy since 2020. Whether this will lead to a prolonged downturn in the economy is still unknown. Even before the outbreak of the COVID-19 pandemic, the global macroeconomic environment was already facing numerous challenges. There was considerable uncertainty over the long-term effects of the expansionary monetary and fiscal policies which had been adopted by the central banks and financial authorities of some of the world's leading economies, including the United States and China, even before 2020. Unrest, terrorist threats and the potential for war in the Middle East and elsewhere (including the outbreak and persistence of hostilities in Ukraine) may increase market volatility across the globe. There have also been concerns about the relationship between China and other countries, including the surrounding Asian countries including Indonesia, which may potentially have economic effects. In particular, there is significant uncertainty about the future relationship between the United States and China with respect to trade policies, treaties, government regulations and tariffs. In addition, recent raising inflation and interest rates in in the United States and other major economies around the world may further perpetuate market volatility. Any severe or prolonged slowdown in the global economy may materially and adversely affect our business, results of operations and financial condition.

Higher interest rates may have a significant impact on the demand for our property developments.

An increase in interest rates in Indonesia may negatively impact our property developments. In August 2022, Bank Indonesia has increased the BI 7-day Reverse Repo Rate by 25 bps to 3.75%, while also raising the Deposit Facility and Lending Facility rates

by 25 bps to 3.00% and 4.50%. Should interest rates continue to increase, industrial businesses may face increased borrowing costs as a result of higher interest rates, reducing demand for our industrial property. As such, any increase in interest rates may have an adverse impact on our business, financial condition, results of operation and prospects.

Currency fluctuations could materially adversely affect our financial condition and results of operations.

We are exposed to fluctuations in foreign currency exchange rates, principally the U.S. dollar, as a result of U.S. dollar liabilities, such as U.S. dollar loans and U.S. dollar denominated assets, such as our U.S. dollar bank deposits. As of July 31, 2022, we had non-Rupiah denominated net liabilities of US$296.2 million. We recorded a foreign exchange loss of Rp46.8 billion for the year ended December 31, 2021, compared to a foreign exchange loss of Rp47.0 billion for the year ended December 31, 2020. We also recorded a foreign exchange loss of Rp198.8 billion for the seven-month period ended July 31, 2022, compared to a foreign exchange loss of Rp110.2 billion for the seven-month period ended July 31, 2021. We may also incur additional borrowings in U.S. dollars or other foreign currencies. In addition certain of our revenues are denominated in U.S. dollars, but these may not match our foreign currency denominated payables. Therefore, a decline in the value of the Rupiah against the U.S. dollar or other foreign currencies would increase the Rupiah cost of paying for such financing costs and their value on our balance sheet which, among other things, may have a significant impact on our reported net income as a result of mark-to-market losses. As of October 31, 2022, the Rupiah depreciated by 8.63% to Rp15,598 per U.S. dollar from Rp14,252 per U.S. dollar as of December 31, 2021, and on average depreciated by 2.80% year to date to Rp14,709 per U.S. dollar. Further, even though we have entered into hedging arrangements against currency exchange rate risks, we cannot assure you that these arrangements will successfully protect us from losses due to fluctuations in currency exchange rates. Adverse movements in foreign exchange rates may adversely affect our business, results of operations, financial condition and prospects.

Our key existing property development and land bank is located primarily in Greater Jakarta, Banten, West Java, Central Java and Morotai. As a result, we are significantly exposed to factors affecting the real estate and property sectors in such regions and within Indonesia generally.

The property market is cyclical and is significantly affected by changes in local and international economic conditions, including levels of foreign and domestic investment, employment levels, availability of financing, interest rates, consumer confidence and demand for residential and commercial properties. Fluctuations in property prices and changes in demand for residential and commercial properties are also generally affected by changes in political conditions in Indonesia. For example, the Jakarta market experienced periods of significant decline in value commencing in late 1998 due to the Asian financial crisis and social and political instability during that period. The acquisition of land for a project begins, and financial and other resources are committed, long before the project comes to market, which could occur at a time when the property market is depressed. Such a depression in the Indonesian property market, or any policies and measures which may be introduced by the Government, could have a material adverse effect on our business, financial condition, results of operations and prospects.

The success of our business is heavily dependent on the continued growth of the hospitality, industrial, residential and commercial real estate markets in Greater Jakarta, Banten, West Java, Central Java, Morotai and in Indonesia generally. Our business, financial condition, results of operation and prospects may be materially and adversely affected by any adverse development in the supply of, or demand for, property, property prices, or Government actions in Greater Jakarta, Banten, West Java, Central Java and Morotai, as well as elsewhere in Indonesia, including the rate at which infrastructure is developed in the areas where we have acquired land for development.

The success of our business is also significantly affected by the imposition and application of Indonesian laws and regulations. For example, in July 2017 the Government announced its plan to introduce a price ceiling on sales of industrial land. The Government has stated that the proposed ceiling price shall be based on acquisition prices, and may factor in the infrastructure development costs of the industrial land. As of the date of this exchange offer and consent solicitation memorandum, the Government has not provided any further details with respect to this planned price ceiling and no decree, laws, regulations, and/or guidelines affecting such price ceiling have been implemented. Any laws or regulations implemented by the Government that limit or regulate the price that we can charge for our properties could have a material adverse effect on our business, financial condition, results of operations and prospects. Also see "— Our business is subject to extensive Government regulation".

We are exposed to general risks associated with the ownership of property.

We derive a significant portion of our revenue from the sale of real estate. Real estate investments are generally illiquid and the ability of an owner or a developer to sell property assets on short notice is typically limited. As such, property assets may be required to be priced at a discount in order for such assets to be disposed of within a short period of time. Such illiquidity may also limit our flexibility in managing our portfolio in response to changes in the property market or general economic conditions.

In addition, property investment is subject to certain risks, including, among other things, decreases in demand for vacant or developed land, fluctuations in rental rates and an inability to dispose of investment properties at market prices. Our operations and business activities may also be affected by wars, terrorist attacks, riots, political instability, natural disasters and other events beyond our control, and changes in laws and regulations applicable to the real estate industry, which may affect our ability to sell our properties or result in an increase in operating expenses in order to ensure compliance. See "— Our business is subject to extensive Government regulation".

It is difficult to predict our future performance and manage our cash flows because a significant portion of our revenue is non-recurrent in nature and our net income is cyclical in nature and may fluctuate significantly from period to period due to various factors, including the timing of the sale or pre-sale of our projects, our revenue recognition policies, requirements under applicable law relating to the sale of real property, our accounting policies and factors beyond our control.

Historically, a substantial portion of our revenue was attributable to sales of undeveloped properties and land lots, which were non-recurrent in nature. For the years ended December 31, 2019, 2020 and 2021, we had total revenues of Rp2,253.9 billion, Rp2,396.1 billion and Rp2,490.3 billion (US$166.5 million), respectively, out of which Rp962.7 billion, Rp1,335.6 billion and Rp1,366.9 billion (US$91.4 million), respectively, were non-recurrent in nature. For the seven-month periods ended July 31, 2021 and July 31, 2022, we had total revenues of Rp1,271.9 billion and Rp1,330.7 billion (US$89.0 million), respectively out of which Rp540.4 billion and Rp647.8 billion (US$43.3 million), respectively, were non-recurrent in nature. Our revenues, cost of sales, net income, financial condition and results of operations may vary or may fluctuate significantly from period to period in the future, depending on the number of properties and land lots within our estates that we make available for sale, the market demand for such properties and the total area of our properties that we deliver to our purchasers in the relevant financial period.

The acquisition cost of our properties and cash flows derived from our subsequent sales may also experience significant fluctuations between the time we acquire the site and the time that we pre-sell or sell the properties developed on such site. It may, and often does, take several years from the acquisition of a site for development to the time we can pre-sell or sell our properties developed on such site to generate cash flow and revenue. Properties are relatively illiquid compared to other types of investment products and property prices tend to be volatile, particularly at times when the global and local economies experience significant changes.

In addition, in accordance with prevailing Indonesian accounting standards, there will typically be a lapse of time between the time when a sales transaction for any unit of our project is entered into and when the revenue from the pre-sale or sale of such unit is recognized. We cannot predict with certainty the time of the completion and delivery of our property developments, and hence the time of our revenue recognition from any pre-sales or sales, as the time of completion of any property development will vary according to its construction timetable. Further, the completion of any project development may be adversely affected by many other factors, including adverse weather and natural conditions, as well as other factors beyond our control or other unforeseen events and circumstances.

A substantial amount of our cash outflow is attributable to project development costs, in particular land acquisition costs, and we have a limited ability to control these costs in response to market changes, as well as the timing of incurring these costs, once the development of a property has commenced. If we experience a decrease in our revenue due to factors such as global and local economic and property market conditions, we may not be able to raise the cash required to finance our development costs, and our business, financial condition, results of operations and prospects may be adversely affected as a result.

Furthermore, any restriction on our ability to sell our land lots and pre-sell our properties, such as Law No. 1 of 2011 on Housing and Settlement Areas as amended by Law No. 11 of 2020 on Job Creation (the "**Housing Law**"), could materially and adversely affect our business and cash flow. Pursuant to the Housing Law, property developers are prohibited from selling land lots within a housing area without houses constructed on them, unless at least 25% of the housing area has been completed and there is a national monetary crisis affecting the liquidity of the property developer (the "**Land Sale Requirement**"). The Housing Law also imposes a requirement, among others, for property developers to complete at least 20% of the development of the houses in the residential area (including the infrastructure and public utilities in the housing area) before any preliminary sale and purchase agreement of property may be entered into and before the developer may collect more than 80% of the selling price from the purchaser (the "**Preliminary S&P Requirement**"). See "Risk Factors — Risks Relating to Our Business — Our business is subject to extensive Government regulation". Compliance with the Land Sale Requirement and the Preliminary S&P Requirement would extend the time period required for recovery of our capital outlay and would result in our need to seek alternative means to finance the various stages of our developments. As proceeds from the pre-sale of our properties are an important source of cash flow and financing for our property developments, such extension of the time period required to recover our capital outlay, in turn, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Accordingly, due to the volatile nature of the revenue we generate from property development, the timing of pre-sale or sale of our properties, our revenue recognition policies and the nature of our project development costs and cash flows, the periods discussed in our financial statements included in this exchange offer and consent solicitation memorandum may not be comparable to each other or other future periods.

The commercial success of certain of our development plans depends on the completion of planned infrastructure, which may be subject to delays or cancellation.

The commercial success of certain of our planned projects depends on our ability, and the ability of third parties beyond our control, to complete certain infrastructure within the anticipated time frame. For example, our planned development at Tanjung Lesung depends partially on the development of a toll road that has not yet been completed. This toll road is divided into three sections: section 1 Serang - Rangkasbitung section with a length of 26.50 km has been operating since December 2021, followed by section 2 Rangkasbitung - Cileles with a length of 24 km with construction progress of 31.20%, and section 3 Cileles - Panimbang is 33 km long. Our Tanjung Lesung leisure estate is located approximately 170 kilometers southwest of Jakarta and is currently accessible via limited road infrastructure which would be approximately ten minutes from Tanjung Lesung. The new toll road is expected to be fully completed in 2024 and will provide significantly improved road access to the estate. Any changes, delays or cancellations of these planned or in-progress infrastructure projects may significantly delay the full development of these estates, which may have a material adverse effect on our business, financial condition, results of operations and prospects.

We face risks related to our current joint ventures and any future joint ventures into which we may enter.

We have entered into joint ventures and may enter into additional joint ventures or other strategic partnerships as part of our business. See "Business–Recent Developments." These types of relationships involve special risks associated with the possibility that our partner may have economic or business interests or goals that are inconsistent with ours; take or omit to take actions contrary to our instructions, requests, policies or objectives, good corporate governance practices or the law; be unable or unwilling to fulfill their obligations under the relevant agreements; have disputes with us as to the scope of their responsibilities; and/or have financial difficulties. In addition, due to these relationships we may face stalemates, an inability to finance certain projects, limits on our ability to pay dividends and limits on our financial flexibility. We cannot assure you that we will not encounter problems with respect to potential joint venture or strategic partners that could adversely affect our business, financial condition, results of operations and prospects.

Our business has, and will continue to have, substantial capital requirements and may require additional financing in the form of debt to meet our operating expenses, and we may not be able to raise the required capital on favorable terms or at all.

Our property development is typically capital intensive, including both acquisition and development costs for our properties, as well as for our infrastructure projects such as our power plant, dry port and water treatment facilities. We may face cost overruns in the development of our real estate and infrastructure projects, and the actual amount and timing of future capital requirements may differ from our estimates. If we decide to meet these funding requirements through debt financing, our interest obligations will increase and we may be subject to additional restrictive covenants, including restrictions on our or our subsidiaries' ability to incur additional debt, declare or pay dividends and make investments and other restricted payments, or create or incur liens or encumbrances.

Our ability to arrange for external financing and the cost of such financing are dependent on numerous factors, including general economic and capital markets conditions, interest rates, credit availability from banks or other lenders, investor confidence in us, the success of our businesses, provisions of tax and securities laws that may be applicable to our efforts to raise capital, any restrictions imposed by OJK on providing financing to companies operating in the property or infrastructure sectors in Indonesia and political and economic conditions in Indonesia. On July 12, 2017, OJK issued Regulation No. 44/POJK.03/2017 Tahun 2017 on the Limitation of Granting of Credit Facility or Financing by Commercial Banks for Procurement and/or Processing of Land (*Pembatasan Pemberian Kredit atau Pembiayaan oleh Bank Umum untuk Pengadaan Tanah dan/atau Pengolahan Tanah*) as amended by OJK Regulation No. 16/POJK.03/2018 ("**OJK Regulation No. 44/2017**"). Under OJK Regulation No. 44/2017, commercial banks are restricted from granting direct and indirect credit facilities and/or buying or guaranteeing commercial papers or sharia commercial papers to or issued by developers (including property developers) for the sole purpose of land procurement or acquisition and/or development. The restriction does not apply to granting of credit or financing to developers for the purpose of construction of simple houses (*rumah sederhana*).

We cannot assure you that additional financing, either on a short-term or a long-term basis, would be available to us or, if available, that such financing would be obtained on terms favorable to us. Our failure to obtain adequate financing may result in our

having to delay the development of our projects or abandon the development of existing and future projects, which could materially and adversely affect our business, financial condition, results of operations and prospects.

Our ability to grow our business is dependent on continued foreign direct investment.

The industrial estate business is heavily dependent on continued foreign interest in investing and doing business in Indonesia. A substantial proportion of our historical and prospective customers are multinational manufacturers establishing or expanding their Indonesian operations. Factors that are out of our control, such as changes or volatility in the value of the Rupiah, increased labor costs or political instability could affect foreign investor confidence and lead to a decrease in foreign direct investment. Any such decrease in foreign interest or confidence in conducting industrial activities in Indonesia may have a material adverse effect on our ability to retain existing customers or attract future customers.

We rely on third party contractors and suppliers for the development of our projects, including the supply of raw materials, natural gas and other inputs.

We engage independent third-party contractors to provide a substantial amount of the services we require for our property development, including construction, piling and foundation, building and property fitting-out work and interior decoration. We cannot assure you that the construction work performed by such contractors or sub-contractors will be of satisfactory quality, completed in a timely manner, or at all. If the construction work is not completed in a timely manner and/or is not of acceptable quality, we may incur substantial additional costs to complete the projects and remedy any defects and our reputation could be significantly harmed.

Moreover, we cannot assure you that suppliers will continue to cause raw materials (such as steel, concrete and other building materials) be available to us or our contractors at reasonable rates and in the areas in which we undertake our projects, or at all. Furthermore, there is a risk that suppliers may experience financial or other difficulties, which may affect their ability to adequately supply us, thus resulting in additional costs to us to procure raw materials from alternative sources. We believe that any problems with our suppliers, individually or in the aggregate, may materially and adversely affect our corporate reputation, our business, financial condition, results of operations and prospects.

Our projects currently under construction and other planned projects may not be completed as designed or on schedule, or at all, or within the budgets allocated for the projects.

The time taken and the costs we incur to complete a real estate or infrastructure project may be directly or indirectly affected by many factors, including delays in obtaining required approvals, litigation, shortages of materials, equipment, technical skills and labor, delays in acquisition of contiguous land parcels, adverse weather conditions, natural disasters, labor disputes, disputes with independent contractors and sub-contractors, accidents, changes in Government priorities and policies and other problems and circumstances beyond our control.

Specifically, the time taken and the costs incurred in connection with the development of our projects may be affected by the following factors, which are generally beyond our control:

- the ongoing COVID-19 global pandemic or any other infectious disease outbreak, or fear of an outbreak, or any other serious public health concerns in Indonesia or elsewhere;
- delays or inability to obtain all necessary location, zoning, land use, building, development and other required governmental and regulatory licenses, permits, approvals and authorizations or a change in government policy or regulations relating to any infrastructure that we are developing;
- challenges by third parties such as previous landowners or township occupants to the validity of our title to the land;
- construction risks, which include delays in construction and cost overruns (whether from variation to original design plans or any other reason), a shortage or increase in the cost of construction and building materials, equipment or labor as a result of rising commodity prices or inflation or otherwise, inclement weather conditions, unforeseen engineering, environmental or geological problems, defective materials or building methods, default by contractors and other third-party providers of their obligations, or financial difficulties faced by such persons, disputes between counterparties to a construction or construction-related contract, work stoppages, strikes and accidents, among others;

- possible shortage of available cash to fund construction and capital improvements, as we may need to make significant capital expenditures without receiving revenue and cash flow from these properties until future periods, and the related possibility that financing for these capital improvements may not be available on acceptable terms or at all;

- lack of infrastructure development in areas where we have acquired land bank, such as the ongoing construction of the toll road near our Tanjung Lesung development;

- the failure to resolve issues with incumbent residents and related settlement issues or otherwise;

- inability to acquire a contiguous area of land of a size sufficient to develop the project as planned or the inability to assemble contiguous parcels of land on commercially reasonable terms from one or more "holdout" landowners who may delay or prevent a land assembly; and

- uncertainties as to market demand or a loss of market demand by purchasers, in the case of projects for sale, and township occupants in the case of projects for lease, after construction work has begun, whether resulting from a downturn in the economy or a change in the surrounding environment of the project.

We cannot assure you that any or all of the current or future projects, including the new power plant we are planning to construct, will be completed within the anticipated time frame or the allocated budget, or at all. We cannot assure you that we will not experience any significant delays in completion or delivery or that we will not be subject to any liability for any such delays. Non-completion of any of our projects may have a material and adverse effect on our business, financial condition, results of operations and prospects, and on the New Notes Issuer's ability to pay interest and premium on, and repay the principal of, the New Notes or the ability of the Subsidiary Guarantors to perform their obligations under the Subsidiary Guarantees.

Our power plant in Kota Jababeka is subject to risks relating to the supply of natural gas, the reliability of infrastructure for the delivery of power to customers and disputes with contractual counterparties.

We derive a significant amount of our revenue from the sale of power. Our Kota Jababeka power plant operates two natural gas turbine generators to generate power, and an additional steam turbine that receives steam from a heat recovery system. The power plant receives its natural gas supply from two suppliers, PT Perusahaan Gas Negara ("**PGN**") and PT Bayu Buana Gemilang ("**BBG**") which is a privately-owned trading firm that is reliant on third parties for the supply of natural gas. Any disruption in this natural gas supply will impact the power plant's ability to generate power and, consequently, our ability to supply power to our customers. Additionally, the power plant relies on infrastructure, including high-voltage overhead transmission lines, from PLN to deliver power to our customers. Under our arrangements with PLN, we have the right to buy back up to 100% of the power that we supply to the grid, transmitted to our customers via PLN's infrastructure (500 kilovolt and 150 kilovolt transmission lines) and our proprietary underground transmission lines (20 kilovolt). We rely on PLN to maintain and operate this power infrastructure and any failure by PLN to return the power to our infrastructure should we so require, will impact our ability meet our contractual obligations to supply power to our customers. For example, in November 2017, PLN requested that we cease power production for a period of approximately eight days while they completed construction of a new substation. This one-off temporary stop in production will not result in any breaches of our obligations under our agreement with PLN. Our contractual obligations with PLN also subject us to certain penalties if we do not meet our obligation to supply a minimum amount of power. Any interruption in supply or disputes with PLN, PGN, BBG or other counterparties or other interruptions to our operations for whatever reason may interfere with our ability to provide reliable power supply or result in changes, delays or cancellations of planned projects.

Furthermore, the Bekasi power plant has been in "reserve shutdown" in recent years due to the decrease in electricity demand during the COVID-19 pandemic. The implementation of the reserve shutdown caused the Bekasi power plant to suffer significant operational inefficiencies as operations were scheduled according to demand from PLN which was changing frequently. For instance, even though the Bekasi power plant was only required to operate at full capacity for five working days and only at half capacity for two days on weekends, we continued to maintain the availability of the Bekasi power plant at all times. Such operational inefficiencies impacted operating costs and adversely affected the gross profit margin of the Bekasi power plant; it also resulted in a decrease in revenue generated compared to that generated during normal operations. As a result of the reserve shutdown, the gross profit margin of our infrastructure business segment decreased from 33% for the year ended December 31, 2020 to 29% for the year ended December 31, 2021, primarily due to the decline in the gross profit margin of the Bekasi power plant in 2021 compared to 2020. In addition, during the reserve shutdown periods, even though we continued to receive compensation from PLN on the basis of capacity generated, there were a number of invoices in the fourth quarter of 2021 and in January 2022 that were not honored by PLN resulting in accumulative pending payments for the relevant periods. As a result of delayed billing, the Bekasi power plant's gross profit margin decreased. There can be no assurance that similar invoicing disagreements would not occur in future. Any failure to meet our (i)

power supply needs for planned projects or (ii) obligations to our customers may have an adverse impact on our business, financial condition, results of operations and prospects.

We may not be able to manage our growth successfully.

We expect our future growth to place significant demands on our management, operations and other resources. Challenges we may face in our future growth include continuing to improve our managerial, technical and operational knowledge, implementing an effective management information system, continuing to recruit and train managerial and other professional staff to satisfy our business requirements, obtaining sufficient financial resources to fund our ongoing operations and our future growth, managing relationships with a greater number of customers, suppliers, contractors, service providers, lenders and other third parties, and strengthening our internal control and compliance functions to ensure that we are able to comply with our regulatory and contractual obligations.

We cannot assure you that we will not experience issues such as capital constraints, construction delays, operational difficulties at new locations or difficulties in expanding our existing business and operations and training an increasing number of personnel to manage and operate the expanded business. If we are unable to successfully manage the impact of our growth on our operational and managerial resources and control systems, our reputation could suffer, which could have an adverse effect on our business, financial condition, results of operations and prospects.

Our business depends on the continuing efforts of our key management.

Our success depends substantially on the expertise and experience of our key management personnel. If any of our key management personnel are unable or unwilling to continue in their present positions, we may not be able to replace them easily, or at all. The loss of any key management personnel, in the absence of suitable replacements, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Our future growth prospects will be affected if we are unable to identify, acquire and develop suitable properties at commercially acceptable prices or at all.

Completion of our proposed projects as planned requires the identification and acquisition of large parcels of land, which typically comprise numerous smaller parcels of land owned by individual owners. As a result, the acquisition of large parcels of land may be time-consuming and expensive because of the time, effort and cost of negotiating with each individual land owner. We may not be able to complete future acquisitions of land that are large enough to undertake our proposed projects. We cannot assure you that we will be able to acquire all of the parcels of land that we require to undertake our various projects, or that the acquisition cost of such land will be on commercially reasonable terms. When land prices are stabilizing or declining in a slow market, we may not have sufficient funds generated from our operations, due to the slower market, to purchase land at commercially attractive prices. However, when land prices are rising in an active market, we may have to pay a significant premium to acquire the land. In addition, when land prices are high, the increased costs of replenishing our land bank leads to lower revenue margins, which may affect our financial performance. Additionally, if we are unable to acquire the land that we require for our projects, we may need to redesign our plans for such project or be unable to develop the project at all.

Furthermore, there is no assurance that we will be able to obtain the necessary land title or obtain the necessary Government approvals, the location permits, or the necessary permits or licenses (including the land usage permit, the relevant property business license to conduct property business and the building construction permit) required to proceed with any such proposed projects. Our ability to proceed with our plans for new projects is also dependent on, among other things, completing the land acquisition process in a timely manner and obtaining the requisite land titles for our projects. We typically approach existing owners or occupants of the land and seek to enter into agreements with such owners or occupants for the ownership of the land to be transferred to us. There can be no assurance that the ownership of the land will be transferred to us, or that we will acquire valid title to the land, even though we have made payment for the land. Any delays in the acquisition of land for development could result in delays in our construction schedules. We could also incur significant costs in connection with the acquisition of the land from such existing owners or occupants, which could in turn materially increase the costs involved in developing the project. Any delay or significant increase in costs relating to land acquisition could have an adverse effect on our business, financial condition, results of operations and prospects.

Our inability to identify and acquire attractive new sites could impair our ability to compete with other property developers, which in turn would have a material adverse effect on our ability to generate revenues and maintain profitability. Our ability to acquire land and the acquisition costs of such land will be affected by Government policies towards land supply, zoning, ownership, development and pricing. If we are unable to acquire land at suitable prices or at all, or to obtain appropriate land use or zoning rights

with respect to land acquired by us for development purposes, our business, financial condition, results of operations and prospects could be materially and adversely affected.

We are exposed to legal claims relating to our development and sale of properties.

We may face claims by purchasers for failure to deliver properties according to the specifications and schedules stipulated in our sale and pre-sale contracts, and claims from third parties claiming ownership or title to the land on which we develop or plan to develop our properties. In addition, we are exposed to the risk of disputes or litigation with property owners in connection with the management and infrastructure services provided by us. While we have not historically been involved in any material proceedings in connection with our developments, we cannot assure you that such proceedings will not be brought against us in the future or that the outcome of these proceedings will not adversely affect our business, financial condition, results of operations and prospects.

In addition, we are regulated by various Government authorities in Indonesia, and if any such authority believes we or any of our suppliers or contractors are not in compliance with applicable laws or regulations, it could shut down or delay our project construction and development or sales operations, refuse to grant or renew construction approvals or licenses, initiate legal proceedings, enjoin future actions or assess civil and/or criminal penalties against us, our officers or our employees. Any such action by a Government authority, or any failure by us or any of our contractors and suppliers to comply with applicable Indonesian laws and regulations in the development, construction and sale of our property developments, could have a material adverse effect on our business, financial condition, results of operations and prospects.

We face increasing competition which could adversely affect our business, financial condition, results of operations and prospects.

We compete with other property developers on certain aspects, including location, facilities and supporting infrastructure, services and pricing. Intensified competition among property developers may result in increased costs for land acquisition, oversupply of properties and a slowdown in the approval process for new property developments by the relevant Government authorities, all of which may materially adversely affect our business. We believe that our principal competitor is PT Lippo Cikarang Tbk., based on our business as a consolidated group. In addition, we face competition from other industrial estates in Indonesia, including PT Bekasi Fajar Industrial Estate Tbk., PT Surya Semesta Intermusa Tbk. and PT Puradelta Lestari Tbk. Some of our competitors may have access to greater financial resources, greater economies of scale in purchasing and/or lower cost bases, which may give them a competitive advantage. We cannot assure you that we will be able to compete successfully in the future against our existing or potential competitors or that increased competition with respect to our activities may not have a material adverse effect on our business, financial condition, results of operations and prospects. For further information on our competitors, see “Business — Competition”.

We may suffer losses that are not fully covered by insurance.

We maintain insurance against certain risks in the operation of our business and for certain of our properties in the types and amounts which our management believes to be consistent with industry practice and as required pursuant to applicable laws, regulations and other statutory requirements. Our insurance policies do not provide coverage against all losses related to our operations. For example, there are certain types of losses, such as losses from construction delays, for which insurance is either not available at a reasonable cost or at all. Accordingly, the occurrence of losses, liabilities and damages which are not covered by our insurance policies, or which exceed the specified minimum coverage amount, could have a material adverse effect on our business, financial condition, results of operations and prospects. There can be no assurance that we will be able to renew our existing insurance coverage or procure additional insurance coverage, which our management may subsequently deem to be necessary, at economically acceptable premiums, or at all. However, any future loss that is not fully covered by insurance could significantly reduce our cash and cash equivalents available for working capital purposes and materially and adversely affect our business, financial condition, results of operations and prospects.

We may not be in possession of or renew all material licenses necessary to operate our business.

Our business operations require various licenses and approvals from the Government or local governments to carry out our operations, including, amongst others, general corporate licenses, foreign investment licenses, industrial area business licenses (*Izin Usaha Kawasan Industri*), harbor operating permits (with respect to the dry port operations), electricity business licenses (*Izin Usaha Penyediaan Tenaga Listrik*) and tourism business registrations (*Tanda Daftar Usaha Pariwisata*). Even though we believe that we are currently in possession of the material licenses required to operate our businesses, we cannot assure you that we or our subsidiaries, joint ventures and/or associate companies will be able to renew or secure all required licenses that we currently hold or which may be required in the future, or that we or our subsidiaries and/or associate companies will not receive sanctions arising from the failure to renew or secure any required licenses. See “Business—Material Licenses”.

Our business is subject to extensive Government regulation.

The real estate industry in Indonesia is heavily regulated by the Government or local governments. Real estate developers must comply with a number of requirements mandated by Indonesian laws and regulations, including policies and procedures established by regional authorities and designed to implement such laws and regulations. Additionally, in order to develop and complete a real estate project, developers must obtain various approvals, permits and licenses from the relevant administrative authorities at various stages of project development. We may encounter problems in obtaining the requisite approvals or licenses or delays in fulfilling the conditions precedent to any required approvals and we may not be able to adapt ourselves to new laws, regulations or policies that may come into effect from time to time with respect to the real estate sector. There may also be delays on the part of administrative bodies in reviewing applications and granting approvals. If we experience significant problems in obtaining, or fail to obtain, the requisite governmental approvals, the schedule of development and sale or letting of our projects could be substantially disrupted, which in turn could have a material adverse effect on our reputation, business, financial condition, results of operations and prospects. Although we believe that our projects are in material compliance with applicable laws and regulations, regulatory authorities may nevertheless allege non-compliance and may subject us to regulatory action in the future, including penalties, seizure of land and other civil or criminal proceedings.

In addition, property laws and regulations and their interpretations are still evolving in Indonesia and it is not possible to predict accurately the effect that changes in these laws and regulations, or their interpretations may have upon our business. For instance, in January 2011, the Government issued the Housing Law, which introduced the Preliminary Sale and Purchase Requirement and the Land Sale Requirement. The Housing Law is effective immediately on its enactment date, but further implementing regulations are required for the enforcement of the law. There is uncertainty surrounding the interpretation of the Housing Law, including whether it applies to non-residential properties and how the minimum built-up thresholds are interpreted. The potential enforcement of the Preliminary Sale and Purchase Requirement and the Land Sale Requirement under the Housing Law in the future exposes us to the risk of not having complied with the relevant requirements prior to sale of land lots or entering into preliminary sale and purchase agreements. As a result, we may be subject to administrative sanctions, penalties, and/or imprisonment for non-compliance, which may materially and adversely affect our business, results of operations and reputation.

In addition, while property laws and regulations are not always enforced, regulators could decide to become more stringent and enforce them in a more rigorous manner. If laws and regulations, or their interpretations, or their enforcement, become more stringent, the costs incurred to ensure compliance could increase. There can be no assurance that future regulatory changes affecting the property industry in Indonesia will not be introduced or unexpectedly repealed which might have a significant impact upon our business, financial condition, results of operations and prospects.

Our electricity supply business is also subject to extensive regulation. See "Regulation—Electricity Regulation". Any non-compliance may result in the loss of our electricity supply business license, which may have a significant impact upon our business, financial condition, results of operations and prospects.

Our ability to sell our properties will be affected by the availability of, and rate of interest on, financing to potential customers, especially for potential buyers of our residential properties.

A number potential buyers of our residential properties, finance their purchases through third-party mortgage financing. Any increase in the minimum down payment requirement for our properties may adversely affect the ability of potential purchasers to finance their purchases of residential properties through mortgages. Bank Indonesia regulates mortgage financing by specifying the maximum loan-to-value ratio ("**LTV**") for loans granted by commercial banks and the maximum financing-to-value ratio ("**FTV**") for financing granted by sharia banks. Under Bank Indonesia Regulation No. 20/8/PBI/2018 dated July 30, 2018, effective on August 1, 2018, as lastly amended by Bank Indonesia Regulation No. 23/2/PBI/2021 dated February 26, 2021 ("**PBI 20/8/PBI/2018**") and Regulation of the Member of the Board of Governors No. 21/25/PADG/2019 dated December 17, 2019 as lastly amended by Regulation of the Member of the Board of Governors No. 23/26/PADG/2021 dated November 24, 2021 ("**PADG 21/25/2019**") as the implementing regulation of PBI 20/8/PBI/2018, Bank Indonesia revised the maximum LTV ratio for loans from commercial banks to between 90% and 100%, and the maximum FTV ratio for financing from sharia banks to between 90% and 100%, in each case depending on the type of the property and the nature of the facility and the number of mortgage facilities held by the applicant.

Although the newly issued ratios pursuant to the latest amendment of PBI 20/8/PBI/2018 and PADG 21/25/2019 should be beneficial for our business, there is a possibility that Bank Indonesia may tighten the LTV and FTV ratios in the future.

In addition, under PADG 21/25/2019, Bank Indonesia placed certain restrictions on a bank's ability to grant residential mortgage loans, which are subject to certain exceptions including, among others, the prohibition on banks from granting a credit

facility before the relevant property is fully constructed and ready for handover. In case the physical form of the property has not been fully constructed, the bank may only obtain a credit facility if the bank can fulfill the following requirements:

- the bank meets the NPL Ratio;
- there is a cooperation agreement between the bank and the developer of the property, which should at least contain an undertaking from the developer to complete the construction in accordance with the agreement between the customer and developer;
- the property developer or another party grants a corporate guarantee in the form as stipulated under PADG 21/25/2019 that can be used to complete the construction of the property and fulfill the obligations of the developer in case the property cannot be constructed and/or delivered as agreed, where the amount of such guarantee shall be at least equal to the difference between the credit facility commitment as set out in the loan or financing documents and the amount of credit facility which has been disbursed by the bank; and
- disbursement of credit facility must be made on an installment basis based on the construction of the property in accordance with the PADG 21/25/2019.

Such regulations may adversely affect the ability of potential purchasers to finance their purchases of our properties through mortgages.

Further, any increase in interest rates in Indonesia may negatively impact our property sale. High interest rates can lead to any decrease in consumer spending which can negatively affect our township occupants' and buyers' ability to make payments and can make it more difficult for consumers to qualify for and secure financing, which could negatively affect the demand for our residential properties. In addition, any downturn in the economy or consumer confidence may result in reduced housing demand and slower commercial development, which could negatively impact the demand for the properties that we have developed or plan to develop in the future. Any of the foregoing could have an adverse effect on our business, financial condition, results of operations and prospects, and on our ability to pay interest on and repay the principal of the New Notes.

Our land bank may be subject to Government Regulation No. 20 of 2021.

On February 2, 2021, as an implementing regulation to Law No. 11 of 2020 on Job Creation ("**Job Creation Law**"), the Government issued Government Regulation No. 20 of 2021 ("**GR No. 20/2021**") on the Administration of Unused Land and Area. Under GR No. 20/2021, the Government may revoke land rights and reclaim land without any compensation, if such land is intentionally not utilized or maintained. For certain land rights, including Right-to-Build (*Hak Guna Bangunan* or "**HGB**") title, upon the lapse of a period of two years from the issuance of a land title, the local land office will initiate an identification process to determine whether the relevant plot of land constitutes unused land. If upon the lapse of 180 days of the identification process the local land office finds the relevant land is intentionally not utilized or maintained, the local land office will issue a notice to the titleholder to utilize or maintain the land within 180 days as of the date of the notice, failing which, the land office will issue up to three warning letters with the intervals of 90, 45 and 30 days respectively. Afterwards, if the land continues to be unutilized or unmaintained, the local land office shall submit a proposal to the Minister of Agrarian Affairs and Spatial Planning/Head of National Land Agency ("**MoASP**") for the land to be determined as unused land. Upon such determination, the local land office will then have the right to reclaim such unused land. If a plot of land is reclaimed by the Government, the titleholder is required to vacate and surrender such land. Unused land may be utilized by the Government for agrarian reforms, national strategic projects, Government-owned land bank's inventory and/or the state's land reserves. See "Regulation — Regulation on the Development and Use of Land." GR No. 20/2021 could affect the land that we currently own or land we acquire in the future and therefore there is a possibility the Government could revoke the title to land issued to us or reclaim any unused land without compensation. If the Government revokes the title to land issued to us or reclaims any unused land without compensation, this may have a material and adverse effect on our business, financial condition, results of operations and prospects.

There is no assurance that GR 20/2021 will not affect the land that we currently hold or will acquire in the future, or that the Government will not revoke the title issued to us or reclaim the idle land without compensation. If the Government revokes the title issued to us or reclaims any idle land without compensation, this may have a material and adverse effect on our business, financial condition, results of operations and prospects.

We are dependent on the quality of our title to properties in our land bank and our ability to renew or extend these titles.

We seek to obtain HGB titles for properties in our land bank. HGB title gives the holders of such titles the right to build and own buildings on a plot of land for a period of time, together with rights of development by way of license over the land which we acquire for our property development activities. Due to the developing nature of Indonesian property law and the lack of a uniform title system in Indonesia, there is potential for disputes over the quality of title purchased from previous landowners. In addition, we

must negotiate each time we acquire land as a license-holder with the actual owner of the land, which may result in purchases of property (and thereby the obtaining of title to the relevant land) being delayed or not proceeding in the event that negotiations are unsuccessful. Such delays in acquiring properties required for our development activities could negatively affect our business, financial condition and results of operations, and the New Notes Issuer's ability to pay interest on, and repay the principal amount of, the New Notes.

Once the HGB title has been obtained, the typical initial term of such title is for 30 (thirty) years. By application to the relevant local land office, an HGB title may be extended for certain additional term, depending on the underlying land rights of the HGB, which are: (i) if the HGB title is over the state-owned and Right-to-Manage title (*Hak Pengelolaan* or "**HPL**") land, then it can be extended for a maximum period of 20 (twenty) years and can also be renewed for a maximum period of 30 (thirty) years, and (ii) if the HGB is over the right of ownership (*Hak Milik* or "**HM**") land, then it can be renewed with a deed of granting of the HGB over the HM title. The application for the extension of HGB period shall be submitted prior to the expiration of the initial term, while on the other hand, the application for the renewal of the HGB shall be submitted within 2 (two) years at the latest after the expiration of the HGB. Such extensions or renewals are also dependent on the fulfillment of certain requirements pursuant to prevailing laws and zoning policies of the Government. Although Indonesian property law does not currently provide a limit on the number of renewal and extension cycles, there is no assurance that approval will be obtained for renewals or extensions of HGB titles in the future. Non-renewal of an HGB title, for any reason, could adversely affect our business operations and financial condition.

The success of our new developments may be dependent on our ability to attract and retain anchor occupants.

The success of our new developments may be dependent on our ability to attract and retain anchor occupants. We may not commence significant development until anchor occupants and sub-developers commence development of their sites. In the absence of such development, we may not able to sell land in the estates at attractive prices, or at all.

Moreover, our ability to sell any unsold developed land or lease vacant units and the value of such could be adversely affected by the loss of an existing anchor occupant for any reason, such as in a downturn in its business. Vacancy by an anchor occupant can reduce the demand for and value of other developed land lots and factory units in an industry-based township because of the loss of key products or services previously provided by, or that depended on the demand from, the departed anchor occupant to related businesses. Any of these events could materially and adversely affect our business, financial condition and results of operations, and our ability to pay interest on, and repay the principal of, the New Notes or the ability of the Subsidiary Guarantors to perform their obligations under the Subsidiary Guarantees.

We could incur significant costs related to environmental matters.

We are subject to various Indonesian laws and regulations relating to the protection of the environment that may require current or previous owners of property who conduct their business operations using and managing toxic and hazardous substances, or whose business operations produce such toxic and hazardous substances, to clean up such substances on the property, including operations relating to power generation, water treatment and wastewater treatment. Under these laws, property owners and operators are required to either manage toxic and hazardous substances on the property, including the reduction, storage, collection, transportation, utilization, processing, and/or stockpiling of toxic and hazardous substances, or request a third party who is capable and licensed to manage such toxic and hazardous substances. See "Regulation — Environmental Regulation". Such laws often impose strict liability without regard to whether the owner or operator knew of, or was responsible for, the presence of such substances or materials. Failure to comply with these laws can result in imprisonment and penalties being imposed. The cost of investigation, remediation or removal of these substances may be substantial.

Existing environmental reports with respect to any of our properties or properties which we acquire in the future may not reveal (i) all environmental liabilities, (ii) all material environmental conditions created by a prior owner or operator of our properties, or (iii) all material environmental conditions that otherwise exist with respect to any one or more of our properties. There also exists the risk that material environmental conditions, liabilities or compliance concerns may have arisen after the review was completed or may arise in the future. Future environmental laws, ordinances or regulations and future interpretations of existing environmental laws, ordinances or regulations may also impose additional obligations on us. Any liabilities or penalties relating to environmental matters could adversely affect our business, reputation, financial condition, results of operations and prospects.

Our principal shareholder may take actions that are contrary to the best interests of the Noteholders.

As of July 31, 2022, approximately 36.0% of our outstanding shares were held by Mu'min Ali Gunawan, Credit Suisse AG, Singapore Branch Trust, Hadi Rahardja, and other affiliated shareholders. These shares are indirectly controlled by the family or Mr. Darmono and the estate of Mr. Hadi Rahardja, founders of the Company and their extended family and associates. For more

information relating to the ownership of our shares, see "Principal Shareholders and Related Party Transactions". Mr. Hadi Rahardja and Mr. Darmono and their extended families and associates, through the companies mentioned above, may be able to effectively control certain matters requiring approval by our shareholders, depending on participation at our shareholder meetings. Circumstances may arise in which the interests of Mr. Darmono and the estate of Mr. Hadi Rahardja, and their extended families and associates or interests of their associated companies may conflict with your interest as a Noteholder.

We are controlled by our principal shareholders and face risks associated with potential conflicts and competition with our principal shareholders and their affiliates, which are also involved in the Indonesian property development business.

Our principal shareholders and their affiliates are involved in a number of facets of the Indonesian property industry and control or hold interests in other companies engaged in the property development and management businesses. We face risks associated with the fact that the nature and scope of our existing business, as well as our strategies for future expansion and development, may result in us competing against our principal shareholders and their affiliates. We cannot assure you that we will be able to compete effectively with them, as they may have certain competitive advantages which we are unable to match, including (but not necessarily limited to) their substantial experience in the industry, and they may not provide us with the development opportunities that they have historically provided, which could have a material and adverse effect on our financial performance.

We were, and may be, in the future, subject to shareholders disputes.

We were, and may be, in the future, subject to shareholders' disputes. In 2020, our Board of Commissioners, our Board of Directors and us were subject to a civil lawsuit filed by certain of our shareholders, as further described in "*Principal Shareholders and Related Party Transactions*". We cannot assure you that we will not experience shareholders' disputes in the future. Adverse publicity about such disputes, whether or not legitimate, may decrease our customers', suppliers' and the public's confidence in our brand. In addition, such disputes may cause us to incur significant costs in defending these actions, and may result in settlement, injunctions, fines, penalties, stock delisting or other adverse results that may, in turn, have a material adverse effect on our business, financial condition, results of operations and prospects.

Risks Relating to Indonesia

We are incorporated in Indonesia and all of our commissioners, directors and officers are based in Indonesia. All of our operations and all of our assets are also located in Indonesia. As a result, future political, economic, legal and social conditions in Indonesia, as well as certain actions and policies the Government may take or adopt, or omit from taking or adopting, could have a material adverse effect on our business, financial condition, results of operations and prospects.

Political and social instability in Indonesia may adversely affect the economy, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects.

Since the collapse of President Suharto's regime in 1998, Indonesia experienced a process of democratic change, resulting in political and social events that have highlighted the unpredictable nature of Indonesia's changing political landscape. In 1999, Indonesia successfully conducted its first free elections for parliament and president. As a newly democratic country, Indonesia continues to face various socio-political unrest. Such instances of unrest have highlighted the unpredictable nature of Indonesia's changing political landscape. Indonesia also has many political parties, with no one party holding dominant majority to date. These events have culminated in continued political instability, accompanied by social and civil unrest on numerous occasions in recent years.

Since 2000, thousands of Indonesians have participated in demonstrations in Jakarta and other Indonesian cities both for and against former President Wahid, former President Megawati, and former President Yudhoyono as well as in response to specific issues, including fuel subsidy reductions, privatization of state assets, anti- corruption measures, decentralization and provincial autonomy and the American-led military campaigns in Afghanistan and Iraq. Although these demonstrations were generally peaceful, some have turned violent.

Recently, protests regarding elections occurred when Indonesia's Electoral Commission (*Komisi Pemilihan Umum* or "**KPU**") formally announced the results of the 2019 presidential election and it was confirmed that the incumbent President Joko Widodo won the presidential polls with 55.5% of the total votes. The result triggered allegations of electoral fraud. Thousands of supporters of the opposing candidate, Prabowo Subianto, then held a rally in front of the Elections Supervisory Agency's headquarters in Central Jakarta on May 21, 2019, calling for disqualification of Joko Widodo from the presidential election. The rally ended with a riot on May 22, 2019 in Central Jakarta. Further, the opposing party challenged the election result in the Constitutional Court in

respect of the alleged election fraud, resulting in more political uncertainty and instability in Indonesia. On July 20, 2019, the Constitutional Court rejected the appeal of the presidential election result.

Subsequently, in September 2019, Indonesia's house of representatives, *Dewan Perwakilan Rakyat*, planned to enact a draft Indonesian criminal code and a draft anti-corruption law which was met by a series of protests and rallies rejecting the draft laws. The protestors argued that the draft criminal code contained several articles that would potentially threaten civil liberties and contradict several Constitutional Court decisions. The draft anti- corruption law was also rejected by the protestors on the basis that the draft law had onerous requirements which would hinder efforts to stamp out corruption. After further rallies held on September 30, 2019, a riot ensued, resulting in police stations and public property being damaged or destroyed in various cities, including in Jakarta. Due to the controversy that these draft laws incited, the Government postponed the enactment of such laws.

Political and social developments in Indonesia have been unpredictable in the past and has had a negative effect on confidence in the Indonesian economy. Any resurgence of political instability could lead to extended disruptions in our operations and/or adversely affect the Indonesian economy, which could adversely affect our business. Social and civil disturbances could occur in the future and on a wider scale, directly or indirectly, have a material adverse effect on our business, financial condition, results of operations and prospects, and on the New Notes.

Indonesia is located in an earthquake zone and is subject to significant geological risk that could lead to social unrest and economic loss.

The Indonesian archipelago is one of the most volcanically active regions in the world. As it is located in the convergence zone of three major lithospheric plates, it is subject to significant seismic activity that can lead to destructive volcanoes, earthquakes and tsunamis, or tidal waves. On December 26, 2004, an underwater earthquake off the coast of Sumatra released a tsunami that devastated coastal communities in Indonesia, Thailand, India and Sri Lanka. In Indonesia, more than 220,000 people died or were recorded as missing in the disaster. Aftershocks from the December 2004 tsunami and additional high-magnitude earthquakes have occurred in Indonesia, causing significant fatalities and damage. There have been further earthquakes, including several in the Sulawesi area of magnitudes ranging between 4.6 to 7.7 in 2008 and 2009, most recently in February 2009 when a 7.0 magnitude earthquake struck Sulawesi. The earthquake was followed by two aftershocks but it did not cause any tsunami and there was no report of casualties or damage. In January 2009, a 7.6 magnitude earthquake struck approximately 95 miles north of Manokwari, followed by another big earthquake and a string of aftershocks. These killed at least four people and injured at least 37 people. In September 2009, a 7.3 magnitude earthquake struck Tasikmalaya, West Java killing at least 72 people and a 7.6 magnitude earthquake hit Padang, Sumatra killing at least 400 people and trapping thousands of people under rubble. In October 2010, an earthquake off the coast of western Sumatra released a tsunami on the Mentawai Islands. Also, from October 26, 2010 to November 5, 2010, Mount Merapi, a volcano located in the border between Central Java and Yogjakarta erupted a number of times, killing more than 380 people. While recent seismic events and meteorological occurrences have not had a significant economic impact on Indonesian capital markets, the Government has had to spend significant amounts on emergency aid and resettlement efforts. Most of these costs have been underwritten by foreign governments and international aid agencies. However, there can be no assurance that such aid will continue to be forthcoming, or that it will be delivered to recipients on a timely basis. If the Government is unable to timely deliver foreign aid to affected communities, political and social unrest could result. Additionally, recovery and relief efforts are likely to continue to impose a strain on the Government's finances, and may affect its ability to meet its obligations on its sovereign debt. Any such failure on the part of the Government, or declaration by it of a moratorium on its sovereign debt, could trigger an event of default under numerous private-sector borrowings, including ours, thereby materially and adversely affecting our business, financial condition, results of operations and prospects.

In addition, we cannot assure you that future geological or meteorological occurrences, will not significantly harm the Indonesian economy. A significant earthquake or other geological disturbance or weather-related natural disasters in any of Indonesia's more populated cities and financial centers could severely disrupt the Indonesian economy and undermine investor confidence, thereby materially and adversely affecting our business, financial condition, results of operations and prospects.

Terrorist attacks and terrorist activities, and certain destabilizing events have led to substantial and continuing economic and social volatility in Indonesia, which may materially and adversely affect our business and/or property.

There have been numerous bombing incidents in Indonesia directed towards the Government and foreign governments and public and commercial buildings frequented by foreigners, including the Jakarta Stock Exchange Building and Jakarta's Soekarno-Hatta International Airport. On January 14, 2016, multiple explosions and gunfire took place near the Sarinah shopping mall in Central Jakarta that killed eight people and injured 23 people. The Islamic State of Iraq and the Levant claimed responsibility.

Our projects may be particularly vulnerable to, and adversely affected by, terrorist attacks because of the large numbers of people they attract and the general public access provided. Political unrest in Indonesia may disrupt the operation of our developments or make them less attractive to buyers. We cannot assure you that our properties will not be subject to acts of terrorism, violent acts and adverse political developments which may have a material adverse effect on us, our business, financial condition, results of operations and prospects.

Regional autonomy may adversely affect our business through imposition of local restrictions, taxes and levies.

Indonesia is a large and diverse nation covering a multitude of ethnicities, languages, traditions and customs. During the administration of the former President Soeharto, the Government controlled and exercised decision-making authorities on almost all aspects of national and regional administration, including the allocation of revenues generated from extraction of national resources in the various regions. This control led to a demand for greater regional autonomy, leading to the enactment of several laws which were expected to give the regional governments greater powers and responsibilities over the use of "national assets" and to create a balanced and equitable financial relationship between central and regional governments. However, under the pretext of regional autonomy, certain regional governments have put in place various restrictions, taxes and levies which may differ from restrictions, taxes and levies put in by other regional governments and/or are in addition to restrictions, taxes and levies stipulated by the central government. Our business and operations are located throughout Indonesia and may be adversely affected by conflicting or additional restrictions, taxes and levies that may be imposed by the applicable regional authorities.

Depreciation or volatility in the value of the Rupiah may adversely affect our business, financial condition and prospects.

One of the most important immediate causes of the Asian economic crisis which began in Indonesia in mid-1997 was the depreciation and volatility of the value of the Rupiah, as measured against other currencies, such as the U.S. dollar. Although the Rupiah has appreciated considerably from its low point of approximately Rp17,000 per U.S. dollar in January 1998, the Rupiah continues to experience significant volatility, and since 2012, has depreciated. As of October 31, 2022, the Rupiah depreciated by 8.63% to Rp15,598 per U.S. dollar from Rp14,252 per U.S. dollar as of December 31, 2021, and on average depreciated by 2.80% year to date to Rp14,709 per U.S. dollar.

The Rupiah has generally been freely convertible and transferable (except that Indonesian banks may not transfer Rupiah to persons outside of Indonesia and may not conduct certain transactions with non-residents). However, from time to time, Bank Indonesia has intervened in the currency exchange markets in furtherance of its policies, either by selling Rupiah or by using its foreign currency reserves to purchase Rupiah. We cannot assure you that the Rupiah will not be subject to depreciation and continued volatility, that the current floating exchange rate policy of Bank Indonesia will not be modified, that additional depreciation of the Rupiah against other currencies, including the U.S. dollar, will not occur, or that the Government will take additional action to stabilize, maintain or increase the value of the Rupiah, or that any of these actions, if taken, will be successful.

Modification of the current floating exchange rate policy could result in significantly higher domestic interest rates, liquidity shortages, capital or exchange controls or the withholding of additional financial assistance by multinational lenders. This could result in a reduction of economic activity, an economic recession, loan defaults or declining interest by our customers, and as a result, we may also face difficulties in funding our capital expenditure and in implementing our business strategy. Additionally, the majority of our monetary assets, such as rent receivables, refer to and are primarily denominated in Rupiah, however we are exposed to risks related to the depreciation and volatility of the value of the Rupiah as measured against the U.S. dollar primarily because we pay interest on the New Notes in U.S. dollars. As of December 31, 2019, 2020 and 2021, the New Notes Issuer had net monetary liabilities denominated in foreign currencies equivalent to Rp4,034.5 billion, Rp4,373.1 billion and Rp4,266.3 billion (US$299.0 million), respectively. As of July 31, 2021 and 2022, the New Notes Issuer had net monetary liabilities denominated in foreign currencies equivalent to Rp4,302.4 billion and Rp4,430.8 billion (US$296.2 million), respectively. Any of the foregoing consequences could have a material adverse effect on our business, financial condition and prospects.

Obligations arising under the Currency Law and Bank Indonesia Regulation on the Mandatory Use of Rupiah may affect us.

On June 28, 2011, the Government enacted the Law Number 7 of 2011 on the National Currency (the "**Currency Law**"), which took immediate effect and became the basis for relevant transactions in Indonesia. Article 21(1) of the Currency Law requires the mandatory use of the Rupiah (as the official currency of the Republic of Indonesia) for certain transactions which are conducted in the territory of Republic of Indonesia including (i) all transactions which are intended for payment, (ii) any settlement of obligations which have to be satisfied with a cash payment and (iii) any other financial transactions. This requirement, however, is exempted for certain transactions, such as (a) certain transactions in the context of the implementation of the state budget (*anggaran pendapatan dan belanja negara*), (b) acceptance or giving of grants from or to foreign countries, (c) international trade transactions,

(d) bank deposits in foreign currency, or (e) international financing transactions. Further, this Currency Law also prohibits any party from refusing to accept Rupiah as payment or in fulfillment of its obligations, which must be satisfied in Rupiah, and for other financial transactions in Indonesia except where there is doubt as to the authenticity of the Rupiah paid. Failure to comply with the Currency Law may result in imprisonment of up to one year and fines of up to Rp200 million, and if the violation is committed by a company, the imprisonment term and fines will be increased by one-third.

In order to follow up on the Currency Law above, the Central Bank Indonesia as the official institution that is specifically responsible for maintaining the stability of Rupiah, has issued several derivative regulations of the Currency Law in 2015, namely: (i) Bank Indonesia Regulation No. 17/3/PBI/2015 on Mandatory Use of Rupiah within the Territory of the Republic of Indonesia ("**BI Regulation No. 17/3/PBI/2015**") and (ii) Circular Letter of Bank Indonesia No. 17/11/DKSP of 2015 on the Obligation to Use Rupiah in the Territory of Republic of Indonesia. Through BI Regulation No. 17/3/PBI/2015, Bank Indonesia sets out that the obligation to use Rupiah does not apply to (i) certain transactions related to the implementation of the state revenue and expenditure; (ii) the receipt or provisions of grants either from or to overseas; (iii) international trade transactions, which include (a) the export and/or import of goods to or from outside Indonesian territory and (b) activities relating to cross border trade in services; (iv) bank deposits denominated in foreign currencies; (v) international financing transactions; and (vi) transactions in foreign currency which are conducted in accordance with applicable laws and regulations, including, among others: (a) a bank's business activities in foreign currency which is conducted based on applicable laws regarding conventional and sharia banks, (b) securities in foreign currency issued by the Government in primary or secondary markets based on applicable laws and (c) other transactions in foreign currency conducted based on applicable laws, including the law regarding Bank Indonesia, investment and *Lembaga Pembiayaan Ekspor Indonesia* (Indonesia Eximbank).

BI Regulation No. 17/3/PBI/2015 stipulates that a recipient is prohibited from refusing to receive Rupiah as means of payment or for the settlement of Rupiah obligations or other financial transactions within Indonesia, unless there is doubt as to the authenticity of the Rupiah paid in a cash transaction and payment or the settlement of an obligation in a foreign currency is agreed in writing by the parties. Article 10 (3) of BI Regulation No. 17/3/PBI/2015 further clarifies that the exemption applies only for:

a) agreements relating to transactions exempted from the mandatory use of Rupiah as referred to in BI Regulation No. 17/3/PBI/2015 (e.g. international financing transactions); or

b) agreements for "Strategic Infrastructure Projects" which have been approved by Bank Indonesia. "Strategic Infrastructure Projects" includes transportation infrastructure (including airport services, port services, and railways facilities and infrastructure), roads, irrigation, drinking water infrastructure, sanitation infrastructure, telecommunication and information infrastructure, power infrastructure, and oil and gas infrastructure, funded by offshore borrowings from bilateral and multilateral agencies (such as the International Finance Corporation, the Japan Bank for International Cooperation, the Japan International Cooperation Agency, the Asian Development Bank, the Inter-American Development Bank). In case of offshore syndicated borrowings funded by these agencies in an amount exceeding 50% of the total transaction, ministerial or governmental letters issued by the competent home country authority of the relevant borrowing agency are required affirming the strategic edge of the infrastructure project.

BI Regulation No. 17/3/PBI/2015 took effect from March 31, 2015, and the requirement to use Rupiah for non-cash transactions was effective from July 1, 2015. Written agreements which were signed prior to July 1, 2015 that contain provisions for the payment or settlement of obligations in foreign currency for non-cash transactions will remain effective until the expiry of such agreements. However, any extension and/or certain amendments of such agreements must comply with BI Regulation No. 17/3/PBI/2015. BI Regulation No. 17/3/PBI/2015 further elucidates that an "amendment" relates to a change of "subject" and "object" of the written agreement. However, there is no further explanation as what comprises the object of the agreement. If Bank Indonesia adopts a conservative approach, all amendments after July 1, 2015 to such agreements will be subject to BI Regulation No. 17/3/PBI/2015. In this regard, we have several payment obligations denominated in U.S. dollars within the territory of Republic of Indonesia under certain agreements, including our gas sales and purchase agreements for commercial and industrial customers with PT Perusahaan Gas Negara (Persero) Tbk. Failure to comply with the obligation to use Rupiah in cash transactions may result in criminal sanctions in the form of fines and imprisonment, while a failure to comply with the obligation to use Rupiah in non-cash transactions will be subjected to administrative sanctions in the form of (i) written warnings, (ii) fines, and/or (iii) prohibition from undertaking payment activities. Bank Indonesia may also recommend that the relevant authorities and institutions take certain action including revoking the business license or stopping the business activities of the party which fails to comply with the obligation to use Rupiah in non-cash transactions.

Effectively, BI Regulation No. 17/3/PBI/2015 (i) requires us to adjust the relevant existing U.S. dollars denominated agreements to conform with the requirements under BI Regulation No. 17/3/PBI/2015 (whenever there is an extension or amendment

to those agreements) and (ii) prohibits us from entering into new U.S. dollars denominated agreements with counterparties for transactions conducted within the territory of Republic of Indonesia after July 1, 2015. The elucidation of BI Regulation No. 17/3/PBI/2015 further explains that an amendment relates to a change of "subject" and "object" of the written agreement. However, there is no further explanation on the object of the agreement itself. If Bank Indonesia adopts a conservative approach, all amendments after July 1, 2015 to such agreements will be subject to BI Regulation No. 17/3/PBI/2015. A breach of the requirements of BI Regulation No. 17/3/PBI/2015 will be subject to (i) administrative, criminal or monetary sanctions up to Rp1 billion and (ii) loss of business licenses and/or interruption of business activities of the violating entity, if Bank Indonesia recommends so to the relevant authorities. The restrictions on our ability to enter into, or renew or amend, our Rupiah denominated contracts may limit our ability to naturally hedge or service our non-Rupiah denominated liabilities or obtain or refinance non-Rupiah financing in the future.

Downgrades of credit ratings of Indonesia and Indonesian companies could adversely affect us and the market price of the New Notes.

As of the date of this exchange offer and consent solicitation memorandum, Indonesia's sovereign foreign currency long-term debt is rated "Baa2/stable outlook" by Moody's, "BBB/stable outlook" by Standard & Poor's and "BBB/negative outlook" by Fitch and its short term foreign currency debt is rated "P-3/stable outlook" by Moody's, "A2/negative outlook" by Standard & Poor's and "F2/stable outlook" by Fitch. Indonesia has in recent years been upgraded by all three ratings agencies, though the COVID-19 pandemic caused Standard & Poor's to assign a negative outlook to Indonesia's foreign currency long-term debt rating in April 2020. These rating reflect an assessment of the Government's overall financial capacity to pay on its obligations and its ability to meet its financial commitments as they become due. Any downgrade to the credit-rating of Indonesia or Indonesian companies could have an adverse impact on liquidity in the Indonesian financial markets, the ability of the Government and Indonesian companies, including us, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available and could therefore have a material adverse effect on us.

Labor activism could adversely affect Indonesian companies, including us, which in turn could affect our business, financial condition, results of operations and prospects.

Laws and regulations which facilitate the forming of labor unions, combined with weak economic conditions, have resulted and may continue to result in labor unrest and activism in Indonesia. In 2000, the Government issued Law No. 21 of 2000 on Labor Union (the "**Labor Union Law**"). The Labor Union Law permits employees to form unions without employer intervention. In March 2003, the Government enacted Law No. 13 of 2003 on Labor (the "**Labor Law**"), which, among other things, increased the amount of severance, service and compensation payments payable to employees upon termination of employment. The Labor Law requires further implementation of regulations that may substantively affect labor relations in Indonesia. The Labor Law requires that companies with 50 or more employees must establish bipartite forums with participation from employers and employees and the participation of more than 50.0% of the employees of a company in order for a collective labor agreement to be negotiated and creates procedures that are more permissive to the staging of strikes. Under the Labor Law, employees who voluntarily resign are also entitled to payments for, among other things, unclaimed annual leave and relocation expenses. Following the enactment, several labor unions urged the Indonesian Constitutional Court to declare certain provisions of the Labor Law unconstitutional and order the Government to revoke those provisions. The Indonesian Constitutional Court declared the Labor Law valid except for certain provisions, including relating to the right of an employer to terminate its employee who committed a serious mistake and criminal sanctions against an employee who instigates or participates in an illegal labor strike.

On November 2, 2020, the Government issued Job Creation Law which introduced several amendments to the Labor Law, and which was implemented through the Governmental Regulation No. 34 of 2021 on the Recruitment of Foreign Workers, the Governmental Regulation No. 35 of 2021 on Fixed-Term Employment Agreement, Outsourcing, Working Hours and Rest Hours, and Employment Relationship Termination ("**GR 35/2021**") and the Governmental Regulation No. 36 of 2021 on Wages. The introduction of the Job Creation Law was also deemed controversial and triggered protests in Indonesia. The Job Creation Law, as implemented by GR 35/2021, amended several provisions of the Labor Law among others, that employers may terminate employees based on "efficiency" due to losses, where the Labor Law previously required that termination on this ground requires closure of the company. Another amendment to the Labor Law is that the requirements of obtaining twice the amount of severance payment is stricter than previously stipulated. There was also a total reduction in the amount of severance payable under the new severance payment formula under the Unemployment Benefit Scheme from the Government (*Jaminan Kehilangan Pekerjaan*). There have been several protests against the Job Creation Law and labor unrest may continue as the implementing regulations are to be issued. See also "*—Political and social instability in Indonesia may adversely affect the economy, which in turn could have a material adverse effect on our business, financial condition, results of operations and prospects*."

Labor unrest and activism in Indonesia could disrupt the operations of our business, our suppliers or contractors and could affect the financial condition of Indonesian companies in general, depressing the prices of Indonesian securities on the Jakarta or other stock exchanges and the value of the Indonesian Rupiah relative to other currencies. As of July 31, 2022, none of our employees were represented by any labor union and there are currently no material pending labor disputes. See "Business—Employees, Training and Labor". However, we cannot assure you that we will not be subject to labor unrest and activism in the future. Such events could materially and adversely affect our businesses, financial condition, results of operations and prospects and our ability to pay interest on, and repay the principal of, the New Notes.

Indonesian corporate and other disclosure and accounting standards differ from those in the United States, countries in the European Union and other jurisdictions.

Our consolidated financial statements are prepared in accordance with Indonesian FAS, which differ from IFRS and may change over time. As a result, our consolidated financial statements and reported earnings could be different from those which would be reported under IFRS. This exchange offer and consent solicitation memorandum does not contain a reconciliation of our consolidated financial statements to IFRS, and there can be no assurance that such reconciliation, if performed, would not reveal material differences. See "Summary of Certain Principal Differences Between Indonesian FAS and IFRS."

Indonesian laws and regulations require agreements involving Indonesian parties to be written in the Indonesian language may raise issues as to the enforceability of agreements entered into in connection with the offer and sale of the New Notes and the Subsidiary Guarantees.

On July 9, 2009, the Government enacted Law No. 24/2009 requiring that agreements to which an Indonesian party is a party to be written in the Indonesian language. If a foreign party is also party to such an agreement, it may also be executed in both the Indonesian language and a foreign language, provided that the agreement in the foreign language and the agreement in the Indonesian language are equally authoritative. Law No. 24/2009 is silent on the governing language if there is more than one language used in a single agreement.

On September 30, 2019, the Government issued PR No. 63/2019 as the implementing regulation of Law No. 24/2009. PR No. 63/2019 clarifies that the parties may contractually agree on the governing language of an agreement (which may be either Indonesian language, English language or the national language of the foreign party). The New Notes Indenture and other New York law governed documents entered into by an Indonesian party (such as the New Notes Issuer and the Subsidiary Guarantors) in connection with the issuance of the New Notes (save for the Indonesian law governed deeds of corporate guarantee) will be executed in both English and Indonesian language. All of these documents will provide that in the event of a discrepancy or inconsistency, the parties intend the English version to prevail. However, there exists uncertainty on how PR No. 63/2019 and Law No. 24/2009 will be interpreted and applied by Indonesian courts. There can be no assurance, in the event of inconsistencies between the Indonesian language version and English version of those documents, that an Indonesian court would hold that the English version of such documents prevail. Further, a translation from English to Indonesian language may not accurately reflect the original intention of the parties as some concepts in the English language may not have a corresponding term in the Indonesian language and the exact meaning of the English text may not be fully captured by the Indonesian language version.

In addition, the Subsidiary Guarantors will enter into an Indonesian law governed deed of corporate guarantee for the New Notes that drawn up before an Indonesian public notary. The specific language requirements applicable to Indonesian notarial deeds will apply to such deeds. Pursuant to Notary Law, a notarial deed made after January 15, 2014 must be drawn up in the Indonesian language, irrespective of the jurisdiction of the parties to any such deed. If the parties require, the notarial deed can be made in a foreign language and in such an event, the notary must translate the deed into the Indonesian language but, in the event of different interpretation as to the content of the deed, the Indonesian language deed shall prevail. In line with the Notary Law, the deed of corporate guarantee will provide that the Indonesian language version of such deed is the prevailing version.

Risks Relating to the New Notes, the Subsidiary Guarantees and the Collateral

The terms of the New Notes and the Subsidiary Guarantees will contain covenants limiting our financial and operating flexibility.

Covenants contained in the documentation relating to the New Notes and the Subsidiary Guarantees will restrict the ability of the New Notes Issuer and any Restricted Subsidiary to, among other things:

- incur or guarantee additional indebtedness and issue certain redeemable or preferred stock;

- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the New Notes Issuer, or its Restricted Subsidiaries;
- prepay or redeem subordinated debt or equity;
- make certain investments and capital expenditures;
- create encumbrances or restrictions on the payment of dividends, or other distributions, loans or advances to and on the transfer of assets to the New Notes Issuer or any of its Restricted Subsidiaries;
- sell, lease or transfer certain assets, including stock of Restricted Subsidiaries;
- enter into sale and leaseback transactions;
- engage in certain transactions with affiliates;
- enter into unrelated businesses or engage in prohibited activities;
- consolidate or merge with other entities; and
- impair the security interest for the benefit of the holders of Notes.

All of these covenants are subject to the limitations, exceptions and qualifications described in "Description of the New Notes — Certain Covenants". These covenants could limit our ability to pursue our growth plan, restrict our flexibility in planning for, or reacting to, changes in our business and industry, and increase our vulnerability to general adverse economic and industry conditions. We may also enter into additional financing arrangements in the future, which could further restrict our flexibility.

Any defaults of covenants contained in the New Notes may lead to an event of default under the New Notes and the New Notes Indenture and may lead to cross-defaults under our other indebtedness. No assurance can be given that the New Notes Issuer will be able to pay any amounts due to holders of the New Notes in the event of such default (including the principal on the New Notes), and any default may significantly impair the New Notes Issuer's ability to pay, when due, the interest of and principal on the New Notes and any Subsidiary Guarantor's ability to satisfy its obligations under the Subsidiary Guarantees.

We may incur additional indebtedness, which could further exacerbate the risks described above.

We have a substantial amount of indebtedness. As of July 31, 2022, we had total consolidated indebtedness amounting to Rp4,500.0 billion (US$300.9 million). Subject to restrictions in the New Notes Indenture, we may incur additional indebtedness, which could increase the risks associated with our existing indebtedness. If we incur any additional indebtedness that ranks equally with the New Notes, the relevant creditors will be entitled to share ratably with the holders of the New Notes in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding-up of the New Notes Issuer or a Subsidiary Guarantor. This may have the effect of reducing the amount of proceeds paid to the holders of the New Notes. Covenants in agreements governing debt that we may incur in the future may also materially restrict our operations, including our ability to incur debt, pay dividends, make certain investments and payments, and encumber or dispose of assets. In addition, we could be in default of financial covenants contained in agreements relating to our future debt in the event that our results of operations do not meet any of the terms in the covenants, including the financial thresholds or ratios. A default under one debt instrument may also trigger cross-defaults under other debt instruments. An event of default under any debt instrument, if not cured or waived, could have a material adverse effect on us.

We may not be able to generate sufficient cash flows to meet our debt service obligations.

Our ability to make scheduled payments on, or to refinance our obligations with respect to, our indebtedness and the New Notes, will depend on our financial and operating performance, which in turn will be affected by general economic conditions and by financial, competitive, regulatory and other factors beyond our control. We may not generate sufficient cash flow from operations and future sources of capital may not be available to us in an amount sufficient to enable us to service our indebtedness, including the New Notes, or to fund our other liquidity needs. If we are unable to generate sufficient cash flow and capital resources to satisfy our debt

obligations or other liquidity needs, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. There is no assurance that any refinancing would be possible, that any assets could be sold or, if sold, of the timing of the sales and the amount of proceeds that may be realized from those sales, or that additional financing could be obtained on acceptable terms, if at all. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Other credit facilities and the New Notes Indenture will restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds which we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms and in a timely manner, would materially and adversely affect our financial condition and results of operations and the New Notes Issuer's ability to satisfy its obligations under the New Notes. Furthermore, if we do not have sufficient foreign currency assets or hedges in place to satisfy the hedging and liquidity requirements under PBI 16/21/2014, we may cease to be in compliance with the prudential principles set forth in PBI 16/21/2014 as the time horizons stated therein (generally within six months of the end of the relevant quarter) approach the stated maturity of the New Notes if we are unable to earlier repay the New Notes. See "Management's Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources" and "Description of the New Notes" and "Indonesian Regulation of Offshore Borrowings". In addition, if the aggregate principal amount of the New Notes to be issued pursuant to the exchange offer is less than US$200,000,000, the borrowers under the Mandiri Loan will be required to provide reserve funds in the form of a savings deposit, demand deposit or time deposit in the amount equal to the aggregate principal amount of the Old Notes outstanding immediately after the closing of the exchange offer. Such reserve funds will be in a blocked account and can only be used for the purpose of making payments of principal or interest under the Old Notes and will not be available to service our indebtedness under the New Notes. See "Business—Recent Developments—US$100.0 million Term Loan Facility with PT Bank Mandiri (Persero) Tbk."

Enforcing the rights of Noteholders under the New Notes or the Subsidiary Guarantees across multiple jurisdictions may prove difficult.

The New Notes will be issued by the New Notes Issuer and guaranteed by the Subsidiary Guarantors. The New Notes Issuer is and the Subsidiary Guarantors are incorporated under the laws of Indonesia. The New Notes, the Subsidiary Guarantees and the New Notes Indenture will be governed by the laws of the State of New York. In the event of a bankruptcy, insolvency or similar event, proceedings could be initiated in Indonesia and the United States. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. The rights of Noteholders under the New Notes and the Subsidiary Guarantees will be subject to the insolvency and administrative laws of several jurisdictions and there can be no assurance that you will be able to effectively enforce your rights in such complex multiple bankruptcy, insolvency or similar proceedings. In addition, the bankruptcy, insolvency, administrative and other laws of Indonesia and the United States may be materially different from, or be in conflict with, each other and those with which holders of the New Notes may be familiar, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply and adversely affect your ability to enforce your rights under the New Notes and the Subsidiary Guarantees in the relevant jurisdictions or limit any amounts that you may receive.

It may not be possible for you to effect service of process or to enforce judgments of a foreign court on the New Notes Issuer or the Subsidiary Guarantors in Indonesia.

Each of the New Notes Issuer and the Subsidiary Guarantors is a limited liability company incorporated in Indonesia operating within the framework of Indonesian laws relating to investment and all of its significant assets are located in Indonesia. In addition, all of the New Notes Issuer's and each of the Subsidiary Guarantor's commissioners and directors reside in Indonesia. As a result, it may be difficult for investors to effect service of process, including judgments, on the New Notes Issuer or a Subsidiary Guarantor or their respective commissioners and directors outside Indonesia, or to enforce judgments obtained in non-Indonesian courts against the New Notes Issuer, a Subsidiary Guarantor or their respective commissioners and directors in Indonesia. See "Enforceability".

The Subsidiary Guarantors have been advised by their Indonesian legal adviser, Makes & Partners Law Firm, that judgments of non-Indonesian courts are not enforceable in Indonesian courts, although such judgments could be admissible as non-conclusive evidence in a proceeding on the underlying claim in an Indonesian court. Our Indonesian legal advisers have also advised us that there is doubt as to whether Indonesian courts will recognize judgments in original actions brought in Indonesian courts based only upon the civil liability provisions of the securities laws of other countries. In addition, an Indonesian court may refuse to hear an original action based on securities laws of other countries. As a result, holders of the New Notes would be required to pursue claims against the New Notes Issuer or a Subsidiary Guarantor or their respective commissioners, directors and executive officers in Indonesian courts.

The claims and remedies available under Indonesian law may not be as extensive as those available in other jurisdictions. No assurance can be given that the Indonesian courts will protect the interests of holders of the New Notes in the same manner or to the same extent as would courts in more developed countries outside of Indonesia.

The Subsidiary Guarantees may be challenged under applicable bankruptcy, insolvency, fraudulent transfer, financial assistance, unfair preference or similar laws, which could impair the enforceability of the Subsidiary Guarantees.

Under bankruptcy, insolvency, fraudulent transfer, financial assistance, unfair preference or similar laws in Indonesia, where the Subsidiary Guarantors are incorporated and where all of their significant assets are currently located (as well as under the law of certain other jurisdictions to which a Subsidiary Guarantor may be subject or in which insolvency proceedings against a Subsidiary Guarantor may be commenced), the enforceability of the Subsidiary Guarantees may be impaired if certain statutory or other conditions are met. In particular, the Subsidiary Guarantees may be voided, or claims in respect of the Subsidiary Guarantees could be subordinated to all other debts of such Subsidiary Guarantor, if at the time of the incurrence of the indebtedness evidenced by, or when it gives, its Subsidiary Guarantee, it:

- incurred the debt with the intent to hinder, delay or defraud creditors or was influenced by a desire to put the beneficiary of the Subsidiary Guarantee in a position which, in the event of such Subsidiary Guarantor's insolvency, would be better than the position the beneficiary would have been in had the Subsidiary Guarantee not been given;
- received less than reasonably equivalent value or fair consideration for the incurrence of such Subsidiary Guarantee;
- received no commercial benefit;
- was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which such Subsidiary Guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

The test for insolvency, the other particular requirements for the enforcement of fraudulent transfer law, and the nature of the remedy if a fraudulent transfer is found, may vary depending on the law of the jurisdiction which is being applied. Under the laws of Indonesia, it would also be necessary for the directors to ensure that such Subsidiary Guarantor is solvent immediately after entry into, and performance of any obligation under, the transaction, that:

- it will be able to satisfy its liabilities as they become due in the ordinary course of its business; and
- the realizable value of the assets of such Subsidiary Guarantor will not be less than the sum of its total liabilities other than deferred taxes, as shown in the books of account, and its capital.

The directors are required to ensure that the issued capital of such Subsidiary Guarantor is maintained and that, after the giving of the Subsidiary Guarantee, such Subsidiary Guarantor would have sufficient net assets to cover the nominal value of its issued share capital.

If a court voided the Subsidiary Guarantee, or held the Subsidiary Guarantee unenforceable for any other reason, then the holders of the New Notes would cease to have a claim against such Subsidiary Guarantor based upon such Subsidiary Guarantee, and would solely be creditors of the New Notes Issuer. If a court subordinated the Subsidiary Guarantee to other indebtedness of such Subsidiary Guarantor, then claims under the Subsidiary Guarantee would be subject to the prior payment of all liabilities (including trade payables). We cannot assure you that there would be sufficient assets to satisfy the claims of holders of the New Notes after providing for all such prior claims.

Claims of the secured creditors (other than holders of the New Notes) of the New Notes Issuer and the Subsidiary Guarantors will have priority with respect to their security over the claims of unsecured creditors, such as the holders of the New Notes, to the extent of the value of the assets securing such indebtedness (other than the Collateral).

As of July 31, 2022, we had Rp231.0 billion (US$15.9 million) in secured credit facilities. See "Description of Material Indebtedness". The terms of the New Notes Indenture permit us to incur substantial additional secured indebtedness under certain circumstances. See "Description of the New Notes — Certain Covenants — Definitions — Permitted Liens".

Claims of the secured creditors (other than holders of the New Notes) of the New Notes Issuer and the Restricted Subsidiaries will have priority with respect to the assets securing their indebtedness over the claims of holders of the New Notes. Therefore, the New Notes and the Subsidiary Guarantees will be effectively subordinated to any secured indebtedness and other secured obligations of the New Notes Issuer and the Subsidiary Guarantors to the extent of the value of the assets securing such indebtedness or other obligations (other than the Collateral). In the event of any foreclosure, dissolution, winding up, liquidation, reorganization, administration or other bankruptcy or insolvency proceeding of the New Notes Issuer and the Subsidiary Guarantors that has secured obligations, holders of secured indebtedness will have prior claims to the assets of the New Notes Issuer and the Subsidiary Guarantors that constitute their collateral. Except with respect to the Collateral, holders of the New Notes will participate ratably with all holders of the unsecured indebtedness of the New Notes Issuer and the Subsidiary Guarantors, and potentially with all of their other general creditors, based upon the respective amounts owed to each holder or creditor, in the remaining assets of the New Notes Issuer and the Subsidiary Guarantors. In the event that any of the secured indebtedness of the New Notes Issuer and the Subsidiary Guarantors becomes due or the creditors thereunder proceed against the assets that secure such indebtedness, assets of the New Notes Issuer and the Subsidiary Guarantors remaining after repayment of that secured indebtedness may not be sufficient to repay all amounts owing in respect of the New Notes or the Subsidiary Guarantees. As a result, holders of the New Notes may receive less than holders of secured indebtedness of the New Notes Issuer and the Subsidiary Guarantors.

Payments with respect to the New Notes and Subsidiary Guarantees will be structurally subordinated to liabilities, contingent liabilities and obligations of certain of our subsidiaries.

On the New Notes Original Issue Date, the New Notes will not be guaranteed by certain of our subsidiaries, including Jababeka International B.V., PT Jababeka Mitrafamili Residen, PT Mitra Pengembang Kawasan, PT Media Membangun Negeri, PT Jababeka Keihan Residence, PT Jababeka Creed Residence, PT Rumah Prima Sehat, PT Sarana Indah Permai Residen, PT Ritel Maju Sejahtera, PT Faunaland Tanjung Lesung, PT Tanjung Lesung Leisure Industry, PT Kawasan Industri Kendal, PT United Power, PT Tanjung Lesung Power, PT Jababeka Longlife City, PT Jababeka Plaza Indonesia, PT Duta Bandara Banten, PT Infrastruktur Cakrawala Telekomunikasi, PT Nusantara Gas Energi, PT Jababeka Pembangunan Perumahan Properti, PT Proteksi Usaha Indonesia and PT Tanjung Sari Power. Moreover, the terms of the New Notes Indenture permit us to designate certain of our existing Subsidiary Guarantors, as well as future Restricted Subsidiaries, as non-guarantor subsidiaries. See "Description of the New Notes and the Subsidiary Guarantees — The Subsidiary Guarantees". Creditors, including trade creditors of our non-guarantor subsidiaries and any holders of preferred shares in such entities, would have a claim on our non-guarantor subsidiaries' assets that would be prior to the claims of holders of the New Notes. As a result, our payment obligations under the New Notes and the Subsidiary Guarantees will be effectively subordinated to all existing and future obligations of our non-guarantor subsidiaries (including obligations of our non-guarantor subsidiaries under guarantees issued in connection with our business), and all claims of creditors of our non-guarantor subsidiaries will have priority as to the assets of such entities over our claims and those of our creditors, including holders of the New Notes.

We may be subject to future bankruptcy, insolvency and similar proceedings in Indonesia or other jurisdictions, which may delay or prevent payment on the New Notes.

Any future defaults in amounts of interest, on principal of, and premium or additional amounts, if any, due on the New Notes may, under the terms of the New Notes and the Subsidiary Guarantees pursuant to the New Notes Indenture, only be waived with the consent of each holder of the New Notes. Should we launch an exchange offer and/or consent solicitation in the future to obtain such waiver, we cannot assure you that all holders of the New Notes will waive such future defaults in amounts of interest on, principal of, and premium or additional amounts, if any, due on the New Notes. Following consummation of any future exchange offer and/or consent solicitation, holders of 25% of outstanding New Notes may accelerate and declare immediately payable interest on, principal of, and premium or additional amounts, if any, due on the New Notes.

Although we expect that, upon consummation of any exchange offer and/or consent solicitation, any composition plan that we enter into will bar holders of the New Notes from bringing future bankruptcy, insolvency or similar proceedings in Indonesia, Indonesian principles of law relating to the rights of creditors have not been clearly or consistently applied by the Indonesian courts. In addition, we have not sought court protection from our creditors in Indonesia or where we have significant contractual obligations. As a result of the foregoing, there can be no assurance that holders of the New Notes will not in the future seek to file a petition for bankruptcy, insolvency or similar proceeding against us in Indonesia or other jurisdictions.

Under the Indonesian bankruptcy law, a creditor that foresees its debtor would not be able to continue to pay its debts when they become due and payable, or a debtor which is unable, or predicts that it would be unable, to pay its debts when they become due and payable, may file for suspension of payment of debt with the Commercial Court. In addition, a debtor who has two or more creditors and who is unable to pay any of its debt may be declared bankrupt by virtue of a Commercial Court decision. Under the Indonesian bankruptcy law, a suspension of debt payment proceeding takes priority over a bankruptcy proceeding and must be decided first. As such, a suspension of debt payment proceeding will effectively postpone the bankruptcy proceeding. As a result, creditors are unlikely to receive any payment during the course of the suspension of debt payment proceeding (with the exception of secured creditors subject to certain conditions) and the bankruptcy estate is likely to be insufficient to fully settle their claims.

In addition, during the suspension of debt payment proceeding, the debtor may propose a composition plan to its creditors. Such composition, if approved at a creditors' meeting and ratified by the Commercial Court, will be binding on all unsecured creditors and on secured creditors that voted for the composition plan, and the suspension of debt payment proceeding ends. The debtor can then continue its business and service its debt in accordance with the composition plan proposed by the debtor and approved at the creditors' meeting and ratified by the court. The secured creditors that did not attend the creditors' meeting or vote on the plan are not bound by the plan and are entitled to enforce their security interests.

As a composition plan, if approved, then it is approved by the majority of the creditors on a collective basis, although it may not be in the best interest of any particular creditor. If the Subsidiary Guarantor becomes a debtor in a bankruptcy proceeding or a suspension of debt payment proceeding in Indonesia, we may file for suspension of debt payment with a proposed composition plan which may not be satisfactory to you. If such composition plan is approved, it will be binding on you.

A sale of assets constituting the Collateral would cause mandatory redemption of the New Notes.

Upon the final completion of any sale, transfer, conveyance, lease or other disposition of all or any part of the land parcels constituting the Collateral for which we receive net cash proceeds in an aggregate amount in excess of US$5 million (or its equivalent), we will be required under the New Notes Indenture to use all of the net cash proceeds we receive from such sale to redeem the New Notes. If the sale occurs within two years from the date of the issuance of the New Notes, the redemption price will be equal to 100% of the outstanding principal amount of the New Notes being redeemed, or if the sale occurs thereafter, the redemption price will be equal to 101% of the outstanding principal amount of the New Notes being redeemed, in each case, together with any accrued and unpaid interest up to, but not including, the applicable redemption date. See "*Description of the New Notes – Mandatory Redemption.*"

As a result of such mandatory redemption of the New Notes, holders of the New Notes may receive less than their anticipated return on investments and the proceeds that we receive from such sales may not be sufficient to redeem the New Notes in full.

The New Notes Issuer may not have the ability to raise the funds necessary to finance an offer to repurchase the New Notes upon the occurrence of certain events constituting a Change of Control as required by the New Notes Indenture.

Upon a Change of Control (as defined in the New Notes Indenture), the New Notes Issuer must make an offer to repurchase all outstanding New Notes. Pursuant to this offer, the New Notes Issuer must repurchase the outstanding New Notes at 101% of their principal amount plus accrued and unpaid interest, if any, up to (but not including) the date of repurchase. See "Description of the New Notes — Change of Control". However, the New Notes Issuer may not have enough available funds at the time of any Change of Control to pay the purchase price of the outstanding New Notes for exchange. The New Notes Issuer's failure to make the offer to repurchase or repurchase outstanding New Notes would constitute an Event of Default (as defined in the New Notes Indenture). This Event of Default may, in turn, constitute an event of default under other indebtedness, any of which could cause the related debt to be accelerated after any applicable notice or grace periods. If such other debt were accelerated, we may not have sufficient funds to repurchase the New Notes and repay the debt.

In addition, the definition of Change of Control for the purposes of the New Notes Indenture does not necessarily afford protection for the holders of the New Notes in the event of some highly-leveraged transactions, including certain acquisitions, mergers, refinancings, restructurings or other recapitalizations, although these types of transactions could increase our indebtedness or otherwise affect our capital structure or credit ratings and the holders of the New Notes. The definition of Change of Control for purposes of the New Notes Indenture also includes a phrase relating to the sale of "all or substantially all" of our properties or assets and our subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all", there is no precise established definition under applicable law. Accordingly, the New Notes Issuer's obligation to make an offer to repurchase the New Notes, and the ability of a holder of Notes to require us to repurchase the New Notes pursuant to the offer, as a result of a highly leveraged transaction or a sale of less than all of our assets, may be uncertain.

The New Notes Trustee shall not be required to take any steps to ascertain whether a Change of Control or any event which could lead to a Change of Control has occurred and shall not be liable and responsible to any person for any failure to do so.

The ratings assigned to the New Notes in the future may be lowered or withdrawn.

The New Notes have not been assigned a rating by any rating agency. Any rating assigned to the New Notes in the future may be subsequently lowered or withdrawn entirely. Such ratings will represent the opinions of the ratings agencies and their assessment of the ability of the New Notes Issuer to perform its obligations under the terms of the New Notes and credit risks in determining the likelihood that payments will be made when due under the New Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. No assurances can be given that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. In the event the New Notes are rated, we have no obligation to inform holders of the New Notes of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of a rating assigned to the New Notes in the future may adversely affect the market price of the New Notes.

An active trading market for the New Notes may not develop and the trading price of the New Notes could be materially and adversely affected.

Although the Dealer Managers have advised us that they intend to make a market in the New Notes, they are not obligated to do so and may discontinue such market making activity at any time without notice. We cannot predict whether an active trading market for the New Notes will develop or be sustained. If an active trading market were to develop, the New Notes could trade at prices that may be lower than their initial offering price. The liquidity of any market for the New Notes depends on many factors, including:

- the number of holders of Notes;
- the interest of securities dealers in making a market in the New Notes;
- prevailing interest rates and the markets for similar securities;
- general economic conditions; and
- our financial condition, historical financial performance and future prospects.

If an active market for the New Notes fails to develop or be sustained, the trading price of the New Notes could be materially and adversely affected. Approval in principle has been obtained from the SGX-ST for the listing and quotation of the New Notes on the Official List of the SGX-ST. However, no assurance can be given that we will be able to maintain such listing or that a trading market will develop. We do not intend to apply for listing of the New Notes on any securities exchange other than the SGX-ST. Lack of a liquid, active trading market for the New Notes may adversely affect the price of the New Notes or may otherwise impede a holder's ability to dispose of the New Notes.

The transfer of the New Notes is restricted which may adversely affect their liquidity and the price at which they may be sold.

The New Notes and the Subsidiary Guarantees have not been registered under, and we are not obligated to register the New Notes or the Subsidiary Guarantees under, the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. See "Transfer Restrictions". We have not agreed to or otherwise undertaken to register the New Notes and the Subsidiary Guarantees (including by way of an exchange offer), and we have no intention to do so.

Investment in the New Notes may subject Noteholders to foreign exchange risks.

The New Notes are denominated and payable in U.S. dollars. If you measure your investment returns by reference to a currency other than U.S. dollars, an investment in the New Notes entails foreign exchange-related risks, including possible significant changes in the value of the U.S. dollars relative to the currency by reference to which you measure your returns, due to, among other things, economic, political and other factors over which we have no control. Depreciation of the U.S. dollar against the currency by reference to which you measure your investment returns could cause a decrease in the effective yield of the New Notes below their stated coupon rates and could result in a loss to you when the return on the New Notes is translated into the currency by reference to

which you measure your investment returns. In addition, there may be tax consequences for you as a result of any foreign exchange gains resulting from any investment in the New Notes.

Security over the Collateral will not be granted directly to the holders of the New Notes.

The security over the Collateral securing Jababeka' s and Subsidiary Guarantors' obligations under the New Notes will be granted to the New Notes Collateral Agent. The New Notes Collateral Agent will hold such security over the Collateral granted pursuant to the Security Documents (as defined in the New Notes Indenture) with sole authority as directed by the written instructions of the Trustee by itself or acting in accordance with Holders of the New Notes representing at least 25% in aggregate principal amount of New Notes then outstanding to exercise remedies under the Security Documents. As a consequence, the holders of the New Notes will not be entitled to take direct enforcement action in respect of the security for the New Notes, the indentures governing the New Notes and the Subsidiary Guarantees, except through the New Notes Collateral Agent, which has agreed to apply proceeds of enforcement on such security towards such obligations in accordance with the terms of the New Notes Indenture. However, the New Notes Collateral Agent may decline to foreclose or exercise remedies available to them if they do not receive indemnification and/or security and/or pre-funding to their satisfaction.

Security over land is created by way of land mortgage (*hak tanggungan*). Indonesian law adopts the concept of horizontal separation between the ownership of land and buildings standing thereon (including fixtures). Due to the concept of horizontal separation, theoretically the building owner can create a fiducia security over the building only, subject to the landowner's consent. However, it is worth noting that the application of the concept of horizontal separation remains uncertain. Indonesian land mortgage (*hak tanggungan*) law also provides that both the building and the land can be secured together by way of land mortgage (*hak tanggungan*) if both the building owner and the landowner sign the Deed of Grant of Mortgage Right (*Akta Pemberian Hak Tanggungan* ("***APHT***")).

Indonesian law does not recognize the concept of trusts or trustees including, without limitation, the relationship of trustee and beneficiary or other fiduciary relationships. Accordingly, enforcement of the provisions granting security in favor of third party beneficiaries and otherwise relating to the nature of the relationship between a trustee (in its capacity as such) and the beneficiaries of a trust in Indonesia will be subject to an Indonesian court accepting the concept of trustee under New York law and accepting proof of the application of equitable principles under such security documents. In addition, in the event of a Mandatory Redemption, there will be a period of time where holders of the New Notes will not have the benefit of a security interest upon the sale of the Collateral as prior to the sale of Collateral, Jababeka will be required to release a portion of the Collateral which will be sold to the buyer.

Security interests in the Collateral will not be granted, established or perfected on the date of issuance of the New Notes, which may adversely affect the rights of holders of the New Notes in such Collateral.

The obligations under the New Notes, the indenture governing the New Notes and the Subsidiary Guarantees will be secured by a first priority security interest (subject to Permitted Liens) in the Collateral in favor of the New Notes Collateral Agent. The security interests over the Collateral will not be granted, established or perfected on the date of issuance of the New Notes and rights of holders of the New Notes in such Collateral may be adversely affected by the failure to grant, create or perfect security interests in such Collateral.

Pursuant to Law No. 4 of 1996 on Hak Tanggungan, the land mortgage (*hak tanggungan*) as security interest over land title is created on the day the APHT is registered by way of registration of the same by the relevant land office in the land registry book and annotating the *hak tanggungan* in the land certificate(s) being secured by APHT. A land mortgage (*hak tanggungan*) certificate will be issued as evidence of the existing land mortgage (*hak tanggungan*). After the enactment of Minister of Agrarian and Spatial Planning/Head of the National Land Agency (*Badan Pertanahan Nasional*) Regulation No. 5 of 2020 on Electronically Integrated Hak Tanggungan Service, effective from July 8, 2020, any registration of APHT must be conducted through integrated land mortgage (*hak tanggungan*) electronic system ("**e-HT System**") held by the land office (*badan pertanahan nasional* or BPN). While the e-HT System is only recently promulgated and we are not aware of many precedents with regard to the implementation thereof, prior to the implementation of the e-HT System, (a) we are aware of certain rare cases where the relevant land office does not process the application and register the land mortgage (*hak tanggungan*) within the statutory period; and (b) the actual land mortgage (*hak tanggungan*) registration date can only be ascertained once the land mortgage (*hak tanggungan*) certificate is issued. Therefore, even if the relevant land office has received submission of the APHT (and payment thereof) and does not notify any issue with the application we are unable to ascertain that the relevant land office in fact has registered or will register (as applicable) the land mortgage (*hak tanggungan*) within the statutory period. Therefore, there is a risk that prior to obtaining land mortgage (*hak tanggungan*) certificate, if the land office delays processing the land mortgage (*hak tanggungan*) application and registration, certain legal action may occur and submitted to the land office within such delay, such that the land office will refuse registering the land mortgage (*hak tanggungan*) until and unless the legal action is favorably resolved, pending which the land mortgage (*hak tanggungan*)

has not been created and perfected. Under the terms of the New Notes Indenture, Jababeka and PT Banten West Java Tourism Development will be obligated to take all necessary actions to establish, perfect and register the security interests in the Collateral securing the New Notes and the Subsidiary Guarantees within 90 days following the date of the issuance of the New Notes. See "*Description of the New Notes – Security.*"

If and until the security interests in the Collateral are granted and perfected in favor of the New Notes Collateral Agent, the holders of the New Notes will not have the benefit of the Collateral. If we fail to grant or properly perfect such security interest in such Collateral for the benefit of the holders of the New Notes as provided in the indenture governing the New Notes, it would constitute a default under such indenture. In addition, in such case, the claims of the holders of the New Notes with respect to such assets will rank pari passu with those of our other senior unsecured creditors. The security interests of the New Notes Collateral Agent will also be subject to practical problems generally associated with the realization of security interests in Collateral, including the failure to perfect security interests in the Collateral, the existence of any exceptions, defects, encumbrances, liens and other imperfections, including those permitted under the indenture governing the New Notes and the security documents in respect of the Collateral and accepted by the other senior creditors that have the benefit of security interests in the Collateral from time to time, whether on or after the date the New Notes are first issued.

Enforcement of security interests in Indonesia may also be subject to challenge by the grantor or debtor on the basis that no event of default has taken place to allow the enforcement steps to be taken. Such occurrences could adversely affect the value of the Collateral, result in the loss of the security interests in the Collateral or the priority of the security interests in favor of the New Notes against third parties, as well as the ability of the New Notes Collateral Agent to realize or foreclose on such Collateral. Furthermore, the security interests can be affected by a variety of other factors, including, among others, statutory liens or recharacterization under the laws of certain jurisdictions.

We will have control over the Collateral, and the sale of particular assets by us could reduce the pool of assets securing the New Notes and the Subsidiary Guarantees.

The New Notes Indenture and/or the Security Documents allow us to, subject to certain exceptions and conditions, remain in possession of, retain control over, freely operate, and collect, invest and dispose of any income from, the Collateral. We may, among other things, in accordance with the terms of the Security Documents, the New Notes Indentures and our other indebtedness, without any release or consent by the Collateral Agent or the New Notes Trustee, conduct ordinary course activities with respect to Collateral, such as selling or otherwise disposing of Collateral and making ordinary course cash payments (including repayments of indebtedness). In addition, under the New Notes Indenture, we may, at any point in time, at our option, replace land parcels forming a part of the Collateral with other land parcels located in the Collateral Locations, which shall be secured by way of first ranking mortgages in favor of the Holders of the New Notes, as long as the land area of the Collateral is at least the Minimum Collateral Size at all times. In connection with certain sales of Collateral pursuant to "Description of the New Notes — Mandatory Redemption", the Collateral over such assets will be permitted to be released (in order to complete the sale transaction) prior to the redemption of the New Notes or, as the case may be, the creation of security over additional land parcels in the Collateral Locations such that the land area of the Collateral is at least the Minimum Collateral Size. Accordingly, holders of the New Notes will not have the benefit of such Collateral from the time of the release of such Collateral until the mandatory redemption date, or as the case may be, the creation of security over such additional land parcels. In addition, following the sales of collateral for which we receive net cash proceeds in an aggregate amount in excess of US$ 5 million (or its equivalent), the Minimum Collateral Size shall be deemed reduced by the area of land subject to such sale, which, in turn, reduces the pool of assets securing the New Notes and the Subsidiary Guarantors.

Any disposal of, damage to, replacement of, or any other action or circumstances that may lead to a reduction in value of the Collateral while the Collateral is in our possession or subject to our control may reduce the value of Collateral securing the New Notes, and therefore reduce the amount of proceeds that would be available to holders of the New Notes upon an enforcement of the Collateral.

The value of the Collateral will not be sufficient to satisfy our obligations under the New Notes.

The New Notes are secured by the Collateral, as described under section "*Description of the Indonesian Security Documents and the Collateral*." The amount of proceeds that would ultimately be realized from the Collateral upon any enforcement action will not be sufficient to satisfy our obligations under the New Notes. Accordingly, the proceeds of any sale of the Collateral following an acceleration of the New Notes or otherwise will not be sufficient to satisfy our obligations under the New Notes.

The ability of the New Notes Collateral Agent to foreclose on the Collateral, upon the occurrence of an Event of Default or otherwise, will be subject in certain instances to perfection and priority issues. Although procedures will be undertaken to support the validity and enforceability of the security interests, we cannot assure you that the New Notes Trustee or holders of the New Notes will

be able to enforce the security interest or that the Collateral would be sold in a timely manner or at all. By its nature, some or all of the Collateral may be illiquid and may have no readily ascertainable market value. Any proceeds from the sale of the Collateral may also be subject to certain transfer taxes and/or transaction costs and expenses. Furthermore, the net amounts realized from the enforcement of any security will be subject to payment of the prior-ranking fees and expenses in accordance with the New Notes Indenture and the Security Documents. We cannot assure you that the Collateral will be saleable or, if saleable, that there will not be substantial delays in its liquidation.

Limitations on secured claims.

Under the Indonesian Bankruptcy Law, secured creditors have priority in right of payment with respect to the collateral securing its claims notwithstanding the existence of a bankruptcy proceeding or a PKPU proceeding; provided that, they will be subject to a stay period (*penangguhan*) before they are allowed to enforce their security rights. In a PKPU proceeding, this stay period lasts for the duration of the proceedings with a maximum of 270 days, while in a bankruptcy proceeding, the stay period becomes operative upon the declaration of bankruptcy and operates for a maximum of 90 days after the date of the declaration of bankruptcy. If the debtor enters into a state of insolvency, the secured creditors must exercise their rights within two months after the commencement of the state of insolvency, although this period may be extended at the discretion of the supervisory judge of the Commercial Court. During the applicable stay period, the secured creditors are, however, entitled to "adequate protection," during the stay period. The receiver may only initiate the stay period if the bankruptcy estate is able to provide the stayed parties with adequate protection, which may include compensation for reduction in the value of collateralized assets, substitute property right, reasonable and fair compensation along with other cash payment, and the like. However, since the term "adequate protection" lacks a precise definition, and the receiver and the Commercial Court have broad discretionary powers, it is impossible to predict if and to what extent holders of New Notes would be compensated for any delay in payment or depreciation in the value of the Collateral. The New Notes will be secured only to the extent of the value of the relevant Collateral securing such securities. In addition, in most instances, the Indonesian Bankruptcy Law prohibits accrual of interest after a bankruptcy petition, unless the claims are over-secured.

If Jababeka is involved in a bankruptcy proceeding or a PKPU proceeding, this stay period could delay the New Notes Collateral Agent's enforcement of the terms of the Security Documents relating to the Collateral. In this case, the New Notes Trustee or the New Notes Collateral Agent will not be able to exercise its rights under the New Notes Indenture or the Security Documents, as the case may be, during the stay period to dispose of the Collateral without first seeking approval from the receiver or the supervisory judge. It is uncertain whether or when such approval would be granted. In addition, in the event that a bankruptcy petition is filed by or against Jababeka in Indonesia, unless the Commercial Court concludes that the relevant Collateral securing the New Notes exceeds the aggregate claims outstanding under the New Notes, the amount of a holder's claims, based on the New Notes, would not accrue any interest after the bankruptcy declaration.

Noteholders are exposed to risks relating to taxation.

The tax treatment of the holders of the New Notes, the New Notes Issuer and the Subsidiary Guarantors is based on laws, regulations and interpretations as now in effect and available as of the date of this exchange offer and consent solicitation memorandum. The laws, regulations and interpretations, however, may change at any time, and any change could be retroactive to the date of issuance of the New Notes. These laws and regulations are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Any such change could adversely affect the tax position of a holder of the New Notes such that it would become liable to tax, would be subject to reporting or filing obligations or any other tax related burden not existing under current laws and regulations. A holder of Notes may also be adversely affected by the above mentioned changes that occur in respect of and adversely affect the tax position of the New Notes Issuer and/or the Subsidiary Guarantors.

For example, pursuant to the Job Creation Law and its implementing regulation, Government Regulation No. 9 of 2021, certain non-resident holders of the New Notes may enjoy a reduced withholding tax rate of 10%. See "Taxation–Taxation on Interest and Other Payments Related to the New Notes". However, the Indonesian Constitutional Court has passed a decision that the Job Creation Law is conditionally unconstitutional and must be amended, failing which, the Job Creation Law will be deemed as permanently unconstitutional and no longer be binding. See "Regulation–Indonesian Constitutional Court Decision on Job Creation Law". If the Government fails to amend the Job Creation Law within the timeline prescribed by the Constitutional Court or decides to change the provisions under the Job Creation Law and/or Government Regulation No. 9 of 2021, the reduced withholding tax rate may no longer be available to the non-resident holders of the New Notes.

We must comply with the restrictions and covenants in our facility agreements and the New Notes Indenture to avoid defaulting under the terms of these agreements.

If we are unable to comply with the restrictions and covenants in the New Notes Indenture, or our current or future indebtedness and other agreements, there may be a default under the terms of the New Notes Indenture or these agreements. In the event of a default under the New Notes Indenture or these agreements, the lenders or holders of other notes may terminate their commitments to lend to us, accelerate the indebtedness and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of our indebtedness agreements, including the New Notes Indenture, contain cross-acceleration or cross-default provisions. As a result, our default under one indebtedness agreement may cause the acceleration of other indebtedness, including the New Notes, or result in a default under our other indebtedness agreements, including the New Notes Indenture. If any of these events occur, we cannot assure you that our assets and cash flow would be sufficient to repay in full all of our indebtedness, or that we would be able to find alternative financing. Even if we may obtain alternative financing, we cannot assure you that it would be on terms that are favorable or acceptable to us.

We will follow the applicable disclosure standards for debt securities listed on the SGX-ST, which standards may be different from those applicable to companies in certain other countries.

We are subject to reporting obligations in respect of the New Notes listed and to be listed on the SGX-ST. The disclosure standards imposed by the SGX-ST may be different than those imposed by securities exchanges in other countries or regions such as the U.S. or the United Kingdom. As a result, the level of information that is available may not correspond to what investors in the New Notes are accustomed to.

Holders of the New Notes will not have voting rights in shareholders' meetings.

Holders of the New Notes do not have any right to vote at any of our shareholders' meetings. Consequently, holders of the New Notes cannot influence any decisions by our Board of Directors or any decisions by shareholders concerning our capital structure, including the declaration of dividends in respect of our ordinary shares.

Interest rate risks may affect the value of the New Notes.

The New Notes are fixed interest rate securities. Subsequent changes in market interest rates may adversely affect the value of the New Notes.

The New Notes will initially be held in book-entry form.

The New Notes will initially only be issued in global certificated form and held through the facilities of DTC for the accounts of its participants, including Euroclear Bank SA/NV, as operator of the Euroclear System, and Clearstream Banking S.A. Interests in the global notes will trade in book-entry form only, and Notes in definitive registered form, or definitive registered notes, will be issued in exchange for book-entry interests only in very limited circumstances. Owners of book-entry interests will not be considered owners or holders of Notes. The custodian for DTC will be the sole registered holder of the global notes representing the New Notes. Payments of principal, interest and other amounts owing on or in respect of the global notes representing the New Notes will be made to the paying agent, which will make payments to DTC. Thereafter, these payments will be credited to participants' accounts that hold book-entry interests in the global notes representing the New Notes (including Euroclear and Clearstream) and credited by such participants to indirect participants. After payment to the custodian for DTC, we will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of DTC, and if you are not a participant in DTC, on the procedures of the participant through which you own your interest (including Euroclear and Clearstream), to exercise any rights and obligations of a holder of Notes under the New Notes Indenture.

Unlike the holders of the New Notes themselves, owners of book-entry interests will not have the direct right to act upon the New Notes Issuer's solicitations for consents, requests for waivers or other actions from holders of the New Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent available via the facilities of DTC, which, in turn, rely on the procedures of the participant through which you hold your book-entry interest. The procedures implemented for such actions may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the New Notes Indenture, unless and until definitive registered notes are issued in respect of all book-entry interests, owners of book-entry interests will be restricted to acting through DTC via the participant through which you hold your book-entry interest. The procedures to be implemented through DTC may not be adequate to ensure the timely exercise of rights under the New Notes. See "Description of Notes — Book-Entry, Delivery and Form".

Applicable OJK regulations may restrict our ability to issue the New Notes and any additional debt securities.

On April 21, 2020, OJK issued OJK Regulation No. 17/POJK.04/2020 on Material Transactions and Change of Business Activities (the "**Material Transaction Rule**"), which was effective on October 21, 2020, and revoked the provisions in Bapepam-LK Regulation No. IX.E.2 on Material Transactions and Change of Main Business Activities as attached to Decree of Chairman of Bapepam-LK No. 614/BL/2011. The Material Transaction Rule is applicable to publicly listed companies in Indonesia and their subsidiaries. Pursuant to the Material Transaction Rule, borrowing and lending in a single transaction or a series of related transactions for a particular purpose or activity with a transaction value of more than 20.0% of the public company's equity (as determined by the latest of its audited annual financial statements, quarterly limited review financial statements or audited interim financial statements (a "**material transaction**"), must be announced to the public. Additionally, an appraisal report issued by an independent appraiser registered with OJK to prepare an appraisal report is also required for the purpose of such material transaction.

If a material transaction's value does not exceed 50% of the public company's equity (calculated as described above), the public company is required to make public announcement(s) with respect to the material transaction on its and IDX's websites within two business days after the date of such material transaction. Further, the public company must submit evidence of such announcement, including the independent appraisal report to OJK within two business days after the date of the material transaction. Meanwhile, if the material transaction's value exceeds 50% of the public company's equity (calculated as described above), on top of the aforementioned public announcement requirement, the public company is required to obtain an approval from an extraordinary general shareholders' meeting ("**EGMS**"). Quorum for approval is more than half of all shares will valid voting rights present or represented at the EGMS.

The aggregate transaction value of the offering of the New Notes exceeds the 20% threshold, but does not exceed the 50% threshold. Accordingly, in connection with the offering, we are required to obtain and submit to OJK an appraisal report from an independent appraiser (registered with OJK), a summary of which is required to be published in a newspaper announcement by the end of the second business day after the date of the execution of the agreement(s) related to the material transaction.

If we decide to issue additional debt securities other than through a public offering in Indonesia, and the amount issued exceeds the 50% threshold, we would be required to obtain shareholders' approval, as well as a new appraisal report. There is no assurance that we would be able to obtain the approval of our shareholders or a favorable appraisal report in order to issue such additional debt securities. This requirement could limit our ability to finance our future operations and capital needs, or pursue business opportunities or activities that may be in our interest. Any limitation on our ability to raise funds to finance our operations could materially and adversely affect our business, financial condition, results of operations and prospects.

RISK FACTORS RELATING TO THE EXCHANGE OFFER AND THE CONSENT SOLICITATION

Before deciding whether to participate in the exchange offer and consent solicitation, you should read carefully this exchange offer and consent solicitation memorandum and, in particular, the risks described below, prior to making an investment decision with respect to the Old Notes. The risks described below are not the only ones that may affect Jababeka, the Old Notes Issuer, the Subsidiary Guarantors, the Old Notes or the New Notes. In general, investing in securities of issuers or guarantors in emerging market countries such as Indonesia involves risks not typically associated with investing in the securities of companies in more developed economies. In particular, additional important risk factors relating to us, including our business, the New Notes and Indonesia, are included in "Risk Factors." Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations. If any of the risks described below actually occur, our business, financial condition and results of operations could be materially adversely affected. The risks described below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See "Forward-Looking Statements."

Risks Related to the Exchange Offer and the Consent Solicitation

Your decision to tender your Old Notes for New Notes exposes you to the risk of nonpayment for a longer period of time.

The Old Notes mature in 2023. The New Notes will mature in 2027. If, following the maturity date of your Old Notes but prior to the maturity date of the New Notes, we were to become subject to a bankruptcy or similar proceeding, the holders of Old Notes who did not exchange their Old Notes for New Notes could have been paid in full and there would exist a risk that holders of Old Notes who exchanged their Old Notes for New Notes would not be paid in full, if at all. Your decision to tender your Old Notes for exchange should be made with the understanding that the lengthened maturity of the New Notes exposes you to the risk of nonpayment for a longer period of time.

If the Proposed Amendments become effective, holders of Old Notes will no longer benefit from the protections provided by the existing restrictive covenants and other provisions.

The Proposed Amendments to the 2023 Indenture governing the Old Notes would amend certain terms of the 2023 Indenture including the elimination substantially all of the restrictive covenants, substantially all of the reporting requirements, and certain of the events of default in the 2023 Indenture which governs the Old Notes. If the Proposed Amendments become effective, holders of Old Notes that remain outstanding after the completion of the exchange offer and consent solicitation will no longer be entitled to the benefit of those covenants and certain other provisions. The elimination or modification of these provisions will permit us to take certain actions previously prohibited without needing to obtain the consent of any holder of the Old Notes, which could be materially adverse to the interest of the holders of the Old Notes generally and to the interest of the individual holders of the Old Notes. Those actions could increase the credit risks associated with us, as well as adversely affect the market price and credit rating of the Old Notes that remain outstanding.

The Proposed Amendments may become effective even if the exchange offer is terminated or withdrawn.

While the exchange offer and consent solicitation are each subject to certain conditions, they are not inter-conditional. All tenders for exchange and consents will be deemed irrevocable after the Early Exchange Deadline or the Early Consent Deadline, as applicable. In the event the exchange offer is terminated, withdrawn or otherwise not consummated pursuant to the terms of this exchange offer and consent solicitation memorandum, Jababeka may still consummate the consent solicitation assuming the relevant conditions are satisfied or waived, including the receipt of the Requisite Consents to the Proposed Amendments. In particular, Jababeka may decide to waive the Consent Minimum Participation Condition and proceed to consummate the consent solicitation upon the terms and conditions in this exchange offer and consent solicitation memorandum.

In such event, the Old Notes previously tendered for exchange pursuant to the exchange offer will be returned to the tendering holders. The Proposed Amendments approved pursuant to the consent solicitation will be binding on all holders of the Old Notes even if the exchange offer does not close. Holders of the Old Notes will no longer be entitled to the benefits of substantially all of the restrictive covenants, substantially all of the reporting requirements, and certain of the events of default in the 2023 Indenture which governs the Old Notes will be eliminated.

Failure to obtain tenders for exchange equal to or above the Exchange Minimum Participation Condition or failure to successfully complete the exchange offer and consent solicitation could increase our default risk under the Old Notes.

If (a) the Exchange Minimum Participation Condition is not satisfied; or (b) we are otherwise unable to refinance the Old Notes pursuant to the exchange offer and consent solicitation because any of the other conditions as described in "Description of the

Exchange Offer and Consent Solicitation—Conditions to the Exchange Offer and Consent Solicitation" are not satisfied or waived, we may face liquidity pressure and may be subject to increased default risk under the 2023 Indenture and our other outstanding indebtedness. As of July 31, 2022, we had cash and cash equivalents amounting to Rp1,224.8 billion (US$81.9 million). In addition, in light of rising interest rates and high inflation in Indonesia and around the world, increased land acquisition costs, and increased capital expenditure in 2022 (see "Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Expenditure"), we cannot assure you that our free cash flows for the next 18 months will be positive. The terms of the Old Notes and our other existing indebtedness also restrict our ability to incur a significant amount of additional indebtedness to repay the Old Notes. As such, our ability to repay the Old Notes will depend on our refinancing plans. In connection with our refinancing plans, we signed a credit agreement on October 10, 2022 relating to the Mandiri Loan to refinance our existing indebtedness, including the Old Notes. See "Business—Recent Developments—US$100.0 million Term Loan Facility with PT Bank Mandiri (Persero) Tbk." Drawdown under the Mandiri Loan is subject to certain terms and conditions, including the completion of a liability management transaction in respect of the Old Notes. Therefore, if we are unable to successfully complete this exchange offer and consent solicitation, or any other liability management exercise, we would not be able to satisfy the conditions to drawdown under the Mandiri Loan, which may adversely affect our ability to refinance the Old Notes and our other outstanding indebtedness.

In any case, even if the Exchange Minimum Participation Condition is satisfied and the exchange offer and consent solicitation is consummated, there can be no assurance that we will have sufficient cash flow to pay the cash component of the Early Exchange Consideration, the Late Exchange Consideration, the Early Consent Fee, the Late Consent Fee and any amounts required to be paid pursuant to the exchange offer and consent solicitation. As of the date of this exchange offer and consent solicitation memorandum, our available cash and cash equivalents is insufficient to pay for the entire amount of cash component of the Early Exchange Consideration, the Late Exchange Consideration, the Early Consent Fee, the Late Consent Fee that would potentially be required at the Exchange Settlement Date or the Consent Settlement Date, as applicable. We intend to fund the cash component of the Early Exchange Consideration and the Late Exchange Consideration with net cash proceeds received from the Mandiri Loan. As such, if we are unable to successfully drawdown on the Mandiri Loan before the Exchange Settlement Date, our ability to make timely payments on the cash component of the Early Exchange Consideration, the Late Exchange Consideration and other amounts required to be paid pursuant to the exchange offer and consent solicitation may be materially and adversely affected.

There may be reduced liquidity with respect to the New Notes.

The aggregate outstanding principal amount of the Old Notes is US$300 million. The aggregate principal amount of the New Notes to be issued are not expected to exceed US$210.0 million. As a result of the reduced principal amount of the New Notes compared to the Old Notes, the liquidity of any market of the New Notes may be reduced. In addition, Jababeka does not intend to apply for listing or trading of the New Notes on any securities exchange except that application has been made to admit the New Notes to the Official List of the SGX-ST and to trading on the SGX-ST. The New Notes are securities for which there is currently no trading market and for which there can be no assurance of future liquidity.

You may have difficulty selling the Old Notes you do not exchange.

The trading market for Old Notes that are not exchanged could become more limited than the existing trading market for the Old Notes and could cease to exist altogether due to the reduction in the principal amount of the Old Notes outstanding upon consummation of the exchange offer. A more limited trading market might adversely affect the liquidity, market price and price volatility of the Old Notes. If a market for Old Notes that are not exchanged exists or develops, the Old Notes may trade at a discount to the price at which they would trade if the principal amount outstanding were not reduced. There can be, however, no assurance that an active market in the Old Notes will exist, develop or be maintained, or as to the prices at which the Old Notes may trade, after the exchange offer is consummated.

In addition, if Old Notes are accepted for exchange under the exchange offer, it will become easier for the Old Notes Issuer to redeem all of the Old Notes that remain outstanding after the exchange offer pursuant to the terms of the Old Notes as the Old Notes Issuer will require less funds to redeem such Old Notes. While there is no assurance when or whether the Old Notes Issuer will redeem such Old Notes, holders of the Old Notes that are not exchanged may be subject to reinvestment risk in the event the Old Notes Issuer redeems the remaining Old Notes outstanding as the rate of return from the reinvestment of the redemption amount may not be as high as that of the Old Notes.

You may not receive New Notes in the exchange offer if the procedures for the exchange offer are not followed.

We will issue the New Notes in exchange for your Old Notes only if you tender the Old Notes for exchange pursuant to DTC's ATOP procedures.

Neither the Dealer Managers, the information, exchange and tabulation agent nor we are under any duty to give notification of defects or irregularities with respect to the tenders of Old Notes for exchange. If you are the beneficial owner of Old Notes that are registered in the name of your broker, dealer, commercial bank, trust company or other nominee, and you wish to tender Old Notes for exchange in the exchange offer, you should promptly contact the person in whose name your Old Notes are registered and instruct that person to tender on your behalf. Beneficial owners of Old Notes who hold such Old Notes through Euroclear or Clearstream must follow the procedures established by Euroclear or Clearstream for tendering those Old Notes for exchange in the exchange offer.

The consummation of the exchange offer and consent solicitation may be delayed or may not occur.

We are not obligated to complete the exchange offer and consent solicitation under certain circumstances and unless and until certain conditions are satisfied, as described more fully below in "Description of the Exchange Offer and the Consent Solicitation—Conditions to the Exchange Offer and the Consent Solicitation." While we reserve the right to waive certain conditions, should the Requisite Consents not be obtained, which is a condition that must be satisfied in order for the Second Supplemental Indenture to be executed and the Proposed Amendments to become operative, we will not be able to complete the exchange offer and consent solicitation. Furthermore, our obligation to complete the exchange offer is subject to and conditioned upon the Exchange Minimum Participation Condition and our obligation to complete the consent solicitation is subject to and conditioned upon the Consent Minimum Participation Condition.

In addition, it is possible that the consent solicitation settles but the exchange offer does not occur, in which case you would continue to hold Old Notes with less favorable terms as a result of the effectiveness of the Proposed Amendments.

Even if the exchange offer and consent solicitation are completed, they may not be completed on the schedule described in this exchange offer and consent solicitation memorandum. Accordingly, participating holders may have to wait longer than expected to receive their New Notes, during which time those holders will not be able to effect transfers of their Old Notes tendered for exchange in the exchange offer.

Tenders of Old Notes for exchange under the exchange offer and consents delivered or deemed to be delivered under the consent solicitation are irrevocable after the Early Exchange Deadline or the Early Consent Deadline, as applicable.

Delivery of tenders of Old Notes for exchange pursuant to ATOP procedures and delivery of consent instructions through ATOP procedures will be irrevocable after the Early Exchange Deadline or the Early Consent Deadline, as applicable, as described in "Description of Exchange Offer and Consent Solicitations—Withdrawal of Tenders and Revocation of Consents." You should carefully inform yourself of the considerations relevant to the exchange offer or consent solicitation prior to tendering your Old Notes for exchange pursuant to the exchange offer and consenting to the Proposed Amendments pursuant to the consent solicitation.

The consideration to be received in the exchange offer does not reflect any valuation of the Old Notes or the New Notes and is subject to market volatility.

Our board of directors has made no determination that the consideration to be received in the exchange offer represents a fair valuation of either the Old Notes or the New Notes. We have not obtained a fairness opinion from any financial advisor about the fairness to us or to you of the consideration to be received by holders of Old Notes. Accordingly, none of Jababeka or its board of commissioners or board of directors or its subsidiaries including the Old Notes Issuer, the Dealer Managers, the information, exchange and tabulation agent or any of their respective affiliates or any other person is making any recommendation as to whether or not you should tender Old Notes for exchange in the exchange offer or deliver a consent pursuant to the consent solicitation. If you submit Old Notes for exchange, you may or may not receive more value than if you choose to keep such Old Notes.

We may repurchase any Old Notes that are not tendered for exchange in the exchange offer on terms that are more or less favorable to the holders of the Old Notes than the terms of the exchange offer.

We may, to the extent permitted by applicable law, purchase Old Notes in the open market, in privately negotiated transactions, through subsequent tender or exchange offers or otherwise. These other purchases may be made on the same terms or on terms that are more or less favorable to holders than the terms of this exchange offer. We also reserve the right to repurchase any Old Notes not tendered for exchange. If we decide to repurchase Old Notes on terms that are more favorable than the terms of the exchange offer, those holders who decide not to participate in the exchange offer could receive higher consideration for their Old Notes than those that participated in the exchange offer.

Uncertainty as to existing ratings of the Old Notes.

Jababeka and the Old Notes Issuer cannot assure you that, as a result of the exchange offer, the rating agencies, including Standard and Poor's Rating Group ("**S&P**") and Fitch Ratings Ltd. ("**Fitch**"), will not downgrade or negatively comment upon the ratings for Old Notes which are not exchanged.

Responsibility for complying with the procedures of the exchange offer.

The holders of the Old Notes are responsible for complying with all of the procedures for offering to exchange the Old Notes. None of Jababeka, the Old Notes Issuer, the Dealer Managers, or the information, exchange and tabulation agent assume any responsibility for informing the holders of the Old Notes of irregularities in any agent's message or with respect to the acceptance of offers to exchange. Prior to the Exchange Settlement Date, no assurance can be given that the exchange offer and consent solicitation will be completed. This may depend upon the satisfaction or waiver of the conditions of the exchange offer and consent solicitation.

When considering whether to tender Old Notes for exchange in the exchange offer or deliver a consent in the consent solicitation, holders should take into account that restrictions on the transfer of the New Notes by Holders will apply from the time of such tender or delivery. A holder will, on tendering Old Notes for exchange in the exchange offer or delivering consents in the consent solicitation, agree that the relevant Old Notes will be blocked in the relevant account at the relevant Clearing System or DTC, from the date the tender of Old Notes for exchange is made, or the consent is delivered, until the earlier of (i) the date of any termination of the exchange offer or consent solicitation (including where Old Notes are not accepted for exchange by the Old Notes Issuer) and (ii) the Exchange Settlement Date or the Consent Settlement Date, as applicable, provided that Old Notes shall not be blocked for a period exceeding 45 calendar days from the date on which the exchange offer is announced (the "**Announcement Date**"). Upon blocking of the securities account where Old Notes are held, holders should be aware that they may not transfer title to such Old Notes to other persons until the earlier of (i) the date of any termination of the exchange offer or consent solicitation (including where Old Notes are not accepted for purchase by the Old Notes Issuer) and (ii) the time of the Exchange Settlement Date or the Consent Settlement Date, as applicable, provided that Old Notes shall not be blocked for a period exceeding 45 calendar days from the Announcement Date.

Beneficial owners of Old Notes who hold such Old Notes through DTC participants, including Euroclear or Clearstream, should note the particular practices and policies of the relevant DTC participant regarding their communications deadlines, which will determine the latest time at which tenders of the Old Notes for exchange and consents may be delivered to the relevant DTC participant (which may be earlier than the deadlines set forth in this exchange offer and consent solicitation memorandum) so that they are received by the information, exchange and tabulation agent in respect of the exchange offer or in respect of the consent solicitation, as applicable, within the deadlines set forth in this exchange offer and consent solicitation memorandum. Additionally it is important to note that all references in this exchange offer and consent solicitation memorandum to times, are to New York City time, unless we state otherwise.

Compliance with offer restrictions.

Each holder of the Old Notes is referred to the offer restrictions herein. Non-compliance with these could result in, among other things, the unwinding of trades and/or heavy penalties.

Holders of the Old Notes are responsible for consulting with your own advisers.

Holders of the Old Notes are responsible for consulting with their own tax, accounting, financial, legal and other professional advisers regarding their participating or declining to participate in this exchange offer and consent solicitation. Each holder of the Notes is responsible for assessing the merits of this exchange offer and consent solicitation. None of the Old Notes Issuer, Jababeka, the Subsidiary Guarantors, the Dealer Managers, the information and exchange agent, the information and tabulation agent or any of their respective affiliates, directors or advisors or agents (i) has made or will make any assessment of the merits of this exchange offer and consent solicitation or its impact on the respective interests of the holders of the Old Notes either as a class or as individuals, (ii) has made or will make any recommendation or statement as to whether a holder of the Old Notes should tender the Old Notes for exchange or consent to the Proposed Amendments, and none of them has authorized any person to make any such recommendation, or (iii) is acting for any holder of the Old Notes or will be responsible to any such holder for providing any protections which would be afforded to its clients or for providing advice in relation to this exchange offer and consent solicitation.

The New Notes may be issued with original issue discount for U.S. federal income tax purposes.

Interest payments in excess of 7.00% will not be qualified stated interest for U.S. federal income tax purposes. As a result, the New Notes may be considered to be issued with OID for U.S. federal income tax purposes. There may be additional OID to the extent that the issue price of the New Notes is less than their stated principal amount. Holders subject to U.S. federal income taxation generally will be required to include this OID in gross income (as ordinary income) as it accrues on a constant yield basis, in advance of the receipt of cash payments to which such income is attributable and regardless of a holder's method of accounting for U.S. federal income tax purposes. See "*Taxation— Certain U.S. Federal Income Tax Considerations*."

We are providing no assurances regarding the tax consequences of the exchange offer and consent solicitation to investors.

Eligible Holders and beneficial owners of Old Notes are urged to consult their own independent financial or other professional advisors regarding possible tax consequences of the exchange offer (including the exchange of Old Notes for New Notes) and consent solicitation to them under the laws of any relevant jurisdiction. Such eligible holders and beneficial owners are liable for their own taxes and have no recourse to us, the Old Notes Issuer, the Subsidiary Guarantors, the Dealer Managers, the information, exchange and tabulation agent or any of their respective affiliates, directors or advisors or agents with respect to taxes arising in connection with the exchange offer and consent solicitation.

Minimum trading lot requirements.

The New Notes will be traded on SGX-ST in a minimum board lot size of S$200,000 for so long as any of the New Notes are listed on SGX-ST.

Further Risks

For risks relating to: the offering structure of the New Notes; Jababeka, its subsidiaries and each of their businesses; and Indonesia, see "Risk Factors."

QUESTIONS AND ANSWERS ABOUT THE EXCHANGE OFFER AND THE CONSENT SOLICITATION

Q: Why is Jababeka making the exchange offer and consent solicitation?

A: We are conducting the exchange offer and consent solicitation to refinance our indebtedness due in 2023 and adopt the Proposed Amendments.

Q: What are the consequences of not tendering Old Notes for exchange in the exchange offer?

A: If the Proposed Amendments to the 2023 Indenture become operative, holders of Old Notes that remain outstanding will no longer be entitled to the benefit of certain covenants and provisions in the 2023 Indenture that will be modified by the Proposed Amendments. The elimination or modification of these provisions will permit us to take certain actions previously prohibited without needing to obtain the consent of any holder of the Old Notes. Such actions may include increasing the amount of our borrowings and other indebtedness, making restricted payments and selling certain assets, which would not otherwise be permitted, to be incurred or made. Those actions could increase the credit risks associated with us, as well as adversely affect the market price and credit rating of the Old Notes that remain outstanding.

In addition, following the consummation of the exchange offer and consent solicitation, the trading market for Old Notes that are not exchanged could become more limited than the existing trading market for the Old Notes and could cease to exist altogether due to the reduction in the amount of the Old Notes outstanding upon consummation of the exchange offer. A more limited trading market might adversely affect the liquidity, market price and price volatility of the Old Notes. We cannot assure you that ratings on the Old Notes will be maintained. See "Risk Factors Related to the Exchange Offer and the Consent Solicitation—Risks Related to the Exchange Offer and the Consent Solicitation."

Q: How do the Old Notes differ from the New Notes to be issued in the exchange offer?

A: The interest rate on the Old Notes is 6.50% per annum and the Old Notes will mature on October 5, 2023. While the interest rate on the New Notes will be as follows: (i) during the one-year period from (and including) the New Notes Original Issue Date to (but excluding) the First Anniversary Date, 7.00% per annum payable in cash; (ii) from (and including) the First Anniversary Date to (but excluding) the Second Anniversary Date, 7.50% per annum payable in cash; (iii) from (and including) the Second Anniversary Date to (but excluding) the Third Anniversary Date, 8.00% per annum payable in cash; (iv) from (and including) the Third Anniversary Date to (but excluding) the Fourth Anniversary Date, 8.50% per annum payable in cash; and (v) from (and including) the Fourth Anniversary Date to (but excluding) the date of maturity of the New Notes, 9.00% per annum payable in cash.

Q: What consents are required to effect the Proposed Amendments governing the Old Notes?

A: For the Proposed Amendments to be adopted, we must receive valid consents from holders of at least a majority of the outstanding principal amount of Old Notes.

Q: Are there any conditions to the consummation of the exchange offer and consent solicitation?

A: The consent solicitation is independently conditioned upon our receipt of Requisite Consents and the other conditions described in "Description of the Exchange Offer and the Consent Solicitation—Conditions to the Exchange Offer and the Consent Solicitation."

Our obligation to consummate the consent solicitation is conditioned on the following:

- the Consent Minimum Participation Condition has been satisfied or waived;
- we have received Requisite Consents to the Proposed Amendments;
- we have received all valid consents required by Jababeka and its subsidiaries, including the Old Notes Issuer, for the consummation of the consent solicitation, from third parties, including the lenders of Jababeka or any of its subsidiaries; and
- he other conditions described in "Description of the Exchange Offer and the Consent Solicitation—Conditions to the Exchange Offer and the Consent Solicitation—Consent General Conditions."

Our obligation to consummate the exchange offer is conditioned on the following:

- the Exchange Minimum Participation Condition has been satisfied or waived;

- we have received Requisite Consents to the Proposed Amendments;
- the Second Supplemental Indenture has been executed and become effective;
- the issuance of the New Notes has taken place;
- we have received all valid consents required by Jababeka and its subsidiaries, including the Old Notes Issuer, for the consummation of the exchange offer, from third parties, including the lenders of Jababeka or any of its subsidiaries; and
- the other conditions described in "Description of the Exchange Offer and the Consent Solicitation— Conditions to the Exchange Offer and the Consent Solicitation—Exchange General Conditions."

Although we have no present plans or arrangements to do so, we reserve the right to amend, modify or waive, at any time, the terms and conditions of the exchange offer and the consent solicitation (other than the condition with respect to the receipt of the Requisite Consents), subject to applicable law. We will give you notice of any amendments, modifications or waivers as and if required by applicable law.

Q: Under what circumstances can the exchange offer and the consent solicitation be extended, amended or terminated?

A: We reserve the right to extend the exchange offer and the consent solicitation in our absolute discretion for any reason. We expressly reserve the right, at any time, to amend the terms of the exchange offer in any respect (with the exception of the Requisite Consents requirement) on or prior to the Exchange Expiration Deadline, subject to applicable law. We also expressly reserve the right, at any time, to amend the terms of the consent solicitation in any respect on or prior to the Consent Expiration Deadline (with the exception of the Requisite Consents requirement), subject to applicable law. Further, we may be required to extend the exchange offer or consent solicitation if we make a material change in the terms of the exchange offer or consent solicitation or in the information contained in this exchange offer and consent solicitation memorandum or waive a material condition to the exchange offer or consent solicitation. During any extension of the exchange offer and the consent solicitation, Old Notes that were previously tendered for exchange and consents previously and validly delivered, will remain subject to the exchange offer and the consent solicitation. Any waiver, amendment or modification of the exchange offer and the consent solicitation, including any change in the consideration, will apply to all Old Notes previously validly tendered for exchange and to all consents previously validly delivered, subject to applicable law. We reserve the right to terminate the exchange offer at any time on or prior to the Exchange Expiration Deadline if any condition to the exchange offer is not met. We reserve the right to terminate the consent solicitation at any time on or prior to the Consent Expiration Deadline if any condition to the consent solicitation is not met. For more information regarding our right to extend, amend or terminate the exchange offer and the consent solicitation, see "Description of the Exchange Offer and the Consent Solicitation—Expiration Date; Extensions; Amendments; Termination."

Q: When will Jababeka issue the New Notes?

A: Subject to the terms of the exchange offer and consent solicitation, it is expected that Jababeka will issue the New Notes on the New Notes Original Issue Date which is the Exchange Settlement Date. The right of a holder that validly tenders Old Notes for exchange to receive New Notes is subject to the terms and conditions herein.

Q: What are my rights if I change my mind after I tender my Old Notes for exchange and delivery of my consent?

A: Tenders of Old Notes for exchange and delivery of consents relating to the exchange offer and/or consent solicitation may be withdrawn or revoked at any time up to (and including) the Early Exchange Deadline or the Early Consent Deadline, as applicable, but may not be withdrawn or revoked after the Early Exchange Deadline or the Early Consent Deadline, as applicable.

Q: Will Jababeka receive any cash proceeds from the exchange offer and the consent solicitation?

A: No.

Q: What happens if some or all of my Old Notes and the related consents are not accepted?

A: If we decide not to accept some or all of your Old Notes and the related consents because of an invalid tender for exchange, the occurrence of the other events set forth in this exchange offer and consent solicitation memorandum or otherwise, the Old Notes not accepted by us will be credited to the tendering holder's account at DTC.

Q: Will I have to pay any fees or commissions if I tender my Old Notes for exchange and deliver related consents in the exchange offer and the consent solicitation?

A: If your Old Notes are held through a broker or other nominee who tenders the Old Notes for exchange on your behalf, your broker may charge you a commission for doing so. You should consult with your broker or nominee to determine whether any charges apply. Otherwise, you will not be required to pay any fees or commissions to us, the Dealer Managers, or the information, exchange and tabulation agent in connection with the exchange offer and consent solicitation.

Q: How do I tender my Old Notes for exchange in the exchange offer and deliver deemed consents pursuant to the consent solicitation?

A: If you are an Eligible Holder of Old Notes and you wish to tender your Old Notes for exchange pursuant to the exchange offer, you must tender Old Notes for exchange pursuant to DTC's ATOP procedures.

An Eligible Holder of Old Notes tendering for exchange through ATOP must transmit acceptance of the exchange offer on or prior to the Exchange Expiration Deadline. An Eligible Holder of Old Notes who wishes to deliver a consent through ATOP must transmit such consent, on or prior to the Consent Expiration Deadline, or transmit its acceptance of the exchange offer on or prior to the Exchange Expiration Deadline, in which case such consent shall be deemed to have been delivered. DTC will verify acceptance of the exchange offer, execute a book-entry transfer of the tendered Old Notes into the account of the information, exchange and tabulation agent at DTC and send to the information, exchange and tabulation agent a "book-entry confirmation", which shall include an agent's message. An "agent's message" is a message, transmitted by DTC to, and received by, the information, exchange and tabulation agent agent and forming part of a book-entry confirmation, which states that DTC has received an express acknowledgement from a DTC participant tendering Old Notes for exchange or delivering consents to the Proposed Amendments that the participant has received and agrees to be bound by the terms of the exchange offer and/or consent solicitation, and that the issuer may enforce such agreement against the DTC participant.

Holders of Old Notes who wish to deliver consents pursuant to the consent solicitation without tendering Old Notes for exchange in the exchange offer must validly deliver a consent on or prior to the Consent Expiration Deadline pursuant to DTC's ATOP procedures described in the consent solicitation statement.

In order to meet the applicable deadline, custodians and DTC participants may require you to act on a date prior to the Early Exchange Deadline, the Early Consent Deadline, the Exchange Expiration Deadline or the Consent Expiration Deadline, as applicable. Additionally, they may require further information in order to process all requests to tender or to consent. Eligible Holders are urged to contact their custodians and applicable DTC participants, as soon as possible, to ensure compliance with their procedures and deadlines. An Eligible Holder who validly tenders its Old Notes for exchange on or prior to the Exchange Expiration Deadline pursuant to the exchange offer will be deemed to have delivered a consent with respect to such tendered Old Notes for exchange.

The method of delivery of the Old Notes and all other required documents through ATOP procedures and delivery of consents through ATOP procedures, is at the election and risk of the holder. The holder of the Old Notes should allow sufficient time to assure delivery to and receipt by the information, exchange and tabulation agent on or prior to the Early Exchange Deadline, the Early Consent Deadline, the Exchange Expiration Deadline or the Consent Expiration Deadline, as applicable.

Beneficial owners of Old Notes who hold such Old Notes through Euroclear or Clearstream must follow the procedures established by Euroclear or Clearstream for tendering those Old Notes for exchange in the exchange offer.

We have not provided guaranteed delivery procedures in connection with the exchange offer and consent solicitation. Holders must timely tender their Old Notes for exchange and deliver the related consents in accordance with the procedures set forth herein.

For more information regarding the procedures for tendering your Old Notes for exchange and delivering the related consents pursuant to the exchange offer and consent solicitation, see "Description of the Exchange Offer and the Consent Solicitation—Procedures for Tendering Old Notes and Delivering Consents."

Q: Will the New Notes be freely tradable?

A: The transfer of the New Notes is restricted. The New Notes will not be registered under, and Jababeka is not obligated to register the New Notes under, the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold (i) in the United States except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and (ii) in compliance with any other applicable laws. See "Transfer Restrictions." Jababeka has not agreed to or

otherwise undertaken to register the New Notes, and Jababeka has no intention to do so. There can be no assurance as to the development or liquidity of any market for the New Notes. See "Risk Factors—Risks Relating to the New Notes, the Subsidiary Guarantees and the Collateral."

Q: To whom should I direct any questions?

A: Questions about the terms of the exchange offer or consent solicitation should be directed to the Dealer Managers and the information, exchange and tabulation agent. If you have questions regarding tender or consent procedures, the consent solicitation or require additional copies of this exchange offer and consent solicitation memorandum, please contact the information, exchange and tabulation agent. Contact information for the Dealer Managers and the information, exchange and tabulation agent are set forth on the back cover of this exchange offer and consent solicitation memorandum. Beneficial owners may also contact their brokers, dealers, commercial banks, trust companies or other nominee for assistance concerning the exchange offer and consent solicitation.

USE OF PROCEEDS

We will not receive any cash proceeds from the exchange offer and the consent solicitation.

CAPITALIZATION AND INDEBTEDNESS

The following table shows our cash and cash equivalents and our capitalization and indebtedness as of July 31, 2022, which has been prepared in accordance with Indonesian FAS, on an actual and as adjusted basis. This information has been extracted from our unaudited interim consolidated financial statements as of July 31, 2022. The "as adjusted" data set forth below gives effect to the issuance of the New Notes in the exchange offer (assuming 90.0% participation by holders at or prior to the Early Exchange Deadline, the full drawdown of US$100.0 million under the Mandiri Loan and before deducting fees and expenses incurred in connection with the exchange offer).

You should read this information in conjunction with our financial statements and the related notes included elsewhere in this exchange offer and consent solicitation memorandum and the sections in this exchange offer and consent solicitation memorandum entitled "Selected Consolidated Financial Information and Operating Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations".

	As of July 31, 2022			
	Actual		As Adjusted	
	Rp (unaudited)	US$ (unaudited)	Rp (unaudited)	US$
	(Rp in billions and US$ in millions)			
Cash and cash equivalents	1,224.8	81.9	1,515.0	101.3
Bank loans	66.6	4.5	1,562.4	104.5
Short-term bank loans	1.0	0.1	1.0	0.1
Lease payables	28.8	1.9	28.8	1.9
Notes offered in this offering and in the Exchange Offer[1]	-	-	2,813.6	188.1
Senior Notes due 2023[2]	4,403.6	294.4	439.7	29.4
Total indebtedness	4,500.0	300.9	4,845.5	324.0
Total equity	6,291.7	420.6	6,236.4	416.9
Total capitalization and indebtedness	**10,791.7**	**721.5**	**11,081.9**	**740. 9**

(1) The issuance of the New Notes in the exchange offer (assuming 90.0% participation by holders on or prior to the Early Exchange Deadline and before deducting fees and expenses incurred in connection with the exchange offer) including accrued interest on exchanged Old Notes and fees and commissions in connection with the exchange offer.

(2) Amount net of amortization costs. As of July 31, 2022, the outstanding principal amount of the senior notes due 2023 was US$300,000,000.

Except as disclosed or contemplated in this exchange offer and consent solicitation memorandum, there has been no material change in our capitalization since July 31, 2022.

On October 10, 2022, Jababeka signed a credit agreement with PT Bank Mandiri (Persero) Tbk. to refinance its existing indebtedness, including the Old Notes. See "Business—Recent Developments—US$100.0 million Term Loan Facility with PT Bank Mandiri (Persero) Tbk."

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND OPERATING DATA

You should read the selected financial information presented below in conjunction with our consolidated financial statements and the notes thereto included elsewhere in this exchange offer and consent solicitation memorandum. You should also read the section of this exchange offer and consent solicitation memorandum entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations".

We have derived our selected consolidated financial information and other data presented in the tables below from our audited consolidated financial statements as of and for the years ended December 31, 2019, 2020 and 2021 and our unaudited interim consolidated financial statements as of and for the seven-month periods ended July 31, 2021 and 2022 of the Company, included elsewhere in this exchange offer and consent solicitation memorandum.

Our audited consolidated financial statements as of and for the years ended December 31, 2019, 2020 and 2021 have been audited by KAP Tanubrata Sutanto Fahmi Bambang & Rekan ("**BDO Indonesia**"), independent public accountants and a member of BDO International Limited, in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants ("**IAPI**"), as stated in their audit reports included elsewhere in this exchange offer and consent solicitation memorandum. Our unaudited interim consolidated financial statements as of and for the seven-month periods ended July 31, 2021 and 2022 were reviewed by BDO Indonesia, in accordance with Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" ("**SRE 2410**") established by the IAPI, as stated in their review reports included elsewhere in this exchange offer and consent solicitation memorandum. A review conducted in accordance with SRE 2410 established by the IAPI is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the IAPI, and consequently, does not enable BDO Indonesia to obtain assurance that they would become aware of all significant matters that might be identified in an audit. Accordingly, BDO Indonesia does not express an audit opinion on our interim consolidated financial statements as of and for the seven-month periods ended July 31, 2021 and 2022. These unaudited interim consolidated financial statements have been prepared on the same basis as our audited financial statements and reflect all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of our results of operations and financial condition. Our results for any interim period may not be indicative of our results for the full year or for any period.

We have prepared and presented our consolidated financial statements in accordance with Indonesian FAS, which differs in certain significant respects from IFRS. You should read the section of this exchange offer and consent solicitation memorandum entitled "Summary of Certain Differences Between Indonesian FAS and IFRS" for a description of certain differences between Indonesian FAS and IFRS.

Consolidated Statements of Profit or Loss and Other Comprehensive Income Data

	For the Years Ended December 31,				For the Seven-Month Periods Ended July 31,		
	2019	2020	2021	2021	2021	2022	2022
	Rp	Rp (audited)	Rp	US$ (unaudited)	Rp	Rp (unaudited)	US$
	(Rp in billions and US$ in millions)						
Sales and service revenue	**2,253.9**	**2,396.1**	**2,490.3**	**166.5**	**1,271.9**	**1,330.7**	**89.0**
Cost of sales and service revenue	**1,410.5**	**1,377.7**	**1,397.7**	**93.4**	**780.5**	**661.8**	**44.2**
Gross profit	**843.5**	**1,018.4**	**1,092.6**	**73.0**	**491.4**	**668.9**	**44.7**
Selling expenses	(89.8)	(57.3)	(60.1)	(4.0)	(36.8)	(35.6)	(2.4)
General and administrative expenses	(455.8)	(466.0)	(447.7)	(29.9)	(218.8)	(262.6)	(17.6)
Financial income	39.0	35.2	29.7	2.0	16.0	14.8	1.0
Financial expenses	(424.7)	(466.6)	(466.6)	(31.2)	(249.6)	(298.1)	(19.9)
Final tax expense	(41.2)	(24.5)	(28.8)	(1.9)	(16.3)	(21.7)	(1.4)
Other (expenses) income — net	302.2	(1.7)	(18.8)	(1.3)	(104.4)	(135.4)	(9.0)
Profit before income tax (expense) benefit	**173.3**	**37.5**	**100.3**	**6.7**	**(118.5)**	**(69.6)**	**(4.7)**
Income tax (expense) benefit							
Current	(32.6)	(2.8)	(10.5)	(0.7)	(4.4)	(10.7)	(0.7)
Deferred	0.5	10.6	(2.2)	(0.1)	(4.4)	4.0	0.3
Income tax (expense) benefit — net	**(32.1)**	**7.8**	**(12.7)**	**(0.8)**	**(8.8)**	**(6.8)**	**(0.5)**
Net (loss) profit	**141.1**	**45.2**	**87.6**	**5.9**	**(127.4)**	**(76.3)**	**5.1**
Other comprehensive (loss) income:							
Items that will not be reclassified to profit or loss							
Remeasurement gain on employee benefits liabilities	2.0	14.8	27.6	1.8	16.1	-	-
Related income tax	(0.2)	(1.9)	(3.5)	(0.2)	(2.0)	-	-
Items that will be reclassified subsequently to profit or loss							
Foreign currency translation reserve	(8.1)	1.4	(0.1)	(0.0)	(0.9)	(4.0)	(0.3)
Other comprehensive (loss) income - net of tax	**(6.3)**	**14.4**	**24.0**				

				1.6	13.2	(4.0)	(0.3)
Net comprehensive (loss) income	**134.9**	**59.6**	**111.6**	**7.5**	**(114.2)**	**(80.3)**	**(5.4)**

Consolidated Statements of Financial Position Data

	As at December 31,				As at July 31,	
	2019	2020	2021	2021	2022	2022
	Rp	Rp (audited)	Rp	US$ (unaudited)	Rp (unaudited)	US$ (unaudited)
			(Rp in billions and US$ in millions)			
Assets						
Current Assets						
Cash and cash equivalents	1,005.1	1,178.5	1,111.5	74.3	1,224.8	81.9
Short-term investments	23.5	4.0	6.3	0.4	9.8	0.7
Trade receivables from third parties — net	563.1	309.7	415.5	27.8	385.8	25.8
Other receivables from third parties — net	81.9	64.3	56.4	3.8	60.2	4.0
Inventories	1,398.7	1,513.2	1,507.9	100.8	1,507.6	100.8
Land for development — current portion	4,909.6	4,876.2	4,987.9	333.5	5,173.4	345.9
Prepaid taxes	39.0	53.5	57.4	3.8	61.3	4.1
Prepaid expenses	6.7	7.9	11.4	0.8	10.8	0.7
Advances	513.2	512.5	484.7	32.4	493.8	33.0
Total current assets	**8,540.9**	**8,519.7**	**8,638.9**	**577.5**	**8,927.6**	**596.8**
Non-Current Assets						
Investments in associates and joint venture	260.1	259.3	226.8	15.2	219.4	14.7
Investments in share of stock	29.0	29.0	39.3	2.6	39.3	2.6
Derivative financial assets	342.7	329.1	240.9	16.1	231.5	15.5
Property, plant and equipment — net	2,140.9	2,033.8	1,948.4	130.3	1,944.5	130.0
Intangible assets – net	4.0	6.1	4.2	0.3	3.3	0.2
Right of use assets— net	—	2.2	37.1	2.5	28.8	1.9
Investment properties — net	71.6	67.5	94.2	6.3	90.2	6.0
Land for development — non-current portion	620.5	651.1	679.0	45.4	684.6	45.8
Deferred tax assets	29.9	23.3	17.8	1.2	18.9	1.3
Estimated claim for income tax refund	75.0	156.5	189.1	12.6	172.8	11.6
Refundable deposits and other deposits	13.0	12.6	8.1	0.5	10.6	0.7
Restricted cash and cash equivalents	57.1	110.0	168.1	11.2	156.2	10.4
Total non-current assets	**3,643.7**	**3,680.4**	**3,653.2**	**244.2**	**3,600.2**	**240.7**
Total assets	**12,184.6**	**12,200.2**	**12,292.1**	**821.8**	**12,527.8**	**837.5**

	As at December 31,				As at July 31,	
	2019	2020	2021	2021	2022	2022
	Rp	Rp (audited)	Rp	US$ (unaudited)	Rp (unaudited)	US$ (unaudited)
			(Rp in billions and US$ in millions)			
Liabilities						
Current Liabilities						
Short-term bank loans	64.6	35.3	—	—	1.0	0.1
Trade payables to third parties	137.0	124.3	149.9	10.0	195.0	13.0
Other payables to third parties	138.3	83.1	74.5	5.0	96.7	6.5
Taxes payable	55.3	36.5	41.3	2.8	31.1	2.1
Accrued expenses	237.1	287.6	178.5	11.9	234.0	15.6
Dividends payable	0.1	0.1	0.1	0.0	0.1	0.0
Customers' deposits — current portion	703.9	751.5	808.1	54.0	747.9	50.0
Security deposits — current portion	0.5	0.7	5.0	0.3	26.8	1.8
Unearned income — current portion	10.2	13.1	19.6	1.3	19.8	1.3
Current portion of long-term debts:						
Bank loans	48.5	45.7	28.0	1.9	27.8	1.9
Lease liabilities	0.4	0.7	15.0	1.0	8.9	0.6
Total current liabilities	**1,395.9**	**1,378.8**	**1,320.1**	**88.3**	**1,389.2**	**92.9**
Non-Current Liabilities						
Long-term debts — net of current portion:						
Senior notes	3,984.6	4,082.9	4,173.9	279.0	4,403.6	294.4
Bank loans	79.4	73.5	56.2	3.8	38.8	2.6
Lease liabilities	—	1.5	28.1	1.9	20.0	1.3
Unearned income — non-current portion	17.6	13.6	12.0	0.8	15.4	1.0
Customers' deposit — non-current portion	1.9	0.2	0.2	0.0	22.4	1.5
Security deposits – non-current portion	91.6	99.1	100.2	6.7	109.1	7.3
Employee benefit liabilities	206.0	209.7	148.5	9.9	159.5	10.7
Deferred tax liabilities	100.6	80.7	80.9	5.4	78.0	5.2
Total non-current liabilities	**4,481.7**	**4,561.2**	**4,599.9**	**307.5**	**4,846.9**	**324.0**
Total liabilities	**5,877.6**	**5,939.9**	**5,920.1**	**395.8**	**6,236.1**	**416.9**

Equity						
Share capital	1,864.4	1,864.4	1,864.4	124.6	1,864.4	124.6
Additional paid-in capital — net	1,396.1	1,396.1	1,396.1	93.3	1,396.1	93.3
Treasury shares	—	(47.8)	(47.8)	(3.2)	(47.8)	(3.2)
Retained earnings:						
Appropriated	0.5	0.5	0.5	0.0	0.5	0.0
Unappropriated	2,049.2	1,947.9	1,942.7	129.9	1,843.3	123.2
Foreign currency translation reserve	44.9	46.3	46.2	3.1	42.2	2.8
Other capital reserves	17.6	30.6	54.8	3.7	54.8	3.7
Equity attributable to owners of the parent company	5,372.7	5,238.0	5,256.8	351.4	5,153.5	344.5
Non-controlling interests	934.3	1,022.3	1,115.2	74.6	1,138.2	76.1
Total equity	**6,307.0**	**6,260.3**	**6,372.0**	**426.0**	**6,291.7**	**420.6**
Total liabilities and equity	**12,184.6**	**12.200.2**	**12,292.1**	**821.8**	**12,527.8**	**837.5**

Consolidated Statements of Cash Flow

	For the Years Ended December 31,				For the Seven-Month Periods Ended July 31,		
	2019	2020	2021	2021	2021	2022	2022
	Rp	Rp (audited)	Rp	US$ (unaudited)	Rp	Rp (unaudited)	US$
			(Rp in billions and US$ in millions)				
Net cash flows (used in) provided by operating activities	371.1	446.8	334.6	22.4	188.1	286.9	19.2
Net cash flows used in investing activities	(227.7)	(144.7)	(272.2)	(18.2)	(133.9)	(163.1)	(10.9)
Net cash flows (used in) provided by financing activities	(8.4)	(131.2)	(130.6)	(8.7)	(93.0)	(19.4)	(1.3)
Net increase (decrease) in cash and cash equivalents	126.2	173.4	(67.0)	(4.5)	(34.3)	113.3	7.6
Cash and cash equivalents at beginning of period	878.9	1,005.1	1,178.5	78.8	1,178.5	1,111.5	74.3
Cash and cash equivalents at end of period	1,005.1	1,178.5	1,111.5	74.3	1,144.2	1,224.8	81.9

Other Financial Data

	For the Years Ended December 31,				For the Seven-Month Periods Ended July 31,		
	2019	2020	2021	2021	2021	2022	2022
	Rp	Rp (audited)	Rp	US$ (unaudited)	Rp	Rp (unaudited)	US$
			(Rp in billions and US$ in millions)				
EBITDA[(1)] (unaudited)	757.4	663.1	695.8	46.5	214.1	317.6	21.3
Adjusted EBITDA[(1)] (unaudited)	656.8	789.1	817.2	54.6	354.3	538.7	36.0
Interest expense	415.1	451.8	434.6	29.1	245.5	288.1	19.3
Adjusted EBITDA margin[(2)] (unaudited)	29%	33%	33%	33%	28%	40%	40%
Net debt[(3)]/Adjusted EBITDA[(4)] (unaudited)	4.8	3.9	3.9	3.9	9.1	3.3	3.3
Adjusted EBITDA[(1)]/interest expense (unaudited)	1.6	1.7	1.9	1.9	1.4	1.9	1.9
Recurring Revenue[(5)] (unaudited)	1,291.3	1,060.5	1,123.3	75.1	731.5	682.9	45.7
Recurring revenues as % of total sales and service revenues (unaudited)	57%	44%	45%	45%	58%	51%	51%

(1) See "Non-Indonesian FAS and Non-GAAP Financial Measures" for our definition of EBITDA and Adjusted EBITDA. EBITDA and Adjusted EBITDA and their related measures are supplemental measures of our performance that is not required by, or presented in accordance with, Indonesian FAS or IFRS. EBITDA and Adjusted EBITDA are not measurements of financial performance or liquidity under Indonesian FAS or IFRS and should not be considered as an alternative to net income or any other performance measures derived in accordance with Indonesian FAS or an alternative to comprehensive income, cash flows from operating activities as measures of liquidity. Our presentation of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures presented by other companies. You should not compare our EBITDA and Adjusted EBITDA with EBITDA and Adjusted EBITDA presented by other companies because not all companies use the same definition. We have included EBITDA and Adjusted EBITDA because we believe they are indicative measures of our operating performance and are used by investors and analysts to evaluate companies in our industry. The term "Consolidated EBITDA" as used in the section titled "Description of the New Notes" summarizing certain provisions of the New Notes Indenture, the New Notes and the Subsidiary Guarantees, is calculated differently from EBITDA and Adjusted EBITDA and is not a measurement of financial performance or liquidity under Indonesian FAS. The following table reconciles our net profit under Indonesian FAS to our definition of EBITDA and Adjusted EBITDA for the periods indicated:

	For the Years Ended December 31,				For the Seven-Month Periods Ended July 31,		
	2019	2020	2021	2021	2021	2022	2022
	Rp	Rp (audited)	Rp	US$ (unaudited)	Rp	Rp (unaudited)	US$
			(Rp in billions and US$ in millions)				
Net (loss) profit	**141.1**	**45.2**	**87.6**	**5.9**	**(127.4)**	**(76.3)**	**(5.1)**
Interest expense	415.1	451.8	434.6	29.1	245.5	288.1	19.3
Income taxes	32.1	(7.8)	12.7	0.8	8.8	6.8	0.5
Depreciation expense	163.4	166.3	145.8	9.7	82.3	85.8	5.7
Amortization expense	5.6	7.6	15.1	1.0	4.9	13.2	0.9

EBITDA (unaudited)	**757.4**	**663.1**	**695.8**	**46.5**	**214.1**	**317.6**	**21.3**
Reconciling items[6]							
Final tax expense	41.2	24.5	28.8	1.9	16.3	21.7	1.4
Tax adjustments[7]	-	-	26.3	1.8	-	-	-
Unrealized foreign exchange loss/(gain)-net[8]	(168.3)	60.7	77.7	5.2	113.6	208.2	13.9
Provision for employee benefits, net of benefits paid[9]	25.9	18.5	(33.5)	(2.2)	(19.6)	11.0	0.7
Other non-cash items:							
Losses from write-off (reversal of allowance) of receivables-net	0.7	22.3	2.0	0.1	5.5	(19.8)	(1.3)
Impairment loss in investments in associates and investments in share of stock	-	-	20.1	1.3	24.4	-	-
Adjusted EBITDA (unaudited)	**656.8**	**789.1**	**817.2**	**54.6**	**354.3**	**538.7**	**36.0**

(2) We calculate our Adjusted EBITDA margin by dividing Adjusted EBITDA by total sales and service revenues.

(3) We define net debt as our total debts (short-term and long-term bank loans, lease liabilities and senior notes), less cash and cash equivalents. The following table reconciles net debt with our total debts (short-term and long-term bank loans, lease liabilities and senior notes) and cash and cash equivalents:

	For the Years Ended December 31,				For the Seven-Month Periods Ended July 31,		
	2019	**2020**	**2021**	**2021**	**2021**	**2022**	**2022**
	Rp	**Rp (audited)**	**Rp**	**US$ (unaudited)**	**Rp**	**Rp (unaudited)**	**US$**
			(Rp in billions and US$ in millions)				
Total Debt:							
Senior notes	3,984.6	4,082.9	4,173.9	279.0	4,219.9	4,403.6	294.4
Bank loans	192.4	154.5	84.2	5.6	112.4	67.6	4.5
Lease liabilities	0.4	2.2	43.1	2.9	43.8	28.8	1.9
Less: Cash and cash equivalents	(1,005.1)	(1,178.5)	(1,111.5)	(74.3)	(1,144.2)	(1,224.8)	(81.9)
Net debt (unaudited)	**3,172.3**	**3,061.1**	**3,189.7**	**213.2**	**3,231.9**	**3,275.3**	**219.0**

(4) For the purposes of net debt/Adjusted EBITDA as of July 31, 2022, Adjusted EBITDA is calculated on the basis of the last 12 months July 31, 2022. We calculate our Adjusted EBITDA for the last 12 months July 31, 2022 as follows: Adjusted EBITDA for the seven-month period ended July 31, 2022 (Rp538.7 billion) *plus* Adjusted EBITDA for the year ended December 31, 2021 (Rp817.2 billion) *less* Adjusted EBITDA for the seven-month period ended July 31, 2021 (Rp354.3 billion), which equals Rp1,001.6 billion.

(5) Recurring revenue consists of revenues derived from service and maintenance fees, power plant, and dry port. The New Notes Issuer uses such metric, which is not consistent with Indonesian FAS, internally to evaluate its ongoing operations. The New Notes Issuer does not, nor does it suggest that investors should, consider such metric in isolation from, or as a substitute for, financial information prepared in accordance with Indonesian FAS. The following table reconciles our revenue from service and maintenance fees, power sales and the dry port under Indonesian FAS to our metric, "recurring revenue".

	For the Year Ended December 31,				For the Seven-Month Periods Ended July 31,		
	2019	**2020**	**2021**	**2021**	**2021**	**2022**	**2022**
	Rp	**Rp (audited)**	**Rp**	**US$ (unaudited)**	**Rp**	**Rp (unaudited)**	**US$**
			(Rp in billions and US$ in millions)				
Service and maintenance fees	257.7	277.2	315.7	21.1	181.5	185.7	12.4
Power plant	831.8	637.8	633.5	42.4	447.0	377.9	25.3
Dry port	201.8	145.5	174.1	11.6	103.0	119.3	8.0
Recurring revenue (unaudited)	**1,291.3**	**1,060.5**	**1,123.3**	**75.1**	**731.5**	**682.9**	45.7

(6) Reconciling items are used by Jababeka to arrive at Adjusted EBITDA as Jababeka believes that adjusted EBITDA with these line items gives a more accurate result of its EBITDA performance accepted by investors and more closely follows EBITDA definitions in its debt agreements. The adjustments from EBITDA to Adjusted EBITDA take account of the impact of such certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance.

(7) Tax adjustments relate to net tax penalties and tax receipts from overpayment/ underpayment of income taxes.

(8) Unrealized foreign exchange loss/(gain)-net primarily relate to impact of foreign exchange rate fluctuations on foreign currency denominated Senior notes and its related accrued interest.

(9) Provision for employee benefits relates to the total cost (benefit) recognized in profit or loss from Jababeka's recognition of post-employee benefits based on the Labor Law. Benefits paid during the seven-month periods ended July 31, 2021 and 2022, and for the years ended December 31, 2019, 2020 and 2021 amounted to Rp7.7 billion, Rp0.2 billion, Rp2.7 billion, Rp5.6 billion and Rp13.3 billion, respectively.

Operating Data (unaudited)

	As of and for the Years Ended December 31,			As of and for the Seven-Month Periods Ended July 31,	
	2019	**2020**	**2021**	**2021**	**2022**
Industrial					
Cikarang					
Marketing sales (Rp in billions)[1]	319.7	305.2	666.4	273.4	381.3
Marketing sales (sq m) (thousands)[1]	113.3	104.8	246.9	99.9	81.5
Average selling price for land (Rp per sq m land area) (thousands)	2,822.3	2,911.7	2,699.3	2,737.3	4,677.1
Total number of industrial customers	**1,633**	**1,623**	**1,664**	**1,638**	**1,681**
Kendal					
Marketing sales (Rp in billions)[1]	722.9	216.2	423.9	110.0	362.2

Marketing sales (sq m) (thousands)[1]	583.4	169.9	371.3	80.7	258.0
Average selling price for land (Rp per sq m land area) (thousands)	1,239.1	1,272.2	1,335.8	1,363.6	1,403.8
Total number of industrial customers	62	65	70	68	76
Residential/Commercial					
Cikarang (Landed property)					
Marketing sales (Rp in billions)[1]	418.8	312.6	235.5	115.6	154.6
Marketing sales (sq m) (thousands)[1]	37.6	43.8	17.7	9.6	10.3
Average selling price for land (Rp per sq m land area(thousands)	11,142.7	7,137.8	13,275.0	12,062.3	14,965.4
Cikarang (Apartments)					
Marketing sales (Rp in billions)[1]	63.7	20.1	40.6	14.4	26.5
Total number of residential customers	10,184	10,272	10,452	10,403	10,551
Total number of commercial customers	1,601	1,676	1,815	1,787	1,819
Others (Tanjung Lesung, Morotai, Rental, etc.)					
Marketing sales (Rp in billions)[1]	139.4	44.6	51.2	34.8	91.2
Grand Total Marketing Sales (Rp in billions)	**1,664.4**	**898.7**	**1,417.5**	**548.2**	**1,015.8**

(1) Marketing sales comprise all sales for which an agreement has been entered into with a buyer in the respective period, including sales where the revenue is not recognized in the period under Indonesian FAS. Accordingly, the New Notes Issuer uses marketing sales data, which is not compiled in accordance with Indonesian FAS, internally to evaluate its ongoing operations. The New Notes Issuer does not itself, nor does it suggest that investors should, consider such operating financial data in isolation from, or as a substitute for, financial information prepared in accordance with Indonesian FAS.

	As of and for the Years Ended December 31,			As of and for the Seven-Month Periods Ended July 31,	
	2019	2020	2021	2021	2022
Land bank (sq m) (thousands) — inventory and land for development					
Cikarang	12,367.6	12,404.6	12,452.1	12,345.8	12,492.6
Kendal	5,827.0	5,600.6	5,542.5	5,522.2	5,549.8
Tanjung Lesung	14,957.1	14,956.4	14,954.4	14,956.4	14,954.1
Morotai	17,839.2	17,936.2	17,948.7	17,936.2	18,853.0
Total land bank (sq m) (thousands) — inventory and land for development	**50,990.8**	**50,897.7**	**50,897.8**	**50,760.5**	**50,849.5**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the selected financial information presented below in conjunction with our consolidated financial statements and the notes thereto included elsewhere in this exchange offer and consent solicitation memorandum. You should also read the section of this exchange offer and consent solicitation memorandum entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations".

The following discussion and analysis is based upon information contained in our consolidated financial statements appearing elsewhere in this exchange offer and consent solicitation memorandum. You should read the following discussion and analysis in conjunction with our consolidated financial statements. This discussion contains forward-looking statements that reflect our current views with respect to future events and financial performance. See "*Forward-Looking Statements and Associated Risks*" *for a discussion of the risks relating to such forward-looking statements. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of factors such as those set forth under* "*Risk Factors*" *and elsewhere in this exchange offer and consent solicitation memorandum. Our consolidated financial statements have been prepared in accordance with Indonesian FAS. Indonesian FAS differs in certain respects from IFRS. For a summary of certain differences between Indonesian FAS and IFRS, see* "*Summary of Certain Differences Between Indonesian FAS and IFRS*".

Overview

We are a leading fully integrated industry-based township developer in Indonesia, listed on the Indonesia Stock Exchange. Our core business is developing industry-based real estate, supported and enhanced by infrastructure and township management services. Our business model is to develop industrial real estate sites in a manner which builds a critical mass at each site and allows us to offer and enhance our complementary commercial and residential real estate development as well as our infrastructure and estate management services; thereby creating an industry-based township.

We offer a wide range of industrial real estate and complementary infrastructure and estate management services which we believe are attractive to businesses engaged in light, medium and heavy industries. We also develop commercial and residential real estate as part of our integrated industry-based township development. Our flagship industry-based township, Kota Jababeka, in Cikarang, is strategically located 35 kilometers east of Jakarta along the Bekasi-Cikampek corridor, which connects Jakarta and Bandung. We are also developing an integrated township in Tanjung Lesung that caters to the tourism, hospitality and leisure industries. Tanjung Lesung, which enjoys Special Economic Zone status, lies approximately 170 kilometers southwest of Jakarta. Kendal Industrial Park—Park by the Bay, which is designated as a Special Economic Zone, is an industry-based township project being developed through a Joint Venture with Sembawang Corporation and is located nearby the city of Semarang, the capital of Central Java, along the Jakarta—Semarang—Surabaya Economic Corridor.

Each of our developments has or is expected to have dedicated infrastructure to support and complement the activities at each development. For example, Kota Jababeka has its own dry port, which facilitates import, export and domestic distribution activities by occupants of the estate, as well as a dedicated 130-megawatt power plant, which became operational in January 2013 supported by an off-take contract with Perusahaan Listrik Negara ("**PLN**"), and which provides occupants with a stable supply of electricity.

For the years ended December 31, 2019, 2020 and 2021 and for the seven-month periods ended July 31, 2021 and 2022, our total revenue was Rp2,253.9 billion, Rp2,396.1 billion and Rp2,490.3 billion (US$166.5 million), and Rp1,271.9 billion and Rp1,330.7 billion (US$89.0 million), respectively, and our gross profit was Rp843.5 billion, Rp1,018.4 billion and Rp1,092.6 billion (US$73.0 million), and Rp491.4 billion and Rp668.9 billion (US$44.7 million), respectively.

As of December 31, 2019, 2020 and 2021 and July 31, 2021 and 2022, our total assets was Rp12,184.6 billion, Rp12,200.2 billion and Rp12,292.1 billion (US$821.8 million), and Rp12,394.0 billion and Rp12,527.8 billion (US$837.5 million), respectively. As of July 31, 2022, our land bank (inventory and land for development) was approximately 5,185 hectares.

For the years ended December 31, 2019, 2020 and 2021 and the seven-month periods ended July 31, 2021 and 2022, real estate marketing sales was Rp1,664.4 billion, Rp898.7 billion and Rp1,417.5 billion (US$97.1 million), and Rp548.2 billion and Rp1,015.8 billion (US$69.6 million), respectively. Marketing sales comprise all sales for which an agreement has been entered into with a buyer in the respective period, including sales where the revenue is not recognized in the period under Indonesian FAS.

Recent Developments

Collaboration with Mitsui Fudosan

On September 2, 2022, we announced that we had signed a joint venture agreement with Mitsui Fudosan Asia, a subsidiary of Mitsui Fudosan, on August 26, 2022. We will collaborate with Mitsui Fudosan to build three housing clusters, located in Jababeka Sports City, East Bekasi, West Java. The estimated development value of this development is more than Rp800 billion, and is expected to involve the construction of approximately 808 units of housing and shophouses. There will also be one hectare of sports hub facilities, such as mini golf, basketball courts, mini soccer, a skatepark and outdoor gym.

Mitsui Fudosan is a Japanese real estate firm that was founded in 1941. Mitsui Fudosan has 367 subsidiaries worldwide, including entities located in Europe, the United States, China, Taiwan, Southeast Asia and India. Mitsui Fudosan has a strong track record and has been involved in some iconic developments including the Tokyo Midtown, the Halekulani Hotel, and 50 and 55 Hudson Yards.

Official launch of Correctio

On September 8, 2022, we announced the official launch of Correctio, a development project for a future innovation hub and the largest technology-based integrated contemporary business area dubbed as "The Next Silicon Valley" in Indonesia. One of its objectives is to accelerate growth of startup enterprises that will contribute towards Indonesia's transition to Industry 4.0 and Society 5.0. In furtherance of this, we had signed a memorandum of understanding with the National Research and Innovation Agency and PT Bisa Artificial Indonesia on, July 21, 2022 and May 20, 2022 respectively.

It is expected that a number of world-class facilities will be developed that are ready to support the development of Industry 4.0 and Society 5.0, such as the development of district cooling systems, the application of solar panels, urban farming, fabrication labs, data centers, and smart command centers.

Correctio is located in Cikarang and is accessible by LRT, MRT, high-speed trains and highways that support easy community access for public transportation. It is also served by Djawatan Angkoetan Motor Repoeblik Indonesia (DAMRI), a bus operator in Indonesia. In addition, there is other supporting industrial infrastructure including the Cikarang Dry Port, the Bekasi powerplant, and other industrial and telecommunication infrastructure and services.

US$100.0 million Term Loan Facility with PT Bank Mandiri (Persero) Tbk.

On October 10, 2022, we signed a credit agreement with PT Bank Mandiri (Persero) Tbk. for a US$100.0 million secured term loan facility (the "**Mandiri Loan**") to refinance Jababeka's existing indebtedness, including the Old Notes. Terms of the Mandiri Loan include:

Borrowers	PT Kawasan Industri Jababeka Tbk., PT Grahabuana Cikarang, PT Bekasi Power and PT Jababeka Infrastruktur
Currency / Size	U.S. Dollars / Up to US$100.0 million
Use of Proceeds	Refinancing of existing indebtedness, including the Old Notes
Maturity Date	5-years from signing of Credit Agreement (Perjanjian Kredit)
Repayment	Amortization of principal on a semi-annual basis, resulting in a Weighted Average Life of approximately 3.5-years
Security	• Collateral includes land and buildings on Cikarang Golf Course and Jababeka Country Club on behalf of PT Grahabuana Cikarang • Fiducia security over industrial estate service receivables
Interest	5.50% per annum (payable monthly)
Financial Covenants	• Ratio of total current assets to current liabilities shall be at least 100% • Ratio of total debt (excluding sales advances, guarantees from customers and income received in advance) to equity (share capital plus retained earnings) shall be maintained at a maximum of 300% • Debt service coverage ratio (current year's EBITDA plus previous year's cash, divided by current year's liability on interest plus current year's liability on principal) shall be at least 120% • Maintain positive equity
Transaction Accounts	• Collection account o Cash collection account(s) for income receipts in U.S. dollars and Rupiah • Debt service accrual account o Escrow account that accumulates interest and principal payments for the relevant month

    - Maintain account to pay the debt obligations under the loan facility, the Old Notes and the New Notes
    - Maintain a minimum balance of one interest payment for each of the Old Notes and the New Notes and one principal and interest payment under the loan facility
- Debt service reserve account
    - Escrow account that holds reserve funds for interest and principal payments for the next payment date under the loan facility
    - Maintain a minimum balance of one principal payment and three interest payments under the loan facility
- Disbursement account
    - Escrow account that receives drawdown funds under the loan facility

Amortization schedule

Year	Month	Repayment	Principal per semester	Principal per year
1	1 s.d 6	AP	AP	AP
	7 s.d 12	5%	5,000,000	5,000,000
2	1 s.d 12	10%	5,000,000	10,000,000
3	1 s.d 12	20%	10,000,000	20,000,000
4	1 s.d 12	30%	15,000,000	30,000,000
5	1 s.d 12	35%	17,500,000	35,000,000
Total		100%		100,000,000

In addition, if the aggregate principal amount of the New Notes to be issued pursuant to the exchange offer is less than US$200,000,000, the borrowers under the Mandiri Loan will be required to provide reserve funds in the form of a savings deposit, demand deposit or time deposit in the amount equal to the aggregate principal amount of the Old Notes outstanding immediately after the closing of the exchange offer. Such reserve funds will be in a blocked account and can only be used for the purpose of making payments of principal or interest under the Old Notes.

Drawdown under the Mandiri Loan is subject to additional terms and conditions, including completion of a liability management transaction in respect of the Old Notes and any new notes that may be issued in connection with such liability management exercise must have a tenor longer than the Mandiri Loan.

We expect to enter into a credit agreement with PT Bank Mandiri (Persero) Tbk. in respect of the Mandiri Loan on or about the date of this exchange offer and consent solicitation memorandum.

Factors Affecting our Business and Results of Operations

Set forth below are some of the significant factors that have affected our results of operations during the period under review, as well as factors that are currently expected to affect our results of operations in the foreseeable future. Other factors beyond those identified below may materially affect our results of operations. See "Risk Factors."

Levels of Sales of Land/Properties and of Recurring Revenue

We derive a substantial portion of our revenue from the sale of properties, levels of which vary from period to period, and a portion of our revenue from recurring sources, which are more stable over time.

Sales of properties

Our revenue from sales of properties varies based on sales volumes and land prices. Our sales volumes may fluctuate significantly from period to period, as we occasionally sell large tracts of land in our estates, for example, a sale to an anchor occupant. Factors that may affect the pricing of our land lots include the location of the land lot within the industry-based township, the size of the land lot and the purpose for which the land lot is or will be used. The majority of our industrial land lots are sold as vacant lots to

customers. Additionally the selling price per square meter of large tracts of land are typically lower than sales of smaller size land lots and land with buildings or structures.

Average sales price

The profit margin that we realize on our sales of properties depends on a number of factors that impact levels of sales revenue and the cost of land acquisition and is generally higher than the profit margins realized on our recurring revenue. Average sales price, which in turn affects our revenue derived from the sale of properties depends primarily on three factors:

Geography: Our Kota Jababeka estate is located near key supporting access points and infrastructure, including the Bekasi-Cikampek highway, our dry port and Tanjung Priok port and the east Java/west Java railroad line. This strategic location increases the average sales price of the land at the estate, especially compared to areas that are further from such infrastructure, such as our Tanjung Lesung estate. Our Kendal Industrial Park — Park by the Bay estate is strategically located between Jakarta and Surabaya, as well as key supporting access points and infrastructure.

Maturity of the Estate: Our Kota Jababeka estate is a relatively mature development with a wide variety of occupants. This critical mass of occupants helps to drive demand for land in the estate which leads to higher average sales price, due to factors such as suppliers and customers of existing occupants seeking property at the estate and the levels of development of complementary infrastructure at the estate. In contrast, our Kendal Industrial Park — Park by the Bay estate is a relatively young development, with a growing portfolio of occupants.

Product: The average sales price per square meter of land depends on whether the land is sold vacant or with a pre-constructed building and, additionally, in such cases, the type of building that has been constructed. Vacant lots of land have generally lower selling prices per square meter, while the price per square meter of land with buildings varies depending on the type of building, with higher-end residential properties having one of the highest selling prices per square meter.

The costs associated with the acquisition of land also vary depending on the geographic location and maturity of the associated estate, as land prices tend to be higher in areas such as Cikarang that are close to key infrastructure and areas closer to mature estates, such as the land near Kota Jababeka. Additionally, as the supply of available land decreases in any given area, we expect that the cost of land will continue to increase.

Historically, our sales of land at Kota Jababeka have been from our initial land bank that was acquired several years ago at a relatively low price and we expect to continue to sell land from this initial land bank in the coming several years. However, as we exhaust this land bank we will need to acquire additional land at higher prices, and our ability to sell such land at higher prices will have an impact on our sales margins.

An increase in revenues from sales of commercial and residential properties typically also results in an increase in the costs associated with the construction of such properties. However, sales margins are expected to remain strong given the increase in prices for commercial and residential properties, which has primarily resulted from a steady decrease in the availability of strategically located land zoned for commercial and residential property decreases, particularly land surrounding the Cikarang Golf Course.

Recurring revenue

A substantial portion of our revenue is of a recurring nature, including from service and maintenance fees, power plant, the dry port and other leisure and supporting facilities.

Service and maintenance fees

We provide certain services and maintenance in our industrial, residential and commercial properties. We collect fees for providing such services, which include providing clean water, wastewater treatment, security, street lighting, waste management and landscaping. Factors that affect the revenue we derive from such services and maintenance include the number of houses, facilities and commercial properties using our services or requiring maintenance, labor costs and volumes of water used by our occupants. Further, our services and maintenance revenue is subject to fluctuations in foreign currency exchange rates as our services and maintenance fees are linked to the U.S. dollar. We recognize revenue from providing services and maintenance when the service has been rendered.

Power plant

Historically, we have sourced the power that we have sold to meet our obligations under our exclusive supply arrangements with certain of our occupants at Kota Jababeka through direct sales of electricity that we purchased from PLN at a price close to the price at which we sold it to customers, resulting in a net loss in prior periods. Following commencement of the commercial operation of our power plant in January 2013, we have sourced power to meet our supply obligations through the buy back from PLN of power that we have sold to PLN under our off-take agreement at an agreed margin. Therefore, since the commencement of commercial operations at our power plant, we have generated revenue under our off-take agreement with PLN as well as from sales to our customers, and our cost of sales includes our costs of generation of electricity, as well as the costs from buying back power from PLN. As a result, our power revenue and cost of sales have increased significantly since our power plant commenced commercial operations and our net income from our sales of power has improved.

Dry port

Our wholly owned subsidiary, PT Cikarang Inland Port, manages and operates a dry port. We derive revenue from our consumers based on throughput and ancillary port services.

Other leisure and supporting facilities

In addition to the industrial, commercial, and residential offerings and the supporting services we offer, we derive revenue from certain leisure and supporting facilities at our properties, including golf, the President Executive Country Club, our education park and D'Warrior outdoor sports facility.

Fluctuations in Foreign Currency Exchange Rates

We are exposed to fluctuations in foreign currency exchange rates, principally the U.S. dollar, as a result of U.S. dollar denominated assets, such as our U.S. dollar bank deposits, and U.S. dollar liabilities, such as U.S. dollar loans. As of July 31, 2022, we had non-Rupiah denominated liabilities net of non-Rupiah denominated assets of US$296.2 million. We expect to have in the future a continued exposure to foreign currency risk as a result of the issuance of the Notes, and the subsequent U.S. dollar payments of principal and interest on the Notes. Our exposure is further exacerbated due to a significant portion of our revenues being denominated in U.S. dollars since 2013 after our power plant was commissioned. Changes in the exchange rate between the U.S. dollar and the Rupiah impact our income statement as the revaluation of our assets and liabilities lead to gains and losses from foreign exchange. By way of example, assuming all other variables are fixed, based on balances as of July 31, 2022, in the event that the Rupiah depreciated by 5% against the U.S. dollar, such depreciation would be expected to have a negative impact on our net profit after income tax in the amount of Rp172.8 billion.

General Economic Conditions in Indonesia

Our business and results of operations are subject to general economic conditions in Indonesia, including the rate of economic growth in Indonesia, levels of disposable income, standards of living, levels of foreign direct investment, the availability of consumer financing, changes in utility and fuel costs, and property and other market pricing trends that affect the sales of our properties. Any downturn in the general economic conditions in Indonesia may also result in cancellations by purchasers of any of the properties that we develop and sell, which may have a material adverse impact on our business and results of operations.

Our business and results of operations are also affected by changes in the Indonesian property market. Factors affecting property values in Indonesia include supply and demand of comparable properties, interest rates, inflation, the rate of economic growth and political and economic developments. Property markets historically have been cyclical and future cyclical changes may result in fluctuations in property prices thereby affecting our financial condition and results of operations. See "Risk Factors — Risks Relating to Indonesia".

Government Laws and Regulations and Taxes

Our business and results of operations are subject to changes in laws and regulations and their interpretation, including property laws and tax laws, as well as the level of enforcement of such laws and regulations. Changes to laws and regulations may increase or decrease the costs associated with our business and the products that we offer.

Access to and Cost of Financing

While we generally fund land acquisition from our cash flows, we typically fund our property development activities, project development and certain working capital requirements through bank financing. Our ability to obtain financing, as well as the cost of

such financing, affects our results of operations and financial condition. Our access to funding and cost of financing are also affected by factors such as the amount of our outstanding indebtedness and any restrictions under our credit agreements or other loan documents, including the Indenture governing the Notes, in respect of incurrence of further debt.

Critical Accounting Policies

Our consolidated financial statements have been prepared in accordance with Indonesian FAS. The preparation of these consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses as well as the disclosure of contingent assets and liabilities. Management bases its estimates and judgments on historical experience and other factors that are believed to be reasonable under the circumstances. We continually evaluate such estimates and judgments. Actual results may differ from these estimates under different assumptions or actual conditions. In order to provide an understanding of how our management forms their judgment about future events, including the variables and assumptions underlying our estimates, and the sensitivity of judgments to different circumstances, we have identified the critical accounting policies discussed below. For more details, see Notes 2 and 3 to our consolidated financial statements for the years ended December 31, 2019, 2020 and 2021 and our unaudited interim consolidated financial statements for the seven-month periods ended July 31, 2021 and 2022 included elsewhere in this exchange offer and consent solicitation memorandum.

Inventories and Land for Development

Inventories and land for development are stated at the lower of cost or net realizable value (market). Cost of real estate and other inventories is determined using the average method.

The cost of real estate inventories and land for development includes:

- pre-acquisition costs of land;
- land acquisition costs;
- expenses directly attributable to a project;
- expenses attributable to real estate development activities; and
- borrowing costs.

These costs are capitalized until the real estate inventories are substantially completed and available for sale. Total project costs are allocated proportionately to the saleable lots based on their respective land areas.

The cost of building under construction consists of the costs of developed land, construction costs, other costs related to the development of real estate and borrowing costs, and is transferred to the building when it is completed and ready for sale.

Cost estimates and allocation are reviewed at the end of each reporting period until the project is substantially completed. The costs of substantial revisions to complete real estate projects are capitalized and are allocated to the remaining lots available for sale.

Land acquired for future development is recorded under “Land for Development”. The accumulated cost of land for development is transferred to real estate inventories upon the commencement of development and construction of infrastructure.

Impairment of Non-Financial Assets

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount might not be recoverable. If any such indication exists, or when impairment assessment for an asset is required, we make an estimation of the asset’s recoverable amount.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows — i.e., its cash generating units. Goodwill is allocated on initial recognition to each of our cash generating units that are expected to benefit from a business combination that gives rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognized in other comprehensive income. Impairment losses relating to goodwill would not be reversed.

Revenue and Expenses Recognition

In determining revenue recognition, we perform an analysis of the transaction through the following five steps assessment: (i) identify contracts with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct goods or services promised in the contract; where these are not directly observable, the relative stand-alone selling price are estimated based on expected cost plus margin; and (v) recognize revenue when performance obligation is satisfied by transferring a promised goods or services to a customer (which is when the customer obtains control of that goods or services).

A performance obligation can be fulfilled in two ways, as follows: (i) a point in time (typically for promises to transfer goods to a customer); or (ii) over time (typically for promises to transfer services to a customer).

Revenue is measured based on the consideration to which we expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when we satisfy a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. The amount of revenue recognized is the amount allocated for the satisfied performance obligation.

We have generally concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the goods or services before transferring them to the customer.

Real estate sales revenue

Revenue from sales of real estate is recognized when the significant risks and rewards of ownership in the real estate inventory have been handed-over to the customer at a point in time and we have no ongoing substantial involvement with the property.

Revenue is measured at the transaction price agreed under the contract except when installment payments exceed 12 months after the hand-over of property. In which case, the transaction price is adjusted for the effects of a significant financing component.

Service and maintenance revenue

Revenue from service and maintenance is recognized as the services are rendered.

Power Plant revenue

Revenue from power plant is recognized over time when actual power or capacity is generated, transmitted and/or made available to the customers.

The cost of sales of the real estate consists of the acquisition cost and other expenditures relating to its land and building development.

Expenses are recognized when these are incurred (accrual basis).

Consolidation Principles

Our consolidated financial statements include the accounts of the Company and the subsidiaries mentioned in Note 1d to our consolidated financial statements for the years ended December 31, 2019, 2020 and 2021 and our unaudited interim consolidated financial statements for the seven-month periods ended July 31, 2021 and 2022 included in this exchange offer and consent solicitation memorandum. Control is achieved when we are exposed, or have rights, to variable returns from our involvement with an investee and have the ability to affect those returns through power over the investee. Specifically, we control an investee if and only if we have:

i. power over the investee (i.e. existing rights that give us the current ability to direct the relevant activities of the investee);
ii. exposure, or rights, to variable returns from its involvement with the investee; and
iii. the ability to use our power over the investee to affect its returns.

When we have less than majority of the voting rights or similar rights to an investee, we consider all relevant facts and circumstances in assessing whether we have power over such investee, including:

i. the contractual arrangements with the other vote holders of the investee;

ii. rights arising from other contractual arrangements; and

iii. our voting rights and potential voting rights.

We re-assess whether or not we control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date control is transferred to us and cease to be consolidated from the date control is transferred away from us. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statements of income from the date we gain control until the date we cease to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with our accounting policies. All intra-group assets and liabilities, equity, income expenses and cash flows relating to transactions between members of our group are eliminated in full on consolidation.

In case of loss of control over a subsidiary, we:

i. derecognize the assets (including goodwill) and liabilities of the subsidiary;

ii. derecognize the carrying amount of any non-controlling interests ("**NCI**");

iii. derecognize the cumulative translation differences, recorded in equity, if any;

iv. recognize the fair value of the consideration received;

v. recognize the fair value of any investment retained;

vi. recognize any surplus or deficit in profit or loss in consolidated statements of profit or loss and other comprehensive income; and

vii. reclassify our share of components previously recognized in comprehensive income to consolidated statements of comprehensive income or retained earnings, as appropriate.

Changes in the Company's interest in a subsidiary that do not result in the loss of control are accounted for as equity transactions. When control over a previous subsidiary is lost, any remaining interest in the entity is remeasured at fair value and the resulting gain or loss is recognized in consolidated statements of profit or loss and other comprehensive income.

NCI represent the portion of the profit or loss and net assets of the subsidiary attributable to equity interests that are not owned directly or indirectly by us, which are presented in the consolidated statements of profit or loss and other comprehensive income and under the equity section of the consolidated statements of financial position, respectively, separately from the corresponding portion attributable to the equity holders of the parent company.

Business Combination and Goodwill

Goodwill represents the excess of the cost of a business combination over the total fair value of the identifiable assets and liabilities at acquisition date and contingent liabilities acquired.

Goodwill is capitalized as an intangible asset with any impairment in carrying value being charged to the consolidated statement of comprehensive income. Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is credited in full in profit or loss and other comprehensive income on the acquisition.

Cost comprises the fair value of assets given, liabilities assumed and equity instruments issued, plus the amount of any non-controlling interests in the acquiree plus, if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree. Contingent consideration is included in cost at its acquisition date fair value and in the case of contingent consideration classified as a financial liability, remeasured subsequently through profit or loss. Direct costs of acquisition are recognized immediately as an expense.

Income Taxes

We are required to pay income taxes, and significant judgment is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. We recognize liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will have an impact on the current income tax and deferred tax provisions in the period in which such determination is made.

Uncertain Tax Exposure

In certain circumstances, we may not be able to determine the exact amount of our current or future tax liabilities due to ongoing investigations by, or negotiations with, the taxation authority. In addition, uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income.

In determining the amount to be recognized in respect of an uncertain tax liability, we apply similar considerations as used in determining the amount of a provision to be recognized in accordance with PSAK 57, Provisions, Contingent Liabilities and Contingent Assets. We undertake an analysis of all tax positions related to income taxes to determine if a tax liability for unrecognized tax benefit should be recognized.

Determination of Functional Currency

We measure foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the respective functional currencies of the Company and its subsidiaries, judgment is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determine the sales prices of the goods and services. The functional currencies of the Company and its subsidiaries are also determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

Our consolidated financial statements are presented in Rupiah, which is the functional currency of the Company.

Classification of Financial Assets and Financial Liabilities

We determine the classifications of financial assets and financial liabilities by judging if they meet the definition set forth in PSAK 55 (Revised 2014) (prior to January 1, 2020) and PSAK 71 (effective starting January 1, 2020). Accordingly, our financial assets and financial liabilities are accounted for in accordance with our accounting policies as disclosed in Notes 2g and 2h to our consolidated financial statements for the years ended December 31, 2019, 2020 and 2021 and our unaudited interim consolidated financial statements for the seven-month periods ended July 31, 2021 and 2022.

Depreciation of Property, Plant and Equipment

The costs of property, plant and equipment are depreciated on a straight-line method and double-declining-balance method based on their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within three (3) to thirty (30) years. These are common life expectancies applied in the industries in which we conduct our business. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

Depreciation of Investment Properties

The costs of investment properties are depreciated on a straight-line method over their estimated useful lives. Management estimates the useful lives of these investment properties to be within 20 years. These are common life expectancies applied in the industries in which we conduct our business. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised.

Deferred Tax Assets

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable income will be available against which the losses can be utilized. Significant management estimate is required to determine the

amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable income together with future tax planning strategies.

Allowance for Impairment of Trade Receivables and Other Receivables from Third Parties

We use a provision matrix to calculate expected credit losses for trade receivables and other receivables other than the real estate receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on historical observed default rates. We then calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

We calculate expected credit losses for real estate receivables by calculating the cumulative loss rates based on customers with similar credit risk characteristics. It derives the probability of default from the historical data of a homogenous portfolio that share the same characteristics. The information on the number of defaults is utilized to create the probability of default model.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Although expected credit losses are determined collectively, trade receivables and other receivables are also assessed individually based on default or delinquencies and possibility of financial difficulties or possibility of bankruptcy of the customers.

Pension and Employee Benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/income for pensions include the discount rate and future salary increase. Any changes in these assumptions will have an impact on the carrying amount of pension obligations.

We determine the appropriate discount rate and future salary increases at the end of each reporting period. The discount rate is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, we consider the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

For the rate of future salary increases, we collect all historical data related to changes in base salaries and adjust it for future business plans.

While we believe that our assumptions are reasonable and appropriate, significant differences in our actual experiences or significant changes in our assumptions may materially affect our estimated liabilities for pension and employee benefit and net employee benefit expense.

Leases

Determining whether an arrangement is or contains a lease requires careful judgement to assess whether the arrangement conveys a right to obtain substantially all the economic benefits from use of the asset throughout the period of use and right to direct the use of the asset, even if the right is not explicitly specified in the arrangement.

Since we could not readily determine the implicit rate, the management uses the incremental borrowing rate as a discount rate. There are a number of factors to consider in determining an incremental borrowing rate, many of which need judgement in order to be able to reliably quantify any necessary adjustments to arrive at the final discount rates.

In determining incremental borrowing rate, the we consider the following main factors: credit risk, the lease term, the lease payment term, the economic environment, the time at which the lease is entered into and the currency in which the lease payments are denominated.

Measurement of Fair Values

A number of our accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or liability, we use market observable data as to the extent possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

We carry certain financial assets and liabilities at fair value, which require the use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidence, the amount of changes in fair values would differ if we utilized different valuation methodologies.

Any changes in fair values of these financial assets and liabilities would directly affect our profit and loss. We have financial instruments which are presented at carrying amounts as either these are reasonable approximation of fair values or their fair values cannot be reliably measured.

COVID-19 Update

Due to the global economic recession brought about by the COVID-19 pandemic, Indonesia's economy came under heavy pressure, contracting 2.0% in 2020 as compared to the expansion of 5.02% in 2019. In an effort to contain the outbreak of the virus, the Government imposed strict restrictions on the movement of goods and people such as the closure of its international borders and lockdown orders across the country. Our business operations were significantly affected. For example, in line with the spread of COVID-19 in several big cities, including Jabodetabek (an acronym of Jakarta—Bogor—Depok—Tangerang—Bekasi) as the epicenter of the spread in Indonesia, the Government declared a public health emergency and established large-scale social restrictions (PSBB) on March 31, 2020. These measures affected the performance of the property market and the tourism business sector, which experienced a gradual decline. In addition, our power plant has been experiencing temporary suspensions of electricity production since 2018 which was acerbated by the COVID-19 pandemic due to the decrease in electricity demand resulting in the consideration of excess power supply in the network system. This impacted the efficiency of the plant, resulting in a decrease in revenue. These trends may continue as the COVID-19 pandemic persists or worsens and the economy continues to be impacted. See "Risk Factors— Risks Relating to the Properties—The ongoing COVID-19 pandemic or any other infectious disease outbreak, or fear of an outbreak, or any other serious public health concerns in Indonesia or elsewhere may have an adverse effect on the Indonesian and global economy and may adversely affect us."

Land development and property segment

Measures that were taken in dealing with the COVID-19 pandemic to break the chain of virus spread have resulted in a sharp decline in economic activity. In the real estate sector, pressure occurred on both the demand and supply sides, which in turn suppressed economic growth. The decline in economic growth resulted in layoffs, which resulted in a decrease in people's income, which in turn had implications for consumption levels. Revenue from marketing sales (which includes sale of land plots, industrial buildings, landed houses, commercial/shop houses, and apartments in Cikarang, as well as land plots in Kendal, and property sales from Tanjung Lesung and others) for the year ended December 31, 2020 was Rp898.7 billion, which was a 46% decrease from the year ended December 31, 2019 due to the effects of the COVID-19 pandemic. As the COVID-19 pandemic situation improved in 2021, revenue from marketing sales for the year ended December 31, 2021 was Rp1,417.5 billion, which was a 58% increase from the year ended December 31, 2020.

Despite the property sector experiencing a contraction of -2% in the year ended December 31, 2020, it was accompanied by a decrease in the price index and an increase in supply which resulted in a "buyer's market" where consumers had higher bargaining power and more property choices. Property developers had to offer competitive prices in order to maintain the attractiveness of their properties.

Infrastructure segment

Our infrastructure segment coped fairly well with the pandemic as most of the industrial occupants continued their operations. However, volumes of water provision, wastewater treatment as well as power to end-users in the industrial estate did reduce in 2020

compared to 2019 as a result of less demand, reduced economic activity and more downtime at factories as a result of Covid-19 outbreaks. Clean water volume was down 12% versus 2019, wastewater volume was down 19% versus 2019 and power volume was down 3% versus 2019. The Company managed the requests for discounts and/or deferral of payments from the industrial occupants on a case-by-case basis and the total quantum of this was not material.

Key Components of Our Statement of Profit or Loss and Other Comprehensive Income

Sales and services revenues

We derive our sales and service revenues primarily from the sale of developed land, apartments, office space and shop houses, the sale of power, dry port operations, leisure offerings and rental of buildings, land and factory buildings, and service and maintenance fees.

The following table sets forth the breakdown of our sales and service revenues and each item as a percentage of our total sales and service revenues for the years ended December 31, 2019, 2020 and 2021 and the seven-month periods ended July 31, 2021 and 2022:

	For the Years Ended December 31,							For the Seven-Month Periods Ended July 31,				
	2019		2020		2021			2021		2022		
	Rp	%	Rp	%	Rp	US$	%	Rp	%	Rp	US$	%
			(audited)			(unaudited)			(unaudited)			
	(Rp in billions and US$ in millions except percentages)											
Sales and service revenues:												
Developed land	422.6	18.7	782.9	32.7	736.8	49.3	29.6	254.5	20.0	240.3	16.1	18.1
Land and factory buildings[(1)]	39.8	1.8	65.8	2.7	77.3	5.2	3.1	19.7	1.5	49.4	3.3	3.7
Office spaces and shop houses	113.2	5.0	122.1	5.1	116.5	7.8	4.7	64.0	5.0	102.8	6.9	7.7
Apartment	158.0	7.0	88.1	3.7	98.3	6.6	3.9	40.1	3.2	50.5	3.4	3.8
Land and houses[(1)]	75.7	3.4	121.5	5.1	189.6	12.7	7.6	74.7	5.9	113.5	7.6	8.5
Power plant	831.8	36.9	637.8	26.6	633.5	42.4	25.4	447.0	35.1	377.9	25.3	28.4
Service and maintenance fees	257.7	11.4	277.2	11.6	315.7	21.1	12.7	181.5	14.3	185.7	12.4	14.0
Dry port	201.8	9.0	145.5	6.1	174.1	11.6	7.0	103.0	8.1	119.3	8.0	9.0
Golf	65.2	2.9	58.2	2.4	62.5	4.2	2.5	34.4	2.7	43.0	2.9	3.2
Office spaces, factory and shop houses rental	64.6	2.9	56.7	2.4	54.2	3.6	2.2	32.5	2.6	25.4	1.7	1.9
Land, villa and tourism	16.7	0.7	31.4	1.3	24.5	1.6	1.0	17.4	1.4	16.7	1.1	1.3

Condominium	2.5	0.1	3.3	0.1	4.4	0.3	0.2	2.0	0.2	2.1	0.1	0.2
Agribusiness and consulting.....	4.3	0.2	5.6	0.2	2.9	0.2	0.1	1.1	0.1	4.1	0.3	0.3
Total	**2,253.9**	**100.0**	**2,396.1**	**100.0**	**2,490.3**	**166.5**	**100.0**	**1,271.9**	**100.0**	**1,330.7**	**89.0**	**100.0**

(1) Sales includes sales of the buildings and the land lots on which the buildings have been constructed.

Cost of sales and service revenue

Our cost of sales and service revenue primarily include:

- expenses associated with the sale of land, including land acquisition costs that are allocated on a proportional basis as land is sold;
- expenses associated with the construction of buildings, which reflect amounts we pay to contractors for construction;
- building and infrastructure expenses, which consist of electricity, water and gas charges, allowances for the depreciation and amortization of property, plant and equipment, repairs and maintenance expenses, insurance expenses, and other expenses;
- for power, the costs of generating power, including the cost of natural gas and connection charges, and the costs of purchasing power from PLN; and
- cost of food and beverages that are sold at our golf courses and the President Executive Club.

The following table sets forth the breakdown of our cost of sales and service revenues and each item as a percentage of our total cost of sales and service revenue for the years ended December 31, 2019, 2020 and 2021 and the seven-month periods ended July 31, 2021 and 2022:

	For the Years Ended December 31,							For the Seven-Month Periods Ended July 31,				
	2019		2020		2021			2021		2022		
	Rp	%	Rp	%	Rp	US$	%	Rp	%	Rp	US$	%
			(audited)			(unaudited)				(unaudited)		
	(Rp in billions and US$ in millions except percentages)											
Cost of sales and service revenues:												
Developed land	149.8	10.6	389.3	28.3	296.0	19.8	21.2	129.8	16.6	70.0	4.7	10.6
Land and factory buildings[1]	18.6	1.3	26.8	1.9	29.6	2.0	2.1	8.7	1.1	17.1	1.1	2.6
Office spaces and shop houses	26.7	1.9	26.4	1.9	25.2	1.7	1.8	13.5	1.7	18.2	1.2	2.8
Land and houses[1]	26.4	1.9	58.3	4.2	99.4	6.6	7.1	43.5	5.6	49.7	3.3	7.5
Apartment	107.4	7.6	63.7	4.6	63.8	4.3	4.6	24.7	3.2	29.8	2.0	4.5
Land, villa and tourism[1]	26.6	1.9	31.8	2.3	28.4	1.9	2.0	15.1	1.9	17.1	1.1	2.6
Power plant	695.5	49.3	465.6	33.8	540.0	36.1	38.6	358.8	46.0	280.0	18.7	42.3
Service and maintenance fees	127.2	9.0	136.1	9.9	150.3	10.0	10.8	87.8	11.2	76.1	5.1	11.5
Dry port	149.1	10.6	103.8	7.5	106.8	7.1	7.6	66.2	8.5	67.0	4.5	10.1
Golf	40.3	2.9	34.4	2.5	31.7	2.1	2.3	18.4	2.4	21.8	1.5	3.3
Office spaces, factory and shop houses rental	39.8	2.8	34.0	2.5	21.6	1.4	1.5	12.1	1.5	13.0	0.9	2.0

Condominium	0.8	0.1	1.7	0.1	2.1	0.1	0.1	0.8	0.1	1.2	0.1	0.2
Agribusiness and consulting	2.5	0.2	5.9	0.4	2.9	0.2	0.2	0.9	0.1	0.8	0.1	0.1
Total	1,410.5	100.0	1,377.7	100.0	1,397.7	93.4	100.0	780.5	100.0	661.8	44.2	100.0

(1) Includes cost of sales of the buildings and the land lots on which the buildings have been constructed.

Operating expenses

Our operating expenses include the following:

i. selling expenses, which consist of expenses incurred for promotion and advertisement, operational costs, sales commission and incentives and others; and
ii. general and administrative expenses, which consist of salaries and employee benefits, taxes and licenses, employee benefits, depreciation, professional fees, security (in-house and outsourced), office supplies and equipment, insurance, representation and entertainment, maintenance services, electricity and water, traveling, rent, environment and others.

Other income/(expenses)

Other income/(expenses) consists primarily of rental income, service and access, gain on sale of property, plant and equipment, depreciation of investment properties, provisions for impairment losses of receivables, amortization, foreign exchange gain/(loss) on operating activities and others.

Financial income/(expense)

Financial income/(expense) consist primarily of interest income, loan interest expense, bank charges and fees on financing activities.

Final tax expense

Final tax expense is recognized in profit or loss and is presented as a separate line item. The difference between the final tax payable with the total final tax in the consolidated statement of profit or loss and other comprehensive income recognized as prepaid tax or tax payable.

Results of Operations and Financial Performance

The following tables set forth the breakdown of our results of operations for the years ended December 31, 2019, 2020 and 2021 and the seven-month periods ended July 31, 2021 and 2022:

	For the Years Ended December 31,				**For the Seven-Month Periods Ended July 31,**		
	2019	**2020**	**2021**	**2021**	**2021**	**2022**	
	Rp	**Rp**	**Rp**	**US$**	**Rp**	**Rp**	**US$**
		(audited)		**(unaudited)**		**(unaudited)**	
				(Rp in billions and US$ in millions)			
Consolidated Statement of Profit or Loss and Other Comprehensive Income Data							

Sales and service revenue	2,253.9	2,396.1	2,490.3	166.5	1,271.9	1,330.7	89.0
Cost of sales and service revenue.....	1,410.5	1,377.7	1,397.7	93.4	780.5	661.8	44.2
Gross profit.....	**843.5**	**1,018.4**	**1,092.6**	**73.0**	**491.4**	**668.9**	**44.7**
Selling expenses.....	(89.8)	(57.3)	(60.1)	(4.0)	(36.8)	(35.6)	(2.4)
General and administrative expenses .	(455.8)	(466.0)	(447.7)	(29.9)	(218.8)	(262.6)	(17.6)
Financial income.....	39.0	35.2	29.7	2.0	16.0	14.8	1.0
Financial expenses	(424.7)	(466.6)	(466.6)	(31.2)	(249.6)	(298.1)	(19.9)
Final tax expense	(41.2)	(24.5)	(28.8)	(1.9)	(16.3)	(21.7)	(1.4)
Other (expenses)/income - net	302.2	(1.7)	(18.8)	(1.3)	(104.4)	(135.4)	(9.0)
Profit before income tax	**173.3**	**37.5**	**100.3**	**6.7**	**(118.5)**	**(69.6)**	**(4.7)**
Income tax (expense)/benefit							
Current	(32.6)	(2.8)	(10.5)	(0.7)	(4.4)	(10.7)	(0.7)
Deferred	0.5	10.6	(2.2)	(0.1)	(4.4)	4.0	0.3
Income tax benefit (expense) — net	**(32.1)**	**7.8**	**(12.7)**	**(0.8)**	**(8.8)**	**(6.8)**	**(0.5)**
Net profit for the period	**141.1**	**45.2**	**87.6**	**5.9**	**(127.4)**	**(76.3)**	**(5.1)**
Other comprehensive income							
Items that will not be reclassified to profit or loss:							
Measurement of post-employment benefit.....	2.0	14.8	27.6	1.8	16.1	-	-
Related income tax benefit (expenses)	(0.2)	(1.9)	(3.5)	(0.2)	(2.0)	-	-
Items that will be reclassified to profit or loss:							
Foreign currency translation reserve .	(8.1)	1.4	(0.1)	(0.0)	(0.9)	(4.0)	(0.3)
Other comprehensive income for the period, net of tax.....	**(6.3)**	**14.4**	**24.0**	**1.6**	**13.2**	**(4.0)**	**(0.3)**
Net comprehensive income for the period.....	**134.9**	**59.6**	**111.6**	**7.5**	**(114.2)**	**(80.3)**	**(5.4)**

Results of operations for the seven-month period ended July 31, 2022 compared to the seven-month period ended July 31, 2021

Sales and service revenue. Our sales and service revenues increased by 4.6% to Rp1,330.7 billion (US$89.0 million) for the seven-month period ended July 31, 2022 from Rp1,271.9 billion for the seven-month period ended July 31, 2021, primarily as a result of the changes in the following line items:

- *Developed land*. Revenue from sales of developed land decreased by 5.6 % to Rp240.3 billion (US$16.1 million) for the seven-month period ended July 31, 2022 from Rp254.5 billion for the seven-month period ended July 31, 2021. This decrease was due to less land sales in Kendal compared to the same period in the previous year. Industrial land sales from Kendal Industrial Park decreased by 60.0% due to less demand of land plots in the first quarter of 2022. For the seven-month period ended July 31, 2022, developed land sales amounted to 14.0 hectares consisting of 7.5 hectares from Cikarang and 6.5 hectares from Kendal compared to 18.5 hectares consisting of 1.5 hectares from Cikarang and 17.0 hectares from Kendal for the seven-month period ended July 31, 2021. The decrease in revenue from land sales was partially offset by an increase in average selling price, which increased to Rp1.7 million per m^2 for the seven-month period ended July 31, 2022, compared to Rp1.4 million per m^2 for the seven-month period ended July 31, 2021.

- *Land and factory buildings*. Revenue from sales of factory buildings increased by 150.8% to Rp49.4 billion (US$3.3 million) for the seven-month period ended July 31, 2022 from Rp19.7 billion for the seven-month period ended July 31, 2021. This increase was due to a higher average selling price per unit from Rp4.9 billion for the seven-month period ended July 31, 2021 to Rp9.9 billion for the seven-month period ended July 31, 2022.

- *Office spaces and shop house*. Revenue derived from sales of office spaces and shop house increased by 60.6% to Rp102.8 billion (US$6.9 million) for the seven-month period ended July 31, 2022 from Rp64.0 billion for the seven-month period ended July 31, 2021. This increase was due to an increase in units sold to 56 units for the seven-month period ended July 31, 2022, compared to 44 units for the seven-month period ended July 31, 2021, as well as an increase in average selling price per unit from Rp1.5 billion per unit for the seven-month period ended July 31, 2021 to Rp1.8 billion per unit for the seven-month period ended July 31, 2022.

- *Land and houses.* Revenue derived from sales of land and houses increased by 51.9% to Rp113.5 billion (US$7.6 million) for the seven-month period ended July 31, 2022 from Rp74.7 billion for the seven-month period ended July 31, 2021. This increase was primarily due to an increase in units sold from 144 units for the seven-month period ended July 31, 2021 to 166 units for the seven-month period ended July 31, 2022, and an increase in the average selling price per unit from Rp518.9 million per unit for the seven-month period ended July 31, 2021 to Rp683.9 million per unit for the seven-month period ended July 31, 2022.

- *Apartment*. Revenue derived from sales of apartment increased by 25.9% to Rp50.5 billion (US$3.4 million) for the seven-month period ended July 31, 2022 compared to Rp40.1 billion for the seven-month period ended July 31, 2021. This increase was due to an increase in average selling price per unit from Rp364.9 million per unit for the seven-month period ended July 31, 2021 to Rp555.2 million per unit for the seven-month period ended July 31, 2022, notwithstanding that the total number of units sold decreased from 110 units for the seven-month period ended July 31, 2021 to 91 units for the seven-month period ended July 31, 2022.

- *Land*, *villa and tourism*. Revenue from sales of land, villa and tourism decreased by 4.0% to Rp16.7 billion (US$1.1 million) for the seven-month period ended July 31, 2022 from Rp17.4 billion for the seven-month period ended July 31, 2021. This decrease was mainly due to a decrease in revenue generated from the hotels in Cikarang.

- *Power plant*. Revenue derived from sales of power decreased by 15.5% to Rp377.9 billion (US$25.3 million) for the seven-month period ended July 31, 2022 from Rp447.0 billion for the seven-month period ended July 31, 2021. This decrease was primarily due to a lower average gas price amounting to US$6 per MMBTU for the seven-month period ended July 31, 2022, compared to approximately US$8 per MMBTU for the seven-month period ended July 31, 2021. In addition, part of the revenue from PLN relating to certain disputed invoices for the fourth quarter of 2021 was collected and recognized in the second quarter of 2022. However, this was offset by certain delays in billing in January 2022 as the Company and PLN did not agree on the amount of the relevant invoice. See “Risk Factors — Risks relating to our business — Our power plant in Kota Jababeka is subject to risks relating to the supply of natural gas, the reliability of infrastructure for the delivery of power to customers and disputes with contractual counterparties”.

- *Service and maintenance fees*. Revenue derived from service and maintenance fees increased by 2.3% to Rp185.7 billion (US$12.4 million) for the seven-month period ended July 31, 2022 from Rp181.5 billion for the seven-month period ended July 31, 2021. This increase was due to increases in revenues that occurred in most of the sectors such as clean water, wastewater, telecommunications and gas. In addition, for the seven-month period ended July 31, 2022, clean water volume was up by 8.0% to 8.8 million m^3, wastewater volume increased 12.0% to 3.5 million m^3 and maintenance charge volume increased 2.0% to 65.2 million m^2. For the seven-month period ended July 31, 2022, as much as 94.0% of revenue came from PT Jababeka Infrastruktur, a wholly owned subsidiary of the Company, which operates two clean water treatment facilities, two wastewater treatment facilities and provides estate management services to occupants and residents in Kota Jababeka. The remaining 6.0% of income comes from other supporting businesses.

- *Dry port*. Revenue derived from our services in our dry port increased by 15.8% to Rp119.3 billion (US$8.0 million) for the seven-month period ended July 31, 2022 from Rp103.0 billion for the seven-month period ended July 31, 2021. This increase was due to an increase in throughput of containers handled at the dry port from 43,060 TEU for the seven-month period ended July 31, 2021 to 44,099 TEU for the seven-month period ended July 31, 2022 primarily due to recovery in the economy following the worst effects of the COVID-19 pandemic and Government stimulation.

- *Golf*. Revenue derived from services in our golf courses increased by 25.0% to Rp43.0 billion (US$2.9 million) for the seven-month period ended July 31, 2022 from Rp34.4 billion for the seven-month period ended July 31, 2021. The increase was due to a 7.0% increase in the number of golfers for the seven-month period ended July 31, 2022 compared to the seven-month period ended July 31, 2021. In addition, revenue from golf operations, memberships and F&B increased by 25.6% for the seven-month period ended July 31, 2022 compared to the seven-month period ended July 31, 2021.

- *Office space*, *factory and shop houses rental*. Revenue derived from rent from our properties, including office spaces, factories and shop houses decreased by 21.8% to Rp25.4 billion (US$1.7 million) for the seven-month period ended July 31, 2022 from Rp32.5 billion for the seven-month period ended July 31, 2021. This decrease was primarily due to decreasing revenue from warehouse rental and a price reduction that was given to some township occupants.

- *Condominium*. Revenue derived from sales of condominium increased by 5.0% to Rp2.1 billion (US$0.1 million) for the seven-month period ended July 31, 2022 from Rp2.0 billion for the seven-month period ended July 31, 2021.

- *Agribusiness and consulting*. Revenue derived from our agribusiness and consulting service increased by 272.7% to Rp4.1 billion (US$0.3 million) for the seven-month period ended July 31, 2022 from Rp1.1 billion for the seven-month period ended July 31, 2021. This increase was due to an increase in demand for agribusiness and consultation services.

Cost of sales and service revenue. Our cost of sales and service revenue decreased by 15.2% to Rp661.8 billion (US$44.2 million) for the seven-month period ended July 31, 2022 from Rp780.5 billion for the seven-month period ended July 31, 2021, primarily as a result of the changes in the following line items:

- *Developed land*. Cost of sales of developed land decreased by 46.1% to Rp70.0 billion (US$4.7 million) for the seven-month period ended July 31, 2022 from Rp129.8 billion for the seven-month period ended July 31, 2021. This decrease was due to less contribution of land sales from Kendal which has a higher cost base relative to revenue. This decrease in cost of sales was also in line with the reduction of revenue from developed land.

- *Land and factory buildings*. Cost of sales of land and factory buildings increased by 96.6% to Rp17.1 billion (US$1.1 million) for the seven-month period ended July 31, 2022 from Rp8.7 billion for the seven-month period ended July 31, 2021. This increase was broadly in line with the increase in revenue from sales of land and factory buildings.

- *Office spaces and shop house*. Cost of sales of office spaces and shop house increased by 34.8% to Rp18.2 billion (US$1.2 million) for the seven-month period ended July 31, 2022 from Rp13.5 billion for the seven-month period ended July 31, 2021. This increase was broadly in line with the increase in revenue from sales of office spaces and shop house.

- *Land and houses*. Cost of sales of land and houses increased by 14.3% to Rp49.7 billion (US$3.3 million) for the seven-month period ended July 31, 2022 from Rp43.5 billion for the seven-month period ended July 31, 2021. This increase was broadly in line with the increase in revenue from sales of land and houses.

- *Apartment*. Cost of sales of apartment increased by 20.6% to Rp29.8 billion (US$2.0 million) for the seven-month period ended July 31, 2022 from Rp24.7 billion for the seven-month period ended July 31, 2021. This increase was largely in line with the increase in revenue from sales in apartments.

- *Land*, *villa and tourism*. Cost of sales of land, villa and tourism increased by 13.2% to Rp17.1 billion (US$1.1 million) for the seven-month period ended July 31, 2022 from Rp15.1 billion for the seven-month period ended July 31, 2021. This increase was due to an increase in cost from the Company's hotels in Tanjung Lesung which amounted to approximately Rp1.7 billion for the seven-month period ended July 31, 2021, comprising of largely infrastructure costs.

- *Power plant*. Cost relating to sales in our power plant decreased by 22.0% to Rp280.0 billion (US$18.7 million) for the seven-month period ended July 31, 2022 from Rp358.8 billion for the seven-month period ended July 31, 2021. This decrease was in line with the reduction in revenue and mostly due to the reduction is gas prices.

- *Service and maintenance fees*. Cost relating to service and maintenance decreased by 13.3% to Rp76.1 billion (US$5.1 million) for the seven-month period ended July 31, 2022 from Rp87.8 billion for the seven-month period ended July 31, 2021. This decrease was due to a reduction in cost per m^3 for clean water and waste water of 9.5% and 15.2%, respectively for the seven-month period ended July 31, 2022 compared to the same period last year.

- *Dry port*. Cost relating to services in our dry port increased by 1.2% to Rp67.0 billion (US$4.5 million) for the seven-month period ended July 31, 2022 from Rp66.2 billion for the seven-month period ended July 31, 2021. This increase was due to an increase in revenue from services in our dry port.

- *Golf*. Cost relating to services in our golf courses increased by 18.5% to Rp21.8 billion (US$1.5 million) for the seven-month period ended July 31, 2022 from Rp18.4 billion for the seven-month period ended July 31, 2021. This increase is largely in line with the increase in revenue from services in our golf courses.

- *Office space*, *factory and shop houses rental*. Cost relating to rental revenue, including office spaces, factories and shop houses, increased by 7.4% to Rp13.0 billion (US$0.9 million) for the seven-month period ended July 31, 2022 from Rp12.1 billion for the seven-month period ended July 31, 2021. This increase was due to an increase in the cost relating to dry port assets amounted to Rp1.7 billion for the seven-month period ended July 31, 2022.

- *Condominium*. Cost relating to sales of condominiums increased by 50.0% to Rp1.2 billion (US$0.1 million) for the seven-month period ended July 31, 2022 from Rp0.8 billion for the seven-month period ended July 31, 2021. This increase was due to increase of cost of service charge.

- *Agribusiness and consulting*. Cost relating to agribusiness and consulting decreased by 12.1% to Rp799.0 million (US$0.1 million) for the seven-month period ended July 31, 2022 from Rp908.9 million for the seven-month period ended July 31, 2021.

Gross profit. As a result of the foregoing, our gross profit increased by 36.1% to Rp668.9 billion (US$44.7 million) for the seven-month period ended July 31, 2022 from Rp491.4 billion for the seven-month period ended July 31, 2021.

Selling expenses. Selling expenses decreased by 3.3% to Rp35.6 billion (US$2.4 million) for the seven-month period ended July 31, 2022 from Rp36.8 billion for the seven-month period ended July 31, 2021. . This decrease was primarily due to a decrease in spending on commissions and incentives for the seven-month period ended July 31, 2022 compared to the seven-month period ended July 31, 2021.

General and administrative expenses. General and administrative expenses increased by 20.0% to Rp262.6 billion (US$17.6 million) for the seven-month period ended July 31, 2022 from Rp218.8 billion for the seven-month period ended July 31, 2021. This increase was primarily due to an increase of expenses in several categories such as salaries and employee benefits, professional fees, outsourcing, security and maintenance services.

Financial income. Our financial income decreased by 7.5% to Rp14.8 billion (US$1.0 million) for the seven-month period ended July 31, 2022 from Rp16.0 billion for the seven-month period ended July 31, 2021. This decrease was due to lower interest rates for time deposits, as the range of interest rates for annual time deposits for Rupiah was between 1.9% and 6.0% for the seven-month period ended July 31, 2022, compared to between 2.6% and 7.8% for the seven-month period ended July 31, 2021.

Financial expenses. Our financial expenses increased to Rp298.1 billion (US$19.9 million) for the seven-month period ended July 31, 2022 from Rp249.6 billion for the seven-month period ended July 31, 2021. This increase was due to a higher amount of interest expense on loans of Rp40.1 billion (US$2.7 million), increase in amortization of issuance costs relating to our senior notes amounting to Rp2.4 billion (US$0.2 million) more amortization of issuance cost senior notes and Rp6.0 billion (US$0.1 million) more mark to market loss relating to our foreign exchange liability for the seven-month period ended July 31, 2022.

Other (expenses)/income—net. Our other expenses increased by 29.7% to Rp135.4 billion (US$9.0 million) for the seven-month period ended July 31, 2022 from Rp104.4 billion for the seven-month period ended July 31, 2021. This increase was primarily due to a higher foreign exchange loss of Rp198.8 billion (US$13.3 million) for the seven-month period ended July 31, 2022, compared to a forex loss of Rp110.2 billion for the seven-month period ended July 31, 2021.

Final tax expense. Final tax expense increased by 33.1% to Rp21.7 billion (US$1.4 million) for the seven-month period ended July 31, 2022 from Rp16.3 billion for the seven-month period ended July 31, 2021, primarily due to the increase in the tax prepaid by the Company on behalf of customers in connection with property sales. Such tax is expected to be refunded and booked under other income in later periods.

Loss before income tax. As a result of the foregoing, loss before income tax decreased by 41.3% to Rp69.6 billion (US$4.7 million) for the seven-month period ended July 31, 2022 from Rp118.5 billion for the seven-month period ended July 31, 2021.

Results of operations for the year ended December 31, 2021 compared to the year ended December 31, 2020

Sales and service revenue. Our sales and service revenues increased by 3.9% to Rp2,490.3 billion (US$166.5 million) for the year ended December 31, 2021 from Rp2,396.1 billion for the year ended December 31, 2020, primarily as a result of the changes in the following line items:

- *Developed land*. Revenue from sales of developed land decreased by 5.9% to Rp736.8 billion (US$49.3 million) for the year ended December 31, 2021 from Rp782.9 billion for the year ended December 31, 2020. This decrease was due to a reduction in land sales in 2021 compared to 2020. During 2021, developed land sales amounted to 45 hectares consisting of 7.5 hectares from Cikarang and 37.5 hectares from Kendal compared to 57 hectares consisting of 7 hectares from Cikarang and 50 hectares from Kendal in 2020. The average selling price increased to Rp1.6 million per m^2 in 2021, compared to Rp1.4 million per m^2 in 2020.

- *Land and factory buildings*. Revenue from sales of factory buildings increased by 17.5% to Rp77.3 billion (US$5.2 million) for the year ended December 31, 2021 from Rp65.8 billion for the year ended December 31, 2020. This increase was due to an increase in the average selling price per unit from Rp3.9 billion in 2020 to Rp6.4 billion (US$0.4 million) in 2021, which offset a reduction in number of units sold from 17 units in 2021 to 12 units in 2020.

- *Office spaces and shop house*. Revenue derived from sales of office spaces and shop house decreased by 4.6% to Rp116.5 billion (US$7.8 million) for the year ended December 31, 2021 from Rp122.1 billion for the year ended December 31, 2020. This decrease was due to a reduction in units sold from 100 in 2020 to 74 in 2021, notwithstanding that the average selling price per unit increased to Rp1.6 billion (US$0.1 million) in 2021, compared to Rp1.2 billion in the previous year .

- *Land and houses.* Revenue derived from sales of land and houses increased by 56.0% to Rp189.6 billion (US$12.7 million) for the year ended December 31, 2021 from Rp121.5 billion for the year ended December 31, 2020. This increase was primarily due to an increase in units sold from 93 in 2020 to 238 in 2021, notwithstanding that the average selling price per unit decreased to Rp796.7 million (US$52.7 million) in 2021 from Rp1,306.8 million in the previous year.

- *Apartment*. Revenue derived from sales of apartment increased by 11.6% to Rp98.3 billion (US$6.6 million) for the year ended December 31, 2021 compared to Rp88.1 billion for the year ended December 31, 2020. This increase was due to an increase in the average selling price per unit from Rp294.6 million in 2020 to Rp491.3 million (US$33.7 million) in 2021, notwithstanding that the total units sold decreased from 299 units in 2020 to 200 units in 2021.

- *Land*, *villa and tourism*. Revenue from sales of land, villa and tourism decreased by 22.0% to Rp24.5 billion (US$1.6 million) for the year ended December 31, 2021 from Rp31.4 billion for the year ended December 31, 2020. This decrease was mainly due to a reduction in revenues in 2021 from the Company's hotels located in Cikarang.

- *Power plant*. Revenue derived from sales of power decreased by 0.7% to Rp633.5 billion (US$42.4 million) for the year ended December 31, 2021 from Rp637.8 billion for the year ended December 31, 2020. This decrease was due to the Bekasi power plant experiencing more reserve shutdowns in 2020 compared to 2021. See "Risk Factors—Risks relating to our business—Our power plant in Kota Jababeka is subject to risks relating to the supply of natural gas, the reliability of infrastructure for the delivery of power to customers and disputes with contractual counterparties". In addition, we experienced certain delays in billing in the fourth quarter of 2021 as the Company and PLN did not agree on the amount of the fourth quarter invoices, which would have translated to approximately Rp70.0 billion in revenue had such invoices been issued. Without an agreed and issued invoice, the revenue cannot be accrued. Part of the pending invoices was agreed to be collected and recognized in the second quarter of 2022. See "Risk Factors—Risks relating to our business—Our power plant in Kota Jababeka is subject to risks relating to the supply of natural gas, the reliability of infrastructure for the delivery of power to customers and disputes with contractual counterparties".

- *Service and maintenance fees*. Revenue derived from service and maintenance fees increased by 13.9% to Rp315.7 billion (US$21.1 million) for the year ended December 31, 2021 from Rp277.2 billion for the year ended December 31, 2020. This increase was primarily due to the increase in clean water and wastewater volume sold. In 2021, clean water volume increased 11% to 14.3 million m^3 and wastewater volume increased 9% to 5.7 million m^3.

- *Dry port*. Revenue derived from our services in our dry port increased by 19.7% to Rp174.1 billion (US$11.6 million) for the year ended December 31, 2021 from Rp145.5 billion for the year ended December 31, 2020. This increase was due to the increase in throughput of containers handled at the dry port from 62,381 TEU in 2020 to 70,221 TEU in 2021 primarily due to recovery in the economy following the worse effects of the COVID-19 pandemic and Government stimulation.

- *Golf*. Revenue derived from services in our golf courses increased by 7.4% to Rp62.5 billion (US$4.2 million) for the year ended December 31, 2021 from Rp58.2 billion for the year ended December 31, 2020. The increase was primarily due to a 7.0% increase in the number of golfers in 2021 compared to 2020.

- *Office space*, *factory and shop houses rental*. Revenue derived from rent from our properties, including office spaces, factories and shop houses decreased by 4.4% to Rp54.2 billion (US$3.6 million) for the year ended December 31, 2021 from Rp56.7 billion for the year ended December 31, 2020. This decrease was due to a reduction in number of township occupants.

- *Condominium*. Revenue derived from sales of condominium increased by 33.3% to Rp4.4 billion (US$0.3 million) for the year ended December 31, 2021 from Rp3.3 billion for the year ended December 31, 2020. This increase was due to an increase in condominium units sold from 4 units in 2020 to 7 units in 2021. In addition, revenue from room rental increased 134.4% to Rp957.7 million (US$0.1 million) in 2021 whereas the income from service charge was the same in each year at Rp1.8 billion.

- *Agribusiness and consulting*. Revenue derived from our agribusiness and consulting service decreased by 48.2% to Rp2.9 billion (US$0.2 million) for the year ended December 31, 2021 from Rp5.6 billion for the year ended December 31, 2020. This decrease is mainly due to a reduction of sales from consultation services.

Cost of sales and service revenue. Our cost of sales and service revenue increased by 1.5% to Rp1,397.7 billion (US$93.4 million) for the year ended December 31, 2021 from Rp1,377.7 billion for the year ended December 31, 2020, primarily as a result of the changes in the following line items:

- *Developed land*. Cost of sales of developed land decreased by 24.0% to Rp296.0 billion (US$19.8 million) for the year ended December 31, 2021 from Rp389.3 billion for the year ended December 31, 2020. This decrease was due to less contribution of land sales from Kendal in 2021, which land sales have a higher cost margin compared to land sales in Cikarang. For this reason, cost of sales decreased at a higher pace than revenue from sales of developed land.

- *Land and factory buildings*. Cost of sales of land and factory buildings increased by 10.4% to Rp29.6 billion (US$2.0 million) for the year ended December 31, 2021 from Rp26.8 billion for the year ended December 31, 2020. This increase was broadly in line with the increase in revenue. Cost of sales increased at a smaller percentage than sales as the Company sold higher value products in 2021, which have a higher gross profit margin.

- *Office spaces and shop house*. Cost of sales of office spaces and shop house decreased by 4.5% to Rp25.2 billion (US$1.7 million) for the year ended December 31, 2021 from Rp26.4 billion for the year ended December 31, 2020. This decrease was in line with the decrease in revenue from sales of office spaces and shop house.

- *Land and houses*. Cost of sales of land and houses increased by 70.5% to Rp99.4 billion (US$6.6 million) for the year ended December 31, 2021 from Rp58.3 billion for the year ended December 31, 2020. This increase was broadly in line with the increase in revenue, although cost of sales increased at a higher percentage due to more sales of more affordably priced houses in 2021, which have a higher cost basis.

- *Apartment*. Cost of sales of apartment increased by 0.2% to Rp63.8 billion (US$4.3 million) for the year ended December 31, 2021 from Rp63.7 billion for the year ended December 31, 2020. This increase was broadly in line with the increase in the average selling price per unit in 2021 compared to 2020 and such higher value products have a slightly higher gross profit margin.

- *Land*, *villa and tourism*. Cost of sales of land, villa and tourism decreased by 10.7% to Rp28.4 billion (US$1.9 million) for the year ended December 31, 2021 from Rp31.8 billion for the year ended December 31, 2020. This decrease was broadly in line with the reduction in revenue.

- *Power plant*. Cost relating to sales in our power plant increased by 16.0% to Rp540.0 billion (US$36.1 million) for the year ended December 31, 2021 from Rp465.6 billion for the year ended December 31, 2020. This increase was despite a decrease in revenue for the year ended December 31, 2021 as compared to the year ended December 31, 2020 as the fourth quarter invoices were not issued to PLN and therefore revenue not accrued. However, costs related to this period was accounted for.

- *Service and maintenance fees*. Cost relating to service and maintenance increased by 10.4% to Rp150.3 billion (US$10.0 million) for the year ended December 31, 2021 from Rp136.1 billion for the year ended December 31, 2020. This increase was in line with the increase in revenue.

- *Dry port*. Cost relating to services in our dry port increased by 2.9% to Rp106.8 billion (US$7.1 million) for the year ended December 31, 2021 from Rp103.8 billion for the year ended December 31, 2020. This increase was in line with an increase in revenue.

- *Golf*. Cost relating to services in our golf courses decreased by 7.8% to Rp31.7 billion (US$2.1 million) for the year ended December 31, 2021 from Rp34.4 billion for the year ended December 31, 2020. This decrease was due to the cost efficiency within this business segment.

- *Office space*, *factory and shop houses rental*. Cost relating to rental revenue, including office spaces, factories and shop houses, decreased by 36.5% to Rp21.6 billion (US$1.4 million) for the year ended December 31, 2021 from Rp34.0 billion for the year ended December 31, 2020. This decrease was due to a decrease in revenue and cost control efforts that resulted in a higher reduction in cost compared to revenue.

- *Condominium*. Cost relating to sales of condominiums increased by 23.5% to Rp2.1 billion (US$0.1 million) for the year ended December 31, 2021 from Rp1.7 billion for the year ended December 31, 2020. This increase was in line with the increase in revenue.

- *Agribusiness and consulting*. Cost relating to agribusiness and consulting decreased by 50.8% to Rp2.9 billion (US$0.2 million) for the year ended December 31, 2021 from Rp5.9 billion for the year ended December 31, 2020. This decrease was mainly due to the reduction in revenue.

Gross profit. As a result of the foregoing, our gross profit increased by 7.3% to Rp1,092.6 billion (US$73.0 million) for the year ended December 31, 2021 from Rp1,018.4 billion for the year ended December 31, 2020.

Selling expenses. Selling expenses increased by 4.9% to Rp60.1 billion (US$4.0 million) for the year ended December 31, 2021 from Rp57.3 billion for the year ended December 31, 2020. This increase was primarily due to increased spending on promotion and advertising as well as commissions and incentives in 2021.

General and administrative expenses. General and administrative expenses decreased by 3.9% to Rp447.7 billion (US$29.9 million) for the year ended December 31, 2021 from Rp466.0 billion for the year ended December 31, 2020, primarily due to a reduction on salaries, employee benefits, maintenance service, insurance and others.

Financial income. Our financial income decreased by 15.6% to Rp29.7 billion (US$2.0 million) for the year ended December 31, 2021 from Rp35.2 billion for the year ended December 31, 2020. This decrease was due to lower interest rate for time deposits, as the

range of interest rate for annual time deposits for Rupiah was between 1.8% and 6.0% in 2021, compared to between 2.5% and 7.8% in 2020.

Financial expenses. Our financial expenses remained stable at Rp466.6 billion (US$31.2 million) for the year ended December 31, 2021 and for the year ended December 31, 2020, as a decrease in interest expense was offset by an increase in mark-to-market loss expense.

Other (expenses)/income—net. Our other expenses increased more than tenfold to Rp18.8 billion (US$1.3 million) for the year ended December 31, 2021 from Rp1.7 billion for the year ended December 31, 2020. This was primarily due to an increase in impairment losses and share in loss of association in 2021.

Final tax expense. Final tax expense increased by 17.6% to Rp28.8 billion (US$1.9 million) for the year ended December 31, 2021 from Rp24.5 billion for the year ended December 31, 2020, primarily due to the increase in the tax prepaid by the Company on behalf of customers in connection with property sales. Such tax is expected to be refunded and booked under other income in later periods.

Profit before income tax. As a result of the foregoing, profit before income tax increased by 167.5% to Rp100.3 billion (US$6.7 million) for the year ended December 31, 2021 from Rp37.5 billion for the year ended December 31, 2020.

Results of operations for the year ended December 31, 2020 compared to the year ended December 31, 2019

Sales and service revenue. Our sales and service revenues increased by 6.3% to Rp2,396.1 billion for the year ended December 31, 2020 from Rp2,253.9 billion for the year ended December 31, 2019, primarily as a result of the changes in the following line items:

- *Developed land*. Revenue from sales of developed land increased by 85.3% to Rp782.9 billion for the year ended December 31, 2020 from Rp422.6 billion for the year ended December 31, 2019. This increase was due to the increase of the average selling price to Rp1.4 million per m^2 in 2020, compared to Rp0.7 million per m^2 in 2019. During 2020, developed land sales reached 57 hectares consisting of 7 hectares from Cikarang and 50 hectares from Kendal, compared to 58 hectares consisting of 8 hectares from Cikarang, 12 hectares from Kendal and 38 hectares from Tanjung Lesung in 2019.

- *Land and factory buildings*. Revenue from sales of factory buildings increased by 65.3% to Rp65.8 billion for the year ended December 31, 2020 from Rp39.8 billion for the year ended December 31, 2019. This increase was due to an increase in units sold from 13 units in 2019 to 17 units in 2020. In addition, the average selling price per unit also increased to Rp3.9 billion in 2020, from Rp3.1 billion in 2019.

- *Office spaces and shop house*. Revenue derived from sales of office spaces and shop house increased by 7.9% to Rp122.1 billion for the year ended December 31, 2020 from Rp113.2 billion for the year ended December 31, 2019. This increase was due to a higher average selling price per unit of Rp1.2 billion in 2020, from Rp1.1 billion in 2019, notwithstanding that the total units sold decreased to 100 in 2020 from 104 units in 2019.

- *Land and houses.* Revenue derived from sales of land and houses increased by 60.5% to Rp121.5 billion for the year ended December 31, 2020 from Rp75.7 billion for the year ended December 31, 2019. This increase was primarily due to an increase in units sold to 93 in 2020 from 80 units in 2019. In addition, the average selling price per unit also increased to Rp1,306.8 million in 2020, from Rp946.5 million in 2019.

- *Apartment*. Revenue derived from sales of apartments decreased by 44.2% to Rp88.1 billion for the year ended December 31, 2020 compared to Rp158.0 billion for the year ended December 31, 2019. This decrease was due to a reduction in units sold to 299 units in 2020 from 687 units in 2019, despite the average selling price per unit increasing to Rp294.6 million in 2020 from Rp230.0 million in 2019 .

- *Land*, *villa and tourism*. Revenue from sales of land, villa and tourism increased by 88.0% to Rp31.4 billion for the year ended December 31, 2020 from Rp16.7 billion for the year ended December 31, 2019. This increase was due to a better overall performance of the Company's hotels located in Cikarang and Tanjung lesung in 2020, despite the outbreak of the COVID-19 pandemic in Indonesia. In addition, revenue derived from Company's hotels in Tanjung Lesung was up by 105% in 2020 whereas in 2019 Tanjung Lesung was still feeling the impact of a tsunami that hit the west coast of Java in late 2018.

- *Power plant*. Revenue derived from sales of power decreased by 23.3% to Rp637.8 billion for the year ended December 31, 2020 from Rp831.8 billion for the year ended December 31, 2019. This decrease was due to a longer period of reserve shutdown of Bekasi Power's power plant in 2020 compared to 2019, which translated to a decrease in sales to PLN.

- *Service and maintenance fees*. Revenue derived from service and maintenance fees increased by 7.6% to Rp277.2 billion for the year ended December 31, 2020 from Rp257.7 billion for the year ended December 31, 2019. This increase was due to a 298% increase of sales from other services, such as tenant services, licensing, Polymerase Chain Reaction tool kits, telecommunication, and gas which increased, which was offset by a decrease in the volume of clean water, wastewater and maintenance charges that were down by 12% to 12.9 million m^3, 19% to 5.2 million m^3 and 1% to 109.8 million m^2 in 2020, respectively. In particular, the volume of water and wastewater declined due to reduced economic activity as a result of the COVID-19 pandemic.

- *Dry port*. Revenue derived from our services in our dry port decreased by 27.9% to Rp145.5 billion for the year ended December 31, 2020 from Rp201.8 billion for the year ended December 31, 2019. This decrease was due to decrease in throughput of containers handled at the dry port, from 82,161 TEU in 2019 to 62,381 TEU in 2020. The overall decrease in throughput of containers handled at the dry port was mainly due to the COVID-19 pandemic and other macroeconomic factors during 2020. The weakening of exports and imports was the consequence of the global economic slowdown, which was being felt by all countries as a result of the COVID-19 pandemic.

- *Golf*. Revenue derived from services in our golf courses decreased by 10.7% to Rp58.2 billion for the year ended December 31, 2020 from Rp65.2 billion for the year ended December 31, 2019. The decrease was due to the impact of the outbreak of the COVID-19 pandemic and the large-scale social restriction implementation in 2020 resulting in a 1.0% reduction in the number of golfers and a 16.0% reduction in the food and beverages revenue in 2020.

- *Office space*, *factory and shop houses rental*. Revenue derived from rent from our properties, including office spaces, factories and shop houses decreased by 12.2% to Rp56.7 billion for the year ended December 31, 2020 from Rp64.6 billion for the year ended December 31, 2019. This decrease was due to rental price reduction for some township occupants in 2020.

- *Condominium*. Revenue derived from sales of condominium increased by 32.0% to Rp3.3 billion for the year ended December 31, 2020 from Rp2.5 billion for the year ended December 31, 2019. This increase was due to an increase in the number of condominium units sold from three units in 2019 to four units in 2020, and increase in revenue from room rental and service charge.

- *Agribusiness and consulting*. Revenue derived from our agribusiness and consulting service business increased by 30.2% to Rp5.6 billion for the year ended December 31, 2020 from Rp4.3 billion for the year ended December 31, 2019. This increase was mainly due to an increase in demand for agricultural products and consulting services.

Cost of sales and service revenue. Our cost of sales and service revenue decreased by 2.3% to Rp1,377.7 billion for the year ended December 31, 2020 from Rp1,410.5 billion for the year ended December 31, 2019, primarily as a result of the changes in the following line items:

- *Developed land*. Cost of sales of developed land increased by 159.9% to Rp389.3 billion for the year ended December 31, 2020 from Rp149.8 billion for the year ended December 31, 2019. This increase was significantly higher than the increase in revenue due to a larger portion of sales of land in Kendal compared to 2019, and such Kendal land which comes with a higher cost margin compared to land in Cikarang.

- *Land and factory buildings*. Cost of sales of land and factory buildings increased by 44.1% to Rp26.8 billion for the year ended December 31, 2020 from Rp18.6 billion for the year ended December 31, 2019. This increase was broadly in line with the increase in revenue. Cost of sales increased at a smaller percentage than sales as the Company sold higher value products in 2021, which have a higher gross profit margin.

- *Office spaces and shop house*. Cost of sales of office spaces and shop house decreased by 1.1% to Rp26.4 billion for the year ended December 31, 2020 from Rp26.7 billion for the year ended December 31, 2019. This decrease was due to product mix as units sold in 2020 had a higher average selling price and higher margin per unit.

- *Land and houses*. Cost of sales of land and houses increased by 120.8% to Rp58.3 billion for the year ended December 31, 2020 from Rp26.4 billion for the year ended December 31, 2019. This increase was due to an increase in revenue and product mix as more products were sold with a higher cost margin.

- *Apartment*. Cost of sales of apartment decreased by 40.7% to Rp63.7 billion for the year ended December 31, 2020 compared to Rp107.4 billion for the year ended December 31, 2019. This decrease was in line with the decrease in revenue from sales in apartments.

- *Land*, *villa and tourism*. Cost of sales of land, villa and tourism increased by 19.5% to Rp31.8 billion for the year ended December 31, 2020 from Rp26.6 billion for the year ended December 31, 2019. This increase was in line with the increase in revenue.

- *Power plant*. Cost relating to sales in our power plant decreased by 33.1% to Rp465.6 billion for the year ended December 31, 2020 from Rp695.5 billion for the year ended December 31, 2019. This decrease was broadly in line with the decrease in revenue.

- *Service and maintenance fees*. Cost relating to service and maintenance increased by 7.0% to Rp136.1 billion for the year ended December 31, 2020 from Rp127.2 billion for the year ended December 31, 2019. This increase was in line with the increase in revenue.

- *Dry port*. Cost relating to services in our dry port decreased by 30.4% to Rp103.8 billion for the year ended December 31, 2020 from Rp149.1 billion for the year ended December 31, 2019. This decrease was in line with the decrease in revenue from services in our dry port.

- *Golf*. Cost relating to services in our golf courses decreased by 14.6% to Rp34.4 billion for the year ended December 31, 2020 from Rp40.3 billion for the year ended December 31, 2019. This decrease was in line with the decrease in revenue from services in our golf courses.

- *Office space*, *factory and shop houses rental*. Cost relating to rental revenue, including office spaces, factories and shop houses, decreased by 14.6% to Rp34.0 billion for the year ended December 31, 2020 from Rp39.8 billion for the year ended December 31, 2019. This decrease was in line with the decrease in revenue.

- *Condominium*. Cost relating to sales of condominiums increased by 112.5% to Rp1.7 billion for the year ended December 31, 2020 from Rp0.8 billion for the year ended December 31, 2019. This increase was due to the higher rental revenue which led to high cost of service charge.

- *Agribusiness and consulting*. Cost relating to agribusiness and consulting increased by 136.0% to Rp5.9 billion for the year ended December 31, 2020 from Rp2.5 billion for the year ended December 31, 2019. This increase was due to a reduced harvest in 2020.

Gross profit. As a result of the foregoing, our gross profit increased by 20.7% to Rp1,018.4 billion for the year ended December 31, 2020 from Rp843.5 billion for the year ended December 31, 2019.

Selling expenses. Selling expenses decreased by 36.2% to Rp57.3 billion for the year ended December 31, 2020 from Rp89.8 billion for the year ended December 31, 2019. This decrease was due to the incurrence of less selling expenses in 2020 due to the COVID-19 pandemic.

General and administrative expenses. General and administrative expenses increased by 2.2% to Rp466.0 billion for the year ended December 31, 2020 from Rp455.8 billion for the year ended December 31, 2019, primarily due to higher spending on salaries and employee benefits, taxes and licenses, outsourcing, insurance and others.

Financial income. Our financial income decreased by 9.7% to Rp35.2 billion for the year ended December 31, 2020 from Rp39.0 billion for the year ended December 31, 2019. This decrease was due to lower interest rates for time deposits, as the range of interest rates for annual time deposits for Rupiah was between 2.5% and 7.8% in 2020, compared to between 3.6% and 9.0% in 2019.

Financial expenses. Our financial expenses increased by 9.9% to Rp466.6 billion for the year ended December 31, 2020 from Rp424.7 billion for the year ended December 31, 2019, due to the increase of debt from Rp4,177.0 billion as of December 31, 2019 to Rp4,237.3 billion as of December 31, 2020.

Other (expenses)/income – net. We had Rp1.7 billion of other expenses for the year ended December 31, 2020 compared to Rp302.2 billion of other income for the year ended December 31, 2019. This was primarily due to foreign exchange movements which booked a foreign exchange loss of Rp47.0 billion in 2020, compared to a foreign exchange gain of Rp176.9 billion in 2019.

Final tax expense. Final tax expense decreased by 40.5% to Rp24.5 billion for the year ended December 31, 2020 from Rp41.2 billion for the year ended December 31, 2019, primarily due to less cash receipt from property sales in 2020.

Profit before income tax. As a result of the foregoing, profit before income tax decreased by 78.4% to Rp37.5 billion for the year ended December 31, 2020 from Rp173.3 billion for the year ended December 31, 2019.

Liquidity and Capital Resources

We have historically financed our capital requirements primarily through funds generated from our operations and financing from banks. Our primary capital requirements have been to purchase land, development and construction of properties and infrastructure, and to fund general working capital requirements. We believe that we will have sufficient capital resources from our operations and financing from banks and other financial institutions to meet our capital requirements for at least the next 12 months. Subject to restrictions in our existing indebtedness, we may incur further indebtedness in connection with the operation of our business, which may result in an increase in our interest expenses.

As of July 31, 2022, we had cash and cash equivalents of Rp1,224.8 billion (US$81.9 million) and undrawn credit facilities of Rp97.6 billion (US$6.5 million). See "Description of Material Indebtedness."

Liquidity

The following table sets forth information regarding our cash flows for the years ended December 31, 2019, 2020 and 2021 and the seven-month period ended July 31, 2022 and July 31, 2021, and our cash and cash equivalents at the end of each period:

	For the Years Ended December 31,				For the Seven-Month Periods Ended July 31,		
	2019	2020	2021	2021	2021	2022	
	Rp	Rp	Rp	US$	Rp	Rp	US$
		(audited)		(unaudited)		(unaudited)	
				(Rp in billions and US$ in millions)			
Net cash flows provided by operating activities	371.1	446.8	334.6	22.4	188.1	286.9	19.2
Net cash flows used in investing activities	(227.7)	(144.7)	(272.2)	(18.2)	(133.9)	(163.1)	(10.9)
Net cash flows used in financing activities	(8.4)	(131.2)	(130.6)	(8.7)	(93.0)	(19.4)	(1.3)
Effect of changes in foreign exchange rates on cash and cash equivalents	(8.7)	2.4	1.2	0.1	4.4	8.9	0.6
Net increase/(decrease) in cash and cash equivalents	126.2	173.4	(67.0)	(4.5)	(34.3)	113.3	7.6
Cash and cash equivalents at beginning of year	878.9	1,005.1	1,178.5	78.8	1,178.5	1,111.5	74.3
Cash and cash equivalents at end of year	**1,005.1**	**1,178.5**	**1,111.5**	**74.3**	**1,144.2**	**1,224.8**	**81.9**

Cash flows from operating activities

In the seven-month period ended July 31, 2022, our net cash flows provided by operating activities was Rp286.9 billion (US$19.2 million), consisting primarily of payments received from customers of Rp1,376.8 billion (US$92.0 million), partially offset by payments for land development, construction cost and licenses of Rp292.6 billion (US$19.6 million), salaries and employee benefits of Rp152.0 billion (US$10.2 million), and other operating expenses of Rp415.5 billion (US$27.8 million).

In the seven-month period ended July 31, 2021, our net cash flows provided by operating activities was Rp188.1 billion, consisting primarily of payments received from customers of Rp1,410.5 billion, partially offset by payments for land development, construction cost and licenses of Rp243.5 billion, salaries and employee benefits of Rp152.9 billion, and other operating expenses of Rp559.7 billion.

In 2021, our net cash flows provided by operating activities was Rp334.6 billion (US$22.4 million), consisting primarily of payments received from customers of Rp2,456.9 billion (US$164.3 million), partially offset by payments for land development, construction cost and licenses of Rp473.0 billion (US$31.6 million), salaries and employee benefits of Rp290.8 billion (US$19.4 million), and other operating expenses of Rp905.4 billion (US$60.5 million).

In 2020, our net cash flows provided by operating activities was Rp446.8 billion, consisting primarily of payments received from customers of Rp2,494.6 billion, partially offset by payments for land development, construction cost and licenses of Rp396.6 billion, salaries and employee benefits of Rp242.6 billion, and other operating expenses of Rp916.9 billion.

In 2019, our net cash flows provided by operating activities was Rp371.1 billion, consisting primarily of payments received from customers of Rp2,731.8 billion, partially offset by payments for land development, construction cost and licenses of Rp538.5 billion, salaries and employee benefits of Rp266.7 billion, and other operating expenses of Rp 1,161.7 billion.

Cash flows from investing activities

In the seven-month period ended July 31, 2022, our net cash flows used in investing activities was Rp163.1 billion (US$10.9 million), consisting primarily of proceeds from sale of property, plant and equipment of Rp0.3 billion (US$0.0 million), partially offset by addition in short-term investment of Rp3.5 billion (US$0.2 million), advances for purchase of property, plant and equipment of Rp1.4 billion (US$0.1 million), acquisition of property, plant and equipment of Rp81.0 billion (US$5.4 million) and acquisition of land of Rp77.5 billion (US$5.2 million).

In the seven-month period ended July 31, 2021, our net cash flows used in investing activities was Rp133.9 billion (US$8.9 million), consisting primarily of proceeds from sale of property, plant and equipment of Rp0.8 billion (US$0.0 million), and deduction in short-term investment of Rp3.8 billion (US$0.3 million), addition in investment in associates and joint venture of Rp 10.0 billion (US$0.7 million), partially offset by advances for purchase of property, plant and equipment of Rp1.8 billion (US$0.1 million), acquisition of property, plant and equipment of Rp26.4 billion (US$1.8 million) and acquisition of land of Rp100.3 billion (US$6.7 million).

In 2021, our net cash flows used in investing activities was Rp272.2 billion (US$18.2 million), consisting primarily of proceeds from sale of property, plant and equipment of Rp0.7 billion (US$0.0 million), partially offset by addition in short-term investment of Rp2.2 billion (US$0.1 million), advances for purchase of property, plant and equipment of Rp2.6 billion (US$0.2 million), acquisition of investment properties of Rp5.3 billion (US$0.4 million), addition in investment in associates and joint venture of Rp10.0 billion (US$0.7 million), addition in investment in shares of Rp11.4 billion (US$0.8 million), acquisition of property, plant and equipment of Rp54.0 billion (US$3.6 million) and acquisition of land of Rp187.2 billion (US$12.5 million).

In 2020, our net cash flows used in investing activities was Rp144.7 billion, consisting primarily of proceeds from sale of property, plant and equipment of Rp1.1 billion, proceeds from sale of investment property of Rp10.8 billion and deduction in short-term investment of Rp19.5 billion, partially offset by acquisition of intangible assets of Rp3.5 billion, advances for purchase of property, plant and equipment of Rp8.7 billion, addition in investment in associates and joint venture of Rp1.4 billion, acquisition of property, plant and equipment of Rp37.9 billion and acquisition of land of Rp124.6 billion.

In 2019, our net cash flows used in investing activities was Rp227.7 billion, consisting primarily of deduction in short-term investment of Rp23.3 billion, proceeds from sale of property, plant and equipment of Rp2.4 billion, partially offset by acquisitions of investment properties of Rp4.3 billion, addition in investment in associates and joint venture of Rp46.9 billion, acquisitions of intangible assets of Rp5.3 billion, advances for purchase of property, plant and equipment of Rp2.5 billion, acquisitions of property, plant and equipment of Rp108.6 billion and acquisitions of land of Rp86.0 billion.

Cash flows from financing activities

In the seven-month period ended July 31, 2022, our net cash flows used in financing activities was Rp19.4 billion (US$1.3 million), consisting primarily of withdrawal from restricted cash and cash equivalents of Rp11.9 billion (US$0.8 million), which was partially offset by payment of lease liabilities of Rp14.2 billion (US$1.0 million), and payments of bank loans of Rp17.0 billion (US$1.1 million).

In the seven-month period ended July 31, 2021, our net cash flows used in financing activities was Rp93.0 billion (US$6.2 million), consisting primarily of net placement in restricted cash and cash equivalents of Rp49.1 billion (US$3.3 million), payment of lease liabilities of Rp0.5 billion (US$0.0 million), and payments of bank loans of Rp43.4 billion (US$2.9 million).

In 2021, our net cash flows used in financing activities was Rp130.6 billion (US$8.7 million), consisting primarily of proceeds from bank loans of Rp2.4 billion (US$0.1 million) and establishment of new subsidiaries of Rp0.1 billion (US$0.0 million), which was partially offset by payment of lease liabilities of Rp1.8 billion (US$0.2 million), net placements in restricted cash and cash equivalents of Rp58.1 billion (US$3.9 million) and payments of bank loans of Rp73.1 billion (US$4.9 million).

In 2020, our net cash flows used in financing activities was Rp131.2 billion, consisting primarily of proceeds from bank loans of Rp51.8 billion, establishment of new subsidiaries of Rp1.0 billion and additional capital from non-controlling interest of Rp9.8 billion, which was partially offset by payment of lease liabilities of Rp1.3 billion, purchase of treasury shares of Rp47.8 billion, net placements in restricted cash of Rp52.8 billion and payments of bank loans of Rp91.7 billion.

In 2019, our net cash flows used in financing activities was Rp8.4 billion, consisting primarily of proceeds from bank loans of Rp32.0 billion and additional capital from non-controlling interest of Rp80.9 billion, which was partially offset by payments of lease

liabilities of Rp2.6 billion, placements in restricted cash and cash equivalents of Rp41.3 billion and payments of bank loans of Rp77.4 billion.

Contractual Obligations and Commitments

The following table sets forth our contractual principal (excluding interest charges) obligations and commitments to make future payments under our total debt as of July 31, 2022:

	Payment Due by Period				
	Total		Less Than 1 Year	1-2 Years	2-5 Years
	(Rp in billions)	(US$ in millions) (unaudited)	(Rp in billions)		
Total Debt:					
Senior Notes	4,403.6	294.4	-	4,403.6	-
Bank loans	66.6	4.5	27.8	38.4	0.4
Short-term bank loans	1.0	0.1	1.0	-	-
Lease payables	28.8	1.9	8.8	16.5	3.5
Total	**4,500.0**	**300.9**	**37.6**	**4,458.5**	**3.9**

We are conducting the exchange offer and consent solicitation primarily to refinance our indebtedness under the Senior Notes set out in the table above. See also "Risk Factors Relating to the Exchange Offer and the Consent Solicitation—Failure to obtain tenders for exchange equal to or above the Exchange Minimum Participation or failure to successfully complete the exchange offer and consent solicitation could increase our default risk under the Old Notes."

Capital Expenditure

The following table sets forth information regarding our total capital expenditure for the years ended December 31, 2019, 2020 and 2021 and the seven-month period ended July 31, 2022 and 2021:

	For the Years Ended December 31,				For the Seven-Month Periods Ended July 31,		
	2019	2020	2021	2021	2021	2022	
	Rp	Rp	Rp	US$	Rp	Rp	US$
		(audited)		(unaudited)		(unaudited)	
				(Rp in billions and US$ in millions)			
Land acquisition	86.0	124.6	187.2	12.5	100.3	77.5	5.2
Acquisition of property, plant and equipment	108.6	37.9	54.0	3.6	26.4	81.0	5.4

Advance for purchase of property, plant and equipment.....	2.5	8.7	2.6	0.2	1.8	1.4	0.1
Investment in shares of stock	-	-	11.4	0.8	-	-	-
Investment in associate.....	46.9	1.4	10.0	0.7	10.0	-	-
Total capital expenditures	**243.9**	**172.6**	**265.2**	**17.7**	**138.4**	**159.9**	**10.7**

Our capital expenditure budget for 2022 is Rp375.0 billion (US$25.7 million) primarily for land acquisition and development, which we plan to fund from our internal cash flows.

Off Balance Sheet Arrangements

As of July 31, 2022, we had no off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risks

Our business exposes us to a variety of financial risks, including changes in foreign exchange rates, credit risk and liquidity risk. The following discussion summarizes our exposure to liquidity risk, currency exchange rate rates, and interest risk and our policies to address these risks. The following discussion contains forward-looking statements that are subject to risks, uncertainties and assumptions about us. These statements are based upon current expectations and projections about future events. There are important factors that could cause our actual results and performance to differ materially from such forward-looking statements, including those risks discussed under "*Risk Factors*".

Liquidity Risk

We are subject to the risk that we will not have sufficient funds to meet our operating requirements and financial obligations when they fall due, especially in light of the mismatch of the maturities of our financial assets and liabilities.

Currency Exchange Rate Risk

Currently, a portion of our debt is denominated in U.S. dollars and a portion of our sales, operating expenses and other expenses are denominated in Rupiah, which exposes us to certain risks related to the fluctuation of the value of the Rupiah relative to the U.S. dollar. We will be exposed to additional risk associated with fluctuations in the Rupiah after we have completed the offering of the Notes. We currently use hedging instruments to manage the impact of fluctuations in the value of the U.S. dollar and may continue to do so in the future.

Interest Risk

Our interest rate risk arises primarily from changes in interest rates relating to loans that we obtain from banks. An increase in interest rates would lead to an increase in our interest expenses and could also result in a decrease in demand for our properties.

Recent Accounting Pronouncements

New accounting standards and interpretations have been published that are mandatory for accounting periods beginning on or after January 1, 2022. Our assessment of those standards and interpretations indicates that the adoption of such standards and interpretations did not result in substantial changes to our accounting policies and had no material effect on the amounts reported for our financial statements.

BUSINESS

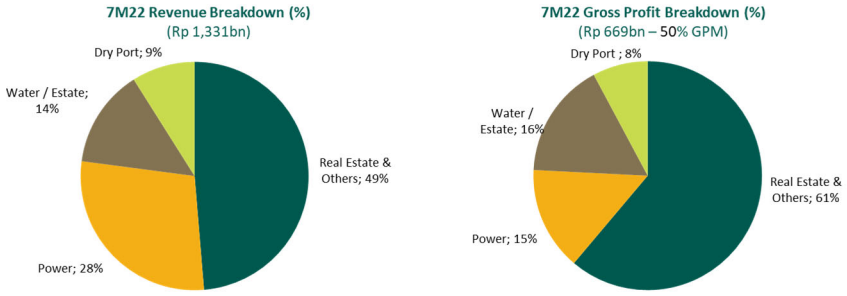
Overview

We are a leading fully integrated industry-based township developer in Indonesia, listed on the Indonesia Stock Exchange. Our core business is developing industry-based real estate, supported and enhanced by infrastructure and township management services. Our business model is to develop industrial real estate sites in a manner which builds a critical mass at each site and allows us to offer and enhance our complementary commercial and residential real estate development as well as our infrastructure and estate management services; thereby creating an industry-based township.

We offer a wide range of industrial real estate and complementary infrastructure and estate management services which we believe are attractive to businesses engaged in light, medium and heavy industries. We also develop commercial and residential real estate as part of our integrated industry-based township development. Our flagship industry-based township, Kota Jababeka, in Cikarang, is strategically located 35 kilometers east of Jakarta along the Bekasi-Cikampek corridor, which connects Jakarta and Bandung. We are also developing an integrated township in Tanjung Lesung that caters to the tourism, hospitality and leisure industries. Tanjung Lesung, which enjoys Special Economic Zone status, lies approximately 170 kilometers southwest of Jakarta. Kendal Industrial Park – Park by the Bay, which is designated as a Special Economic Zone, is an industry-based township project being developed through a Joint Venture with Sembawang Corporation and is located nearby the city of Semarang, the capital of Central Java, along the Jakarta – Semarang-Surabaya Economic Corridor.

Each of our developments has or is expected to have dedicated infrastructure to support and complement the activities at each development. For example, Kota Jababeka has its own dry port, which facilitates import, export and domestic distribution activities by occupants of the estate, as well as a dedicated 130-megawatt power plant, which became operational in January 2013 supported by an off-take contract with Perusahaan Listrik Negara ("**PLN**"), and which provides occupants with a stable supply of electricity.

For the years ended December 31, 2019, 2020 and 2021 and for the seven-month periods ended July 31, 2021 and 2022, our total revenue was Rp2,253.9 billion, Rp2,396.1 billion and Rp2,490.3 billion (US$166.5 million), and Rp1,271.9 billion and Rp1,330.7 billion (US$89.0 million), respectively, and our gross profit was Rp843.5 billion, Rp1,018.4 billion and Rp1,092.6 billion (US$73.0 million), and Rp491.4 billion and Rp668.9 billion (US$44.7 million), respectively. Revenue breakdown and gross profit breakdown by business segment for the seven-month period ended July 31, 2022 was as follows:



As of December 31, 2019, 2020 and 2021 and July 31, 2021 and 2022, our total assets was Rp12,184.6 billion, Rp12,200.2 billion and Rp12,292.1 billion (US$821.8 million), and Rp12,394.0 billion and Rp12,527.8 billion (US$837.5 million), respectively. As of July 31, 2022, our land bank (inventory and land for development) was approximately 5,185 hectares. A breakdown of land bank by location, as of July 31, 2022, is set out below:

Township	**Land bank Size (hectares)**	**Total Licensed Area[(1)] (hectares)**
Kota Jababeka Township	1,249	1,197
Tanjung Lesung Development	1,495	477
Kendal Industrial Park — Park by the Bay	555	2,200

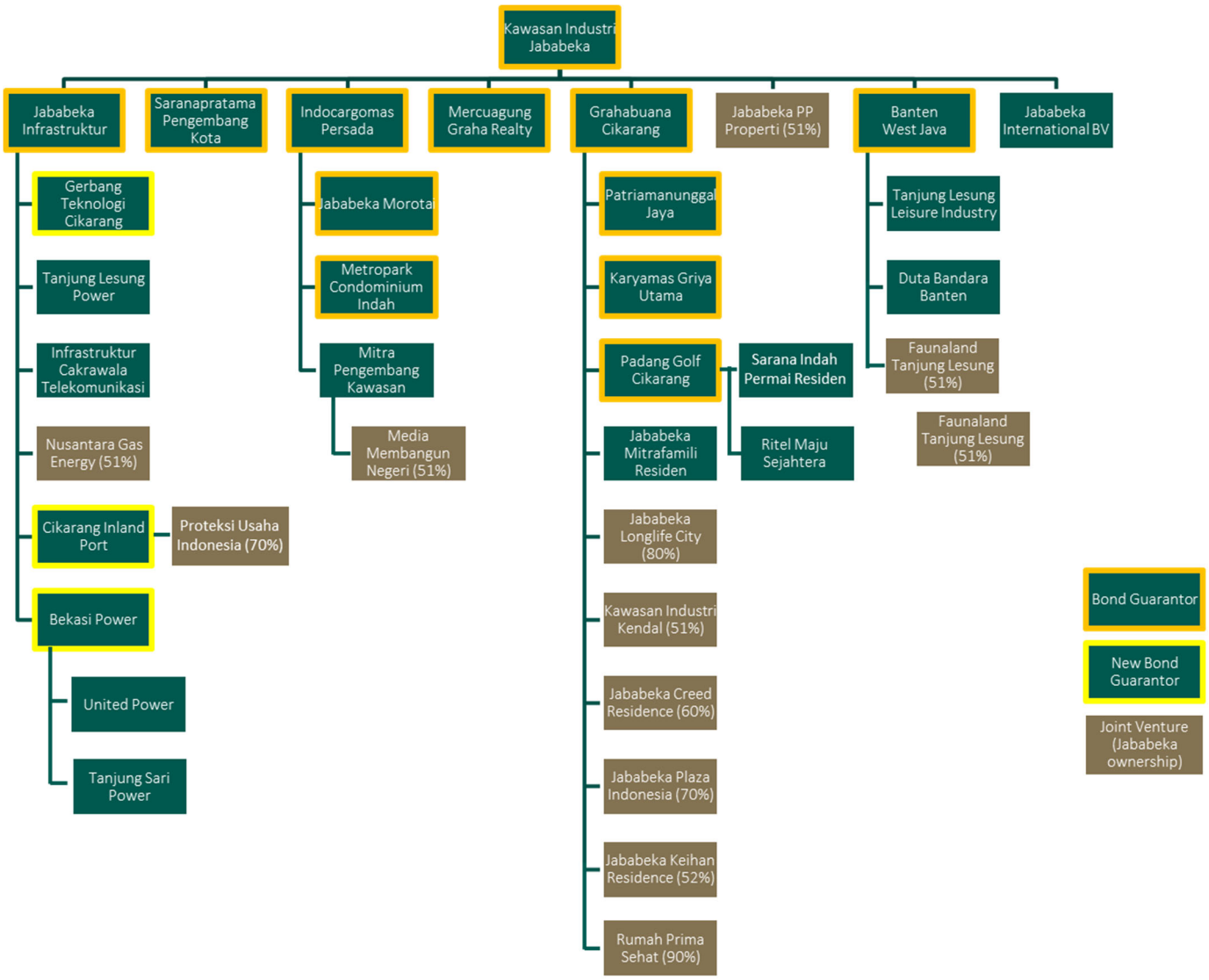
Morotai	1,885	17,000
Total	5,185	20,874

(1) Total licensed area reflects the total hectares covered by our current development licenses at each location. We have not yet acquired title to all of the hectares at Kota Jababeka Township. Total licensed area includes our land bank and land that we have previously sold.

For the years ended December 31, 2019, 2020 and 2021 and the seven-month periods ended July 31, 2021 and 2022, real estate marketing sales was Rp1,664.4 billion, Rp898.7 billion and Rp1,417.5 billion (US$97.1 million), and Rp548.2 billion and Rp1,015.8 billion (US$69.6 million), respectively. Marketing sales comprise all sales for which an agreement has been entered into with a buyer in the respective period, including sales where the revenue is not recognized in the period under Indonesian FAS.

Corporate Structure

The following chart shows our operating subsidiaries and other equity interests as of July 31, 2022:



Recent Developments

Collaboration with Mitsui Fudosan

On September 2, 2022, we announced that we had signed a joint venture agreement with Mitsui Fudosan Asia, a subsidiary of Mitsui Fudosan, on August 26, 2022. We will collaborate with Mitsui Fudosan to build three housing clusters, located in Jababeka Sports City, East Bekasi, West Java. The estimated development value of this development is more than Rp800 billion, and is expected to involve the construction of approximately 808 units of housing and shophouses. There will also be one hectare of sports hub facilities, such as mini golf, basketball courts, mini soccer, a skatepark and outdoor gym.

Mitsui Fudosan is a Japanese real estate firm that was founded in 1941. Mitsui Fudosan has 367 subsidiaries worldwide, including entities located in Europe, the United States, China, Taiwan, Southeast Asia and India. Mitsui Fudosan has a strong track record and has been involved in some iconic developments including the Tokyo Midtown, the Halekulani Hotel, and 50 and 55 Hudson Yards.

Official launch of Correctio

On September 8, 2022, we announced the official launch of Correctio, a development project for a future innovation hub and the largest technology-based integrated contemporary business area dubbed as "The Next Silicon Valley" in Indonesia. One of its objectives is to accelerate growth of startup enterprises that will contribute towards Indonesia's transition to Industry 4.0 and Society 5.0. In furtherance of this, we had signed a memorandum of understanding with the National Research and Innovation Agency and PT Bisa Artificial Indonesia on, July 21, 2022 and May 20, 2022 respectively.

It is expected that a number of world-class facilities will be developed that are ready to support the development of Industry 4.0 and Society 5.0, such as the development of district cooling systems, the application of solar panels, urban farming, fabrication labs, data centers, and smart command centers.

Correctio is located in Cikarang and is accessible by LRT, MRT, high-speed trains and highways that support easy community access for public transportation. It is also served by Djawatan Angkoetan Motor Repoeblik Indonesia (DAMRI), a bus operator in Indonesia. In addition, there is other supporting industrial infrastructure including the Cikarang Dry Port, the Bekasi powerplant, and other industrial and telecommunication infrastructure and services.

US$100.0 million Term Loan Facility with PT Bank Mandiri (Persero) Tbk.

On October 10, 2022, we signed a credit agreement with PT Bank Mandiri (Persero) Tbk. for a US$100.0 million secured term loan facility (the "**Mandiri Loan**") to refinance Jababeka's existing indebtedness, including the Old Notes. Terms of the Mandiri Loan include:

Borrowers	PT Kawasan Industri Jababeka Tbk., PT Grahabuana Cikarang, PT Bekasi Power and PT Jababeka Infrastruktur
Currency / Size	U.S. Dollars / Up to US$100.0 million
Use of Proceeds	Refinancing of existing indebtedness, including the Old Notes
Maturity Date	5-years from signing of Credit Agreement (Perjanjian Kredit)
Repayment	Amortization of principal on a semi-annual basis, resulting in a Weighted Average Life of approximately 3.5-years
Security	• Collateral includes land and buildings on Cikarang Golf Course and Jababeka Country Club on behalf of PT Grahabuana Cikarang • Fiducia security over industrial estate service receivables
Interest	5.50% per annum (payable monthly)
Financial Covenants	• Ratio of total current assets to current liabilities shall be at least 100% • Ratio of total debt (excluding sales advances, guarantees from customers and income received in advance) to equity (share capital plus retained earnings) shall be maintained at a maximum of 300% • Debt service coverage ratio (current year's EBITDA plus previous year's cash, divided by current year's liability on interest plus current year's liability on principal) shall be at least 120% • Maintain positive equity
Transaction Accounts	• Collection account o Cash collection account(s) for income receipts in U.S. dollars and Rupiah

- Debt service accrual account
  - Escrow account that accumulates interest and principal payments for the relevant month
  - Maintain account to pay the debt obligations under the loan facility, the Old Notes and the New Notes
  - Maintain a minimum balance of one interest payment for each of the Old Notes and the New Notes and one principal and interest payment under the loan facility
- Debt service reserve account
  - Escrow account that holds reserve funds for interest and principal payments for the next payment date under the loan facility
  - Maintain a minimum balance of one principal payment and three interest payments under the loan facility
- Disbursement account
  - Escrow account that receives drawdown funds under the loan facility

Amortization schedule

Year	Month	Repayment	Principal per semester	Principal per year
1	1 s.d 6	AP	AP	AP
	7 s.d 12	5%	5,000,000	5,000,000
2	1 s.d 12	10%	5,000,000	10,000,000
3	1 s.d 12	20%	10,000,000	20,000,000
4	1 s.d 12	30%	15,000,000	30,000,000
5	1 s.d 12	35%	17,500,000	35,000,000
Total		100%		100,000,000

In addition, if the aggregate principal amount of the New Notes to be issued pursuant to the exchange offer is less than US$200,000,000, the borrowers under the Mandiri Loan will be required to provide reserve funds in the form of a savings deposit, demand deposit or time deposit in the amount equal to the aggregate principal amount of the Old Notes outstanding immediately after the closing of the exchange offer. Such reserve funds will be in a blocked account and can only be used for the purpose of making payments of principal or interest under the Old Notes.

Drawdown under the Mandiri Loan is subject to additional terms and conditions, including completion of a liability management transaction in respect of the Old Notes and any new notes that may be issued in connection with such liability management exercise must have a tenor longer than the Mandiri Loan.

We expect to enter into a credit agreement with PT Bank Mandiri (Persero) Tbk. in respect of the Mandiri Loan on or about the date of this exchange offer and consent solicitation memorandum.

Our Development Projects

As of July 31, 2022, our ongoing projects include Kota Jababeka, Kendal Industrial Park, Tanjung Lesung and Morotai.



Kota Jababeka



Ariel image of Kota Jababeka: artist's impression.

Kota Jababeka lies 35 kilometers east of Jakarta's Central Business District and covers the Cikarang area, which is part of the Bekasi regency. The regency of Bekasi covers a total area of 150,000 hectares and shares borders with the regency of Karawang in the east, Bogor in the south and Jakarta in the west. The Java Sea lies to the north of the Bekasi regency.

Kota Jababeka is a mature township development, of which approximately 60% has been developed out of a total of 5,600 hectares of land area as of July 31, 2022. It is a self-contained industry-based township that is home to 1,681 local and multinational companies from over 30 countries. The development includes residential and commercial developments, a public transportation network, shopping, leisure and entertainment, as well as a dry port, a power plant, two water treatment plants and two wastewater treatment plants.

The residential-commercial area is managed by PT Grahabuana Cikarang. Facilities and infrastructure, such as water treatment plants, waste water treatment plants and fiber optics, are managed by PT Jababeka Infrastruktur. Independent power plants are managed by PT Bekasi Power and land ports are managed by PT Cikarang Inland Port. All of these companies are subsidiaries of PT Jababeka Tbk.

Kendal Industrial Park



Ariel image of Kendal Industrial Park: artist's impression.

Kendal Industrial Park is a 2,200 hectares integrated industrial park in Central Java which is developed by a joint venture between our wholly-owned subsidiary, PT Grahabuana Cikarang ("**GBC**"), and Sembcorp Development Indonesia, a wholly-owned subsidiary of Sembcorp Development (51.0% and 49.0%, respectively). Kendal Industrial Park is designed as an international standard industrial park with mixed-use development encompassing industrial, residential and commercial areas that meet the demand for cost-competitive manufacturing in Indonesia. It is strategically located about 21 kilometers west of Semarang, the capital of Central Java, 20 kilometers from Ahmad Yani International Airport, and 25 kilometers to Tanjung Emas Seaport. Kendal Industrial Park is equipped with international standard infrastructure and supporting amenities that includes prepared land plots for custom-build facilities, ready-built factories, reliable electricity, water and waste water treatment, executive housing with full-fledged amenities, and well-managed worker dormitories.

Kendal Industrial Park was designated as a Special Economic Zone in December 2019. Businesses in Kendal Industrial Park derive several fiscal and non-fiscal benefits from such status including the convenience in the process of getting a business permit, environmental permit, building permit, and the right to get certain tax incentives. As of July 31, 2022, there were 76 township occupants including foreign investors from various countries and territories such as Taiwan, China, Japan, South Korea, Hong Kong, Malaysia and Singapore with a total investment of around Rp27.0 trillion.

Tanjung Lesung



Image of Tanjung Lesung.

Tanjung Lesung is located approximately 170 kilometers southwest of Jakarta in the province of Banten and covers 1,500 hectares of untouched peninsula facing the Indian Ocean. It is accessible by highway from Jakarta in approximately 3.5 hours. Tanjung Lesung is a resort with hotels, condominiums, apartments as well as diving and beach clubs. It includes water-front residences and a golf course surrounded by golf view townhouses. As of July 31, 2022, Tanjung Lesung has two resorts and hotels offering a combined 150 bungalows with 300 rooms and meeting facilities. A sailing and beach club is also currently operational which offers an array of water sports and land-based activities.

Construction of a new toll road from Serang Timur to Tanjung Lesung, which would support the development of leisure, tourism and hospitality in the township, has commenced and is divided into three sections: section 1 Serang - Rangkasbitung section with a length of 26.50 km has been operating since December 2021, followed by section 2 Rangkasbitung - Cileles with a length of 24 km with construction progress of 31.20%, and section 3 Cileles - Panimbang is 33 km long. The toll road is expected to be completed in the first quarter of 2024.

On November 30, 2021, PT Banten West java Tourism Development, a wholly owned subsidiary of PT Jababeka Tbk, and PT Fauna Land Indonesia and Irene formed a joint venture with the aim of developing recreational tourism in Tanjung Lesung. The development plan will be realized in two stages: the first stage is to build a kid's zoo followed by the second stage to build a resort in the form of unique accommodation facilities with views of the animals. The formation of this joint venture is expected to have a positive influence on the business development of Tanjung Lesung as a tourist destination.

Morotai



Image of Morotai.

Morotai is located in the Halmahera group of eastern Indonesia' Maluku islands, which lies in the heart of Pacific Asia in between Asia and Australia. It's distance from Singapore and Taipei is roughly the duration of a three-hour direct flight from each city. As of July 31, 2022, Morotai island had a population of about 50,000 people and covered 245,000 hectares. With 1,884 hectares and a relatively small investment, we have obtained a foothold in an area that has significant potential in terms of logistics, agriculture and tourism. Its location, also in a special economic zone, provides an opportunity for collaborations between regional business interests and other developments. As of July 31, 2022, we own and operate Resort D'Aloha, which consist of 24 cottages, and we have a minority stake (34.78%) in Marahai Villa Resort, which consists of 22 villas as of July 31, 2022. In addition, we have started sales, construction and development of land plots and residential projects and we also derive revenue from ancillary services such as water and infrastructure.

Our Competitive Strengths

Leading fully integrated industry-based township developer with strategically located premier developments and high-quality facilities

We are a leading fully integrated industry-based township developer in Indonesia, with our land bank (inventory and land for development) comprising 5,185 hectares in area as of July 31, 2022. Our premier development is our Kota Jababeka township, which is a fully integrated township development that is strategically located along the Bekasi-Cikampek corridor and adjacent to the main east-west railroad line in Java. As one of the few industrial estates located in the Bekasi-Cikampek corridor that is not exclusively affiliated with a major manufacturer or conglomerate, Kota Jababeka has attracted a diversified and high-quality customer base consisting of both international and domestic companies operating in various industries, including automotive, consumer, electronics, manufacturing, services and trading.

As a result of the scale of Kota Jababeka's development, we are able to provide a variety of infrastructure services and amenities to address the most pressing needs of industrial customers operating or seeking to operate in Indonesia, including a power plant for the provision of electricity, which became operational in January 2013; a dry port located proximately to Indonesia's largest seaport in Tanjung Priok; water and wastewater treatment facilities; complementary commercial, residential and educational offerings; estate management and security services and planned medical facilities. In addition, we are exploring the development of a second power plant to meet the growing demand for electricity in Indonesia. We are currently in discussions with Mitsui to jointly tender for a 450 MW gas power plant. A number of our infrastructure service offerings have attained ISO and other international standards certifications. As a result, Kota Jababeka has evolved into a one-stop industrial destination for high-quality industrial companies in a variety of industries. We provide a full range of services designed to allow potential customers to efficiently establish and run operations in our development and in Indonesia generally, including assistance with obtaining business licenses and sourcing skilled labor.

Sizeable land bank for sustainable future growth

We believe that our land bank, as complemented by our existing infrastructure services and other amenities, is strategically located, attractive to our target customers and provides us with strong development opportunities. As of July 31, 2022, our total land bank was approximately 5,185 hectares, comprising mainly of 1,249 hectares in Kota Jababeka, 1,495 hectares in Tanjung Lesung, 555 in Kendal Regency and 1,885 in Morotai. Our sizeable land bank positions us well to take advantage of any increased demand for

industrial land in and around Jakarta, Banten and Central Java. Historically, we have been able to meet our goals of maintaining the size of our current land bank by acquiring land at a rate of acquisition corresponding to the rate at which land is utilized for our developments, subject to pricing and availability considerations. We strive to maintain a minimum land bank visibility of industrial land at Kota Jababeka of five years.

With regard to our land bank outside of Kota Jababeka, we intend to use the experience we have gained from Kota Jababeka to replicate our success for additional developments. We believe that our Kota Jababeka, Kendal Regency, Tanjung Lesung and Morotai land banks are strategically located to attract the necessary critical mass of township occupants to enable us to move to the next stage of infrastructure development in these areas. For example, our Tanjung Lesung township is close to existing tourist attractions and in an area slated by the Government for future tourism development. The Government's planned construction of a new toll road from Serang Timur to Tanjung Lesung, would support the development of leisure, tourism and hospitality in the township. Our Kendal Regency site is strategically located nearby the city of Semarang, which is the capital of Central Java, and its international airport and international seaport. In addition, the area is accessible by provincial and secondary roads and railway. Morotai is strategically located in the Halmahera group of eastern Indonesia's Maluku islands, which lies in the heart of Pacific Asia in between Asia and Australia. It is only a three-hour flight from Singapore and Taipei. Morotai has great potential for tourism, agricultural and fishing industries, and as a logistics hub.

Diversified earnings base with significant recurring revenue, supported by our Bekasi power plant and Cikarang Dry Port

Our evolution into a one-stop industrial development solutions provider has enabled us to both diversify our earnings base beyond real estate sales and grow our recurring revenue as our occupant base expands. Earnings from the Cikarang Dry Port, Bekasi power plant and our infrastructure services provide a stream of recurring revenue derived from a captive market that complements the revenue generated by sales of our real estate.

We believe that a reliable supply of electricity is one of the primary concerns for industrial occupants seeking to establish manufacturing facilities in Indonesia. Indonesia currently faces electricity shortages due to historic underinvestment in power plants and transmission and distribution infrastructure. Our wholly owned subsidiary, PT Bekasi Power, whose first power plant became fully operational in January 2013, is licensed to sell electricity directly to consumers and has entered into a long-term sales and purchase agreement with PLN, whereby all of PT Bekasi Power's electricity will be purchased by PLN. PT Bekasi Power may also buy back power from PLN to supply its occupants directly to meet demand for power at the industrial estate. Our ownership of a power plant combined with our off-take and buy-back arrangement with PLN will allow us to offer our occupants a reliable supply of electricity while also helping to ensure sufficient revenue from the operation of the power plant. We source natural gas from two entities, including the state owned PGN, to support the operation of the power plant, with fuel costs borne by PLN on a pass-through basis. Additionally, as the only industrial estate in Cikarang with a dedicated power plant, we believe that this will provide us with a significant marketing advantage over our competitors.

The Cikarang Dry Port helps address bottlenecks in customs and quarantine clearance at Indonesia's largest seaport at Tanjung Priok in Jakarta. The Government has included the Cikarang Dry Port as part of its program to address under-capacity and improve transport and logistics efficiency at Tanjung Priok, and licensed the Cikarang Dry Port as the first fully-integrated customs services estate in Indonesia. To improve access to the dry port, the Government has constructed an access road from the main toll road leading directly into the industrial estate at kilometer marker 29. This is complemented by the completed toll access at kilometer marker 34.7, which was constructed to benefit the residential estate. Each of these toll access points allow for more efficient processing of throughput in the estate, increasing its attractiveness over the congested Tanjung Priok.

In addition to revenue from the power plant and dry port, we derive additional recurring revenue from the provision of treated water, wastewater treatment and estate management services, which purchasers of land in our Kota Jababeka township are required to purchase from us.

Experienced management team

We have a highly experienced management team with deep industry knowledge. The members of our board of directors and senior management team have an average of approximately 20 years of experience in industrial property development and related industries. Together, our board of directors and senior management team form a talented and experienced leadership team. We believe that our management team follows a prudent approach in order to implement a balanced growth strategy.

Our Business Strategies

Our core strategy is to develop a sufficient critical mass in our core industrial township development business to support and sustain related businesses, services, infrastructure offerings and amenities, which in turn enhances the value and attractiveness of our core industrial townships.

Continue to develop Kota Jababeka and leverage our experience for the development of new properties

The critical mass of occupants at our Kota Jababeka township provides us with the opportunity to continue to introduce and provide complementary services and infrastructure that make the industry-based township more attractive to existing and future occupants. We also plan to leverage our significant experience in industry-based township design and development by replicating our core strategy when developing new projects, including our Kendal Regency development, Tanjung Lesung development and Morotai development. Once we secure anchor occupants for Tanjung Lesung we expect to commence more extensive infrastructure development.

Opportunistically acquire land bank properties

We plan to continue our practice of acquiring new land at our existing development sites, as well as acquire development land in new areas on an opportunistic basis. We plan to expand our land bank at Kota Jababeka in tandem with sales of land in order to maintain adequate land supplies, so long as we are able to do so at attractive valuations.

Increase and strengthen recurring revenue base

We have expanded our recurring revenue base through the introduction of additional infrastructure such as the power plant and the dry port. The Bekasi power plant has been operating since January 2013 and generated Rp377.9 billion (US$25.3 million) in revenue for the seven-month period ended July 31, 2022. We plan to continue to leverage our scale and expand our recurring revenue base through additional service and infrastructure offerings, including through the planned construction of a second power plant adjacent to the existing power plant. Over the past several years we have also leveraged the critical mass that we achieved at our Kota Jababeka industry-based township to expand our recurring revenue base by providing basic infrastructure such as water, wastewater treatment and estate management services. We are also exploring the expansion of our recurring revenue base through acquisitions. Additionally, once we reach critical mass at our Kendal Regency and Tanjung Lesung developments, we plan to expand our services and infrastructure offerings in each of those developments to further diversify our revenue base.

Enter into strategic partnerships to jointly develop new properties

Our substantial experience with industrial land development has made us an attractive potential partner for governments and entities looking to enter the industrial land development sector. Additionally, we have strong relationships with a number of our existing occupants, which we believe we can leverage into future joint development projects, such as developments of additional space in our existing estates for the integration of our existing occupants' suppliers or other value chain participants or through the joint development of a new estate with an existing occupant and its suppliers or other value chain participants as anchor occupants.

We are also seeking to leverage our industry-based township development experience through potential joint developments of properties owned by third parties. In addition to the joint venture with Sembcorp Development Indonesia to develop an industrial township in Kendal Regency, we entered into a joint venture with the Creed Group from Japan in 2018 to develop Kawana Golf Residence, a serviced apartment that sits on 2.7-hectares of land in the Jababeka Residence area with direct access to golf facilities.

In addition, we have been approached by various local governments throughout Indonesia to assist with the development of industrial land in their respective regions. In each of these instances, our contribution of experience and established development processes provide us with the opportunity to participate in potential property developments without contributing the levels of capital that would be required if we were to develop these properties on our own. In addition, we are open to entering strategic partnerships with certain of our subsidiaries, if the economic conditions and agreement terms are favorable.

Our Properties

We are in the business of owning, developing, selling, leasing and managing industrial, residential and commercial real estate in Indonesia, historically focused in Western Java. Since commencing the development of our flagship industry-based township, Kota Jababeka in 1989, we have expanded our land bank to include an additional estate in the province of Banten, Tanjung Lesung, which is our first township development catering to the tourism industry, and Morotai, an estate located in the Halmehera group of eastern Indonesia's Maluku islands, a future destination for tourism, agricultural and fishing industries, and logistics hub. We have also expanded our land bank to include an additional estate in the province of Central Java, Kendal Regency. In developing a property, we may secure an anchor occupant to help develop a critical mass at the development and attract other occupants, which enables us to invest

in infrastructure development in order to provide infrastructure services to the occupants and attract new occupants through the availability of our infrastructure services. This was our strategy for developing our Kota Jababeka estate. However, we are not wielded to this strategy and retain the flexibility to develop a property or site even without an anchor occupant. For example, Kendal Industrial Park was developed without a particular anchor occupant as we were able to attract a sufficient mass of individual township occupants which made construction and development commercially viable.

Kota Jababeka

Kota Jababeka is a fully integrated industry-based township located in Cikarang, West Java, 35 kilometers east of Jakarta. With a population of over one million inhabitants and workers, the development includes an industrial estate, residential clusters, commercial properties, shopping, education, healthcare, entertainment and recreation facilities. As of July 31, 2022, approximately 3,000 hectares of the land in Kota Jababeka has been developed and sold and we held approximately 1,249 hectares of land as inventory or land for development.

Residential and commercial

We offer consumers a range of residential housing options in our residential estate over an area of approximately 1,200 hectares. We initially commenced residential development at Kota Jababeka with housing aimed at relatively less affluent segments of the population. As the estate grew, we shifted our focus to middle and up-market developments considering that the remaining residential land bank is located near the golf course. Our residential offerings include townhouses, condominiums, apartments, worker and student dormitories and individual detached homes. Our housing units are developed according to market demand and are targeted towards individual and corporate segments. We offer a variety of designs and lay-outs in our residential and commercial developments.

Our current residential and commercial developments include:

<u>*Residential*</u>

Wimbledon — These are upper middle class residential units that have a total land area of approximately 40 to 102 square meters and building area ranging from 52 to 75 square meters per unit. As of July 31, 2022, prices ranged from Rp662 million to Rp1.2 billion per unit.

Sevilla — These are upper middle class residential units that have a total land area of approximately 45 to 140 square meters and building area ranging from 43 to 58 square meters per unit. As of July 31, 2022, prices ranged from Rp642 million to Rp1.4 billion per unit.

New Oscar — These are upper middle class residential units that have a total land area of approximately 119 to 185 square meters and building area of 120 square meters per unit. As of July 31, 2022, prices ranged from Rp2.2 billion to Rp2.7 billion per unit.

Candi Residence — These are upper middle class residential units that have a total land area of approximately 69 to 72 square meters and building area of 66 square meters per unit. As of July 31, 2022, prices ranged from Rp1.16 billion to Rp1.18 billion per unit.

Rotterdam — These are upper middle class residential units that have a total land area of approximately 30 to 108 square meters and building area ranging from 36 to 55 square meters per unit. As of July 31, 2022, prices ranged from Rp414 million to Rp963 million per unit.

Palm Town House — These are upper middle class residential units that have a total land area of 45 square meters and building area of 40 square meters per unit. As of July 31, 2022, prices were Rp463 million per unit.

Monaco — These are upper middle class residential units that have a total land area of approximately 45 to 60 square meters and building area ranging from 43 to 49 square meters per unit. As of July 31, 2022, prices ranged from Rp633 million to Rp785 million per unit.

D'Java — These are upper middle class residential units that have a total land area of 192 square meters and building area of 167 square meters per unit. As of July 31, 2022, prices were Rp2.7 billion per unit.

New Garden Ville — These are upper middle class residential units that have a total land area of approximately 60 to 235 square meters and building area ranging from 30 to 36 square meters per unit. As of July 31, 2022, prices ranged from Rp434 million to Rp1.2 billion per unit.

Kraton — These are upper middle class residential units that have a total land area of 98 square meters and building area of 58 square meters per unit. As of July 31, 2022, prices were Rp1.3 billion per unit.

Monroe — These are apartments beside Elvis tower and inside the Hollywood Junction area. Each unit has a gross floor area of 21 to 42 square meters. As of July 31, 2022, prices ranged from Rp456 million to Rp885 million per unit.

Kawana — These are apartments with direct access to 86 hectares Jababeka Golf course. Each unit has a gross floor area of 27 to 62 square meters. As of July 31, 2022, prices ranged from Rp819 million to Rp1.9 billion per unit.

Riverview Residence — These are apartments that will be divided into two towers. Each unit has a gross floor area of 21 to 42 square meters. As of July 31, 2022, prices ranged from Rp282 million to Rp608 million per unit.

Commercial

Ruko Sevilla — These are shop houses with a total land area of 48 square meters and building area of 80 square meters per unit. As of July 31, 2022, prices were Rp1.5 billion per unit.

Ruko Green Market — These are shop houses with a total land area of 40 square meters and building area of 80 square meters per unit. As of July 31, 2022, prices were Rp1.7 billion per unit.

Ruko Hollywood Boulevard — These are shop houses with a total land area of approximately 50 to 56 square meters and building area ranging from 90 to 106 square meters per unit. As of July 31, 2022, prices ranged from Rp2 billion to Rp2.3 billion per unit.

Ruko Hollywood Boulevard Signature — These are shop houses with a total land area of approximately 50 to 56 square meters and building area ranging from 73 to 82 square meters per unit. As of July 31, 2022, prices ranged from Rp1.7 billion to Rp1.9 billion per unit.

Ruko Sudirman Boulevard — These are shop houses with a total land area of approximately 55 to 74 square meters and building area ranging from 117 to 125 square meters per unit. As of July 31, 2022, prices ranged from Rp3.5 billion to Rp4.7 billion per unit.

Ruko Trace — These are shop houses with a total land area of 40 square meters and building area of 80 square meters per unit. As of July 31, 2022, prices were Rp1.6 billion per unit.

Ruko Cortes — These are shop houses with a total land area of 35 square meters and building area of 46 square meters per unit. As of July 31, 2022, prices ranged from Rp544 million to Rp572 million per unit.

Ruko Thamrin — These are shop houses with a total land area of 54 square meters and building area of 162 square meters per unit. As of July 31, 2022, prices were Rp3.2 billion per unit.

Ruko New Garden Ville — These are shop houses with a total land area of approximately 90 to 151 square meters and building area of 42 square meters per unit. As of July 31, 2022, prices ranged from Rp876 million to Rp1.3 billion per unit.

Industrial

As of July 31, 2022, Kota Jababeka had 1,681 local and multinational companies from over 30 countries, including the United States, Japan, France, the United Kingdom, the Netherlands, Australia, Korea, Singapore, Taiwan and Malaysia. As of July 31, 2022, multinational occupants occupied approximately 51% of the estate, with the remaining 49% mainly occupied by local small and medium sized enterprises.

We offer our customers a wide variety of industrial real estate developments including,

Developed land lots, which are available in sizes based on the customer's request. To develop the land lots, we fill, clear, and grade the land and construct drainage facilities, an access road, public lighting and utility connecting. These lots are suitable for the construction of light and medium industry facilities.

Factory Buildings

Standard Factory Buildings, which have a land area for each unit ranging from 1,438 to 3,393 square meters and floor area for each unit ranging from 945 to 1,035 square meters, primarily consisting of a production area with a supporting office area. These units are designed for any type of commercial activity and, as of July 31, 2022, ranged in price from Rp15.6 billion to Rp28.6 billion per unit.

E-Space Block, which have a land area for each unit ranging from 1,426 to 1,674 square meters and floor area for each unit of 807 square meters, primarily consisting of a production area with a supporting office area. These units are designed for any type of industry and, as of July 31, 2022, ranged in price from Rp14.4 billion to Rp16.1 billion per unit.

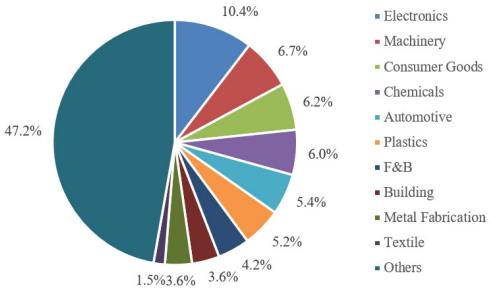
Three in One buildings, which have a land area for each unit ranging from 713 to 1,144 square meters and floor area for each unit of 435 square meters, divided between factory space, office space and living space. These units are specially designed for storage or production, and their accessibility features make them conducive for loading and unloading. As of July 31, 2022, prices ranged from approximately Rp7.5 billion to Rp10.6 billion per unit.

Bizpark buildings, which have a land area for each unit ranging from 200 to 414 square meters and floor area for each unit ranging from 135 to 153 square meters. These units are suitable for small to medium sized business due to their accessibility, which facilitates efficient production, and are conducive for loading and unloading. As of July 31, 2022, prices ranged from Rp2.7 billion to Rp4.7 billion per unit.

Supporting Industrial buildings, which have a land area for each unit ranging from 287 to 1,190 square meters and floor area for each unit of 155 square meters, divided between production area, office space and living space. These units are specially designed for home industry and suitable for the small and medium enterprises. As of July 31, 2022, prices ranged from approximately Rp2.9 billion to Rp9.4 billion per unit.

Smart Manufacturing Hub, which have a land area for each unit ranging from 670 to 1,433 square meters and floor area for each unit ranging from 309 to 525 square meters. These units are designed for various industry and giving customers the alternative to re-layout as they need (for workshop, warehouse, office, lounge, etc.). It is also supported by high technology and be known as Smart Eco-Factory. As of July 31, 2022, prices ranged from approximately Rp7.2 billion to Rp14.4 billion per unit.

The following chart provides a breakdown of the types of industries represented at our Kota Jababeka industry-based township as of July 31, 2022, based on the number of township occupants:



Infrastructure and estate management

Our wholly owned subsidiary, PT Jababeka Infrastruktur, owns and operates two water treatment plants which supply water to industrial, residential and commercial occupants of Kota Jababeka. Our water is sourced from the Kalimalang River, which lies adjacent to the Kota Jababeka site and is also the source of water for Jakarta. As of July 31, 2022, our two water treatment plants have a combined current capacity of 740 liters per second. PT Jababeka Infrastruktur also owns and operates our two wastewater treatment plants. As of July 31, 2022, our two wastewater treatment plants have a combined capacity of 507 liters per second. Our revenue from PT Jababeka

Infrastruktur is primarily derived from clean water supply, wastewater treatment and estate management. As of July 31, 2022, our clean water supply and wastewater treatment facilities served 1,681 industrial businesses, 1,819 commercial businesses and 10,551 households.

We develop and manage the infrastructure, public utilities and urban landscaping within the Kota Jababeka township, including public streetlights, fiber optic network capability, 24-hour security, a fire brigade and waste disposal. Other services we provide at Kota Jababeka include JFast (Jababeka Focus to Accelerate Service Tenant), which provides customers with public services such as business licensing and community and workforce development services.

Power plant

PT Bekasi Power, our wholly owned subsidiary, operates and manages our 130 megawatts power plant, which became commercially operational in January 2013. The combined cycle power plant consists of two General Electric gas turbines and one Shin Nippon steam turbine, that receives steam from two heat recovery steam generators. We supply power through a long-term 100% off-take agreement with PLN, which was signed in February 2011. Under this agreement, we will provide net capacity power of up to 118.8 megawatts to PLN for a period of 20 years starting from the commercial operation date, which was in January 2013. The contract provides for a price per megawatt that provides for a full pass-through for the pricing of natural gas. Under the contract, we may buy back up to 100% of the power that we supply to PLN at a fixed premium, which we plan to sell to our Kota Jababeka customers, including customers in our exclusive operational areas.

For the years ended December 31, 2019, 2020 and 2021 and the seven-month periods ended July 31, 2021 and 2022, revenue from the Bekasi power plant was Rp831.8 billion, Rp637.8 billion and Rp633.5 billion (US$42.4 million), and Rp447.0 billion and Rp377.9 billion (US$25.3 million), respectively, and gross profit was Rp136.3 billion, Rp172.2 billion and Rp93.5 billion (US$6.2 million), and Rp88.2 billion and Rp98.0 billion (US$6.5 million), respectively.

Dry port

Our wholly owned subsidiary, PT Cikarang Inland Port, manages and operates our Cikarang Dry Port, which is the first and only integrated customs and service estate in Indonesia. Located on a site of approximately 200 hectares, a site of 70 hectares is dedicated to the dry port terminal and the remaining site of 130 hectares is dedicated to our logistics park.

In April 2011, the dry port became an official port of origin and destination with an international port code, IDJBK, allowing bills of lading to be issued for both import and export activities. The port provides one stop service for cargo handling and a logistics solution for international import and export, as well as domestic distributions. The facilities provided at the dry port include 24 hours a day, seven days a week integrated port, custom and quarantine clearance, a container freight station, a bonded warehouse, land and rail transportation facilities, third party logistics, an empty container depot, banks and other supporting facilities. Through the use of our dry port, manufacturers in the area surrounding Kota Jababeka can have their supplies delivered to, and their outgoing shipments processed though, the dry port, which allows them to avoid the extensive customs clearance delays and logistics bottlenecks currently experienced at Tanjung Priok, Jakarta's main port. This allows our customers to more efficiently manage their imports and exports, lowering their costs and increasing the attractiveness of our Kota Jababeka estate. The dry port can also service occupants from other areas, including nearby industrial estates along the Bekasi-Cikampek corridor.

The dry port is adjacent to the main railway line that runs from west Java to east Java, allowing access to and from Tanjung Priok port via rail and for onward shipment of goods to cities in central and eastern Java, including Surabaya's seaport Tanjung Perak, another key international port in Indonesia, via rail service.

We currently operate a bonded logistics center where, similar to the concepts of free trade zone and bonded warehouse, we provide designated warehouses and facilities for international traders to stockpile their goods in Indonesia. Import taxes and duties on the stockpile would be deferred until the stock is purchased by a buyer and leaves the warehouse. The concept is also known in several countries as non-resident inventory. The flexibility with respect to import taxes make our bonded logistic center an ideal facility for international traders. In cooperation with API, the Indonesian textile association, Cikarang Dry Port developed a bonded logistics center for cotton commodities. We were among the first 11 companies for whom licenses for the bonded logistics center were granted by the Government in March 2016. Now the bonded logistics center also handles several commodities for export. The shipments come from multiple shippers in Indonesia. Some of the commodities handled by our bonded logistics center are cotton, cacao beans, minerals, automotive parts, and retail products.

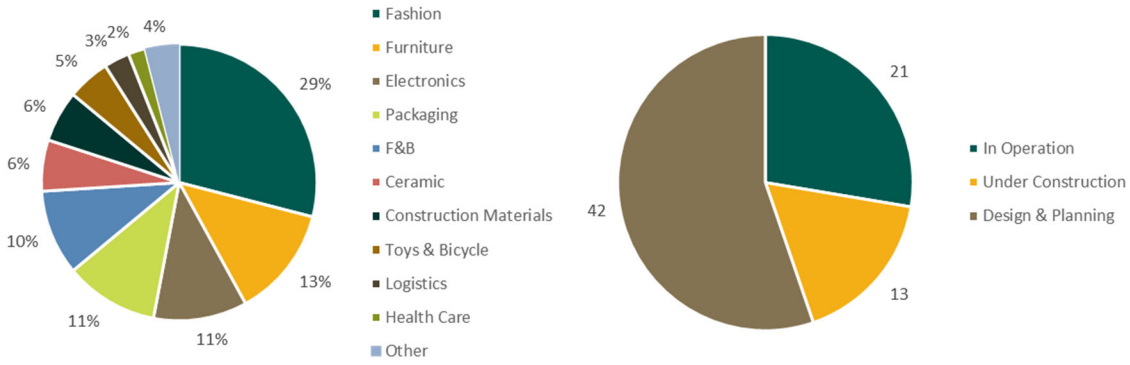
For the years ended December 31, 2019, 2020 and 2021 and the seven-month periods ended July 31, 2021 and 2022, the dry port had a capacity throughput of 82,161 TEU, 62,381 TEU and 70,221 TEU, and 43,060 TEU and 44,099 TEU, respectively. Revenue

generated by the dry port for the years ended December 31, 2019, 2020 and 2021 and the seven-month periods ended July 31, 2021 and 2022 was Rp201.8 billion, Rp145.5 billion and Rp174.1 billion (US$11.6 million), and Rp103.0 billion and Rp119.3 billion (US$8.0 million), respectively.

Kendal Industrial Park

As of July 31, 2022, approximately 250 hectares of the land in Kendal Industrial Park has been developed and sold and we held approximately 555 hectares of land as inventory or land for development.

Our industrial customers typically choose the site and the type of building that they require from our standard options or from a custom design, and we engage a third-party contractor to construct the building. The following chart provides a breakdown of the types of industries represented at Kendal Industrial Park township as of July 31, 2022, based on the number of township occupants:



Kendal Industrial Park was designated as a Special Economic Zone in December 2019. Businesses in Kendal Industrial Park derive several fiscal and non-fiscal benefits from such status including the convenience in the process of getting a business permit, environmental permit, building permit, and the right to get certain tax incentives.

Tanjung Lesung Estate

Our Tanjung Lesung township development, which caters to the tourism, leisure and hospitality industry, is located approximately 170 kilometers southwest of Jakarta on a peninsula in the province of Banten. As of July 31, 2022, we have 1,495 hectares of land which we have allocated for the development of, among others, resorts and hotels, MICE facilities, a marina, a water park, a sailing and beach club, an education campus and a golf course.

Construction of a new toll road from Serang Timur to Tanjung Lesung, which would support the development of leisure, tourism and hospitality in the township, has commenced and is divided into three sections: section 1 Serang - Rangkasbitung section with a length of 26.50 km has been operating since December 2021, followed by section 2 Rangkasbitung - Cileles with a length of 24 km with construction progress of 31.20%, and section 3 Cileles - Panimbang is 33 km long. The toll road is expected to be completed in the first quarter of 2024.

Tanjung Lesung was designated as Special Economic Zone by the President of the Republic of Indonesia in 2015. As a Special Economic Zones, Tanjung Lesung can offer facilities and incentives in taxes, licensing, customs and excise, immigration, labor, defense, and flow of products.

Our current residential and commercial developments in Tanjung Lesung include:

Residential

Ladda Bay Village — These are fully furnished villas with cluster themes near the beach. Each unit has a total land area ranging from 60 to 84 square meters and a total building area ranging from 35 to 70 square meters. As of July 31, 2022, prices ranged from Rp600 million to Rp800 million.

Villa Kalicaa Estate — We sell five different types of products within the Kalicaa cluster with an average total land area ranging from 189 to 560 square meters and a total building area ranging from 79 to 297 square meters. As of July 31, 2022, prices ranged from Rp1.9 billion to Rp6.1 billion.

Commercial

Ruko Ladday Bay Arcade — These are shop houses inside the Small and Medium Industry Centers (IKM Center) with a total land area of approximately 40 to 50 square meters and building area ranging from 80 to 100 square meters per unit. As of July 31, 2022, prices ranged from Rp750 million to Rp850 million per unit.

Morotai

Morotai is located in the Halmahera group of eastern Indonesia' Maluku islands, which lies in the heart of Pacific Asia in between Asia and Australia. It's distance from Singapore and Taipei is roughly the duration of a three-hour direct flight from each city. As of July 31, 2022, Morotai island has a population of about 50,000 people and covers 245,000 hectares (four times the size of Singapore). With 1,885 hectares and a relatively small investment, we have obtained a foothold in an area that has significant potential in terms of logistics, agriculture and tourism. Its location, also in a special economic zone, provides an opportunity for collaborations between regional business interests and other developments.

PT. Jababeka Morotai has been appointed and approved by the President of the Republic of Indonesia to develop and manage the Morotai Special Economic Zone (SEZ) in accordance with the Government Regulation of the Republic of Indonesia No. 50 year 2014 dated 30 June 2014 and has obtained a special zone development license for Tourism, Industry and Residential to develop an integrated tourism area in Morotai. As a Special Economic Zones, Morotai can offer facilities and incentives in taxes, licensing, customs and excise, immigration, labor, defense, and flow of products.Our current residential and commercial developments in Morotai include:

Residential

Falila Residence — These are minimalist housing with strategic location which located in the Special Economic Zone and close to the Airport. Each unit has a total land area ranging from 120 to 180 square meters and a total building area of 36 square meters. As of July 31, 2022, prices ranged from Rp155 million to Rp165 million.

Falila Loft Studio — These are fully furnished apartments with profit sharing concept. Located in a very strategic SEZ location and near the Airport. Each unit has a gross floor area of 17 square meters. As of July 31, 2022, prices were Rp180 million per unit.

Commercial

Ruko Falila — These are shop houses with a total land area of 60 square meters and building area of 47.5 square meters per unit. As of July 31, 2022, prices were Rp200 million per unit.

Other offerings

In addition to the industrial, commercial, residential offerings and the supporting infrastructure services at Kota Jababeka, the industry-based township also offers an education park and leisure facilities, including a country club, golf course, and other outdoor sports facilities.

Education Park is a development focused on providing education and training services. There are currently several educational institutions in the Education Park, including the International Elementary and Secondary School, the President International School, SMA President, Polytechnic ATMI Cikarang (*Akademi Teknik Mesin Industri Cikarang*), President University, BPK Penabur, Al Azhar, President Community College (*Akademi Komunitas President*), ICT — Training Center (*Balai Pelatihan dan Pengembangan Teknologi Informasi dan Komunikasi*) and President Special Needs Center. The graduates of these educational institutions help to provide industrial and commercial occupants at Kota Jababeka with a quality supply of well-trained and qualified employees.

D'Khayangan Jababeka

D'Khayangan Jababeka is a serviced apartment dedicated to both foreign and local citizens. The facility at D'Khayangan covers 8.1 hectares and has the capacity to be expanded to 20 hectares. The facility has 40 apartments and 4 villas as of July 31, 2022. Currently,

occupancy is at approximately 35%. D'Khayangan Jababeka is a collaboration between PT Jababeka Tbk. and Long Life Holdings from Osaka, Japan.

Supporting and leisure facilities

The President Executive Club is an international private club catering to professionals and business leaders. In addition to 10 suites and 14 hotel rooms, the President Executive Club offers clients access to dining facilities, a variety of conference rooms and a gym.

Metro Hotel at Metro Condominium Indah is a three-star hotel, offering 82 hotel rooms, along with a restaurant, a fitness area and a swimming pool.

The President Lounge located in the Central Business District of Jakarta. The President Lounge is strategically located in Menara Batavia, in central Jakarta, and offers meeting facilities with capacity of up to approximately 200 people, suitable for seminars, exhibitions or other corporate events.

The 80-hectare Jababeka Golf and Country Club is owned and operated by our wholly owned subsidiary PT Padang Golf Cikarang. Jababeka Golf and Country Club features an 18-hole golf course designed by Nick Faldo. The clubhouse offers our clients a wide array of amenities including a golf pro shop, a swimming pool, two tennis courts, a restaurant and massage services.

Other Businesses

Borobudur International Golf and Country Club in Magelang, Central Java

We manage and operate the Borobudur International Golf and Country Club, an 18-hole golf course located in Magelang, 40 kilometers north of Yogyakarta. The clubhouse offers customers a restaurant, golf pro shop, and various conference rooms.

Menara Batavia and The City Center

As of July 31, 2022, we own 5,467 square meters of space in the Jakarta strata title building Menara Batavia, 1,625 square meters of which is used for our offices and 3,842 square meters of which is rented to third parties or available for rent to third parties. We also have title to 9,630 square meters in The City Center, a strata titled office tower adjacent to Menara Batavia, which is rented to third parties.

Sales, Marketing and Pricing

Our Sales, Marketing and Pricing team is responsible for coordinating sales and marketing efforts with third party agents based on their market research on our target customers. Historically, we have offered our in-house sales team and third-party agents incentives through a commission based program, which is based on industrial, residential and commercial properties.

We typically advertise our property developments through print and online media and tradeshows that focus on multinational occupants. Our key selling points for our industrial customers are the strategic location, high quality infrastructure and integrated commercial and residential facilities. We focus the marketing of our residential and commercial properties on individuals who work within the industrial estate and investors from Jakarta. Our key selling points for our target market are the proximity of the residential area to their workplace, the fully integrated facilities and services available at the township, increasing commercial activities and opportunities, and the property values at the location.

Sales prices for our products are reviewed on a regular basis based on a number criteria, including a property's location within the township, the target market, the size of the property being sold, the amenities provided and general market conditions at the time of pricing. Purchasers of industrial lots of land are required to pay a minimum booking fee of approximately Rp500 million or any other amount that may be negotiated. Purchasers of industrial products (land with a factory building) are required to pay a minimum booking fee of approximately Rp50 million. Purchasers of residential and commercial property are required to pay a booking fee of approximately Rp 15 million and Rp25 million per unit. Typically, down payments are 5-30% of the purchase price and the balance can be repaid in installments until the property is delivered to the buyer. The remaining 70%-95% is typically paid through a mortgage or cash installments in the case of residential and commercial or negotiated installments to be paid over six to 12 months in the case of industrial properties.

Construction and Suppliers

We outsource all of our construction work to third-party contractors for services such as land preparation, infrastructure and civil work who are monitored by our construction management and quantity surveyors divisions. Contractors are typically paid a small up-front payment on larger projects and then paid in monthly installments based on completion progress. All contracts are for fixed prices and the contractors bear the risk of any cost overruns. We are also able to charge a penalty for any delay in work progress. Typically contractors go through a tender process before being granted a project, usually at least two contractors engage in the bidding and we review the bids based on a variety of factors including, quality, cost and experience before choosing the appropriate contractor for the project. Contractors are generally responsible for sourcing their own raw materials for the project. In order to ensure quality and manage the timeline of the projects we supervise and monitor every project that has been contracted to third party contractors.

Land Acquisition

Our land acquisition team sources land on an ongoing basis. Our team conducts market and other research to identify target sites for acquisition and land bank replenishment purposes. We intend to acquire land on an opportunistic basis should larger tracts of land become available. In order to reduce costs, we typically engage third parties to assist in the land acquisition process. We conduct acquisitions through our management team, real estate agents, and private merger and acquisition activities, among others. Subject to price and location, our strategy is to maintain visibility of at least five years of industrial land bank. In terms of residential and commercial property, we believe our current land bank is sufficient to meet our planned sales and development needs for more than 10 years. We note that our current land bank is not one contiguous piece of land and some areas have not yet been acquired. These small areas of land will only be acquired once we need them.

Pursuant to Indonesian regulations relating to the acquisition of large tracts of land, we obtain location permits, which provides us with the exclusive right to buy, clear and develop particular parcels of land, from local authorities over land that we wish to develop. After obtaining the location permit with respect to a particular parcel of land, we can then commence the land acquisition process and negotiate with the individual land owners to acquire land covered by the location permit. After the land acquisition is completed, we can apply for and obtain ownership rights over the land from the relevant local land office. See "Regulation — Land Ownership and Acquisition Regulation".

Competition

We compete with other property developers for property, land development projects and land acquisitions in high demand areas such as Jakarta. To attract occupants, we compete on the basis of the strategic locations of our developments and the unique range of infrastructure services and amenities we provide, such as the Cikarang dry port and Bekasi power plant. We also compete with other property developers on the pricing of the properties that we develop, development concepts, and the types and range of new product offerings. We believe that our principal competitor is PT Lippo Cikarang Tbk., based on our business as a consolidated group. In addition, we face competition from other industrial estates in Indonesia, including PT Bekasi Fajar Industrial Estate Tbk., PT Surya Semesta Intermusa Tbk. and PT Puradelta Lestari Tbk.

Employees, Training and Labor

As of July 31, 2022, we directly employed 1,378 employees, including 740 permanent employees and 638 contractual employees. As of July 31, 2022, none of our employees were represented by any labor union and there are currently no material pending labor disputes. Our employee compensation primarily consists of basic salaries, transportation allowances and meal allowances. We also offer medical insurance, retirement funding through BPJS (*Badan Penyelenggara Jaminan Sosial — Kesehatan and Ketenagakerjaan* — Health Care and Worker Social Security) and annual bonuses.

Trademarks and Copyrights

We currently hold or have applied for all the trademarks and copyrights that we believe are necessary to operate our business. We own nine registered trademarks and three copyrights, and have applied to register five further trademarks with the Directorate of Intellectual Property Rights in Indonesia.

Litigation

From time to time, we are involved in legal proceedings concerning matters arising in connection with the conduct of our business, including proceedings that challenge actions taken by us or our title to land purchased or developed by us. See also "Principal Shareholders and Related Party Transactions."

Currently, there are no material pending claims and legal proceedings against us.

Material Licenses

The material licenses which have been obtained by us and our subsidiaries include, among others, BKPM initial approvals, Business Identification Number (*Nomor Induk Berusaha* or "**NIB**"), expansion permits, import duty facility, Permanent Business Licenses (*Izin Usaha Tetap*), tourism business registrations (*Tanda Daftar Usaha Pariwisata*), and Industrial Area Business Licenses (*Izin Usaha Kawasan Industri*). With regards to our industrial area business, we have also obtained the necessary industrial area business license which allows us to operate our main business in the industrial area. With regards to the operation of the dry port, our subsidiary, PT Cikarang Inland Port has also obtained a harbor business license issued by the Ministry of Transportation. For the operation of PT Bekasi Power, we also have obtained an electricity business license issued by the Ministry of Energy and Mineral Resources and the relevant local government.

We believe we have obtained the material licenses necessary for the operation of our business, except for: (i) NIB of PT Karyamas Griya Utama; (ii) tourism business registration of PT Saranapratama Pengembangan Kota, PT Metropark Condominium Indah, and PT Padang Golf Cikarang, (iii) business certificate of PT Gerbang Teknologi Cikarang, PT Patriamanunggal Jaya, and PT Mercuagung Graha Realty, and (iv) industrial estate business license of PT Patriamanunggal Jaya and PT Mercuagung Graha Realty.

Material Contracts

In order to strengthen the revenue stream from our power plant at Kota Jababeka, PT Bekasi Power and PLN entered into an off-take agreement in February 2011 under which we will provide net capacity power of up to 118.8 megawatts to PLN for a period of 20 years starting from the commercial operation date, which was in January 2013. The contract provides for a price per megawatt that provides for a full pass-through for the pricing of natural gas varies based on maintenance and capital costs. Under the contract, we may buy back up to 100% of the power that we supply to PLN, which we plan to sell to our Kota Jababeka customers. We currently have one key gas purchase agreement with PGN, to help ensure adequate gas supply for the power plant.

Insurance

We typically insure our key projects that are under construction for material damage and third party liability in the types and amounts which we believe are consistent with industry practice and as required by applicable laws, regulations and other statutory requirements. In addition, we have insurance policies covering public liability, earthquake, machinery and material damage for our key infrastructure assets.

Environmental

Our real estate, which is supported and enhanced by industrial infrastructure and residential management services is subject to extensive, evolving and increasingly stringent environmental laws and regulations which govern our processes and facilities. The above-mentioned real estate business is subject to a variety of environmental laws, which include among others, those regarding wastewater discharge, and the generation, handling, storage, and transportation of waste. These laws and regulations may expose us to liability for the conduct of, or conditions caused by, our acts. It is likely that we will be subject to increasingly stringent environmental standards in the future and may be required to make additional capital expenditures relating to environmental and safety matters on an ongoing basis. Our community development unit is also required to obtain an Environmental Impact Assessment (*Analisis Mengenai Dampak Lingkungan* or "**AMDAL**"). Currently, save for the environmental license of PT Kawasan Industri Kendal to construct Kendal Industrial Park — Park by the Bay, we have not integrated our environmental permits into the Environmental Approval as required under Law No. 32 of 2009 on Protection and Management of the Environment ("**Law 32/2009**") which replaces the previous law on the same matter, Law No. 23 of 1997 ("**Law 23/1997**"). In November 2020, the Government passed the Job Creation Law which changes the contents of Law 32/2009. As a result, the Government issued a new Government Regulation No. 22 of 2021 on Implementation of Environmental Protection Management ("**GR 22/2021**"), as the implementing regulation of Law No. 32/2009. GR 22/2021 stipulates that any environmental document which has been approved prior to the effective date of GR 22/2021 shall be declared a valid document and become prerequisites and are contained in the Business Licensing or Government Approval. Other requirements that need to be fulfilled in order to operate our business will be included in the Environmental Monitoring Efforts Report (*Upaya Pemantauan Lingkungan* or "**UPL**"), Environmental Management Efforts Report (*Upaya Pengelolaan Lingkungan* or *"***UKL**") and/or AMDAL. Law No. 32/2009 further stipulates that within two years after its enactment date, all businesses that have obtained business licenses but do not yet have an AMDAL document or UKL and UPL are obligated to either complete an environmental audit, if they need an AMDAL, or have an environment management document, if they need a UKL and UPL.

The Ministry of Environment and Forestry oversees our compliance with environmental laws and regulations. We believe we are in compliance in all material respects with applicable environmental laws and regulations in Indonesia, except for the environmental licenses (including to have AMDAL or UKL-UPL) of PT Saranapratama Pengembangan Kota, PT Padang Golf Cikarang, PT Bekasi Power, PT Metropark Condominium Indah, PT Mercuagung Graha Realty and PT Patriamanunggal Jaya.

Corporate Social Responsibility

Our CSR programs cover three main areas: economic empowerment, social welfare, and environment. In response to the rapid development of the Jababeka Industrial Estate, and in an effort to improve the welfare of the surrounding communities, we have implemented various CSR programs to address the needs of the community and to work closely with local stakeholders, such as ministers, governors, regents, district and village heads as well as township occupants. We have also published our 2021 annual sustainability report which was prepared in accordance with the Financial Services Authority Regulation No. 51/POJK.03/2017 on the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies.

DESCRIPTION OF MATERIAL INDEBTEDNESS

We have entered into certain demand loans, *installment loans*, *special transaction loans*, *working capital loans and revolving term loans. The following summary of the principal terms of our material indebtedness may not contain all of the information that may be important to you. You should read the notes to our financial statements for additional information about our indebtedness and the indebtedness of our subsidiaries.*

As at July 31, 2022, we had consolidated indebtedness totaling Rp4,500.0 billion (US$300.9 million). The following table describes our primary consolidated indebtedness as of July 31, 2022. In addition to the description below, see also notes 14 and 15 to our consolidated financial statements attached hereto.

No.	Description of Indebtedness	Borrower(s)	Lender(s)	Original Principal Amount	Tenor/Maturity	Amount Outstanding (as at July 31, 2022)	
						(Rp billions)	(US$ millions)
1	Bank Tabungan Negara Construction Credit Loan	PT Jababeka PP Properti	PT Bank Tabungan Negara (Persero) Tbk.	Rp130.0 billion	7 years, maturing on May 3, 2024	64.9	4.3
2	Bank OCBC NISP Working Capital Loan[(1)]	PT Kawasan Industri Kendal	PT Bank OCBC NISP Tbk.	Rp100.0 billion	4 years upon the first drawdown	1.7	0.1
3	Bank Rakyat Indonesia Working Capital Loan	PT Banten West Java Tourism Development	PT Bank Rakyat Indonesia (Persero) Tbk.	Rp1.0 billion	12 months, maturing on April 22, 2023	1.0	0.1
4	6.50% Guaranteed Senior Notes due 2023	Jababeka International B.V.	Holders of 6.50% Guaranteed Senior Notes due 2023	US$300.0 million	7 years	4,403.6	294.4

(1) As of September 27, 2022, this loan has been fully repaid

Below are brief descriptions of the indebtedness listed in the table above.

Construction Credit Loan with PT Bank Tabungan Negara (Persero) Tbk.

On May 3, 2017, our subsidiary, PT Jababeka PP Properti ("**JPP**"), obtained a construction credit loan from PT Bank Tabungan Negara (Persero) Tbk. ("**BTN**") with total facility amounting to Rp130.0 billion. JPP and BTN subsequently entered into an addendum to the credit agreement on November 26, 2021 (the "**Addendum**"). The loan facility had an initial term of five years maturing on May 3, 2022 and, pursuant to the Addendum, the maturity date of the loan facility was extended to May 3, 2024. The effective interest rate of the loan was 10% per annum, unless otherwise determined or adjusted by BTN from time to time. The purpose of the credit loan was to finance the construction of Anami Riverview Residence Apartment, Mahakam Tower. The credit loan is secured by the project land and buildings.

Working Capital Loan with PT Bank OCBC NISP Tbk.

On January 22, 2021, our subsidiary, PT Kawasan Industri Kendal ("**KIK**"), obtained a term loan facility from PT Bank OCBC NISP Tbk. ("**OCBC NISP**") amount to Rp100.0 billion. The loan facility had a term of four years and bore an interest rate equal to OCBC NISP's prime lending rate plus 0.05% per annum. As of July 31, 2022, the term loan is secured by 21 *Sertifikat Hak Guna Bangunan* comprising of 179,535 square meters of land. As of September 27, 2022, this loan has been fully repaid by the KIK.

Working Capital Loan with PT Bank Rakyat Indonesia (Persero) Tbk.

On November 29, 2018, our subsidiary PT Banten West Java Tourism Development ("**BWJ**"), obtained a working capital credit loan from PT Bank Rakyat Indonesia (Persero) Tbk. ("**BRI**"), amount to Rp1.0 billion. The initial term of the loan was originally for one year and was to April 22, 2023. The interest rate of the loan is 12.50% which is reviewed by BRI and subject to change every 1 (one) month. The loan is secured by *Sertifikat Hak Guna Bangunan* 00002/Senang Sari owned by BWJ and its inventory.

Indebtedness under the Old Notes

The Old Notes were originally issued by Jababeka International B.V. on October 5, 2016 and additional Old Notes were issued on October 19, 2016 and November 15, 2017. As of July 31, 2022, the total aggregate principal amount of Old Notes outstanding was US$300.0 million. As of the date of this exchange offer and consent solicitation memorandum, US$1,500,000 in aggregate principal amount of the Old Notes is held by or on behalf of the Old Notes Issuer, Jababeka and/or their respective affiliates, which is not regarded as outstanding for the purpose of the exchange offer and consent solicitation. The Old Notes bear a fixed interest rate of 6.50% per annum, payable semi-annually in arrears. The Old Notes have a tenor of five years and are unconditionally and irrevocably guaranteed by Jababeka and certain of its subsidiaries.

New US$100.0 million Term Loan Facility with PT Bank Mandiri (Persero) Tbk.

See “Business—Recent Developments—US$100.0 million Term Loan Facility with PT Bank Mandiri (Persero) Tbk.” for a description of the Mandiri Loan.

MANAGEMENT

In accordance with Indonesian law, we have both a board of commissioners and a board of directors. The two boards are separate and no individual may serve as a member on both boards.

The rights and obligations of each member of the Board of Commissioners and Board of Directors are regulated by our articles of association (the "**Articles**") and by the decisions of our shareholders in general meeting. Under the Articles, the Board of Directors must consist of at least two members including a President Director, if necessary, one or more Vice President Directors and one or more Directors. The President Director acting together with any two board members can legally represent the Board and bind us. The Board of Commissioners must have at least two members, which may consist of a President Commissioner, one or more Vice President Commissioners and one or more Commissioners. All members of the Board of Commissioners, acting together, are entitled to act for and on behalf of the Board of Commissioners.

Board of Commissioners

The principal function of the Board of Commissioners is to supervise and give advice to the board of directors.

Members of the Board of Commissioners are appointed and removed by a General Meeting of Shareholders. Currently, the Board of Commissioners is comprised of three members.

As at July 31, 2022, the members of the Board of Commissioners were as follows:

Name	Position	Date of Birth	Position Held Since
Setyono Djuandi Darmono.....	President Commissioner	April 26, 1949	2015
Suhardi Alius	Vice President Commissioner and Independent Commissioner	May 10, 1962	2021
Gan Michael.....	Commissioner	April 19, 1957	2013

Mr. Setyono Djuandi Darmono is President Commissioner and one of the founders of the Company. He started as the Managing Director/CEO of the Company in 1989, Vice President Director in 1994, Commissioner in 1996 and President Director/CEO in 2000 until today. Prior to founding PT Jababeka, he was President Director and founder of PT Permada Binangun Jaya, a residential estate developer in South of Jakarta. He was senior manager of ICI (Imperial Chemical Industries), a world leading chemical company until 1981, served 3 years in the United Kingdom as Market Manager and returned to Indonesia as the Head of Textile Dyes Operation for PT Galic Bina Mada until 1990. He completed his studies in textile engineering at Bandung Textile Academy (Berdikari) in 1970. He was the 2004 award recipient for Ernst and Young Best Entrepreneur in Manufacturing Industry, 2005 CNBC CEO Choice of the Year in Indonesia and Indonesia's Choice CEO of the Year in 2005 by the Indonesia Business Leader Award. He also currently serves as President of the Indonesia Taiwan Business Council (ITBC), and as the Chairman of PATA (Pacific Asia Travel Association), Indonesia Chapter. Mr. Setyono Djuandi Darmono is the father of Mr. Sutedja Sidarta Darmono, a member of our Board of Directors.

Mr. Suhardi Alius was appointed as the Vice President Commissioner and an Independent Commissioner of the Company in September 2021. He currently serves as President Commissioner of PT Dana Tabungan dan Asuransi Pegawai Negeri or PT Taspen (Persero), and as a member of the Audit, Risk and Compliance Committee of PT Indika Energy Tbk. He served as Head of the National Counterterrorism Agency from 2016 until 2020, where for his services, he was awarded the Bintang Mahaputra Nararya from the President of the Republic of Indonesia in August 2020. Previously, he served as Main Secretary of the National Defense Institute from 2015 until 2016, Head of the National Police Criminal Investigation Agency from 2013 to 2015, West Java Police Chief in 2013 and Deputy Chief of Police for Metro Jaya from 2011 until 2012. He earned a Bachelor's Degree in Police Science from the College of Police Science in 1992 and a Masters in Law – Business from Gadjah Mada University in 2005.

Mr. Gan Michael was appointed as a Commissioner of the Company in 2013. Mr. Gan has served as Director of PT Sumber Mas Mekar Raya since 1985. Previously, he served as President Director of PT Sumber Sarana Baja Utama and several steel, armor and mining companies, including PT Multi Artha Bara Mega, PT Tradindo Resources and PT Cahaya Triwiriana.

Board of Directors

Members of the Board of Directors are appointed and removed by shareholder vote at a general meeting of shareholders. The Board of Directors is comprised of four directors. The Board of Directors is responsible for the management of our business.

As at July 31, 2022 the members of the Board of Directors were as follows:

Name	Position	Date of Birth	Year Appointed
T. Budianto Liman	President Director	March 28, 1962	2015
Tjahjadi Rahardja	Vice President Director	March 21, 1967	2021
Hyanto Wihadhi	Director	April 14, 1964	2008
Sutedja Sidarta Darmono	Director	May 20, 1981	2014

Mr. T. Budianto Liman is the President Director of the Company, having been first appointed in 2015. He has served as a Director of the Company from 2001 to 2006, and Vice President Director of the Company from 2006 to 2015. Mr. Liman has also served as the Corporate Secretary of the Company since 1995. He holds a Bachelor's Degree of Chemical Engineering and Master of Commerce in Accounting from the University of New South Wales, Sydney, Australia.

Mr. Tjahjadi Rahardja is the Vice President Director of the Company, having been appointed in 2021. He has served as a Director of the Company from 2014 until 2021 and had served as a Director of PT Banten West Java Tourism Development from 1994 to 2006 and from 2012 to 2014. He also served as Chairman of PT Banten West Java Tourism Development from 2006 until 2012. He completed his studies at Carnegie Mellon University, USA, where he graduated with a Bachelor's Degree of Electrical Engineering and Master's Degree in Industrial Engineering.

Mr. Hyanto Wihadhi is a Director of the Company, having been appointed in 2008. He has also served as Director of several of the Company's subsidiaries since 2007. Prior to this, he was a General Manager of Operations of the Company from 2001 until 2007. He graduated with a Bachelor's Degree of Technical Engineering from Atmajaya University, Yogyakarta, Indonesia.

Mr. Sutedja Sidarta Darmono was appointed as a Director of the Company in 2014 and has been Director of PT Graha Buana Cikarang, a subsidiary of the Company, and various other subsidiaries of the Company since 2013. He previously served as a Financial Director of Bakerzin Food Service Management Co. Ltd. in Shanghai, China. He graduated from Monash University, Australia with a degree in Accounting. Mr. Sutedja Sidarta Darmono is the son of Mr. Setyono Djuandi Darmono, the President Commissioner of the Company.

Senior Management

As at July 31, 2022 the members of senior management were as follows:

Name	Position	Date of Birth	Year Appointed
Tieme Egbert Beekelaar	Managing Director Jababeka International BV	25-Feb-79	2012
Basuri Tjahaja Purnama	President Director at PT Jababeka Morotai	1-Dec-67	2016
Setiawan Mardjuki	President Director PT Padang Golf Cikarang	27-Oct-64	2021
Poernomo Siswoprasetijo Tjiptowardojo	President Director at PT Tanjung Lesung Leisure Industry	17-Jan-65	2016
Benny Woenardi	President Director at Cikarang Dry Port	2-May-71	2009
Agung Wicaksono	Managing Director at PT Jababeka Infrastruktur	13-Dec-76	2021
Lee Boon Siew	Managing Director at PT Grahabuana Cikarang	6-Aug-79	2021
Fachrully F. Lasahido	President Director at PT Longlife City	13-Jun-68	2014
Reza Widyaprastha	HR Director	19-Feb-65	2011
Muljadi Suganda	GM of Corporate Secretary	4-Sep-70	2005
Tan Yudiarta	Head of Finance	26-Jan-77	2019
Lina Wijaya	Head of Accounting	14-Mar-82	2019
Stanley Meng Fatt Ang	President Director at PT Kawasan Industri Kendal	10-Feb-63	2017

Mr. Tieme Egbert Beekelaar has been the Managing Director of Jababeka International B.V. since 2012 and serves as Jababeka's Head of Investor Relations & Corporate Finance. He has over 15 years of experience in Indonesia's real estate industry. Prior to his appointment with Jababeka, Tim was an Account Manager in the Dutch energy sector. Tim holds a Bachelor of Business Administration degree from the University of Groningen in The Netherlands. Additionally, he is fluent in the following languages: English, Bahasa Indonesia, Dutch, Spanish and German

Mr. Basuri Tjahaja Purnama has been President Director of PT Jababeka Morotai since 2016 and President Director of PT Bekasi Power (and several of Bekasi Power's subsidiaries) since 2021. He currently also serves as Commissioner at PT Banten West Java Tourism Development and PT Tanjung Lesung Leisure Industry. He also served as Director at PT Kawasan Industri Kendal from January 2018 until April 2019. Prior to this, he served as Regent of East Belitung from 2010 until 2015. During his term as Regent, he received two Manggala Karya Kencana awards (Satya Lencana Wira Karya), which were given to him by the Vice President of the

Republic of Indonesia in 2012 and 2014, respectively. He received the Ksatria Bakti Husada award from the Minister of Health of the Republic of Indonesia in 2016. Prior to this, he worked as a doctor and held several key positions in the health office of East Belitung for over ten years. He was awarded an honorable doctor in East Belitung Regency and also East Belitung Province in 2001. He received his medical degree from the Faculty of Medicine at the Atma Jaya University, holds a Master of Science in Nutrition degree and a Nutrition Clinic Specialist degree from the University of Indonesia.

Mr. Setiawan Mardjuki was appointed as President Director of PT Padang Golf Cikarang, PT Metropark Condominium Indah and PT Saranapratama Pengembangan Kota in 2021. He currently also holds several (President) Commissioner positions within Jababeka Group. Prior to that he served as a Director of PT Jababeka Tbk. from 2015 until 2021. Previously he also served as a Director of PT Grahabuana Cikarang from 2012-2013. He has served as the President Commissioner of PT Banten West Java Tourism Development since April 2016, prior to which he served as the President Director of PT Banten West Java Tourism Development. He received his Bachelor's Degree in Computer Science and Master Degree in Finance from California State University, Long Beach, USA

Mr. Poernomo Siswoprasetijo Tjiptowardojo was appointed as President Director of PT Banten West Java Tourism Development and PT Tanjung Lesung Leisure Industry in 2016. He currently also serves as President and CEO of Pacific Asia Travel Association Indonesia Chapter since 2016 and as Chairman of the Association of Indonesian Tourism Areas (Asosiasi Kawasan Parawisata Indonesia), also since 2016. Prior to that he served as President Director of PT (Persero) TWC Borobudur Prambanan Ratu Boko. He holds a postgraduate degree in Business Administration from Newport Institute of Management, Jakarta, and a undergraduate degree in Economics from Trisakti University, Jakarta.

Mr. Benny Woenardi has been a Managing Director of the Cikarang Dry Port since 2010, and was involved in the design and development of Cikarang Dry Port since its early stage. He has more than 26 years of executive experience in managing logistics-related facilities, support services, and also port and supply chain activities. Having graduated with a Bachelor's Degree in Industrial Engineering from Maranatha Christian University, he previously served as a National Logistic Manager at Rodamas-Group, General Manager of Logistic and Solution Services at GPI-Group from 2004 until 2006, and Division Head of Operations and Logistics Services at Meratus Group from 2006 until 2009. He also holds various positions in industry associations, including Director of Supply Chain Asia for Indonesia, Founder and builders council of Indonesia Port Corporation Association (ABUPI), Advisory board at AIBP (IOT business platform). He is also a member of the Third Working Group under the Indonesian Coordinating Ministry of Economics to evaluate and synchronize economic stimulus packages policies released by the Government.

Mr. Agung Wicaksono has been Managing Director of PT Jababeka Infrastruktur since 2021. He has been involved in energy and transportation sector for the government and corporation since 2009. Prior to his current role, he was the President Director of PT. Transportasi Jakarta (TransJakarta) – the bus rapid transit (BRT) operator of DKI Jakarta's provincial government – from 2018 to 2020 and Director of Operations and Maintenance of PT. MRT Jakarta from 2016-2018 to build the first mass rapid transit in Indonesia. Prior to that, he served the Indonesian government at the Ministry of Energy & Mineral Resources from 2014 to 2016 on the reform and acceleration of electricity infrastructure development through the 35,000 Megawatt program and oil and gas governance reform. In the previous government from 2009 to 2014, he served as special assistant to the Chief of Staff of the President – known as the President's Delivery Unit tasked with monitoring the development of national agenda, including energy and infrastructure sector. Agung gained his Ph.D. in international management from University of St. Gallen in Switzerland and M.Sc. in production management from Technical University Hamburg-Harburg in Germany. His bachelor's degree in industrial engineering is from Institut Teknologi Bandung (ITB), where he also now teaches at his alma mater's School of Business and Management. He is the Vice Chairman of Board of Chapter Industrial Engineering (BKTI) in the Association of Indonesian Engineers (PII). At the Indonesian Chamber of Commerce (KADIN), he is the Deputy Chair of B20 (Business Twenty) Taskforce on Energy, Sustainability and Climate during the Indonesian presidency of G20 Summit in 2022.

Mr. Lee Boon Siew has been Managing Director of PT Grahabuana Cikarang since 2021. He currently also serves as President Director of a number of Joint Venture companies with foreign partners. Previously, Mr. Marcus Lee served as the CEO of International of Pollux Properties in Singapore and Indonesia. Managing multiple iconic projects in Singapore, Jakarta, Batam and Karawang. He is also a commissioned Army officer who served in the Singapore Armed Forces for more than 5 years after he graduated from Australia. By joining Jababeka, he hopes to contribute to Indonesia by continuously improving the quality of life for the township occupants and residents of Kota Jababeka, thus fulfilling the vision of the founders of Jababeka.

Mr. Fachrully F. Lasahido has been the President Director of PT Jababeka Longlife since 2014 and has been Director for several other leisure & hospitality companies within Jababeka Group. He was previously the Managing Director of PT Banten West Java Tourism Development and served as a Director for Hospitality & Leisure from 2014 until now. He has more than 25 years of experience in managing all aspects of golf club and hotel operations, prior to joining Jababeka Group he spent nine years as a General

Manager at Gading Raya Golf & Country Club and Senayan National Golf Club. He graduated with a bachelor's degree in economics from Dr Soetomo Surabaya University.

Mr. Reza Widyaprastha has been Director of Human Resources of PT Jababeka Tbk. since 2011. He also serves as Chairman of HRDI (Human Resources Directors Indonesia) and Chairman of the Forum of the Associate of Human Resources in Jababeka Industrial Estate. Mr. Widyaprastha served as Chairman of the Indonesian Association of Human Resource Management (HHRMA) for 4 years. Prior to working in Jababeka, Mr. Widyaprastha worked in PT Lippo Karawaci Tbk. from 2008 to 2011 as Chief Human Resources Officer and as Regional Director of Human Resources at Aryaduta Hotel, Resort & Residences from 2003 to 2008. He graduated with a Bachelor's degree in Management from the University of Parahyangan Catholik in 1989, and holds a Master of Business Administration (MBA) from the Institute of Management and Productivity Indonesia (IMPI). Mr. Widyaprastha is a certificated human resources professional, having obtained a CHRM degree from the American Certification Institute at Lewes, Delaware, USA in 2015 and obtained a HCS degree from Human Capital Institute, Cincinnati, Ohio, USA in 2017.

Mr. Muljadi Suganda has been the Corporate Secretary of the Company since 2005. He joined the Company in 2002 as the head of the accounting department. He previously served as an Auditor (supervisory level) at KAP 126 Prasetio, Utomo & Co (Arthur Andersen) from 1994 until 2002. Prior to this he was an Instructor of applied financial management at the Accounting Development Center of the Faculty of Economics of University of Indonesia from 1992 until 1994. He graduated with a Bachelor Degree of Accounting from the University of Indonesia.

Mr. Tan Yudiarta has been Head of Finance of PT Jababeka Tbk. since 2017. Before that he was head of Accounting of PT Jababeka Tbk. from 2010 until 2019. He previously worked as an auditor at several public accounting public firms, including Johan Malonda and Partners and Siddharta and Widjaja (a member of KPMG International). He graduated with a Bachelor Degree in Accounting from Tarumanagara University, Jakarta.

Mrs. Lina Wijaya has been Head of Accounting of PT Jababeka Tbk. since 2019. She previously worked as an auditor at public accounting firm Siddharta and Widjaja (a member of KPMG International) . She graduated with a Bachelor Degree in Accounting from Tarumanagara University, Jakarta.

Mr. Stanley Ang has almost 32 years of experience in the property market in Asia Pacific. During this time he had served in Senior Management role with both national and international companies amongst which are RCI Asia Pacific, Wah Chang Group, Kemayan Bhd, Keppel Land, Intiland Group.and Lippo Group. Mr. Ang was born in Singapore. He graduated with 2nd Class Upper Honours in Building and Estate Management Degree with National University of Singapore in 1989. He was also the recipient of Singapore Institute of Surveyors and Valuers (SISV) Gold Metal in 1989. Mr. Ang took his Master of Business Administration in 1995 with University of Leicester (United Kingdoms) with special emphasis in Marketing and Marketing management. Mr. Ang started his career with Debenham Tewson International (which is known now as DTZ) in Singapore when he first introduced overseas property marketing in Singapore. Subsequent postings and appointments brought Mr. Ang to Hong Kong, Malaysia, Indonesia, Thailand, and Philippines. In 1995, he became an equity partner of PT DTZ Debindo which was majority owned by DTZ Singapore. This was subsequently acquired by CY Leung & partners. Mr. Ang has worked on residential, commercial, industrial, hospitality, retail and time share projects in Asia Pacific regions encompassing Singapore, Malaysia, Indonesia, Thailand, Philippines, and China. Mr. Ang has been President Director and Chief Executive Officer of PT Kawasan Industri Kendal since 2017. Immediately prior to joining PT Kawasan Industri Kendal, Mr. Ang was a Director PT Lippo Cikarang Tbk.

Audit Committee

Our audit committee consists of an independent commissioner and two independent members. As of July 31, 2022, our audit committee members are its chairman, Suhardi Alius, and two additional members, Aria Kanaka and Daniel F. Iskandar. Our audit committee is regulated under OJK Regulation No. 55/POJK.04/2015 on the Formation and Guidelines of Audit Committee ("**OJK Regulation 55/2015**"). It performs its function in accordance with its charter effective since January 11, 2016 and renewed on November 10, 2021, which was approved by our Board of Commissioners. The committee reviews our financial results, our compliance with relevant regulations, the effectiveness of our internal controls and activities as well as the findings of our internal audit department. The audit committee also reviews reports of company risks, complaints and our general financial performance. The audit committee provides quarterly reports on its reviews to our Board of Commissioners.

Compensation

Payment of compensation to the Commissioners and Directors is determined at the annual general meeting of shareholders. During the years ended December 31, 2019, 2020 and 2021, the aggregate compensation (including bonuses) paid to the

Commissioners and Directors of the Company and its subsidiaries was Rp33.7 billion, Rp67.7 billion and Rp55.6 billion (US$3.7 million), respectively.

PRINCIPAL SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

The following table sets forth certain information with respect to our shareholders as of July 31, 2022:

Shareholders	Number of Shares Held	Percentage of Total Outstanding Shares
Mu Min Ali Gunawan	4,391,370,788	21.09%
Islamic Development Bank	2,437,884,372	11.71%
Hadi Rahardja	580,637,352	2.79%
Treasury shares	292,500,000	1.40%
Setiawan Mardjuki	34,587,458	0.17%
Other affiliated shareholders[(1)]	2,496,774,697	11.99%
Public	10,591,133,702	50.86%
Total	**20,824,888,369**	100.00**%**

(1) As of July 31, 2022, approximately 36.0% of our outstanding shares were held by Mu'min Ali Gunawan, Credit Suisse AG, Singapore Branch Trust, Hadi Rahardja, and other affiliated shareholders. These shares are indirectly controlled by the family or Mr. Darmono and the estate of Mr. Hadi Rahardja, founders of the Company and their extended family and associates.

In 2020, Jababeka, all of the current members of the Board of Commissioners (except for Suhardi Alius who was recently appointed as Vice President Commissioner of Jababeka in 2021) and the Board of Directors were involved in a civil lawsuit in the Central Jakarta District Court under Case No. 660/Pdt.G./2019/PN.Jkt.Pst in the Central Jakarta District Court ("**Case No. 660**"). The case was filed by certain shareholders of Jababeka (collectively, the "**Plaintiffs**") on October 24, 2019 in connection with certain resolutions passed at the Annual General Meeting of Shareholders (the "**AGMS**") of Jababeka held on June 26, 2019 (the "**2019 AGMS**").

Case No. 660 springs from the 2019 AGMS where there was a sudden proposal to change the composition of the Board of Directors and Board of Commissioners of Jababeka, including the appointment of a new person to be the President Director of Jababeka such that Tedjo Budianto Liman would no longer be the President Director and only a Director of Jababeka. This proposal was approved by a majority of the shareholders who attended the 2019 AGMS. It was subsequently established that: (i) there were certain persons who attended the 2019 AGMS purportedly as attorneys of certain shareholders representing approximately 19.52% shares in Jababeka and who voted in favor of such proposal but did not actually possess proper powers of attorney as required under the applicable laws and regulations; and (ii) the proposal to appoint a new President Director had not obtained the prior recommendation of the Board of Commissioners or the Nomination and Remuneration Committee as required by OJK Regulation No. 33/POJK.04/2014 on the Board of Directors and the Board of Commissioners of Issuers or Public Companies and OJK Regulation No. 34/POJK.04/2014 on the Nomination and Remuneration Committee of Issuers or Public Companies. Consequently, the Plaintiffs filed Case No. 660 to request the Central Jakarta District Court to declare the 2019 AGMS, together with all the resolutions passed thereat (including the resolution to change the composition of the Board of Directors and Board of Commissioners), null and void and/or legally invalid.

On March 30, 2021, the Central Jakarta District Court issued a decision (the "**District Court Decision**") which, among others, declared the 2019 AGMS, together with all the resolutions passed thereat, null and void and/or legally invalid. The Central Jakarta District Court also declared that the legitimate composition of the Board of Directors and the Board of Commissioners of Jababeka was the composition the Board of Directors and the Board of Commissioners appointed prior to the 2019 AGMS.

As there was no appeal of the District Court Decision within 14 (fourteen) days after the date of issue of the District Court Decision, the District Court Decision is considered a final and binding decision. Following the District Court Decision, Jababeka held an AGMS on September 8, 2021 which, among other things, approved the appointment and composition of the Board of Directors and Board of Commissioners of the Company as described in "Management."

Related Party Transactions

As of the date of this exchange offer and consent solicitation memorandum, we do not engage in related party transactions. In the future we may, in the course of our normal business, conduct transactions with related parties. Such transactions will be conducted under terms and conditions similar to those granted to independent third parties.

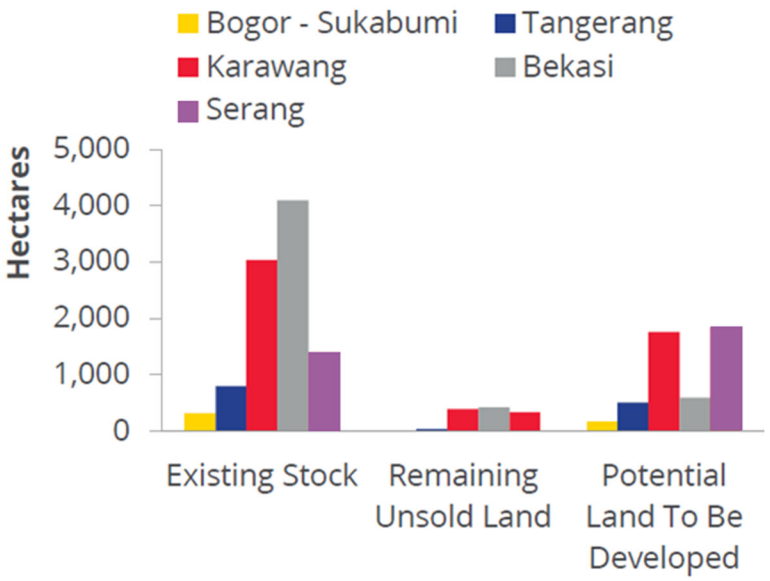
The information in the section below has been extracted or derived from a market research report dated July 6, 2022 prepared by Colliers International. This information has not been independently verified by us, the Dealer Managers, the New Notes Collateral Agent, the New Notes Trustee, the Registrar, the Paying Agents and the Transfer Agents, the information, exchange and tabulation agent or any of their respective affiliates or advisors. The information may not be consistent with other information compiled within or outside Indonesia.

For the purposes of this section only, "we", "our" and "us" refers to Colliers International.

Supply

Most expansion plans of estates are still in the construction stage. Land for future development can be found in the west (mainly in the Serang area), east (Karawang-Purwakarta or further to the Subang area) and south (a further shift to Sukabumi). When intensive activity in the industrial sector resumes, we believe the supply side will follow because there is quite a bit of potential land in the pipeline. As Bekasi and other industrial areas/zones around Jakarta experience land shortages, areas of industrial growth will spring up further away from the capital city. Quite a few manufacturers are considering relocating to the outer areas of greater Jakarta to achieve efficiencies in location costs, wages, and accessibility.

Industrial land stock status in some active and future industrial Estates



The industrial sector is seen to enter a recovery phase earlier than any other property sector. Sales volume is one indicator of performance. The momentum started in 2019 when total sales volume was double that of the previous year, but the pandemic struck and sales declined. Covid-19 adversely affected the projections of all property sectors; however, we still see prospects of a positive outlook in the industrial sector, mainly from pent-up demand materializing when the moment is right.

Total sales volume in second quarter 2022 was somewhat lower than in the previous quarter. However, it was interesting to note that Karawang International Industrial City ("**KIIC**") registered the biggest quarterly sales since 2013. We also noted data centers contributed the most transactions this quarter. In the first half of 2022, data center companies contributed about 39%, or 45.1 hectares, of all transactions. The transactions mainly involved Greenland International Industrial Center ("**GIIC**"), KIIC, Suryacipta and Jababeka.

After the opening of a new industrial location within the estate, KIIC has been quite successful in attaining high-tech township occupants in the past few years. In the second quarter of 2022, KIIC sold land to a data center company, which purchased 9.5 hectares, and a manufacturing company, which purchased 6.7 hectares.

Notable transactions were also reported by GIIC, with the sale of three lots of land, to two data center companies (totaling 11.3 hectares) and one oil packaging company (about 1 hectare). GIIC also transacted about 27.6 hectares to data center companies during the first half of 2022.

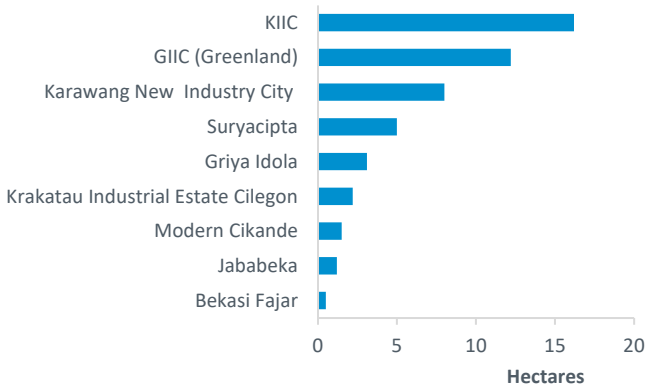
Another notable deal was reported by Karawang New Industry City (KNIC) with the single transaction of 8 hectares to a Korean company that produces shoe adhesive. Also, in the Karawang region, Suryacipta reported a single transaction with a data centre company that bought about 5 hectares. Our records show data centers have been dominant in the first half of 2022, accounting for about 33% of transactions or 33.8 hectares.

Four deals in Griya Idola: for a small estate, selling a total of 3.23 hectares during the second quarter of 2022 was a notable achievement. The four transactions consisted of two industrial buildings and two parcels of land – 1.4 hectares for a warehouse for an air filter company and 1.8 hectares for an electronics and sportswear warehouse.

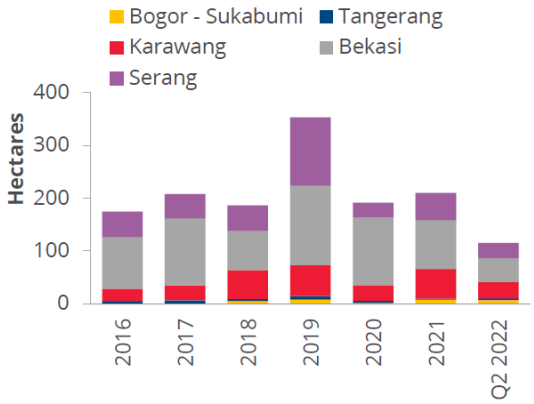
In Serang, KIEC sold 1.7 hectares for a warehouse and leased about 6,000 sq m of land. Still in Serang, Modern Cikande sold three small parcels of land, a total of 1.6 hectares, for food industry, stove and warehouse usage during the second quarter of 2022.

Jababeka Group sold 1.3 hectares of land mostly to local investors from a variety of industries, including packaging, chemicals and healthcare during the second quarter of 2022.

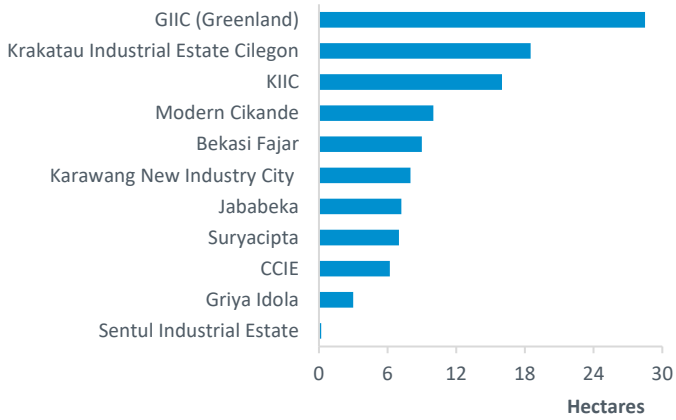
Land absorption in Second Quarter of 2022



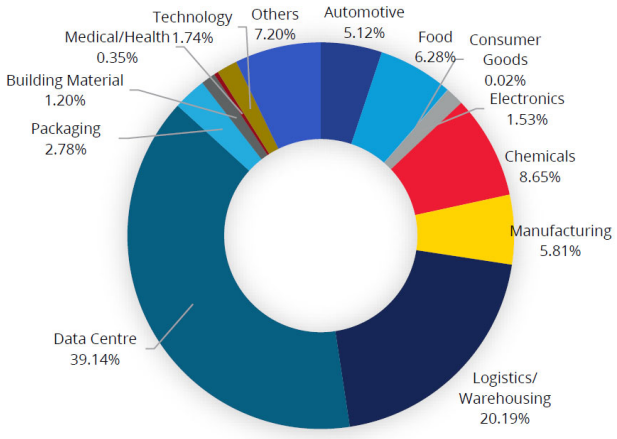
Annual Industrial land absorption



Land absorption in first half of 2022



Types of active industries involved in the transactions second quarter of 2022



Price

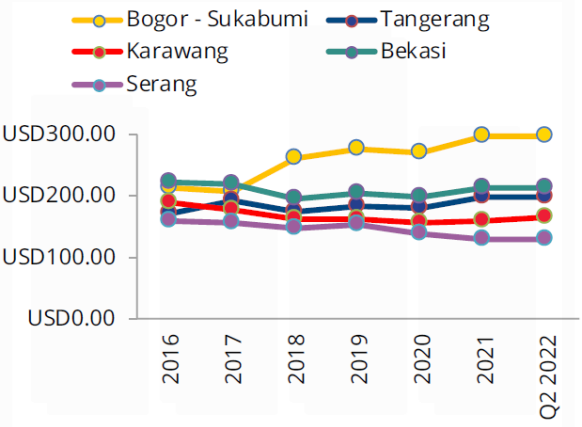
From the perspective of landlords, another performance gauge is pricing. This might not be in line with the gradual land absorption, but we still see that this should be acceptable in the current situation, where the gradual increase in transaction volumes and land inquiries has had little impact on land price increases, although industrial estates with high levels of activity have adjusted prices slightly. Nowadays, the focus is more on accumulating sales volume, while price will follow. Such a situation is what we have witnessed over the past few years. Landlords are in a position to maintain the current price and be more accommodative in discussing terms.

For industrial estates with consistent sales performances but a shortage of land, there is a likelihood that offer prices might be adjusted in the short-term, possibly in 2023.

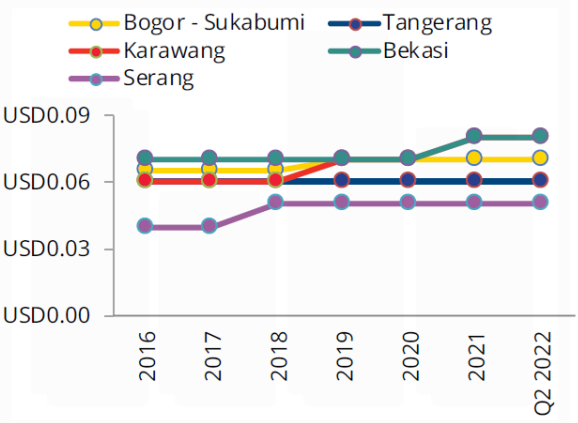
It is still not the time for estates that focus on leasing to introduce new tariffs, despite the rise in leasing activity. Current rental tariffs for land and buildings will hold steady at least until the end of 2022. The fundamental basis for tariff increases does not exist as of June 2022.

Currently, there is no key reason to change maintenance tariffs, but an electricity tariff adjustment introduced recently may be a consideration for landlords in amending the tariff, as the operating cost burden heightens.

Greater Jakarta Industrials Land Prices



Greater Jakarta Industrials maintenance cost



Industrial Land Prices and Maintenance Costs (in USD equivalent) as of June 2022

Region	Land Price (/sq m)			Maintenance Cost (/sqm/month)		
	Lowest	Highest	Average	Lowest	Highest	Average
Bogor - Sukabumi	206.10	377.85	291.98	0.06	0.07	0.07
Tangerang	192.36	257.63	195.80	0.03	0.08	0.06
Karawang	150.00	155.00	157.50	0.05	0.10	0.08
Bekasi	202.67	219.84	211.60	0.06	0.08	0.08
Serang	116.79	137.40	127.10	0.03	0.05	0.05

REGULATION

The ownership, acquisition, development and utilization of lands in Indonesia are subject to central, regional and local authorities.

Land Ownership and Acquisition Regulation

Ownership of land in Indonesia is principally regulated under the Basic Agrarian Law (Law No. 5 of 1960). The Basic Agrarian Law and its implementing regulations, including Government Regulation No. 24 of 1997 as partially revoked by Government Regulation No. 18 of 2021 on Right to Manage, Land Titles, Multi-Story Housing Units, and Land Registration (the "**GR on Land Registration**"), provide various forms of land titles and a registration system to protect legal ownership. The highest form of land title available in Indonesia isHM, which is also the closest to the internationally recognized concept of "freehold" title. However even HM does not include rights to underground natural resources which are always reserved as the property of the state. HM title is available only to Indonesian individuals and certain religious and social organizations and government bodies in Indonesia. HM title is not available to legal entities (whether Indonesian or foreign owned) or foreign individuals. Right to Use (*Hak Pakai* or "**HP**") and Strata Title Right of Ownership Certificate (*Sertifikat Hak Milik atas Satuan Rumah Susun* or "**SHMSRS**") are the only form of land titles that is open to ownership by foreign individuals or entities in Indonesia.

Both Indonesian and foreign companies incorporated under Indonesian law and domiciled in Indonesia may acquire aHGB title. The holder of a HGB title to a parcel of land has the right to use the land to build, to own any buildings on the parcel of land and to transfer the HGB title on or encumber all or part of the land. HGB title is granted for a maximum initial term of 30 (thirty) years. By application to the relevant local land office upon the expiration of this initial term, an HGB title may be extended for certain additional term, depending on the underlying land rights of the HGB, which are: (i) if the HGB is over the state-owned and Right-to-Manage HPL land, then it can be extended for a maximum period of 20 (twenty) years and can also be renewed for a maximum period of 30 (thirty) years, and (ii) if the HGB is over the HM land, then it can be renewed with a deed of granting of the HGB over the HM title. Following the expiration of this additional term, an application for renewal may be made by the land owner and a new HGB title may be granted on the same land to the same owner following the satisfaction of certain requirements. The application for the extension of HGB period must be submitted prior to the expiration of the initial term, while on the other hand, the application for the renewal of the HGB shall be submitted within 2 (two) years at the latest after the expiration of the HGB term. Although, the National Land Office has discretion in regard to granting the various extensions, the National Land Office tends to grant extensions and renewals of HGB titles when there has been no change in the zoning policies of the government, abandonment or destruction of land, egregious breaches by the owners of the land of conditions under the existing HGB title or revocation of the HGB title due to public interest considerations.

The Basic Agrarian Law also recognizes a form of title based in Indonesian traditional law commonly referred to as the Communal Right (*Hak Milik Adat*) (name may varies depending on the region). A Communal Right title arises as a result of occupation or residence on land and payment of taxes and other amounts with respect to the land, or by renouncement of right by the previous holder of the land covered by the Communal Right title. The Communal Right title is an unregistered form of title but may be evidenced by certificates registered in the books of the relevant local sub-district office. Such certificates include a brief description of the land and holder of the Communal Right title and provides details with respect to the payment of taxes and other amounts with respect to the land.

Under Minister for Agrarian Affairs/Head of National Land Agency Regulation No. 13 of 2021 on Implementation of the Suitability of Space Utilization Activities and the Synchronization of Space Utilization Program ("**MAS Regulation No. 13/2021**"), in order to acquire a land for business purposes, a company must obtain an Approval of the Suitability of Space Utilization Activities (*Persetujuan Kesesuaian Kegiatan Pemanfaatan Ruang* or "**PKKPR**") which grants the right to buy, clear and develop the particular parcel of land . PKKPR is valid for three years, and extendable for a period of two years. The application for the extension shall be made no later than 3 (three) months prior to the expiration date. The extension can only be carried out if the land acquisition has reached at least 30% of the approved land area in 1 (one) stretch in accordance with the assessment from the land office. After obtaining a PKKPR, the holder must still negotiate with the individual landowners whose land is located within the area described in the PKKPR. After the process of acquisition and the settlement of rights with the individual owners is completed, the holder of the PKKPR may apply for and be granted the relevant rights over the land. However, a company is under no obligation to purchase the land covered by its PKKPR. Under the GR on Land Registration, in order for a company to acquire HGB title to land being purchased from a holder of a Communal Right, the company must make an application to the relevant land office together with a renouncement of right by the holder of the Communal Right title. The company may then sell the land as developed or serviced plots.

On December 16, 2011, the Indonesian Parliament passed the Bill on Land Procurement for Public Interest, which came into force on January 14, 2012 as Law No. 2 of 2012 on Land Procurement for Public Interest, as amended by Job Creation Law and

implemented by Government Regulation No. 19 of 2021 ("**GR No. 19/2021**") on Implementation of Land Procurement for Public Interest Developments ("**Land Procurement Law**"). The Land Procurement Law introduces clear and expedited steps for the procurement of land for the public interest. The Land Procurement Law is expected to provide a more effective legal basis for public interest land procurement which, under the Land Procurement Law, the term "public interest" is defined as the interest of the Indonesian people, nation and community as manifested through the Government and used optimally for the welfare of all the people of Indonesia.

Under the Land Procurement Law, the Government and/or the regional government are given the task of ensuring the availability of land required for the public interest. The Land Procurement Law also clearly stipulates that a party (the "**Entitled Party**") who owns or otherwise controls the land procurement objects, which are defined as land, space under and above the land, buildings, plants, any object related to the land or other object which could be appraised ("**Land Procurement Objects**") is obliged to release its rights upon such Land Procurement Object for the purpose of public interest land procurement, following the provision of fair and reasonable compensation or a legally binding court decision. After such land is released, it becomes the property of the Government, the regional government or a state-owned enterprise, as the case may be.

The Land Procurement Law specifically stipulates the development projects for public interest as follows:

(1) national defense and security;

(2) public road, toll road, tunnel, railway track, train station, and train operation facilities;

(3) reservoir, dam, weir, irrigation, drainage and sanitation and other irrigation structures;

(4) seaport, airport, and terminals;

(5) oil, gas, and geothermal infrastructure;

(6) electricity generation, transmission, substation, network and/or distribution;

(7) Government telecommunication and informatics network;

(8) Landfills and waste processing sites;

(9) hospitals owned by the Government or regional government;

(10) public safety facilities;

(11) cemetery owned by the Government or regional government;

(12) social facilities, public facilities and public open green space;

(13) nature reserve and cultural heritage;

(14) office area for the Government, regional government or sub-districts/villages;

(15) arrangement of urban slums settlements and/or land consolidation, as well as housing for low-income communities with lease status including for the construction of public houses and special houses;

(16) educational or schools infrastructure of the Government or regional governments;

(17) sports infrastructure of the Government or regional governments;

(18) public market and public parking lots;

(19) upstream and downstream oil and gas industrial zones initiated and/or controlled by the Government, regional governments, state-owned enterprises, or regional-owned enterprises;

(20) special economic zones initiated and/or controlled by the Government, regional governments, state-owned enterprises, or regional-owned enterprises;

(21) industrial zones initiated and/or controlled by the Government, regional governments, state owned enterprises, or regional-owned enterprises;

(22) tourism areas initiated and/or controlled by the Government, regional governments, state-owned enterprises, or regional-owned enterprises;

(23) food security areas initiated and/or controlled by the Government, regional governments, state owned enterprises, or regional-owned enterprises; and

(24) technology development areas initiated and/or controlled by the Government, regional governments, state-owned enterprises, or regional-owned enterprises.

Initially, a government entity that plans to procure land for the public interest must have a public consultation with the parties related to the Land Procurement Objects, including any Entitled Party regarding the proposed development plan, until a consensus is reached. In the event that no consensus can be reached or there occurs any objection to the proposed development plan, the Governor will establish a team to examine the reasons for the objections. Based on this, the Governor will decide whether the objections are valid. To the extent that such objections are denied, the Entitled Party may file a legal claim at the State Administrative Court, whose decision can thereafter be subject to final appeal at the Supreme Court. If by virtue of a legally binding court decision, the land has been approved to be procured for the public interest, then the National Land Agency shall appoint an independent appraisal team to determine the compensation value to be paid to the Entitled Party. To challenge the compensation value, the Entitled Party may file a legal claim at a District Court and if necessary, the decision of the District Court can be filed for final appeal at the Supreme Court.

Strata Title

The development of multi-story strata-title residential, retail and office buildings is regulated by Law No. 20 of 2011 on Strata Title Buildings which was partially amended by the Job Creation Law ("**Law No. 20/2011**").

Law No. 20/2011 classifies several types of Strata Title Building (*Rumah Susun*), namely (i) public Strata Title Building (*rumah susun umum*) provided for low income persons, (ii) special Strata Title Building (*rumah susun khusus*) provided for special needs, (iii) state Strata Title Building (*rumah susun negara*) which are owned and provided by the state for residential purposes and other support services for state officials, and (iv) commercial Strata Title Building (*rumah susun komersial*) for commercial purposes.

The Government is responsible for the development of public Strata Title Buildings, special Strata Title Buildings and state Strata Title Buildings. Any party developing public Strata Title Buildings may receive aid from the Government. The development of public Strata Title Buildings and special Strata Title Buildings may be conducted by a non-profit institution or business entity. The development of commercial Strata Title Buildings may be conducted by any party. Under Law No. 20/2011, the developer of a commercial Strata Title Building must also provide public Strata Building space with a floor area of at least 20% of the total floor area of its commercial Strata Title Building. Such public Strata Title Building space may be located outside the premises of the commercial Strata Title Building but is required to be located within the same regency or city where the commercial Strata Title Building is located.

A Strata Title Building may be constructed on a parcel of land where the developer has a (i) HM title to the land, (ii) HGB title or HP title over state-owned land, or (iii) HGB title or HP title over HP title over HPL land. In addition, a public Strata Title Building and/or special Strata Title Building can be constructed by utilizing state or regional-owned land (by way of lease or cooperation for the utilization) or utilization of donated land (*wakaf*) (by way of lease or cooperation for the utilization pursuant to *ikrar wakaf*). Pursuant to GR 18/2021, the Strata Title Building that is constructed using the HP or HGB title over HP state-owned, HP, and HM land located in certain areas can be owned by foreign individuals. Foreign investment for the construction of Strata Title Buildings is permitted under Law No. 20/2011 provided that prevailing regulations in the foreign investment sector are complied with.

Pursuant to this law, the developer may market a Strata Title Building before the commencement of construction. However, prior to marketing the property, the developer is required to satisfy the following criteria: (i) the certainty of the space allotment; (ii) the certainty of the right over the land; (iii) the certainty of the status of the possession over the Strata Title Building; (iv) construction license; and (v) guarantee over the construction from the relevant surety institution. The developer may enter into a preliminary sale and purchase agreement with purchasers before a notary prior to completion of the Strata Title Building. The preliminary sale and purchase agreement can only be entered into if the ownership of the land is clear, the building construction permit has been obtained,

and when the infrastructure, facilities and public utilities are available, the construction progress of the respective Strata Title Building has reached at least 20% of the total construction and the objective of the agreement is clear. In the event the Strata Building is built over HGB land or HP land over HPL land, the developer shall settle the ownership title of such land prior to the sale and purchase of the Strata Building units.

Previously, building permit in the form of IMB (*Izin Mendirikan Bangunan*) was required for housing construction and was also a condition to the signing of conditional sale and purchase agreement for the houses. However, the Job Creation Law replaced such requirement with a Building Approval (*Persetujuan Bangunan Gedung* or "**PBG**"), which will be issued through the OSS system.

Further, Law No. 20/2011 provides that public strata title housing may be owned or leased, special strata title housing may only be possessed by borrow-use (*pinjam-pakai*) or lease, state strata title housing may only be possessed by borrow-use (*pinjam-pakai*), lease or lease-purchase (*sewa-beli*), while commercial strata title housing can be owned or leased. The title of ownership of a unit in strata title housing constructed over the land with ownership right (HM), HGB or HP over state land, HGB or HP over HPL land is the Ownership Certificate for a Unit in SHMSRS. The SHMSRS can be encumbered to secure loan repayments. The title of ownership for a unit in strata title housing constructed over state/regional owned lands or wakaf land is a Building Ownership Certificate for a Unit in Strata Title Housing (*Sertifikat Kepemilikan Bangunan Gedung Satuan Rumah Susun* or "**SKBG Sarusun**"). The SKBG Sarusun can be encumbered by fiduciary security to secure loan repayments.

Furthermore, based on Minister of Public Work and Public Housing Regulation No. 35 of 2021 on Housing Finance Facility and Assistance for Low-income Citizens, people with low income may be provided with credit facilities to procure houses, one form of which may be strata title housing.

Regulation of the Development and Use of Land

Following the acquisition of land and prior to construction, a developer must obtain an environmental impact analysis for the proposed project. Pursuant to Government Regulation No. 22 of 2021 on Organization of Environmental Protection and Management ("**GR No. 22/2021**"), any activity which has an impact to the environment must have, either AMDAL, Environmental Management Efforts and Environmental Monitoring Efforts (*Upaya Pengelolaan Lingkungan Hidup dan Upaya Pemantauan Lingkungan Hidup* or "**UKL-UPL**"), or Statement of Capability in Environmental Management and Monitoring (*Surat Pernyataan Kesanggupan Pengelolaan dan Pemantauan Lingkungan Hidup* or "**SPPL**"). Activities which have significant impact to the environment are required to obtain AMDAL, whereas activities which do not have significant impact to the environment are required to obtain UKL-UPL or SPPL.

Pursuant to Ministry of Environment and Forestry Regulation No. 4 of 2021 on the List of Business and/or Activities Required to Secure Environmental Impact Analysis, Environmental Management Efforts and Environmental Monitoring Efforts or Statements of Ability to Manage and Monitor the Environment ("**MoEF Regulation No. 4/2021**"), the criteria for businesses and/or activities that have a significant impact on the environment that are required to secure AMDAL consist of: (i) changes in landforms and landscapes, (ii) exploitation of natural resources, both renewable and non-renewable; (iii) processes and activities which have the potential to cause environmental pollution and/or damage as well as wasting and degradation of natural resources in their utilization; (iv) processes and activities, the results of which may affect the natural environment, the artificial environment, as well as the social and cultural environment; (v) processes and activities, the results of which will affect the preservation of natural resource conservation areas and/or the protection of cultural heritage; (vi) introduction of plants, animals, and micro-organisms, (vii) manufacture and use of biological and non-biological materials; (viii) activities that have a high risk to and/or affects the national defense; and/or (ix) application of technology which is estimated to have great potential to affect the environment.

With the enactment of MAS Regulation No. 13/2021, a developer will need to apply PKKPR in order to be able to use land. Should the developer later wish to construct a building upon the land, the developer (or contractor responsible for the construction) prior to commencing construction of the building, it must obtain a Building Approval PBG in accordance with Government Regulation No. 16 of 2021 on Implementing Regulation of Law No. 28 of 2002 on Buildings ("**GR No. 16/2021**"). If construction is conducted in various phases, a PBG must be obtained for each phase of construction. Once the building has been constructed, the developer shall apply for Building Function Worthiness Certificate (*Sertifikat Laik Fungsi Bangunan Gedung* or "**SLF**") to declare the worthiness of the building before it can be utilized.

On February 2, 2021, the Government issued GR No. 20/2021 as an implementing regulation to the Job Creation Law. Under GR No. 20/2021, the Government may revoke land rights, and reclaim without any compensation any land which is intentionally not utilized or maintained. The local land office may initiate an identification process to determine whether certain plots of land constitute unused land after:

1. a plot of land with HM title is intentionally unused or maintained which resulted in such land being controlled by nearby communities, being controlled by a third party for more than 20 years, or being unable to meet its social function; and

2. a plot of land with HGB, HGU, HP or HPL title (except for land with HPL title owned by indigenous communities or Government-owned land bank), upon the lapse of a period of two years from the issuance of such land title.

If upon the lapse of 180 days of identification process the local land office finds the relevant land is intentionally not utilized or maintained, the local land office will issue a notice to the titleholder to utilize or maintain the land within 180 days as of the date of the notice, failing which, the land office will issue up to three warning letters at 90, 45 and 30 days respectively, following the lapse of the 180 days of identification process. After, if the land continues to be unutilized or unmaintained, the local land office shall submit a proposal to the MoASP for the land to be determined as unused land. Upon such determination, the local land office will then have the right to reclaim such unused land. If a plot of land is reclaimed by the Government, the titleholder is required to vacate and surrender such land. Unused land may be utilized by the Government for agrarian reforms, national strategic projects, Government-owned land bank's inventory and/or the state's land reserves

Regulation of Land as Security for Financing

Article 1131 of the Indonesian Civil Code provides that all assets of a debtor, immovable and movable, including land, which are already or will be in existence become general security for the repayment of obligations of the debtor. Article 1133 states that preferential rights are given to: (i) the holder of a hypothec, and (ii) the holder of a pledge. The holder of a hypothec and pledge take priority subject to legal costs incurred in the enforcement of the creditor's rights.

Law No. 4 of 1996 on Security Right on Land and Land Related Objects provides that a company may encumber its HGB title to land to secure obligations to creditors. A security right (*Hak Tanggungan*) may be granted over "immovable" property, including in land, buildings, plants and fixtures that are attached to the land, which provides preferential rights over the land and property to the relevant creditor and is similar to a common law mortgage. Under Indonesian law, a mortgage (i) gives a preferential right to its holder; (ii) attaches to the secured object, regardless of the identity of the possessor of the object; and (iii) fulfils the principles of specialty and publicity in order to bind third parties and provides legal enforceability to the holder of the mortgage. The procedure for creation of a security right (*Hak Tanggungan*) over land requires firstly, the execution of an authenticated Deed of Grant of Security Right (*Akta Pemberian Hak Tanggungan*) (made in the Indonesian language) before a Land Deed Official (*Pejabat Pembuat Akta Tanah* or "**PPAT**") and secondly, registration of the Deed of Grant of Security Right at the District Land Registration Office ("**Land Office**") where the land is located. The security right (*Hak Tanggungan*) will only be effective upon the registration of the security rights in the land book by the Land Office. A Certificate of Security Rights (*Sertipikat Hak Tanggungan*) will be issued by the Land Office reflecting the lender as the secured party over the land. Security rights can be granted in ranks, where the first rank holder is the highest security rights holder. Under the Job Creation Law as implemented by the GR No. 18/2021, the registration of security rights (*Hak Tanggungan*) over land is now performed through an online electronic system. However, in practice not all land offices have smoothly migrated their physical land books to the online system. Some land offices may still register security rights into physical land books maintained by the land offices up until all migration of data to the online system has been completed. The same online system has also introduced and accommodated change of physical land certificates to electronic land certificates. Such change from physical land certificates to electronic land certificates is optional, subject to the landowner's discretion. There is no mandatory requirement of law requiring any physical land certificate to be changed during a certain period of time to an electronic land certificate, although it is expected that such change would be required while the landowner is conducting certain actions in relation to the land which would involve the land office or through the online system (such as sale and purchase of land, which upon its completion, a new land certificate issued for the new landowner would automatically be issued in the form of an electronic land certificate).

Regulation of Housing and Settlement Areas

In early 2011, the Government enacted Law No. 1 of 2011 dated January 12, 2011 regarding Housing and Settlement Areas (the "**Housing Law**"). The Housing Law is intended to implement housing and settlement area programs that: (i) provide legal certainty; (ii) support zoning and housing development oriented toward low-income communities; (iii) improve the effectiveness and efficiency of natural resources that contribute to housing development, with due regard to the preservation of the environment in urban and rural areas; (iv) empower stakeholders in housing and settlement area development; (v) support economic, social and cultural growth; and (vi) provide housing that is healthy, secure, integrated and sustainable.

The Housing Law provides five categories of housing: (i) commercial housing, which is built for business purposes; (ii) public housing that is provided by the Government for low-income communities; (iii) community-built housing, which is built by community initiatives (iv) special housing, which is housing that is built for a particular purpose; and (v) state housing, which is

housing owned by the state, which serves as residences for Government officials and their families. In addition to the categories mentioned above, the Housing Law provides that single-houses, cluster housing, and/or apartments may only be constructed on land with right to own title to the land, right to build (either on state land or right to manage land), or right to use on state land.

One of the objectives of the Housing Law is to make available support from the Government for the development of proper housing for low income communities. Thus, to develop proper housing for low income communities (including any repairs and/or house leasing), the state provides facilities and/or aid in the form of, among others, housing subsidies, tax incentives, licensing procedures, insurance and guarantees, land procurement and land certification.

In 2020, the Government issued a Job Creation Law which amended several provisions in the Housing Law. One of the amendments is related to marketing on housing matters. To market housing that is still under construction, a housing developer may utilize a preliminary sale and purchase agreement scheme, after the fulfillment of certain requirements, namely: (i) land ownership status, (ii) object of the agreement, (iii) obtaining the Building Approval, (iv) availability of infrastructure, facilities and public utilities, and (v) the construction progress having reached at least 20% of the total development area. In this regard, a housing developer is also prohibited from carrying out a hand-over and/or collecting more than 80% of the funds from the purchaser prior to the fulfillment of the aforementioned requirements. Aside from administrative sanctions, this law also sets out criminal sanctions for the violation of this provision in the form of imprisonment of up to one year or a fine of up to Rp1.0 billion. In addition, the Housing Law prohibits property developers from selling land lots without buildings constructed on them, unless at least 25% of the housing area has been completed and there is a national monetary crisis affecting the liquidity of the property developer, or the land is being developed for low-income residents. Violation of the aforementioned requirement may subject the developer to imprisonment of up to five years and a fine of up to Rp5.0 billion.

The availability of land for housing and settlement area development constitutes the responsibility of the Government and regional government, which can be conducted by granting of land title for lands directly possessed by the state, land consolidation with owners, transfer or release over right of land with owners, utilization and transfer of land owned by the state or regional government, utilization of state land that formerly was a neglected area, and/or procurement of land for the development of the public interest in accordance with prevailing law.

Every developer must comply with the regional spatial layout plan determined by the Government as well as obtain the licensing and assurance of the feasibility of occupancy.

Further, there are two sanctions for the violation of certain provisions, which are:

(1) administrative sanctions, in the form of, among others: written notices, temporary suspension of operations, license revocation, and building sealing; and

(2) criminal sanctions, in the form of fines ranging from Rp50.0 million up to Rp50.0 billion and imprisonment ranging from one to five years.

There has been a few implementing regulations of the Housing Law, among others are: (i) Government Regulation No. 14 of 2016 on Implementation of Housing and Settlement Area as amended by Government Regulation No. 12 of 2021; (ii) Ministry of Public Housing Regulation No. 20 of 2011 on Support in the Form of Provision of Infrastructure, Facilities and Public Utilities for Housing and Settlement Areas; (iii) Ministry of Public Housing Regulation No. 14 of 2011 on Provision of Stimulating Fund to Low-Income Citizens for Housing Construction as amended by Ministry of Public Regulation No. 26 of 2012; and (iv) Ministry of Public Housing Regulation No. 5 of 2011 on Facilitation of Pre and Post Certification of Rights Over Land for Low-Income Citizens Guideline.

Environmental Regulation

Environmental protection in Indonesia is governed by various laws, regulations, and decrees, including Law 32/2009 which has been amended by the Job Creation Law (the "**Environmental Law**") and GR 22/2021. The Environmental Law in conjunction with GR 22/2021 stipulates that all business sectors which have a significant impact on the environment are required to obtain an Environmental Feasibility Decree issued by the central of regional government based on the AMDAL. Businesses with no significant effect to the environment should provide a Capability Statement regarding their commitments to conduct environmental management and compliance with the standards of the Environment Management Effort and Environment Monitoring Effort (*Upaya Pengelolaan Lingkungan Hidup dan Upaya Pemantauan Lingkungan Hidup* or "**UKL & UPL**").

The Environmental Feasibility Decree and Capability Statement is a pre-requisite for the issuance of business license (*perizinan berusaha*) or the Government or regional government's approval. A business license may be annulled where the following conditions are met: (i) the requirements filed in the business licensing application contain legal flaws, errors, misuse as well as untruth and/or falsification of document, data and/or information; (ii) the issuance of the license does not comply with the requirements set out under the Environmental Feasibility Decree or Capability Statement; or (iii) the obligations set out under AMDAL or UKL-UPL are not complied with by the relevant parties. The Environmental Law further stipulates that within two years after its enactment date, all businesses that have obtained business licenses but do not yet have an AMDAL document or UKL and UPL are obligated to either complete an environmental audit, if they need an AMDAL, or to have an environment management document, if they need a UKL and UPL. Furthermore, Law 32/2009 requires businesses to integrate their current environmental permits (AMDAL or UKL/UPL documents) issued by the minister, governor or major, into an Environmental License by the first anniversary of the enactment date of Law 32/2009 on October 3, 2009. Businesses that fail to comply with the Environmental License requirements are subject to administrative sanctions, which may be in the form of (i) a written warning; (ii) Government coercion; (iii) suspension of the Environmental License; or (iv) revocation of the Environmental License.

Regulation of Money Laundering

On October 22, 2010, the Government enacted Law No. 8 of 2010 on the Prevention and Eradication of Money Laundering Crime ("**Law No. 8/2010**"). This law regulates among others, the types of transactions which are required to be reported to the Indonesian Financial Transaction Reports and Analysis Center (*Pusat Pelaporan dan Analisa Transaksi Keuangan* or "**PPATK**") and the entities responsible for reporting such transactions. Under this law, a property developer is one of the entities that is responsible for submitting such reports (a "Reporting Party"). Under Law No. 8/2010, the Reporting Party is required to report to PPATK regarding any transaction entered into with its customers having a minimum amount of Rp500 million, or an equivalent value in other currencies, no later than 14 business days after the transaction is conducted (the "**Reporting Obligation**"). Failure to submit the report may subject the Reporting Party to administrative sanctions which will be imposed by the Supervisory and Regulatory Body (*Lembaga Pengawas dan Pengatur*) in the form of a warning letter, public announcement on the action or sanction and/or an administrative penalty. Law No. 8/2010 also provides protection to the Reporting Party and/or witnesses with regard to reports and/or testimony such that the Reporting Party and/or the witness shall be free from any civil or criminal claim, unless the Reporting Party provides a false testimony while under oath. Further, Law No. 8/2010 stipulates that as long as the Supervisory and Regulatory Body has not been established, the PPATK is authorized to impose administrative sanctions.

The Reporting Obligation shall take effect two years after Law No. 8/2010 is enacted, which was on October 22, 2012. To implement the Reporting Obligation, PPATK has issued Regulation of PPATK Head No. PER- 12/1.02/PPATK/09/11TAHUN2011 dated September 19, 2011 regarding Transaction Reporting Procedures for Providers of Goods and/or Other Services ("**PPATK Regulation 12/2011**") and Regulation of PPATK No. 7 of 2017, dated April 28, 2017 regarding the Implementation of Know Your Service Consumers Principles for Providers of Goods and/or Other Services ("**PPATK Regulation 7/2017**") which particularly apply to providers of goods and/or services, among others, including developer companies. Under PPATK Regulation 7/2017, developer companies that carry out transactions with a minimum value of Rp100 million shall implement the Know Your Service Consumers principles in its business activities. Furthermore, pursuant to PPATK Regulation 12/2011, transactions with a minimum value of Rp500 million or equivalent in foreign currency shall be reported to PPATK and failure to so report shall be penalized with administrative sanction, which may be in the form of a (i) warning, (ii) written notice, (iii) public announcement of the action and/or the sanction, and/or (iv) fine.

On June 23, 2015, the Government issued Government Regulation No. 43 of 2015 on Reporting Parties in Preventing and Eradicating Criminal Acts of Money Laundering as amended by Government Regulation No. 61 of 2021 ("**GR 43/2015**"). GR 43/2015 as the implementation regulation of Law No. 8/2010 added seven additional categories on financial service providers that constitute "reporting parties", which are (i) venture capital companies, (ii) infrastructure financing companies, (iii) micro financing companies, (iv) export financing companies, (v) peer-to-peer lending companies, (vi) crowdfunding companies, and (vii) fintech companies.

Electricity Regulation

The Government promulgated Law No. 30 of 2009 on Electricity as amended by the Job Creation Law (the "**Electricity Law**"), which replaced the previous law that was issued in 1985. Basically, the supply of electricity can only be controlled by the state through the Central Government and Regional Governments with their policies, regulations and supervision. This stipulation is being made by the state considering that electric power is one of the important and strategic branches of production in national life, the business of providing electricity is controlled by the state which in its implementation is aimed at the maximum for the interests and

prosperity of the people of Indonesia. Even though the control of electricity lies with the Government, private business entities, cooperatives, and non-governmental organizations can participate in the provision of electric power services/business.

The provisions regarding the Electricity Law are further regulated under Government Regulation No. 25 of 2021 on the Implementation of the Energy and Mineral Resources Sector ("**GR No. 25/2021**") and Regulation of the Minister of Energy and Mineral Resources No. 11 of 2021 on the Implementation of Electricity Business ("**MEMR No. 11/2021**"). These regulations classify the electricity business into two sectors, i.e. the electricity supply business and the electricity supporting business. Further, for electricity supply business, there are two types, i.e. for public and for personal use. For public use, the electricity supply business consists of: i) electricity generator; ii) electricity transmission; iii) electricity distribution; and/or electricity sales. This type of electricity supply business can be carried out especially by state-owned enterprises as the first priority. Giving priority to state-owned enterprises is a manifestation of state control on the supply of electricity. State-owned enterprises are business entities that solely work in the field of electricity supply. In addition to state-owned enterprises, other institutions that can carry out the business of providing electricity for the public interest are regional-owned enterprises, private enterprises, cooperatives, and non-governmental organizations working in the field of electricity supply.

Electricity supply business for personal use consists of the following types of electricity operation: (i) generator; (ii) generator and distribution; or (iii) generator, transmission and distribution. The "personal use" as meant here refers to the provision of electricity for own use and not for sale. The electricity supply business for personal use here can be carried out by Central Government agencies, Regional Government agencies, state-owned enterprises, regional-owned enterprises, private enterprises, cooperatives, individuals, and other institutions/business entities.

Under the Electricity Law, electricity supply businesses and electricity supporting businesses can only be conducted after obtaining the relevant licenses issued by the Government which in this case is the Directorate General of Electricity of the Ministry of Energy and Mineral Resources or local government as relevant. Electricity supply businesses require a business license (Izin Usaha) for the purpose of supplying electricity for public use or an operation license (*Izin Operasi*) for the purpose of supplying electricity for private use. Any party supplying electricity without the proper licenses is subject to criminal sanctions under the Electricity Law. The holder of an electricity supply business license is required to, among others, (i) supply electricity that meets applicable standards, (ii) provide qualified services to the consumer, (iii) comply with applicable safety requirements, and (iv) prioritize utilization of domestic products and supplies.

Any violation of the provisions as stipulated in the Electricity Law, will be subject to administrative sanctions in the form of a written warning, suspension of temporary activities, fines, and/or revocation of business licenses. However, in the event that the violation is related to the public interest, will be subject to criminal sanctions, namely in the form of fines to imprisonment in accordance with the provisions as stipulated in the Electricity Law.

Industrial Sector Regulation

Growth in the Indonesian industrial property market is linked to domestic economic growth and government investment policies. Indonesia is a mixed, free-market economy, including state enterprises as well as private-sector businesses. Indonesia's private sector is increasingly serving as the principal generator of economic growth. As a result of the collapse in oil prices in the mid-1980s, the Government embarked upon an ambitious program to stimulate growth in non-oil exports and non-oil Government revenues and reduce reliance on public sector investments. Policy measures included opening key economic sectors to competition, reducing required licensing and administration, and providing incentives to private investors. As a result, the manufacturing sector is today the largest segment of economy.

Government policy has also encouraged private foreign investment. To encourage private foreign investment in select sectors, the Foreign Capital Investment Law was passed in 1967, guaranteeing ownership and remittance rights and providing a framework of incentives. In addition, since the mid-1980s, the Government has made numerous changes in its regulatory framework to improve the business climate and encourage increased foreign investment. In addition, the Investment Law of 2007 provides that the Government shall adopt major investment policies to expedite the increase of investments; accord equitable treatment to domestic investors and foreign investors with due regard to the national interest; and ensure legal certainty, business certainty, and business safety for investors starting from the licensing process to termination of investment activities in accordance with prevailing law.

In June 1994 and May 1995, the Government unveiled ambitious reform packages designed to increase investment and improve efficiency and productivity in order to promote economic growth and non-oil and gas exports. Important measures included opening several new business sectors for foreign investment and expanding opportunities for 100%-owned foreign investments, abolishing minimum capital investment requirements for foreign investors, reducing the required percentage of Indonesian participation and relaxing divestiture requirements.

The licensing for an Industrial Zone Business in Indonesia is regulated under Government Regulation No. 142 of 2015 on Industrial Zone ("**GR No. 142/2015**") which stipulates that every Industrial Zone Company (*Perusahaan Kawasan Industri*) requires an Industrial Zone Business License (*Izin Usaha Kawasan Industri*) in order to conduct its business. An Industrial Zone Company which has obtained an Industrial Zone Business License can be granted an HGB or right to build title over the occupied and developed land. Under the new regime of the Job Creation Law, Industrial Zone Business shall also apply the standards regulated under Minister of Industry Regulation No. 9 of 2021 on the Standards for Business Activities and/or Products in the Organization of Risk-based Business Licensing in the Industrial Sector, following their respective KBLI number.

Furthermore, to expand its business area, an Industrial Zone Company shall obtain an Industrial Zone Expansion Permit (*Izin Perluasan Kawasan Industri*) in accordance with GR No. 142/2015. Failure to comply with these obligations above can lead to administrative sanctions in the form of (a) a written warning; (b) administrative fines; and/or (c) temporary closing.

Based on the Minister of Industrial Regulation No. 40/M-IND/PER/6/2016 on the Technical Guidelines for Development of Industrial Area, an Industrial Zone Company which has received an Industrial Zone Business License is only permitted to utilize a maximum of 70% of its total land area, and a minimum of 10% of the total area should be allocated for green space (*ruang terbuka hijau*) which may be in the form of green belt, garden and perimeter.

Dry Port Regulation

On October 20, 2009, the President of the Republic of Indonesia signed Government Regulation Number 61 of 2009 regarding Ports, as amended by the Government Regulation No. 64 of 2015. Ports serve as a place of government and commercial activities. This regulation classifies the types of ports, which are (i) sea ports and (ii) river and lake ports. Sea ports in the hierarchy consist of (a) main ports, (b) collector ports, and (c) feeder ports.

Sea ports are used to serve marine freight and/or crossing transportation. The use of certain land and water areas as the location of a port is determined by the Minister in accordance with the National Ports Master Plan.

Port Business Entities in conducting their business activities must have a business license granted by: (i) the Minister, for Port Business Entities at main ports and collector ports, (ii) the Governor, for Port Business Entities at regional feeder ports, and (iii) the regent / mayor, for Business Entities at local feeder ports.

A Harbor Development Permit must be obtained in order to develop a dry port business. This permit gives the business entity two years within which to build the dry port infrastructure and prepare for operation of the dry port. In order to obtain the Harbor Development Permit, the business entity is required to provide the relevant government authority with a feasibility study and the master technical design of the harbor.

Once the development of the dry port is completed, the business entity must obtain an Operation Permit in order to operate the dry port. The requirements for the issuance of the Operation Permit, among others, are (i) completion of the port development, (ii) sufficiency of port facilities, (iii) availability of service procedure, and (iv) availability of human resources with proper certification proving competency in the port operation.

Expansion of the dry port requires a Harbor Expansion Permit. The Harbor Expansion Permit has the same requirements as the Harbor Development Permit.

Capital Market Regulation

On April 21, 2020, OJK issued OJK Regulation No. 17/POJK.04/2020 on Material Transactions and Change of Business Activities ("**Material Transaction Rules**"), which was effective on October 21, 2020, and revoked the provisions in Bapepam-LK Regulation No. IX.E.2 on Material Transactions and Change of Main Business Activities as attached to Decree of Chairman of Bapepam-LK No. 614/BL/2011. Pursuant to the Material Transactions Regulation, borrowing and lending in one transaction or a series of related transactions for a particular purpose or activity having a transaction value of 20% to 50% of the public company's equity, as determined by the latest audited annual financial statements, semi-annual limited reviewed financial statements or audited interim financial statements (if any), must be announced to the public and the listed company must also prepare an appraisal report, subject to certain exemptions available under the Material Transactions Regulation. The announcement relating to the material transaction must be made to the public in at least one Indonesian language daily newspaper having national circulation no later than the end of the second business day after the date of execution of the agreement(s) related to the material transaction. The announcement is required to include a summary of the transaction, an explanation of the considerations and reasons for the material transaction and the effect of the transaction on the company's financial condition, a summary of the appraisal report (including its

purpose, the object, the parties involved, the assumptions, qualifications and methodology used in the appraisal report, the conclusion on the value of the transaction, and the fairness opinion on the transaction), which must not be dated more than six (6) months prior to the date of the material transaction, the amount borrowed or lent, and a summary of the terms and conditions of the borrowing or lending. Publicly-listed companies must submit evidence of an announcement as referred to above, including the independent appraisal report to the OJK by the end of the second business day after the date of execution of the agreement(s) related to the material transaction.

Subject to certain exceptions under the Material Transactions Regulation, a material transaction (in this case, borrowing and lending) with a value in excess of 50% of a company's equity must be approved by shareholders holding more than half of all shares of the Company with valid voting rights who are present or represented, and more than half of such shareholders present or represented approve the transaction, in addition to fulfilling the appraisal disclosure requirements.

Publicly-listed companies are required to submit periodic financial reports, including annual financial statements and semi-annual financial statements to the OJK in accordance with OJK Regulation No. 14/POJK.04/2022 on the Submission of Periodic Financial Statements by Issuer or Public Company. In addition, the IDX requires publicly-listed companies to submit annual and interim (quarterly) financial statements under IDX Regulation No. I-E attachment to the Decree of Directors of IDX No.: KEP-00066/BEI/09-2022 on the Obligation to Submit Information ("**IDX Regulation No. I-E**").

Pursuant to IDX Regulation No. I-E, the deadline for submitting the annual financial statements is no later than the end of the third month after the date of the annual financial statement and the deadline for submitting interim (quarterly) financial statements are as follows:

(a) no later than the end of the third month after the date of the interim financial statement, if accompanied by a public accountant's report for audit of financial statements;

(b) no later than the end of the second month after the date of the interim financial statement, if accompanied by a public accountant's report for limited review of financial statements; and

(c) no later than the end of the first month after the date of the interim financial statement, if not accompanied by a public accountant report.

The Decree of Directors of IDX No.: KEP- 00024/BEI/04-2022 on the Amendment in the Relaxation of the Deadline for Submission of Financial Statements and Annual Reports provides one (1) month relaxation from the deadline sets out in IDX Regulation No. I-E above for submitting the annual and interim financial statements to IDX.

Further, failure to submit the financial statements within the deadline mentioned above may be subject to the following sanctions:

(a) first written warning , for the delay in submitting the financial statements up to 30 calendar days after the expiration of the deadline for submitting the financial statements;

(b) second written warning and a fine of Rp50,000,000 (fifty million Rupiah), if starting from the 31st up to 60th calendar day after the expiration of the deadline for submitting financial statements, the listed company still does not fulfill the obligation to submit the financial statements;

(c) third written warning and an additional fine of Rp150,000,000 (one hundred and fifty million Rupiah), if starting from the 61st up to 90th calendar day since the deadline for submitting the financial statements has passed, the listed company still does not fulfill the obligation to submit the financial statements or has submitted the financial statements but does not fulfill with the obligation to pay fines as referred to in point (b) above; and

(d) suspension, if starting from the 91st calendar day after the expiration of the deadline for submitting financial statements, the listed company still does not fulfill the obligation to submit financial statements and/or the listed company has submitted financial statements but does not fulfill with the obligation to pay fines as referred to in point (b) and point (c) above. The suspension of the Listed Company will only be revoked if the listed company has submitted the financial statements and paid the fine as referred to in point (b) and point (c) above.

Under OJK Regulation No. 31/POJK.04/2015 on Disclosure on Material Information or Facts by Issuers or Public Companies ("**OJK Regulation No. 31 of 2015**") and IDX Regulation No. I-E, publicly-listed companies are required to report to the OJK and the IDX and are required to announce to the public any material public information or facts that may affect the price of securities or investors' decisions, no later than two (2) business days after the event has occurred.

In addition, under OJK Regulation No. 31 of 2015, the announcements must include:

(a) the date of the event;

(b) the types of material information;

(c) a description of the material information; and

(d) the impact caused by that material information.

Public companies are also required to submit an annual report to the OJK and the IDX consisting of a summary of material financial data, information on shares (if any), the reports of the Board of Directors and the Board of Commissioners, company profile, management analysis and discussion, corporate governance, corporate social and environmental responsibility, audited annual financial statements and statement letter on the responsibilities of the Board of Directors and the Board of Commissioners in relation to the content in the annual report pursuant to OJK Regulation No. 29/POJK.04/2016 on Annual Report of Issuers or Public Companies and IDX Regulation No. I-E.

Indonesian Constitutional Court Decision on Job Creation Law

The enactment of the Job Creation Law resulted in amendments of certain Indonesian laws and regulations, including some of the Indonesian laws and regulations described in this exchange offer and consent solicitation memorandum.

On November 25, 2021, the Constitutional Court of the Republic of Indonesia (the "**Constitutional Court**") issued Decision No. 91/PUU-XVIII/2020 ("**CC Decision No. 91/2020**") concerning the constitutionality and validity of the Job Creation Law. CC Decision 91/2020 was issued based on judicial review of certain procedural issues with respect to the enactment of the Job Creation Law. No substantive challenge was made to specific provisions of the Job Creation Law. Pursuant to CC Decision No. 91/2020, the Constitutional Court held that the Creation Law should be amended within two years from the date of issuance of CC Decision No. 91/2020 (the "**Corrective Period**"), failing which the Job Creation Law will be deemed "permanently unconstitutional" with effect from the expiry of the Corrective Period. In that event, all laws that were amended, repealed and/or superseded by the Job Creation Law would be deemed automatically reinstated and will have full force and effect (including some of the Indonesian laws and regulations described in this exchange offer and consent solicitation memorandum).

The Job Creation Law will remain in full force and effect for the duration of the Corrective Period. On June 16, 2022, as part of the corrective action required pursuant to CC Decision No. 91/2020, Law No. 13 of 2022 on the Second Amendment of Law No. 12 of 2011 on the Formation of Legislation ("**Law No. 13/2022**") was enacted. Notwithstanding the foregoing, there can be no certainty that the Government and parliament would be able to correct and amend the Job Creation Law adequately as required by CC Decision 91/2020 within the Corrective Period.

DESCRIPTION OF THE EXCHANGE OFFER AND THE CONSENT SOLICITATION

General

The exchange offer and consent solicitation is being conducted in accordance with the applicable requirements of the Securities Act and the Exchange Act, and the rules and regulations of the SEC thereunder, as well as other applicable rules and regulations of Indonesia, Singapore and any jurisdiction where the offer or sale of the New Notes and the exchange of the Old Notes is permitted. The exchange offer will only be made to, and the New Notes are being offered and will be issued only to Eligible Holders who have complied with the procedures set out herein, or on whose behalf their brokers, dealers, custodians, trust companies or other nominees have complied with the procedures herein and that are (i) either (A) persons who are "qualified institutional buyers" ("**QIBs**") as defined in Rule 144A under the Securities Act or (B) persons located outside the United States, or certain fiduciaries holding accounts for the benefit of persons outside the United States, as those terms are defined in Regulation S under the Securities Act and (ii) not residents of, or persons located in Italy or, subject to certain exceptions described herein, Indonesia.

Purpose of the Exchange Offer and the Consent Solicitation

The purpose of the exchange offer is to refinance our indebtedness due in 2023. The purpose of the consent solicitation is to adopt the Proposed Amendments, which will amend the definition of "change of control", eliminate substantially all of the restrictive covenants and reporting requirements and certain of the events of defaults in the 2023 Indenture.

Terms of the Exchange Offer and the Consent Solicitation

Upon the terms and subject to the conditions set forth in this exchange offer and consent solicitation memorandum, Jababeka is offering to exchange any and all of the Old Notes Issuer's outstanding 6.50% Guaranteed Senior Notes due 2023 (ISIN: US46638AAC45, USN4717BAD84; CUSIP: 46638AAC4, N4717BAD8) (the "**Old Notes**"), for Jababeka's newly issued Guaranteed Senior Secured Notes due 2027 (the "**New Notes**"). As of November 8, 2022, US$300 million aggregate principal amount of Old Notes were outstanding.

Holders of Old Notes validly tendered for exchange in the exchange offer and accepted will waive any and all rights with respect to the Old Notes (other than the right to receive the Early Exchange Consideration or the Late Exchange Consideration, as applicable, and the Early Consent Fee or the Late Consent Fee, as applicable) and will release and discharge us from any and all claims such holder may have, now or in the future, arising out of or related to such Old Notes, including any and all accrued and unpaid interest thereon.

Concurrently with the exchange offer, Jababeka is soliciting the consent of holders of a majority of the outstanding aggregate principal amount of the Old Notes (the "**Requisite Consents**") to amend certain terms of the 2023 Indenture. The Proposed Amendments will amend the "change of control", eliminate substantially all of the restrictive covenants and reporting requirements and certain of the events of defaults in the 2023 Indenture. For a description of the Proposed Amendments, see "Description of the Proposed Amendments to the 2023 Indenture." Holders who validly tender any Old Notes for exchange in the exchange offer on or prior to the Exchange Expiration Deadline will be deemed to have delivered a consent. Holders will have the option with respect to any particular holding of Old Notes to participate in the consent solicitation without participating in the exchange offer. All consents validly delivered or deemed to be delivered will be deemed to be consents to the Proposed Amendments as a whole. Any Old Notes held by us or any of our affiliates shall be disregarded and deemed not to be outstanding for purpose of determining whether the holders of Old Notes of the requisite amount of outstanding Old Notes have consented to the Proposed Amendments. The Old Notes Issuer, Jababeka and any of their respective affiliates may not submit any consent instructions in the consent solicitation. Requisite Consents are required in order for the Proposed Amendments to be adopted and the Proposed Amendments will become operative once the Second Supplemental Indenture has been executed and become effective in accordance with its terms and payment of the Early Consent Fee and/or the Late Consent Fee is completed. Requisite Consents shall include the consents validly delivered or deemed to be delivered pursuant to the consent solicitation and consents delivered pursuant to the concurrent consent solicitation.

Jababeka reserves the right, upon receipt of the Requisite Consents (as defined herein) to the Proposed Amendments, to consummate or not to consummate the consent solicitation following the Consent Expiration Deadline, subject to the terms and conditions herein. If Jababeka consummates the consent solicitation, Jababeka will pay, subject to the terms and conditions herein, (i) the Early Consent Fee for the Old Notes for which consents were validly delivered or, deemed to be delivered, on or prior to the Early Consent Deadline, (ii) the Late Consent Fee for the Old Notes for which consents were validly delivered or, deemed to be delivered, after the Early Consent Deadline and on or prior to the Consent Expiration Deadline and (iii) Jababeka and the Old Notes Trustee, among others, will execute and deliver the Second Supplemental Indenture relating to the Proposed Amendments with respect to the Old Notes, and the Proposed Amendments with respect to the Old Notes will become operative in accordance with the Second

Supplemental Indenture, in each case, on the second business day following the Consent Expiration Deadline (the "**Consent Settlement Date**").

Jababeka reserves the right to consummate or not to consummate the exchange offer following the Exchange Expiration Deadline, subject to the terms and conditions herein. If Jababeka consummates the exchange offer, Jababeka will pay, subject to the terms and conditions herein, (i) the Early Exchange Consideration for the Old Notes validly tendered and accepted for exchange on or prior to the Early Exchange Deadline and (ii) the Late Exchange Consideration for the Old Notes validly tendered and accepted for exchange after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline, on a date promptly following the Exchange Expiration Deadline, which date is expected to be the sixth business day following the Exchange Expiration Deadline (the "**Exchange Settlement Date**").

On the Exchange Settlement Date, all Eligible Holders whose Old Notes are validly tendered and accepted for exchange will also receive a cash payment equal to the applicable Accrued and Unpaid Interest. Interest on the New Notes will begin to accrue on the New Notes Original Issue Date.

In order to receive the Early Exchange Consideration, holders of Old Notes must validly tender their Old Notes for exchange in the exchange offer on or prior to the Early Exchange Deadline. Any Holder of Old Notes who tenders Old Notes for exchange after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline will be eligible to receive the Late Exchange Consideration instead. Any holder of Old Notes who tenders Old Notes for exchange either on or prior to the Early Exchange Deadline or after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline will be deemed to have consented to the Proposed Amendments. In order to receive the Early Consent Fee, holders of Old Notes must either (i) validly deliver their Old Notes in the exchange offer on or prior to the Early Exchange Deadline, such tenders of Old Notes for exchange will be deemed to have provided consent on or prior to the Consent Expiration Deadline, or (ii) validly deliver their consent to the Proposed Amendments prior to the Consent Expiration Deadline. However, if either (i) the tenders of Old Notes for exchange are received after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline, such tenders of Old Notes for exchange will be deemed to have provided consent after the Early Consent Deadline and on or prior to the Consent Expiration Deadline, or (ii) consents are received after the Early Consent Deadline and on or prior to the Consent Expiration Deadline, the Late Consent Fee will be payable. Holders of Old Notes may deliver consents to the Proposed Amendments without tendering their Old Notes for exchange in the exchange offer on or prior to the Consent Expiration Deadline.

Upon receipt of the Requisite Consents, we intend to instruct the information, exchange and tabulation agent to deliver written confirmation of the Requisite Consents to the Old Notes Trustee as soon as practicable. The effect of Jababeka receiving the Requisite Consents, subject to the terms and conditions herein, will be that Jababeka, the Old Notes Issuer and the guarantors of the Old Notes will, and will instruct the Old Notes Trustee to, execute and deliver the Second Supplemental Indenture on the Consent Settlement Date to give effect to the Proposed Amendments and to do all other things necessary or desirable in order to give effect thereto.

The execution of tenders of Old Notes for exchange through ATOP procedures on or prior to the Exchange Expiration Deadline will constitute the delivery of consents with respect to such tendered Old Notes for exchange.

Early Exchange Consideration

For each US$1,000 principal amount of outstanding Old Notes that is validly tendered and accepted for exchange on or prior to the Early Exchange Deadline, holders will receive, subject to the terms and conditions set forth herein, US$700.00 principal amount of New Notes and an amount in cash equal to US$300.00.

Upon tendering Old Notes for exchange on or prior to the Early Exchange Deadline, you will be deemed to have consented to the consent solicitation and will be eligible to receive the Early Consent Fee, subject to the terms and conditions herein.

Your right to receive the consideration described above is subject to all the terms and conditions set forth in this exchange offer and consent solicitation memorandum.

Late Exchange Consideration

For each US$1,000 principal amount of outstanding Old Notes that is validly tendered and accepted for exchange after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline, holders will receive, subject to the terms and conditions set forth herein, US$700.00 principal amount of New Notes and an amount in cash equal to US$250.00.

Upon tendering Old Notes for exchange after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline, you will be deemed to have consented to the consent solicitation and will be eligible to receive the Late Consent Fee, subject to the terms and conditions herein.

Your right to receive the consideration described above is subject to all the terms and conditions set forth in this exchange offer and consent solicitation memorandum.

Early Consent Fee

All holders of the Old Notes who (i) validly tender Old Notes for exchange in the exchange offer on or prior to the Early Exchange Deadline, and are thereby deemed to have delivered a consent on or prior to the Early Consent Deadline, or (ii) without tendering any of the Old Notes for exchange, validly deliver a consent to the Proposed Amendments on or prior to the Early Consent Deadline, will receive the US$2.00 Early Consent Fee for each US$1,000 principal amount of outstanding Old Notes tendered for exchange or held by such holder, for providing such consent, subject to the conditions set forth herein.

Late Consent Fee

All holders of the Old Notes who (i) validly tender Old Notes for exchange in the exchange offer after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline, and are thereby deemed to have delivered a consent after the Early Consent Deadline and on or prior to the Consent Expiration Deadline, or (ii) without tendering any of the Old Notes for exchange, validly deliver a consent to the Proposed Amendments after the Early Consent Deadline and on or prior to the Consent Expiration Deadline, will receive the US$1.00 Late Consent Fee for each US$1,000 principal amount of outstanding Old Notes tendered for exchange or held by such holder, for providing such consent, subject to the conditions set forth herein.

Interest or coupon on the New Notes

Interest on the New Notes will begin to accrue on the New Notes Original Issue Date. The New Notes will bear interest as follows: (i) during the one-year period from (and including) the New Notes Original Issue Date to (but excluding) the First Anniversary Date, 7.00% per annum payable in cash; (ii) from (and including) the First Anniversary Date to (but excluding) the Second Anniversary Date, 7.50% per annum payable in cash; (iii) from (and including) the Second Anniversary Date to (but

excluding) the Third Anniversary Date, 8.00% per annum payable in cash; (iv) from (and including) the Third Anniversary Date to (but excluding) the Fourth Anniversary Date, 8.50% per annum payable in cash; and (v) from (and including) the Fourth Anniversary Date to (but excluding) the date of maturity of the New Notes, 9.00% per annum payable in cash. Interest will be payable semi-annually in arrears on specific dates of each year, commencing on the date that is six months after the New Notes Original Issue Date. The New Notes will mature on the fifth anniversary of the New Notes Original Issue Date.

Eligibility for Acceptance of the Exchange Offer

Holders of Old Notes who have previously certified to Jababeka that they are eligible to participate in the exchange offer through the eligibility process previously made available are referred to as "Eligible Holders." Only Eligible Holders are authorized to receive or review this exchange offer and consent solicitation memorandum and to participate in the exchange offer. Holders of the Old Notes other than Eligible Holders are eligible to participate in the consent solicitation.

Early Exchange Deadline; Early Consent Deadline; Exchange Expiration Deadline; Consent Expiration Deadline; Extensions; Amendments; Termination

For purposes of the consent solicitation, the Early Consent Deadline will be 5:00 p.m., New York City time, on November 25, 2022, subject to our right to extend that time and date or earlier terminate the consent solicitation in our absolute discretion.

For purposes of the exchange offer, the Early Exchange Deadline will be 5:00 p.m., New York City time, on November 25, 2022, subject to our right to extend that time and date or earlier terminate the exchange offer in our absolute discretion.

For purposes of the consent solicitation, the Consent Expiration Deadline will be 11:59 p.m., New York City time, on December 7, 2022, subject to our right to extend that time and date in our absolute discretion, in which case the Consent Expiration Deadline means the latest time and date to which such time and date is extended.

For purposes of the exchange offer, the Exchange Expiration Deadline will be 11:59 p.m., New York City time, on December 7, 2022, subject to our right to extend that time and date in our absolute discretion, in which case the Exchange Expiration Deadline means the latest time and date to which such time and date is extended.

We reserve the right, in our absolute discretion, by giving oral or written notice to the Dealer Managers and the information, exchange and tabulation agent to:

- extend the exchange offer and consent solicitation;
- terminate the exchange offer or consent solicitation if any condition to our obligation to exchange Old Notes for New Notes or to accept the related consents is not satisfied or waived on or prior to the Exchange Settlement Date or the Consent Settlement Date, as applicable; and
- amend or modify the exchange offer or consent solicitation, or waive any condition to the exchange offer or consent solicitation (other than the condition with respect to the receipt of the Requisite Consents).

If we make a material change in the terms of the exchange offer and consent solicitation or the information concerning the exchange offer and consent solicitation, or waive a material condition of the exchange offer and consent solicitation, we will disseminate disclosure regarding the changes to the exchange offer and consent solicitation and extend the exchange offer and consent solicitation, if required by law.

During any extension of the exchange offer and consent solicitation, all Old Notes previously validly tendered for exchange and consents previously validly delivered will remain subject to the exchange offer and consent solicitation. Any waiver, amendment or modification of the exchange offer and consent solicitation, including any change in the consideration, will apply to all Old Notes previously validly tendered for exchange and to all consents previously validly delivered, in each case subject to applicable law.

We will announce any extension, amendment or termination of the exchange offer and consent solicitation by issuing an announcement via SGXNET and through DTC. We will announce any extension of the Early Exchange Deadline or the Exchange Expiration Deadline no later than 9:00 a.m., New York City time, on the first business day after such previously scheduled deadline. We will announce any extension of the Early Consent Deadline or the Consent Expiration Deadline no later than 9:00 a.m., New York City time, on the first business day after such previously scheduled deadline.

A separate exchange instruction must be submitted on behalf of each beneficial owner of the Old Notes.

Acceptance of Old Notes

Subject to the terms and conditions of the exchange offer and assuming we do not otherwise terminate the exchange offer, we will be deemed to accept validly tendered Old Notes for exchange on or prior to the Exchange Expiration Deadline when, and if, we give oral or written notice of acceptance to the Dealer Managers and the information, exchange and tabulation agent. If any tendered Old Notes for exchange are not accepted for any reason described in the terms and conditions of the exchange offer, such unaccepted Old Notes will be returned to the tendering holder at our expense promptly after the expiration or termination of the exchange offer. Any unaccepted Old Notes will be credited to the tendering holder's account or the holder's custodian's account at DTC. Under no circumstances will we be required to accept Old Notes for exchange that have not been validly tendered for exchange on or prior to the Exchange Expiration Deadline in accordance with the procedures set forth in this exchange offer and consent solicitation memorandum. We reserve the absolute right to reject any and all tenders of Old Notes for exchange and deliveries of related consents not in proper form or any Old Notes the acceptance for exchange of which may, in the opinion of counsel, be unlawful. See "— Procedures for Tendering Old Notes and Delivering Consents."

Exchange Settlement Date; Delivery of Consideration

With respect to Old Notes validly tendered and accepted for exchange on or prior to the Early Exchange Deadline, payment of the Early Exchange Consideration will be made promptly after the Exchange Expiration Deadline on the Exchange Settlement Date, subject to the terms and conditions herein.

With respect to Old Notes validly tendered and accepted for exchange after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline, payment of the Late Exchange Consideration will be made promptly after the Exchange Expiration Deadline on the Exchange Settlement Date, subject to the terms and conditions herein.

The Exchange Settlement Date will be the sixth business day following the Exchange Expiration Deadline, which is expected to be December 15, 2022.

Any cash payments at settlement, including for the Early Consent Fee or the Late Consent Fee, as applicable, and Accrued and Unpaid Interest on any Old Notes accepted in the exchange offer will be made by deposit of funds with DTC.

Consent Settlement Date; Proposed Amendments; Delivery of Consideration

With respect to Old Notes for which consents were validly delivered or, deemed to have been delivered, on or prior to the Early Consent Deadline, payment of the Early Consent Fee will be made promptly after the Consent Expiration Deadline on the Consent Settlement Date, subject to the terms and conditions herein.

With respect to Old Notes for which consents were validly delivered or, deemed to have been delivered, after the Early Consent Deadline and on or prior to the Consent Expiration Deadline, payment of the Late Consent Fee will be made promptly after the Consent Expiration Deadline on the Consent Settlement Date, subject to the terms and conditions herein.

The Consent Settlement Date will be the second business day following the Consent Expiration Deadline, which is expected to be December 9, 2022.

Subject to the terms and conditions of the exchange offer and consent solicitation, and assuming that the consent solicitation is not otherwise terminated by us, on the Consent Settlement Date, the Proposed Amendments will become operative once the Second Supplemental Indenture has been executed and become effective in accordance with its terms and payment of the Early Consent Fee and/or the Late Consent Fee is completed.

Conditions to the Exchange Offer and the Consent Solicitation

Consent General Conditions

Notwithstanding any other provisions of the consent solicitation or any extension of the consent solicitation, we will not be required to deliver any consideration, and we may terminate the consent solicitation or, at our option, modify, extend or otherwise amend the consent solicitation (other than the condition with respect to the receipt of the Requisite Consents), unless each of the following conditions, which we refer to as the consent general conditions, are satisfied or waived.

(1) we have received Requisite Consents to the Proposed Amendments. Requisite Consents shall include the consents validly delivered or deemed to be delivered pursuant to the consent solicitation and consents delivered pursuant to the concurrent consent solicitation;

(2) the Consent Minimum Participation Condition has been satisfied;

(3) we have received all valid consents required by Jababeka and its subsidiaries, including the Old Notes Issuer, for the consummation of the consent solicitation, from third parties, including the lenders of Jababeka or any of its subsidiaries;

(4) there shall not have occurred or be likely to occur any event affecting the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Jababeka, its affiliates or subsidiaries that, in the sole judgment of Jababeka, either (i) is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Jababeka, its affiliates and subsidiaries, or (ii) would or might prohibit, prevent, restrict or delay consummation of the consent solicitation or exchange offer;

(5) none of the following has occurred:

  (i) any general suspension of or limitation on trading in securities on the Singapore, Indonesia, the United States, London, Hong Kong securities or financial markets, or in the over-the-counter market (whether or not mandatory);

  (ii) any material decrease in the trading price of the Old Notes in Singapore, Indonesia, the United States, London, Hong Kong or other major securities or financial markets;

  (iii) a material impairment in the general trading market for debt securities;

  (iv) a declaration of a banking moratorium or any suspension of payments in respect of banks by federal or state authorities in the Singapore, Indonesia, the United States, London or Hong Kong or other major financial markets (whether or not mandatory);

  (v) a commencement or escalation of a war, armed hostilities, terrorist act or other national or international crisis directly or indirectly relating to Singapore, Indonesia, the United States, London or Hong Kong;

  (vi) any limitation (whether or not mandatory) by any governmental, administrative or regulatory authority or agency, domestic or foreign, or other event having a reasonable likelihood, in the reasonable judgment of Jababeka, of affecting, the extension of credit by banks or other lending institutions in Singapore, Indonesia, the United States, London or Hong Kong;

  (vii) any material disruption has occurred in securities settlement or clearance services in Singapore, Indonesia, the United States, London or Hong Kong;

  (viii) any amalgamation, merger, acquisition or other business combination proposal involving us shall have been proposed, announced or made by any person or entity;

  (ix) any material adverse change in Singapore, Indonesia, the United States, London or Hong Kong securities or financial markets generally; or

  (x) in the case of any of the foregoing existing at the time of the commencement of the exchange offer and consent solicitation, a material acceleration or worsening thereof;

(6) the Old Notes Trustee shall not have objected in any respect to, nor have taken any action that could in our reasonable judgment adversely affect the consummation of, the exchange offer or the exchange of Old Notes under the exchange offer or the consent solicitation nor shall the Old Notes Trustee have taken any action that challenges the validity or effectiveness of the procedures used by us in making the exchange offer or the exchange of the Old Notes under the exchange offer or the consent solicitation; and

(7) no action or event shall have occurred or been threatened (including a default under an agreement, indenture or other instrument or obligation to which we or one of our affiliates is a party or by which we or one of our affiliates is bound), nor shall any action, proceeding, application, claim, counterclaim or investigation (whether formal or informal) be pending or have been taken, nor shall any statute, rule, regulation, judgment, order, stay, decree or injunction have been proposed, promulgated, enacted, entered, enforced or deemed to be applicable to the exchange offer or the consent solicitation or the Proposed Amendments, by or before any court or governmental, regulatory or administrative agency or instrumentality, domestic or foreign, authority or tribunal, or by any other person, domestic or foreign, that either:

(i) challenges the consent solicitation or the Proposed Amendments or might, directly or indirectly, prohibit, prevent, restrict or delay consummation of, or might otherwise adversely affect in any material manner, the exchange offer or the consent solicitation or the Proposed Amendments; or

(ii) in our reasonable judgment, could materially impair the contemplated benefits to us of the exchange offer or the consent solicitation or the Proposed Amendments, or might be material to holders of Old Notes in deciding whether to give their consents.

The foregoing conditions are for our sole benefit and may be waived by us, in whole or in part, at our absolute discretion (other than the condition with respect to the receipt of the Requisite Consents). Any determination made by us concerning an event, development or circumstance described or referred to above will be conclusive and binding. Our failure at any time to exercise any of our rights will not be deemed a waiver of any other right, and each right will be deemed an ongoing right which may be asserted at any time and from time to time.

If any of the consent general conditions are not satisfied or waived, we may, at any time on or prior to the Consent Settlement Date:

- terminate the consent solicitation, in which case the delivered consents will be of no further force or effect;
- modify, extend or otherwise amend the consent solicitation (other than the condition with respect to the receipt of the Requisite Consents) and retain all delivered consents until the Consent Expiration Deadline as may be extended; or
- waive any unsatisfied conditions with respect to the consent solicitation (other than with respect to the receipt of Requisite Consents).

Exchange General Conditions

Notwithstanding any other provisions of the exchange offer or any extension of the exchange offer, we will not be required to deliver any consideration for the tender of the Old Notes for exchange, and we may terminate the exchange offer or, at our option, modify, extend or otherwise amend the exchange offer, unless each of the following conditions, which we refer to as the exchange general conditions, are satisfied or waived:

(1) the consent general conditions (described above) have been satisfied or waived (other than with respect to the receipt of Requisite Consents);

(2) the Exchange Minimum Participation Condition has been satisfied;

(3) the Second Supplemental Indenture has been executed and become effective;

(4) the issuance of the New Notes has taken place; and

(5) we have received all valid consents required by Jababeka and its subsidiaries, including the Old Notes Issuer, for the consummation of the exchange offer, from third parties, including the lenders of Jababeka or any of its subsidiaries.

The foregoing conditions are for our sole benefit and may be waived by us, in whole or in part, at our absolute discretion (other than the condition with respect to the receipt of the Requisite Consents). Any determination made by us concerning an event, development or circumstance described or referred to above will be conclusive and binding. Our failure at any time to exercise any of our rights will not be deemed a waiver of any other right, and each right will be deemed an ongoing right which may be asserted at any time and from time to time.

If any of the exchange general conditions are not satisfied, we may, at any time prior to the Exchange Settlement Date, subject to applicable law:

- terminate the exchange offer and return all tendered Old Notes for exchange;
- modify, extend or otherwise amend the exchange offer or the consent solicitation and retain all tendered Old Notes for exchange and delivered consents until the Exchange Expiration Deadline or the Consent Expiration Deadline as either date may be extended; or
- waive any unsatisfied conditions (other than the requirement to receive the Requisite Consents and the issuance of the New Notes) and accept Old Notes tendered for exchange pursuant to the exchange offer, subject to the proration provisions herein.

Future Purchases and Exchanges of Old Notes by Us

Following the consummation of the exchange offer and consent solicitation, we may acquire additional Old Notes that remain outstanding in the open market, in privately negotiated transactions, in new exchange offers, by redemption or otherwise. Future purchases, exchanges or redemptions of Old Notes that remain outstanding after the exchange offer may be on terms that are more or less favorable than the exchange offer. Future purchases, exchanges and redemptions, if any, will depend on many factors, which include market conditions and the condition of our business.

Certain Consequences to Holders of Old Notes Not Participating in the Exchange Offer and the Consent Solicitation

Consummation of the exchange offer and consent solicitation may have adverse consequences to holders of Old Notes who elect not to participate or for holders of Old Notes who participate but for whom certain of their Old Notes tendered for exchange were not accepted for exchange, due to an invalid tender for exchange or otherwise. In particular, the trading market for Old Notes that are not exchanged could become more limited than the existing trading market for the Old Notes and could cease to exist altogether due to the reduction in the amount of the Old Notes outstanding upon consummation of the exchange offer. A more limited trading market might adversely affect the liquidity, market price and price volatility of the Old Notes. We cannot assure you that ratings on the Old Notes will be maintained. The Proposed Amendments would amend certain terms of the 2023 Indenture, including eliminating substantially all of the restrictive covenants, substantially all of the reporting requirements and certain of the events of default in the 2023 Indenture. If the Proposed Amendments become effective, holders of Old Notes that remain outstanding after the completion of the exchange offer and consent solicitation will no longer be entitled to the benefit of certain provisions. The elimination or modification of these provisions will permit us to take certain actions previously prohibited without needing to obtain the consent of any holder of the Old Notes which could be materially adverse to the interest of the holders of the Old Notes generally and to the interest of the individual holders of the Old Notes. Such actions may include increasing the amount of our borrowings and other indebtedness, making restricted payments and selling certain assets, which would not otherwise be permitted, to be incurred or made. Those actions could increase the credit risks associated with us, as well as adversely affect the market price and credit rating of the Old Notes that remain outstanding. See "Risk Factors Relating to the Exchange Offer and the Consent Solicitation—Risks Related to the Exchange Offer and the Consent Solicitation."

Effect of Tender

Any tender for exchange by a holder of Old Notes (and our subsequent acceptance of such tender) will constitute a binding agreement between that holder, the Old Notes Issuer and Jababeka, upon the terms and subject to the conditions of the exchange offer and consent solicitation described in this exchange offer and consent solicitation memorandum. The acceptance of the exchange offer and consent solicitation by a tendering holder of Old Notes will constitute a binding agreement by that holder to the covenants and the making of the representations and warranties contained herein.

Representations, Warranties and Covenants of Holders of Old Notes

Representations, warranties and covenants of each Eligible Holder

Upon tender of the Old Notes for exchange which will be irrevocable after the Early Exchange Deadline, and subject to the terms and conditions of the exchange offer generally, each Eligible Holder will be deemed, among other things, to:

(1) irrevocably sell, assign and transfer to or upon our order or the order of our nominee, all right, title and interest in and to, and any and all claims in respect of or arising or having arisen as a result of such holder's status as a holder of, all Old Notes tendered for exchange thereby, such that thereafter it shall have no contractual or other rights or claims in law or in equity against the Old Notes Issuer, Jababeka, or any of its subsidiaries, the Old Notes Trustee or any fiduciary, trustee, fiscal agent, security agent or other person connected with the Old Notes arising under, from or in connection with such Old Notes;

(2) waive any and all rights with respect to the Old Notes tendered for exchange thereby (including, without limitation, any existing or past defaults and their consequences in respect of such Old Notes); and

(3) release and discharge the Old Notes Issuer, Jababeka, and the other guarantors of the Old Notes, the Old Notes Trustee or any fiduciary, trustee, fiscal agent, security agent or other person connected with the Old Notes from any and all claims such holder may have (now or in the future), arising out of or relating to the Old Notes tendered for exchange thereby, including, without limitation, any claims that such holder is entitled to receive principal or additional interest payments or other amounts with respect to the Old Notes tendered for exchange thereby (other than the payments expressly provided in this exchange offer and consent solicitation memorandum) or to participate in any redemption or defeasance of the Old Notes tendered for exchange thereby.

In addition, such Eligible Holder of Old Notes who tenders Old Notes for exchange will be deemed to represent, warrant and undertake to the Old Notes Issuer, Jababeka and its other subsidiaries, the Dealer Managers, the information, exchange and tabulation agent and the Old Notes Trustee at the time of submission of the DTC Instruction (if applicable) and on each of the Early Exchange Deadline, the Early Consent Deadline, the Exchange Expiration Deadline, the Consent Expiration Deadline, the Consent Settlement Date and the Exchange Settlement Date that:

(1) it has received and reviewed this exchange offer and consent solicitation memorandum;

(2) it acknowledges and agrees that by tendering Old Notes for exchange in the exchange offer on or prior to the Early Exchange Deadline or the Exchange Expiration Deadline, as applicable, (i) it consents to the Proposed Amendments described and defined in the exchange offer and consent solicitation memorandum and all terms and conditions regarding the consent solicitation set forth herein, (ii) it authorizes, directs and requests the execution and delivery of the Second Supplemental Indenture by the relevant parties, including the Old Notes Trustee, subject to the terms and conditions of this exchange offer and consent solicitation memorandum and (iii) that submission of a valid consent constitutes its written consent to the Proposed Amendments in respect of all of the Old Notes in its account in the relevant DTC participant;

(3) it is the beneficial owner (as defined below) of, or a duly authorized representative of one or more such beneficial owners of, the Old Notes tendered for exchange thereby and it has full power and authority to provide the instruction through ATOP and that its tender for exchange is irrevocable and may not be withdrawn after the Early Exchange Deadline;

(4) it is, or in the event that such holder is acting on behalf of a beneficial owner of the Old Notes tendered for exchange thereby, such holder has received a written certification from such beneficial owner (dated as of a specific date no earlier than the close of such beneficial owner's most recent fiscal year) to the effect that such beneficial owner is:

   (i) a QIB is acquiring the New Notes for its own account or for a discretionary account or accounts on behalf of one or more QIBs (as to which it has been instructed and has the authority to make the statements contained herein); or

   (ii) a person located outside the United States or a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States holding a discretionary account or similar account (other than an estate or trust) for the benefit or account of a person outside the United States, and is acquiring New Notes in an offshore transaction in accordance with Regulation S;

(5) it is not located in and is not a resident or national of Indonesia;

(6) it is not located or resident in the European Economic Area ("EEA") or the United Kingdom, or if located in the EEA or the United Kingdom, it is not a retail investor. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II, or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II;

(7) it is not located or resident in France or, if it is located or resident in France, it is a (i) provider of investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investor (*investisseur qualifié*), other than an individual, acting for its own account (all as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code monétaire et financier);

(8) it is not located or resident in Belgium or if it is located or resident in Belgium it is a qualified investor, in the sense of Article 10 of the Belgian Law of June 16, 2006 on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets (as amended from time to time), acting for its own account;

(9) it is not located or resident in Italy or, if it is located in Italy, it is (i) a qualified investor (*investiture qualificato*, as defined in Article 26, first paragraph, letter d) of Regulation No.16190, pursuant to Article 34-ter, first paragraph, letter b) of Regulation No. 11971) and (ii) an authorized person or is tendering Old Notes for exchange through an authorized person (such as an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Legislative Decree No. 58 of February 24, 1998, as amended, CONSOB Regulation No. 16190 of October 29, 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by Commissione Nazionale per le Society e la Borsa, the Bank of Italy or any other Italian authority;

(10) it acknowledges the exchange offer and consent solicitation is subject to the restrictions set forth in the section "Notice to Investors";

(11) it acknowledges and agrees that (i) this exchange offer and consent solicitation memorandum and any other offering or marketing document relating to the New Notes does not constitute a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Federal Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange Ltd, and (ii) the New Notes may only be distributed or otherwise be made available in or from Switzerland on a private placement basis only;

(12) it agrees and undertakes not to (i) publicly distribute (or otherwise make publicly available) this exchange offer and consent solicitation memorandum or any other offering or marketing document relating to the New Notes in or from Switzerland, or (ii) publicly offer, sell or advertise the New Notes, directly or indirectly, in or from Switzerland;

(13) it is not a person to whom it is unlawful to make an invitation to participate in, or solicit a tender pursuant to, the exchange offer or consent solicitation under applicable securities laws;

(14) the Old Notes being tendered for exchange thereby are owned and were as of the date of tender, owned free and clear of any liens, charges, claims, encumbrances, interests and restrictions of any kind, and we will acquire good, indefeasible and unencumbered title to such Old Notes, free and clear of all liens charges, claims, encumbrances, interests and restrictions of any kind, when we accept the same;

(15) until the Old Notes are returned to it following termination of the exchange offer, it will not sell, pledge, hypothecate or otherwise encumber or transfer any Old Notes tendered for exchange thereby and agrees that any purported sale, pledge, hypothecation or other encumbrance or transfer will be void and of no effect;

(16) in evaluating the exchange offer and consent solicitation and in making its decision whether to participate therein by tendering its Old Notes for exchange, such holder has made its own independent evaluation of the matters referred to herein and in any related communications and is not relying on any statement, representation or warranty, express or implied, made to such holder by Jababeka, and its subsidiaries, including the Old Notes Issuer, and their respective affiliates, agents and representatives, the Dealer Managers, the information, exchange and tabulation agent, the Old Notes Trustee, the New Notes Trustee or the New Notes Collateral Agent other than those contained in this exchange offer and consent solicitation memorandum (as amended or supplemented to the Exchange Expiration Deadline);

(17) the execution and delivery of tenders of Old Notes for exchange through ATOP procedures shall constitute an undertaking to execute any further documents and give any further assurances that may be required in connection with the exchange offer and consent solicitation, in each case on and subject to the terms and conditions set out or referred to in this exchange offer and consent solicitation memorandum;

(18) the execution and delivery of tenders of Old Notes for exchange through ATOP procedures shall constitute (subject to the terms and conditions of the exchange offer generally) the irrevocable appointment of the information, exchange and tabulation agent or, in respect of the delivery of a deemed consent in respect of the consent solicitation, the information, exchange and tabulation agent, as its attorney and agent, and an irrevocable instruction to such attorney and agent (such appointment and instruction to be irrevocable upon delivery) to complete and execute all or any form(s) of transfer and other document(s) at the discretion of such attorney and agent in relation to the Old Notes tendered for exchange thereby in favor of Jababeka and its subsidiaries or such other person or persons as Jababeka and its subsidiaries may direct, and to deliver such form(s) of transfer and other document(s) in the attorney's and agent's discretion and/or the certificate(s) and other documents of title relating to such Old Notes' registration and to execute all such other documents and to do all such other acts and things as may be in the opinion of such attorney or agent necessary or expedient for the purpose of, or in connection with, the acceptance of the exchange offer and consent solicitation, and to vest in Jababeka and its subsidiaries or their nominees such Old Notes;

(19) it understands that the exchange offer and consent solicitation memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this exchange offer and consent solicitation memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Notes may not be circulated or distributed, nor may the New Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the Securities and Futures Act or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act;

(20) the New Notes are being offered in transactions not involving any public offering in the United States within the meaning of the Securities Act, that the New Notes have not been registered under the Securities Act or any securities laws of any jurisdiction and that for so long as the New Notes are "restricted securities" for purposes of the Securities Act:

(i) it will not offer, sell, pledge or otherwise transfer the New Notes except (i) to the Company or any of its subsidiaries, (ii) within the United States to a QIB in a transaction complying with Rule 144A under the Securities

Act, (iii) outside the United States in compliance with Rule 903 or 904 of Regulation S under the Securities Act, (iv) pursuant to an exemption from registration under the Securities Act (if available) or (v) pursuant to an effective registration statement under the Securities Act, in each case in accordance with all applicable securities laws of the states of the United States and other jurisdictions; and

(ii) the holder will, and each subsequent holder is required to, notify any subsequent purchaser from it of the resale restrictions set forth in (i) above;

(21) it has such knowledge and experience in financial and business matters, that it is capable of evaluating the merits and risks of participating in the exchange offer and that it, and any accounts for which it is acting, are each able to bear the economic risks of its, or their, investment;

(22) if the Old Notes are assets of (i) an employee benefit plan (as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (ERISA)) that is subject to Title I of ERISA, (ii) a plan (as defined in Section 4975(e)(1) of the U.S. Internal Revenue Code of 1986, as amended (the Code)) that is subject to Section 4975 of the Code, (iii) a governmental plan (as defined in Section 3(32) of ERISA) or any other plan that is subject to any non-U.S. or other U.S. federal, state or local law or regulation substantially similar to Title I of ERISA or Section 4975 of the Code (collectively, Similar Laws), or (iv) an entity deemed to hold plan assets of any of the foregoing (each of (i), (ii), (iii) and (iv), a Plan), the exchange of Old Notes and the acquisition, holding and disposition of New Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws;

(23) it acknowledges that the New Notes may not be sold or transferred to a Plan, and that by its purchase and holding of the New Notes, it shall be deemed to have represented and covenanted that it is not a Plan, and is not acquiring the New Notes for or on behalf of a Plan, and will not transfer the New Notes to a Plan, unless such Plan's acquisition, holding and disposition of the New Notes will not constitute or result in a non-exempt prohibited transaction under ERISA or Section 4975 of the Code or a similar violation under any applicable Similar Laws;

(24) no information has been provided to the holder of the Old Notes by the Dealer Managers, the information, exchange and tabulation agent or the Old Notes Trustee with regard to the tax consequences to the holders of the Old Notes arising from the receipt of the Early Exchange Consideration, the Late Exchange Consideration, the Early Consent Fee, the Late Consent Fee or the New Notes (except for general information contained in this exchange offer and consent solicitation memorandum, and the holder of the Old Notes acknowledges that the holder of the Old Notes is solely liable for any taxes and similar or related payments imposed on the holder of the Old Notes under the laws of any applicable jurisdiction as a result of its participation in the exchange offer and agrees that the holder of the Old Notes will not and does not have any right of recourse (whether by way of reimbursements, indemnity or otherwise) against Jababeka or any of its subsidiaries (including the Old Notes Issuer), the Dealer Managers, the information, exchange and tabulation agent or the Old Notes Trustee or any other person in respect of such taxes and payments;

(25) none of Jababeka and its subsidiaries, including the Old Notes Issuer, and their respective affiliates, agents and representatives, the Dealer Managers, the information, exchange and tabulation agent or the Old Notes Trustee has given the holder of the Old Notes any information with respect to the exchange offer or consent solicitation save as expressly set forth in this exchange offer or consent solicitation memorandum, nor has any of them made any recommendation to it as to whether it should participate in the exchange offer and consent solicitation and the holder of the Old Notes has read and understood this exchange offer and consent solicitation memorandum and has made its own decision with regard to participating in the exchange offer or consent solicitation based on any legal, tax or financial advice it has deemed necessary to seek;

(26) it is not acquiring the New Notes with a view towards any distribution thereof in a transaction that would violate the Securities Act or the securities laws of any state of the United States or any other applicable jurisdiction; provided that the disposition of its property and the property of any accounts for which it is acting as fiduciary will remain at all times within its control;

(27) it is an Eligible Holder;

(28) it acknowledges that each New Note will contain a legend substantially in the following form:

"THIS NOTE AND THE SUBSIDIARY GUARANTEES IN RESPECT HEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "QIB") OR (B) IT

IS NOT IN THE UNITED STATES, IS NOT ACQUIRING THIS NOTE FOR THE ACCOUNT OR BENEFIT OF A PERSON WITHIN THE UNITED STATES AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT, WITHIN THE TIME PERIOD REFERRED TO UNDER RULE 144 UNDER THE SECURITIES ACT AS IN EFFECT ON THE DATE OF THE TRANSFER OF THIS NOTE, RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE COMPANY, THE SUBSIDIARY GUARANTORS OR ANY OF THEIR RESPECTIVE AFFILIATES THEREOF, (B) TO A PERSON WHOM THE HOLDER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS.

[**ORIGINAL ISSUE DISCOUNT**. THE NOTES HAVE BEEN ISSUED WITH ORIGINAL ISSUE DISCOUNT FOR U.S. FEDERAL INCOME TAX PURPOSES ("**OID**"). THE ISSUE PRICE, THE AMOUNT OF OID, THE ISSUE DATE AND THE YIELD TO MATURITY MAY BE OBTAINED BY CONTACTING THE COMPANY.]"

If a holder receives the New Notes in the exchange offer, it will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these New Notes as well as to holders of these New Notes;

(29) it acknowledges that the transfer agent will not be required to accept for registration or transfer any New Notes acquired by it, except upon presentation of evidence satisfactory to Jababeka and the transfer agent that the restrictions set forth herein have been complied with; and

(30) it repeats the representations, warranties and undertakings in "Investor Representations".

If the relevant holder of the Old Notes is unable to give the representations, warranties and undertakings described above, such holder of any of the Old Notes should contact the information, exchange and tabulation agent.

Each holder of Old Notes that executes tenders of Old Notes for exchange pursuant to DTC's ATOP procedures will also be deemed to represent, warrant and agree as set forth under "Transfer Restrictions" in this exchange offer and consent solicitation memorandum.

The representations and warranties and agreements of a holder tendering Old Notes for exchange shall be deemed to be repeated and reconfirmed on and as of the Early Exchange Deadline, the Early Consent Deadline, the Exchange Expiration Deadline, the Consent Expiration Deadline, the Consent Settlement Date and the Exchange Settlement Date. For the purposes of this exchange offer and consent solicitation memorandum, the "beneficial owner" of any Old Notes shall mean any holder that exercises sole investment discretion with respect to such Old Notes.

Representations, warranties and covenants of holders of Old Notes providing a consent only

By submitting a valid consent through ATOP in accordance with the procedures and requirements of DTC ("**ATOP procedures**"), and subject to the terms and conditions of the consent solicitation generally, each consenting holder of the Old Notes will be deemed to represent, warrant and undertake to the Old Notes Issuer, Jababeka and its other subsidiaries, the Dealer Managers, the information, exchange and tabulation agent and the Old Notes Trustee at the time of submission of such consent and on each of the Early Consent Deadline, the Consent Expiration Date and the Consent Settlement Date that:

(1) it has received, reviewed, understood and accepted the terms of the consent solicitation and agrees to be bound to such terms;

(2) it owns the Old Notes for which it is providing consent and has full power and authority to execute and deliver the consent pursuant to the consent solicitation,

(3) the Old Notes are, at the time of acceptance, and will continue to be, held by it at the relevant DTC participant;

(4) it consents to the Proposed Amendments as described in this exchange offer and consent solicitation memorandum and all terms and conditions regarding the consent solicitation set forth in this exchange offer and consent solicitation memorandum and authorizes, directs and requests the execution and delivery of the Second Supplemental Indenture by the relevant parties, including the Old Notes Trustee, subject to the terms of this exchange offer and consent solicitation memorandum; and that submission of a valid consent pursuant to ATOP procedures constitutes the consenting holder' written consent to the Proposed Amendments in respect of all of the Old Notes in its account in the relevant DTC participant;

(5) it will execute and deliver any additional documents deemed by Jababeka to be necessary or desirable to perfect the delivered consent;

(6) it agrees that any consent it delivers hereby will be irrevocable after the Early Consent Deadline and that any attempt to revoke a consent by any method after the Early Consent Deadline will not constitute a revocation of a previously provided consent;

(7) it acknowledges that all authority conferred or agreed to be conferred pursuant to these representations, warranties and undertakings and every obligation of the consenting holder of the Old Notes and the consents given by the consenting holder of the Old Notes shall be binding (to the extent applicable in law) upon the successors, assigns, heirs, executors, administrators, trustees in bankruptcy and legal representatives of the consenting holder of the Old Notes and shall not be affected by, and shall survive, the death or incapacity of the consenting holder of the Old Notes;

(8) except as expressly set forth in this exchange offer and consent solicitation memorandum, no information has been provided to the holder of the Old Notes by the Dealer Managers, the information, exchange and tabulation agent or the Old Notes Trustee with regard to the tax consequences to the holders of the Old Notes arising from the receipt of the Early Consent Fee or the Late Consent Fee, as applicable, and the holder of the Old Notes acknowledges that the holder of the Old Notes is solely liable for any taxes and similar or related payments imposed on the holder of the Old Notes under the laws of any applicable jurisdiction as a result of its participation in this consent solicitation and agrees that the holder of the Old Notes will not and does not have any right of recourse (whether by way of reimbursements, indemnity or otherwise) against Jababeka or any of its subsidiaries (including the Old Notes Issuer), the Dealer Managers, the information, exchange and tabulation agent or the Old Notes Trustee or any other person in respect of such taxes and payments;

(9) none of Jababeka and its subsidiaries, including the Old Notes Issuer, and their respective affiliates, agents and representatives, the Dealer Managers, the information, exchange and tabulation agent or the Old Notes Trustee has given the holder of the Old Notes any information with respect to the consent solicitation save as expressly set forth in this exchange offer and consent solicitation memorandum, nor has any of them made any recommendation to it as to whether it should participate in the consent solicitation and the holder of the Old Notes has read and understood this exchange offer and consent solicitation memorandum and has made its own decision with regard to participating in the consent solicitation based on any legal, tax or financial advice it has deemed necessary to seek;

(10) it has not distributed or forwarded this exchange offer and consent solicitation memorandum or any other documents or materials relating to the consent solicitation to any person(s), and it has complied with all laws and regulations applicable to it for the purposes of its participation in the consent solicitation;

(11) it irrevocably constitutes and appoints the information, exchange and tabulation agent as (a) its agent and attorney-in-fact (with full knowledge that the information, exchange and tabulation agent also acts as Jababeka's agent) with respect to the consent delivered with full power of substitution to deliver the consent required pursuant to this exchange offer and consent solicitation memorandum to Jababeka (such power of attorney granted in this paragraph shall be deemed irrevocable from and after the Early Consent Deadline or the Consent Expiration Deadline, as applicable) and (b) its agent to receive the Early Consent Fee or the Late Consent Fee, as applicable, on the undersigned's behalf with respect to the principal amount of Old Notes as to which such consent has been delivered; and

(12) it repeats the representations, warranties and undertakings in "Investor Representations".

If the relevant holder of the Old Notes is unable to give the representations, warranties and undertakings described above, such holder of any of the Old Notes should contact the information, exchange and tabulation agent.

Each direct participant in DTC, Euroclear or Clearstream, by delivering the consents, will be deemed to have given authority to the relevant Clearing System to provide details concerning such direct participant's identity to the information, exchange and tabulation agent.

Procedures for Tendering Old Notes and Delivering Consents

To participate in the exchange offer, a holder must validly tender its Old Notes for exchange pursuant to the exchange offer on or prior to the Exchange Expiration Deadline pursuant to the procedures described below. A holder who validly tenders its Old Notes for exchange on or prior to the Exchange Expiration Deadline pursuant to the exchange offer will be deemed to have delivered a consent with respect to such tendered Old Notes for exchange.

To deliver a consent with respect to Old Notes, a holder must either (i) validly tender its Old Notes for exchange pursuant to the exchange offer on or prior to the Exchange Expiration Deadline pursuant to the procedures described herein; or (ii) validly deliver a consent on or prior to the Consent Expiration Deadline pursuant to the procedures described herein.

A holder may validly tender its Old Notes for exchange on or prior to the Early Exchange Deadline pursuant to the procedures described below, and such holders will receive the Early Exchange Consideration and the Early Consent Fee, subject to the terms and conditions hereof. In addition a holder may validly tender its Old Notes for exchange after the Early Exchange Deadline and on or prior to the Exchange Expiration Deadline pursuant to the procedures described below, and such holders will receive the Late Exchange Consideration and the Late Consent Fee, subject to the terms and conditions hereof.

Procedures for Tendering Old Notes

If you wish to participate in the exchange offer and your Old Notes are held by a custodial entity such as a bank, broker, dealer, trust company or other nominee, you must instruct that custodial entity to tender your Old Notes for exchange on your behalf pursuant to the procedures of that custodial entity.

To participate in the exchange offer, you must:

- comply with the ATOP procedures for book-entry transfer described herein on or prior to the Exchange Expiration Deadline or, in order to be eligible to receive, subject to the terms and conditions of the exchange offer and consent solicitation, the Early Exchange Consideration and the Early Consent Fee, on or prior to the Early Exchange Deadline; or
- comply with the procedures established by Euroclear or Clearstream, on or prior to the Exchange Expiration Deadline or, in order to be eligible to receive, subject to the terms and conditions of the exchange offer and consent solicitation, the Early Exchange Consideration and the Early Consent Fee, on or prior to the Early Exchange Deadline, for tendering for exchange any Old Notes you hold through Euroclear or Clearstream.

The information, exchange and tabulation agent and DTC have confirmed that the exchange offer is eligible for ATOP. An agent's message and any other required documents must be delivered to and received by the information, exchange and tabulation agent or by DTC, as applicable, on or prior to the Exchange Expiration Deadline or, in order to receive the Early Consent Fee, on or prior to the Early Exchange Deadline, at its address listed on the back cover page of this exchange offer and consent solicitation memorandum. Old Notes will not be deemed to have been tendered until the agent's message is received by the information, exchange and tabulation agent.

The method of delivery of Old Notes and all other required documents to the information, exchange and tabulation agent is at the election and risk of the holder. Holders should use an overnight or hand delivery service, properly insured. In all cases, sufficient time should be allowed to ensure delivery to and receipt by the information, exchange and tabulation agent on or prior to the Exchange Expiration Deadline or, in order to be eligible to receive the Early Consent Fee, subject to the terms and conditions of the exchange offer and consent solicitation, on or prior to the Early Exchange Deadline. Do not send any Old Notes to anyone other than the information, exchange and tabulation agent.

If you are tendering your Old Notes for exchange in exchange for New Notes and anticipate delivering documents other than through DTC, we urge you to promptly contact a bank, broker or other intermediary that has the capability to hold cash and securities in its capacity as custodian through DTC to arrange for receipt of any New Notes to be delivered pursuant to the exchange offer and to obtain the information necessary to provide the required DTC participant with account information required. To meet the deadlines referred to in this exchange offer and consent solicitation memorandum, custodians and DTC participants may require you to act on a date on or prior to the Early Exchange Deadline, the Exchange Expiration Deadline, the Early Consent Deadline or the Consent Expiration Deadline, as the case may be. Additionally, they may require further information in order to process all requests to tender for exchange. Holders are urged to contact their custodians and applicable DTC participants as soon as possible to ensure compliance with their procedures and deadlines.

Beneficial owners of Old Notes who hold such Old Notes through Euroclear or Clearstream, must follow the procedures established by Euroclear or Clearstream, for tendering those Old Notes for exchange in the exchange offer.

Questions about the terms of the exchange offer or consent solicitation should be directed to the Dealer Managers, or the information, exchange and tabulation agent, as applicable. If you have questions regarding tender or consent procedures or require additional copies of this exchange offer and consent solicitation memorandum, please contact the information, exchange and tabulation agent. Contact information for the Dealer Managers and the information, exchange and tabulation agent are set forth on the back cover of this exchange offer and consent solicitation memorandum. Beneficial owners may also contact their brokers, dealers, commercial banks, trust companies or other nominee for assistance concerning the exchange offer and consent solicitation for assistance concerning the exchange offer and the consent solicitation.

Procedures for Delivering Consent Only

If you are an Eligible Holder of Old Notes and you wish to deliver consents pursuant to the consent solicitation without tendering Old Notes for exchange in the exchange offer prior to the Exchange Expiration Date, an Eligible Holder must validly deliver a consent prior to the Consent Expiration Deadline pursuant to DTC's ATOP procedures as set forth in the consent solicitation statement.

In order to meet the applicable deadline, custodians and DTC participants may require you to act on a date prior to the Early Consent Deadline or the Consent Expiration Deadline, as applicable. Additionally, they may require further information in order to process your request to deliver consents. Eligible Holders are urged to contact their custodians and applicable DTC participants, as soon as possible, to ensure compliance with their procedures and deadlines.

Blocking of Old Notes

When considering whether to tender Old Notes for exchange or deliver a consent in the exchange offer and consent solicitation, holders should take into account that restrictions on the transfer of the Old Notes by Holders will apply from the time of such tender or delivery. A holder will, on tendering Old Notes for exchange or delivering consents in the exchange offer and consent solicitation, agree that the relevant Old Notes will be blocked in the relevant account at the relevant Clearing System or DTC, from the date the tender of Old Notes is made, or the consent is delivered, until the earlier of (i) the date of any termination of the exchange offer or consent solicitation (including where Old Notes are not accepted for purchase by the Old Notes Issuer) and (ii) the time of the Exchange Settlement Date or the Consent Settlement Date, as applicable, provided that Old Notes shall not be blocked for a period exceeding 45 calendar days from the Announcement Date.

Determination of Validity

All questions as to the validity, form, eligibility (including time of receipt) and acceptance of any tendered Old Notes for exchange and delivered consents pursuant to any of the procedures described above, and the form and validity of all documents will be determined by us in our sole discretion, which determination will be final and binding absent a finding to the contrary by a court of competent jurisdiction. We reserve the absolute right to reject any or all tenders of any Old Notes for exchange and delivery of consents determined by us not to be in proper form, or if the acceptance of or exchange of such Old Notes or validation of such consents may, in the opinion of our counsel, be unlawful or result in a breach of contract or be inconsistent with the terms and conditions of the exchange offer and consent solicitation. A waiver of any defect or irregularity with respect to the tender of one Old Note for exchange shall not constitute a waiver of the same or any other defect or irregularity with respect to the tender for exchange of any other Old Note.

Your tender of Old Notes for exchange and delivery of consents will not be deemed to have been validly made until all defects or irregularities in your tender for exchange and delivery have been cured or waived. None of Jababeka or any of its subsidiaries, the Dealer Managers, the information, exchange and tabulation agent or any other person or entity is under any duty to give notification of any defects or irregularities in any tender of any Old Notes for exchange or consents, or will incur any liability for failure to give any such notification.

Additional Representations, Warranties and Undertakings relating to a DTC Instruction

In addition to the representations and warranties set forth above under "—Representations, Warranties and Covenants of Holders of Old Notes," by delivering an executed tender of Old Notes for exchange through DTC's ATOP procedures to the relevant DTC participant in accordance with the requirements of the relevant DTC participant (the "**DTC Instruction**"), such beneficial owner and custodian shall be deemed to represent, warrant and undertake the following to the Old Notes Issuer, Jababeka and its other subsidiaries, the Dealer Managers, the information, exchange and tabulation agent and the Old Notes Trustee at the time of submission

of the DTC Instruction and on each of the Early Exchange Deadline, the Early Consent Deadline, the Exchange Expiration Deadline, the Consent Expiration Deadline, the Consent Settlement Date and the Exchange Settlement Date that:

- it holds the Old Notes and will continue to hold the Old Notes, until the time of settlement on the Exchange Settlement Date or the termination or withdrawal of the exchange offer and consent solicitation;
- it has blocked the Old Notes (and they will remain blocked) in the securities account to which such Old Notes are credited in the relevant DTC participant with effect from, and including, the date on which the relevant DTC participant received the DTC Instruction until the time of settlement on the Exchange Settlement Date or termination or withdrawal of the exchange offer and consent solicitation, all in accordance with the normal procedures of such DTC participant and after taking into account the deadlines imposed by such DTC participant;
- the accuracy of its name and securities account number at the relevant DTC participant through which it hold the Old Notes and to which the New Notes are to be credited;
- that it has authorized the relevant DTC participant to block its position in the Old Notes until the Exchange Settlement Date or the Consent Settlement Date, as applicable, or termination of the exchange offer and consent solicitation;
- the accuracy of its instruction as to whether it wishes to receive Rule 144A securities or Regulation S securities upon settlement; and
- the accuracy of the cash account number at the relevant DTC participant to which the Early Exchange Consideration or the Late Exchange Consideration, as applicable, and the Early Consent Fee or the Late Consent Fee, as applicable, should be credited.

Your acceptance of the exchange offer and consent solicitation will constitute a binding agreement between you and us in accordance with the terms, and subject to the conditions, set forth herein and in the DTC Instruction. Such acceptance will be binding upon receipt by the relevant DTC participant of a valid DTC Instruction in respect of all matters except your tender of Old Notes for exchange, which will be binding immediately.

If you are unable to give any of the representations and warranties described above, please contact the Dealer Managers. Do not send Old Notes or DTC Instructions to the Dealer Managers, the Old Notes Issuer, Jababeka or any of its other subsidiaries, the Old Notes Trustee, the New Notes Trustee, the New Notes Collateral Agent or the information, exchange and tabulation agent.

Withdrawal of Tenders and Revocation of Consents

Tenders of Old Notes for exchange may be withdrawn at any time up to (and including) the Early Exchange Deadline but may not be withdrawn after the Early Exchange Deadline, unless required under any applicable laws. However, if not previously returned, you may withdraw any Old Notes tendered for exchange in the exchange offer that are not accepted by us for exchange after the Exchange Expiration Deadline. Any such withdrawn Old Notes will be credited to the tendering holder's account at DTC or such other account as designated in the DTC Instructions, as promptly as practicable after the expiration or termination of the exchange offer. Upon tendering Old Notes for exchange on or prior to the Exchange Expiration Deadline, you are deemed to have consented to the consent solicitation.

Instructions in connection with the consent solicitation are revocable at any time up to (and including) the Early Consent Deadline but are irrevocable after the Early Consent Deadline. Once you deliver a consent, you may not revoke your consent after the Early Consent Deadline.

If we terminate the exchange offer and consent solicitation without accepting any DTC Instructions, all DTC Instructions for the Old Notes shall automatically be deemed to be withdrawn. If we do not accept any DTC Instructions, any DTC Instruction not so accepted shall automatically be deemed to be withdrawn.

No Participation by the Old Notes Issuer, Jababeka or any of their respective affiliates

The Old Notes Issuer, Jababeka and any of their respective affiliates may not submit any DTC Instructions in the exchange offer or consent solicitation.

No Guaranteed Delivery

There are no guaranteed delivery procedures provided by us or any other entity making payments on our behalf in connection with the exchange offer and consent solicitation. Eligible Holders must tender their Old Notes for exchange in accordance with the procedures set forth herein.

The Old Notes Trustee

In accordance with market practice, the Old Notes Trustee expresses no opinion on the merits of the Proposed Amendments and on the terms of the exchange offer or consent solicitation. The Old Notes Trustee has not been involved in formulating the Proposed Amendments and the terms of the exchange offer or consent solicitation, and makes no representation that all relevant information has been disclosed to holders of the Old Notes herein or that the information contained herein is accurate or complete. Each holder of the Old Notes is responsible for assessing the merits of the exchange offer, the consent solicitation and the Proposed Amendments and confirms that it has not relied on the Old Notes Trustee in respect of the exchange offer or the consent solicitation. Accordingly, the holders of the Old Notes should seek their own independent financial or legal advice with regard to the impact of the implementation of the exchange offer, the consent solicitation and the Proposed Amendments.

The entry into the Second Supplemental Indenture as a result of the consent solicitation will not require the Old Notes Trustee to, and the Old Notes Trustee shall not, consider the interests of the holders of the Old Notes either as a class or as individuals. In implementing the Proposed Amendments and the terms of the exchange offer or consent solicitation, the Old Notes Trustee shall be entitled to all of the rights, protections, privileges, indemnities and other benefits granted or afforded to it under the 2023 Indenture.

Information, Exchange and Tabulation Agent

Morrow Sodali Ltd. has been appointed as the information, exchange and tabulation agent for the exchange offer. Questions concerning tender and exchange procedures and requests for additional copies of this exchange offer and consent solicitation memorandum should be directed to the information, exchange and tabulation agent at the address and telephone numbers listed on the back cover of this exchange offer and consent solicitation memorandum. Holders of Old Notes may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the exchange offer and consent solicitation. We will pay the information, exchange and tabulation agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses. We have agreed to indemnify the information, exchange and tabulation agent against certain liabilities, including liabilities arising under the federal securities laws.

Morrow Sodali Ltd. has also been appointed as the information, exchange and tabulation agent for the consent solicitation. Questions concerning consent procedures and requests for additional copies of this exchange offer and consent solicitation memorandum should be directed to the information, exchange and tabulation agent at the address and telephone numbers listed on the back cover of this exchange offer and consent solicitation memorandum. Holders of Old Notes may also contact their broker, dealer, commercial bank, trust company or other nominee for assistance concerning the exchange offer and consent solicitation. We will pay the information, exchange and tabulation agent reasonable and customary fees for its services and will reimburse it for its reasonable out-of-pocket expenses. We have agreed to indemnify the information, exchange and tabulation agent against certain liabilities, including liabilities arising under the federal securities laws.

Notwithstanding anything else contained in this exchange offer and consent solicitation memorandum or any other document in connection hereto, the Information and Exchange Agent may refrain without liability from doing anything that would or might in its opinion be contrary to any law (including any economic or financial sanctions law (and including sanctions enforced by the U.S. Government, (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury), the United Nations Security Council, the European Union, HM Treasury, or other relevant sanctions authority (collectively "**Sanctions**"))) of any state or jurisdiction (including but not limited to the United States of America or any jurisdiction forming a part of it, the European Union and England and Wales) or any directive or regulation (including any economic or sanctions directive or regulation (and including Sanctions)) of any agency of any such state or jurisdiction and may without liability do anything which is, in its opinion, necessary to comply with any such law, directive or regulation.

Dealer Managers

We have retained J.P. Morgan Securities plc, Mandiri Securities Pte. Ltd., Standard Chartered Bank (Singapore) Limited and UBS AG Singapore Branch to act as the Dealer Managers for the exchange offer. We have agreed to pay a fee to the Dealer Managers for soliciting acceptances of the exchange offer. We will reimburse the Dealer Managers for their reasonable out-of-pocket expenses, including the reasonable expenses and disbursements of their legal counsels. The obligations of the Dealer Managers to perform its functions are subject to various conditions. We have agreed to indemnify the Dealer Managers against various liabilities, including

various liabilities under the federal securities laws. Questions regarding the terms of the exchange offer and consent solicitation may be directed to the Dealer Managers at their respective addresses and telephone numbers listed on the back cover of this exchange offer and consent solicitation memorandum.

The Dealer Managers and certain of their respective affiliates have provided, from time to time, and in the future may provide, certain commercial banking, investment banking and financial advisory services to us and our affiliates, for which they have received, and in the future will receive, customary fees. In addition, the Dealer Managers and their affiliates may have owned, currently own or may own, equity or equity-like securities of us.

In the ordinary course of their businesses, the Dealer Managers or their affiliates may at any time hold long or short positions, and may trade for their own account or the accounts of customers, in our securities, including in the Old Notes. To the extent that the Dealer Managers or their affiliates own Old Notes during the exchange offer and consent solicitation, they may tender such Old Notes for exchange pursuant to the terms of the exchange offer and consent solicitation. Such participation, if any, will be on the same terms and subject to the same conditions set forth in this exchange offer and consent solicitation memorandum applicable to other holders of the Old Notes.

Solicitation Agents

We have retained the Dealer Managers to act as the solicitation agents in respect of the consent solicitation. Questions regarding the terms of the exchange offer and consent solicitation may be directed to the Dealer Managers at their respective addresses and telephone numbers listed on the back cover of this exchange offer and consent solicitation memorandum.

All correspondence in connection with the exchange offer and consent solicitation should be sent or delivered by each holder of Old Notes, or a beneficial owner's broker, dealer, commercial bank, trust company or other nominee, to the Dealer Managers, as applicable, at the address listed on the back cover of this exchange offer and consent solicitation memorandum.

We have agreed to pay the Dealer Managers reasonable and customary fees for their services and will reimburse them for their reasonable out-of-pocket expenses in connection therewith. We have agreed to indemnify the Dealer Managers against certain liabilities, including liabilities arising under the federal securities laws.

Announcements

The announcement of the commencement of the exchange offer and consent solicitation, the receipt of the Requisite Consents, the consummation of the consent solicitation on the Consent Settlement Date, the final aggregate principal amount of Old Notes tendered and accepted for exchange, the final aggregate principal amount of the New Notes, the settlement of the exchange offer will be released through SGXNET and DTC, and will occur as specified in "—Summary Timetable" unless otherwise extended or amended. All other announcements will be made through DTC. Significant delays may be experienced in publishing notices through DTC and the holders of the Old Notes are urged therefore to contact the Dealer Managers or the information, exchange and tabulation agent for the relevant announcements. All announcements will be made available upon release at the offices of the information, exchange and tabulation agent in London and New York.

Other Fees and Expenses

We will bear the fees and expenses of soliciting tenders and consents for the exchange offer and consent solicitation. Tendering holders of Old Notes for exchange will not be required to pay any fee or commission to the Dealer Managers or the information, exchange and tabulation agent. If, however, a tendering holder handles the transaction through its broker, dealer, commercial bank, trust company or other nominee, that holder may be required to pay brokerage fees or commissions.

Transfer Taxes

We will pay all transfer taxes, if any, applicable to the exchange of Old Notes pursuant to the exchange offer. The tendering holder, however, will be required to pay any transfer taxes, whether imposed on the registered holder or any other person, if:

- certificates representing Old Notes for principal amounts not tendered for exchange or accepted for exchange are to be delivered to, or are to be issued in the name of, any person other than the registered holder of Old Notes tendered for exchange; or
- a transfer tax is imposed for any reason other than the exchange of Old Notes for exchange under the exchange offer.

If satisfactory evidence of payment of transfer taxes is not submitted with tendered Old Notes for exchange or the consent, the amount of any transfer taxes will be billed to the tendering holder.

Source of Funds for the Exchange Offer and Consent Solicitation

We intend to fund all cash payments to holders pursuant to the exchange offer with net cash proceeds received from the Mandiri Loan and we intend to fund all cash payments to holders pursuant to the consent solicitation from existing cash in hand.

Concurrent Consent Solicitation

In conjunction with the exchange offer and consent solicitation, Jababeka is concurrently soliciting consents from holders of any and all of the outstanding Old Notes to the Proposed Amendments (as defined herein) to the 2023 Indenture (the "**concurrent consent solicitation**"). The concurrent consent solicitation is not part of the exchange offer and consent solicitation and is conducted pursuant to, and on the terms and subject to the conditions set forth in, a separate consent solicitation statement dated November 8, 2022 (as amended and restated on November 21, 2022, the "**consent solicitation statement**"), which may be obtained from the information, exchange and tabulation agent or the Consent Website for the concurrent consent solicitation: https://projects.morrowsodali.com/jababekaconsent. Eligible Holders may choose to deliver consents to the Proposed Amendments without tendering their Old Notes for exchange in accordance with the procedures, and on the terms and subject to the conditions, set forth in the consent solicitation statement. **Eligible Holders of Old Notes who participate in the exchange offer and consent solicitation will not be eligible to also separately participate in the concurrent consent solicitation with respect to the same Old Notes tendered for exchange pursuant to the exchange offer and consent solicitation. Holders of the Old Notes who participate in the concurrent consent solicitation will not be eligible to also separately participate in the exchange offer and consent solicitation with respect to the same Old Notes for which consents have been validly delivered on the concurrent consent solicitation.**

DESCRIPTION OF THE PROPOSED AMENDMENTS TO THE 2023 INDENTURE

The description of the terms of the 2023 Indenture and the Proposed Amendments set forth below is only a summary and is qualified in its entirety by reference to (i) the terms and conditions of the 2023 Indenture and the Old Notes as currently in effect and (ii) the relevant terms of the Old Notes as proposed to be amended by the Second Supplemental Indenture. Each holder of the Old Notes should carefully review this entire exchange offer and consent solicitation memorandum before granting a consent. Holders of the Old Notes may obtain copies of the 2023 Indenture without charge from the information, exchange and tabulation agent.

Set forth below is a description of the Proposed Amendments. According to the terms of the 2023 Indenture, the Proposed Amendments will become effective on receipt by the Old Notes Trustee of the Requisite Consents and the execution of the Second Supplemental Indenture. The Proposed Amendments will be embodied in an amendment to the 2023 Indenture in the form set forth in the Second Supplemental Indenture. The Proposed Amendments constitute a single proposal, and a consenting holder of the Old Notes must consent to the Proposed Amendments in their entirety and may not consent selectively with respect to certain portions of the Proposed Amendments. If the Requisite Consents are received, upon the execution of the Second Supplemental Indenture and satisfying the other conditions described herein, the Proposed Amendments will bind all holders of the Old Notes, including those that did not give their consent. If the consent solicitation is terminated for any reason by the Old Notes Issuer or the Dealer Managers, or if the Requisite Consents have not been delivered on or prior to the Consent Expiration Deadline, all consents will be voided and the Proposed Amendments will not be effective.

The Old Notes Issuer is soliciting consents from the holders of the Old Notes to amend substantially all of the restrictive covenants, substantially all of the reporting requirements and certain of the events of default in the 2023 Indenture, as explained below. The 2023 Indenture provides that the Old Notes Issuer may amend the 2023 Indenture with the consent of a majority of the holders of the Old Notes in aggregate principal amount of the outstanding Old Notes, with certain exceptions not relevant to this consent solicitation. The Proposed Amendments will not alter the maturity date of the Old Notes or the Old Notes Issuer's obligation to make principal and interest payments on the Old Notes.

Capitalized terms used below (other than "2023 Indenture" and "Proposed Amendments") have the meanings set forth in the 2023 Indenture. Under the 2023 Indenture, "Company" refers to the Old Issuer.

The Proposed Amendments would delete the covenants listed below and references thereto in their entirety from the 2023 Indenture, as well as the event of default provisions, defined terms and other references related to such covenants, made irrelevant as a result of their deletion:

Section 4.03	*Government Approvals and Licenses; Compliance with Law*
Section 4.04	*Maintenance of Insurance*
Section 4.05	*Limitation on Indebtedness and Preferred Stock*
Section 4.06	*Limitation on Restricted Payments*
Section 4.07	*Limitation on Liens*
Section 4.08	*Limitation on Sale and Leaseback Transactions*
Section 4.09	*Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries*
Section 4.10	*Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries*
Section 4.11	*Limitation on Issuances of Guarantees by Restricted Subsidiaries*
Section 4.13	*Limitation on Asset Sales*
Section 4.14	*Limitation on Transactions With Shareholders and Affiliates*
Section 4.15	*Limitation on the Parent Guarantor's Business Activities*
Section 4.16	*Use of Proceeds*
Section 4.17	*Designation of Restricted and Unrestricted Subsidiaries*
Section 4.19	*Provision of Financial Statements, Reports and Compliance Certificate (except Sections 4.19(b)(ii) and 4.19(c))*
Section 4.21	*Limitation on the Activities of the Company*

Section 4.22	*Amendments to or Prepayments of the Intercompany Loans*
Section 5.01	*Consolidation, Merger and Sale of Assets*
Section 6.01 (c), (e) and (f).....	*Events of Default*
Section 7.11	*Corporate Trustee Required; Eligibility*

In addition, the Proposed Amendments would amend the 2023 Indenture as shown below (added text: added text, deleted text: ~~deleted text~~):

1. The definition of "Affiliate" in Section 1.01 (Definitions) would be amended as follows:

   ""Affiliate" means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (2) who is a director, commissioner or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) who is a spouse or any ~~person cohabiting as a spouse~~ cohabitee, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew ~~or,~~ niece or immediate family member of a Person described in clause (1) or (2). For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise."

2. Paragraph (3) of the definition of "Change of Control" in Section 1.01(Definitions) would be amended as follows:

   "(3) (i) the Permitted Holders are together the beneficial owners of less than 35% of the total voting power of the Voting Stock of the Company and (ii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than the Permitted Holders is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Company greater than such total voting power held beneficially by the Permitted Holders;".

3. The definition of "Permitted Holders" in Section 1.01 (Definitions) would be amended as follows:

   ""Permitted Holders" means any or all of the following:

   (1) Mr. Setyono Djuandi Darmono and Mr. Hadi Rahardja; ~~and~~

   (2) any estate, trust or beneficiary of any Person specified in clause (1) of this definition or the legal representative of any such Person or any of the foregoing; and

   ~~(2)~~(3) any Affiliate (other than an Affiliate as defined in clause (2) ~~or (3)~~ of the definition of Affiliate) of a Person specified in clause (1) of this definition."

4. Section 4.19(b) (Provision of Financial Statements, Reports and Compliance Certificate) would be amended as follows:

   "(b) In addition, so long as any of the Notes remain outstanding, the Parent Guarantor will provide to the Trustee ~~(i) within 90 days after the close of each fiscal year, an Officers' Certificate stating the amount of Priority Indebtedness, the amount of Consolidated EBITDA and Consolidated Asset of all Restricted Subsidiaries that are not Subsidiary Guarantors and the Fixed Charge Coverage Ratio in each case with respect to the four most recent fiscal quarters and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio, with a certificate from the Parent Guarantor's external auditors verifying the accuracy and correctness of the calculation and arithmetic computation; and (ii)~~ as soon as possible and in any event within 30 days after the Parent Guarantor becomes aware or should reasonably become aware of the occurrence of a Default, an Officers' Certificate setting forth the details of the Default, and the action which the Parent Guarantor proposes to take with respect thereto.

   (c) Delivery of reports and information to the Trustee (other than Officers' Certificates addressed to the Trustee) is for informational purposes only and the Trustee's receipt of them will not constitute constructive notice of any

information contained therein or determinable from information contained therein, including the Company or any Guarantor's compliance with any of its or their covenants hereunder (as to which the Trustee is entitled to rely exclusively on Officers' Certificates)."

5. Sub-section (ii) of Section 7.07(a) (Replacement of Trustee) would be amended as follows:

"(ii) The Company may remove the Trustee if: (A) the Trustee is adjudged a bankrupt or an insolvent; (B) a receiver or other public officer takes charge of the Trustee or its property; ~~or~~ (C) the Trustee becomes incapable of acting; or (D) the Trustee refuses to continue to act as the Trustee for the purpose of compliance with any sanction enforced by the U.S. Government (including the Office of Foreign Assets Control of the U.S. Department of the Treasury) or any similar regulation or enactment promulgated by a relevant authority."

6. Section 9.05 (No Payments for Consents) would be amended as follows:

"SECTION 9.05 No Payments for Consents

The Parent Guarantor will not, and shall not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment. In any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes, the Company, the Parent Guarantor and any of its Restricted Subsidiaries may exclude (a) in connection with an exchange offer, holders or beneficial owners of the Notes that are not "qualified institutional buyers" as defined in Rule 144A under the Securities Act, and (b) in connection with any consent, waiver or amendment, holders or beneficial owners of the Notes in any jurisdiction where the inclusion of such holders or beneficial owners would require the Company, the Parent Guarantor or any of its Restricted Subsidiaries to (i) file a registration statement, prospectus or similar document or subject the Company, the Parent Guarantor or any of its Restricted Subsidiaries to ongoing periodic reporting or similar requirements under any securities laws (including but not limited to, the United States federal securities laws and the laws of the European Union or its member states), (ii) qualify as a foreign corporation or other entity as a dealer in securities in such jurisdiction if it is not otherwise required to so qualify, (iii) generally consent to service of process in any such jurisdiction or (iv) subject the Company, the Parent Guarantor or any of its Restricted Subsidiaries to taxation in any such jurisdiction if it is not otherwise so subject, or the solicitation of such consent, waiver or amendment from, or the granting of such consent or waiver, or the approval of such amendment by, holders or beneficial owners in such jurisdiction would be unlawful, in each case as determined by the Company in its sole discretion."

The Proposed Amendments will also make certain other changes to the 2023 Indenture of a technical or conforming nature, including the deletion of those definitions from the 2023 Indenture that are used only in provisions that would be eliminated as a result of the elimination or modification of the foregoing provisions. Cross references to the provisions in the 2023 Indenture that have been deleted as a result of the Proposed Amendments will be revised to reflect such deletions.

DESCRIPTION OF THE NEW NOTES

For purposes of this "Description of the New Notes," the term "Company" refers only to PT Kawasan Industri Jababeka Tbk., a company incorporated with limited liability under the laws of Indonesia, and not to any of its Subsidiaries. Each Subsidiary of the Company that guarantees the New Notes is referred to as a "Subsidiary Guarantor," and each such guarantee is referred to as a "Subsidiary Guarantee." In addition, the term "Notes" refers only to the New Notes and the term "Original Issue Date" refers to the date on which the New Notes are originally issued under the Indenture (as defined below).

The Notes are to be issued under an indenture (the "Indenture"), to be dated as of the Original Issue Date, among the Company, the Initial Subsidiary Guarantors, The Bank of New York Mellon, as trustee (the "Trustee") and Watiga Trust Ltd (the "Collateral Agent"). The Indenture will not be qualified under the U.S. Trust Indenture Act of 1939, as amended.

The following is a summary of certain provisions of the Indenture, the Notes, the Subsidiary Guarantees and the Security Documents. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Indenture, the Notes, the Subsidiary Guarantees and the Security Documents. It does not restate those agreements in their entirety. Whenever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference. Copies of the Indenture and the Security Documents will be available for inspection on or after the Original Issue Date during normal office hours at the corporate trust office of the Trustee at 240 Greenwich Street, New York, New York 10286, United States of America.

Brief Description of the Notes

The Notes will be:

- general obligations of the Company;
- senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;
- at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law);
- guaranteed by the Subsidiary Guarantors on an unsubordinated basis, subject to the limitations described below under the caption "— The Subsidiary Guarantees" and in "Risk Factors — Risks Relating to the New Notes, the Subsidiary Guarantees and the Collateral;"
- effectively subordinated to the secured obligations (if any) of the Company and the Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor (other than the Collateral);
- effectively subordinated to all existing and future obligations of any Subsidiaries other than Subsidiary Guarantors; and
- be secured by the Collateral, once granted, (subject to any Permitted Lien) as described under "—Security.

The Notes will mature on December 15, 2027, unless earlier redeemed pursuant to the terms thereof and the Indenture. The Indenture allows additional Notes to be issued from time to time (the "Additional Notes"), subject to certain limitations described under "— Further Issues." Unless the context otherwise requires, references to the "Notes" for all purposes of the Indenture and this "Description of the New Notes" include any Additional Notes that are actually issued.

Interest

The Notes will bear interest as follows:

(i) during the one-year period from (and including) the Original Issue Date to (but excluding) the date that is one year after the Original Issue Date (the "First Anniversary Date"), 7.00% per annum payable entirely in cash;

(ii) from (and including) the First Anniversary Date to (but excluding) the date that is one year after the First Anniversary Date (the "Second Anniversary Date"), 7.50% per annum payable entirely in cash;

(iii) from (and including) the Second Anniversary Date to (but excluding) the date that is one year after the Second Anniversary Date (the "Third Anniversary Date"), 8.00% per annum payable entirely in cash;

(iv) from (and including) the Third Anniversary Date to (but excluding) the date that is one year after the Third Anniversary Date (the "Fourth Anniversary Date"), 8.50% per annum payable entirely in cash; and

(v) from (and including) the Fourth Anniversary Date to (but excluding) the date of maturity of the Notes, 9.00% per annum payable entirely in cash.

Interest will be payable semi-annually in arrears on specific dates of each year (each an "Interest Payment Date"), commencing on the date that is six months after the Original Issue Date.

Interest on the Notes will be paid to Holders of record at the close of business on the fifteenth calendar day immediately preceding an Interest Payment Date (each a "Record Date"), notwithstanding any transfer, exchange or cancellation thereof after a Record Date and prior to the immediately following Interest Payment Date. Interest on the Notes will be calculated on the basis of a 360 day year comprised of twelve 30-day months.

Except as described under "— Optional Redemption" and "— Redemption for Taxation Reasons" and as otherwise provided in the Indenture, the Notes may not be redeemed prior to maturity (unless they have been repurchased by the Company).

Payment of Notes

In any case in which the date of the payment of principal of, premium (if any) or interest on the Notes (including any payment to be made on any date fixed for redemption or purchase of any Note) is not a Business Day in the relevant place of payment or in the place of business of the Principal Paying and Transfer Agent, then payment of principal, premium (if any) or interest need not be made in such place on such date but may be made on the next succeeding Business Day in such place. Any payment made on such Business Day will have the same force and effect as if made on the date on which such payment is due, and no interest on the Notes will accrue for the period after such date. Interest on overdue principal and interest and Additional Amounts, if any, will accrue at a rate that is 1% higher than the then applicable interest rate on the Notes from and including the day immediately following the relevant Interest Payment Date whether or not such date is a Business Day.

The Notes will be issued only in fully registered form, without coupons, in minimum denominations of US$100,000 and integral multiples of US$1,000 in excess thereof. See "— Book-Entry; Delivery and Form." No service charge will be made for any registration of transfer or exchange of Notes, but the Company and Transfer Agent may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

All payments on the Notes will be made in U.S. dollars by the Company at the office or agency of the Company maintained for that purpose in the Borough of Manhattan, The City of New York (which initially will be the specified office of the Principal Paying and Transfer Agent), and the Notes may be presented for registration of transfer or exchange at such office or agency; *provided* that, payment of interest may be made by wire transfer. Interest payable on the Notes held through DTC will be available to DTC participants (as defined herein) on the Business Day the payment is due.

The Subsidiary Guarantees

On the Original Issue Date, each of the Subsidiaries of the Company will be a Restricted Subsidiary and the initial Subsidiary Guarantors that will execute the Indenture on the Original Issue Date (the "Initial Subsidiary Guarantors") will consist of all of the Restricted Subsidiaries other than Jababeka International B.V., PT Jababeka Mitrafamili Residen, PT Mitra Pengembang Kawasan, PT Media Membangun Negeri, PT Jababeka Keihan Residence, PT Jababeka Creed Residence, PT Rumah Prima Sehat, PT Sarana Indah Permai Residen, PT Ritel Maju Sejahtera, PT Faunaland Tanjung Lesung, PT Tanjung Lesung Leisure Industry, PT Kawasan Industri Kendal, PT United Power, PT Tanjung Lesung Power, PT Jababeka Longlife City, PT Jababeka Plaza Indonesia, PT Duta Bandara Banten, PT Infrastruktur Cakrawala Telekomunikasi, PT Nusantara Gas Energi, PT Jababeka Pembangunan Perumahan Properti, PT Proteksi Usaha Indonesia and PT Tanjung Sari Power.

The Company has agreed that if the Company or any of its Restricted Subsidiaries acquires or creates another Subsidiary after the Original Issue Date, then such Subsidiary will become a Restricted Subsidiary and the Company will, within 10 Business

Days of the date on which such Subsidiary is acquired or created, (1) procure that such Subsidiary execute and deliver to the Trustee a supplemental indenture to the Indenture pursuant to which such Subsidiary will guarantee the payment of the Notes as a Subsidiary Guarantor and (2) unless the Trustee affirmatively notifies the Company in writing that an Opinion of Counsel is not required, deliver to the Trustee an Opinion of Counsel with respect to such supplemental indenture satisfactory to the Trustee; *provided*, *however*, that clauses (1) and (2) shall not apply if, after giving pro forma effect to (i) the designation of such Subsidiary as a Restricted Subsidiary that is not a Subsidiary Guarantor (such Subsidiary, a "Designated Non-Guarantor Restricted Subsidiary") on the date such Subsidiary is created or acquired (the "Designation Date") and (ii) after giving *pro forma* effect to such designation, the Company and any Restricted Subsidiary could Incur at least US$1.00 of Priority Indebtedness under the proviso in part (1) of the covenant described under "— Limitation on Indebtedness and Preferred Stock."

In the case of a Subsidiary Guarantor with respect to which the Company or any of its Restricted Subsidiaries is proposing to sell, whether through the sale of existing shares or the issuance of new shares, no less than 20% of the Capital Stock of such Subsidiary Guarantor, the Company may concurrently with the consummation of such sale or issuance of Capital Stock, instruct the Trustee to release the Subsidiary Guarantees provided by such Subsidiary Guarantor and each of its Restricted Subsidiaries, and upon such release such Subsidiary Guarantor and its Restricted Subsidiaries will become "New Non-Guarantor Subsidiaries" (such that each New Non-Guarantor Restricted Subsidiary will no longer Guarantee the Notes), *provided* that after giving pro forma effect to (i) the release of such Subsidiary Guarantees on the date of such release (the "Release Date") and (ii) the designation of such New Non-Guarantor Restricted Subsidiaries, the Company and any Restricted Subsidiary could Incur at least US$1.00 of Priority Indebtedness under the proviso in part (1) of the covenant described under "— Limitation on Indebtedness and Preferred Stock." A Subsidiary Guarantee of a Subsidiary Guarantor may only be released pursuant to this paragraph if as of the date of such proposed release, no document exists that is binding on the Company or any of the Restricted Subsidiaries that would have the effect of (a) prohibiting the Company or any of the Restricted Subsidiaries from releasing such Subsidiary Guarantee or (b) requiring the Company or such Subsidiary Guarantor to deliver or keep in place a guarantee of other Indebtedness of the Company by such Subsidiary Guarantor.

The Subsidiary Guarantee of each Subsidiary Guarantor:

- is a general obligation of such Subsidiary Guarantor;
- is effectively subordinated to the other secured obligations of such Subsidiary Guarantor (if any), to the extent of the value of the assets serving as security therefor (other than the Collateral to the extent applicable);
- is senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee;
- ranks at least pari passu with all other unsecured, unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law); and
- will be secured by the Collateral, once granted, (subject to any Permitted Lien) as described under "—Security."

Under the Indenture, each of the Subsidiary Guarantors will jointly and severally guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes. The Subsidiary Guarantors will (1) agree that their respective obligations under the Subsidiary Guarantees, will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (2) waive their respective rights to require the Trustee to pursue or exhaust its legal or equitable remedies against the Company prior to exercising its rights under the Subsidiary Guarantees. Moreover, if at any time any amount paid under a Note or the Indenture is rescinded or must otherwise be repaid, the rights of the Holders under the Subsidiary Guarantees, will be reinstated with respect to such payment as though such payment had not been made. All payments under the Subsidiary Guarantees, are required to be made in U.S. dollars.

Concurrently with the execution of a Subsidiary Guarantee, each Subsidiary Guarantor incorporated in the Republic of Indonesia will enter into a deed of corporate guarantee (each, a "Deed of Guarantee" and together, the "Deeds of Guarantee") governed by the laws of Indonesia which will provide for such Subsidiary Guarantor's guarantee of the due and punctual payment of the principal of, premium (if any) and interest on, and all other amounts payable under, the Notes and the Indenture under the laws of Indonesia. A guarantee by a Subsidiary Guarantor under a Deed of Guarantee may be released if its Subsidiary Guarantee is released in compliance with the terms of the Indenture.

Under the Indenture, each Subsidiary Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary

Guarantor, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

No assurance can be given that the preceding provision limiting the maximum amount of each Subsidiary Guarantee will be given effect. If a Subsidiary Guarantee were to be rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of the applicable Subsidiary Guarantor, and, depending on the amount of such indebtedness, a Subsidiary Guarantor's liability on its Subsidiary Guarantee, could in each case be reduced to zero.

The obligations of each Subsidiary Guarantor under its Subsidiary Guarantee may be limited, or possibly invalid, under applicable laws. See "Risk Factors — Risks Relating to the New Notes, the Subsidiary Guarantees and the Collateral — Enforcing the rights of Noteholders under the New Notes or the Subsidiary Guarantees across multiple jurisdictions may prove difficult."

Release of the Subsidiary Guarantees

A Subsidiary Guarantee given by a Subsidiary Guarantor may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon a defeasance as described under "— Defeasance — Defeasance and Discharge;"
- upon the designation by the Company of a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the terms of the Indenture;
- upon the sale of a Subsidiary Guarantor in compliance with the terms of the Indenture (including the covenants described under "— Certain Covenants — Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries," "— Certain Covenants — Limitation on Asset Sales" and "— Consolidation, Merger and Sale of Assets") resulting in such Subsidiary Guarantor no longer being a Restricted Subsidiary, so long as (1) such Subsidiary Guarantor is simultaneously released from its obligations in respect of any of the Company's other Indebtedness or any Indebtedness of any other Restricted Subsidiary and (2) the proceeds from such sale or disposition are used for the purposes permitted or required by the Indenture; or
- in the case of a Subsidiary Guarantor that becomes a New Non-Guarantor Restricted Subsidiary, in compliance with the terms of the Indenture.

No release of a Subsidiary Guarantor from its Subsidiary Guarantee shall be effective against the Trustee or the Holders until the Company has delivered to the Trustee an Officer's Certificate stating that all requirements relating to such release have been complied with and such release is authorized and permitted by the terms of the Indenture.

Security

The obligations of the Company and the Subsidiary Guarantors under the Notes, the Subsidiary Guarantees and the Indenture will be secured on a first priority basis (subject to any Permitted Lien) by Liens on the Collateral (as defined below) which shall initially consist of first ranking mortgages (*hak tanggungan*) over land parcels measuring an area of not less than 300 hectares (the "Initial Minimum Collateral Size") and located in Tanjungjaya Village, Panimbang District, Pandeglang Regency, West Java/Banten Province or in Senang Sari Village, Pagelaran District, Pandeglang Regency, Banten Province (the "Collateral Locations") (the "Collateral"). See "Description of the Indonesian Security Documents and the Collateral." The security interests over the Collateral will not be granted, established or perfected on the date of issuance of the Notes and rights of Holders of the Notes in such Collateral may be adversely affected by the failure to grant, establish or perfect security interests in such Collateral. Under the terms of the Indenture, the Company and PT Banten West Java Tourism Development will be obligated to take all necessary actions to establish, perfect and register the security interests in the Collateral securing the Notes and the Subsidiary Guarantees within 90 days following the Original Issue Date.

Commencing from December 15, 2023, for so long as the Notes remain outstanding, the Company shall, on each anniversary of the date of issuance of the Notes, provide to the Trustee and furnish to the Holders a report from an independent valuer setting out the fair market value of the Collateral. For the avoidance of doubt, the Company is not required to maintain a minimum fair market value of the Collateral. See "Risk Factors — Risks Relating to the New Notes, the Subsidiary Guarantees and the Collateral — We

will have control over the Collateral, and the sale of particular assets by us could reduce the pool of assets securing the New Notes and the Subsidiary Guarantees."

At any point in time, the Company may, at its option, replace land parcels forming a part of the Collateral with other land parcels located in the Collateral Locations, which shall be secured by way of first ranking mortgages (*hak tanggungan*) in favour of the Holders, as long as the land area of the Collateral is at least the Minimum Collateral Size at all times. Upon such replacement, the Company will promptly provide to the Trustee and the Collateral Agent an Officers' Certificate stating the details of such replacement and confirming that Minimum Collateral Size is complied with.

The proceeds realizable from the Collateral securing the Notes, the Subsidiary Guarantees and the Indenture are unlikely to be sufficient to satisfy the Company's and the Subsidiary Guarantors' obligations under the Notes, the Subsidiary Guarantees and the Indenture, and the Collateral securing the Notes, the Subsidiary Guarantees and the Indenture may be reduced or diluted under certain circumstances, including the issuance of Additional Notes and disposition of assets comprising the Collateral, subject to the terms of the Indenture. See "— Release of Security" and "Risk Factors — Risks Relating to the New Notes, the Subsidiary Guarantees and the Collateral — The value of the Collateral will not be sufficient to satisfy our obligations under the New Notes."

There can be no assurance that the proceeds of any sale of the Collateral, in whole or in part, pursuant to the Indenture and the Security Documents following an Event of Default, would be sufficient to satisfy amounts due on the Notes or the Subsidiary Guarantees. Some or all of the Collateral will be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral would be sold in a timely manner or at all.

Enforcement of Security

The first-priority Liens (subject to any Permitted Lien) securing the Notes will be granted to the Collateral Agent. The Collateral Agent will hold such Liens over the Collateral granted pursuant to the Security Documents with sole authority as directed by the written instructions of the Trustee by itself or acting in accordance with Holders representing at least 25% in aggregate principal amount of Notes then outstanding to exercise remedies under the Security Documents. The Collateral Agent has agreed to act as secured party under the Security Documents on behalf of the Holders, to follow the instructions provided to it under the Indenture and the Security Documents, and to carry out certain other duties. The Trustee will give instructions to the Collateral Agent by itself or in accordance with instructions it receives from the Holders representing at least 25% in aggregate principal amount of Notes then outstanding under the Indenture subject to receipt of indemnity, security and/or prefunding to the satisfaction of each of the Trustee and the Collateral Agent.

The Indenture and/or the Security Documents principally provide that, at any time while the Notes are outstanding, the Collateral Agent has the right to perform and enforce the terms of the Security Documents relating to the Collateral and to exercise and enforce all privileges, rights and remedies thereunder according to its direction, including to take or retake control or possession of such Collateral and to hold, prepare for sale, process, lease, dispose of or liquidate such Collateral, including, without limitation, following the occurrence of an Event of Default under the Indenture.

With respect to the Collateral, all payments received and all amounts held by the Collateral Agent in respect of the Collateral under the Security Documents relating to the Collateral will be applied as follows:

first, pro rata to each of the Trustee and the Collateral Agent to the extent necessary to reimburse them and their respective agents, delegates and any receivers for (i) any fees, costs and expenses (including properly incurred expenses of their respective counsels) incurred in connection with the collection or distribution of such amounts held or realized or in connection with expenses incurred in enforcing all available remedies under the Security Documents relating to the Collateral and preserving the Collateral and (ii) all amounts for which the Trustee, the Collateral Agent or any of their respective agents, delegates and any receivers are entitled to payment or indemnification under the Indenture and the Security Documents relating to the Collateral, and (iii) fees, costs and expenses (including indemnity payments) incurred by the Trustee in connection with the acceptance and administration of the Indenture and the Notes and payable to it under the Indenture;

second, to the extent not reimbursed under the above paragraph, ratably to the Agents, to the extent necessary to reimburse the foregoing persons for any unpaid fees, costs and expenses (including properly incurred expenses of any paying agents, transfer agents, registrars or other agents in connection therewith appointed in connection with the foregoing and fees and properly incurred expenses of their respective counsels) incurred under the Security Documents relating to the Collateral and all amounts for which any of the foregoing persons are entitled to payment or indemnification under the Indenture or the Security Documents relating to the Collateral;

third, to the Trustee for the benefit of the Holders; and

fourth, any surplus remaining after such payments will be paid to the Company or to whomever may be lawfully entitled thereto.

The Collateral Agent may decline to expend its own funds, foreclose on the Collateral or exercise remedies available if it does not receive indemnification and/or security and/or pre-funding to its satisfaction. In addition, the Collateral Agent's ability to foreclose on the Collateral may be subject to lack of perfection, the consent of third parties, prior Liens and practical problems associated with the realization of the Collateral Agent's Liens on the Collateral. Neither the Trustee, the Collateral Agent nor any of their respective officers, directors, employees, attorneys or agents will be responsible or liable for (i) the existence, genuineness, value, adequacy, title or protection of any Collateral securing the Notes, for the legality, enforceability, effectiveness or sufficiency of the Security Documents, for the creation, perfection, continuation, priority, sufficiency or protection of any of the Liens, or for any defect or deficiency as to any such matters, or for any failure to demand, collect, foreclose or realize upon or otherwise enforce any of the Liens or Security Documents or any delay in doing so and (ii) investigating the creditworthiness of the Liens and Collateral or any other assets secured under the Security Documents, the obligors thereunder or any of the obligations of any of the parties under any of the Security Documents (including without limitation, whether the cash flows from any securities comprising the assets secured under the Security Documents and the Bonds are matched).

The Security Documents provide that the Company will indemnify the Trustee and the Collateral Agent for all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind imposed against the Trustee and the Collateral Agent arising out of the Security Documents to which it is party except to the extent that any of the foregoing are finally judicially determined to have resulted from the gross negligence or willful misconduct of the Trustee and the Collateral Agent.

Release of Security

The security created in respect of the Collateral granted under the Security Documents may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon a defeasance as described under "— Defeasance — Defeasance and Discharge;"
- in connection with any sale, transfer, conveyance or other disposition of all or any part of the assets constituting the Collateral to a Person that is not (either before or after giving effect to such transaction) the Company or any of its Subsidiaries, if the sale, transfer, conveyance or other disposition does not violate the covenants described under "− Mandatory Redemption," "— Certain Covenants — Limitation on Asset Sales" or "— Consolidation, Merger and Sale of Assets;"
- as otherwise not prohibited by the Indenture or the Security Documents; or
- in whole or in part, with the consent of the Holders of no less than 75%, in accordance with the provisions described under "— Amendment and Waiver."

No release of Collateral shall be effective against the Collateral Agent, the Trustee or the Holders until the Company and the PT Banten West Java Tourism Development have delivered to the Collateral Agent and the Trustee an Officer's Certificate and an Opinion of Counsel stating that all requirements relating to such release have been complied with and that such release has been authorized by, permitted by and made in accordance with the provisions of the Indenture and the Security Documents.

Further Issues

Subject to the covenants described below and in accordance with the terms of the Indenture, the Company may, from time to time, without notice to or the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the Notes (including the benefit of the Subsidiary Guarantees and the Security Documents) in all respects (or in all respects except for the issue date, issue price and the first payment of interest on them, the use of proceeds therefrom and, to the extent necessary, certain temporary securities law transfer restrictions) (a "Further Issue") so that such Additional Notes may be consolidated and form a single class with the previously outstanding Notes and vote together as one class on all matters with respect to the Notes; *provided* that the

issuance of any such Additional Notes shall then be permitted under the first paragraph of the "Limitation on Indebtedness and Preferred Stock" covenant described below; *provided further* that Additional Notes will not be issued under the same CUSIP, ISIN or Common Code as the Notes unless such Additional Notes are fungible with the outstanding Notes for U.S. federal income tax purposes.

In addition, the issuance of any Additional Notes by the Company will be subject to the following conditions:

- all Obligations with respect to the Additional Notes shall be guaranteed and secured under the Indenture, the Subsidiary Guarantees, the Security Documents and any other Note Documents to the same extent and on the same basis as the Notes outstanding on the date the Additional Notes are issued;

- the Company has delivered to the Trustee an Officers' Certificate, in form and substance satisfactory to the Trustee, confirming that the issuance and authentication of the Additional Notes complies with the Indenture and is authorized and permitted by the Indenture; and

- the Company has delivered to the Trustee one or more Opinions of Counsel, in form and substance satisfactory to the Trustee, confirming, among other things, that the issuance of the Additional Notes does not conflict with applicable law.

Redemption and Repurchase

Except as described under "Optional Redemption," "Redemption for Taxation Reasons," and otherwise provided in the Indenture, the Notes may not be redeemed prior to maturity (unless they have been repurchased by the Company).

Optional Redemption

At any time prior to the First Anniversary Date, the Company may redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, the redemption date. Neither the Trustee nor the Principal Paying and Transfer Agent will be responsible for calculating or verifying the Applicable Premium.

At any time and from time to time on or after the First Anniversary Date, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the specified period as set forth below:

Period	Redemption Price
12-month period from and including the First Anniversary Date	101.00%
From and including the Second Anniversary Date until the date of maturity of the Notes	100.00%

Neither the Trustee nor the Principal Paying and Transfer Agent will be responsible for calculating or verifying the redemption price.

Selection and Notice

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption to the Holders and the Trustee. If less than all of the Notes are to be redeemed at any time, Notes for redemption will be selected as follows:

- if the Notes are listed on any recognized securities exchange and/or are held through the clearing systems, in compliance with the requirements of the principal recognized securities exchange on which the Notes are listed and/or in compliance with the requirements of the clearing system (on a pro rata pass through distribution of principal basis); or

- if the Notes are not listed on any recognized securities exchange or are not held through the clearing systems, on a pro rata basis, by lot or by such method as the Trustee in its sole discretion deems fair and appropriate unless

otherwise required by applicable law. The Trustee will not be liable to the Company, the Subsidiary Guarantors, the Holders or any other person in respect of the selection made by it.

A Note of US$100,000 in principal amount or less shall not be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. A new Note in principal amount equal to the unredeemed portion will be issued upon cancellation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions of them called for redemption.

Mandatory Redemption

Upon the final completion of any sale, transfer, conveyance, lease or other disposition of all or any part of the land parcels constituting the Collateral (including by way of merger, consolidation or Sale and Leaseback Transaction) in one transaction or a series of related transactions by the Company or any Restricted Subsidiary to any Person (the "Collateral Sale") for which the Company receives Net Cash Proceeds in an aggregate amount in excess of US$5 million (or its equivalent) (the "Relevant Collateral Sale"), the Company will use all of the Net Cash Proceeds it receives from such Relevant Collateral Sale (the "Collateral Proceeds") to redeem the Notes. The Minimum Collateral Size shall be deemed reduced by the size of the land sold, transferred, conveyed, or otherwise disposed under the Relevant Collateral Sale. If the Company carries out a Collateral Sale for which the Company receives Net Cash Proceeds in an aggregate amount (on a cumulative basis) equal to, or less than, US$ 5 million (or its equivalent), the Company shall promptly procure that additional land parcels located in the Collateral Locations be secured by way of first ranking mortgages (*hak tanggungan*) in favor of the Holders such that the land area of the Collateral is at least the Minimum Collateral Size.

The Company will promptly, but in no event later than ten (10) Business Days following the final completion of the Relevant Collateral Sale give an irrevocable notice (the "Mandatory Redemption Notice") to the Holders and the Trustee specifying the amount of the Notes to be redeemed and the date for redemption (the "Mandatory Redemption Date"), which will be a date that is at least ten (10) Business Days from the date of such notice. If less than all of the Notes are being redeemed, the procedures for selecting the Notes for redemption as described under "− Optional Redemption – Selection and Notice" will apply.

The redemption price (the "Mandatory Redemption Price") will be as follows: (a) if the Relevant Collateral Sale occurs before the Second Anniversary Date, the Mandatory Redemption Price will be equal to 100% of the outstanding principal amount of the Notes being redeemed, or (b) if the Relevant Collateral Sale occurs on or after the Second Anniversary Date and before the date of maturity of the Notes, the Mandatory Redemption Price will be equal to 101% of the outstanding principal amount of the Notes being redeemed, in each case, together with any accrued and unpaid interest on the principal amount of the Notes up to, but not including, the Mandatory Redemption Date (subject to the right of the Holder of record on the relevant Record Date to receive interest due on the relevant interest payment date). Neither the Trustee nor the Paying Agent will be responsible for calculating or verifying the Mandatory Redemption Price.

Following the Mandatory Redemption Date, the redeemed Notes will be cancelled.

With respect to any payments of purchase price (including any booking fee, installment payments or lump sum payments) actually received by the Company in connection with any Relevant Collateral Sale, which are deposited into the Company's bank account or an escrow account established for such transaction ("Purchaser Escrow Accounts"), the Company covenants not to use, draw or release, or permit to be used, drawn or released, any funds maintained in any Purchaser Escrow Account except for the following purposes:

(1) payment of brokerage commissions, taxes and other fees and expenses related to the Relevant Collateral Sale; or

(2) if the Relevant Collateral Sale is cancelled prior to their completion, the return of the funds to the relevant purchaser.

Repurchase of Notes Upon a Change of Control

Not later than 30 days following a Change of Control, the Company will make an Offer to Purchase all outstanding Notes (a "Change of Control Offer") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date.

Certain of the events constituting a Change of Control under the Notes will also constitute an event of default under certain debt instruments of the Company and its Subsidiaries. Future debt of the Company may also (1) prohibit the Company from

purchasing Notes in the event of a Change of Control; (2) provide that a Change of Control is a default; or (3) require repurchase of such debt upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Company to purchase the Notes could cause a default under other indebtedness, even if the Change of Control itself does not, due to the financial effect of the purchase on the Company. The Company's ability to pay cash to the Holders following the occurrence of a Change of Control may be limited by the Company's and the Subsidiary Guarantors' then-existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "Risk Factors — Risks Relating to the New Notes, the Subsidiary Guarantees and the Collateral — We may not be able to repurchase the New Notes upon a Change of Control."

The Company will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer to be made by the Company and such third party purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The phrase "all or substantially all," as used with respect to the assets of the Company in the definition of "Change of Control," will likely be interpreted under applicable law of the relevant jurisdictions and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of "all or substantially all" the assets of the Company has occurred.

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Company purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The Trustee shall not be deemed to have knowledge of a Change of Control or any event which could lead to a Change of Control unless and until it obtains actual knowledge of such Change of Control or any event which could lead to a Change of Control through written notification describing the circumstances of such, and identifying the circumstances constituting such Change of Control or any event which could lead to a Change of Control.

No Mandatory Redemption or Sinking Fund

There will be no mandatory redemption (other than as set forth in "— Mandatory Redemption") or sinking fund payments for the Notes.

Additional Amounts

All payments of principal of, and premium (if any) and interest on the Notes and all payments under the Subsidiary Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company, a Surviving Person (as defined under the caption "— Consolidation, Merger and Sale of Assets") or an applicable Subsidiary Guarantor is organized, resident or deemed to be doing business for tax purposes (or any political subdivision or taxing authority thereof or therein) (each, as applicable, a "Relevant Taxing Jurisdiction"), or any jurisdiction from or through which payments are made (together with each Relevant Taxing Jurisdiction, a "Relevant Jurisdiction"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company, a Surviving Person or the applicable Subsidiary Guarantor, as the case may be, will pay such additional amounts ("Additional Amounts") as will result in the receipt by the Holder of each Note or the beneficiary of such Subsidiary Guarantee, as the case may be, of such amounts as would have been received by such Holder or beneficiary had no such withholding or deduction been required, except that no Additional Amounts shall be payable:

(1) for or on account of:

(a) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(i) the existence of any present or former connection between the Holder or beneficial owner of such Note or Subsidiary Guarantee, as the case may be, and the Relevant Jurisdiction, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein (other than merely acquiring or holding such Note, the receipt of payments or the enforcement of rights thereunder or under a Subsidiary Guarantee**);**

(ii) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided **for, except to the** extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on the last day of such 30-day period;

(iii) the failure of the Holder or beneficial owner to comply with a timely request of the Company, a Surviving Person or any Subsidiary Guarantor addressed to the Holder or beneficial owner, as the case may be, to provide information concerning such Holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, or to make any declaration or other similar claim or satisfy any information or reporting requirement, if and to the extent that due and timely compliance with such request would have reduced or eliminated any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder; *provided* that the information must not be materially more onerous, in form, in procedure or in substance of information disclosed, to a Holder or beneficial owner of a Note than comparable information or other reporting requirements imposed under United States tax law, regulations and administrative practice; or

(iv) the presentation of such Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, assessment or other governmental charge;

(c) any tax required to be withheld or deducted under Sections 1471 to 1474 of the U.S. Internal Revenue Code of 1986, as amended (the "Code") (or any amended or successor versions of such Sections) ("FATCA"), any current or future regulations or other official guidance thereunder, any intergovernmental agreement entered into in connection with FATCA, any agreements entered into pursuant to Section 1471(b) of the Code, or any law, regulation or other official guidance enacted in any jurisdiction implementing FATCA or an intergovernmental agreement;

(d) any tax, duty, assessment or other governmental charge which is payable other than by deduction or withholding from payments of principal of or interest on the Note or payments under the Subsidiary Guarantees;

(e) any Note presented for payment by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note to another paying agent in a Member State of the European Union;

(f) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (a) through (e); or

(2) to a Holder that is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of a Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner or beneficial owner been the Holder thereof.

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Company will be obligated to pay Additional Amounts with respect to such payment, the Company will deliver to the Trustee an Officers' Certificate stating the fact that such Additional Amounts will be payable and the amounts so payable and will set forth such other information necessary to enable the Principal Paying and Transfer Agent to pay such Additional Amounts to the Holders on such payment date.

In addition, the Company, a Surviving Person or any Subsidiary Guarantor will pay any stamp, issue, registration, documentary, value added, excise, property or other similar taxes or duties (including interest and penalties) which are levied by a Relevant Jurisdiction in respect of the creation, issue, offering, execution or performance of the Notes, or any documentation with respect thereto or the receipt of payments with respect to the Notes.

Whenever there is mentioned in any context the payment of principal of, and any premium or interest on, any Note or under any Subsidiary Guarantee, such mention shall be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Company or a Surviving Person, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders and upon reasonable notice in advance of such notice to Holders (which notice shall be irrevocable), to the Trustee and the Principal Paying and Transfer Agent, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company or the Surviving Person, as the case may be, for redemption (the "Tax Redemption Date") if, as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation; or

(2) any change in the existing official position or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment is announced and becomes effective on or after the Original Issue Date with respect to any payment due or to become due under the Notes, the Indenture or a Subsidiary Guarantee (or, in the case of a Surviving Person or future Subsidiary Guarantor, the date such Person became a Surviving Person or Subsidiary Guarantor, as the case may be), the Company, a Subsidiary Guarantor or the Surviving Person, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures by the Company, such Subsidiary Guarantor or the Surviving Person, as the case may be; *provided* that changing the jurisdiction of the Company, a Subsidiary Guarantor or the Surviving Person is not a reasonable measure for the purposes of this section; *provided further* that no such notice of redemption will be given earlier than 90 days prior to the earliest date on which the Company, a Subsidiary Guarantor or the Surviving Person, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due; *provided further* that where any such requirement to pay Additional Amounts is due to taxes of the Republic of Indonesia (or any political subdivision or taxing authority thereof or therein), this provision shall only have effect to permit the Notes to be redeemed in the event that the rate of withholding or deduction in respect of which Additional Amounts are required is in excess of 20.0%.

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company, Surviving Person or relevant Subsidiary Guarantor, as the case may be, will deliver to the Trustee and the Principal Paying and Transfer Agent at least 30 days but not more than 60 days before a redemption date:

(1) an Officers' Certificate stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Company, a Surviving Person or such Subsidiary Guarantor, as the case may be, taking reasonable measures available to it; and

(2) an Opinion of Counsel or an opinion of a tax consultant, in either case of recognized standing with respect to tax matters of the Relevant Taxing Jurisdiction, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph.

The Trustee and the Principal Paying and Transfer Agent are entitled to accept such certificate and opinion as conclusive evidence of the satisfaction of the conditions precedent described above, in which event it shall be conclusive and binding on the Holders.

Any Notes that are redeemed will be cancelled.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture.

Limitation on Indebtedness and Preferred Stock

(1) The Company will not, and will not permit any Restricted Subsidiary to, Incur, directly or indirectly, any Indebtedness (including Acquired Indebtedness), or issue Preferred Stock, *provided* that the Company or any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness) if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, (x) no Default has occurred and is continuing, (y) the Fixed Charge Coverage Ratio would be not less than 2.25 to 1.0, and (z) if such Indebtedness constitutes Priority Indebtedness, such Indebtedness constitutes Permitted Priority Indebtedness. Notwithstanding the foregoing, the Company will not, and will not permit any Restricted Subsidiary to, Incur any Disqualified Stock (other than Disqualified Stock of a Restricted Subsidiary held by the Company or a Subsidiary Guarantor so long as it is so held).

(2) Notwithstanding the foregoing, the Company and, to the extent provided below, any Restricted Subsidiary may Incur each and all of the following ("Permitted Indebtedness"):

(a) Indebtedness under the Notes (excluding any Additional Notes) and any Subsidiary Guarantee and any related Deed of Guarantee;

(b) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Original Issue Date excluding Indebtedness permitted under clause (c) and (d);

(c) Indebtedness of the Company, PT Grahabuana Cikarang, PT Bekasi Power and PT Jababeka Infrastruktur under the Mandiri Term Loan Facility in an aggregate principal amount at any time outstanding not to exceed US$100.0 million;

(d) Indebtedness of the Company or any Subsidiary Guarantor owed to the Company or any Restricted Subsidiary; *provided* that (i) any event which results in any such Subsidiary Guarantor ceasing to be a Subsidiary Guarantor or any subsequent transfer of such Indebtedness (other than to the Company or any Subsidiary Guarantor) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (d) and (ii) if the Company is the obligor on such Indebtedness, such Indebtedness must be unsecured and expressly be subordinated in right of payment to the Notes, and if a Subsidiary Guarantor is the obligor on such Indebtedness and a Restricted Subsidiary that is not a Subsidiary Guarantor is the obligee, such Indebtedness must be unsecured and expressly be subordinated in right of payment to the Subsidiary Guarantee of such Subsidiary Guarantor;

(e) Indebtedness ("Permitted Refinancing Indebtedness") issued in exchange for, or the net proceeds of which are used to refinance, refund, replace, exchange, renew, repay, defease, discharge or extend (collectively, "Refinance" and "Refinances" and "Refinanced" shall have a correlative meaning), then outstanding Indebtedness (or Indebtedness Refinanced substantially concurrently with but in any case before the Incurrence of such Permitted Refinancing Indebtedness) Incurred under the immediately preceding paragraph (1) or clauses (a), (b), (c), (e), or (l) of this paragraph (2) and any Refinancings thereof in an amount not to exceed the amount so Refinanced (plus premiums, accrued interest, fees and expenses); *provided* that the Indebtedness to be refinanced is fully and irrevocably repaid no later than 60 days after the Incurrence of the Permitted Refinancing Indebtedness; *provided further* that (i) Indebtedness the proceeds of which are used to Refinance the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes or a Subsidiary Guarantee shall only be permitted under this clause (d) if (A) in case the Notes are Refinanced in part or the Indebtedness to be Refinanced is *pari passu* with the Notes or a Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes or such Subsidiary Guarantee, as the case may be, or (B) in case the Indebtedness to be Refinanced is subordinated in right of payment to the Notes or a Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or such Subsidiary Guarantee, as the case may be, at least to the extent that the Indebtedness to be Refinanced is subordinated to the Notes or such Subsidiary Guarantee; (ii) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be Refinanced, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be Refinanced; (iii) such new

Indebtedness has an aggregate principal amount, or if Incurred with original issue discount, an aggregate issue price, that is equal to or less than the aggregate principal amount, or if Incurred with original issue discount, the aggregate accreted value, then outstanding or committed, plus fees and expenses, including any premium and defeasance costs, under the Indebtedness being Refinanced; (iv) in no event may Indebtedness of the Company or any Subsidiary Guarantor be Refinanced pursuant to this clause by means of any Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor; and (v) in no event may unsecured Indebtedness of the Company or any Subsidiary Guarantor be refinanced pursuant to this clause with secured Indebtedness.

(f) Indebtedness Incurred by the Company or any Subsidiary Guarantor pursuant to Hedging Obligations designed to protect the Company or any of its Restricted Subsidiaries from fluctuations in interest rates, currencies or the price of commodities and not for speculation;

(g) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to workers' compensation claims or self-insurance obligations or bid, performance or surety bonds (in each case other than for an obligation for borrowed money);

(h) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit, trade guarantees (including guarantees provided to public utility companies in Indonesia for the provision of utility services) or similar instruments issued in the ordinary course of business to the extent that such letters of credit, trade guarantees or similar instruments are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the 30 days following receipt by the Company or such Restricted Subsidiary of a demand for reimbursement;

(i) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds or performance bonds securing any obligation of the Company or any Restricted Subsidiary pursuant to such agreements, in any case, Incurred in connection with the disposition of any business, assets or Capital Stock of a Restricted Subsidiary, other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of such business, assets or Restricted Subsidiary for the purpose of financing such acquisition; *provided* that the maximum aggregate liability in respect of all such Indebtedness in the nature of such guarantee shall at no time exceed the gross proceeds actually received from the sale of such business, assets or Capital Stock of a Restricted Subsidiary;

(j) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business *provided*, *however*, that such Indebtedness is extinguished within five Business Days of Incurrence;

(k) Indebtedness of the Company or any Subsidiary Guarantor with a maturity of one year or less used by the Company or any Subsidiary Guarantor for working capital; *provided* that the aggregate principal amount of Indebtedness permitted by this clause (k) at any time outstanding does not exceed US$10.0 million (or the Dollar Equivalent thereof using the exchange rates existing as of the Original Issue Date);

(l) Indebtedness of the Company or any Restricted Subsidiary, *provided* that the aggregate principal amount of Indebtedness permitted by this clause (l) at any time outstanding does not exceed US$20.0 million (or the Dollar Equivalent thereof); and

(m) Permitted Notes Refinancing Indebtedness;

provided that, with respect to the Incurrence of Permitted Indebtedness under this paragraph (2) (other than the Incurrence of Permitted Indebtedness pursuant to clause 2(l) of this paragraph), if such Indebtedness constitutes Priority Indebtedness, on the date of the Incurrence of such Indebtedness and after giving effect thereto, such Indebtedness constitutes Permitted Priority Indebtedness.

(3) For purposes of determining compliance with this "Limitation on Indebtedness and Preferred Stock" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso part (1) above, the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness in one or more types of Indebtedness described above.

(4) The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of Preferred Stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not be deemed to be an incurrence of Indebtedness; *provided*, in each such case, that the amount of any such accrual, accretion or payment is included in the Consolidated Fixed Charges of the Company as accrued.

(5) Notwithstanding any other provision of the Indenture, the maximum amount of Indebtedness that may be Incurred pursuant to this covenant will not be deemed to be exceeded with respect to any outstanding Indebtedness due solely to the result of fluctuations in the exchange rates of currencies.

Limitation on Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as "Restricted Payments"):

(1) declare or pay any dividend or make any distribution on or with respect to the Company's or any of its Restricted Subsidiaries' Capital Stock (other than dividends or distributions payable or paid in shares of the Company's or any of its Restricted Subsidiary's Capital Stock (other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any Wholly Owned Restricted Subsidiary;

(2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company or any Restricted Subsidiary (including options, warrants or other rights to acquire such shares of Capital Stock) held by any Persons other than the Company or any Wholly Owned Restricted Subsidiary;

(3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes or any of Subsidiary Guarantee (excluding any intercompany Indebtedness between or among the Company and any Subsidiary Guarantor); or

(4) make any Investment, other than a Permitted Investment;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

(a) a Default has occurred and is continuing or would occur as a result of such Restricted Payment;

(b) the Company could not Incur at least US$1.00 of Indebtedness under the proviso in part (1) of the covenant described under "— Limitation on Indebtedness and Preferred Stock;" or

(c) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Company and its Restricted Subsidiaries after the Measurement Date, shall exceed the sum of:

(i) 50% of the aggregate amount of the Consolidated Net Income of the Company (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the fiscal quarter immediately following the Measurement Date and ending on the last day of the Company's most recently ended fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available and have been provided to the Trustee at the time of such Restricted Payment; plus

(ii) 100% of the aggregate Net Cash Proceeds received by the Company after the Measurement Date as a capital contribution to its common equity or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Subsidiary of the Company, including any such Net Cash Proceeds received upon (A) the conversion of any Indebtedness (other than Subordinated Indebtedness) of the Company into Capital Stock (other than Disqualified Stock) of the Company, or (B) the exercise by a Person who is not a Subsidiary of the Company of any options, warrants or other rights to acquire Capital Stock of the Company (other than Disqualified

Stock) in each case excluding the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Company; plus

(iii) the amount by which Indebtedness of the Company or any of its Restricted Subsidiaries is reduced on the Company's consolidated balance sheet upon the conversion or exchange (other than by a Subsidiary of the Company) subsequent to the Measurement Date of any Indebtedness (other than Subordinated Indebtedness) of the Company or any Restricted Subsidiary convertible or exchangeable into Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Company upon such conversion or exchange); plus

(iv) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Measurement Date in any Person resulting from (A) dividends or repayments of loans or advances by such Person, in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income) after the Measurement Date, (B) the unconditional release of a guarantee provided by the Company or a Restricted Subsidiary after the Measurement Date of an obligation of another Person, (C) to the extent that an Investment made after the Measurement Date was, after such date, or is sold or otherwise liquidated or repaid for cash, the lesser of (x) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (y) the initial amount of such Investment, or (D) from redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, not to exceed, in each case, the amount of Investments made by the Company or a Restricted Subsidiary after the Measurement Date in any such Person.

The foregoing provision shall not be violated by reason of:

(1) the payment of any dividend or redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;

(2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any of the Subsidiary Guarantors with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;

(3) the redemption, repurchase or other acquisition of Capital Stock of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent capital contribution or a sale (other than to a Subsidiary of the Company) of, shares of the Capital Stock (other than Disqualified Stock) of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock); provided that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph, provided however that any item that has been excluded pursuant to clause (c)(ii) of the preceding paragraph will not be excluded again as a result of the proviso in this clause (3);

(4) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any of the Subsidiary Guarantors in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company or any of the Subsidiary Guarantors (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph, provided however that any item that has been excluded pursuant to clause (c)(ii) of the preceding paragraph will not be excluded again as a result of the proviso in this clause (4);

(5) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary payable, on a pro rata basis or on a basis more favorable to the Company, to all holders of any class of Capital Stock of such Restricted Subsidiary, a majority of which is held, directly or indirectly through Restricted Subsidiaries, by the Company; or

(6) Restricted Payments made by the Company in an aggregate amount, when taken together with all other Restricted Payments made pursuant to this clause (6), not to exceed US$10.0 million (or the Dollar Equivalent thereof) since the Original Issue Date,

provided that, in the case of clauses (2), (3), (4) or (6) of the preceding paragraph, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

Each Restricted Payment permitted pursuant to clause (1) and, to the extent that dividends are paid to Persons other than the Company or a Subsidiary Guarantor, clause (5) of the preceding paragraph shall be included in calculating whether the conditions of clause (4)(c) of the first paragraph of this "Limitation on Restricted Payments" covenant have been met with respect to any subsequent Restricted Payments.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be their Fair Market Value. The Board of Directors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an appraisal or investment banking firm of recognized international standing if the Fair Market Value exceeds US$5.0 million (or the Dollar Equivalent thereof).

Not later than the date of making any Restricted Payment in excess of US$5.0 million (or the Dollar Equivalent thereof), the Company will deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this "— Limitation on Restricted Payments" covenant were computed, together with a copy of any opinion or appraisal required by the Indenture.

Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries

(1) Except as provided below, the Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends or make any other distribution on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary;

(b) pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary;

(c) make loans or advances to the Company or any other Restricted Subsidiary; or

(d) sell, lease or transfer any of its property or assets to the Company or any other Restricted Subsidiary.

(2) The provisions of paragraph (1) do not apply to any encumbrances or restrictions:

(a) existing in agreements as in effect on the Original Issue Date as disclosed in this exchange offer and consent solicitation memorandum, or in the Notes, the Subsidiary Guarantees, the Indenture or the Security Documents and any extensions, Refinancings, renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, Refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, Refinanced, renewed or replaced;

(b) existing under or by reason of applicable law, rule, regulation or order;

(c) existing with respect to any Person or the property or assets of such Person acquired by the Company or any Restricted Subsidiary, at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any extensions, Refinancings, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, Refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, Refinanced, renewed or replaced;

(d) that otherwise would be prohibited by the provision described in clause (1)(d) of this covenant if they arise, or are agreed to, in the ordinary course of business and, that (i) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease or license, (ii) exist by virtue of any Lien or agreement to transfer, option or similar right with respect to any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture or (iii) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary;

(e) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by the "— Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries," "— Limitation on Indebtedness and Preferred Stock," "— Limitation on Asset Sales" covenants and under the caption "— Consolidation, Merger and Sale of Assets;"

(f) existing with respect to any Unrestricted Subsidiary or the property or assets of such Unrestricted Subsidiary that is designated as a Restricted Subsidiary in accordance with the terms of the Indenture at the time of such designation and not incurred in contemplation of such designation, which encumbrances or restrictions (i) were not created in connection with or in anticipation of the transaction or series of transactions pursuant to which such Restricted Subsidiary either became an Unrestricted Subsidiary or was designated as a Restricted Subsidiary and (ii) are not applicable to any Person or the property or assets of any Person other than such Subsidiary or its Subsidiaries or the property or assets of such Subsidiary or its Subsidiaries, and any extensions, Refinancings, renewals or replacements thereof; provided that the encumbrances and restrictions in any such extension, Refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, Refinanced, renewed or replaced;

(g) with respect to Permitted Refinancing Indebtedness; provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are no more restrictive in any material respect, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(h) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business; and

(i) contained in indentures relating to Indebtedness Incurred by the Company or any Restricted Subsidiary subsequent to the Original Issue Date pursuant to the covenant described above under the caption "— Limitation on Indebtedness" (other than Permitted Refinancing Indebtedness); provided that the encumbrances or restrictions, taken as a whole (1) are ordinary and customary for a financing of that type, and (2) would not, at the time agreed to, be expected to materially and adversely affect the ability of the Subsidiary Guarantors or the Company to make payments under the Subsidiary Guarantees or the Notes, as the case may be, as evidenced by a Board Resolution set forth in an Officers' Certificate, and (3) are no more restrictive in any material respect to the Holders than those encumbrances or restrictions contained in the Notes and the Indenture.

Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, issue or sell any shares of Capital Stock of a Restricted Subsidiary (including options, warrants or other rights to purchase shares of such Capital Stock) except:

(1) to the Company or a Wholly Owned Restricted Subsidiary, or in the case of a Restricted Subsidiary that is not Wholly Owned, pro rata to its shareholders or incorporators;

(2) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law to be held by a Person other than the Company or a Wholly Owned Restricted Subsidiary;

(3) the issuance or sale of Capital Stock of a Restricted Subsidiary if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any remaining Investment in

such Person would have been permitted to be made under the "Limitation on Restricted Payments" covenant if made on the date of such issuance or sale and provided that the Company complies with the "— Limitation on Asset Sales" covenant; or

(4) the issuance or sale of Capital Stock of a Restricted Subsidiary which remains a Restricted Subsidiary after any such issuance or sale; provided that the Company or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale in accordance with the "— Limitation on Asset Sales" covenant.

Limitation on Issuances of Guarantees by Restricted Subsidiaries

The Company will not permit any Restricted Subsidiary which is not a Subsidiary Guarantor, directly or indirectly, to guarantee any Indebtedness ("Guaranteed Indebtedness") of the Company or any other Restricted Subsidiary, unless (1) (a) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture providing for an unsubordinated Subsidiary Guarantee of payment of the Notes by such Restricted Subsidiary (and, if such Restricted Subsidiary is incorporated in the Republic of Indonesia, enters into a Deed of Guarantee governed by the laws of Indonesia providing for such Restricted Subsidiary's guarantee of the due and punctual payment of the principal of, premium (if any) and interest on, and all other amounts payable under, the Notes under the laws of Indonesia) and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee (or related Deed of Guarantee), until the Notes have been paid in full or (2) such guarantee and such Guaranteed Indebtedness are permitted by clauses (2)(d) or (2)(e) under the caption "— Limitation on Indebtedness and Preferred Stock."

If the Guaranteed Indebtedness (1) ranks *pari passu* in right of payment with the Notes or any Subsidiary Guarantee, then the guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Subsidiary Guarantee, or (2) is subordinated in right of payment to the Notes or any Subsidiary Guarantee, then the guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Subsidiary Guarantee, at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes or the Subsidiary Guarantee.

Limitation on Transactions with Shareholders and Affiliates

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with (x) any holder (or any Affiliate of such holder) of 5.0% or more of any class of Capital Stock of the Company or (y) any Affiliate of the Company (each an "Affiliate Transaction"), unless:

(1) the Affiliate Transaction is on fair and reasonable terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or the relevant Restricted Subsidiary with a Person that is not an Affiliate of the Company; and

(2) the Company delivers to the Trustee:

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$5.0 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of US$10.0 million (or the Dollar Equivalent thereof), in addition to the Board Resolution required in clause (2)(a) above, an opinion as to the fairness to the Company or the relevant Restricted Subsidiary of such Affiliate Transaction from a financial point of view or confirming that the terms of such Affiliate Transaction are no less favorable to the Company or the relevant Restricted Subsidiary than terms available to (or from, as applicable) a Person that is not an Affiliate of the Company, in each case issued by an accounting, appraisal or investment banking firm of recognized international standing.

The foregoing limitation does not limit, and shall not apply to:

(1) the payment of reasonable and customary regular fees to directors and commissioners of the Company or any Restricted Subsidiary who are not employees of the Company or any Restricted Subsidiary;

(2) transactions between or among the Company and any of its Wholly Owned Restricted Subsidiaries or between or among Wholly Owned Restricted Subsidiaries;

(3) any Restricted Payment of the type described in clause (1), (2) or (3) of the first paragraph of the covenant described above under "— Limitation on Restricted Payments" if permitted by that covenant;

(4) any sale of Capital Stock (other than Disqualified Stock) of the Company.

In addition, the requirements of clause (2) of the first paragraph of this covenant shall not apply to (i) transactions pursuant to agreements in effect on the Original Issue Date and described in this exchange offer and consent solicitation memorandum, or any amendment or modification or replacement thereof, so long as such amendment, modification or replacement is not more disadvantageous to the Company and its Restricted Subsidiaries than the original agreement in effect on the Original Issue Date and (ii) any transaction between or among any of the Company or a Wholly Owned Restricted Subsidiary and any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary or between or among Restricted Subsidiaries that are not Wholly Owned Restricted Subsidiaries; *provided* that in the case of clause (ii), (a) such transaction is entered into in the ordinary course of business and (b) none of the minority shareholders or minority partners of or in such Restricted Subsidiary that is not a Wholly Owned Subsidiary Guarantor is a Person described in clauses (x) or (y) of the first paragraph of this covenant (other than by reason of such minority shareholder or minority partner being an officer or director of such Restricted Subsidiary).

Limitation on Liens

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, incur, assume or permit to exist any Lien of any nature whatsoever on the Collateral (other than the Permitted Liens).

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind, whether owned at the Original Issue Date or thereafter acquired, except Permitted Liens, unless the Notes are equally and ratably secured by such Lien.

Limitation on Sale and Leaseback Transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, enter into any Sale and Leaseback Transaction; *provided* that the Company or any Restricted Subsidiary may enter into a Sale and Leaseback Transaction if:

(1) the Company or such Restricted Subsidiary could have (a) Incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction pursuant to the covenant described above under "— Limitation on Indebtedness and Preferred Stock" and (b) incurred a Lien to secure such Indebtedness pursuant to the covenant described above under "— Limitation on Liens," in which case, the corresponding Indebtedness and Lien will be deemed incurred pursuant to those provisions;

(2) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction, as determined in good faith by the Board of Directors of the Company and set forth in an Officers' Certificate delivered to the Trustee, of the property that is the subject of the Sale and Leaseback Transaction; and

(3) the transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Company or such Restricted Subsidiary applies the proceeds of such transaction in compliance with, the covenant described below under "— Limitation on Asset Sales."

Limitation on Asset Sales

The Company will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

(1) no Default shall have occurred and be continuing or would occur as a result of such Asset Sale;

(2) the consideration received by the Company or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value (measured as of the date of the definitive agreement with respect to such Asset Sale) of the assets sold or disposed of;

(3) in the case of an Asset Sale that constitutes an Asset Disposition, the Company could Incur at least US$1.00 of Indebtedness under the proviso in part (1) of the covenant described under "— Limitation on Indebtedness and Preferred Stock" after giving pro forma effect to such Asset Disposition; and

(4) at least 75% of the consideration received consists of cash, Temporary Cash Investments or Replacement Assets; *provided* that in the case of an Asset Sale in which the Company or such Restricted Subsidiary receives Replacement Assets involving aggregate consideration in excess of US$5.0 million (or the Dollar Equivalent thereof), the Company shall deliver to the Trustee an opinion as to the fairness to the Company or such Restricted Subsidiary of such Asset Sale from a financial point of view issued by an accounting, appraisal or investment banking firm of recognized international standing. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that releases the Company or such Restricted Subsidiary from further liability; and

(b) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are promptly, but in any event within 30 days of closing, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion.

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Cash Proceeds:

(1) (A) to redeem the 2023 Notes or (B) in equal amounts, (x) to permanently repay Priority Indebtedness (and, if such Priority Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) in each case owing to a Person other than the Company or a Restricted Subsidiary and (y) to redeem the Notes in the manner described under the caption "— Optional Redemption;" or

(2) to acquire properties and assets that replace the properties and assets that were the subject of such Asset Sale or to acquire Replacement Assets; or

(3) to make an Investment in cash or Temporary Cash Investments pending application of such Net Cash Proceeds as set forth in clause (1) or (2) above;

provided that any Net Cash Proceeds from the Relevant Collateral Sale shall be applied in accordance with the provisions described under "− Mandatory Redemption."

Any Net Cash Proceeds from Asset Sales that are not applied or invested as provided in clauses (1) and (2) in the immediately preceding paragraph will constitute "Excess Proceeds." Excess Proceeds of less than US$10.0 million (or the Dollar Equivalent thereof) will be carried forward and accumulated. When accumulated Excess Proceeds exceed US$10.0 million (or the Dollar Equivalent thereof), within 10 days thereof, the Company must make an Offer to Purchase Notes having a principal amount equal to:

(1) accumulated Excess Proceeds, multiplied by

(2) a fraction (x) the numerator of which is equal to the outstanding principal amount of the Notes and (y) the denominator of which is equal to the outstanding principal amount of the Notes and all *pari passu* Indebtedness similarly required to be repaid, redeemed or tendered for in connection with the Asset Sale,

rounded down to the nearest US$1,000.

The offer price in any Offer to Purchase will be equal to 100% of the principal amount plus accrued and unpaid interest to the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes (and any other *pari passu* Indebtedness) tendered in such Offer to Purchase exceeds the amount of Excess Proceeds, the Notes (and such other *pari passu* Indebtedness) to be purchased will be selected on a pro rata basis. The Trustee will not be liable to the Company, the Subsidiary Guarantors, the Holders or any other person in respect of the selection made by it. Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

Limitation on the Company's Business Activities

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than Permitted Businesses; provided, however, that the Company or any Restricted Subsidiary may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than a Permitted Business as long as any Investment therein was not prohibited when made by the covenant under the caption "— Limitation on Restricted Payments."

Maintenance of Insurance

The Company will, and will cause each Restricted Subsidiary, to maintain insurance with reputable and financially sound carriers against such risks and in such amounts as is customarily carried by similar companies engaged in similar business to the Permitted Business in the jurisdictions in which the Company or such Restricted Subsidiary conducts its businesses, including, without limitation, property and casualty insurance.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; *provided* that (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) neither the Company nor any Restricted Subsidiary guarantees or provides credit support for the Indebtedness or liabilities of such Restricted Subsidiary; (3) such Restricted Subsidiary has no outstanding Indebtedness that could trigger a cross-default to the Indebtedness of the Company or any Restricted Subsidiary; (4) such Restricted Subsidiary does not own any Disqualified Stock of the Company or Disqualified or Preferred Stock of another Restricted Subsidiary or hold any Indebtedness of, or any Lien on any property of, the Company or any Restricted Subsidiary, if such Disqualified or Preferred Stock or Indebtedness could not be Incurred under the covenant described under "— Limitation on Indebtedness and Preferred Stock" or such Lien would violate the covenant described under "— Limitation on Liens;" (5) such Restricted Subsidiary does not own any Voting Stock of another Restricted Subsidiary, and all of its Subsidiaries are Unrestricted Subsidiaries or are being concurrently designated to be Unrestricted Subsidiaries in accordance with this paragraph; (6) the Investment deemed to have been made thereby in such newly designated Unrestricted Subsidiary and each other newly designated Unrestricted Subsidiary being concurrently redesignated would be permitted to be made by the covenant described under "— Limitation on Restricted Payments;" and (7) such Unrestricted Subsidiary does not own or operate or possess any material license, franchise or right used in connection with the ownership or operation of any part of the Company's or its Restricted Subsidiaries' business, the loss of which by such Subsidiary will not, after giving *pro forma* effect thereto, materially adversely affect the business, results of operations or prospects of the Company and its Restricted Subsidiaries.

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that (1) no Default shall have occurred and be continuing at the time of or after giving effect to such designation; (2) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under "— Limitation on Indebtedness and Preferred Stock;" (3) any Lien on the property of such Unrestricted Subsidiary at the time of such designation which will be deemed to have been incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be incurred by the covenant described under "— Limitation on Liens;" (4) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary); and (5) such Restricted Subsidiary shall upon such designation (i) execute and deliver to the Trustee a supplemental indenture to the Indenture by which such Restricted Subsidiary shall become a Subsidiary Guarantor and (ii) if applicable, enter into a related Deed of Guarantee governed by the laws of Indonesia providing for such Unrestricted Subsidiary's guarantee of the due and punctual payment of the principal of, premium (if any) and interest on, and all other amounts payable under, the Notes under the laws of Indonesia.

Government Approvals and Licenses; Compliance with Law

The Company will, and will cause each Restricted Subsidiary to, (1) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses; (2) preserve and maintain good and valid title to its properties and assets (including land-use rights) free and clear of any Liens other than Permitted Liens; and (3) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on (a) the business, results of operations or prospects of the Company and its Restricted Subsidiaries, taken as a whole, or (b) the ability of the Company or any Subsidiary Guarantor to perform their obligations under the Notes, the relevant Subsidiary Guarantee, the Indenture or the Security Documents.

Anti-Layering

The Company will not Incur, and will not permit any Subsidiary Guarantor to Incur, any Indebtedness if such ***Indebtedness is*** contractually subordinated in right of payment to any other Indebtedness of the Company or such Subsidiary Guarantor, as the case may be, unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the applicable Subsidiary Guarantee, on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or guarantees securing or in favor of some but not all of such Indebtedness.

Suspension of Certain Covenants

If, on any date following the date of the Indenture, the Notes have a rating of Investment Grade from both of the Rating Agencies and no Default has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have a rating of Investment Grade from either of the Rating Agencies, the provisions of the Indenture summarized under the following captions will be suspended:

(1) "— Certain Covenants — Limitation on Indebtedness and Preferred Stock;"

(2) "— Certain Covenants — Limitation on Restricted Payments;"

(3) "— Certain Covenants — Limitation on Dividend and Other Payment Restrictions Affecting Restricted Subsidiaries;"

(4) "— Certain Covenants — Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries;"

(5) "— Certain Covenants — Limitation on Issuances of Guarantees by Restricted Subsidiaries;"

(6) "— Certain Covenants — Limitation on the Company's Business Activities;"

(7) "— Certain Covenants — Limitation on Sale and Leaseback Transactions;"

(8) "— Certain Covenants — Limitation on Asset Sales;"

(9) "— Certain Covenants — Maintenance of Insurance;" and

(10) "— Certain Covenants — Anti-Layering."

During any period that the foregoing covenants have been suspended, the Board of Directors may not designate any of the Restricted Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant described under "— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries" or the definition of "Unrestricted Subsidiary."

Such covenants will be reinstituted and apply according to their terms as of and from the first day on which any of the conditions constituting a Suspension Event no longer exists. Such covenants will not, however, be of any effect with regard to actions of the Company or any Restricted Subsidiary properly taken in compliance with the provisions of the Indenture during the continuance of the Suspension Event, and following reinstatement the calculations under the covenant described under "— Certain Covenants — Limitation on Restricted Payments" will be made as if such covenant had been in effect since the date of the Indenture except that no

Default will be deemed to have occurred solely by reason of a Restricted Payment made while that covenant was suspended. There can be no assurance that the Notes will ever achieve a rating of Investment Grade or that any such rating will be maintained.

Provision of Financial Statements and Reports

(1) So long as any of the Notes remain outstanding, the Company will file with the Trustee and furnish to the Holders upon request, as soon as they are available but in any event not more than 10 calendar days after they are filed with the Indonesia Stock Exchange or any other recognized exchange on which the Company's common shares are at any time listed for trading, true and correct copies of any financial or other report in the English language (and an English language translation of any financial or other report in any other language) filed with such exchange; *provided* that if at any time the Common Stock of the Company ceases to be listed for trading on a recognized stock exchange, the Company will file with the Trustee and furnish to the Holders:

(a) as soon as they are available, but in any event within 90 calendar days after the end of the fiscal year of the Company, copies of its financial statements (on a consolidated basis and in the English language) in respect of such financial year (including a statement of income, balance sheet and cash flow statement) audited by a member firm of an internationally recognized firm of independent accountants;

(b) as soon as they are available, but in any event within 60 calendar days after the end of the second fiscal quarter of the Company, copies of its financial statements (on a consolidated basis and in the English language) in respect of such half-year period (including a statement of income, balance sheet and cash flow statement) reviewed by a member firm of an internationally-recognized firm of independent accountants;

(c) as soon as they are available, but in any event within 60 calendar days after the end of each of the first and third fiscal quarter of the Company, copies of its unaudited financial statements (both on a consolidated basis and in the English language), including a statement of income, balance sheet and cash flow statement, prepared on a basis consistent with the audited financial statements of the Company together with a certificate signed by the person then authorized to sign financial statements on behalf of the Company to the effect that such financial statements are true in all material respects and present fairly the financial position of the Company as at the end of, and the results of its operations for, the relevant fiscal quarter; and

(d) promptly after the occurrence of (i) any Material Acquisition or Disposition or restructuring, (ii) any senior executive officer changes at the Company or change in auditors of the Company or (iii) any other material event not in the ordinary course of business, solely with respect to this sub-clause (iii), that the Company announces publicly, a report containing a description of such event and, in the event of the occurrence of any Material Acquisition or Disposition, within 75 days following the occurrence of such Material Acquisition or Disposition, unaudited pro forma consolidated income statement information and balance sheet information of the Company (which, for the avoidance of doubt, shall not include the provision of a full income statement or balance sheet to the extent not reasonably available), together with explanatory footnotes, for any such Material Acquisition or Disposition.

(2) In addition, so long as any of the Notes remain outstanding, the Company will provide to the Trustee (a) within 90 days after the close of each fiscal year, an Officers' Certificate stating the amount of Priority Indebtedness, the amount of Consolidated EBITDA and Consolidated Assets of all Restricted Subsidiaries that are not Subsidiary Guarantors and the Fixed Charge Coverage Ratio, in each case with respect to the four most recent fiscal quarters and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio, with a certificate from the Company's external auditors verifying the accuracy and correctness of the calculation and arithmetic computation; and (b) as soon as possible and in any event within 30 days after the Company becomes aware or should reasonably become aware of the occurrence of a Default, an Officers' Certificate setting forth the details of the Default, and the action which the Company proposes to take with respect thereto.

Further, the Company and each Subsidiary Guarantor have agreed that, for as long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, during any period in which the Company or such Subsidiary Guarantor is neither subject to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Company and such Subsidiary Guarantor, shall supply to (i) any Holder or beneficial owner of a Note or (ii) a prospective purchaser of a Note or a beneficial interest therein designated by such Holder or

beneficial owner, the information specified in, and meeting the requirements of Rule 144A(d)(4) under the Securities Act upon the request of any Holder or beneficial owner of a Note.

Events of Default

The following events will be defined as "Events of Default" in the Indenture:

(1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

(2) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;

(3) default in the performance or breach of the provisions of the covenants described under "− Mandatory Redemption," "— Consolidation, Merger and Sale of Assets," or "— Limitation on Liens," or the failure to make or consummate an Offer to Purchase in the manner described under the captions "— Repurchase of Notes upon a Change of Control" or "— Limitation on Asset Sales," or any failure by the Company and PT Banten West Java Tourism Development to create a first priority Lien (subject to any Permitted Liens) on the Collateral in accordance with the covenant described in "— Security";

(4) the Company or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the Holders of 25% or more in aggregate principal amount of the Notes;

(5) there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US$7.5 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (a) an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and/or (b) the failure to make a principal payment when due;

(6) one or more final judgments or orders for the payment of money are rendered against the Company or any of its Restricted Subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons to exceed US$7.5 million (or the Dollar Equivalent thereof) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

(7) an involuntary case or other proceeding is commenced against the Company or any Restricted Subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Restricted Subsidiary or for any substantial part of the property and assets of the Company or any Restricted Subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or any Restricted Subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;

(8) the Company or any Restricted Subsidiary (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Restricted Subsidiary or for all or substantially all of the property and assets of the Company or any Restricted Subsidiary or (c) effects any general assignment for the benefit of creditors;

(9) any Subsidiary Guarantor denies or disaffirms in writing its obligations under its Subsidiary Guarantee or any Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect, or the Company or any Subsidiary Guarantor repudiates the Indenture, the Notes or any Subsidiary Guarantee or does or causes or permits to be done any act or thing evidencing an intention to repudiate such agreement or, except as permitted by the Indenture;

(10) a moratorium is agreed or declared in respect of any Indebtedness of the Company or any Subsidiary Guarantor or any governmental authority shall take any action to condemn, seize, nationalize or appropriate all or a substantial part of the assets of the Company or any Subsidiary Guarantor or all or a substantial part of the Capital Stock of the Company or any Subsidiary Guarantor, the Notes or any Subsidiary Guarantee, or the Company or any Subsidiary Guarantor shall be prevented from exercising normal control over all or a substantial part of its property;

(11) the capital and/or currency exchange controls in place in the Republic of Indonesia on the Original Issue Date shall be modified or amended in a manner that prevents or will prevent the Company or any Subsidiary Guarantor from performing its payment obligations under the Indenture, the Notes or any Subsidiary Guarantee;

(12) it is or will become unlawful for the Company or any Subsidiary Guarantor to perform or comply with any of its obligations under or in respect of the Indenture, the Notes, any Subsidiary Guarantee or any Security Document;

(13) any default by the Company or PT Banten West Java Tourism Development in the performance of any of its obligations under the Security Documents that adversely affects the enforceability, validity, perfection or priority of the Lien on the Collateral or that adversely affects the condition or value of the Collateral, taken as a whole, in any material respect; or

(14) the Company or PT Banten West Java Tourism Development denies or disaffirms its obligations under any Security Document or, other than in accordance with the Indenture and the Security Documents, any Security Document ceases to be or is not in full force and effect or the Collateral Agent or the Trustee ceases to have a first-priority Lien over the Collateral (other than the Permitted Liens).

If an Event of Default (other than an Event of Default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written direction of Holders of at least 25% in aggregate principal amount of the Notes then outstanding shall, subject to being indemnified and/or secured and/or prefunded to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an Event of Default specified in clause (7) or (8) above occurs with respect to the Company or any Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder. After any such acceleration, but before a judgment or decree based on acceleration is obtained by the Trustee, the Holders of a majority in aggregate principal amount of the Notes then outstanding, by written notice to the Company and the Trustee, may choose to rescind and annul such acceleration if all existing Events of Default, other than the nonpayment of accelerated principal, premium or interest, have been cured or waived as provided in the Indenture.

If an Event of Default occurs and is continuing, the Trustee may pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes, the Indenture or the Security Documents. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. In addition, if an Event of Default occurs and is continuing, the Trustee may, and shall upon written direction of the Holders of at least 25% in aggregate principal amount of outstanding Notes (subject to receipt of security, indemnity and/or prefunding to each of the Trustee's and the Collateral Agent's satisfaction) (i) give the Collateral Agent a written notice of the occurrence of such continuing Event of Default and (ii) instruct the Collateral Agent in accordance with the terms of the Indenture and the Security Documents relating to the Collateral to foreclose on the Collateral in accordance with the terms of the Security Documents and take such further action on behalf of the Holders with respect to the Collateral in accordance with such Holders' instruction and the relevant Security Documents. See "— Security."

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or the Collateral Agent or exercising any trust or power conferred on the Trustee or the Collateral Agent. However, the Trustee may (in its sole and absolute discretion and subject to such legal or other advice as it may deem appropriate) refuse to follow any direction that (i) conflicts with law, the Indenture or the Security Documents, (ii) may be unduly prejudicial to the rights of other Holders of Notes, or (iii) may involve the Trustee or Collateral Agent in personal liability. In addition, each of the Trustee and the Collateral Agent will not be required to expend its own funds under any circumstances.

Subject to the provisions of the Indenture relating to the duties of the Trustee, the Trustee will be under no obligation to exercise any of the rights or powers under the Indenture at the request or direction of any Holders unless Holders of at least 25% in aggregate principal amount of Notes outstanding have instructed the Trustee in writing and have offered to the Trustee security and/or indemnity (including by way of pre-funding) to its satisfaction (which, in the case of a direction to enforce the Deed of Guarantee, or any other document governed under the laws of the Republic of Indonesia against the Subsidiary Guarantors or any other Person, shall be subject to the provisions of the Indenture) against any loss, liability or expense.

A Holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture or the Notes, unless:

(1) the Holder has previously given the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer the Trustee indemnity and/or security and/or prefunding satisfactory to the Trustee against any costs, liability or expense to be incurred in compliance with such request;

(4) the Trustee does not comply with the request within 60 days after receipt of the written request and the offer of indemnity and/or security and/or prefunding; and

(5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a written direction that is inconsistent with the request.

However, such limitations do not apply to the right of any Holder to receive payment of the principal of, premium, if any, or interest on, such Note, or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right, save as provided under "— Amendments with Consent of Holders," shall not be impaired or affected without the consent of the Holder.

Notwithstanding anything to the contrary herein or in any provision of the Indenture, any Deed of Guarantee, the Security Documents or any other document relating to the Notes, in the event the Trustee shall receive instructions and/or indemnity and/or security and/or prefunding from two or more groups of Holders, each holding at least 25% in aggregate principal amount of the outstanding Notes, and the Trustee believes (in its sole and absolute discretion and subject to such legal or other advice as it may deem appropriate) that such instructions are conflicting, the Trustee may, in its sole discretion, exercise any one or more of the following options:

(1) refrain from acting on any such conflicting instructions:

(2) take the action requested by the Holders of the highest percentage of the aggregate principal amount of the then outstanding Notes, notwithstanding any provisions of the Indenture (and always subject to such indemnification, security and/or prefunding as is satisfactory to the Trustee); and

(3) petition a court of competent jurisdiction for further instructions.

(4) In all such instances where the Trustee has acted or refrained from acting as outlined above, the Trustee shall not be responsible or liable for any losses or liability of any nature whatsoever to any party.

Two Officers of the Company must certify to the Trustee in writing, on or before a date not more than 120 days after the end of each fiscal year, that a review has been conducted of the activities of the Company and its Restricted Subsidiaries and the Company's and its Restricted Subsidiaries' performance under the Indenture and that the Company has fulfilled all obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to promptly, and in any event no later than five Business Days, notify the Trustee in writing of any default or defaults in the performance of any covenants or agreements under the Indenture. See "— Provision of Financial Statements and Reports." The Trustee shall not be deemed to have knowledge of a Default or Event of Default unless and until it obtains express written notification of such Default or Event of Default describing the circumstances of such, and identifying the circumstances constituting such Default or Event of Default.

Consolidation, Merger and Sale of Assets

The Company will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless:

(1) the Company shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "Surviving Person") shall be a corporation organized and validly existing under the laws of Indonesia and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of the Company under the Indenture, the Security Documents and the Notes, including the obligation to pay Additional Amounts, and the Indenture, the Security Documents and the Notes shall remain in full force and effect;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person, as the case may be, will have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(4) immediately after giving effect to such transaction on a pro forma basis the Company or the Surviving Person, as the case may be, could Incur at least US$1.00 of Indebtedness under the proviso in part (1) of the covenant described under "— Limitation on Indebtedness and Preferred Stock;"

(5) the Company delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4) of this paragraph) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this covenant and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with;

(6) each Subsidiary Guarantor, unless such Subsidiary Guarantor is the Person with which the Company has entered into a transaction described in this paragraph, shall execute and deliver (i) a supplemental indenture to the Indenture confirming that its Subsidiary Guarantee, shall apply to the obligations of the Company or the Surviving Person in accordance with the Notes and the Indenture; and (ii) a Deed of Guarantee governed by the laws of Indonesia providing for such Subsidiary Guarantor's guarantee of the due and punctual payment of the principal of, premium (if any) and interest on, and all other amounts payable under, the Notes under the laws of Indonesia; and

(7) no Rating Decline shall have occurred.

No Subsidiary Guarantor will consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person (other than to the Company or another Subsidiary Guarantor), unless:

(1) such Subsidiary Guarantor shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets shall be the Company or another Subsidiary Guarantor or shall become a Subsidiary Guarantor concurrently with the transaction; and shall expressly assume, by a supplemental indenture to the Indenture, executed and delivered to the Trustee, all the obligations of such Subsidiary Guarantor under the Indenture and the Notes, as the case may be, including the obligation to pay Additional Amounts, and shall enter into a Deed of Guarantee governed by the laws of Indonesia providing for such Subsidiary Guarantor's guarantee of the due and punctual payment of the principal of, premium (if any) and interest on, and all other amounts payable under, the Notes, and the Indenture, the Notes and the Subsidiary Guarantee, and such Deed of Guarantee, as the case may be, shall remain in full force and effect;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction on a *pro forma* basis, the Company will have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(4) immediately after giving effect to such transaction on a pro forma basis, the Company could Incur at least US$1.00 of Indebtedness under the proviso in part (1) of the covenant described under "— Limitation on Indebtedness and Preferred Stock;"

(5) the Company delivers to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4) of this paragraph) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with; and

(6) no Rating Decline shall have occurred;

provided that this paragraph shall not apply to (a) any sale or other disposition that complies with the "— Limitation on Asset Sales" covenant or any Subsidiary Guarantor whose Subsidiary Guarantee, is unconditionally released in accordance with the provisions described under "— The Subsidiary Guarantees — Release of the Subsidiary Guarantees" and (b) a consolidation or merger of any Subsidiary Guarantor with and into the Company or any other Subsidiary Guarantor, so long as the Company or such Subsidiary Guarantor survives such consolidation or merger.

Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve "all or substantially all" of the property or assets of a Person.

The foregoing provisions would not necessarily afford Holders protection in the event of highly leveraged or other transactions involving the Company that may adversely affect Holders.

No Payments for Consents

The Company will not, and shall not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid or is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment.

Defeasance

Defeasance and Discharge

The Indenture will provide that the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 183rd day after the deposit referred to below, and the provisions of the Indenture will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to maintain paying agencies and to hold monies for payment in trust) if, among other things:

(1) the Company (a) has deposited with the Trustee (or its agent), in trust, money, U.S. Government Obligations or any combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity for such payments in accordance with the terms of the Indenture and the Notes and (b) delivers to the Trustee an Opinion of Counsel or a certificate of an internationally recognized firm of independent accountants to the effect that the amount deposited by the Company is sufficient to provide payment for the principal of, premium, if any, and accrued interest on, the Notes on the Stated Maturity for such payment in accordance with the terms of the Indenture and the Notes and an Opinion of Counsel to the effect that the Holders have a valid, perfected, exclusive security in the trust;

(2) the Company has delivered to the Trustee (a) either (i) an Opinion of Counsel from a firm of recognized international standing with respect to U.S. federal income tax matters which is based on a change in applicable U.S. federal income tax law occurring after the Original Issue Date to the effect that beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the Company's exercise of its option under this "Defeasance and Discharge" provision and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit, defeasance and discharge had

not occurred or (ii) a ruling directed to the Trustee received from the U.S. Internal Revenue Service to the same effect as the aforementioned Opinion of Counsel and (b) an Opinion of Counsel from a firm of recognized international standing to the effect that the creation of the defeasance trust does not violate the U.S. Investment Company Act of 1940, as amended, and after the passage of 183 days following the deposit, the trust fund will not be subject to the effect of Section 547 of the United States Bankruptcy Code or Section 15 of the New York Debtor and Creditor Law;

(3) the Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by it with the intent of preferring the Holders over any other of its creditors or with the intent of defeating, hindering, delaying or defrauding any other of its creditors or others;

(4) immediately after giving effect to such deposit on a pro forma basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the 183rd day after the date of such deposit, and such defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company or any of its Restricted Subsidiaries is a party or by which the Company or any of its Restricted Subsidiaries is bound; and

(5) the Company has delivered to the Trustee an Officers' Certificate and Opinion of Counsel, each stating that all conditions precedent to the defeasance and discharge of the Notes have been complied with as required by the Indenture.

In the case of either discharge or defeasance of the Notes, the Subsidiary Guarantees will terminate.

Defeasance of Certain Covenants

The Indenture further will provide that the provisions of the Indenture applicable to the Notes will no longer be in effect with respect to clauses (3), (4), (5)(x) and (7) under the second paragraph, and clauses (3), (4), (5)(x) and (6) under the third paragraph under "— Consolidation, Merger and Sale of Assets" and all the covenants described herein under "— Certain Covenants," other than as described under "— Certain Covenants — Government Approvals and Licenses; Compliance with Law" and "— Certain Covenants — Anti-Layering," clause (3) under "Events of Default" with respect to clauses (3), (4), (5)(x) and (7) under the second paragraph, and clauses (3), (4), (5)(x) and (6) under the third paragraph under "Consolidation, Merger and Sale of Assets" and with respect to the other events set forth in such clause, clause (4) under "Events of Default" with respect to such other covenants and clauses (5) and (6) under "Events of Default" shall be deemed not to be Events of Default upon, among other things, the deposit with the Trustee (or its agent), in trust, of money, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes, the satisfaction of the provisions described in clauses (2)(b), (3) and (5) of the first paragraph under the caption "— Defeasance and Discharge" and the delivery by the Company to the Trustee of an Opinion of Counsel from a firm of recognized international standing with respect to U.S. federal income tax matters to the effect that beneficial owners of the Notes will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance of certain covenants and Events of Default and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred.

Defeasance and Certain Other Events of Default

In the event that the Company exercises its option to omit compliance with certain covenants and provisions of the Indenture as described in the immediately preceding paragraph and the Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of money and/or U.S. Government Obligations on deposit with the Trustee will be sufficient to pay amounts due on the Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Notes at the time of the acceleration resulting from such Event of Default. However, the Company and the Subsidiary Guarantors will remain liable for such payments.

Amendments and Waiver

Amendments Without Consent of Holders

The Indenture, the Notes, the Subsidiary Guarantees or the Security Documents may be amended, without the consent of any Holder, to:

(1) cure any ambiguity, manifest error, defect, omission or inconsistency in the Indenture, the Notes, the Subsidiary Guarantees or the Security Documents;

(2) comply with the provisions described under "— Consolidation, Merger and Sale of Assets;"

(3) evidence and provide for the acceptance of appointment by a successor Trustee or successor Collateral Agent;

(4) add any Subsidiary Guarantor or any Subsidiary Guarantee, or release any Subsidiary Guarantor from any Subsidiary Guarantee, as provided or permitted by the terms of the Indenture;

(5) provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;

(6) add additional collateral to secure the Notes or any Subsidiary Guarantee;

(7) in any other case where a supplemental indenture to the Indenture is required or permitted to be entered into pursuant to the provisions of the Indenture without the consent of any Holder;

(8) effect any changes to the Indenture in a manner necessary to comply with the procedures of DTC, Euroclear or Clearstream;

(9) make any other change that does not materially and adversely affect the rights of any Holder; or

(10) conform the text of the Indenture, the Notes, the Subsidiary Guarantees or the Security Documents to any provision of this "Description of the New Notes" to the extent that such provision in this "Description of the New Notes" was intended to be a verbatim recitation of a provision in the Indenture, the Notes, the Subsidiary Guarantees or the Security Documents.

Amendments With Consent of Holders

The Indenture, the Notes, the Subsidiary Guarantees or the Security Documents may be modified or amended, and future compliance with any provision thereof may be waived, with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes; *provided*, however, that no such modification, amendment or waiver may, without the consent of Holders holding no less than 75% of the aggregate principal amount of the outstanding Notes at the time of such consent:

(1) change the Stated Maturity of the principal of, or any installment of interest on, any Note;

(2) reduce the principal amount of, or premium, if any, or interest on, any Note;

(3) change the place, currency or time of payment of principal of, or premium, if any, or interest on, any Note;

(4) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note or any Subsidiary Guarantee;

(5) reduce the above-stated percentage of outstanding Notes the consent of whose Holders is necessary to modify or amend the Indenture or any Subsidiary Guarantee;

(6) waive a default in the payment of principal of, premium, if any, or interest on the Notes;

(7) release any Subsidiary Guarantor from its Subsidiary Guarantee (or related Deed of Guarantee), except as provided in the Indenture;

(8) reduce the percentage or aggregate principal amount of outstanding Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults;

(9) amend, change or modify any Subsidiary Guarantee or Deed of Guarantee in a manner that adversely affects the Holders, except as provided in the Indenture;

(10) reduce the amount payable upon a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from any Asset Sale or, change the time or manner by which a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale, in each case after the occurrence of a Change of Control or the event giving rise to the repurchase of the Notes under "— Limitation on Asset Sales;"

(11) change the redemption date or the redemption price of the Notes from that stated under the captions "– Mandatory Redemption," "— Optional Redemption" or "— Redemption for Taxation Reasons;"

(12) amend, change or modify the obligation of the Company or any Subsidiary Guarantor to pay Additional Amounts;

(13) amend, change or modify any provision of the Indenture or the related definition affecting the ranking of the Notes or any Subsidiary Guarantee in a manner which adversely affects the Holders;

(14) amend, change or modify any provision of any Security Document or any provision of the Indenture relating to the Collateral, in a manner that adversely affects the Holders, except in accordance with the provisions of the Indenture or such Security Document; or

(15) release any Collateral, except as provided in the Indenture and the Security Documents.

Unclaimed Money

Claims against the Company for the payment of principal of, premium, if any, or interest, on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of six years.

No Personal Liability of Incorporators, Stockholders, Officers, Directors or Employees

No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company or any of the Subsidiary Guarantors in the Indenture, or in any of the Notes or the Subsidiary Guarantees, or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of the Company or any of the Subsidiary Guarantors, or of any successor Person thereof. Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes and the Subsidiary Guarantees. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws.

Concerning the Trustee and the Agents

The Bank of New York Mellon has been appointed as Trustee under the Indenture and as registrar (the "Registrar"), principal paying and transfer agent (the "Principal Paying and Transfer Agent" and together with the Registrar, the "Agents") with regard to the Notes. Except during the continuance of an Event of Default, the Trustee will not be liable, except for the performance of such duties as are specifically set forth in the Indenture and no implied covenant or obligation shall be read into the Indenture against the Trustee. If an Event of Default has occurred and is continuing, the Trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture as a prudent person would exercise under the circumstances in the conduct of such person's own affairs. The Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any Holder, unless Holders of at least 25% in aggregate principal amount of Notes outstanding have instructed the Trustee in accordance with the Indenture and shall have offered to the Trustee security and/or indemnity and/or prefunding satisfactory to it against any loss, liability or expense that might be incurred by it in compliance with such request or direction; *provided that*, with respect to a request or direction from Holders to enforce any Deed of Guarantee, or any other document governed under the laws of the Republic of Indonesia against the Subsidiary Guarantors or any other Person, such security and indemnity shall include, without limitation (and without limiting the Trustee's ability to accept other forms of security and/or indemnity), prefunding by the requesting Holders of an account in the name of the Trustee in such amounts as the Trustee determines in its sole and absolute discretion. The foregoing prefunding requirements shall be in addition, and subject in all respects, to any other requirements of the

Trustee regarding the indemnity and/or security to be provided to it in connection with any such enforcement request, including requirements regarding the creditworthiness of the requesting Holders. Pursuant to the terms of the Indenture, the Company and the Subsidiary Guarantors will jointly and severally reimburse the Trustee, the Registrar and the Principal Paying and Transfer Agent for all fees, costs and expenses. Furthermore, each Noteholder, by accepting the Notes will agree, for the benefit of the Trustee, that it is solely responsible for its own independent appraisal of, and investigation into, all such risks arising under or in connection with the Notes and the Indenture and has not relied on and will not at any time rely on the Trustee in respect of such risks.

Notwithstanding anything to the contrary herein, whenever the Trustee is required or entitled by the terms of the Indenture to exercise any discretion or power, take any action of any nature, make any decision or give any direction or certification, the Trustee is entitled, prior to exercising any such discretion or power, taking any such action, making any such decision, or giving any such direction or certification, to solicit Holders for direction, and the Trustee is not responsible for any loss or liability incurred by any person as a result of any delay in it exercising such discretion or power, taking such action, making such decision, or giving such direction or certification where the Trustee is seeking such directions or the non-exercise of such discretion or power, or not taking any such action or making any such decision or giving any such direction or certification in the absence of any such directions from Holders. In any event, and as provided elsewhere herein, even where the Trustee has been directed by the Holders, the Trustee shall not be required to exercise any such discretion, power or take any such action as aforesaid unless it has been indemnified and/or secured and/or prefunded to its satisfaction.

The Indenture contains limitations on the rights of the Trustee, should it become a creditor of the Company or any of the Subsidiary Guarantors, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions, including normal banking and trustee relationships, with the Company and its Affiliates; *provided*, *however*, that if it acquires any conflicting interest, it must eliminate such conflict or resign.

Concerning the Collateral Agent

Watiga Trust Ltd has been appointed as Collateral Agent with regard to the Collateral under the Security Documents.

The Trustee has not conducted any due diligence or investigation with respect to the Collateral Agent or its ability to perform its required duties and accepts no responsibility or liability for any acts, omissions or defaults of the Collateral Agent and the Collateral Agent shall not under any circumstances be construed as an agent of the Trustee.

The Collateral Agent will also enter in and execute the Indenture in order to declare a trust in favor of the secured parties under the Security Documents and shall not under any circumstances be construed as an agent of the Trustee. Furthermore and without prejudice to any duty owed by the Collateral Agent to the secured parties under the Security Documents, the Trustee shall not owe any principal-agent, trustee-beneficiary or fiduciary relationship to the Collateral Agent.

Book-Entry; Delivery and Form

The certificates representing the Notes will be issued in fully registered form without interest coupons. Notes sold in offshore transactions in reliance on Regulation S under the Securities Act will initially be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each a "Regulation S Global Note") and will be deposited with The Bank of New York Mellon, as custodian for, and registered in the name of a nominee of, DTC for the accounts of Euroclear and Clearstream.

Notes sold in reliance on Rule 144A will be represented by one or more permanent global notes in definitive, fully registered form without interest coupons (each a "Restricted Global Note;" and together with the Regulation S Global Notes, the "Global Notes") and will be deposited with The Bank of New York Mellon, as custodian for, and registered in the name of a nominee of, DTC.

Each Global Note (and any Notes issued for exchange therefor) will be subject to certain restrictions on transfer set forth therein as described under "Transfer Restrictions."

Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC ("participants") or persons who hold interests through participants. Ownership of beneficial interests in a Global Note will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Qualified institutional buyers may hold their interests in a Restricted Global Note directly through DTC if they are participants in such system, or indirectly through organizations which are participants in such system.

Investors may hold their interests in a Regulation S Global Note directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such system. Euroclear and Clearstream will hold interests in the Regulation S Global Notes on behalf of their participants through DTC.

So long as DTC, or its nominee, is the registered owner or holder of a Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Global Note for all purposes under the Indenture and the Notes. No beneficial owner of an interest in a Global Note will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Indenture and, if applicable, those of Euroclear and Clearstream.

In considering the interests of Holders while the Global Note is held on behalf of, or registered in the name of any nominee for, a clearing system, the Trustee may have regard to any certificate, report or any other information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Note and may consider such interests as if such accountholders were the holders of the Notes represented by the Global Notes. The Trustee may call for any certificate or other document to be issued by the relevant clearing system as to the principal amount of Notes evidenced by the Global Note standing to the account of any person. Any such certificate or other document shall be conclusive and binding for all purposes. The Trustee shall not be liable to any Holder, the Company, the Guarantors or any other person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by the relevant clearing system and subsequently found to be forged or not authentic or not to be correct.

Payments of the principal of, and interest on, a Global Note will be made to DTC or its nominee, as the case may be, as the registered owner thereof. Neither the Company, any of the Subsidiary Guarantors, the Trustee or the Agents will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a Global Note or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

The Company expects that DTC or its nominee, upon receipt of any payment of principal or interest in respect of a Global Note, will credit participants' accounts with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of DTC or its nominee. The Company also expects that payments by participants to owners of beneficial interests in such Global Note held through such participants will be governed by standing instructions and customary practices, as is now the case with securities held for the accounts of customers registered in the names of nominees for such customers. Such payments will be the responsibility of such participants.

Transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

The Company expects that DTC will take any action permitted to be taken by a Holder (including the presentation of Notes for exchange as described below) only at the direction of one or more participants to whose account the DTC interests in a Global Note is credited and only in respect of such portion of the aggregate principal amount of Notes as to which such participant or participants has or have given such direction.

The Company understands that: DTC is a limited purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "Clearing Agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participants and to facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies and certain other organizations that clear through or maintain a custodial relationship with a participant, either directly or indirectly ("indirect participants").

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in a Global Note among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Company, any of the Subsidiary Guarantors, the Trustee or the Agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

If DTC is at any time unwilling or unable to continue as a depository for the Global Notes and a successor depositary is not appointed within 90 days, the Company will issue Certificated Notes in registered form, which may bear the legend referred to under

"Transfer Restrictions," in exchange for the Global Notes. Holders of an interest in a Global Note may receive Certificated Notes, which may bear the legend referred to under "Transfer Restrictions," in accordance with the DTC's rules and procedures in addition to those provided for under the Indenture.

The Company will appoint and maintain a Singapore paying agent in the event that the Global Notes are exchanged for Certificated Notes, and the Company shall provide details of such exchange including all material information with respect to the delivery of the Certificated Notes, including details of the Singapore paying agent by way of an announcement to the SGX-ST, for so long as the Notes are listed on the SGX-ST.

The Clearing Systems

General

DTC, Euroclear and Clearstream have advised the Company as follows:

DTC. DTC is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom own DTC, and may include the Initial Purchasers. Indirect access to the DTC system is also available to others that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Transfers of ownership or other interests in Notes in DTC may be made only through DTC participants. In addition, beneficial owners of Notes in DTC will receive all distributions of principal of and interest on the Notes from the Trustee through such DTC participant.

Euroclear and Clearstream. Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants. Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Initial Settlement

Initial settlement for the Notes will be made in immediately available funds. All Notes issued in the form of global notes will be deposited with The Bank of New York Mellon, as custodian for DTC. Investors' interests in Notes held in book-entry form by DTC will be represented through financial institutions acting on their behalf as direct and indirect participants in DTC. As a result, Euroclear and Clearstream will initially hold positions on behalf of their participants through DTC.

Investors electing to hold their Notes through DTC (other than through accounts at Euroclear or Clearstream) must follow the settlement practices applicable to United States corporate debt obligations. The securities custody accounts of investors will be credited with their holdings against payment in same day funds on the settlement date.

Investors electing to hold their Notes through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Notes will be credited to the securities custody accounts of Euroclear Holders and of Clearstream Holders on the Business Day following the settlement date against payment for value on the settlement date.

Secondary Market Trading

Because the purchaser determines the place of delivery, it is important to establish at the time of trading of any Notes where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Trading between DTC Participants. Secondary market trading between DTC participants will occur in the ordinary way in accordance with DTC rules and will be settled using the procedures applicable to United States corporate debt obligations in same-day funds using DTC's Same Day Funds Settlement System.

Trading between Euroclear and Clearstream Participants. Secondary market trading between Euroclear participants and Clearstream participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream and Euroclear and will be settled using the procedures applicable to conventional Eurobonds in same-day funds.

Trading between DTC Seller and Euroclear or Clearstream Purchaser. When Notes are to be transferred from the account of a DTC participant to the account of a Euroclear participant or a Clearstream participant, the purchaser must send instructions to Euroclear or Clearstream through a participant at least one business day prior to settlement. Euroclear or Clearstream, as the case may be, will receive the Notes against payment. Payment will then be made to the DTC participant's account against delivery of the Notes. Payment will include interest accrued on the Notes from and including the last interest payment date to and excluding the settlement date, on the basis of a calendar year consisting of twelve 30-day calendar months. For transactions settling on the 31st day of the month, payment will include interest accrued to and excluding the first day of the following month. Payment will then be made to the DTC participant's account against delivery of the Notes. After settlement has been completed, the Notes will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the Euroclear participant's or Clearstream participant's account. Credit for the Notes will appear on the next day (European time) and cash debit will be back-valued to, and the interest on the Notes will accrue from, the value date (which would be the preceding day when settlement occurs in New York). If settlement is not completed on the intended value date (i.e., the trade date fails), the Euroclear or Clearstream cash debit will be valued instead as of the actual settlement date.

Euroclear participants or Clearstream participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to pre-position funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within Euroclear or Clearstream. Under this approach, they may take on credit exposure to Euroclear or Clearstream until the Notes are credited to their accounts one day later.

As an alternative, if Euroclear or Clearstream has extended a line of credit to them, participants can elect not to pre-position funds and allow that credit line to be drawn upon to finance settlement. Under this procedure, Euroclear participants or Clearstream participants purchasing Notes would incur overdraft charges for one day, assuming they cleared the overdraft when the Notes were credited to their accounts. However, interest on the Notes would accrue from the value date. Therefore, in many cases, the investment income on Notes earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each participant's particular cost of funds.

The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC participant, a cross-market transaction will settle no differently than a trade between two DTC participants.

Finally, day traders that use Euroclear or Clearstream and that purchase Notes from DTC participants for credit to Euroclear participants or Clearstream participants should note that these trades will automatically fail on the sale side unless affirmative action is taken. At least three techniques should be readily available to eliminate this potential problem:

(1) borrowing through Euroclear or Clearstream for one day (until the purchase side of the day trade is reflected in their Euroclear account or Clearstream account) in accordance with the clearing system's customary procedures;

(2) borrowing the Notes in the United States from a DTC participant no later than one day prior to settlement, which would give the Notes sufficient time to be reflected in the borrower's Euroclear account or Clearstream account in order to settle the sale side of the trade; or

(3) staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the DTC participant is at least one day prior to the value date for the sale to the Euroclear participants or Clearstream participants.

Trading between *Euroclear or Clearstream Seller and DTC Purchaser*. Due to the time zone differences in their favor, Euroclear participants or Clearstream participants may employ their customary procedures for transactions in which Notes are to be transferred by the respective clearing system to another DTC participant. The seller must send instructions to Euroclear or Clearstream through a participant at least one business day prior to settlement. In these cases, Euroclear or Clearstream will credit the Notes to the DTC participant's account against payment. Payment will include interest accrued on the Notes from and including the last interest payment date to and excluding the settlement date, on the basis of a calendar year consisting of twelve 30-day calendar months.

For transactions settling on the 31st day of the month, payment will include interest accrued to the Notes excluding the first day of the following month. Payment will then be made to the DTC participant's account against delivery of the Notes. The payment will then be reflected in the account of the Euroclear participant or Clearstream participant the following day, and receipt of the cash proceeds in the Euroclear or Clearstream participant's account will be back-valued to the value date (which would be the preceding day when settlement occurs in New York). If the Euroclear participant or Clearstream participant has a line of credit with its respective clearing system and elects to draw on such line of credit in anticipation of receipt of the sale proceeds in its account, the back-valuation may substantially reduce or offset any overdraft charges incurred over the one-day period. If settlement is not completed on the intended value date (i.e., the trade fails), receipt of the cash proceeds in the Euroclear or Clearstream participant's account would instead be valued as of the actual settlement date.

As in the case with respect to sales by a DTC participant to a Euroclear or Clearstream participant, participants in Euroclear and Clearstream will have their accounts credited the day after their settlement date. See "— Trading between DTC Seller and Euroclear or Clearstream Purchaser" above.

None of the Company, any Subsidiary Guarantor, the Trustee or the Agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Notices

All notices or demands required or permitted by the terms of the Notes or the Indenture to be given to or by the Holders are required to be in writing and may be given or served by being sent by prepaid courier or by being deposited, first-class postage prepaid, in the United States mails (if intended for the Company or any Subsidiary Guarantor) addressed to the Company or Subsidiary Guarantor at the registered office of the Company, (if intended for the Registrar, the Principal Paying and Transfer Agent or the Trustee), at the corporate trust office of the Trustee; and (if intended for any Holder) addressed to such Holder at such Holder's last address as it appears in the Note register. Notices and other communications may also be sent via facsimile or electronic mail in accordance with the terms of the Indenture.

While the Notes are in global form, any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited and, if to the Holders, when delivered in accordance with the applicable rules and procedures of DTC. Any such notice shall be deemed to have been delivered on the day such notice is delivered to DTC or if by mail, when so sent or deposited.

Consent to Jurisdiction; Service of Process

The Company and each of the Subsidiary Guarantors will irrevocably (1) submit to the non-exclusive jurisdiction of any U.S. federal or New York state court located in the Borough of Manhattan, The City of New York in connection with any suit, action or proceeding arising out of, or relating to, the Notes, any Subsidiary Guarantee, the Indenture or any transaction contemplated thereby; and (2) designate and appoint Law Debenture for receipt of service of process in any such suit, action or proceeding.

Governing Law

Each of the Notes, the Subsidiary Guarantees and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York. The Security Documents will be governed by, and construed in accordance with, the laws of the Republic of Indonesia.

Definitions

Set forth below are defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for other capitalized terms used in this "Description of the New Notes" for which no definition is provided.

"2023 Notes" means the 6.50% Guaranteed Senior Notes due 2023 issued by Jababeka International B.V. and guaranteed by the Company and the subsidiary guarantors thereunder.

"Acquired Indebtedness" means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary whether or not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary.

"Adjusted Treasury Rate" means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

"Affiliate" means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (2) who is a director, commissioner or officer of such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) who is a spouse or any cohabitee, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew, niece or immediate family member of a Person described in clause (1) or (2). For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Applicable Premium" means with respect to any Note at any redemption date, the greater of (1) 1.00% of the principal amount of such Note and (2) the excess of (A) the present value at such redemption date of (x) the redemption price of such Note at December 15, 2028 (such redemption price being set forth in the table appearing above under the caption "— Optional Redemption"), plus (y) all required remaining scheduled interest payments due on such Note through December 15, 2028 (but excluding accrued and unpaid interest to the redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points, over (B) the principal amount of such Note on such redemption date.

"Asset Acquisition" means (1) an investment by the Company or any of its Restricted Subsidiaries in any other Person pursuant to which such Person shall become a Restricted Subsidiary or shall be merged into or consolidated with the Company or any of its Restricted Subsidiaries; or (2) an acquisition by the Company or any of its Restricted Subsidiaries of the property and assets of any Person other than the Company or any of its Restricted Subsidiaries that constitute substantially all of a division or line of business of such Person.

"Asset Disposition" means the sale or other disposition by the Company or any of its Restricted Subsidiaries (other than to the Company or another Restricted Subsidiary) of (1) all or substantially all of the Capital Stock of any Restricted Subsidiary; or (2) all or substantially all of the assets that constitute a division or line of business of the Company or any of its Restricted Subsidiaries.

"Asset Sale" means any sale, transfer or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction) of any of its property or assets (including any sale of Capital Stock of a Subsidiary or issuance of Capital Stock by a Restricted Subsidiary) in one transaction or a series of related transactions by the Company or any of its Restricted Subsidiaries to any Person; *provided* that "Asset Sale" shall not include:

(1) sales or other dispositions of inventory, receivables and other current assets (including properties under development for sale and completed properties for sale) in the ordinary course of business;

(2) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under the "— Limitation on Restricted Payments" covenant;

(3) any sale, transfer, assignment or other disposition of any property, or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Company or its Restricted Subsidiaries;

(4) any transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien;

(5) a transaction covered by the covenant described under "— Consolidation, Merger and Sale of Assets;" and

(6) any sale, transfer or other disposition by the Company or any of its Restricted Subsidiaries, including the sale or issuance by the Company or any Restricted Subsidiary of any Capital Stock of any Restricted Subsidiary, to the Company or any Subsidiary Guarantor.

"Attributable Indebtedness" means, in respect of a Sale and Leaseback Transaction, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction, including any period for which the lease has been extended or may, at the option of the lessor, be extended, determined in accordance with GAAP.

"Average Life" means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

"Board of Directors" means the board of directors of the Company or any committee of such board duly authorized to take the action purported to be taken by such committee.

"Board Resolution" means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors.

"Business Day" means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, Singapore or Indonesia (or in any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

"Capital Stock" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock, but excluding debt securities convertible into such equity.

"Capitalized Lease" means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with GAAP, is required to be capitalized on the balance sheet of such Person.

"Capitalized Lease Obligations" means the discounted present value of the rental obligations under a Capitalized Lease.

"Change of Control" means the occurrence of one or more of the following events:

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries, taken as a whole, to any "person" within the meaning Section 13(d) of the Exchange Act, other than to one or more Permitted Holders;

(2) the Company consolidates with, or merges with or into, any Person (other than one or more Permitted Holders), or any Person consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for (or continues as) Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance) and in substantially the same proportion as before the transaction;

(3) (i) the Permitted Holders are together the beneficial owners of less than 35% of the total voting power of the Voting Stock of the Company and (ii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than the Permitted Holders is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Company greater than such total voting power held beneficially by the Permitted Holders;

(4) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) other than one or more Permitted Holders is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Company greater than such total voting power held beneficially by the Permitted Holders;

(5) individuals who on the Original Issue Date constituted the Board of Directors of the Company, together with any new directors whose election to the Board of Directors was approved by a vote of at least two-thirds of the directors then still in office who were either directors on the Original Issue Date or whose election was previously so approved, cease for any reason to constitute a majority of the board of directors of the Company then in office; or

(6) the adoption of a plan relating to the liquidation or dissolution of the Company.

"Clearstream" means Clearstream Banking S.A.

"Collateral" has the meaning set forth under "— Security."

"Commodity Hedging Agreement" means any spot, forward or option commodity price protection agreements or other similar agreement or arrangement designed to protect against fluctuations in commodity prices.

"Common Stock" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding at the date of the Indenture, and includes, without limitation, all series and classes of such common stock or ordinary shares.

"Comparable Treasury Issue" means the U.S. Treasury security having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the Notes from the redemption date to December 15, 2028.

"Comparable Treasury Price" means, with respect to any redemption date:

(1) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding such redemption date, as set forth in the daily statistical release (of any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities;" or

(2) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (a) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations, or (b) if fewer than three such Reference Treasury Dealer Quotations are available, the average of all such quotations.

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period plus, to the extent such amount was deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense,

(2) income taxes (other than income taxes attributable to extraordinary and non-recurring gains (or losses) or sales of assets), and

(3) depreciation expense, amortization expense and all other non-cash items reducing Consolidated Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period), less all non-cash items increasing Consolidated Net Income (other than accrual of revenue in the ordinary course of business),

all as determined on a consolidated basis for the Company and its Restricted Subsidiaries in conformity with GAAP; *provided* that if any Restricted Subsidiary is not a Wholly Owned Restricted Subsidiary, Consolidated EBITDA shall be reduced (to the extent not otherwise reduced in accordance with GAAP) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Company or any of its Restricted Subsidiaries.

"Consolidated Fixed Charges" means, for any period, the sum (without duplication) of (1) Consolidated Interest Expense for such period and (2) all cash and non-cash dividends paid, declared, accrued or accumulated during such period on any Disqualified Stock or Preferred Stock of the Company or any Restricted Subsidiary held by Persons other than the Company or any Wholly Owned Restricted Subsidiary, except for dividends payable in the Company's Capital Stock (other than Disqualified Stock) or paid to the Company or to a Wholly Owned Restricted Subsidiary.

"Consolidated Interest Expense" means, for any period, the amount that would be included in gross interest expense on a consolidated income statement prepared in accordance with GAAP for such period of the Company and its Restricted Subsidiaries, plus, to the extent not included in such gross interest expense, and to the extent incurred, accrued or payable during such period by the Company and its Restricted Subsidiaries, without duplication, (1) interest expense attributable to Capitalized Lease Obligations, (2) amortization of debt issuance costs and original issue discount expense and non-cash interest payments in respect of any Indebtedness, (3) the interest portion of any deferred payment obligation, (4) all commissions, discounts and other fees and charges with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (5) the net costs associated with Hedging Obligations (including the amortization of fees), (6) interest accruing on Indebtedness of any other Person that is guaranteed

by the Company or any Restricted Subsidiary, (7) any capitalized interest and (8) all other non-cash interest expense, *provided* that interest expense attributable to interest on any Indebtedness bearing a floating interest rate will be computed on a pro forma basis as if the rate in effect on the date of determination had been the applicable rate for the entire relevant period.

"Consolidated Net Income" means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with GAAP; *provided* that the following items shall be excluded in computing Consolidated Net Income (without duplication):

(1) the net income (or loss) of any Person (other than the Company) that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting except that:

  (a) subject to the exclusion contained in clause (5) below, the Company's equity in the net income of any such Person for such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below); and

  (b) the Company's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income to the extent funded with cash or other assets of the Company or Restricted Subsidiaries;

(2) the net income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Company or any of its Restricted Subsidiaries or all or substantially all of the property and assets of such Person are acquired by the Company or any of its Restricted Subsidiaries;

(3) the net income (but not loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter, articles of association or other similar constitutive documents, or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;

(4) the cumulative effect of a change in accounting principles;

(5) any net after tax gains realized on the sale or other disposition of (a) any property or assets of the Company or any Restricted Subsidiary (including under any Sale and Leaseback Transaction) which is not sold in the ordinary course of its business or (b) any Capital Stock of any Person (including any gains by the Company realized on sales of Capital Stock of the Company or other Restricted Subsidiaries);

(6) any translation gains or losses due solely to fluctuations in currency values and related tax effects; and

(7) any net after-tax extraordinary or non-recurring gains.

"Consolidated Net Worth" means, at any date of determination, stockholders' equity as set forth on the most recently available quarterly consolidated balance sheet of the Company and its Restricted Subsidiaries, plus, to the extent not included, any Preferred Stock of the Company, less any amounts attributable to Disqualified Stock or any equity security convertible into or exchangeable for Indebtedness, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Company or any of its Restricted Subsidiaries, each item to be determined in conformity with GAAP.

"Currency Agreement" means any foreign exchange forward contract, currency swap agreement or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates.

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default.

"Disqualified Stock" means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed prior to the date that is 183 days after the Stated Maturity of the Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the date that is 183 days after the Stated Maturity of the Notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the Stated Maturity of the Notes; *provided* that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the Stated Maturity of the Notes shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock

than the provisions contained in the "— Limitation on Asset Sales" and "— Repurchase of Notes upon a Change of Control" covenants and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Company's repurchase of such Notes as are required to be repurchased pursuant to the "— Limitation on Asset Sales" and "— Repurchase of Notes upon a Change of Control" covenants.

"Dollar Equivalent" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by the Federal Reserve Bank of New York on the date of determination.

"DTC" means The Depository Trust Company.

"Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

"Euroclear" means Euroclear Bank SA/NV.

"Fair Market Value" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution.

"Fitch" means Fitch Ratings Ltd. or any successor to the rating agency business thereof.

"Fixed Charge Coverage Ratio" means, on any Transaction Date, the ratio of (1) the aggregate amount of Consolidated EBITDA for the then most recent four fiscal quarters immediately preceding such Transaction Date for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available and have been provided to the Trustee (the "Four Quarter Period") to (2) the aggregate Consolidated Fixed Charges during such Four Quarter Period. In making the foregoing calculation:

(a) pro forma effect shall be given to any Indebtedness, Disqualified Stock or Preferred Stock Incurred, repaid or redeemed during the period (the "Reference Period") commencing on and including the first day of the Four Quarter Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement (or under any predecessor revolving credit or similar arrangement) in effect on the last day of such Four Quarter Period), in each case as if such Indebtedness, Disqualified Stock or Preferred Stock had been Incurred, repaid or redeemed on the first day of such Reference Period; *provided* that, in the event of any such repayment or redemption, Consolidated EBITDA for such period shall be calculated as if the Company or such Restricted Subsidiary had not earned any interest income actually earned during such period in respect of the funds used to repay or redeem such Indebtedness, Disqualified Stock or Preferred Stock;

(b) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a pro forma basis and bearing a floating interest rate shall be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;

(c) pro forma effect shall be given to the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries as if such creation, designation or redesignation had occurred on the first day of such Reference Period;

(d) pro forma effect shall be given to Asset Sales and Asset Acquisitions (including giving pro forma effect to the application of proceeds of any Asset Sales) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and

(e) pro forma effect shall be given to asset sales and asset acquisitions (including giving pro forma effect to the application of proceeds of any asset disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Sales or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Sales or Asset Acquisitions that occurred on the first day of such Reference Period;

provided that to the extent that clause (d) or (e) of this sentence requires that pro forma effect be given to an Asset Acquisition or Asset Sale (or asset acquisition or asset sale), such pro forma calculation shall be based upon the Four Quarter Period immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

"GAAP" means generally accepted accounting principles in the Republic of Indonesia as in effect from time to time.

"guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part), provided that the term "guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning.

"Hedging Obligation" of any Person means the obligations of such Person pursuant to any Commodity Hedging Agreement, Currency Agreement or Interest Rate Agreement.

"Holder" means the Person in whose name a Note is registered in the Note register.

"Incur" means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided* that (1) any Indebtedness and Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (or fails to meet the qualifications necessary to remain an Unrestricted Subsidiary) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount, the accrual of interest, the accrual of dividends, the payment of interest in the form of additional Indebtedness and the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock shall not be considered an Incurrence of Indebtedness. The terms "Incurrence," "Incurred" and "Incurring" have meanings correlative with the foregoing.

"Indebtedness" means, with respect to any Person at any date of determination (without duplication):

(1) all indebtedness of such Person for borrowed money;

(2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments;

(4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;

(5) all Capitalized Lease Obligations and Attributable Indebtedness;

(6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; provided that the amount of such Indebtedness shall be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness;

(7) all Indebtedness of other Persons guaranteed by such Person to the extent such Indebtedness is guaranteed by such Person;

(8) to the extent not otherwise included in this definition, Hedging Obligations;

(9) all Disqualified Stock issued by such Person valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase or redemption price plus accrued dividends; and

(10) all obligations of such Person under conditional sale or other title retention agreements relating to assets purchased by such Person.

For the avoidance of doubt, a mandatory put option granted to a Person that obligates the Company or any Restricted Subsidiary to repurchase the Capital Stock of any Restricted Subsidiary or any other Person shall be deemed to be "Indebtedness."

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided*

(1) that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP;

(2) that money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to prefund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest; and

(3) That the amount of Indebtedness with respect to any Hedging Obligation shall be: (i) zero if Incurred pursuant to clause (2)(e) under the "Limitation on Indebtedness and Preferred Stock" covenant, or (ii) equal to the net amount payable by such Person if such Hedging Obligation terminated at that time if not Incurred pursuant to such clause.

"Independent Third Party" means any Person that is not an Affiliate of the Company.

"Interest Rate Agreement" means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates.

"Investment" means:

(1) any direct or indirect advance, loan or other extension of credit to another Person;

(2) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);

(3) any purchase or acquisition of Capital Stock, Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person;

(4) any guarantee of any obligation of another Person to the extent such obligation is outstanding and to the extent guaranteed by such Person; or

(5) all other items that would be classified as investments (including purchases of assets outside the ordinary course of business) on a balance sheet of such person prepared in accordance with GAAP.

An acquisition of assets, Capital Stock or other securities by the Company or a Subsidiary for consideration to the extent such consideration consists of Common Stock of the Company will not be deemed an Investment.

For the purposes of the provisions of the "Designation of Restricted and Unrestricted Subsidiaries" and "Limitation on Restricted Payments" covenants: (1) the Company will be deemed to have made an Investment in an Unrestricted Subsidiary in an amount equal to the Fair Market Value of the Company's proportional interest in the assets (net of the Company's proportionate interest in the liabilities owed to any Person other than the Company or a Restricted Subsidiary and that are not guaranteed by the Company or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary at the time of such designation, and (2) any property transferred to or from any Person shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

"Investment Grade" means a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or Fitch or any of their successors or assigns or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Company as having been substituted for S&P or Fitch or both, as the case may be.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

"Mandiri Term Loan Facility" means the term loan facility made available to the Company, PT Grahabuana Cikarang, PT Bekasi Power and PT Jababeka Infrastruktur under the Senior Secured Facilities Agreement dated October 10, 2022 between the Company, PT Grahabuana Cikarang, PT Bekasi Power and PT Jababeka Infrastruktur Guarantor as co-borrowers and PT Bank Mandiri (Persero) Tbk as lender, as amended, extended, renewed, restated, replaced, refinanced, supplemented or otherwise modified in whole or in part.

"Material Acquisition or Disposition" means any transaction that would require the preparation of pro forma financial information pursuant to Rule 11-01(a) or (b) of Regulation S-X promulgated under the Securities Act, assuming that such Rule is applicable to the Company (whether or not the Rule is in fact so applicable).

"Measurement Date" means July 26, 2012.

"Minimum Collateral Size" means the Initial Minimum Collateral Size, subject to reduction as permitted under the first paragraph of "— Mandatory Redemption."

"Moody's" means Moody's Investors Service, Inc. and its successors.

"Net Cash Proceeds" means:

(1) with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of:

    (a) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;

    (b) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Company and its Restricted Subsidiaries, taken as a whole;

    (c) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale;

    (d) appropriate amounts to be provided by the Company or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other postemployment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP; and

(2) with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Note Documents" means the Indenture, the Notes and the Subsidiary Guarantees.

"Offer to Purchase" means an offer to purchase Notes by the Company from the Holders commenced by the Company mailing a notice by first class mail, postage prepaid, to the Trustee, the Principal Paying and Transfer Agent and each Holder at its last address appearing in the Note register stating:

(1) the provision in the Indenture pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a pro rata basis;

(2) the purchase price and the date of purchase (which shall be a Business Day no earlier than 30 days nor later than 60 days from the date such notice is mailed) (the "Offer to Purchase Payment Date");

(3) that any Note not tendered will continue to accrue interest pursuant to its terms;

(4) that, unless the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;

(5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Note completed, to the Principal Paying and Transfer Agent at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

(6) that Holders will be entitled to withdraw their election if the Principal Paying and Transfer Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and

(7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; provided that each Note purchased and each new Note issued shall be in a principal amount of US$100,000 or integral multiples of US$1,000 in excess thereof.

At 11:00 a.m. one Business Day prior to the Offer to Purchase Payment Date, the Company shall deposit with the Principal Paying and Transfer Agent money sufficient to pay the purchase price of all Notes or portions thereof to be accepted by the Company for payment on the Offer to Purchase Date. On the Offer to Purchase Payment Date, the Company shall (a) accept for payment on a pro rata basis Notes or portions thereof tendered pursuant to an Offer to Purchase; and (b) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers' Certificate specifying the Notes or portions thereof accepted for payment by the Company. The Principal Paying and Transfer Agent shall promptly mail to the Holders of Notes so accepted payment in an amount equal to the purchase price, and upon receipt of written order of the Company signed by two Officers the Trustee or the Registrar shall promptly authenticate and mail to such Holders a new Note equal in principal amount to any unpurchased portion of the Note surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US$100,000 or integral multiples of US$1,000. The Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Offer to Purchase Payment Date. The Company will comply with Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable, in the event that the Company is required to repurchase Notes pursuant to an Offer to Purchase.

To the extent that the provisions of any securities laws or regulations of any jurisdiction conflict with the provisions of the Indenture governing any Offer to Purchase, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under the Indenture by virtue of such compliance. The Company will not be required to make an Offer to Purchase if a third party makes the Offer to Purchase in compliance with the requirements set forth in the Indenture applicable to an Offer to Purchase made by the Company and purchases all Notes properly tendered and not withdrawn under the Offer to Purchase.

The offer is required to contain or incorporate by reference information concerning the business of the Company and its Subsidiaries which the Company in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Company to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

"Officer" means, in the case of the Company, one of the executive officers of the Company or, in the case of a Subsidiary Guarantor, one of the directors or officers of such Subsidiary Guarantor, as the case may be.

"Officers' Certificate" means a certificate signed by two Officers.

"Opinion of Counsel" means a written opinion from legal counsel who is acceptable to the Trustee in its sole discretion.

"Original Issue Date" means the date on which the Notes are originally issued under the Indenture.

"Payment Default" means (1) any default in the payment of interest on any Note when the same becomes due and payable, (2) any default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise, (3) the failure by the Company to make or consummate a Change of Control Offer in the

manner described under the caption "— Repurchase of Notes upon a Change of Control," or an Offer to Purchase in the manner described under the caption "— Limitation on Asset Sales" or (4) any Event of Default specified in clause (4) of the definition of Events of Default.

"Permitted Businesses" means any business conducted or proposed to be conducted (as described in this exchange offer and consent solicitation memorandum) by the Company and/or its Restricted Subsidiaries on the Original Issue Date and any other business reasonably related, ancillary or complementary to any such business.

"Permitted Holders" means any or all of the following:

(1) Mr. Setyono Djuandi Darmono and Mr. Hadi Rahardja;

(2) any estate, trust or beneficiary of any Person specified in clause (1) of this definition or the legal representative of any such Person or any of the foregoing; and

(3) any Affiliate (other than an Affiliate as defined in clause (2) of the definition of Affiliate) of a Person specified in clause (1) of this definition.

"Permitted Investment" means:

(1) any Investment in the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business or a Person which will, upon the making of such Investment, become a Restricted Subsidiary that is primarily engaged in a Permitted Business or be merged or consolidated with or into or transfer or convey all or substantially all its assets to, the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business;

(2) any Investment in cash or Temporary Cash Investments;

(3) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;

(4) stock, obligations or securities received in satisfaction of judgments;

(5) any Investment pursuant to a Hedging Obligation designed to protect the Company or any Restricted Subsidiary against fluctuations in commodity prices, interest rates or foreign currency exchange rates;

(6) receivables owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(7) Investments consisting of consideration received in connection with an Asset Sale made in compliance with the covenant described under "— Limitation on Asset Sales;"

(8) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "— Limitation on Liens;"

(9) advances to contractors and suppliers for the acquisition of assets or consumables or services in the ordinary course of business that are recorded as deposits or prepaid expenses on the Company's consolidated balance sheet;

(10) deposits of pre-sale proceeds made in order to secure the completion and delivery of pre-sold properties and issuance of the related land use title in the ordinary course of business;

(11) deposits made in order to comply with statutory or regulatory obligations to maintain deposits for workers compensation claims and other purposes specified by statute or regulation from time to time in the ordinary course of business;

(12) deposits made in order to secure the performance of the Company or any of its Restricted Subsidiaries and prepayments made in connection with the direct or indirect acquisition of real property or land use rights by the Company or any of its Restricted Subsidiaries, in each case in the ordinary course of business;

(13) repurchases of the Notes and the 2023 Notes;

(14) Investments in securities of trade creditors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditors or customers; and

(15) any Investment (including any deemed Investment upon the redesignation of a Restricted Subsidiary as an Unrestricted Subsidiary or upon the sale of Capital Stock of a Restricted Subsidiary) by the Company or any Restricted Subsidiary in any Person; provided that:

(a) the Person into which such Investment is made is primarily engaged in the Permitted Businesses;

(b) none of the other shareholders of or partners in such Person is a Person described in clauses (a) or (b) of the first paragraph of the covenant described under the caption "— Limitation on Transactions with Shareholders and Affiliates" (other than by reason of such shareholder or partner being an officer or director of the Company, a Restricted Subsidiary or an Unrestricted Subsidiary or by reason of being a Restricted Subsidiary or an Unrestricted Subsidiary);

(c) no Default has occurred and is continuing or would occur as a result of such Investment;

(d) the Company or any Restricted Subsidiary owns, directly or indirectly, no less than 20.0% of the voting power of the outstanding Voting Stock of the Person into which such Investment is made (after giving effect to such Investment); and

(e) such Investment, together with the aggregate of all other Investments made under this clause (15) since the Original Issue Date less any Investments made under this clause (15) that subsequently become Permitted Investments under clause (1) of this definition, shall not exceed in aggregate an amount equal to 15.0% of Total Assets;

provided further, that for the avoidance of doubt, the value of each Investment made pursuant to this clause (15) shall be valued at the time such Investment is made.

"Permitted Liens" means:

(1) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(2) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(3) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, surety and appeal bonds, government contracts, performance and return-of-money bonds and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);

(4) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and its Restricted Subsidiaries, taken as a whole;

(5) Liens encumbering property or assets under construction arising from progress or partial payments by a customer of the Company or its Restricted Subsidiaries relating to such property or assets;

(6) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person becomes, or becomes a part of, any Restricted Subsidiary; provided that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets acquired; provided further that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a Restricted Subsidiary;

(7) Liens in favor of the Company or any Subsidiary Guarantor;

(8) Liens arising from the rendering of a final judgment or order against the Company or any Restricted Subsidiary that does not give rise to an Event of Default;

(9) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;

(10) Liens encumbering customary initial deposits and margin deposits, and other Liens that are within the general parameters customary in the industry, in each case, securing Indebtedness under Hedging Obligations of the type permitted by clause (2)(f) of the covenant described under "— Limitation on Indebtedness and Preferred Stock;"

(11) Liens existing on the Original Issue Date;

(12) Liens securing Indebtedness which is Incurred to Refinance secured Indebtedness which is permitted to be Incurred under clause (2)(e) of the covenant described under "— Limitation on Indebtedness and Preferred Stock;" provided that (i) such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets securing the Indebtedness being Refinanced or (ii), in the event that such Liens extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets securing the Indebtedness being Refinanced, the Fair Market Value of the property or assets securing such Permitted Refinancing Indebtedness does not exceed the Fair Market Value of the property or assets securing the Indebtedness being refinanced, and, if the Fair Market Value of such property or assets exceeds US$10.0 million (or the Dollar Equivalent thereof), the Board of Directors' determination of the Fair Market Value of such property or assets must be based upon an opinion or appraisal issued by an appraisal or investment banking firm of recognized international standing;

(13) any interest or title of a lessor in the property subject to any operating lease;

(14) easements, rights-of-way, municipal and zoning ordinances or other restrictions as to the use of properties in favor of governmental agencies or utility companies that do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Company or any Restricted Subsidiary;

(15) Liens on deposits of pre-sale proceeds made in order to secure the completion and delivery of pre-sold properties and issuance of the related land use title made in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;

(16) Liens on deposits made in order to comply with statutory obligations to maintain deposits for workers compensation claims and other purposes specified by statute made in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;

(17) Liens on deposits made in order to secure the performance of the Company or any of its Restricted Subsidiaries in connection with the acquisition of real property or land use rights by the Company or any of its Restricted Subsidiaries in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary;

(18) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods;

(19) Liens in the form of restrictions on current accounts and time deposits placed with banks organized, or duly registered as a foreign branch, under the laws of the Republic of Indonesia or pending the delivery of title by the Company or any Restricted Subsidiary to customers in connection with sales of land or real property in the ordinary course of business and not securing Indebtedness of the Company or any Restricted Subsidiary; and

(20) Liens securing Permitted Priority Indebtedness;

(21) Liens securing Indebtedness under the Mandiri Term Loan Facility permitted by clause 2(c) of the covenant described under "— Limitation on Indebtedness and Preferred Stock;"

(22) Liens securing Permitted Notes Refinancing Indebtedness; or

(23) Liens under the Security Documents,

provided that, with respect to the Collateral, "Permitted Liens" shall only refer to the Liens set forth in clauses (1) and (23) of this definition.

"Permitted Notes Refinancing Indebtedness" means any Indebtedness of the Company or any Subsidiary Guarantor issued in exchange for, or the net proceeds of which are used to refinance or refund, replace, exchange, renew, repay, defease, discharge or extend the Notes; provided that such Indebtedness, determined as of the date of Incurrence of such Indebtedness, does not mature prior to the Stated Maturity of the Notes, and the Average Life of such Indebtedness is at least equal to the remaining Average Life of the Notes.

"Permitted Priority Indebtedness" means any Priority Indebtedness; *provided* that, on the date of determination, the aggregate amount of Priority Indebtedness then outstanding does not exceed 15% of Total Assets. In making the foregoing calculations, the amount of Permitted Priority Indebtedness, Priority Indebtedness and Total Assets as of any date of determination shall be as set forth on the most recently available quarterly consolidated balance sheet of the Company and its Restricted Subsidiaries (which the Company shall use its reasonable best efforts to compile in a timely manner and which may be internal financial statements), calculated on a pro forma basis to give effect to the following events occurring subsequent to the date of the most recently available quarterly consolidated balance sheet of the Company and its Restricted Subsidiaries (the "Reference Date"):

(a) pro forma effect shall be given to any Priority Indebtedness Incurred, repaid or redeemed since the Reference Date;

(b) pro forma effect shall be given to the provision of any Liens on Indebtedness since the Reference Date that would result in such Indebtedness becoming Priority Indebtedness, or the release of any Liens since the Reference Date that would result in any Priority Indebtedness ceasing to meet the definition of Priority Indebtedness;

(c) pro forma effect shall be given to the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries since the Reference Date;

(d) pro forma effect shall be given to the creation of any New Non-Guarantor Restricted Subsidiaries or designation of Designated Non-Guarantor Restricted Subsidiaries since the Reference Date, and the recharacterization of any Indebtedness of such entities as Priority Indebtedness;

(e) pro forma effect shall be given to Asset Sales and Asset Acquisitions (including giving pro forma effect to the application of proceeds of any Asset Sales) since the Reference Date; and

(f) pro forma effect shall be given to asset sales and asset acquisitions (including giving pro forma effect to the application of proceeds of any asset sale) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary since the Reference Date and that would have constituted Asset Sales or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset sales or asset acquisitions were Asset Sales or Asset Acquisitions.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Stock" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its terms is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"Priority Indebtedness" means, without duplication (a) any Indebtedness of any Restricted Subsidiary (other than a Subsidiary Guarantor or the Company) and (b) any Secured Indebtedness of the Company or a Subsidiary Guarantor (other than the Notes and the 2023 Notes).

"Rating Agencies" means (1) S&P and (2) Fitch and (3) if S&P or Fitch or both shall not make a rating of the Notes publicly available, a recognized securities rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for S&P or Fitch or both, as the case may be.

"Rating Category" means (1) with respect to S&P and Fitch, any of the following categories: "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories); and (2) the equivalent of any such category of S&P or Fitch used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories

("+" and "-" for S&P and Fitch; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to S&P, a decline in a rating from "BB+" to "BB-," as well as from "BB-" to "B+," will constitute a decrease of one gradation).

"Rating Date" means in connection with actions contemplated under the caption "— Consolidation, Merger and Sale of Assets," that date which is 90 days prior to the earlier of (x) the occurrence of any such actions as set forth therein and (y) a public notice of the occurrence of any such actions.

"Rating Decline" means in connection with actions contemplated under the caption "— Consolidation, Merger and Sale of Assets," the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

(a) in the event the Notes are rated by both S&P and Fitch on the Rating Date as Investment Grade, the rating of the Notes by either Rating Agency shall be below Investment Grade;

(b) in the event the Notes are rated by either, but not both, of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency shall be below Investment Grade; or

(c) in the event the Notes are rated below Investment Grade by both Rating Agencies on the Rating Date, the rating of the Notes by either Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

"Reference Treasury Dealer" means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in The City of New York, selected by the Company in good faith.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average as determined by an investment banking firm of recognized international standing of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to such investment banking firm by such Reference Treasury Dealer at 5:00 p.m. (New York City time) on the third Business Day preceding such redemption date.

"Replacement Assets" means, on any date, property or assets (other than current assets) of a nature or type or that are used in a Permitted Business, including the Capital Stock of any Person holding such property or assets that is primarily engaged in a Permitted Business and will, upon the acquisition by the Company or any of its Restricted Subsidiaries of such Capital Stock, become a Restricted Subsidiary.

"Restricted Subsidiary" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"S&P" means Standard & Poor's Ratings Services and its affiliates.

"Sale and Leaseback Transaction" means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Company or any Restricted Subsidiary transfers such property to another Person and the Company or any Restricted Subsidiary leases it from such Person.

"Secured Indebtedness" means any Indebtedness of the Company or a Restricted Subsidiary secured by a Lien.

"Securities Act" means the U.S. Securities Act of 1933, as amended.

"Security Documents" means, collectively, the pledge or charge agreements and any other agreements or instruments that, may evidence or create any security interest in favor of the Collateral Agent, the Trustee and/or any Holders in any or all of the Collateral.

"Senior Indebtedness" of the Company or a Restricted Subsidiary, as the case may be, means all Indebtedness of the Company or the Restricted Subsidiary, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be subordinated in right of payment to (a) in respect of the Company, the Notes or (b) in respect of any Restricted Subsidiary that is a Subsidiary Guarantor, its Subsidiary Guarantee; *provided* that Senior Indebtedness does not include (1) any obligation to the Company or any Restricted Subsidiary, (2) Trade Payables or (3) Indebtedness Incurred in violation of the Indenture.

"Stated Maturity" means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Indebtedness.

"Subordinated Indebtedness" means any Indebtedness of the Company or any Subsidiary Guarantor that is contractually subordinated or junior in right of payment to the Notes or any Subsidiary Guarantee, as applicable, pursuant to a written agreement to such effect.

"Subsidiary" means, with respect to any Person, any corporation, association or other business entity (i) of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person and one or more other Subsidiaries of such Person or (ii) of which 50% of the outstanding Voting Stock is owned, directly or indirectly, by such Person and which is 'controlled' and consolidated by such Person in accordance with GAAP; *provided*, *however*, that with respect to clause (ii) the occurrence of any event (other than the issuance or sale of Capital Stock) as a result of which such corporation, association or other business entity ceases to be "controlled" by such Person under GAAP and to constitute a Subsidiary of such Person shall be deemed to be an Investment by such Person in such entity.

"Subsidiary Guarantee" means any guarantee of the obligations of the Company under the Indenture and the Notes by any Subsidiary Guarantor.

"Subsidiary Guarantor" means any Initial Subsidiary Guarantor and any other Restricted Subsidiary which guarantees the payment of the Notes pursuant to the Indenture and the Notes; *provided* that Subsidiary Guarantor does not include any Person whose Subsidiary Guarantee has been released in accordance with the Indenture and the Notes.

"Temporary Cash Investment" means any of the following:

(1) direct obligations of the United States of America, the Republic of Singapore or any agency of any of the foregoing or obligations fully and unconditionally guaranteed by the United States of America, the Republic of Singapore or any agency of any of the foregoing, in each case maturing within one year;

(2) demand or time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any state thereof, the United Kingdom, Hong Kong or the Republic of Singapore, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of US$500 million (or the Dollar Equivalent thereof) and has outstanding debt which is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Rule 436 under the Securities Act) or any money market fund sponsored by a registered broker dealer or mutual fund distributor;

(3) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (2) above;

(4) commercial paper, maturing not more than 180 days after the date of acquisition thereof, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's or "A-1" (or higher) according to S&P;

(5) securities, maturing within one year of the date of acquisition thereof, issued or fully and unconditionally guaranteed by any state, commonwealth or territory of the United States of America, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P or Moody's;

(6) any money market fund that has at least 95% of its assets continuously invested in investments of the types described in clauses (1) through (5) above; and

(7) demand or time deposit accounts, certificates of deposit, overnight or call deposits and money market deposits with (i) PT Bank Central Asia Tbk, PT Bank Danamon Indonesia Tbk, PT Bank Mandiri (Persero) Tbk and PT Bank Negara Indonesia (Persero) Tbk, (ii) PT Bank CIMB Niaga Tbk, PT Bank Internasional Indonesia Tbk, PT Bank OCBC NISP Tbk, PT Bank Permata Tbk, PT Bank Rakyat Indonesia (Persero) Tbk, PT Bank Tabungan Negara (Persero) Tbk and PT Bank UOB Indonesia, (iii) any other bank, trust company or other financial institution organized under the laws of the Republic of Indonesia whose long-term debt is rated as high or higher than any of those banks listed in clause (i), or (iv) any other bank organized under the laws of the Republic of Indonesia; provided that, in the case of clause (iv), such deposits do not exceed US$12.0 million (or the Dollar Equivalent thereof) with any single bank or US$40.0 million (or the Dollar Equivalent thereof) in the aggregate, at any date of determination.

"Total Assets" means, as of any date, the total consolidated assets of the Company and its Restricted Subsidiaries measured in accordance with GAAP as of the last date of the most recently ended fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner and which may be internal financial statements) are available and have been provided to the Trustee, such calculation shall be made with such pro forma adjustments as are appropriate and consistent with the pro forma adjustments set forth in the definition of "Fixed Charge Coverage Ratio" and "Permitted Priority Indebtedness", including, without limitation, giving pro forma effect to any Indebtedness Incurred, repaid or redeemed on such date and the receipt and application of any proceeds therefrom.

"Trade Payables" means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services and payable within 90 days.

"Transaction Date" means, with respect to the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred and, with respect to any Restricted Payment, the date such Restricted Payment is to be made.

"Unrestricted Subsidiary" means (1) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided in the Indenture; and (2) any Subsidiary of an Unrestricted Subsidiary.

"U.S. Government Obligations" means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the holder thereof at any time prior to the Stated Maturity of the Notes, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

"Voting Stock" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"Wholly Owned" means, with respect to any Subsidiary of any Person, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law or minimum number of such shares owned by a second shareholder mandated by applicable law) by such Person or one or more Wholly Owned Subsidiaries of such Person.

"Wholly Owned Restricted Subsidiary" means a Restricted Subsidiary that is Wholly Owned by the Company.

DESCRIPTION OF THE INDONESIAN SECURITY DOCUMENTS AND THE COLLATERAL

The Collateral securing the New Notes will consist of first ranking mortgages (*hak tanggungan*) over land parcels measuring an area of not less than 300 hectares and located either in Tanjungjaya Village, Panimbang District, Pandeglang Regency, West Java/Banten Province or in Senang Sari Village, Pagelaran District, Pandeglang Regency, Banten Province (the "**Collateral Locations**") (the "**Collateral**").

The security interests over the Collateral will not be granted, established or perfected on the date of issuance of the New Notes and rights of holders of the New Notes in such Collateral may be adversely affected by the failure to grant, establish or perfect security interests in such Collateral. Under the terms of the New Notes Indenture, Jababeka and PT Banten West Java Tourism Development will be obligated to take all necessary actions to establish, perfect and register the security interests in the Collateral securing the New Notes and the Subsidiary Guarantees within 90 days following the New Notes Original Issue Date.

Commencing from December 15, 2023, for so long as the New Notes remain outstanding, Jababeka shall, on each anniversary of the date of issuance of the New Notes, provide to the Trustee and furnish to the Holders a report from an independent valuer setting out the fair market value of the Collateral. For the avoidance of doubt, Jababeka is not required to maintain a minimum fair market value of the Collateral. See "Risk Factors — Risks Relating to the New Notes, the Subsidiary Guarantees and the Collateral — We will have control over the Collateral, and the sale of particular assets by us could reduce the pool of assets securing the New Notes and the Subsidiary Guarantees."

At any point in time, Jababeka may, at its option, replace land parcels forming a part of the Collateral with other land parcels located in the Collateral Locations, which shall be secured by way of first ranking mortgages (*hak tanggungan*) in favour of the holders of the New Notes, as long as the land area of the Collateral is at least the Minimum Collateral Size at all times. Upon such replacement, Jababeka will promptly provide to the Trustee and the Collateral Agent an Officers' Certificate stating the details of such replacement and confirming that the Minimum Collateral Size has been complied with.

Land and Buildings

Security over land is created by way of land mortgage (*hak tanggungan*). Indonesian law adopts the concept of horizontal separation between the ownership of land and buildings standing thereon (including fixtures). The parties to land mortgage (*hak tanggungan*) are free to choose whether or not the right over the building or other fixtures will also be included into the deed of land mortgage (*hak tanggungan*). The consent of the building owner is required for land mortgage (*hak tanggungan*) over land and buildings if the land and the building standing on it are owned by different persons.

Due to the concept of horizontal separation, theoretically the building owner can create a fiducia security over the building only, subject to the landowner's consent. However, it is worth noting that the application of the concept of horizontal separation remains uncertain. Indonesian land mortgage (*hak tanggungan*) law also provides that both the building and the land can be secured together by way of land mortgage (*hak tanggungan*) if both the building owner and the landowner sign the APHT.

Land mortgage (*hak tanggungan*) is created by the execution of a deed of land mortgage (*hak tanggungan*) by the landowner ((and building owner, if any) as the security provider) and the creditor before an authorized land official. Land mortgage (*hak tanggungan*) is perfected by registering it with the relevant land office (*badan pertanahan nasional* or "**BPN**"), which will then issue a certificate of land mortgage (*hak tanggungan*) as evidence. By law, certificate of land mortgage (*hak tanggungan*) must be issued within seven days after all of the documents necessary for the registration are completed and submitted to the land office (or, if that day falls on a holiday, the next business day).

In June 2019 (as revoked by another regulation on April 8, 2020), a new regulation of the Minister of Agrarian and Spatial Planning/Head of the National Land Agency (*Badan Pertanahan Nasional*) Regulation No. 5 of 2020 on Electronically Integrated Hak Tanggungan Service, was enacted. Such regulation introduced a land mortgage (*hak tanggungan*) electronic system and provided that any registration of APHT must be conducted through the e-HT System, an integrated (*hak tanggungan*) electronic system maintained by the BPN. It is hoped that the issuance of the new regulation will expedite physical land service process and improve its transparency and efficiency. As of July 8, 2020, all land mortgage (*hak tanggungan*) services in BPN shall be migrated to the e-HT System. Therefore, the conventional land mortgage (*hak tanggungan*) services through physical submission to BPN as stipulated in the previous paragraph has ceased to exists for any new land mortgage (*hak tanggungan*) services application.

BOOK ENTRY SYSTEM

We will issue the New Notes in the form of one or more global securities in fully registered form initially in the name of Cede & Co., as nominee of DTC, or such other name as may be requested by an authorized representative of DTC. The global securities will be deposited with The Bank of New York Mellon as custodian for DTC and may not be transferred except as a whole by DTC to a nominee of DTC or by a nominee of DTC to DTC or another nominee of DTC or by DTC or any nominee to a successor of DTC or a nominee of such successor.

DTC has advised us as follows:

- DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended.
- DTC holds securities that its participants deposit with DTC and facilitates the settlement among direct participants of securities transactions, such as transfers and pledges, in deposited securities, through electronic computerized book-entry changes in direct participants' accounts, thereby eliminating the need for physical movement of securities certificates.
- Direct participants include securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations.
- DTC is owned by a number of its direct participants and by the New York Stock Exchange, Inc. and the Financial Industry Regulatory Authority, Inc.
- Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a direct participant, either directly or indirectly.
- The rules applicable to DTC and its direct and indirect participants are on file with the SEC.

Acquisitions of New Notes in the exchange offer under the DTC system must be made by or through direct participants, which will receive a credit for the New Notes on DTC's records. The ownership interest of each actual acquiror of New Notes is in turn to be recorded on the direct and indirect participants' records. Beneficial owners of the New Notes will not receive written confirmation from DTC of their acquisition, but beneficial owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participants through which the beneficial owner entered into the transaction. Transfers of ownership interests in the New Notes are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the New Notes, except in the event that use of the book-entry system for the New Notes is discontinued. None of the New Notes Trustee, the New Notes Collateral Agent or any of the Agents will have any responsibility or be liable for any aspect of the records relating to the book-entry interests.

To facilitate subsequent transfers, all New Notes deposited by direct participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of New Notes with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the New Notes; DTC's records reflect only the identity of the direct participants to whose accounts such New Notes are credited, which may or may not be the beneficial owners. The direct and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants, and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the global securities.

All payments on the global securities will be made to Cede & Co., as holder of record, or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit direct participants' accounts upon DTC's receipt of funds and corresponding detail information from us on payment dates in accordance with their respective holdings shown on DTC's records. Payments by participants to beneficial owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of

such participant and not of DTC or us, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) shall be the responsibility of us. Disbursement of such payments to direct participants shall be the responsibility of DTC, and disbursement of such payments to the beneficial owners shall be the responsibility of direct and indirect participants.

DTC may discontinue providing its service as securities depositary with respect to the New Notes at any time by giving reasonable notice to us or the New Notes Trustee. In addition, we may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depositary). Under such circumstances, in the event that a successor securities depositary is not obtained, note certificates in fully registered form are required to be printed and delivered to beneficial owners of the New Notes representing such New Notes.

Neither we nor the Old Notes Trustee will have any responsibility or obligation to direct or indirect participants, or the persons for whom they act as nominees, with respect to the accuracy of the records of DTC, its nominee or any participant with respect to any ownership interest in the New Notes, or payments to, or the providing of notice to participants or beneficial owners.

So long as the New Notes are in DTC's book-entry system, secondary market trading activity in the New Notes will settle in immediately available funds. All payments on the New Notes issued as global securities will be made by us in immediately available funds.

THE INFORMATION IN THIS SECTION CONCERNING DTC AND ITS SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT WE BELIEVE ARE RELIABLE, BUT NEITHER WE NOR THE DEALER MANAGERS TAKE ANY RESPONSIBILITY FOR THE ACCURACY OF SUCH INFORMATION. THE INFORMATION IS SUBJECT TO ANY CHANGES TO THE ARRANGEMENTS BETWEEN US AND DTC AND ANY CHANGES TO SUCH PROCEDURES THAT MAY BE INSTITUTED UNILATERALLY BY DTC.

FEES AND EXPENSES

We will bear the fees and expenses of soliciting tenders and consents for the exchange offer and consent solicitation. Tendering holders of the Old Notes for exchange will not be required to pay any fee or commission to the Dealer Managers or the information, exchange and tabulation agent. If, however, a tendering holder handles the transaction through its broker, dealer, commercial bank, trust company or other nominee, that holder may be required to pay brokerage fees or commissions.

We have agreed to pay the Dealer Managers reasonable and customary fees for their services and will reimburse them for their reasonable out-of-pocket expenses in connection therewith. We have agreed to indemnify the Dealer Managers against certain liabilities, including liabilities arising under the federal securities laws.

TAXATION

The following summary is based on applicable tax laws that are in effect on the date of this offering memorandum, and is subject to changes in such laws, including changes that could have retroactive effect. The following summary does not take into account or discuss the tax laws of any jurisdictions other than the ones described below. Prospective purchasers in all jurisdictions are advised to consult their own tax advisers as to tax consequences applicable to the acquisition, ownership and disposition of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject.

Indonesia

The following is a summary of the principal Indonesian income tax and stamp duty consequences relevant to the prospective holders of New Notes based on Indonesian tax laws and their implementing regulations in force as of the date of this exchange offer and consent solicitation memorandum. The summary does not address any laws other than the tax laws of the Republic of Indonesia in force as of the date of this exchange offer and consent solicitation memorandum.

The summary represents a general guide only. The summary does not constitute tax advice for particular individual or corporate holders of the New Notes. Prospective investors in all jurisdictions are advised to consult their own tax advisors as to other tax consequences of the acquisition, ownership and disposition of the New Notes relevant to their facts and circumstances.

General

Generally, an individual is considered to be a Non-Resident Taxpayer of Indonesia if the individual:

- is not domiciled in Indonesia,
- is not present in Indonesia for more than 183 days within a 12-month period, and
- is not present in Indonesia during a tax year with the intention of residing in Indonesia.

A corporation will be considered as a Non-Resident Taxpayer of Indonesia if the entity is not established or domiciled in Indonesia.

Non-Resident Taxpayers are further classified into those that have a permanent establishment in Indonesia, and those that do not. Those that have a permanent establishment in Indonesia will, in general, be subject to the same taxation rules as a tax resident. Therefore this section assumes that the Non-Resident Taxpayers do not have a permanent establishment in Indonesia.

In determining the tax residence or existence of a permanent establishment of an individual or corporation, and the allocation of the right to tax income between the two countries, consideration will also be given to the provision of any applicable agreement for the avoidance of double taxation which Indonesia has concluded with other countries ("**Tax Treaty**").

In this section, Non-Resident individuals and Non-Resident corporations will be referred to collectively as "Non-Resident Taxpayers" unless the context states otherwise.

Non-Resident Taxpayers, who derive Indonesian sourced income, including interest, are generally subject to a final withholding tax on that income at a rate of 20.0%, as long as the income is not effectively connected with a permanent establishment of the Non-Resident Taxpayer in Indonesia. This withholding tax may be reduced or exempted under the provisions of any applicable Tax Treaty.

Corporate resident taxpayers including permanent establishments are generally subject to Indonesian corporate income tax at 22.0% on their taxable income. The taxable income for permanent establishments will include all income, including but not limited to foreign source income directly or indirectly attributable to such permanent establishment. In addition, the after tax taxable income of a permanent establishment in Indonesia is subject to a branch profits tax at the rate of 20.0% (which may be reduced according to the applicable tax treaty). The branch profit tax may be exempted if all the after-tax income are reinvested in Indonesia no later than the following fiscal year as stipulated by the prevailing regulations. Further, individual resident taxpayers are subject to income tax at progressive rates at the maximum of 35.0% on their taxable income.

Taxation on Interest and Other Payments Related to the New Notes

Payments of principal under the New Notes are not subject to withholding tax in Indonesia.

Pursuant to Government Regulation No. 91/2021 dated August 30, 2021 ("**GR No. 91 of 2021**"), any amount paid by a tax resident company to a resident taxpayer (including a permanent establishment) in the form of interest and/or discount (which in general is also treated as interest) in relation to bonds ("**Obligasi**") that have a maturity exceeding 12 months will be subject to a final withholding tax of 10.0%. The withholding tax obligation in relation to interest is the gross amount of the interest, while the withholding tax obligation for any discount is any excess of the transfer value (or nominal/face value if held to maturity date) over the acquisition cost of the New Notes.

This final tax will apply to the New Notes because the maturity of the New Notes is more than 12 months. It will also apply to the amount of any payment by the Subsidiary Guarantors under the Subsidiary Guarantees attributable to interest paid or due on the New Notes to a tax resident.

For a resident taxpayer or a non-resident taxpayer with a permanent establishment in Indonesia, a final withholding tax of 10.0% applies to interest received on the New Notes. However, an Indonesian bank, an Indonesian pension fund, or foreign bank having a permanent establishment in Indonesia is exempt from this withholding tax. These entities shall report the income and pay tax in accordance with the general tax regulations.

The interest (including premium or discount) paid or due to be paid by the New Notes Issuer to a Non-Resident Taxpayer is subject to final withholding tax in Indonesia at the statutory rate of 20.0% or the relevant reduced rate under an applicable Tax Treaty between Indonesia and countries where the New Note holder is a tax resident. The amount of any payment by the Subsidiary Guarantors under the Subsidiary Guarantees attributable to interest paid or due on the New Notes to a Non-Resident Taxpayer will be subject to final withholding tax in Indonesia at the rate of 20.0% or the relevant reduced rate under an applicable Tax Treaty.

In accordance with Section II Article 3 of Government Regulation No. 9 Year 2021, dated February 2, 2021 ("**GR No. 9 of 2021**"), interest income (including premium and discount) received or earned by a Non-Resident Taxpayer (that does not have a permanent establishment in Indonesia) is subject to a reduced rate of withholding tax, equal to the lower of 10.0% or the rate under an applicable Tax Treaty, provided the interest income relates to, amongst others, "obligasi" (debt securities) with a period of more than 12 months.

To be entitled to the reduced rate under an applicable Tax Treaty, the Non-Resident Taxpayer must satisfy the eligibility requirements under the applicable Tax Treaty and the Indonesian tax regulations, including the requirement that there is no abuse of the Tax Treaty use, the interest recipient be the beneficial owner of the income, and certain administrative requirements are met. See "—Anti-Avoidance Rule on the Tax Treaty and Certificate of Domicile Requirements" below. However, as described under the "Description of Notes—Additional Amounts," and subject to the limitations therein, Holders of New Notes will generally be entitled to Additional Amounts with respect to Indonesian withholding tax irrespective of whether such holders qualify for Tax Treaty benefits.

Implication of ICC ruling

GR No.9 of 2021 was issued to regulate certain provisions of the Job Creation Law.

On November 25, 2021, Indonesia's Constitutional Court issued Decision No. 91/PUU-XVIII/2020, declaring that the Job Creation Law is conditionally unconstitutional. The decision requires the Government to amend the Job Creation Law within two years. If it fails to do so, the Job Creation Law will be permanently deemed unconstitutional and will no longer be binding. If this were to occur then, unless otherwise legislated and regulated, GR No.9 of 2021 would no longer be valid and the rate of withholding tax to be deducted from interest income due on obligasi would be increased from 10.0% to 20.0%. See "Regulation—Indonesian Constitutional Court Decision on Job Creation Law".

Taxation on Sale or Disposition of New Notes

In accordance with GR No. 91 of 2021, gains from the disposal of the New Notes derived by a resident taxpayer, whether an individual or a corporation, or by a Non-Resident Taxpayer with a permanent establishment in Indonesia, are subject to final withholding tax at the rate of 10.0%. However, an Indonesian bank, an Indonesian pension fund, or foreign bank having a permanent establishment in Indonesia is exempt from this withholding tax. These entities shall report the income and pay tax in accordance with the general tax regulations.

Under Article 4(2) of GR No. 91 of 2021, any negative discount or loss incurred from the disposal of the New Notes can be deducted from the amount of interest income when calculating the withholding tax on interest.

Pursuant to GR No. 9 of 2021, Non-Resident Taxpayers without a permanent establishment in Indonesia may be subject to Indonesian withholding tax on any gain derived from the sale or other disposal of New Notes, as a gain on such sales would be subject to Indonesian withholding tax because the Director-General of Taxation ("**DGT**") would treat the capital gain as Indonesian-sourced interest. Therefore, any gain from the sale of New Notes by an investor that is not an Indonesian tax resident where the transactions is conducted through a securities company, dealer or bank in Indonesia (either as intermediary or buyer) will be subject to the 10.0% Indonesian withholding tax normally applicable to Indonesian-sourced interest.

However, if the Non-Resident Taxpayer is a tax resident of a country that has a Tax Treaty with Indonesia then relief from the imposition of such withholding tax or a reduction of the rate of withholding tax might be available, subject to the provisions of that Tax Treaty . The reduced rate or exempted withholding tax applicable to a Non-Resident Taxpayer is also subject to the satisfaction of the Anti-Avoidance Rule on the Tax Treaty and Certificate of Domicile Requirements (see below).

Anti-Avoidance Rule on the Tax Treaty and Certificate of Domicile Requirements

Indonesia has concluded tax treaties with a number of countries including, among others, Australia, Belgium, Canada, China, France, Germany, Hong Kong, Japan, Luxemburg, the Netherlands, Singapore, Sweden, Switzerland, United Kingdom, and the United States. The relevant Tax Treaty may affect the definition of Non-resident Taxpayers and level of withholding tax applied to interest and/or capital gains on the New Notes

Where a Tax Treaty exists and the eligibility requirements of that treaty benefit are satisfied, a reduced rate of withholding tax may be applicable in the case of interest (or payments in the nature of interest, such as premium or discount). This is subject to there being no misuse of the Tax Treaty, the Non-Resident Taxpayer meeting the administrative requirements under the Indonesian tax regulations and the Non-Resident Taxpayer must be the beneficial owner of the income received from Indonesia. Some Tax Treaties also provide an exemption from Indonesian tax on any capital gains of Non-Resident Taxpayers arising from alienation of movable assets or New Notes in Indonesia.

In accordance with the DGT Regulation No. PER-25/PJ/2018 dated 21 November 2018 regarding the Procedures for Applying Tax Treaties ("**PER-25'**), the Indonesian tax withholder (i.e. the Indonesian party making a payment to the Non-Resident Taxpayer) is allowed to withhold tax at the reduced rate in accordance with the provisions of a Tax Treaty, provided that:

(a) the Non-Resident Taxpayer is not an Indonesian tax resident;

(b) the Non-Resident Taxpayer is a tax resident of a Tax Treaty partner country;

(c) the administrative requirements have been fulfilled;

(d) there is no tax treaty abuse by the Non-Resident Taxpayer; and

(e) the Non-Resident Taxpayer is the beneficial owner of the income (if so required by the tax treaty).

In the case that the above requirements are not met, the Indonesian tax withholder shall withhold the tax in accordance with the Indonesian tax regulations, i.e. withholding tax at the rate of 20.0% (or the lower rate of 10.0% if the payment of interest is subject to GR No. 9 of 2021).

Under PER-25 a Non-Resident Taxpayer is considered to participate in Tax Treaty abuse if one of the purposes of the arrangement(s) or transaction(s) is to obtain directly or indirectly a benefit under the Tax Treaty contrary to the object and purpose of the Tax Treaty or of the transactions/structure do not have substance. A lack of substance is considered to occur if:

(a) the transaction or structure does not have economic substance;

(b) the legal form of the structure/transactions is different from the economic substance;

(c) the business operations is not managed by its own management and the management does not have appropriate authority to carry out transactions;

(d) the entity's assets, other than the assets to generate income from Indonesia, are not sufficient and adequate to carry out business operations in the Tax Treaty partner country;

(e) the entity does not have sufficient qualified employees to conduct its business operations; or

(f) the entity has no active business other than receiving income from dividends, interest, and/or royalty originating from Indonesia.

Where the Non-Resident Taxpayer is required by a Tax Treaty to be the beneficial owner of the income (e.g. for interest income) then, in addition to satisfying the conditions for non-abuse of the Tax Treaty, that Non-Resident Taxpayer must fulfil the following:

(a) if an individual, he or she is not acting as an agent or a nominee; or

(b) if a company, it is not acting as an agent, nominee, or conduit, and the company:

a. has the power to use or enjoy the funds, assets, or right to earn income from Indonesia;

b. does not use more than 50% of its total income (non-consolidated) to fulfil obligations to other parties (excluding reasonable remuneration for employees, and other expenses normally incurred by the company in running the business);

c. bears the risk on its own assets, capital, and/or liabilities; and

d. does not have any contractual or legal obligation to transfer the whole or part of the income received from Indonesia to another party.

In the case that there is Tax Treaty abuse or the income recipient is not the beneficial owner the following will apply:

(a) the Indonesian tax withholder is not entitled to apply the Tax Treaty benefits and must withhold tax which is payable in accordance with Indonesian tax regulations, i.e., withholding tax at the rate of 20.0% (unless GR No. 9 of 2021 applies); and

(b) the Non-Resident Taxpayer who abuses the Tax Treaty cannot apply for a refund for the overpayment of the tax which should not have been payable.

If there is a difference between the legal form of a structure/scheme and the economic substance, the tax regulations will be applied in accordance with the economic substance (substance over form).

Certificate of Domicile ("CoD")

Under PER-25, the administrative criteria to be fulfilled by a Non-Resident Taxpayer in order to enjoy Tax Treaty benefits are in the CoD form, which must be:

(a) in the form prescribed in the attachment to PER-25 (i.e., DGT Form);

(b) filled in completely by the Non-Resident Taxpayer;

(c) signed by the Non-Resident Taxpayer;

(d) certified by the competent tax authority of the Tax Treaty partner country of the Non-Resident Taxpayer (except where foreign tax authority will issue an separate certificate that complies with Indonesia's requirements);

(e) include a declaration from the Non-Resident Taxpayer that there is no treaty abuse;

(f) include a declaration that the Non-Resident Taxpayer is the beneficial owner of the income (if so required by the Tax Treaty); and

(g) be provided to the Indonesian tax withholder before the end of the deadline to submit the monthly tax returns for the relevant tax payable period.

The certified first page of DGT Form or the separate certificate used in lieu thereof, has a validity based on the period specified on the document, to a maximum of 12 months, and may be reused during this time for other payments to that Non-resident Taxpayer.

The Non-Resident Taxpayer should provide the original DGT Form (including separate certificate, if applicable) to the Indonesian tax withholder (if this is the first transaction with an Indonesian tax withholder that is utilizing the COD); otherwise the Non-Resident Taxpayer shall provide to the tax withholder a copy of the electronic receipt of the lodgment of the original COD for the first transaction. The tax withholder is required to submit the COD (if it is the first transaction using the COD) or electronic lodgment receipt (for future transactions) in the relevant monthly tax return via e-filing.

In the case that there is income received or earned by a Non-Resident Taxpayer but no tax is withheld in Indonesia according to the Tax Treaty, the Indonesian tax withholder is still obliged to arrange reporting of the income and the DGT Form (and any separate certificate).

Multilateral Instrument

The President of Indonesia issued Regulation No. 77 of 2019 ("**PerPres No. 77/2019**") on November 12, 2019, which ratifies the multilateral convention implementing Tax Treaty-related measures to prevent base erosion and profit shifting ("**MLI**"). Pursuant to PerPres No. 77/2019, 47 tax treaties (also referred to as Covered Tax Agreements ("**CTAs**")) with Indonesia are nominated by Indonesia to become subject to the changes set out under the MLI, including CTAs with Australia, Canada, France, Hong Kong, India, Japan, Luxembourg, Malaysia, Netherlands, Singapore, Switzerland, the United Kingdom and the U.S.

The MLI will become effective and modify a relevant CTA at a point (determined in the MLI) after both relevant jurisdictions have deposited the instrument of ratification, acceptance or approval and the entry into force of the MLI. The MLI entered into force in Indonesia on August 1, 2020 and entered into effect on January 1, 2021 for taxes withheld at source. Out of the 47 treaty partner jurisdictions, some of the treaty partner jurisdictions have already deposited the instrument of ratification with the OECD, while others have not.

The MLI will introduce several changes to a relevant CTA including, among others, the following:

a) the addition of the following preamble to the purpose of a CTA:

"Intending to eliminate double taxation with respect to the taxes covered by this agreement without creating opportunities for non-taxation or reduced taxation through tax evasion or avoidance (including through treaty-shopping arrangements aimed at obtaining reliefs provided in this agreement for the indirect benefit of residents of third jurisdictions);" and

b) the replacement of the existing provision relating to the prevention of treaty abuse with the below or the addition of the provision below relating to the prevention of treaty abuse:

"Notwithstanding any provisions of the CTA, a benefit under the CTA shall not be granted in respect of an item of income or capital if it is reasonable to conclude, having regard to all relevant facts and circumstances, that obtaining that benefit was one of the principal purposes of any arrangement or transaction that resulted directly or indirectly in that benefit, unless it is established that granting that benefit in these circumstances would be in accordance with the object and purpose of the relevant provisions of the CTA".

Holders of New Notes should monitor the timing as to when the MLI will become effective and understand how the corresponding modifications to the provisions of a CTA will impact the holders' respective resident jurisdiction. To the extent the MLI becomes effective and modifies an applicable CTA with a holder's resident jurisdiction, the holder should, in particular, note the potential implications, arising from the acquisition, sale and other dealings in respect of the New Notes, of the principal purpose test and limitation of benefits ("LOB") under the MLI, which may operate to limit treaty benefits in certain circumstances. Only some of the nominated tax treaties will be modified to include a LOB.

Stamp Duty

In Indonesia, nominal stamp duty applies per document basis, and is not based on the value of the transaction. Stamp duty applies on certain documents made, executed or brought into Indonesia or intended to be used as evidence for civil proceedings. Documents subject to stamp duty include notarial deeds, documents evidencing or recording the receipt of money, and securities instruments. The nominal amount of the Indonesian stamp duty for any kind of securities transaction is Rp.10,000. Generally, the stamp duty is due at the time the document is executed. For a securities instrument document, the stamp duty is payable by the party that issues the securities instrument.

Other Indonesian Taxes

There are no Indonesian estate, inheritance, succession or gift taxes generally applicable to the acquisition, ownership or disposal of the New Notes by Non-Resident Taxpayers. There are no Indonesian registrations or similar taxes payable by the holders of the New Notes.

Singapore

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines issued by the MAS in force as at the date of this exchange offer and consent solicitation and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis. Neither these statements nor any other statements in this exchange offer and consent solicitation are intended or are to be regarded as advice on the tax position of any holder of the Old Notes and/or the New Notes or on any tax implications arising from the exchange offer and consent solicitation. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to participate in the exchange offer and consent solicitation and do not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules or tax rates.

Holders of the Old Notes and/or the New Notes are advised to consult their own tax advisors as to the Singapore or other tax consequences of their participation in the exchange offer and consent solicitation, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasized that none of Jababeka and any other persons involved in the exchange offer and consent solicitation accepts responsibility for any tax effects or liabilities resulting from the exchange offer and consent solicitation.

Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act 1947 of Singapore ("**ITA**"), the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17 per cent. The applicable rate for non-resident individuals is currently 22 per cent. or 24 per cent. from 1 January 2023 onwards. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in

Singapore of that person, the payment is subject to a final withholding tax of 15 per cent. The rate of 15 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

As more than half of the four Dealer Managers (namely, Mandiri Securities Pte. Ltd., Standard Chartered Bank (Singapore) Limited and UBS AG Singapore Branch) are any or any combination, of the following: (A) a financial sector incentive (bond market) company; (B) a financial sector incentive (capital market) company; or (C) a financial sector incentive (standard tier) company, and the New Notes will be issued as debt securities prior to December 31, 2023, the New Notes will be qualifying debt securities ("**QDS**") for the purposes of the ITA. On the basis of the foregoing and that the relevant conditions are met:

(a) interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost ("**Qualifying Income**") from the New Notes derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the New Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(b) Qualifying Income from the New Notes derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10 per cent.; and

(c) payments of Qualifying Income derived from the New Notes are not subject to withholding of tax by Jababeka.

However, if at any time during the tenor of the New Notes, 50 per cent. or more of the New Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the New Notes Issuer, Qualifying Income derived from the New Notes held by:

(i) any related party of the New Notes Issuer; or

(ii) any other person where the funds used by such person to acquire such Notes are obtained, directly or indirectly, from any related party of the New Notes Issuer,

shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "prepayment fee", "redemption premium" and "break cost" are defined in the ITA as follows:

- "**prepayment fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the New Notes on the early redemption of the New Notes, the amount of which is determined by the terms of the issuance of the New Notes;
- "**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the New Notes on the redemption of the New Notes upon their maturity; and

- "**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the New Notes on the early redemption of the New Notes, the amount of which is determined by any loss or liability incurred by the holder of the New Notes in connection with such redemption.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the New Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS (subject to certain conditions) under the ITA shall not apply if such person acquires such New Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the New Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the ITA.

Consent Fees

The IRAS has clarified on its website that consent fees in the context of a consent solicitation would generally not be subject to Singapore withholding tax when paid to noteholders who are not Singapore tax resident on the basis that the consent fee is:

(a) a one-time payment meant to incentivise noteholders to vote in favour of the proposed amendments to certain terms and conditions of the notes;

(b) paid only to such noteholders who have voted in favour of such amendments;

(c) not compensation for the income derived or generated in connection with the holding of the notes; and

(d) distinct and separate from the underlying indebtedness of the principal sum of the notes and are not payments in consideration for or arising out of such indebtedness.

Receipts arising from the Early Consent Fee or the Late Consent Fee may give rise to income tax implications for the noteholders based on their own circumstances. If in doubt, noteholders should consult their own professional advisers on the potential income tax consequences of a receipt of the Early Consent Fee or Late Consent Fee.

Capital Gains

Singapore does not impose tax on capital gains. However, there are no specific laws or regulations that deal with the characterisation of capital gains. The characterisation of gains arising from the participation in the exchange offer and consent solicitation or disposal of the New Notes will depend primarily on the facts and circumstances of each noteholder. For example, gains arising from the participation in the exchange offer and consent solicitation or disposal of the New Notes may be construed to be in the nature of an income nature and subject to income tax if such gains arise from activities which IRAS would regard as the carrying on of a trade, business, profession or vocation in Singapore. As the precise facts and circumstances of one noteholder will vary from another, noteholders are advised to consult their own professional tax advisers on the Singapore tax consequences that may be applicable to their individual circumstances.

In addition, holders of the New Notes who apply or are required to apply Singapore Financial Reporting Standard ("**FRS**") 39, FRS 109 or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") (as the case may be) may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the New Notes or as a result of participation in the exchange offer and consent solicitation, in each case in accordance with FRS 39, FRS 109 nor SFRS(I) 9 (as the case may be). Please see the section below on "*Adoption of FRS 39, FRS 109 nor SFRS(I) 9 Treatment for Singapore Income Tax Purposes*".

Adoption of FRS 39, FRS 109 nor SFRS(I) 9 Treatment for Singapore Income Tax Purposes

Section 34A of the ITA provides for the tax treatment for financial instruments in accordance with FRS 39 (subject to certain exceptions and "opt-out" provisions) to taxpayers who are required to comply with FRS 39 for financial reporting purposes. The IRAS

has also issued an e-Tax guide entitled "Income Tax Implications Arising from the Adoption of FRS 39 –Financial Instruments: Recognition and Measurement".

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily effective for annual periods beginning on or after 1 January 2018, replacing FRS 39. Section 34AA of the ITA requires taxpayers who comply or who are required to comply with FRS 109 or SFRS(I) 9 for financial reporting purposes to calculate their profit, loss or expense for Singapore income tax purposes in respect of financial instruments in accordance with FRS 109 or SFRS(I) 9 (as the case may be), subject to certain exceptions. The IRAS has also issued an e-Tax guide entitled “Income Tax: Income Tax Treatment Arising from Adoption of FRS 109 –Financial Instruments”.

Holders of the New Notes who may be subject to the tax treatment under Section 34A or Section 34AA of the ITA should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their participation in the exchange offer and consent solicitation, and the holding and disposal of the New Notes.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

Certain U.S. Federal Income Tax Consequences to U.S. Holders

The following is a summary of certain U.S. federal income tax consequences to Noteholders of the exchange offer and consent solicitation, the adoption of the Proposed Amendments, the receipt of the Early Consent Fee, the Late Consent Fee and/or the Exchange Consideration and the acquisition, ownership and disposition of New Notes. The summary regarding the acquisition, ownership and disposition of New Notes applies only to Noteholders that acquire New Notes pursuant to the exchange offer. This summary is based upon existing U.S. federal income tax law, which is subject to differing interpretations or change, possibly with retroactive effect. This summary does not discuss all aspects of U.S. federal income taxation which may be important to particular investors in light of their individual investment circumstances, such as Old Notes or New Notes held by investors subject to special tax rules (e.g., financial institutions, insurance companies, broker-dealers, partnerships and their partners and tax-exempt organizations (including private foundations)), to certain taxpayers that file applicable financial statements and are required to recognize income when the associated revenue is reflected on such financial statements or to persons that hold Old Notes or New Notes as part of a straddle, hedge, conversion, constructive sale or other integrated security transaction for U.S. federal income tax purposes, all of whom may be subject to tax rules that differ significantly from those summarized below. In addition, this summary does not address holders of Old Notes that are participating in the concurrent consent solicitation or the Mandiri Loan.

This summary assumes that a holder holds its Old Notes and New Notes as “capital assets” (generally, property held for investment) under the Internal Revenue Code of 1986, as amended (the “Code”) and, in the case of U.S. Holders (as defined below), uses the U.S. dollar as their functional currency. We are not seeking a ruling from the Internal Revenue Service (the “IRS”) regarding any U.S. federal income tax consequences of the exchange offer and consent solicitation, the adoption of the Proposed Amendments, the receipt of the Early Consent Fee, the Late Consent Fee and/or the Exchange Consideration. Accordingly, there can be no assurance that the IRS will not successfully challenge one or more of the conclusions stated herein. This summary, moreover, does not address the U.S. federal estate and gift tax, state and local tax, or alternative minimum tax consequences of the exchange offer and consent solicitation, the adoption of the Proposed Amendments, the receipt of the Early Consent Fee, the Late Consent Fee and/or the Exchange Consideration or the Medicare tax on net investment income. Each holder is urged to consult its tax advisor regarding the U.S. federal, state, local, and foreign income and other tax considerations of the exchange offer and consent solicitation, the adoption of the Proposed Amendments, the receipt of the Early Consent Fee, the Late Consent Fee and/or the Exchange Consideration.

For purposes of this discussion, “U.S. Holder” means the beneficial owner of an Old Note or New Note, as applicable, that for U.S. federal income tax purposes is:

- a citizen or individual resident of the United States;
- a corporation organized in or under the laws of the United States or any political subdivision thereof;
- a trust subject to the control of one or more U.S. persons and the primary supervision of a U.S. court; or
- an estate the income of which is subject to U.S. federal income taxation regardless of its source.

“Non-U.S. Holder” means a person that is a beneficial owner of a New Note or Old Note, as applicable, other than a U.S. Holder.

The treatment of partners in a partnership that owns New Notes or Old Notes may depend on the status of such partners and the status and activities of the partnership and such persons should consult their own tax advisors about the consequences of the exchange offer and consent solicitation.

We believe and intend to take the position that the Old Notes and New Notes will be treated as debt for U.S. federal income tax purposes. However, the classification of the Old Notes and New Notes for such purposes is not entirely clear and there can be no assurance the IRS or a court will agree with this determination. If either the Old Notes or New Notes were treated as equity for U.S. federal income tax purposes, the tax consequences of the exchange offer and consent solicitation, the adoption of the Proposed Amendments, the receipt of the Early Consent Fee, the Late Consent Fee and/or the Exchange Consideration and the acquisition, ownership and disposition of New Notes could differ from that discussed below. In particular, if the New Notes were treated as equity for U.S. federal income tax purposes, it is possible that U.S. Holders of the New Notes may be subject to the "passive foreign investment company" rules of the Code, which may result in adverse consequences to U.S. Holders. U.S. Holders are urged to consult their tax advisors regarding the tax consequences applicable to them in such case. The following discussion assumes that the New Notes will be respected as debt for U.S. federal income tax purposes.

THIS SUMMARY IS NOT INTENDED AS LEGAL ADVICE. U.S. HOLDERS OF OLD NOTES ARE URGED TO CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES APPLICABLE TO THEM RELATING TO THE EXCHANGE OFFER AND CONSENT SOLICITATION, THE ADOPTION OF THE PROPOSED AMENDMENTS, THE RECEIPT OF THE EARLY CONSENT FEE, THE LATE CONSENT FEE AND/OR THE EXCHANGE CONSIDERATION AND THE ACQUISITION, OWNERSHIP AND DISPOSITION OF NEW NOTES, INCLUDING THE APPLICABILITY OF U.S. FEDERAL, STATE OR LOCAL TAX LAWS OR NON-U.S. OR NON-INCOME TAX LAWS, ANY CHANGES IN APPLICABLE TAX LAWS AND ANY PENDING OR PROPOSED LEGISLATION OR REGULATIONS.

Consequences to U.S. Holders Who Participate in the Exchange Offer and Consent Solicitation

Exchange Offer.

The exchange of a debt instrument for a new debt instrument (or modification of an existing debt instrument) constitutes a tax realization event (a "deemed exchange") for U.S. federal income tax purposes, in general, if the new instrument differs materially either in kind or in extent from the original debt instrument (a "Significant Modification"). A modification or exchange of a debt instrument that is not a Significant Modification does not create a deemed exchange.

The exchange of a debt instrument for a new debt instrument (or modification of an existing debt instrument) generally is a Significant Modification if, based on all the facts and circumstances and taking into account all modifications of the original debt instrument collectively (other than modifications that are subject to special rules), the legal rights or obligations that are altered and the degree to which they are altered are "economically significant."

A change in the primary obligor of a debt instrument generally is a Significant Modification subject to certain exceptions, for example if the new obligor acquires substantially all the assets of the former obligor or becomes the obligor pursuant to a transaction described in section 381(a) of the Code and, in each case, certain other conditions are met.

A change in yield of a debt instrument is a Significant Modification if the yield of the new instrument (determined taking into account any accrued interest and any payments made to the holder as consideration for the modification) varies from the yield on the exchanged instrument (determined as of the date of the exchange) by more than the greater of (i) one-quarter of one percent (0.25%) or (ii) five percent (5%) of the annual yield of the exchanged instrument. The yield of the exchanged instrument is calculated based on the adjusted issue price and may differ from the yield at which the instrument is trading in the market.

Additionally, a change in the timing of payments on a debt instrument is a Significant Modification if the change in timing of payments results in the material deferral of scheduled payments either through an extension of the final maturity or through deferral of payments due prior to maturity. The materiality of the deferral depends on all the facts and circumstances, including the length of the deferral, the original term of the instrument, the amounts of the payments that are deferred, and the time period between the modification and the actual deferral of payments. Pursuant to a safe harbor rule, a deferral of a scheduled payment for a period equal to the lesser of fifty percent (50%) of the original term of the instrument and five (5) years from the original due date of the first payment that is deferred is not treated as a material deferral.

Based on the foregoing rules, we will take the position that the receipt of the New Notes in exchange for the Old Notes will result in such a Significant Modification and will therefore be a taxable transaction for U.S. federal income tax purposes. Other than to the extent of Accrued and Unpaid Interest, and subject to the discussion of the market discount rules set forth below, a U.S. Holder exchanging Old Notes pursuant to the exchange offer will realize capital gain or loss in an amount equal to the difference between (i) the amount realized, which will equal the sum of the "issue price" (as discussed below) of the New Notes and cash consideration received as consideration for the exchange and (ii) the U.S. Holder's adjusted tax basis in the Old Notes at the time of exchange. Any amount received that is properly attributable to Accrued and Unpaid Interest not previously included in income will be subject to tax as ordinary income.

A U.S. Holder's adjusted tax basis in the Old Notes generally will equal the cost of the Old Notes to such U.S. Holder, increased by (i) the amount of OID, if any, included in income by the U.S. Holder and (ii) the amount of any market discount previously included in gross income by the U.S. Holder, and reduced by the amount of any amortizable bond premium previously deducted by the U.S. Holder with respect to the Old Notes.

A U.S. Holder will recognize gain or loss to the extent realized pursuant to the exchange, as described above. Such gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period for the Old Notes exceeds one year on the date the exchange offer is consummated. Such gain or loss generally will be U.S. source income or loss for U.S. foreign tax credit purposes. Certain non-corporate U.S. Holders may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses may be subject to limitations.

Accrued and Unpaid Interest. The gross amount of consideration received by a U.S. Holder pursuant to the exchange offer that is attributable to accrued but unpaid interest will not be included in the amount realized for purposes of determining capital gain or loss, as described above, but will instead be taxable as ordinary income (to the extent it has not yet been included in such U.S. Holder's gross income), regardless of whether the U.S. Holder otherwise recognizes an overall gain or loss pursuant to the sale.

Market Discount. An exception to the capital gain treatment described above may apply to a U.S. Holder who purchased Old Notes at a "market discount." Subject to a statutory de minimis exception, Old Notes have market discount if they were acquired at an amount less than their stated principal amount. In general, unless the U.S. Holder has elected to include market discount in gross income currently as it accrues, any gain recognized by a U.S. Holder on the exchange of Old Notes having market discount will be treated as ordinary income to the extent of the lesser of (i) the gain recognized or (ii) the portion of the market discount that has accrued (on a straight-line basis or, at the election of the U.S. Holder, on a constant-yield basis) while such Old Notes were held by the U.S. Holder. Gain in excess of such accrued market discount will be subject to the capital gains rules described above.

Early Consent Fee and Late Consent Fee. The U.S. federal income tax treatment of a U.S. Holder's receipt of the Early Consent Fee or Late Consent Fee, as applicable, is not entirely clear because there are no authorities that directly address the treatment of such payments. We intend to take the position that the Early Consent Fee or Late Consent Fee, as applicable, should be treated as a payment with respect to the exchange of the Old Notes. Alternatively, however, it is also possible that the Early Consent Fee or Late Consent Fee, as applicable, may be treated as separate consideration for consenting to the Proposed Amendments. Because of the uncertain treatment of the Early Consent Fee or Late Consent Fee, as applicable, U.S. Holders considering granting a consent should consult their own tax advisors regarding U.S. federal, state, local and non-U.S. income and other tax consequences of the possible receipt of the Early Consent Fee or Late Consent Fee, as applicable.

Consequences to U.S. Holders of the Ownership and Disposition of New Notes

Potential Contingent Payment Debt Instrument Treatment. Under certain circumstances we may be required to make payments on a New Note that would change the yield of the New Note. See "Description of the New Notes—Repurchase of Notes upon a Change of Control" and "Description of the New Notes—Optional Redemption." Although the matter is not free from doubt, we believe and intend to take the position that U.S. Holders are entitled to account for the New Notes using a single assumed payment schedule in accordance with Treasury regulations section 1.1272-1(c) and that, accordingly, the New Notes are not subject to the Treasury regulations applicable to contingent payment debt instruments ("**CPDIs**") due to the possibility that a redemption as described under "Description of the New Notes—Optional Redemption" (an "Optional Redemption") is or is not exercised. We intend to take the position that these provisions will not cause the New Notes to be CPDIs. This position is based in part on assumptions regarding the likelihood, as of the New Notes Original Issue Date, that such additional amounts

will have to be paid. Our assessments of the likelihood of interest being paid using a single assumed payment schedule in accordance with Treasury regulations section 1.1272-1(c) and the likelihood that additional payments will have to be made for purposes of the foregoing determinations are solely for U.S. federal income tax purposes and do not constitute representations by us regarding the likelihood that an Optional Redemption will or will not be exercised on or prior to a particular interest payment date or the likelihood that additional amounts will have to be paid. Our determination is binding on a U.S. Holder unless the U.S. Holder discloses a contrary position in the manner required by applicable Treasury regulations. This determination, however, is not binding on the IRS and if the IRS were to successfully challenge this determination, a holder may be required to accrue income on the New Notes that such holder owns in excess of stated interest, regardless of the holder's method of accounting, and to treat as ordinary income rather than capital gain any income realized on the taxable disposition of such New Notes. If the New Notes are not CPDIs but such contingent payments were required to be made, it would affect the amount and timing of the income that a U.S. Holder recognizes. U.S. Holders are urged to consult their own tax advisors regarding the potential application to the New Notes of the CPDI rules and other rules above and the consequences thereof. The remainder of this discussion assumes that the New Notes will not be treated as CPDIs.

Interest and Original Issue Discount. The amount of OID on the New Notes will equal the excess of the "stated redemption price at maturity" of the New Notes over their issue price. The stated redemption price at maturity of the New Notes is the sum of all payments on the New Notes other than payments of qualified stated interest. Interest payments in excess of 7.00% will not be qualified stated interest for U.S. federal income tax purposes. As a result, the New Notes may be considered to be issued with original issue discount ("**OID**") for U.S. federal income tax purposes.

A U.S. Holder must include OID in income as ordinary income for U.S. federal income tax purposes as it accrues under a constant yield method in advance of receipt of the cash payments attributable to such OID, regardless of such U.S. Holder's regular method of tax accounting. In general, the amount of OID included in income in each taxable year by a U.S. Holder of a New Note is the sum of the daily portions of OID with respect to such New Note for each day during such taxable year (or portion of such taxable year) on which the U.S. Holder held the New Note. The daily portion of OID on any New Note is determined by allocating to each day in any accrual period a ratable portion of the OID allocable to that accrual period. An accrual period may be of any length and the accrual periods may vary in length over the term of the New Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first day or final day of an accrual period. The amount of OID allocable to each accrual period is generally equal to the product of the New Note's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and appropriately adjusted to take into account the length of the particular accrual period). The adjusted issue price of a New Note at the beginning of any accrual period is the sum of the issue price of the New Note plus the amount of OID allocable to all prior accrual periods, less any cash payments made on such New Note on or before the first day of the accrual period.

As discussed above under "*—Potential Contingent Payment Debt Instrument Treatment*," for purposes of calculating the stated redemption price at maturity and the yield to maturity on the New Notes, the New Notes Issuer will initially be assumed to pay all of the interest on the New Notes using a single assumed payment schedule in accordance with Treasury regulations section 1.1272-1(c). This assumption is made solely for U.S. federal income tax purposes and does not constitute a representation by the New Notes Issuer regarding the likelihood that an Optional Redemption will be exercised on or prior to any particular interest payment date.

Since the New Notes Issuer is initially assumed to pay interest on the New Notes using a single assumed payment schedule in accordance with Treasury regulations section 1.1272-1(c), if the New Notes Issuer exercises or fails to exercise an Optional Redemption in a manner that is in contravention of such assumed payment schedule, the OID accrual for future periods will be adjusted by treating the New Notes as if they had been retired and then reissued for an amount equal to their adjusted issue price on such date, and recalculating the yield to maturity of the reissued New Notes. Such deemed reissued New Notes may be subject to the contingent payment debt instrument rules. If the New Notes Issuer exercises or fails to exercise, as applicable, an Optional Redemption consistent with the New Notes Issuer's initial assumption, a U.S. Holder will not be required to adjust its OID inclusions.

The rules regarding OID are complex and the rules described above may not apply in all cases. Accordingly, U.S. Holders should consult their own tax advisors regarding their application.

OID accrued on the New Notes generally will be treated as foreign source income for U.S. federal income tax purposes and generally will constitute "passive category" income for most U.S. Holders. Subject to generally applicable restrictions and conditions (including a minimum holding period requirement and provided that the withholding tax

constitutes a "covered withholding tax" under recent U.S. Treasury regulations), a U.S. Holder generally will be entitled to a foreign tax credit in respect of any foreign income taxes withheld on interest payments on the New Notes. Alternatively, the U.S. Holder may be able to deduct such taxes in computing taxable income for U.S. federal income tax purposes. The rules governing the foreign tax credit are complex and recent U.S. Treasury regulations have imposed additional requirements that must be met for a foreign tax to be creditable (including requirements that a "covered withholding tax" be imposed on nonresidents in lieu of a generally applicable tax that satisfies the regulatory definition of an "income tax," which may be unclear or difficult to determine). U.S. Holders are urged to consult their tax advisors regarding the availability of the foreign tax credit or a deduction for foreign taxes paid under their particular circumstances.

Sale, Exchange or Other Taxable Disposition. Upon the sale, exchange or other taxable disposition (including redemption) of a New Note, a U.S. Holder generally will recognize taxable gain or loss equal to the difference, if any, between the amount realized on the sale, exchange or other taxable disposition and the U.S. Holder's adjusted tax basis in the New Note. A U.S. Holder's adjusted tax basis in a New Note will generally be its initial tax basis, increased by any OID included in income. A U.S. Holder's initial tax basis in a New Note generally will be equal to such holder's adjusted tax basis in its Old Notes that were exchanged for New Notes pursuant to the exchange offer, increased by the amount of gain recognized by the U.S. Holder in the exchange, if any, and decreased by the amount of cash that is received by the U.S. Holder in the exchange (except to the extent received in respect of Accrued and Unpaid Interest).

Any such gain or loss generally will be capital gain or loss and generally will be long-term capital gain or loss if the New Note has been held for more than one year at the time of its sale, exchange or other taxable disposition. U.S. Holders (including individuals) may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations.

Any gain or loss realized on the sale, exchange or other taxable disposition of a New Note generally will be treated as U.S. source gain or loss, as the case may be. If any gain from the sale, exchange or other taxable disposition of a New Note is subject to foreign income tax, a U.S. Holder may not be able to credit such tax against its U.S. federal income tax liability under the U.S. foreign tax credit limitations of the Code and recent U.S. Treasury regulations (and, even if treated as a creditable tax, such gain generally would be U.S. source income and the use of the credit may be limited unless the U.S. Holder has other income derived from foreign sources). Alternatively, the U.S. Holder may deduct such taxes in computing taxable income for U.S. federal income tax purposes provided that the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes paid or accrued for the relevant taxable year.

Backup Withholding and Information Reporting. Information reporting generally will apply to payments of principal of, and OID on, New Notes (including additional amounts), and to proceeds from the sale, exchange or other taxable disposition (including redemption) of New Notes within the United States, or by a U.S. payor or U.S. middleman, to a U.S. Holder (other than an exempt recipient). Backup withholding may be required on reportable payments if the U.S. Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, information reporting and backup withholding. Backup withholding is not an additional tax. A U.S. Holder generally will be entitled to credit any amounts withheld under the backup withholding rules against its U.S. federal income tax liability or to obtain a refund of the amounts withheld provided the required information is furnished to the IRS in a timely manner.

"Specified Foreign Financial Asset" Reporting. Certain owners of "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 (and in some circumstances, a higher threshold), may be required to file an information statement with respect to such assets with their U.S. federal income tax returns, currently on IRS Form 8938. The New Notes generally are expected to constitute "specified foreign financial assets" unless they are held in accounts maintained by financial institutions. U.S. Holders are urged to consult their tax advisors regarding the application of this legislation to their ownership of the New Notes.

Consequences to Non-U.S. Holders Who Participate in the Exchange Offer and Consent Solicitation

Subject to the discussion below regarding backup withholding, no (i) amount received in respect of Accrued and Unpaid Interest in respect of an Old Note, (ii) the Early Consent Fee, the Late Consent Fee and/or the Exchange Consideration received pursuant to the exchange of an Old Note for a New Note pursuant to the exchange offer and consent solicitation nor (iii) gain realized by a Non-U.S. Holder on the exchange of an Old Note for a New Note pursuant to the exchange offer and consent solicitation or upon the sale, exchange or taxable disposition of a New Note will be subject to U.S. federal withholding or income tax, unless (A) such interest, fee or gain is effectively connected with the Non-U.S. Holder's conduct of a U.S. trade or business (and, if a tax treaty applies, is attributable to such Non-U.S. Holder's permanent establishment in the United States) or (B) in the case of gain (and

potentially the Early Consent Fee or the Late Consent Fee, as applicable), the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year in which the exchange occurs and certain other conditions are met.

A Non-U.S. Holder generally will not be subject to information reporting or backup withholding if it certifies as to its non-resident status (generally, by filing IRS Form W-8BEN, W-8BEN-E or such other applicable form). Backup withholding is not an additional tax. A Non-U.S. Holder generally will be entitled to credit any amounts withheld under the backup withholding rules against its U.S. federal income tax liability or to obtain a refund of the amounts withheld provided the required information is furnished to the IRS in a timely manner.

Consequences to U.S. Holders Who Participate in the Consent Solicitation but do not Participate in the Exchange Offer

Deemed Exchange. The U.S. federal income tax treatment of a U.S. Holder who does not participate in the exchange offer but who does participate in the consent solicitation will depend upon whether the adoption of the Proposed Amendments and/or the payment of the Early Consent Fee or the Late Consent Fee, as applicable, results in a "deemed" exchange of Old Notes for U.S. federal income tax purposes. Generally, the modification of a debt instrument will result in a deemed exchange of an old debt instrument for a new debt instrument if such modification is "significant" within the meaning of applicable Treasury regulations promulgated under the Code. Under these Treasury regulations, a modification is "significant" if, based on all the facts and circumstances and generally taking into account all modifications collectively, the legal rights and obligations that are altered and the degree to which they are altered are economically significant. A specific rule provides that a modification that adds, deletes or alters customary accounting or financial covenants is not a Significant Modification. However, a change in the yield of a debt instrument is a Significant Modification under the applicable Treasury regulations if the yield of the modified instrument (determined taking into account any accrued interest and any payments made to the holder as consideration for the modification) varies from the yield of the unmodified instrument (determined as of the date of the modification) by more than the greater of one quarter of one percent or 5% of the annual yield of the unmodified instrument. The yield of the unmodified instrument is calculated based on its adjusted issue price and may differ from the yield at which the instrument is trading in the market.

Consequences to Consenting U.S. Holders. Although there is no authority directly on point and the matter is thus unclear, we intend to treat the payment of the Early Consent Fee or the Late Consent Fee, as applicable, in respect of an Old Note as constituting a Significant Modification of the Old Notes. However, we paid a consent fee on the Old Notes to certain holders in connection with a consent solicitation in 2018, and, in part due to the uncertainties in how the Treasury regulations are meant to be applied with respect to determining the cumulative impact of modifications that have occurred within the previous five years to compute the change in yield as described above, this conclusion is not entirely clear. In particular, there is a risk that the receipt of the Late Consent Fee would not constitute a significant modification of the Old Notes, in which case the Old Notes held by U.S. Holders receiving the Early Consent Fee may not be fungible with the Old Notes held by U.S. Holders receiving the Late Consent Fee. Holders should consult their tax advisors regarding the receipt of the Early Consent Fee or Late Consent Fee, as applicable.

In the event that the payment of the Early Consent Fee or the Late Consent Fee, as applicable, results in a Significant Modification of the Old Notes, unless the deemed exchange qualifies as a "recapitalization" for U.S. federal income tax purposes, a U.S. Holder of an Old Note generally would recognize taxable gain or (subject to the "wash sale" rules of the Code) loss equal to the difference, if any, between the "issue price" of the Old Notes at the time of the deemed exchange and the U.S. Holder's "adjusted tax basis" in the "new" Old Notes deemed to have been exchanged therefor. Such gain or loss generally would be capital gain or loss, and would be long-term capital gain or loss if the U.S. Holder held the Old Notes for more than one year. For these purposes, the amount realized would be the " issue price" of the "new" Old Notes that are treated as issued in the deemed exchange plus the U.S. dollar value of the amount of Early Consent Fee or the Late Consent Fee, as applicable, received, if any, if such payment is treated as received in exchange for the Old Notes (as described below under "*—Early Consent Fee and Late Consent Fee*") but would not include any amount attributable to accrued interest, which would be taxed as ordinary income to the extent not previously included in gross income. If the "new" Old Notes are treated as traded on an established securities market, which we expect would be the case, the "issue price" of the "new" Old Notes would be the fair market value of the "new" Old Notes on the date of the exchange. Any capital gain or loss recognized on the deemed exchange of an Old Note would generally be U.S.-source gain or loss for purposes of computing the U.S. Holder's foreign tax credit limitation. In addition, the U.S. Holder's adjusted tax basis in the "new" Old Notes would equal its issue price, and the U.S. Holder would have a new holding period in the "new" Old Notes commencing on the day after the deemed exchange.

Whether the deemed exchange would constitute a recapitalization depends on, among other things, whether the "old" Old Notes and the "new" Old Notes constitute "securities" within the meaning of the relevant provisions of the Code. The term "security" is not defined in the Code or the Treasury regulations. Under applicable administrative pronouncements and judicial decisions, debt instruments with a maturity less than five years from the date of issuance generally do not constitute securities, whereas debt instruments with a maturity of ten years or more generally do constitute securities. The treatment of a debt instrument with an original term of five years from the date of issuance but less than ten years is not clear.

If a deemed exchange is deemed to occur and qualifies as a "recapitalization," U.S. Holders treated as exchanging their "old" Old Notes for "new" Old Notes generally would (i) not recognize gain or loss as a result of the deemed exchange (other than the amount attributable to the right to receive accrued but unpaid interest, which generally will be subject to tax as ordinary income to the extent not previously included in income), (ii) have a "tax basis" in the "new" Old Notes equal to the adjusted tax basis in the Old Notes deemed surrendered in exchange therefor and (iii) have a holding period for the "new" Old Notes that includes their holding period for the "old" Old Notes.

Whether or not any such a deemed exchange qualifies as a recapitalization, the "new" Old Notes may be treated as issued with OID if the issue price of the "new" Old Notes (as determined above) is less than their principal amount by an amount equal to or in excess of a statutorily determined *de minimis* amount. A U.S. Holder would be required to include any OID in income as ordinary income as it accrues (regardless of the U.S. Holder's method of tax accounting) on a constant yield basis, in advance of the receipt of cash payments on the "new" Old Notes.

Further, if a U.S. Holder's receipt of the Early Consent Fee or Late Consent Fee, as applicable, constitutes a significant modification, such holder's "new" Old Notes may not be fungible for U.S. federal income tax purposes with Old Notes held by other holders. U.S. Holders are urged to consult their tax advisors regarding the receipt of the Early Consent Fee or Late Consent Fee, as applicable.

If, contrary to the position adopted by us, a deemed exchange is not deemed to occur, a U.S. Holder who does not exchange its Old Notes for New Notes, may not recognize gain or loss, for U.S. federal income tax purposes, upon the adoption of the Proposed Amendments and may have the same adjusted tax basis, holding period and accrued market discount, if any, in such Old Notes after the adoption of the Proposed Amendments that such U.S. Holder had in the Old Notes immediately before such adoption.

Early Consent Fee and Late Consent Fee. There are no cases or published rulings that directly address the U.S. federal income tax consequences of the receipt of the Early Consent Fee or Late Consent Fee, as applicable. If, contrary to our assumption, a deemed exchange is not viewed as having occurred, an IRS private letter ruling suggests that it would be appropriate to treat the Early Consent Fee or Late Consent Fee, as applicable, as a payment on the Old Notes. Alternatively, however, it is also possible that the Early Consent Fee or Late Consent Fee, as applicable, may be treated as separate consideration for consenting to the Proposed Amendments. Because of the uncertain treatment of the Early Consent Fee or Late Consent Fee, as applicable, U.S. Holders considering granting a consent should consult their own tax advisors regarding U.S. federal, state, local and non-U.S. income and other tax consequences of the possible receipt of the Early Consent Fee or Late Consent Fee, as applicable.

Information Reporting and Backup Withholding. In general, information reporting requirements may apply to the receipt of the Early Consent Fee or the Late Consent Fee, unless the U.S. Holder is an exempt recipient (such as a corporation). A backup withholding tax may apply to such payments if such U.S. Holder fails to provide a taxpayer identification number or certification of exempt status or fails to make other required certifications. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against such U.S. Holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

Consequences to U.S. Holders Who do not Participate in Either the Consent Solicitation or the Exchange Offer.

Although there is no authority directly on point and the matter is thus unclear, we intend to treat the adoption of the Proposed Amendments as not constituting a Significant Modification under the Treasury regulations described above. Under such treatment, a U.S. Holder who does not receive the Early Consent Fee or the Late Consent Fee, as applicable, is not expected to recognize any gain or loss, for U.S. federal income tax purposes, upon the adoption of the Proposed Amendments and should have the same adjusted tax basis and holding period in the Old Notes after the adoption of the Proposed Amendments as such U.S. Holder had in the Old Notes immediately before such adoption. If the adoption of the Proposed Amendments constitutes a Significant Modification, the consequences described above under the heading "— *Consequences to U.S. Holders Who Participate in the Consent Solicitation but*

do not Participate in the Exchange Offer" should be applicable to non-consenting U.S. Holders as well. U.S. Holders are encouraged to consult their tax advisors regarding the potential tax consequences of the adoption of the Proposed Amendments.

Consequences to Non-U.S. Holders Who Do Not Participate in Either Consent Solicitation or the Exchange Offer.

Subject to the discussion below regarding backup withholding, even if the exchange offer constitutes a deemed exchange of "old" Old Notes for "new" Old Notes, a Non-U.S. Holder will generally not be subject to U.S. federal withholding or income tax as a consequence of the exchange offer.

A Non-U.S. Holder generally will not be subject to information reporting or backup withholding if it certifies as to its non-resident status (generally, by filing IRS Form W-8BEN, W-8BEN-E or such other applicable form). Backup withholding is not an additional tax. A Non-U.S. Holder generally will be entitled to credit any amounts withheld under the backup withholding rules against its U.S. federal income tax liability or to obtain a refund of the amounts withheld provided the required information is furnished to the IRS in a timely manner.

U.S. Holders are urged to consult their tax advisors regarding the exchange offer and consent solicitation, the adoption of the Proposed Amendments, the receipt of the Early Consent Fee, the Late Consent Fee and/or the Exchange Consideration and the acquisition, and ownership and disposition of New Notes.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, sale, resale, pledge or other transfer of the New Notes.

We have not registered the New Notes under the Securities Act and the New Notes may only be offered or sold (i) within the United States to "qualified institutional buyers" in reliance on Rule 144A under the Securities Act or (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act. Terms used above and otherwise in this section of this exchange offer and consent solicitation memorandum have the meanings given to them by Regulation S and Rule 144A.

Each purchaser of New Notes will be deemed to have represented and agreed as follows:

(1) You understand and acknowledge that the New Notes have not been and will not be registered under the Securities Act or any other applicable securities laws and that the New Notes are being offered for resale in transactions not requiring registration under the Securities Act or any other securities laws, including resales pursuant to Rule 144A, and, unless so registered, may not be offered, sold or otherwise transferred except in compliance with the registration requirements of the Securities Act or any other applicable securities laws, pursuant to an exemption therefrom, or in a transaction not subject thereto, and in each case in compliance with the conditions for transfer set forth in paragraph (3) below.

You are not our "affiliate" (as defined in Rule 144 under the Securities Act), you are not acting on our behalf and you are either:

1. a qualified institutional buyer and are aware that any sale of these New Notes to you will be made in reliance on Rule 144A and such acquisition will be for your own account or for the account of another qualified institutional buyer; or

2. purchasing New Notes in an offshore transaction in accordance with Regulation S.

(2) You acknowledge that none of us, the Dealer Managers or any person representing us or the Dealer Managers has made any representation to you with respect to us or the offer or sale of any of the New Notes, other than the information contained in this exchange offer and consent solicitation memorandum, which exchange offer and consent solicitation memorandum has been delivered to you. You represent that you are only relying on this exchange offer and consent solicitation memorandum in making your investment decision with respect to the New Notes. You acknowledge that the Dealer Managers make no representation or warranty as to the accuracy or completeness of this exchange offer and consent solicitation memorandum. You have had access to such financial and other information concerning us and the New Notes, including an opportunity to ask questions of, and request information from, us and the Dealer Managers.

(3) You are purchasing New Notes for your own account, or for one or more investor accounts for which you are acting as a fiduciary or agent, in each case for investment, and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act, subject to any requirement of law that the disposition of your property or the property of such investor account or accounts be at all times within your or their control and subject to your or their ability to resell such New Notes pursuant to Rule 144A, Regulation S or any other available exemption from registration available under the Securities Act. You agree on your own behalf and on behalf of any investor account for which you are purchasing the New Notes, and each subsequent holder of these New Notes by its acceptance thereof will agree, to offer, sell or otherwise transfer such New Notes prior to (x) the date which is one year (or such shorter period of time as permitted by Rule 144(d) under the Securities Act or any successor provision thereunder) after the later of the date of the original issue of these New Notes and the last date on which we or any of our affiliates were the owner of such New Notes (or any predecessor thereto) or (y) such later date, if any, as may be required by applicable law (the "**Resale Restriction Termination Date**") only:

3. to us or any of our affiliates;

4. pursuant to a registration statement which has been declared effective under the Securities Act;

5. for so long as the New Notes are eligible for resale pursuant to Rule 144A, to a person you reasonably believe is a qualified institutional buyer that purchases for its own account or for the account of another qualified institutional buyer to whom you give notice that the transfer is being made in reliance on Rule 144A;

6. outside the United States in offshore transactions meeting the requirements of Rule 904 under the Securities Act; or

7. pursuant to any other available exemption from the registration requirements of the Securities Act;

subject in each of the foregoing cases to any requirement of law that the disposition of the seller's property or the property of an investor account or accounts be within the seller or account's control, and in compliance with any applicable state securities laws.

You acknowledge that we, the New Notes Trustee, the New Notes Collateral Agent, the Principal Paying and Transfer Agent and the Registrar reserve the right prior to any offer, sale or other transfer of the New Notes pursuant to clause (e) above prior to the Resale Restriction Termination Date of the New Notes to require the delivery of an opinion of counsel, certifications and/or other information satisfactory to us, the New Notes Trustee, the New Notes Collateral Agent, the Principal Paying and Transfer Agent and the Registrar.

(4) You acknowledge that each Note will contain a legend substantially in the following form:

"THIS NOTE AND THE SUBSIDIARY GUARANTEES IN RESPECT HEREOF HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND, ACCORDINGLY, MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES, EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE HOLDER (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) (A "QIB") OR (B) IT IS NOT IN THE UNITED STATES, IS NOT ACQUIRING THIS NOTE FOR THE ACCOUNT OR BENEFIT OF A PERSON WITHIN THE UNITED STATES AND IS ACQUIRING THIS NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, (2) AGREES THAT IT WILL NOT, WITHIN THE TIME PERIOD REFERRED TO UNDER RULE 144 UNDER THE SECURITIES ACT AS IN EFFECT ON THE DATE OF THE TRANSFER OF THIS NOTE, RESELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE ISSUER, THE SUBSIDIARY GUARANTORS OR ANY OF THEIR RESPECTIVE AFFILIATES THEREOF, (B) TO A PERSON WHOM THE HOLDER REASONABLY BELIEVES IS A QIB PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QIB IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT, (C) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH RULE 904 UNDER THE SECURITIES ACT, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION PROVIDED BY RULE 144 UNDER THE SECURITIES ACT OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND, IN EACH CASE, IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, AND (3) AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS NOTE OR AN INTEREST HEREIN IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION" AND "UNITED STATES" HAVE THE MEANINGS GIVEN TO THEM BY RULE 902 OF REGULATION S UNDER THE SECURITIES ACT. THE INDENTURE CONTAINS A PROVISION REQUIRING THE TRUSTEE TO REFUSE TO REGISTER ANY TRANSFER OF THIS NOTE IN VIOLATION OF THE FOREGOING RESTRICTIONS".

If you purchase New Notes, you will also be deemed to acknowledge that the foregoing restrictions apply to holders of beneficial interests in these New Notes as well as to holders of these New Notes.

(5) You acknowledge that the Principal Paying and Transfer Agent and the Registrar will not be required to accept for registration or transfer any New Notes acquired by you, except upon presentation of evidence satisfactory to us and the Registrar that the restrictions set forth herein have been complied with.

(6) You acknowledge that:

8. We, the Dealer Managers and others will rely upon the truth and accuracy of your acknowledgements, representations and agreements set forth herein and you agree that, if any of your acknowledgements, representations or agreements herein cease to be accurate and complete, you will notify us and the Dealer Managers promptly in writing; and

9. if you are acquiring any New Notes as fiduciary or agent for one or more investor accounts, you represent with respect to each such account that:

(i) you have sole investment discretion; and

(ii) you have full power to make the foregoing acknowledgements, representations and agreements.

(7) You agree that you will give to each person to whom you transfer these New Notes notice of any restrictions on the transfer of the New Notes.

(8) You understand that no action has been taken in any jurisdiction (including the United States) by us or the Dealer Managers that would permit a public offering of the New Notes or the possession, circulation or distribution of this exchange offer and consent solicitation memorandum or any other material relating to us or the New Notes in any jurisdiction where action for that purpose is required.

(9) The New Notes may not be sold or transferred to, and you as a purchaser, by your purchase and holding of the New Notes, shall be deemed to have represented and covenanted that you are not acquiring the New Notes for or on behalf of, and will not transfer the New Notes to, any employee benefit plan that is subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Internal Revenue Code of 1986, as amended (the "**Code**"), any governmental plan (as defined in Section 3(32) of ERISA) or other plan that is subject to any non-U.S. or other U.S. federal, state or local law or regulation substantially similar to Title I of ERISA or Section 4975 of the Code (collectively, "**Similar Laws**"), and entities whose underlying assets are considered to include "plan assets" of such employee benefit plans, plans accounts or arrangements (pursuant to Section 3(42) of ERISA and regulations promulgated under ERISA by the U.S. Department of Labor), unless such purchase, holding and disposition of the New Notes will not constitute or result in a non-exempt prohibited transaction under Title I of ERISA or the Code or a similar violation under any applicable Similar Laws.

LEGAL MATTERS

Certain legal matters with respect to the New Notes will be passed upon for Jababeka and its subsidiaries, including the Old Notes Issuer and the Subsidiary Guarantors by Milbank LLP as to matters of New York law and Makes & Partners Law Firm as to matters of Indonesian law. Certain legal matters will be passed upon for the Dealer Managers by Sidley Austin LLP as to matters of New York law and Hadiputranto, Hadinoto & Partners as to matters of Indonesian law.

INDEPENDENT AUDITORS

The consolidated financial statements as of and for the years ended December 31, 2019, 2020 and 2021 have been audited by BDO Indonesia, independent public accountants and a member of BDO International Limited, in accordance with Standards on Auditing established by the IAPI, as stated in their audit reports appearing elsewhere in this exchange offer and consent solicitation memorandum.

The unaudited interim consolidated financial statements as of and for the seven-month periods ended July 31, 2021 and 2022 have been reviewed by BDO Indonesia in accordance with SRE 2410 established by the IAPI as stated in their review reports appearing elsewhere in this exchange offer and consent solicitation memorandum. A review conducted in accordance with SRE 2410 established by the IAPI is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the IAPI and, consequently, does not enable BDO Indonesia to obtain assurance that they would become aware of all significant matters that might be identified in an audit. Accordingly, BDO Indonesia does not express an audit opinion on our unaudited interim consolidated financial statements as of July 31, 2021 and 2022, and for the seven-month periods ended July 31, 2021 and 2022.

RATINGS

The New Notes have not been assigned a rating by any rating agency. Any credit rating accorded the New Notes in the future is not a recommendation to purchase, hold or sell the New Notes inasmuch as such ratings do not comment as to market price or suitability for a particular investor. There can be no assurance that the ratings, if and when available, will remain in effect for any given period or that such ratings will not be revised by the rating agencies in the future if, in their judgment, circumstances so warrant. See “Risk Factors — Risks Relating to the Offering Structure, New Notes and the Subsidiary Guarantees — The ratings assigned to the New Notes in the future may be lowered or withdrawn”.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN INDONESIAN FAS AND IFRS

Our consolidated financial statements included in this exchange offer and consent solicitation memorandum are prepared and presented in accordance with Indonesian FAS, which differs in certain respects from IFRS. Certain differences between Indonesian FAS and IFRS applicable to us are summarized below. This summary should not be construed to be exhaustive. In making an investment decision, investors must rely upon their own examination of us, the terms of the offering and our financial information. Potential investors should consult their own professional advisers for an understanding of the differences between Indonesian FAS and IFRS and how these differences might affect the financial information herein. Our management has not quantified the effects of the differences discussed below. Had we undertaken such quantification or reconciliation, other potential accounting and disclosure differences may have come to our attention that are not identified below. Accordingly, we cannot assure you that our consolidated financial statements would not be materially different if prepared in accordance with IFRS.

Regulatory bodies that promulgate Indonesian FAS and IFRS have issued accounting standards which are not yet effective and have significant ongoing projects that could affect the differences between Indonesian FAS and IFRS described below. In making an investment decision, investors must rely upon their own examination of us, the terms of the offering and the financial information. Potential investors should consult their own professional advisors for an understanding of the differences between Indonesian FAS and IFRS and how those differences might affect the financial information disclosed in this exchange offer and consent solicitation memorandum.

Business Combination

Prior to January 1, 2020, under IFRS and Indonesian FAS, a business is defined as an integrated set of activities and assets that is capable of being conducted and managed to provide a return to investors (or other owners, members or participants) by way of dividends, lower costs or other economic benefits. A business generally consists of inputs, processes applied to those inputs and the ability to create outputs.

After January 1, 2020, under IFRS, a business is defined as integrated set of activities and assets that is capable of being conducted and manage to provide goods or services to customers, generate investment income, or generate other income from ordinary activities. To be a business, an integrated set of activities and assets must include at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. However, outputs are not required for an integrated set of activities and assets to qualify as a business.

IFRS 3 assesses whether an acquired process is substantive on the basis of whether or not the acquired set of activities and assets has outputs. For integrated sets of activities and assets that have outputs at the acquisitions date (i.e. those that generate revenue at the acquisition date), an acquired process is substantive in either one of the following two scenarios: (1) The process is critical to the ability to continue producing outputs, and the inputs acquired include an organized workforce with necessary skills, knowledge or experience to perform that process (or group of processes), (2) The process significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort or delay in the ability to continue producing outputs.

For integrated sets of activities and assets that do not have outputs at the acquisition date, an acquired process is considered substantive if both of the following criteria are met: (1)the process is critical to the ability to develop or convert an acquired input or inputs into outputs, (2)the inputs acquired include both an organized workforce that has the necessary skills, knowledge or experience to perform that process (or group of processes) and other inputs that the workforce could develop or convert into outputs.

IFRS provide a two-step framework for determining whether transactions should be accounted for as asset acquisitions or business combinations. This framework contains an optional concentration test (Step 1), which an entity can elect to apply on a transaction by transaction basis to simplify the assessment of whether an acquired set of activities and assets is not a business. Step 1: Determine whether substantially all of the fair value of the gross assets acquired is concentrated in single (group of similar) identifiable asset(s). If Step 1 is met, then the entity may elect to treat the transaction as an asset acquisition. If the test is not met or not applied, then the entity proceeds with Step 2. Step 2: Assess whether an input and a substantive process exist that together significantly contribute to the ability to create outputs. The approach used to determine whether a process is substantive depends on whether the set has outputs. If the test in Step 2 is met, then a business has been acquired and the entity accounts for the transactions as business combination.

Under Indonesian FAS, similar IFRS amendments are only effective for annual periods beginning on or after January 1, 2021.

Impairment of Financial Instruments

Prior to January 1, 2020, under Indonesian FAS, a financial asset or group of assets, other than those at fair value through profit or loss, is impaired and impairment losses are recognized, only if there is objective evidence as a result of one or more events that occurred after the initial recognition of the asset. An entity is required to assess at each reporting date whether there is any objective evidence of impairment. If any such evidence exists, the entity is required to do a detailed impairment calculation to determine whether an impairment loss should be recognized.

Effective starting January 1, 2020, Indonesian FAS adopted the expected credit loss (ECL) model similar with IFRS.

Under IFRS, effective starting January 1, 2018, impairment is recognized using an ECL model, which means that it is not necessary for a loss event to occur before an impairment loss is recognized. The ECL model covers financial assets measured at amortized cost, investment in debt instruments measured at fair value through other comprehensive income, certain loan commitments and financial guarantee contracts issued, lease receivables and contract assets.

Land Use Rights

In Indonesia, except for ownership rights ("**Hak Milik**") granted to individuals, the titles of the land rests with the Government. Land-use is accomplished through land rights whereby the holder of the right enjoys the full use of the land for a stated period of time, subject to extensions. Land rights are generally freely tradable and may be pledged as security under borrowing agreements.

Prior to January 1, 2020, under Indonesian FAS, the costs of acquired land rights are capitalized as land, which is not depreciated unless (a) the condition of the land is no longer suitable for the main operation of the enterprise; (b) the nature of the enterprise's main operation will result in the abandonment of land and buildings subsequent to completion of the project; for example land and buildings in a remote or isolated area. In this case, land should be depreciated in accordance with the estimated length of the enterprise's main operation or project; or (c) management's prediction or certainty that an extension or renewal of the land rights will not be obtained.

After January 1, 2020, under Indonesian FAS, the accounting for land rights depends on the substance of the rights and not its legal form. If the contracts grants rights that represent the in-substance purchase of an item of property, plant and equipment, those rights meets the definition of property, plant and equipment in PSAK 16 "Fixed Assets" and would be accounted for applying that standard, regardless of whether legal title transfers and not depreciated. In order to distinguish a lease from a purchase or a sale when legal title to the underlying assets is not transferred to the lessee/buyer, an assessment needs to be performed to identify whether the entity (1) has gained the ability to direct the use of asset, (2) has acquired substantial risk and rewards of the asset, and (3) has substantially acquired all remaining benefits of the asset.

Prior to January 1, 2019, under IFRS, an "agreement whereby the lessor conveys to the lessee in return for a payment or a series of payments the right to use an asset for an agreed period of time" is considered a lease. In determining whether the land use right is an operating or a finance lease, an important consideration is whether the lessee has an absolute right on such property. If the lessee does not and will not substantially own the land because the government has a right to reject the renewal, such right is accounted for as a lease and the cost is amortized over the period the holder is expected to retain the land rights.

After January 1, 2019, under IFRS, a long-term lease of land will generally meet the definition of a lease transaction and there will be no distinction between a finance lease and an operating lease.

Leases

Prior to January 1, 2020, under Indonesian FAS, the determination whether an arrangement is, or contains, a lease is made based on the substance of the arrangement and assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset. Lease is classified as an operating lease or a finance lease. Leases that transfer substantially to the lessee all the risks and rewards incidental to ownership of the leased item are classified as finance leases; otherwise, they shall be classified as operating leases.

Effective starting January 1, 2020, Indonesian FAS adopted accounting for leases similar with IFRS.

Under IFRS, at inception of a contract, an entity assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset

for a period of time, the entity assesses whether, throughout the period of use: (1) the entity has the right to obtain substantially all the economic benefits from the use of the identified asset; and (2) the entity has the right to direct the use of the identified asset. As a lessee, the entity recognizes right-of-use assets and lease liabilities for leases classified as operating leases under IAS 17, except for short-term leases and leases of low-value assets.

Revenue recognition

Prior to January 1, 2020, under Indonesian FAS, revenues from real estate sales are recognized using the full accrual method or as the case may be, the percentage-of-completion method, as set forth below:

Sales of residential houses, shop houses and other types of buildings and land:

- a sale is consummated;
- the selling price is collectible and at least 20% of the contract sales price has already been received;
- the receivable from the sale is not subject to future subordination; and
- the seller has transferred to the buyer the usual risks and rewards of ownership in a transaction that is in substance a sale and the seller does not have a substantial continuing involvement with the property.

Retail land sales without building:

- cumulative payments received equal to at least 20% of the contract sales price and the amount is not refundable to the buyer;
- the selling price is collectible;
- the receivable from the sale is not subject to future subordination;
- the seller has no remaining obligations to complete improvements on the lots sold or construct amenities or other facilities applicable to the lots sold as promised in the agreement between the seller and the buyer; and
- only the lots are sold without any requirement of the seller's involvement in the construction of the building on the lots.

Revenues from sale of office building and apartment units are recognized using the percentage-of-completion method to unit sold, if all of the following conditions are met:

- construction is already beyond the preliminary stage, where the building foundation has been finished and all requirements to start the construction have been fulfilled;
- the buyer has made a down payment at least 20% of the contract price, and is unable to require a refund of payments made; and
- aggregate sales proceeds and costs can be reasonably estimated.

If any of the above conditions listed above are not met, the payments received from the buyer are recorded as customers' deposits until all such criteria for revenue recognition are met.

Effective starting January 1, 2020, Indonesian FAS adopted revenue recognition principles similar with IFRS.

Under IFRS, an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that core principle, an entity should apply the following steps: (1) identify the contract(s) with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when (or as) the entity satisfies a performance obligation. An asset is transferred when (or as) the customer obtains control of that asset.

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Unaudited interim consolidated financial statements of Jababeka as of and for the seven-month periods ended July 31, 2021 and 2022, and audited consolidated financial statements of Jababeka as of and for the years ended December 31, 2019, 2020 and 2021.

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PT KAWASAN INDUSTRI JABABEKA Tbk
AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

AS OF JUNE 30, 2022 AND 2021 (UNAUDITED),
DECEMBER 31, 2021, 2020 AND 2019 (AUDITED)
AND FOR THE SIX-MONTH PERIODS ENDED
JUNE 30, 2022 AND 2021 (UNAUDITED)
AND FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019 (AUDITED)

REPORT ON REVIEW OF FINANCIAL INFORMATION

AND

INDEPENDENT AUDITORS' REPORT

JABABEKA

CREATING NEW CITIES

PT KAWASAN INDUSTRI JABABEKA Tbk AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AS OF JUNE 30, 2022 AND 2021 (UNAUDITED),
DECEMBER 31, 2021, 2020 AND 2019 (AUDITED)
AND FOR THE SIX-MONTH PERIODS ENDED
JUNE 30, 2022 AND 2021 (UNAUDITED)
AND FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019 (AUDITED)

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Directors' Statement

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Independent Auditors' Report

JABABEKA & CO.

DIRECTORS' STATEMENT LETTER REGARDING RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2022 AND 2021 (UNAUDITED), DECEMBER 31, 2021, 2020 AND 2019 (AUDITED) AND FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021 (UNAUDITED), AND FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020 AND 2019 (AUDITED) PT KAWASAN INDUSTRI JABABEKA Tbk AND SUBSIDIARIES ("THE GROUP")

We, the undersigned:

1. Name : Tedjo Budianto Liman
   Office address : Menara Batavia, 25th floor
   Jl. K.H. Mas Mansyur Kav 126 - Jakarta Pusat
   Domicile as stated in ID Card : Jl. Widya Chandra II/10, RT 007 / RW 001
   Senayan, Kebayoran Baru - Jakarta Selatan
   Phone number : (021) 572-7278
   Position : President Director

2. Name : Tjahjadi Rahardja
   Office address : Menara Batavia, 25th floor
   Jl. K.H. Mas Mansyur Kav 126 - Jakarta Pusat
   Domicile as stated in ID Card : Puri Kencana L7/3, RT 007 / RW 007
   Kembangan Selatan, Kembangan - Jakarta Barat
   Phone number : (021) 572-7278
   Position : Vice President Director

State that:

1. We are responsible for the preparation and presentation of the Group's consolidated financial statements;
2. The Group's consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information in the Group's consolidated financial statements has been disclosed in a complete and truthful manner;
   b. The Group's consolidated financial statements do not contain misleading material information or facts, nor do they omit material information and facts;
4. We are responsible for the Group's internal control system.

Thus, this statement letter is made truthfully.
For and on behalf of the Board of Directors,

Jakarta, September 2, 2022

SEPULUH RIBU RUPIAH 10000 METERAI TEMPEL 38007AJX569560417

Tedjo Budianto Liman
President Director

Tjahjadi Rahardja
Vice President Director

PT. JABABEKA Tbk.

PT KAWASAN INDUSTRI JABABEKA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021 (UNAUDITED)
AND DECEMBER 31, 2021, 2020 AND 2019 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

	Notes	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	4	1,175,101,785,497	1,154,337,171,363	1,111,486,304,905	1,178,458,368,683	1,005,108,029,387
Short-term investments		9,750,000,000	-	6,250,000,000	4,021,895,657	23,500,000,000
Trade receivables from third parties - Net	5	393,858,336,628	388,128,778,122	415,514,694,793	309,741,525,487	563,138,417,937
Other receivables from third parties - Net		59,925,899,693	55,650,538,971	56,373,037,468	64,259,323,111	81,905,626,143
Inventories	6	1,498,131,801,400	1,527,719,928,679	1,507,923,295,920	1,513,173,854,925	1,398,737,903,587
Land for development - Current portion	7	5,121,610,066,159	4,962,824,545,509	4,987,862,647,215	4,876,183,781,438	4,909,582,422,607
Prepaid taxes	18	58,191,399,466	74,225,897,291	57,446,541,313	53,526,692,847	39,035,231,034
Prepaid expenses		11,189,527,395	12,005,993,866	11,363,622,613	7,870,993,012	6,688,998,968
Advances	13	513,773,684,795	474,257,658,896	484,688,573,554	512,489,908,995	513,189,112,802
Total Current Assets		8,841,532,501,033	8,649,150,512,697	8,638,908,717,781	8,519,726,344,155	8,540,885,742,465
NON-CURRENT ASSETS						
Investments in share of stock	8	39,337,374,000	27,971,862,500	39,337,374,000	28,971,862,500	28,971,862,500
Investments in associates and joint venture	8	220,319,784,851	239,180,023,447	226,845,615,148	259,331,846,288	260,053,092,199
Derivative financial assets	9	239,681,687,039	271,173,091,487	240,915,655,649	329,070,087,254	342,725,151,511
Property, plant and equipment - Net	10	1,935,983,589,589	1,980,624,596,078	1,948,427,461,045	2,033,797,383,048	2,140,893,989,406
Intangible assets - Net		3,332,509,820	5,182,147,820	4,218,828,314	6,096,698,576	4,013,207,917
Right-of-use-assets - Net	15	29,962,554,183	5,681,435,038	37,088,708,146	2,183,385,689	-
Investment properties - Net	11	90,782,026,663	64,980,921,927	94,237,618,305	67,543,328,885	71,584,675,974
Land for development - Non-current portion	7	677,033,500,186	651,850,138,353	678,988,716,923	651,081,524,942	620,509,379,331
Deferred tax assets	18	18,748,608,002	21,388,611,813	17,802,179,883	23,276,754,167	29,923,594,249
Estimated claims for income tax refund	18	172,781,995,791	188,470,260,720	189,136,864,823	156,492,549,248	74,950,002,305
Refundable deposits and other deposits		10,468,609,989	12,574,313,392	8,074,907,883	12,630,616,289	12,975,872,689
Restricted cash and cash equivalents	12	140,906,598,781	144,576,554,871	168,107,682,126	109,973,598,829	57,125,008,766
Total Non-Current Assets		3,579,338,838,894	3,613,653,957,446	3,653,181,612,245	3,680,449,635,715	3,643,725,836,847
TOTAL ASSETS		12,420,871,339,927	12,262,804,470,143	12,292,090,330,026	12,200,175,979,870	12,184,611,579,312

See accompanying Notes to the Consolidated Financial Statements on Exhibit E
which are an integral part of the Consolidated Financial Statements taken as a whole

PT KAWASAN INDUSTRI JABABEKA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021 (UNAUDITED)
AND DECEMBER 31, 2021, 2020 AND 2019 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

	Notes	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
LIABILITIES AND EQUITY						
LIABILITIES						
CURRENT LIABILITIES						
Short-term bank loans	14	989,000,000	17,975,040,000	-	35,262,500,000	64,554,522,499
Trade payables to third parties	16	144,807,164,399	119,926,528,391	149,891,229,225	124,328,868,239	136,977,520,450
Other payables to third parties	17	69,051,100,524	64,008,285,741	74,516,380,127	83,134,312,606	138,307,871,702
Taxes payable	18	33,767,188,546	27,980,162,948	41,308,625,326	36,517,779,860	55,289,745,236
Accrued expenses	19	200,126,131,482	197,898,626,232	178,515,623,044	287,618,169,045	237,149,056,488
Dividends payable		147,949,389	147,949,389	147,949,389	147,949,389	147,949,389
Customers' deposits -						
Current portion	21	787,939,728,532	953,508,390,173	808,122,152,541	751,523,317,045	703,941,724,648
Security deposits -						
Current portion		8,144,482,702	50,297,381	5,046,976,035	747,407,715	463,524,525
Unearned income -						
Current portion		20,611,186,347	19,552,048,926	19,619,247,799	13,078,503,974	10,207,122,586
Current portion of						
long-term debts:	15					
Bank loans		27,841,032,367	34,952,091,081	27,951,012,417	45,662,917,795	48,485,606,540
Lease liabilities		15,554,706,628	959,416,615	15,030,080,890	739,549,097	399,063,266
Total Current Liabilities		1,308,979,670,916	1,436,958,836,877	1,320,149,276,793	1,378,761,274,765	1,395,923,707,329
NON-CURRENT LIABILITIES						
Long-term debts - Net of						
current portion:	15					
Senior notes		4,367,087,068,229	4,217,570,074,196	4,173,894,510,086	4,082,894,534,318	3,984,609,348,477
Bank loans		38,764,659,598	64,593,750,000	56,246,840,898	73,524,998,869	79,381,801,460
Lease liabilities		20,097,936,286	4,385,140,553	28,057,901,786	1,489,540,222	-
Unearned income -						
Non-current portion		16,311,917,147	14,562,763,703	11,984,508,145	13,601,269,254	17,556,687,129
Customers' deposit -						
Non-current portion	21	175,754,523	252,597,374	161,156,323	153,878,020	1,853,242,930
Security deposits						
Non-current portion		107,443,807,753	93,663,267,944	100,157,975,103	99,084,825,884	91,618,521,788
Employee						
benefit liabilities	20	157,935,872,268	179,091,290,448	148,517,393,917	209,665,186,979	206,022,876,503
Deferred tax liabilities	18	78,503,094,285	84,951,601,215	80,910,395,892	80,745,962,978	100,630,164,380
Total Non-current Liabilities		4,786,320,110,089	4,659,070,485,433	4,599,930,682,150	4,561,160,196,524	4,481,672,642,667
TOTAL LIABILITIES		6,095,299,781,005	6,096,029,322,310	5,920,079,958,943	5,939,921,471,289	5,877,596,349,996

See accompanying Notes to the Consolidated Financial Statements on Exhibit E
which are an integral part of the Consolidated Financial Statements taken as a whole

Exhibit A/3

PT KAWASAN INDUSTRI JABABEKA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021 (UNAUDITED)
AND DECEMBER 31, 2021, 2020 AND 2019 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

	Notes	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
EQUITY						
Share capital						
Authorized - 1,800,000,000 Series A shares with par value of Rp 500 per share and 28,000,000,000 Series B shares with par value of Rp 75 per share						
Issued and fully paid - 711,956,815 Series A shares and 20,112,931,554 series B shares	22	1,864,448,274,050	1,864,448,274,050	1,864,448,274,050	1,864,448,274,050	1,864,448,274,050
Additional paid-in capital - Net	23	1,396,068,999,121	1,396,068,999,121	1,396,068,999,121	1,396,068,999,121	1,396,068,999,121
Treasury shares	22	(47,843,709,726)	(47,843,709,726)	(47,843,709,726)	(47,843,709,726)	-
Retained earnings						
Appropriated	24	500,000,000	400,000,000	500,000,000	450,000,000	450,000,000
Unappropriated		1,886,514,771,077	1,808,471,169,311	1,942,693,698,436	1,947,908,987,384	2,049,177,515,313
Foreign currency translation reserves		42,866,219,238	45,404,880,906	46,192,358,435	46,342,161,379	44,908,936,248
Other capital reserves		54,757,790,136	42,684,156,151	54,757,790,136	30,610,522,165	17,649,116,446
Equity attributable to owners of the Parent Company		5,197,312,343,896	5,109,633,769,813	5,256,817,410,452	5,237,985,234,373	5,372,702,841,178
Non-controlling interests	25	1,128,259,215,026	1,057,141,378,020	1,115,192,960,631	1,022,269,274,208	934,312,388,138
TOTAL EQUITY		6,325,571,558,922	6,166,775,147,833	6,372,010,371,083	6,260,254,508,581	6,307,015,229,316
TOTAL LIABILITIES AND EQUITY		12,420,871,339,927	12,262,804,470,143	12,292,090,330,026	12,200,175,979,870	12,184,611,579,312

See accompanying Notes to the Consolidated Financial Statements on Exhibit E which are an integral part of the Consolidated Financial Statements taken as a whole

Jakarta, September 2, 2022

Tedjo Budianto Liman
President Director

Tjahjadi Rahardja
Vice President Director

PT KAWASAN INDUSTRI JABABEKA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021 (UNAUDITED)
AND FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

	Notes	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
SALES AND SERVICE REVENUE	27	1,137,202,913,703	1,105,827,661,308	2,490,256,211,002	2,396,086,017,034	2,253,944,326,651
COST OF SALES AND SERVICE REVENUE	28	554,299,669,089	670,110,342,552	1,397,684,399,728	1,377,666,961,608	1,410,492,976,216
GROSS PROFIT		582,903,244,614	435,717,318,756	1,092,571,811,274	1,018,419,055,426	843,451,350,435
Selling expenses	29	(30,685,636,491)	(25,183,470,772)	(60,088,484,017)	(57,275,385,590)	(89,763,363,236)
General and administrative expenses	30	(224,930,057,430)	(191,283,731,548)	(447,656,592,810)	(466,013,523,208)	(455,780,429,434)
Financial income	31	12,680,014,774	14,212,021,691	29,661,114,463	35,225,819,338	39,011,582,419
Financial expenses	32	(248,017,835,369)	(216,779,716,808)	(466,591,091,552)	(466,625,220,101)	(424,681,442,452)
Final tax expense	18	(20,410,033,137)	(12,990,060,788)	(28,750,916,945)	(24,512,390,467)	(41,205,319,766)
Other (expenses) income - Net	33	(108,967,690,175)	(99,483,699,767)	(18,815,410,303)	(1,733,296,656)	302,241,493,190
PROFIT BEFORE INCOME TAX (EXPENSE) BENEFIT		(37,427,993,214)	(95,791,339,236)	100,330,430,110	37,485,058,742	173,273,871,156
INCOME TAX (EXPENSE) BENEFIT						
Current	18	(9,038,409,476)	(4,472,901,203)	(10,540,138,975)	(2,809,753,741)	(32,627,802,605)
Deferred	18	3,353,729,726	(4,351,473,822)	(2,154,393,660)	10,574,568,534	494,238,517
Income Tax (Expense) Benefit - Net		(5,684,679,750)	(8,824,375,025)	(12,694,532,635)	7,764,814,793	(32,133,564,088)
NET (LOSS) PROFIT		(43,112,672,964)	(104,615,714,261)	87,635,897,475	45,249,873,535	141,140,307,068
OTHER COMPREHENSIVE INCOME						
Items that will not be reclassified to profit or loss:						
Remeasurements gain on employee benefits liabilities	20	-	13,815,940,755	27,631,881,509	14,823,613,881	1,962,373,368
Related income tax	18	-	(1,742,306,769)	(3,484,613,538)	(1,862,208,162)	(160,969,275)
Items that will be reclassified subsequently to profit or loss:						
Foreign currency translation reserves		(3,326,139,197)	(937,280,473)	(149,802,944)	1,433,225,131	(8,091,709,969)
Other Comprehensive Income - Net of Tax		(3,326,139,197)	11,136,353,513	23,997,465,027	14,394,630,850	(6,290,305,876)
NET COMPREHENSIVE (LOSS) INCOME		(46,438,812,161)	(93,479,360,748)	111,633,362,502	59,644,504,385	134,850,001,192
Net (loss) profit attributable to:						
Owners of the Parent Company		(56,178,927,359)	(139,487,818,073)	(5,165,288,948)	(47,794,388,214)	118,806,202,269
Non-controlling interests		13,066,254,395	34,872,103,812	92,801,186,423	93,044,261,749	22,334,104,799
Total		(43,112,672,964)	(104,615,714,261)	87,635,897,475	45,249,873,535	141,140,307,068
Net comprehensive (loss) income attributable to:						
Owners of the Parent Company		(59,505,066,556)	(128,351,464,560)	18,832,176,079	(33,399,757,364)	112,515,896,393
Non-controlling interests		13,066,254,395	34,872,103,812	92,801,186,423	93,044,261,749	22,334,104,799
Total		(46,438,812,161)	(93,479,360,748)	111,633,362,502	59,644,504,385	134,850,001,192
BASIC (LOSS) EARNINGS PER SHARE	26	(2.74)	(6.79)	(0.25)	(2.31)	5.71

See accompanying Notes to the Consolidated Financial Statements on Exhibit E which are an integral part of the Consolidated Financial Statements taken as a whole

Jakarta, September 2, 2022

Tedjo Budianto Liman
President Director

Tjahjadi Rahardja
Vice President Director

PT KAWASAN INDUSTRI JABABEKA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021 (UNAUDITED)
AND FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

		Attributable to owners of the Parent Company									
					Retained earnings						
	Notes	Issued and fully paid capital	Additional paid-in capital - Net	Treasury shares	Appropriated	Unappropriated	Foreign currency translation reserves	Other capital reserves	Equity attributable to owners of the Parent Company	Non-controlling interests	Total equity
Balance as of January 1, 2019		1,864,448,274,050	1,396,068,999,121	-	400,000,000	1,930,421,313,044	53,000,646,217	15,847,712,353	5,260,186,944,785	792,321,933,408	6,052,508,878,193
Changes in non-controlling interests due to changes in investment	1d	-	-	-	-	-	-	-	-	119,656,349,931	119,656,349,931
Appropriation for general reserves	24	-	-	-	50,000,000	(50,000,000)	-	-	-	-	-
Net comprehensive income for the year		-	-	-	-	118,806,202,269	(8,091,709,969)	1,801,404,093	112,515,896,393	22,334,104,799	134,850,001,192
Balance as of December 31, 2019		1,864,448,274,050	1,396,068,999,121	-	450,000,000	2,049,177,515,313	44,908,936,248	17,649,116,446	5,372,702,841,178	934,312,388,138	6,307,015,229,316
Changes in accounting policies	41	-	-	-	-	(53,474,139,715)	-	-	(53,474,139,715)	(15,875,375,679)	(69,349,515,394)
Purchase of Treasury Shares	22	-	-	(47,843,709,726)	-	-	-	-	(47,843,709,726)	-	(47,843,709,726)
Establishment of new Subsidiary	1d	-	-	-	-	-	-	-	-	1,012,500,000	1,012,500,000
Changes in non-controlling interests due to changes in investment	1d	-	-	-	-	-	-	-	-	9,775,500,000	9,775,500,000
Net comprehensive income for the year		-	-	-	-	(47,794,388,214)	1,433,225,131	12,961,405,719	(33,399,757,364)	93,044,261,749	59,644,504,385
Balance as of December 31, 2020		1,864,448,274,050	1,396,068,999,121	(47,843,709,726)	450,000,000	1,947,908,987,384	46,342,161,379	30,610,522,165	5,237,985,234,373	1,022,269,274,208	6,260,254,508,581
Cancellation of appropriation for general reserves	1e	-	-	-	(50,000,000)	50,000,000	-	-	-	-	-
Net comprehensive income for the six months period		-	-	-	-	(139,487,818,073)	(937,280,473)	12,073,633,986	(128,351,464,560)	34,872,103,812	(93,479,360,748)
Balance as of June 30, 2021		1,864,448,274,050	1,396,068,999,121	(47,843,709,726)	400,000,000	1,808,471,169,311	45,404,880,906	42,684,156,151	5,109,633,769,813	1,057,141,378,020	6,166,775,147,833

See accompanying Notes to the Consolidated Financial Statements on Exhibit E
which are an integral part of the Consolidated Financial Statements taken as a whole

PT KAWASAN INDUSTRI JABABEKA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021 (UNAUDITED)
AND FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

		Attributable to owners of the Parent Company									
					Retained earnings						
	Notes	Issued and fully paid capital	Additional paid-in capital - Net	Treasury shares	Appropriated	Unappropriated	Foreign currency translation reserves	Other capital reserves	Equity attributable to owners of the Parent Company	Non-controlling interests	Total equity
Balance as of January 1, 2021		1,864,448,274,050	1,396,068,999,121	(47,843,709,726)	450,000,000	1,947,908,987,384	46,342,161,379	30,610,522,165	5,237,985,234,373	1,022,269,274,208	6,260,254,508,581
Establishment of new subsidiary	1d	-	-	-	-	-	-	-	-	122,500,000	122,500,000
Appropriation for general reserves	1e, 24	-	-	-	50,000,000	(50,000,000)	-	-	-	-	-
Net comprehensive income for the year		-	-	-	-	(5,165,288,948)	(149,802,944)	24,147,267,971	18,832,176,079	92,801,186,423	111,633,362,502
Balance as of December 31, 2021		1,864,448,274,050	1,396,068,999,121	(47,843,709,726)	500,000,000	1,942,693,698,436	46,192,358,435	54,757,790,136	5,256,817,410,452	1,115,192,960,631	6,372,010,371,083
Total comprehensive income for the six months period		-	-	-	-	(56,178,927,359)	(3,326,139,197)	-	(59,505,066,556)	13,066,254,395	(46,438,812,161)
Balance as of June 30, 2022		1,864,448,274,050	1,396,068,999,121	(47,843,709,726)	500,000,000	1,886,514,771,077	42,866,219,238	54,757,790,136	5,197,312,343,896	1,128,259,215,026	6,325,571,558,922

See accompanying Notes to the Consolidated Financial Statements on Exhibit E
which are an integral part of the Consolidated Financial Statements taken as a whole

PT KAWASAN INDUSTRI JABABEKA Tbk AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021 (UNAUDITED)
AND FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	1,174,412,176,428	1,233,726,141,573	2,456,878,249,364	2,494,573,070,048	2,731,764,778,744
Payments for:					
Land development, construction cost and licenses	(237,367,314,083)	(219,159,443,224)	(472,956,927,168)	(396,626,140,438)	(538,485,603,856)
Salaries and employees' benefit	(132,592,310,684)	(131,071,165,030)	(290,791,093,378)	(242,567,434,957)	(266,691,425,279)
Other operating expenses	(430,211,473,131)	(473,506,915,481)	(905,376,187,911)	(916,930,933,111)	(1,161,715,771,038)
Cash flows provided by operating activities	374,241,078,530	409,988,617,838	787,754,040,907	938,448,561,542	764,871,978,571
Receipt of financial income	11,290,951,308	12,177,450,878	24,854,346,473	35,225,819,338	39,011,582,419
Receipt (payment) of estimated claims for income tax refund - Net	15,720,046,880	(32,592,124,026)	(34,433,410,895)	(42,209,917,220)	4,556,931,847
Payment of financial expenses	(195,637,925,014)	(205,179,924,327)	(410,388,345,668)	(421,536,629,745)	(396,170,483,682)
Payment of income taxes and final tax	(43,780,513,097)	(33,033,028,501)	(33,154,889,120)	(63,114,070,446)	(41,193,285,795)
Net cash flows provided by operating activities	161,833,638,607	151,360,991,862	334,631,741,697	446,813,763,469	371,076,723,360
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sale of property, plant and equipment	70,069,369	40,909,091	668,729,157	1,114,406,455	2,436,363,636
Proceeds from sale of investment property	-	-	-	10,800,000,000	-
Acquistion of intangible assets	-	(44,430,000)	(44,430,000)	(3,473,414,800)	(5,276,155,000)
Acquisition of investment properties	-	-	(5,347,200,000)	-	(4,260,000,000)
Addition in investment in associates and joint venture	-	(10,000,007,838)	(10,000,007,838)	(1,386,000,000)	(46,877,204,194)
Addition in investment in shares	-	-	(11,365,511,500)	-	-
Advances for purchase of property, plant and equipment	(1,426,249,779)	(1,639,590,902)	(2,575,016,782)	(8,692,105,750)	(2,450,824,742)
Deduction (addition) in short-term investment	(3,500,000,000)	4,021,895,657	(2,228,104,343)	19,478,104,343	23,300,000,000
Acquisition of land	(41,142,768,783)	(79,011,757,475)	(187,245,826,159)	(124,614,782,683)	(85,984,822,000)
Acquisition of property, plant and equipment	(60,390,405,149)	(19,547,205,020)	(54,036,414,844)	(37,894,206,565)	(108,603,742,003)
Net cash flows used in investing activities	(106,389,354,342)	(106,180,186,487)	(272,173,782,309)	(144,667,999,000)	(227,716,384,303)
CASH FLOWS FROM FINANCING ACTIVITIES					
Placements in restricted cash and cash equivalents	27,201,083,345	(34,602,956,042)	(58,134,083,297)	(52,848,590,063)	(41,294,939,786)
Proceeds from bank loans	-	-	2,384,962,798	51,804,000,001	31,990,451,834
Establishment of new subsidaries	-	-	122,500,000	1,012,500,000	-
Additional capital from non-controlling interest	-	-	-	9,775,500,000	80,932,049,931
Purchase of treasury shares	-	-	-	(47,843,709,726)	-
Payments of lease liabilities	(7,435,339,762)	(542,238,275)	(1,839,175,886)	(1,346,789,048)	(2,604,582,452)
Payments of bank loans	(17,043,357,131)	(38,309,332,241)	(73,118,153,354)	(91,709,151,038)	(77,408,858,390)
Net cash flows provided by (used in) financing activities	2,722,386,452	(73,454,526,558)	(130,583,949,739)	(131,156,239,874)	(8,385,878,863)
Effect of changes in foreign exchange rates on cash and cash equivalents	5,448,809,875	4,152,523,863	1,153,926,573	2,360,814,701	(8,741,390,770)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	63,615,480,592	(24,121,197,320)	(66,972,063,778)	173,350,339,296	126,233,069,424
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,111,486,304,905	1,178,458,368,683	1,178,458,368,683	1,005,108,029,387	878,874,959,963
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,175,101,785,497	1,154,337,171,363	1,111,486,304,905	1,178,458,368,683	1,005,108,029,387

See Note 40 to the Consolidated Financial Statements for the supplemental disclosure of cash flows information

See accompanying Notes to the Consolidated Financial Statements on Exhibit E which are an integral part of the Consolidated Financial Statements taken as a whole

PT KAWASAN INDUSTRI JABABEKA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021 (UNAUDITED)
AND FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

1. GENERAL

a. The Company's Establishment

PT Kawasan Industri Jababeka Tbk (the "Company") was established within the framework of the Domestic Capital Investment Law No. 6 Year 1968 which was amended by Law No. 12 Year 1970, based on Notarial deed of Notary Maria Kristiana Soeharyo, S.H., No. 18 dated January 12, 1989. The deed of establishment was approved by the Minister of Justice of the Republic of Indonesia in its Decision Letter No. C2-8154.HT.01.01.TH.89 dated September 1, 1989 and was published in the State Gazette of the Republic of Indonesia No. 81 dated October 10, 1989, Supplement No. 2361. The Company's Articles of Association has been amended several times, among others, based on the Notarial Deed No. 51 of Yualita Widyadhari, S.H., M.Kn., Notary in Jakarta, dated June 24, 2015, concerning the approval for the changes and realignments throughout the Company's Article of Association in accordance with POJK No. 32 and OJK Regulation No. 33/POJK.04/2014 regarding the Issuer or Public Company's Director and Commissioner. These changes have been reported and recorded in the database of the Legal Entity Administration System of the Department of Laws and Human Rights of the Republic of Indonesia under registration No. AHU-AH.01.03-0952390 dated July 28, 2015. The latest amendment of the Company's Articles of Association was covered by the Notarial deed No. 38 of Yualita Widyadhari, S.H., M.Kn., Notary in Jakarta, dated October 27, 2017 concerning the changes of the Company's issued and fully paid capital. These changes have been reported and recorded in the database of the Legal Entity Administration System of the Department of Laws and Human Rights of the Republic of Indonesia under registration No. AHU-AH.01.03-0187494 dated November 3, 2017.

As stated in Article 3 of the Company's Articles of Association, the scope of its activities comprise the development and sale of industrial estates and related facilities and services including, among others, residential estate, apartments, office buildings, shopping centers, development and installation of water treatment plants, waste water treatment, telephone and electricity with other facilities to support the industrial estat. In addition, the Company provides sports and recreational facilities, and also exports and imports of goods for businesses related to the development and management of the industrial estate.

The Company is domiciled in Bekasi and its Subsidiaries are domiciled in Bekasi, Pandeglang, Jakarta and Kendal in Indonesia and Amsterdam, Netherlands. The Company has started to operate commercially in 1990.

b. Completion and Authorization of the Consolidated Financial Statements

The Board of Directors of the Company and Subsidiaries (collectively referred to as the "Group") are responsible for the preparation and presentation of the consolidated financial statements, which were authorized for issue by the Board of Directors on August xx, 2022.

c. Change in Capital Structure

The Company obtained the notice of effectivity from the Chairman of Bapepam (currently known as Otoritas Jasa Keuangan "OJK") based on the Capital Market Supervisory Board letter No. S-1959/PM/1994 dated December 5, 1994, for the public offering of 47,000,000 shares with par value of Rp 1,000 per share at offering price of Rp 4,950 per share. These shares were listed in the Jakarta Stock Exchange and Surabaya Stock Exchange on January 10, 1995.

On November 25, 1996, the Company obtained the Notice of Effectivity Letter No. S-1916/PM/1996 from the Chairman of Bapepam to hold right issue I to the Shareholders for Pre-emptive Rights totaling 156,820,000 common shares with par value of Rp 1,000 per share. These shares in the Limited Public Offering I have been listed in the Jakarta Stock Exchange and Surabaya Stock Exchange (currently known as Indonesia Stock Exchange "IDX") on December 16, 1996.

In connection with its loans restructuring process, the Company issued additional 356,585 Series A shares and 12,128,665,380 Series B shares to its existing creditors in 2002, and additional 940,250,356 Series B shares in 2004.

Based on the Minutes of the Extraordinary Meeting of the Shareholders as covered by Notarial deed of Yualita Widyadhari, S.H., No. 3 dated August 16, 2004 the shareholders approved the quasi reorganization of the Company by decreasing the par value of the Series A shares from Rp 1,000 per share to Rp 500 per share, and Series B shares from Rp 150 per share to Rp 75 per share. As a result, the issued and fully paid capital decreased from Rp 2,672,294,175,400 to Rp 1,336,147,087,700 consisting of 711,956,815 Series A shares with par value of Rp 500 per share and 13.068.915.736 Series B shares with par value of Rp 75 per share.

On September 23, 2011, the Company obtained the Notice of Effectivity from the Chairman of Bapepam in its letter No. S-10447/BL/2011 through Pre-emptive Rights Issue II to the Shareholders totaling 6,036,022,177 Series B common shares with par value Rp 75 per share. These shares from Pre-emptive Rights Issue II were listed in the Indonesia Stock Exchange on October 20, 2011.

Based on Notarial deed of Yualita Widyadhari, S.H., M.Kn., No. 73 dated June 21, 2013, relating to the decision from the Annual Shareholders' General Meeting, the Shareholders approved the change of the Company's issued and paid-up capital through share dividends by issuance of up to 304,476,315 new Series B shares with par value of Rp 75 per share.

Based on Notarial deed of Yualita Widyadhari, S.H., M.Kn., No. 35 dated July 17, 2014, relating to the decision from the Annual Shareholders' General Meeting, the shareholders approved the change of the Company's issued and paid-up capital through share dividends by issuance of 113,908,032 Series B shares with par value of Rp 75 per share.

PT KAWASAN INDUSTRI JABABEKA Tbk AND SUBSIDIARIES
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1. **GENERAL** (Continued)

c. **Change in Capital Structure** (Continued)

Based on Notarial deed of Yualita Widyadhari, S.H., M.Kn., No. 199 dated December 30, 2015, relating to the decision from the Annual Shareholders' General Meeting, the shareholders approved the change of the Company's issued and paid-up capital through share dividends by issuance of 426,899,610 Series B shares with par value of Rp 75 per share.

Based on Notarial deed of Yualita Widyadhari, S.H., M.Kn., No. 38 dated October 27, 2017, relating to the decision from the Annual Shareholders' General Meeting, the shareholders approved the change of the Company's issued and paid-up capital through share dividends by issuance of 162,709,684 Series B shares with par value of Rp 75 per share.

As of June 30, 2022 and 2021, December 31, 2021, 2020 and 2019, all of the Company's shares are listed in the Indonesia Stock Exchange.

d. **The Company and Subsidiaries (collectively hereinafter referred to as the "Group") Structure**

The Company has ownership interest in the following Subsidiaries either directly or indirectly:

Subsidiaries	Percentage of ownership (direct and indirect)					Scope of activities	Domicile	Start of commercial operations
Operating entities	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)			
PT Grahabuana Cikarang (GBC)	100%	100%	100%	100%	100%	Residential and industrial estate	Bekasi	1993
PT Jababeka Infrastruktur (JI)	100%	100%	100%	100%	100%	Processing industry, the fields of procurement, management, construction, trading, transportation, warehousing, information, real estate, professional activities, scientific, technical, agriculture, forestry, fisheries and communications	Bekasi	1997
PT Indocargomas Persada (IP)	100%	100%	100%	100%	100%	Industrial estate	Bekasi	1991
PT Saranapratama Pengembangan Kota (SPPK)	100%	100%	100%	100%	100%	Residential estate maintenance	Bekasi	2006
PT Mercuagung Graha Realty (MGR)	100%	100%	100%	100%	100%	Residential estate	Bekasi	2011
PT Banten West Java Tourism Development (BWJ)	100%	100%	100%	100%	100%	Tourism estate	Pandeglang	1997
PT Gerbang Teknologi Cikarang (GTC) (GTC through JI)	100%	100%	100%	100%	100%	Industrial estate	Bekasi	2007
PT Bekasi Power (BP) (BP through JI)	100%	100%	100%	100%	100%	Electricity generator and distributor	Bekasi	2009
PT Cikarang Inland Port (CIP) (CIP through JI)	100%	100%	100%	100%	100%	Services	Bekasi	2011
PT Padang Golf Cikarang (PGC) (PGC through GBC)	100%	100%	100%	100%	100%	Management of golf course	Bekasi	1996
PT Metropark Condominium Indah (MCI) (MCI through IP)	100%	100%	100%	100%	100%	Residential Condominium	Bekasi	2006
PT Tanjung Lesung Leisure Industry (TLLI) (TLLI through BWJ)	100%	100%	100%	100%	100%	Tourism estate	Pandeglang	1998
Jababeka International B.V. (JIBV)	100%	100%	100%	100%	100%	Financing	Amsterdam	2012

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(Expressed in Rupiah, unless otherwise stated)

1. **GENERAL** (Continued)

d. **The Group's Structure** (Continued)

Subsidiaries	Percentage of ownership (direct and indirect)					Scope of activities	Domicile	Start of commercial operations
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)			
Operating entities (Continued)								
PT Jababeka Morotai (JM) (JM through IP)	100%	100%	100%	100%	100%	Construction, development and management services of industrial estate	Bekasi	2013
PT Jababeka Longlife City (JLC) (JLC through GBC)	80%	80%	80%	80%	80%	Hospitality service and rent real estates of any related activities	Bekasi	2014
PT Kawasan Industri Kendal (KIK) (KIK through GBC)	51%	51%	51%	51%	51%	Construction, development and management services of industrial estate	Kendal	2015
PT United Power (UP) (UP through BP)	100%	100%	100%	100%	100%	Electricity generator and distributor	Bekasi	2016
PT Infrastruktur Cakrawala Telekomunikasi (ICT) (ICT through JI)	100%	100%	100%	100%	100%	Services and construction	Bekasi	2016
PT Nusantara Gas Energi (NGE) (NGE through JI)	51%	51%	51%	51%	51%	Trading, transportation, industry and services	Bekasi	2016
PT Jababeka PP Properti (JPP)	51%	51%	51%	51%	51%	Trading, real estate construction and building management	Bekasi	2017
PT Jababeka Creed Residence (JCR) (JCR through GBC)	60%	60%	60%	60%	60%	Trading, service, construction real estate and building management	Bekasi	2019
PT Patriamanunggal Jaya (PMJ) (PMJ through GBC)	100%	100%	100%	100%	100%	Development and management of industrial estate	Bekasi	2019
PT Mitra Pengembang Kawasan (MPK through IDG)	100%	100%	100%	100%	100%	Construction, trading, agriculture and services	Bekasi	2019
PT Proteksi Usaha Indonesia (PUI) (PUI through CIP)	70%	70%	70%	70%	70%	General trading	Jakarta	2020
PT Media Membangun Negeri (MMN) (MMN through MPK)	51%	51%	51%*	51%*	-	Printing, media, advertising, telecommunication, consultant, entertainment and education	Bekasi	2021
PT Sarana Indah Permai Residen (SIPR)* (SIPR through PGC)	100%	100%	100%*	100%*	-	Apartment hotel and condominium hotel	Bekasi	2021
Non-operating entities								
PT Karyamas Griya Utama (KGU) (KGU through GBC)	100%	100%	100%	100%	100%	Residential estate maintenance	Bekasi	-
PT Jababeka Plaza Indonesia (JPI) (JPI through GBC)	70%	70%	70%	70%	70%	Construction, trading and services	Bekasi	-
PT Tanjung Lesung Power (TLP) (TLP through JI)	100%	100%	100%	100%	100%	Electricity generator and distributor	Bekasi	-

*) unaudited

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(Expressed in Rupiah, unless otherwise stated)

1. **GENERAL** (Continued)

d. **The Group's Structure** (Continued)

Subsidiaries	Percentage of ownership (direct and indirect)					Scope of activities	Domicile	Start of commercial operations
Non-operating entities (Continued)	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)			
PT Duta Bandara Banten (DBB) (DBB through BWJ)	99%	99%	99%	99%	99%	Construction, trading and services	Pandeglang	-
PT Tanjung Sari Power (TSP) (TSP through BP)	100%	100%	100%	100%	100%	Electricity generator and distributor	Bekasi	-
PT Jababeka Keihan Residence (JKR)** (JKR through GBC) (formerly PT Jababeka Keihan Nice)	52%	52%	52%	52%	52%	Trading, service, construction real estate and building management	Bekasi	-
PT Rumah Prima Sehat (RPS) (RPS through GBC)	90%	90%	90%*	90%*	-	Human health activities	Bekasi	-
PT Jababeka Mitrafamili Residen (JMR) (JMR through GBC)	100%	-	100%*	-	-	Trading, real estate, construction and building management	Bekasi	-
PT Faunaland Tanjung Lesung (FTL) (FTL through BWJ)	51%	-	51%*	-	-	Real estate, hotel, recreational activities, museums & zoos and services	Pandeglang	-

*) unaudited
**) JKR is consolidated in 2019

Subsidiaries	Total assets (In millions of Rupiah)				
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Operating entities					
PT Grahabuana Cikarang (GBC)	5,605,029	5,321,782	5,581,945	5,216,337	4,984,984
PT Jababeka Infrastruktur (JI)	3,161,099	2,981,070	3,012,581	2,973,543	2,852,292
PT Indocargomas Persada (IP)	847,703	808,310	835,587	791,333	748,383
PT Saranapratama Pengembangan Kota (SPPK)	11,454	13,093	12,368	14,139	13,527
PT Mercuagung Graha Realty (MGR)	72,894	73,602	72,661	73,639	72,473
PT Banten West Java Tourism Development (BWJ)	919,114	915,287	924,383	916,485	954,607
PT Gerbang Teknologi Cikarang (GTC) (GTC through JI)	992,879	886,670	897,228	786,039	707,748
PT Bekasi Power (BP) (BP through JI)	1,468,203	1,540,573	1,438,419	1,601,709	1,668,835
PT Cikarang Inland Port (CIP) (CIP through JI)	183,654	164,257	170,927	162,446	165,435
PT Padang Golf Cikarang (PGC) (PGC through GBC)	108,752	81,655	105,181	70,331	65,209
PT Metropark Condominium Indah (MCI) (MCI through IP)	21,385	22,922	22,024	20,770	18,837
PT Tanjung Lesung Leisure Industry (TLLI) (TLLI through BWJ)	46,181	51,387	52,518	54,472	63,051
Jababeka International B.V. (JIBV)	4,591,587	4,482,727	4,414,160	4,365,621	4,301,609
PT Jababeka Morotai (JM) (JM through IP)	155,309	155,799	155,518	156,068	157,137
PT Jababeka Longlife City (JLC) (JLC through GBC)	2,018	2,616	2,328	2,923	4,429
PT Kawasan Industri Kendal (KIK) (KIK through GBC)	2,168,114	1,955,070	2,073,169	1,869,172	1,820,991
PT Infrastruktur Cakrawala Telekomunikasi (ICT) (ICT through JI)	26,273	33,587	29,011	62,810	48,629
PT United Power (UP) (UP through BP)	60,477	44,469	48,343	35,948	26,928

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(Expressed in Rupiah, unless otherwise stated)

1. **GENERAL** (Continued)

d. **The Group's Structure** (Continued)

	Total assets (In millions of Rupiah)				
Subsidiaries	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Operating entities (Continued)					
PT Nusantara Gas Energi (NGE) (NGE through JI)	17,575	15,500	16,368	15,389	14,842
PT Jababeka PP Properti (JPP)	148,130	154,783	148,040	158,757	171,162
PT Jababeka Creed Residence (JCR) (JCR through GBC)	128,544	160,165	146,561	151,264	93,414
PT Patriamanunggal Jaya (PMJ) (PMJ through GBC)	48,864	48,404	48,386	48,414	48,391
PT Mitra Pengembangan Kawasan (MPK) (MPK through IP)	8,858	3,778	8,803	3,595	2,682
PT Proteksi Usaha Indonesia (PUI) (PUI through CIP)	3,676	2,851	3,183	2,566	2,462
PT Media Membangun Negeri (MMN) (MMN through MPK)	1,248	975	1,409	1,250	-
PT Sarana Indah Permai Residen (SIPR) (SIPR through PGC)	3,953	994	3,134*	50*	-
Non-operating entities					
PT Karyamas Griya Utama (KGU) (KGU through GBC)	49	35	23	19	27
PT Tanjung Lesung Power (TLP) (TLP through JI)	100	100	100	100	100
PT Jababeka Plaza Indonesia (JPI) (JPI through GBC)	52,320	52,161	52,247	52,064	51,778
PT Duta Bandara Banten (DBB) (DBB through BWJ)	1,238	1,271	1,258	1,310	1,347
PT Tanjung Sari Power (TSP) (TSP through BP)	100	100	100	100	100
PT Jababeka Keihan Residence (JKR) (JKR through GBC)	198,821	200,006	199,549	203,203	201,878
PT Rumah Prima Sehat (RPS) (RPS through GBC)	4,000	4,000	4,000*	4,000*	-
PT Jababeka Mitrafamili Residen (JMR) (JMR through GBC)	50	-	50*	-	-
PT Faunaland Tanjung Lesung (FTL) (FTL through BWJ)	250	-	250*	-	-

*) unaudited

Establishment of Subsidiaries

PT Jababeka Keihan Residence

On October 10, 2019, GBC, Keihan Real Estate Co., Ltd and Nice Corporation (NC), third parties, agreed to increase the issued and fully paid capital of JKR from Rp 75,930,000,000 to Rp 199,825,000,000 in which Rp 97,914,250,000 was contributed by GBC.

GBC and NC also entered into separate agreements for the sale and purchase and transfer of rights owned by NC which are equivalent to 5,994,750 shares or Rp 5,994,750,000 to GBC. As a result, GBC represents 52% or equivalent to Rp 103,909,000,000 of JKR's issued and fully paid capital and consolidated JKR. GBC recognized JKR as an asset acquisition.

PT Rumah Prima Sehat

On August 12, 2020, GBC and Johanes Poso established RPS, where GBC and Johanes Poso held 90% and 10%, respectively, equity ownership in RPS. Total equity of RPS amounted to Rp 4,000,000,000, which was contributed by GBC and Johanes Poso, amounting to Rp 3,600,000,000 and Rp 400,000,000, respectively.

PT Sarana Indah Permai Residen

On November 24, 2020, PGC and GBC established SIPR, where PGC and GBC held 99% and 1%, respectively, equity ownership in SIPR. Total equity of SIPR amounted to Rp 50,000,000, which was contributed by PGC and GBC, amounting to Rp 49,500,000 and Rp 500,000, respectively.

1. **GENERAL** (Continued)

d. **The Group's Structure** (Continued)

Establishment of Subsidiaries (Continued)

PT Media Membangun Negeri

On December 16, 2020, MPK and Yayasan Pendidikan Universitas Presiden established MMN, where MPK and Yayasan Pendidikan Universitas Presiden held 51% and 49%, respectively, equity ownership in MMN. Total equity of MMN amounted to Rp 1,250,000,000, which was contributed by MPK and Yayasan Pendidikan Universitas Presiden, amounting to Rp 637,500,000 and Rp 612,500,000, respectively.

PT Faunaland Tanjung Lesung

On October 29, 2021, BWJ, PT Fauna Land Indonesia and Irene established FTL, where BWJ, PT Fauna Land Indonesia and Irene held 51%, 44% and 5%, respectively, equity ownership in FTL. Total equity of FTL amounted to Rp 250,000,000, which was contributed by BWJ amounting Rp 127,500,000, by PT Fauna Land Indonesia amounting Rp 110,000,000 and by Irene amounting RP 12,500,000, respectively.

PT Jababeka Mitrafamili Residen

On December 31, 2021, GBC and IDG established JMR, where GBC and IDG held 99% and 1%, respectively, equity ownership in JMR. Total equity of JMR amounted to Rp 50,000,000, which was contributed by GBC and IDG, amounting to Rp 49,500,000 and Rp 500,000, respectively.

Changes in Ownership of Subsidiaries

PT Jababeka Longlife City

On March 1, 2019, GBC and Longlife Global Consultant Co., Ltd. (formerly named Longlife International Business Investments Co., Ltd.) agreed to increase their investments in JLC for an additional amount of Rp 7,000,000,000 in which Rp 5,600,000,000 was contributed by GBC.

PT Kawasan Industri Kendal

On March 25, 2019, GBC and Sembcorp Development Indonesia., Pte., Ltd (SDI) agreed to increase their investments in KIK for an additional amount of Rp 11,400,000,000 in which Rp 5,814,000,000 was contributed by GBC.

On November 25, 2019, GBC and SDI agreed to increase their investments in KIK for an additional amount of Rp 34,200,000,000 in which Rp 17,442,000,000 was contributed by GBC.

On March 6, 2020, GBC and SDI agreed to increase their investments in KIK for an additional amount of Rp 14,250,000,000 in which Rp 7,267,500,000 was contributed by GBC.

On August 31, 2020, GBC and SDI agreed to increase their investments in KIK for an additional amount of Rp 5,700,000,000 in which Rp 2,907,000,000 was contributed by GBC.

e. **Employees, Boards of Commissioners and Directors, and Audit Committee**

In the Annual General Meeting of Shareholders (AGMS) on June 26, 2019, the fifth agenda was decided to change the composition of the Company's Board of Commissioners and Directors, for the appointment of Dr. Sugiharto as President Director and Aries Liman as Commissioner. The appointment is not yet effective as a result of the following:

- There were objections from several parties who questioned the validity and effectivity of the decision on the fifth agenda of the AGMS;
- There are lawsuits filed by a number of the Company's Shareholders against the Company, among others, in connection with the AGMS on June 26, 2019 (Note 34); and
- The fifth agenda decision cannot be registered and reported by Notary Yualita Widyadhari, S.H., M.Kn., to the Legal Entity Administration System of the Department of Law and Human Rights of the Republic of Indonesia.

On March 30, 2021, The Central Jakarta District Court declared that the Company's AGMS held on June 26, 2019, along with the resolutions of the Company's 2019 AGMS, is cancelled or invalid and/or have no legal force (Note 34).

PT KAWASAN INDUSTRI JABABEKA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021 (UNAUDITED)
AND FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

1. **GENERAL** (Continued)

e. **Employees, Boards of Commissioners and Directors, and Audit Committee** (Continued)

Based on Notarial deed of Yualita Widyadhari, S.H., M.Kn., No. 2 dated September 8, 2021 and Notarial deed No. 34 dated May 31, 2018, members of the Company's Boards of Commissioners and Directors as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, are as follows:

		June 30, 2022	June 30, 2021	December 31, 2021	December 31, 2020	December 31, 2019
President Commissioner	:	Setyono Djuandi Darmono	Setyono Djuandi Darmono	Setyono Djuandi Darmono	Setyono Djuandi Darmono	Setyono Djuandi Darmono
Vice President Commissioner/ Independent Commissioner	:	Suhardi Alius	Bacelius Ruru	Suhardi Alius	Bacelius Ruru	Bacelius Ruru
Commissioner	:	Hadi Rahardja*	Hadi Rahardja	Hadi Rahardja*	Hadi Rahardja	Hadi Rahardja
Commissioner/ Independent Commissioner	:	Gan Michael	Gan Michael	Gan Michael	Gan Michael	Gan Michael
President Director	:	Tedjo Budianto Liman	Tedjo Budianto Liman	Tedjo Budianto Liman	Tedjo Budianto Liman	Tedjo Budianto Liman
Vice President Director	:	Tjahjadi Rahardja	-	Tjahjadi Rahardja	-	-
Director	:	Hyanto Wihadhi	Hyanto Wihadhi	Hyanto Wihadhi	Hyanto Wihadhi	Hyanto Wihadhi
Director	:	Sutedja Sidarta Darmono	Sutedja Sidarta Darmono	Sutedja Sidarta Darmono	Sutedja Sidarta Darmono	Sutedja Sidarta Darmono
Director	:	-	Tjahjadi Rahardja	-	Tjahjadi Rahardja	Tjahjadi Rahardja
Director	:	-	Setiawan Mardjuki	-	Setiawan Mardjuki	Setiawan Mardjuki
Director	:	-	Basuri Tjahaja Purnama	-	Basuri Tjahaja Purnama	Basuri Tjahaja Purnama

*Passed away on September 26, 2021

Based on the Decision Letter of the Company's Board of Commisioners dated October 4, 2021 and October 4, 2018, the members of the Company's Audit Committee as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, are as follows :

		June 30, 2022	June 30, 2021	December 31, 2021	December 31, 2020	December 31, 2019
Chairman of Audit Committee	:	Suhardi Alius	Bacelius Ruru	Suhardi Alius	Bacelius Ruru	Bacelius Ruru
Member of Audit Committee	:	Daniel F. Iskandar	Daniel F. Iskandar	Daniel F. Iskandar	Daniel F. Iskandar	Daniel F. Iskandar
Member of Audit Committee	:	Aria Kanaka	Aria Kanaka	Aria Kanaka	Aria Kanaka	Aria Kanaka

Salaries and remuneration of the Boards of Commissioners and Directors for the six-month periods ended June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 are as follows:

	June 30, 2022 (Six months)	June 30, 2021 (Six months)	December 31, 2021 (One year)	December 31, 2020 (One year)	December 31, 2019 (One year)
Board of Commissioners	2,775,953,703	3,160,426,354	15,076,344,392	17,240,099,805	8,893,672,737
Board of Directors	13,899,814,618	11,656,550,400	40,552,064,040	50,441,560,246	24,801,977,827

The Group has approximately 734, 759, 736, 779 and 821 permanent employees as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, respectively (Unaudited).

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

a. **Basis of Preparation of the Consolidated Financial Statements**

The consolidated financial statements have been prepared in accordance with the Financial Accounting Standards ("SAK"), which comprise the Statements ("PSAK") and Interpretations ("ISAK") issued by the Board of the Financial Accounting Standards of the Indonesian Institute of Accountants ("DSAK-IAI"), and the Regulations and the Guidelines on Financial Statement Presentation and Disclosures issued by the Financial Service Authority (OJK).

Accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

a. **Basis of Preparation of the Consolidated Financial Statements** (Continued)

The consolidated financial statements, except for the consolidated statement of cash flows, have been prepared on an accrual basis of accounting using the historical cost concept, except for certain accounts that are measured on the other basis described in the related accounting policies for those accounts.

The consolidated statement of cash flows presents receipts and payments of cash and cash equivalents classified into operating, investing and financing activities. The consolidated statement of cash flows is presented using the direct method.

The presentation currency used in the preparation of the consolidated financial statements is Rupiah ("Rp"), which is also the functional currency of the Group.

The consolidated financial statement and annual consolidated financial statement are collectively referred to as consolidated financial statement.

b. **Changes in Accounting Policies**

Accounting policies adopted are consistent with those of the previous financial year, except for the adoption of the amendments and improvements to PSAK that are effective on or after January 1, 2022. Changes to the accounting policies have been made as required, in accordance with the transitional provisions in the respective amendments and improvements.

Amendments and improvements issued and effective for the financial year on or after January 1, 2022 which do not have material impact on the consolidated financial statements are as follows:

Amendments to PSAK 22, "Business Combination" About Reference to The Conceptual Framework

The amendment updates a reference in PSAK 22 to the conceptual framework for financial reporting without changing the accounting requirements for business combinations.

Amendments to PSAK 57, "Provisions, Contingent Liabilities, and Contingent Assets" About Onerous Contracts - Cost of Fulfilling a Contract

This amendment clarifies the cost of fulfilling a contract to determine whether a contract is an onerous contract. The cost of fulfilling a contract itself consists of costs directly related to the contract, which further consists of the incremental costs to fulfill the contract and the allocation of other costs directly related to fulfilling the contract.

PSAK 69 (Improvements 2020), "Agriculture"

The improvements clarify about recognition and measurement to calculate cash flow where an entity does not include any cash flow for financing the assets or re-establishing biological assets after harvest.

PSAK 71 (Improvements 2020), "Financial Instruments"

The improvements clarify about recognition of fee by borrower for derecognition of financial liabilities. Borrower in determining those fees paid net of fees receive, a borrower include only fees paid or received between borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

PSAK 73 (Improvements 2020), "Leases"

The improvements remove the illustration of payments from the lessor relating to leasehold improvements. As currently drafted the example have potential confusion in identifying the lease incentives and in a common leasehold improvement real estate property fact pattern relating with changes of lease term.

New standard and amendments that are not yet effective are as follows:

Effective on or after January 1, 2023:

Amendments to PSAK 1, "Presentation of Financial Statements"

The amendments PSAK 1 Presentation of Financial Statement clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g., the receipt of a waiver or a breach of covenant). The amendments also clarify what PSAK 1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

This standard must be applied retrospectively in accordance with the requirements in PSAK 25 Accounting Policies, Changes in Accounting Estimates and Errors.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

b. **Changes in Accounting Policies** (Continued)

New standard and amendments that are not yet effective are as follows: (Continued)

Effective on or after January 1, 2023: (Continued)

Amendment to PSAK 16, "Fixed Assets" about Proceeds Before Intended Use

The amendment prohibits an Entity from deducting the cost of a fixed asset from the proceeds received from selling items produced by the fixed asset before it is ready for its intended use. The sales proceeds would have met the revenue definition and therefore should be recognised in profit or loss.

Amendment PSAK 25, "Accounting Policies, Changes in Accounting Estimates and Errors"

The amendment clarify the definition of "accounting estimate" and their explanation.

Amendment PSAK 46, "Income Tax" about Deferred Tax Related to Assets and Liabilities Arising from Single Transaction

This amendment is to include initial recognition exception for deferred tax liabilities, add a description of the initial recognition for the asset or liability and initial recognition for deferred tax assets.

Effective on or after January 1, 2025:

PSAK 74, "Insurance Contract"

This standard regulates the relaxation of several provisions, including the addition of scope exceptions, adjustments to the presentation of financial statements, application of risk mitigation options and some modifications to transitional provisions. This standard also requires a clear separation between income generated from the insurance business and from investment activities.

Early adoption of the above amendments and new PSAK is permitted.

As of the authorization date of the consolidated financial statements, the management is still in the process of evaluating the impact of the above amendments and new PSAK in the Group's consolidated financial statements.

c. **Principles of Consolidation**

The consolidated financial statements include the accounts of the Company and all the Subsidiaries mentioned in Note 1. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through power over the investee. Therefore, the Group controls an investee if and only if the Group has:

- power over the investee (i.e. existing rights that give the current ability to direct the relevant activities of the investee);
- exposure or rights to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When the Group has less than majority of the voting rights or similar rights to an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee;
- rights arising from other contractual arrangements; and
- the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from acquisition date or when the Group obtained control over the Subsidiary and ceased to be consolidated when the Group lost control of the Subsidiary. Assets, liabilities, income and expenses of a Subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date when the Group gains control until the date the Group ceases to control the Subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, despite this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of Subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are fully eliminated in consolidation.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

c. **Principles of Consolidation** (Continued)

In case of loss of control over a Subsidiary, therefore the Group:

- derecognizes the assets (including goodwill) and liabilities of the Subsidiary;
- derecognizes the carrying amount of any non-controlling interest;
- derecognizes the cumulative translation differences, recorded in equity, if any;
- recognizes the fair value of the consideration received;
- recognizes the fair value of any investment retained;
- recognizes any surplus or deficit in profit or loss in the consolidated statements of profit or loss and other comprehensive income; and
- reclassifies the parent's share of components previously recognized in comprehensive income to the consolidated statement of profit or loss and other comprehensive income or retained earnings, as appropriate.

Changes in the parent's ownership interest in a subsidiary that do not result in the lose of control are accounted as equity transactions.

Non-controlling interest ("NCI") represents the portion of the profit or loss and net assets of the Subsidiary attributable to equity interests that are owned directly or indirectly by the Group, which is presented in the consolidated statement of profit or loss and other comprehensive income and under the equity section of the consolidated statement of financial position, separately from the corresponding portion attributable to the equity holders of the parent company.

d. **Business Combinations and Goodwill**

Business combinations are accounted by using the acquisition method. If the asset acquired is not a business, the Group accounts for it as an asset acquisition. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Costs related acquisition are expensed as incurred and recognized in profit or loss.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and is within the scope of PSAK 71 (starting January 1, 2020) and PSAK 55 (before January 1, 2020), is measured at fair value with changes in fair value recognized either in profit or loss or in other comprehensive income. If the contingent consideration is not within the scope of PSAK 71 (starting January 1, 2020) and PSAK 55 (before January 1, 2020), it is measured in accordance with the appropriate PSAK. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred in the case of a bargain purchase, the difference is recognized directly in profit or loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination, from the acquisition date, is allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

If goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Business combination under common control is recorded in accordance with PSAK 38, "Business Combination Under Common Control", by using the pooling of interest method. The difference between the transfer price and the book value is recorded in equity and presented under "Additional Paid In Capital" account in the consolidated statement of financial position.

e. **Fair Value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or most advantageous market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique at the measurement date.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

e. **Fair Value Measurement** (Continued)

The Group measures the fair value of an asset or a liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset on its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The Group determines appropriate classes of assets and liabilities on the basis of the nature, characteristics, and risks of the asset or liability, and the level of the fair value hierarchy within which the fair value measurement is categorized.

f. **Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash on hand and in banks, and time deposits with original maturities within three (3) months or less and not pledged as collateral or restricted in use.

g. **Financial Instruments**

1. **Financial Assets**

Effective on January 1, 2020

Initial recognition

Classification and measurement of financial assets are based on business model and contractual cash flows – both from solely payment of principal and interest.

Financial assets are classified in the three categories as follows:

i. Financial assets measured at amortized cost.

ii. Financial assets measured at fair value through profit and loss (FVTPL).

iii. Financial assets measured at fair value through other comprehensive income (FVOCI).

The Group determines the classification of its financial assets at initial recognition. The Group reclassifies a financial asset if and only if the Group's business model for its financial assets changes so its previous model assessment would no longer apply. If the Group reclassifies a financial asset, it is required to apply the reclassification prospectively from the reclassification date. Previously recognized gains, losses (including impairment gains or losses) or interest are not restated.

Effective January 1, 2020, the Group's financial assets which comprised cash and cash equivalents, short-term investments, trade receivables, other receivables, refundable deposits, restricted cash and cash equivalents and other deposits are classified as "financial assets measured at amortized costs" and the Group's investments in shares of stocks are classified as "financial assets at FVTPL". Before January 1, 2020, the Group's financial assets are categorized as "loans and receivables" and "AFS financial assets", respectively.

The Group has no financial assets classified as financial assets at FVOCI.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

i. Financial assets measured at amortized cost

Financial assets at amortized cost are subsequently measured at amortized cost using the effective interest rate method, less impairment, if any. Amortized cost is calculated by taking into account any discount or premium on acquisition fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in the profit or loss. The losses arising from impairment are also recognized in the profit or loss.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

g. **Financial Instruments** (Continued)

1. **Financial Assets** (Continued)

Effective on January 1, 2020 (Continued)

Subsequent measurement (Continued)

ii. Financial assets at FVTPL

Financial assets at FVTPL are subsequently carried in the consolidated statement of financial position at fair value, with changes in fair value recognized in the consolidated profit or loss.

Impairment of financial assets

Impairment loss provision of financial assets is measured at expected credit losses model and applied for financial assets which are measured at amortized cost or FVOCI (debt instruments).

There are 2 (two) basis of the measurement of expected credit losses, 12-month expected credit losses or lifetime expected credit losses. The Group will analyze the initial recognition using the 12-month expected credit losses and will move to lifetime expected credit losses if there is a significant increase in credit risk after initial recognition.

In each reporting period, the Group assesses whether the credit risk of financial instruments has increased significantly since initial recognition. When assessing the allowance for expected losses, the Group evaluates the risk of default that may occur over the expected life of the financial instrument in determining the amount of expected credit losses taking into account the availability of information on past events, current conditions and estimates of future economic conditions.

The Group applied a simplified approach to measure such expected credit loss for trade receivables and other receivables.

In accordance with the transition requirements of PSAK 71, the Group elected to apply the standard retrospectively with the cumulative effect of the initial implementation recognized at January 1, 2020 without restatement of the comparative information. The Group has adjusted the 2020 beginning retained earnings for the increase in allowance for impairment losses on trade receivables amounting to Rp 18,100,003,792 (Note 41).

Effective before January 1, 2020

Initial recognition

Financial assets are classified as financial assets at FVTPL, held-to-maturity (HTM) investments, loans and receivables or available-for-sale (AFS) financial assets. The Group determines the classification of their financial assets at initial recognition and, where allowed and appropriate, re-evaluates the designation of such assets at the end of each reporting period.

As of December 31, 2019, the Group has no HTM investments.

Subsequent measurement

Financial assets at FVTPL

Financial assets at FVTPL are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling or repurchasing in the short term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets at FVTPL are carried in the consolidated statement of financial position at fair value, with changes in fair value recognized in the profit or loss.

Loans and receivables

Loans and receivables are carried at amortized cost using the effective interest method, less any impairment. Gains or losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

g. **Financial Instruments** (Continued)

1. **Financial Assets** (Continued)

Effective before January 1, 2020 (Continued)

Subsequent measurement (Continued)

AFS financial assets

AFS financial assets are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three (3) preceding categories. After initial recognition, AFS financial assets are measured at fair value with unrealized gains or losses being recognized in other comprehensive income, except for impairment losses and gains or losses due to changes in exchange rates, until the financial assets are derecognized. At that time, the cumulative gains or losses previously reported in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments. However, interest that is calculated using the effective interest method is recognized in profit or loss. These financial assets are classified as non-current assets unless the intention is to dispose of them within twelve (12) months from the reporting date.

Impairment of financial assets

The Group evaluates at the end of each reporting period whether any of their financial assets is impaired.

Financial assets measured at amortized cost

If there is objective evidence of impairment, the amount of loss, which is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the effective interest rate computed at initial recognition of the asset, is recognized in profit or loss.

AFS financial assets

If there is objective evidence that an AFS financial asset is impaired, the cumulative loss previously recognized in other comprehensive income are reclassified from equity to profit or loss as reclassification adjustments even though such financial asset is not derecognized.

2. **Financial Liabilities**

Initial recognition

Financial liabilities are classified as follows:

1. Financial liabilities measured at amortized cost; and
2. Financial liabilities measured at FVTPL.

The Group determines the classification of its financial liabilities at initial recognition. The Group classifies all of its financial liabilities at amortized cost.

Subsequent measurement

Financial liabilities measured at amortized cost are subsequently measured using the the effective interest rate method. The effective interest rate amortization is included in finance costs in profit or loss.

Gains or losses are recognized in the profit or loss when the liabilities are derecognized as well as through the effective interest rate amortization process.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

g. **Financial Instruments** (Continued)

3. **Derecognition of Financial Instruments**

Derecognition of financial assets

The Group derecognizes financial assets, if and only if, the contractual rights to the cash flows from the financial asset expire, or the contractual rights to receive the cash flows of the financial asset are transferred to another entity, or the contractual rights to receive the cash flows of the financial asset are retained but a contractual obligation is assumed to pay the cash flows to one or more recipients in an arrangement that meets certain conditions. When the Group transfers a financial asset, it evaluates the extent to which they retains the risks and rewards of ownership of the financial asset.

Derecognition of financial liabilities

The Group derecognizes financial liabilities if, and only if, the Group's obligations are discharged, cancelled or expired.

4. **Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a current enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

h. **Derivative Financial Instruments**

A derivative is a financial instrument or other contract with all three of the following characteristics:

a. Its value changes in response to the change of underlying variable such as: specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract;

b. It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and

c. It is settled at a future date.

The Group uses derivative financial instruments, such as forward derivative currency, to hedge its foreign currency risks arising from US dollar denominated loans. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative is entered into and remeasured subsequently at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative financial instruments are classified as measured at fair value through profit or loss. The Group's derivative financial instruments are not designated as hedging instruments. Changes in the fair value of derivatives are taken directly in profit or loss under "Financial Income" account for gains and "Financial expenses" account for losses.

Derivative instruments are classified as current or non-current based on an assessment of the facts and circumstances (i.e., the underlying contractual cash flows).

i. **Transactions with Related Parties**

The Group discloses transactions with related parties. The transactions are made based on terms agreed by the parties, whereas such terms may not be the same as those transactions with unrelated parties.

All significant transactions with related parties whether or not conducted under the same terms and conditions as those with third parties, are disclosed in the notes to the consolidated financial statements.

j. **Investments in Associates**

An associate is an entity, over which the Group has significant influence and that is neither control nor joint control. Direct or indirect ownership of 20% or more of the voting power of an investee is presumed to be an ownership of significant influence, unless it can be clearly demonstrated that this is not the case.

An entity with investment in an associate accounts for its investment using the equity method. Under the equity method, investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of profit or loss of the investee after the date of acquisition.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

j. **Investments in Associates** (Continued)

Subsequently, the Group's share of the profit or loss of the associate or joint venture, after any adjustments necessary to give effect to uniform accounting policies and elimination of profits and losses resulting from transactions between the Group and the associate, increases or decreases its carrying amount and is recognized in the Group's profit or loss. Distributions received from the associate reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the Group's proportionate interest in the associate arising from changes in the associate's other comprehensive income. The Group's share of those changes is recognized in other comprehensive income of the Group.

Once an investment's carrying value has been reduced to zero, further losses are taken up if the Group has committed to provide financial support to, or has guaranteed the obligations of the associate.

Partial disposals or deemed disposals of interests in associate where the equity method continues to be applied are adjusted in profit or loss.

k. **Inventories and Land for Development**

Property acquired or being constructed for sale in the ordinary course of business, rather than to be held for rental or capital appreciation, is carried as inventories and land for development, and is stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. Costs of real estate inventories, food, beverage, disposable medical supplies, medicines and supplies are determined using the average method.

The cost of real estate inventories and land for development includes:

- Pre-acquisition costs of land;
- Land acquisition costs;
- Expenses directly attributable to the project;
- Expenses attributable to real estate development activities; and
- Borrowing costs.

These costs are capitalized until the real estate inventories are substantially completed and available-for-sale. Total project costs are allocated proportionally to the saleable lots based on their respective land areas.

The cost of houses and buildings under construction consists of the developed land costs, construction costs, other costs related to the development of real estate and borrowing costs, and is transferred to the houses and buildings available for sale, when it is completed and ready for sale.

Cost estimates and allocation are reviewed at the end of each reporting period until the project is substantially completed. The costs of substantial revisions to complete real estate projects are capitalized and allocated to the remaining lots available-for-sale.

Land acquired for future development is recorded under "Land for Development". The accumulated cost of land for development is transferred to inventories upon the commencement of the development and construction of the infrastructure.

l. **Property, Plant and Equipment**

Items of property, plant and equipment are initially recognized at cost. Costs include the purchase price, directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items.

The Group has chosen the cost model as the accounting policy for its property, plant and equipment measurement. Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value, except for land which is stated at cost less any impairment in value and is not depreciated. Depreciation is computed using straight-line method and double declining balance method with the following economic useful lives:

	Years
Buildings	10 - 30
Leasehold improvements	3 - 25
Machineries and equipments	3 - 30
Furnitures and fixtures	4 - 8
Motor vehicles	4 - 8

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

l. **Property, Plant and Equipment** (Continued)

The residual values, useful lives and depreciation methods are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

The accumulated costs of the construction of building and the installation of machinery and office equipment are capitalized as construction in progress and are presented as part of property, plant and equipment. These costs are reclassified to the appropriate property, plant and equipment account when the construction or installation is completed and the assets are ready for their intended use. Depreciation is charged from such date.

The legal cost of land right when the land was acquired initially are recognized as part of the cost of the land under the "Property, Plant and Equipment" account and not amortized. Meanwhile the extension or the legal renewal costs of land rights are recognized as deferred charges and are amortized over the shorter of the rights legal life and land's economic life.

The cost of repairs and maintenance is charged to profit or loss as incurred, replacement or major inspection costs are capitalized when incurred if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be reliably measured.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the period the asset is derecognized.

m. **Intangible Assets with Finite Useful Lives**

Intangible assets of the Group represent computer software programs. Costs associated with maintaining computer software programs are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets.

Directly attributable costs are capitalized as part of the software product and represent software development employee costs and an appropriate portion of relevant overheads. Computer software development costs recognized as assets are amortized over their estimated useful lives, which does not exceed four years.

n. **Impairment of Non-Financial Assets (Excluding Inventories, Land for Development and Deferred Tax Assets)**

The Group evaluates at each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. Whenever the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The impairment loss is recognized immediately in profit or loss.

Reversal on impairment loss for non-financial assets would be recognized if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. Reversal on impairment losses will be immediately recognized in profit or loss.

o. **Leases**

Effective on January 1, 2020

The Group as lessee

The Group assesses whether a contract is or contains a lease, at the inception of the contract. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

o. **Leases** (Continued)

Effective on January 1, 2020 (Continued)

The Group as lessee (Continued)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect the interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of the exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which a revised discount rate is used).

- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurements of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying assets to the conditions required by the terms and conditions of the lease, a provision is recognized and measured under PSAK 57. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying assets. If a lease transfers ownership of the underlying assets or the cost of the right-of-use assets reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying assets. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the consolidated statement of financial position.

The Group applies PSAK 48 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the impairment of assets policy.

The Group as lessor

Rental income from operating leases is recognized on accrual basis. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group has applied PSAK 73 using the modified retrospective approach which requires the Group to recognize the cumulative effect of initially applying PSAK 73 as an adjustment to the opening balance of retained earnings at the date of initial application; and does not permit restatement of comparatives, which continue to be presented under PSAK 30. The impact of the application of PSAK 73 is shown in Note 41.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

o. **Leases** (Continued)

Effective before January 1, 2020

The Group as lessor

Determination whether an arrangement is, or contains, a lease is made based on the substance of the arrangement and assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets, and the arrangement conveys a right to use the asset.

Where substantially all of the risks and rewards incidental to ownership of a leased asset have been transferred to the Group (a "finance lease"), the asset is treated as if it had been purchased outright.

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group (an "operating lease"), the total rental payable under the lease are charged to profit or loss on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognized as a reduction of the rental expense over the lease term on a straight-line basis.

The Group as lessee

i. Under a finance lease, the Group is required to recognize assets and liabilities in its consolidated statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The minimum lease payments are required to be apportioned between finance charges and the reduction of the outstanding liability. The finance charges are required to be allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. The contingent rents are required to be charged as expenses in the periods in which they are incurred. The finance charges are reflected in the profit or loss. Capitalized leased assets (presented as part of property, plant and equipment) are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership of the asset by the end of the lease term.

ii. Under operating lease, the Group recognizes lease payments as expense on straight-line basis over the lease term.

The Group as lessor

i. The Group is required to recognize assets held under finance lease in its consolidated statement of financial position and present them as receivable at amount equal to the net investment in the lease. Lease payments received are treated as repayments of principal and finance lease income. The recognition of finance lease income is based on a pattern reflecting a constant periodic rate of return on the Group net investments in the finance lease.

ii. The Group is required to present assets subject to operating leases in its consolidated statement of financial position according to the nature of the asset. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized as expense over the lease term on the same basis as operating rental income. Contingent rents, if any, are recognized as revenue in the periods in which they are earned. Lease income from operating leases is recognized in profit and loss on a straight-line method over the lease term.

p. **Investment Properties**

Investment properties of the Group represent properties held to earn rentals or for capital appreciation or both, and not for use in the production or supply of goods or services or for administrative purposes, or sale in the ordinary course of business.

The Group has chosen cost method for their investment properties measurement. Investment properties are stated at cost less accumulated depreciation. Depreciation is computed using straight-line method with the useful lives of these investment properties within 20 years, except for land which is stated at cost and is not depreciated.

The Group transfers a property to, or from, investment properties when, and only when, there is evidence of a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. Evidence that supports a change in use that would lead to transfer to investment properties, among others, is by discontinuing of owner-occupation or commencement of an operating lease to another party. Furthermore, evidence that supports a change in use that would lead to transfer from investment properties, among others, is by commencement of owner-occupation or commencement of development with a view to sale. If the property owned by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

p. **Investment Properties** (Continued)

An item of investment property is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the period that asset is derecognized.

q. **Employee Benefits**

i. Short-term employee benefits

Short-term employee benefits represent compensation provided by the Group such as salaries, allowance, bonus and pension contribution paid which are recognized when they accrue to the employees.

ii. Post-employment benefits

The Group recognizes unfunded post-employment benefits liability in accordance with the Company Regulations and existing legal regulations.

Pension costs under the Group's defined benefit pension plans are determined by periodic actuarial calculation using the projected-unit-credit method and applying the assumptions on discount rate, expected return on plan assets and annual rate of increase in compensation.

Defined benefit schemes surpluses and deficits are measured at:

- The fair value of planned assets at the reporting date; less
- Planned liabilities calculated using the projected-unit-credit method discounted to its present value using yields available on Government Bonds (considering currently, there is no deep market for high quality corporate bonds) that have maturity dates approximating to the terms of the liabilities; plus
- Unrecognized past service costs; less
- The effect of minimum funding requirements agreed with scheme trustees.

Remeasurements of the post-employment benefits liabilities are recognized directly within equity. The remeasurements include:

- Actuarial gains and losses,
- Return on planned assets (interest exclusive), and
- Assets with ceiling effects (interest exclusive).

Service costs are recognized in profit or loss, and include current and past service costs as well as gains and losses on curtailments.

Net interest expense (income) is recognized in profit or loss and is calculated by applying the discount rate used to measure the post-employment benefits liabilities (asset) at the beginning of the annual period to the balance of the post-employment benefits liabilities (asset) and considering the effects of contributions and benefit payments during the period.

Gains or losses arising from changes to scheme benefits or scheme curtailment are recognized immediately in profit or loss.

Settlements of defined benefit schemes are recognized in the period in which the settlement occurs.

iii. Other long-term service benefits

Other post-employment benefits that are expected to be settled wholly within twelve (12) months after the end of the reporting period are presented as current liabilities.

Other post-employment benefits that are not expected to be settled wholly within 12 months after the end of the reporting period are presented as non-current liabilities and calculated using the projected-unit-credit method and then discounted using yields available Government Bonds that have maturity dates approximating to the expected remaining period to be settled.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

r. **Treasury Shares**

Consideration paid/received for the purchase/sale of treasury shares is recognized directly in equity. The cost of treasury shares held is presented as a separate reserve (the "treasury shares"). Any excess of the consideration received on the sale of treasury shares over the weighted average cost of the shares sold is credited to retained earnings.

s. **Share Capital**

Share capital represents the total par value of the shares issued.

t. **Retained Earnings**

Retained earnings represent the cumulative balance of profit or loss and other comprehensive income, dividend distributions, prior period adjustments, effects of changes in accounting policy and other capital adjustments.

u. **Revenue, Costs and Expenses Recognition**

Effective on January 1, 2020

Revenue from Contracts with Customers

In determining revenue recognition, the Group perform analysis transaction through the following five steps assessment:

i. Identify contracts with a customer.

ii. Identify the performance obligations in the contract.

iii. Determine the transaction price.

iv. Allocate the transaction price to each performance obligation on the basis of the relative stand-alone selling prices of each distinct goods or services promised in the contract. Where these are not directly observable, the relative stand-alone selling price are estimated based on expected cost plus margin.

v. Recognize revenue when performance obligation is satisfied by transferring a promised goods or services to a customer (which is when the customer obtains control of that goods or services).

A performance obligation can be fulfilled in 2 ways, as follows:

i. A point in time (typically for promises to transfer goods to a customer); or

ii. Over time (typically for promises to transfer services to a customer).

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognized when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. The amount of revenue recognised is the amount allocated for the satisfied performance obligation.

The Group has generally concluded that it is the principal in its revenue arrangements and records revenue on a gross basis because it typically controls the goods or services before transferring them to the customer.

The following specific criteria must also be met before revenue is recognized:

Real estate sales revenue

Revenue from sales of real estate is recognized when the significant risks and rewards of ownership in the real estate inventory have been handed-over to the customer at a point in time and the Group has no ongoing substantial involvement with the property.

Revenue is measured at the transaction price agreed under the contract except when installment payments exceed 12 months after the hand-over of property. In which case, the transaction price is adjusted for the effects of a significant financing component.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

u. **Revenue, Costs and Expenses Recognition** (Continued)

Effective on January 1, 2020 (Continued)

Revenue from Contracts with Customers (Continued)

Power plant revenue

Revenue from power plant is recognized over time when actual power or capacity is generated, transmitted and/or made available to the customers.

Service and maintenance revenue

Revenue from service and maintenance is recognized as the services are rendered.

Revenue from agribusiness

Revenue is recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

Contract Liability

Payment of the transaction price differs for each contract. Contract liability is recognized when the payments of the customer is more than performance obligation satisfied. Contract liabilities are presented under "customers' deposit" and "unearned income" in the consolidated statement of financial position.

Costs to Obtain a Contract

The incremental costs of obtaining a contract with a customer are recognized as an asset if the Group expects to recover them. The Group has determined that commissions paid to brokers and marketing agents on the sale of real estate are deferred when recovery is reasonably expected and are charged to expense in the period in which the related revenue is recognized as earned. Commission expense which did not qualify for capitalization is included in the "selling expenses" account in the consolidated statements of profit or loss and other comprehensive income.

Costs incurred prior to obtaining contract with customer are not capitalized but are expensed as incurred.

Amortization, Derecognition and Impairment of Capitalized Costs to Obtain a Contract

The Group amortized capitalized costs to obtain a contract following the pattern of real estate revenue recognition. The amortization is included within cost of sales.

At each reporting date, the Group determines whether the cost to obtain a contract may be impaired. The Group estimates impairment as the excess of the carrying amount of the assets over the remaining amount of consideration that the Group expects to receive less the costs that relate directly to providing services that have not been recognized as expenses under the relevant contract. In determining the estimated amount of consideration, the Group uses the same principles as it does to determine the contract transaction price, except that any constraints used to reduce the transaction price will be removed for the impairment test and the amount is adjusted to reflect the customer's credit risk. For the six-months period ended June 30, 2022 and 2021 and for the years ended December 31, 2021, 2020 and 2019 there are no capitalized costs to obtain a contract.

The Group has applied PSAK 72 using the cumulative effect method, with the cumulative effect of initially applying this standard recognised at the date of initial application (January 1, 2020) as an adjustment to the opening balance of retained earnings amounting to Rp 39,899,136,871 (Note 41). Therefore, the comparative information was not restated and continues to be reported under PSAK 23, PSAK 44 and the related Interpretations.

Effective before January 1, 2020

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates and Value-Added Tax (VAT). The following specific criteria must also be met before revenue is recognized:

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

u. **Revenue, Costs and Expenses Recognition** (Continued)

Effective before January 1, 2020 (Continued)

Real estate sales revenue

Revenues from real estate sales are recognized in full accrual method, when the following conditions are met:

1. Sales of residential houses, shop houses and other types of buildings and land

   a. A sale is consummated;
   b. The selling price is collectible and at least 20% of the contract sales price has already been received;
   c. The receivable from the sale is not subject to future subordination; and
   d. The seller has transferred to the buyer the usual risks and rewards of ownership in a transaction that is in substance a sale and the seller does not have a substantial continuing involvement with the property.

2. Retail land sale without building

   a. Cumulative payments received equal to at least 20% of the contract sales price and the amount is not refundable to the buyer;
   b. The selling price is collectible;
   c. The receivable from the sale is not subject to future subordination;
   d. The seller has no remaining significant obligations to complete improvements on the lots sold or construct amenities or other facilities applicable to the lots sold as promised in the agreement between the seller and the buyer; and
   e. Only the lots are sold, without any requirement of the seller's involvement in the construction of the building on the lots.

3. Revenues from sale of office building and apartment units are recognized using the percentage-of-completion method to unit sold, if all of the following conditions are met:

   a. Construction is already beyond the preliminary stage, where the building foundation has been finished and all requirements to start the construction have been fulfilled;
   b. The buyer has made a down payment of at least 20% of the contract price, and is unable to require a refund of payments made; and
   c. Aggregate sales proceeds and costs can be reasonably estimated.

If any of the above conditions in no. 1, 2 and 3 is not met, the payments received from the buyer are recorded as Customers' Deposits until all of the criteria for revenue recognition are met.

Service revenue (golf, service and maintenance and tourism)

Revenue from service and maintenance is recognized as the services are rendered.

Power plant revenue

Revenue from power plant is recognized based on energy electricity (kWh) consumption.

Revenue from agribusiness

Revenue is recognized when the Group has transferred to the buyer the significant risks and rewards of ownership of goods.

Costs and expenses

The cost of sales of the real estate consists of the acquisition cost and other expenditures relating to its land and building development.

Expenses are recognized as incurred (accrual basis).

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

v. **Foreign Currency**

Transactions denominated in currencies other than Rupiah are translated into Rupiah at the exchange rate prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities in currencies other than Rupiah are translated at the exchange rates prevailing at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than Rupiah are recognized in profit or loss.

The exchange rates used as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 were as follows:

	June 30, 2022	June 30, 2021	December 31, 2021	December 31, 2020	December 31, 2019
1 United States Dollar (USD)	14,848	14,496	14,269	14,105	13,901
1 Euro (EUR)	15,610	17,255	16,127	17,330	15,589
1 Singapore Dollar (SGD)	10,685	10,781	10,534	10,644	10,321

w. **Borrowing Costs**

Borrowing costs, either directly or indirectly used in financing the construction of a qualifying asset, are capitalized up to the date when construction is complete. For borrowings that are specific to the acquisition of a qualifying asset, the amount to be capitalized is determined as the actual borrowing costs incurred during the period, less any income earned from the temporary investment of such borrowings. For borrowings that are not specific to the acquisition of a qualifying asset, the amount to be capitalized is determined by applying a capitalization rate to the amount expensed on the qualifying asset. All other borrowing costs are expensed as incurred.

x. **Taxes**

Final Tax

Income which have been imposed with final tax. Final tax expense is recognized in profit or loss and is presented as a separate line item. The difference between the final tax payable with the total final tax in the consolidated statement of profit or loss and other comprehensive income is recognized as prepaid tax or tax payable. Final tax is outside the scope of PSAK 46, “Income Taxes” thus no deferred tax assets or liabilities are recognized.

Income Tax

The income tax expense comprises current and deferred tax. Current tax expense is provided based on the estimated taxable income for the period.

Income tax is recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income in which case it is recognized in equity or other comprehensive income.

Current tax

Current tax assets and current tax liabilities are offset if, and only if, the entity has a legally enforceable right to off set the recognized amounts; and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax

Deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting period. Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable income will be available against which the deductible temporary difference can be utilized. Future tax benefits, such as the carry-forward of unused tax losses, are also recognized to the extent that realization of such benefits is probable.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax regulations) that have been enacted or substantively enacted at the end of reporting period.

Deferred tax assets and deferred tax liabilities are offset if, and only if, the entity has a legally enforceable right to offset current tax assets against current tax liabilities, and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity, or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

y. **Dividends**

Dividends are recognized when they become legally payable. Interim dividends distribution are recognized when approved by the Directors. Final dividends distribution are recognized when approved by the shareholders at the Shareholders General Meeting.

z. **Basic Earning (Loss) per Share**

Basic loss per share are calculated by dividing consolidated net loss attributable to the owners of the parent company by the weighted average number of ordinary shares outstanding during the related year.

aa. **Segment Reporting**

A segment is a distinguishable component of the Group that is engaged either in providing certain products and service (business segment), or in providing products and service within a particular economic environment (geographical segment), which is subject to rewards and risks that are different from other segments. Operating segments are reported consistently with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

Segment revenue, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. They are determined before the intra-Group's balances and the Group's transactions are eliminated as part of the consolidation process.

Summary of explanation for consolidated operating segment and economic indicator have to be considered in determining whether those operating segments have the same economic characteristics. Other than that, adoption of those regulation will not have impact in current or previous year, and future period.

bb. **Provision and Contingencies**

Provisions are recognized when the Group has a present obligation (both legal and constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Contingent assets and liabilities are not recognized in the consolidated financial statements. Contingent liabilities are disclosed in the consolidated financial statements, unless the possibility of an outflow of resources embodying economic benefits is low. Contingent assets are disclosed in the consolidated financial statements where an inflow of economic benefits is probable.

cc. **Events After the Reporting Period**

Post period-end events that provide additional information about the Group's position at the end of reporting period (adjusting events) are reflected in the consolidated financial statements.

Post period-end events that are non-adjusting events are disclosed in the notes to the consolidated financial statements when material.

3. **SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS**

The preparation of the consolidated financial statements, in conformity with Indonesian Financial Accounting Standards, requires management to make judgments, estimations and assumptions that affect amounts reported therein. Due to the inherent uncertainty in making estimates, actual results reported in future periods may differ from those estimates.

The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions as they occur.

3. **SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS** (Continued)

a. **Judgments made in applying accounting policies**

In the process of applying the Group's accounting policies, the management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Determination of Functional Currency

The Group measures foreign currency transactions in the respective functional currencies of the Group. In determining the functional currencies of the entities in the Group, judgement is required to determine the currency that mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

Classification of Financial Assets and Financial Liabilities

The Group classifies and measures its financial assets by considering the Group's business model in which these assets are managed and their cash flow characteristics. Accordingly, the financial assets and financial liabilities are classified and accounted for in accordance with the Group's accounting policies disclosed in Note 2g.

Classification of Property

The Group determines whether a property is classified as investment property or inventory property:

- Investment property comprises of land and buildings (particularly offices, commercial warehouse and retail (property)) that are not occupied substantially for use by, or in the operations of the Group, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

- Inventory property comprises property that is held for sale in the ordinary course of business. Principally, this is residential, shophouses and factory that the Group develops and intends to sell before or on completion of construction.

Income Taxes

The Group has exposure to income taxes. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognizes liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognized, such differences will impact on the current income tax and deferred income tax provisions in the period in which such determination is made.

b. **Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Allowance for Impairment Losses of Trade Receivables and Other Receivables from Third Parties

The Group uses a provision matrix to calculate expected credit losses for trade receivables and other receivables other than the real estate receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

The Group calculate expected credit losses for real estate receivables by calculating the cumulative loss rates based on customers with similar credit risk characteristics. It derives the probability of default from the historical data of a homogenous portfolio that share the same characteristics. The information on the number of defaults is utilized to create the probability of default model.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Although expected credit losses are determined collectively, trade receivables and other receivables are also assessed individually based on default or delinquencies and possibility of financial difficulties or possibility of bankruptcy of the customers.

3. **SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS** (Continued)

b. **Key sources of estimation uncertainty** (Continued)

Allowance for Impairment losses of Trade Receivables and Other Receivables from Third Parties (Continued)

The carrying amount of the Group's trade receivables from third parties before allowance for impairment losses as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 amounted to Rp 416,971,293,403, Rp 433,866,602,722, Rp 458,645,695,070, Rp 358,364,919,378 and Rp 572,653,083,896, respectively. Further details are shown in Note 5. The carrying amount of the Group's other receivables from third parties before allowance for impairment losses as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 amounted to Rp 74,021,549,753, Rp 69,595,545,621, Rp 70,310,237,426, Rp 70,847,519,466 and Rp 87,685,719,385, respectively. The allowance for impairment losses of other receivable from third parties as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 amounted to Rp 14,095,650,060, Rp 13,945,006,650, Rp 13,937,199,958, Rp 6,588,196,355 and Rp 5,780,093,242, respectively.

Depreciation of Property, Plant and Equipment

The costs of property, plant and equipment are depreciated on a straight-line and double declining-balance methods over their estimated useful lives. The Group's management properly estimates the useful lives of these property, plant and equipment within 3 to 30 years. These are common life expectancies applied in the industries where the Group conducts their business. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. The net book value of the Group's property, plant and equipment as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 amounted to Rp 1,935,983,589,589, Rp 1,980,624,596,078, Rp 1,948,427,461,045, Rp 2,033,797,383,048 and Rp 2,140,893,989,406, respectively. Further details are shown in Note 10.

Depreciation of Investment Properties

The costs of investment properties are depreciated on a straight-line method over their estimated useful lives. The Group's management properly estimates the useful lives of this investment property within 20 years. These are common life expectancies applied in the industries where the Group conducts their business. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, and therefore future depreciation charges could be revised. The net carrying amount of the Group's investment properties as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 amounted to Rp 90,782,026,663, Rp 64,980,921,927, Rp 94,237,618,305, Rp 67,543,328,885 and Rp 71,584,675,974, respectively. Further details are shown in Note 11.

Deferred Tax Assets

Deferred tax assets are recognized for all deductible temporary differences to the extent that it is probable that sufficient future taxable income will be available so that the deductible temporary differences can be used. Significant estimates by management is required in determining the amount of deferred tax assets that can be recognized, based on current usage and level of future taxable income and future tax planning strategies. The carrying value of recognized tax losses as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 amounted to Rp 18,748,608,002, Rp 21,388,611,813, Rp 17,802,179,883, Rp 23,276,754,167 and Rp 29,923,594,249, respectively. Further details are shown in Note 18.

Pension and Employee Benefits

The present value of the post-employment benefits liabilities depends on a number of factors that are determined on an actuarial basis using a number of assumptions. These assumptions used in determining the net cost/(income) for pensions include the discount rate and future salary increase rate. Any change in these assumptions will have an impact on the carrying amount of the post-employment benefits liabilities.

The Group determines the appropriate discount rate and future salary increase rate at the end of each reporting period. The discount rate is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post-employment benefits liabilities. In determining the appropriate discount rate, the Group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related post-employment benefits liabilities.

For the future salary increase rate, the Group collects all historical data related to the changes in salaries base and adjusts it for future business plans.

3. **SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS** (Continued)

b. **Key sources of estimation uncertainty** (Continued)

Pension and Employee Benefits (Continued)

While the Group believes that their assumptions are reasonable and appropriate, significant differences in the Group's actual experiences or significant changes in the Group's assumptions may materially affect their estimated post-employment benefits liabilities and net employee benefit expense. The carrying amount of the Group's post-employment benefits liabilities as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 amounted to Rp 157,935,872,268, Rp 179,091,290,448, Rp 148,517,393,917, Rp 209,665,186,979 and Rp 206,022,876,503, respectively. Further details are shown in Note 20.

Leases

Commencing January 1, 2020, to determined whether an arrangement is or contains a lease requires careful judgement to assess whether the arrangement conveys a right to obtain substantially all the economic benefits from use of the asset throughout the period of use and right to direct the use of the asset, even if the right is not explicitly specified in the arrangement.

Since the Group could not readily determine the implicit rate, management use the Group's incremental borrowing rate as a discount rate. There are a number of factors to consider in determining an incremental borrowing rate, many of which need judgement in order to be able to reliably quantify any necessary adjustments to arrive at the final discount rates.

In determining incremental borrowing rate, the Group considers the following main factors: the Group's credit risk, the lease term, the lease payment term, the economic environment, the time at which the lease is entered into and the currency in which the lease payments are denominated.

Prior to January 1, 2020, to determined whether an agreement is, or contains, a lease is made based on the substance of the arrangement and assessment of whether fulfilment of the arrangement is dependent on the use of specific asset or assets, and the arrangement conveys a right to use the assets.

The carrying amounts of the Group's right-of-use asset as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 amounted to Rp 29,962,554,183, Rp 5,681,435,038, Rp 37,088,708,146, Rp 2,183,385,689 and Rp Nil, respectively.

The carrying amounts of the Group's lease liabilities as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 amounted to Rp 35,652,642,914, Rp 5,344,557,168, Rp 43,087,982,676, Rp 2,229,089,319 and Rp 399,063,266, respectively.

Further details are shown in Note 15.

Claims for Income Tax Refund and Tax Assessments under Objection and Appeals

Based on the tax regulations currently enacted, the management judged if the amounts recorded under the above account are recoverable and refundable by the Tax Office. Further details are disclosed in Note 18.

Measurement of Fair Values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. When measuring the fair value of an asset or liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that can be accessed by the Group at measurement date;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
- Level 3: Unobservable inputs for assets or liabilities.

The Group carries certain financial assets and liabilities at fair values, which require the use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidences, the amount of changes in fair values would differ if the Group utilized different valuation methodology.

Any change in fair values of these financial assets and liabilities would affect directly the Group's profit and loss. The Group had financial instruments which are presented at carrying amounts as either these are reasonable approximation of their fair values or their fair values cannot be reliably measured.

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4. CASH AND CASH EQUIVALENTS

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Cash on hand	2,607,182,056	2,919,804,768	2,595,528,468	2,970,281,743	2,867,109,310
Cash in banks					
Rupiah					
PT Bank Mandiri (Persero) Tbk	57,081,513,698	58,730,325,918	54,939,608,043	27,446,476,411	250,072,455,935
PT Bank Central Asia Tbk	35,573,720,151	34,877,923,967	39,400,894,510	38,825,225,526	31,903,556,117
PT Bank Permata Tbk	14,681,555,307	18,657,557,537	7,918,136,733	16,839,904,571	28,165,524,061
PT Bank CIMB Niaga Tbk	11,714,751,608	7,076,330,091	4,838,223,308	11,564,388,662	9,569,141,100
PT Bank OCBC NISP Tbk	11,503,147,914	32,134,570,644	14,655,425,420	27,088,788,036	45,873,496,782
PT Bank Negara Indonesia (Persero) Tbk	8,353,167,061	8,553,415,445	6,422,255,749	8,608,776,428	3,645,519,777
PT Bank Jtrust Indonesia Tbk	7,790,229,056	19,428,056,059	10,299,435,999	4,270,109,686	18,258,644,488
PT Bank Rakyat Indonesia (Persero) Tbk	4,800,229,345	4,516,955,053	7,213,781,320	2,983,087,029	2,082,137,646
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	3,295,116,482	1,215,349,879	1,995,974,499	1,303,197,389	570,083,469
PT Bank Maybank Indonesia Tbk	3,005,365,569	2,358,480,266	4,388,856,388	3,192,333,504	4,045,065,138
PT Bank Mayapada Internasional Tbk	1,271,199,406	3,352,209,017	777,060,194	2,917,054	10,735,477,700
PT Bank Capital Indonesia Tbk	923,353,053	1,072,811,043	859,820,430	739,163,772	-
PT Bank Tabungan Negara Syariah Tbk	914,643,707	691,304,047	884,782,953	525,438,419	-
Standard Chartered Bank	820,570,960	7,819,821,282	688,361,422	4,284,695,392	4,732,691,974
PT Bank Pan Indonesia Tbk	639,575,622	1,629,389,996	1,637,661,366	137,701,862	1,195,006,975
PT Bank Danamon Indonesia Tbk	623,956,138	341,827,189	3,680,921,110	7,582,861	8,152,311
PT Bank Pembangunan Daerah Jawa Tengah	456,405,640	805,067,816	685,414,168	993,322,161	202,794,344
PT Bank Tabungan Negara (Persero) Tbk	417,328,819	1,250,286,858	1,744,936,443	1,219,704,323	1,400,518,123
PT Bank Artha Graha Internasional Tbk	351,796,695	352,156,695	351,976,695	352,336,695	352,768,695
PT Bank KB Bukopin Tbk	7,042,683	39,631,399	7,222,683	6,047,852,575	-
PT Bank Muamalat Indonesia Tbk	4,992,016	4,992,016	4,992,016	4,992,016	4,992,016
PT Bank Mega Tbk	-	-	-	-	86,561,104
	164,229,660,930	204,908,462,217	163,395,741,449	156,437,994,372	412,904,587,755
United States Dollar					
Standard Chartered Bank	12,698,016,133	10,220,541,932	11,616,256,488	7,578,457,536	8,585,437,215
PT Bank Mandiri (Persero) Tbk	4,682,077,899	4,161,208,425	8,877,163,596	3,976,384,645	2,014,613,786
PT Bank OCBC NISP Tbk	4,193,062,578	30,559,816,184	7,067,195,132	1,385,291,968	2,179,801,349
PT Bank Pan Indonesia Tbk	91,428,490	90,662,043	88,488,062	90,515,029	90,802,755
PT Bank Central Asia Tbk	90,311,920	1,698,583,442	1,696,241,358	1,793,777,139	1,935,502,780
PT Bank Negara Indonesia (Persero) Tbk	1,175,813	2,452,578	1,772,068	3,021,152	1,331,390,501
PT Bank Mayapada Internasional Tbk	-	-	-	12,557,399	86,276,696
	21,756,072,833	46,733,264,604	29,347,116,704	14,840,004,868	16,223,825,082
Singapore Dollar					
PT Bank OCBC NISP Tbk	5,477,999,157	4,400,480,298	5,400,223,778	4,344,472,828	2,557,203,705
Euro					
Standard Chartered Bank	2,443,475,968	4,279,552,608	2,982,591,994	4,685,864,365	1,189,661,481
Yen					
PT Bank OCBC NISP Tbk	-	-	-	-	99,686
Total cash in banks	193,907,208,888	260,321,759,727	201,125,673,925	180,308,336,433	432,875,377,709

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4. **CASH AND CASH EQUIVALENTS** (Continued)

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Time deposits					
Rupiah					
PT Bank Negara Indonesia (Persero) Tbk	224,475,365,819	197,101,645,543	165,853,821,196	217,968,223,765	2,500,000,000
PT Bank Rakyat Indonesia (Persero) Tbk	211,558,571,192	225,615,888,244	258,656,586,551	182,727,453,623	14,100,000,000
PT Bank Mandiri (Persero) Tbk	205,000,000,000	184,450,000,000	203,950,000,000	220,603,000,000	74,000,000,000
PT Bank OCBC NISP Tbk	103,200,000,000	23,000,000,000	54,200,000,000	19,000,000,000	28,000,000,000
PT Bank Permata Tbk	38,000,000,000	27,000,000,000	25,500,000,000	14,000,000,000	26,000,000,000
PT Bank Central Asia Tbk	24,356,006,322	112,085,906,082	78,356,006,322	105,145,746,020	-
PT Bank Capital Indonesia Tbk	15,000,000,000	5,000,000,000	5,000,000,000	5,000,000,000	46,800,000,000
PT Bank Mayapada Internasional Tbk	14,933,000,000	3,433,000,000	6,433,000,000	1,433,000,000	48,333,000,000
PT Bank China Construction Bank Indonesia Tbk	8,500,000,000	4,000,000,000	8,500,000,000	2,000,000,000	-
PT Bank Syariah Indonesia Tbk	8,000,000,000	3,000,000,000	6,000,000,000	3,000,000,000	500,000,000
PT Bank Mega Tbk	5,000,000,000	-	-	-	4,500,000,000
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	2,500,000,000	-	-	7,500,000,000	10,000,000,000
PT Bank KB Bukopin Tbk	-	500,000,000	-	12,000,000,000	97,000,000,000
PT Bank Pan Indonesia Tbk	-	74,592,030	-	28,074,592,030	7,000,000,000
PT Bank UOB Indonesia	-	-	-	70,000,000,000	-
PT Bank Mayora	-	-	-	-	15,300,000,000
PT Bank Jtrust Indonesia Tbk	-	-	-	-	5,500,000,000
	860,522,943,333	785,261,031,899	812,449,414,069	888,452,015,438	379,533,000,000
United States Dollar					
PT Bank Mandiri (Persero) Tbk	99,495,704,412	85,535,004,101	51,765,367,005	67,915,195,011	13,979,678,965
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	18,568,746,808	20,299,570,868	43,550,321,438	31,760,040,058	49,169,289,237
PT Bank OCBC NISP Tbk	-	-	-	7,052,500,000	-
PT Bank Capital Indonesia Tbk	-	-	-	-	88,197,945,965
PT Bank Jtrust Indonesia Tbk	-	-	-	-	23,651,140,325
PT Bank Mayapada Internasional Tbk	-	-	-	-	14,834,487,876
	118,064,451,220	105,834,574,969	95,315,688,443	106,727,735,069	189,832,542,368
Total time deposits	978,587,394,553	891,095,606,868	907,765,102,512	995,179,750,507	569,365,542,368
Total	1,175,101,785,497	1,154,337,171,363	1,111,486,304,905	1,178,458,368,683	1,005,108,029,387

Ranges of annual interest rates of time deposits are as follows:

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Rupiah	1,85% - 6,00%	2,60% - 7,75%	1,80% - 6,00%	2,45% - 7,75%	3,60% - 9,00%
United States Dollar	0,20% - 0,55%	0,75% - 0,90%	0,20% - 0,55%	0,20% - 1,25%	2,20% - 3,35%

Cash is covered by insurance against losses and other risks with insurance coverage of Rp 31,600,000,000, Rp 31,600,000,000, Rp 31,600,000,000, Rp 30,500,000,000 and Rp 31,600,000,000 as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, respectively. The Group's management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

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5. TRADE RECEIVABLES FROM THIRD PARTIES - NET

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Houses and developed land	101,477,710,430	134,257,333,073	239,816,269,061	31,820,017,639	123,214,638,042
Power plant	94,167,934,106	95,146,971,751	19,912,929,817	111,373,410,327	152,993,482,794
Office and shop houses	91,473,948,739	112,531,765,079	101,192,566,892	114,378,584,945	128,776,080,912
Service and maintenance	46,285,355,282	46,201,886,682	49,689,313,207	50,881,219,179	51,712,207,362
Land and factory buildings	32,948,614,976	7,605,511,118	11,122,575,696	13,715,209,623	33,632,702,536
Apartment	19,382,772,412	11,211,310,953	15,161,892,169	10,835,796,689	55,255,656,197
Golf	759,569,191	378,087,637	738,243,658	706,803,313	742,320,166
Others	30,475,388,267	26,533,736,429	21,011,904,570	24,653,877,663	26,325,995,887
Total	416,971,293,403	433,866,602,722	458,645,695,070	358,364,919,378	572,653,083,896
Less: Allowance for impairment losses	23,112,956,775	45,737,824,600	43,131,000,277	48,623,393,891	9,514,665,959
Net	393,858,336,628	388,128,778,122	415,514,694,793	309,741,525,487	563,138,417,937

The aging analysis of trade receivables from third parties is as follows:

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Current	331,866,706,373	326,010,467,469	394,314,654,872	244,179,493,166	427,735,745,799
> 1 month - 3 months	59,859,816,688	56,087,290,927	24,560,047,873	68,309,101,504	101,449,281,834
> 3 months - 6 months	6,040,770,787	11,452,300,071	3,439,903,463	8,485,070,178	7,151,502,087
> 6 months	19,203,999,555	40,316,544,255	36,331,088,862	37,391,254,530	36,316,554,176
Total	416,971,293,403	433,866,602,722	458,645,695,070	358,364,919,378	572,653,083,896

The movements of allowance for impairment losses of trade receivables from third parties are as follows:

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Beginning balance	43,131,000,277	48,623,393,891	48,623,393,891	9,514,665,959	9,350,910,510
Changes in accounting policies	-	-	-	18,100,003,792	-
Reversal	(20,018,043,502)	(6,359,564,072)	(9,312,465,806)	-	-
Additional allowance during the period	-	3,473,994,781	3,873,798,973	21,008,724,140	518,958,201
Write - off	-	-	(53,726,781)	-	(355,202,752)
Ending balance	23,112,956,775	45,737,824,600	43,131,000,277	48,623,393,891	9,514,665,959

Based on the review of the status of the individual trade receivable accounts at the end of the reporting period, the Group's management believe that the allowance for impairment losses is adequate to cover the possibility of losses from non-collectibility of the trade receivables from third parties.

Certain trade receivables are used as collateral of long-term bank loans (Note 15).

As of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, all trade receivables from third parties are denominated in Rupiah.

6. INVENTORIES

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Land	1,025,796,291,838	1,009,510,939,946	991,006,322,364	1,002,115,339,630	959,545,519,440
Houses and buildings under construction	335,012,979,570	447,367,679,276	446,616,836,265	439,491,627,259	357,296,795,905
Houses and buildings available for sale	115,518,794,047	52,187,941,536	50,913,848,186	54,330,299,329	66,419,758,986
Others	21,803,735,945	18,653,367,921	19,386,289,105	17,236,588,707	15,475,829,256
Total	1,498,131,801,400	1,527,719,928,679	1,507,923,295,920	1,513,173,854,925	1,398,737,903,587

Land inventory movement is as follows:

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Beginning balance	991,006,322,364	1,002,115,339,630	1,002,115,339,630	959,545,519,440	908,935,653,612
Additional	67,414,702,970	27,521,777,413	53,597,981,333	102,904,485,035	87,068,004,397
Charged to cost of sales	(32,624,733,496)	(20,126,177,097)	(64,706,998,599)	(60,334,664,845)	(36,458,138,569)
Ending balance	1,025,796,291,838	1,009,510,939,946	991,006,322,364	1,002,115,339,630	959,545,519,440

Houses and buildings under construction inventories movement is as follows:

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Beginning balance	446,616,836,265	439,491,627,259	439,491,627,259	357,296,795,905	316,307,751,993
Addition	33,747,633,136	57,737,473,773	178,486,467,685	224,461,007,394	145,124,029,033
Deductional	(145,351,489,831)	(49,861,421,756)	(171,361,258,679)	(142,266,176,040)	(104,134,985,121)
Ending balance	335,012,979,570	447,367,679,276	446,616,836,265	439,491,627,259	357,296,795,905

Houses and buildings available for sale inventories movement is as follows:

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Beginning balance	50,913,848,186	54,330,299,329	54,330,299,329	66,419,758,986	45,109,072,915
Addition	146,452,189,093	49,882,541,756	176,518,491,840	138,750,400,687	170,344,908,790
Charged to cost of sales	(81,847,243,232)	(52,024,899,549)	(179,934,942,983)	(150,839,860,344)	(149,034,222,719)
Ending balance	115,518,794,047	52,187,941,536	50,913,848,186	54,330,299,329	66,419,758,986

The Group's management believes that the inventories can be realized according to the amount above and therefore no allowance for decline in inventories is needed.

Certain land and building inventories located in Cikarang are used as collateral of long-term bank loans (Note 15).

The borrowing costs capitalized into inventories in June 30, 2022 and 2021, and December 31, 2021, 2020 and 2019 amounted to Rp 76,034,389, Rp 790,781,056, Rp 1,430,769,375, Rp 7,529,540,110, and Rp 12,619,165,545, respectively.

For the periods ended June 30, 2021, December 31, 2021 and 2019 certain property, plant and equipment were reclassified to inventories with net book value amounting to Rp 3,498,150,000, Rp 3,498,150,000 and Rp 11,927,196,258, respectively.

For the periods ended December 31, 2020 and 2019, certain inventories were reclassified to property, plant and equipment with net book value amounting to Rp 13,860,148,112 and Rp 3,102,136,842.

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6. **INVENTORIES** (Continued)

Houses and buildings inventories are covered by insurance against losses by fire and other risks under blanket policies for approximately Rp 509,321,022,038, Rp 244,406,478,584, Rp 509,321,022,038, Rp 95,904,478,584 and Rp 106,290,441,250 as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, respectively. The Group's management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

7. **LAND FOR DEVELOPMENT**

	June 30, 2022 (Unaudited)		June 30, 2021 (Unaudited)	
	Area (Ha) (Unaudited)	Total	Area (Ha) (Unaudited)	Total
Cikarang	1,108	2,759,939,175,289	1,080	2,694,764,473,386
Pandeglang	1,472	1,487,902,332,968	1,473	1,487,140,870,239
Kendal	553	1,497,946,609,796	555	1,388,805,113,632
Morotai	1,418	52,855,448,292	1,328	43,964,226,605
Total	4,551	5,798,643,566,345	4,436	5,614,674,683,862
Less: current portion	4,246	5,121,610,066,159	4,142	4,962,824,545,509
Non-current portion	305	677,033,500,186	294	651,850,138,353

	December 31, 2021 (Audited)		December 31, 2020 (Audited)		December 31, 2019 (Audited)	
	Area (Ha) (Unaudited)	Total	Area (Ha) (Unaudited)	Total	Area (Ha) (Unaudited)	Total
Cikarang	1,094	2,730,097,374,002	1,080	2,640,310,960,601	1,072	2,543,635,815,563
Pandeglang	1,473	1,487,760,071,175	1,473	1,509,704,286,252	1,473	1,508,114,791,773
Kendal	554	1,404,057,116,391	560	1,333,496,156,714	582	1,437,377,028,862
Morotai	1,330	44,936,802,570	1,328	43,753,902,813	1,319	40,964,165,740
Total	4,451	5,666,851,364,138	4,441	5,527,265,306,380	4,446	5,530,091,801,938
Less: current portion	4,145	4,987,862,647,215	4,147	4,876,183,781,438	4,157	4,909,582,422,607
Non-current portion	306	678,988,716,923	294	651,081,524,942	289	620,509,379,331

The ownership status of land for development is as follows:

	Area (Ha) (Unaudited)				
	June 30, 2022	June 30, 2021	December 31, 2021	December 31, 2020	December 31, 2019
Land certificates already issued	2,572	2,477	2,533	2,431	2,446
Released rights	1,914	1,771	1,704	1,773	1,777
In process of obtaining land rights certificates	65	188	214	237	223
Total	4,551	4,436	4,451	4,441	4,446

Certain land for development located in Cikarang and Pandeglang are used as collateral for the bank loans (Notes 15).

For the periods ended December 31, 2021 and 2019, certain land for development were reclassified to property, plant and equipment with net book value amounting to Rp 6,568,413,575 and Rp 24,217,636,015, respectively.

The Group's management believes that there is no impairment in the value of land for development as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019.

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8. INVESTMENTS

a. Investments In Shares of Stock

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
PT Wijaya Karya Serang Panimbang	17,621,862,500	17,621,862,500	17,621,862,500	17,621,862,500	17,621,862,500
Shipper, Inc.	11,365,511,500	-	11,365,511,500	-	-
PT Pembangunan Kota Tua Jakarta	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
PT Jababeka Multi Medika	350,000,000	350,000,000	350,000,000	350,000,000	350,000,000
PT Mitra Dana Jimbaran	-	-	-	1,000,000,000	1,000,000,000
Total	39,337,374,000	27,971,862,500	39,337,374,000	28,971,862,500	28,971,862,500

	Percentage of Ownership (%)				
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
PT Wijaya Karya Serang Panimbang	0.94	0.94	0.94	0.94	1.03
Shipper, Inc.	0.17	-	0.17	-	-
PT Pembangunan Kota Tua Jakarta	11.11	11.11	11.11	11.11	11.11
PT Jababeka Multi Medika	10.00	10.00	10.00	10.00	10.00
PT Mitra Dana Jimbaran	-	-	-	5.60	5.60

In 2021, PT Gerbang Teknologi Cikarang, Subsidiary, made an investment in Shipper, Inc. amounting to Rp 11,365,511,500 for 0.17% ownership interest. As a result, this investment is carried as investments in shares of stocks.

In 2021, the Group written-off their investment in PT Mitra Dana Jimbaran as the Group assessed that their investment in the said company cannot be recovered.

b. Investment in Associates and Joint Venture

As at June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, the investment in associates of the Group are as follows:

Name of Entity	Domicile	Business Activity
PT PP Properti Jababeka Residen	Bekasi	Trading, real estate construction and building management
PT Plaza Indonesia Jababeka	Bekasi	Construction, trading and services
PT Morotai Paradis Resor	North Maluku	Tourism
PT YUKK Kreasi Indonesia	Tangerang	Financial technology
PT Access World Logistics Indonesia	Jakarta	Warehouse
PT Jababeka Keihan Residence	Bekasi	Trading, service, construction real estate and building

	June 30, 2022 (Six months) (Unaudited)				
	Percentage of ownership (%)	Beginning balance	Additions (deductions)	Impairment losses and share in (loss) profit of associate	Ending balance
Investment in Associates					
PT PP Properti Jababeka Residen	47.40	161,615,649,830	-	(322,468,880)	161,293,180,950
PT Plaza Indonesia Jababeka	30.00	27,592,038,976	-	(4,159,174,685)	23,432,864,291
PT Morotai Paradis Resor	34.78	29,015,984,631	-	(169,365,942)	28,846,618,689
PT YUKK Kreasi Indonesia	36.14	4,477,218,201	-	(2,933,924,751)	1,543,293,450
PT Access World Logistics Indonesia	33.00	4,144,723,510	-	1,059,103,961	5,203,827,471
Total		226,845,615,148	-	(6,525,830,297)	220,319,784,851

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8. **INVESTMENTS** (Continued)

b. **Investment in Associates and Joint Venture** (Continued)

	June 30, 2021 (Six months) (Unaudited)				
	Percentage of ownership (%)	Beginning balance	Additions	Impairment losses and share in (loss) profit of associate	Ending balance
Investment in Associates					
PT PP Properti Jababeka Residen	47.40	161,932,467,198	-	(260,558,066)	161,671,909,132
PT Plaza Indonesia Jababeka	30.00	43,232,235,816	-	(38,954,901)	43,193,280,915
PT Morotai Paradis Resor	34.78	29,690,171,420	-	(478,620,438)	29,211,550,982
PT YUKK Kreasi Indonesia	36.14	23,091,199,035	10,000,007,838	(30,637,636,585)	2,453,570,288
PT Access World Logistics Indonesia	33.00	1,385,772,819	-	1,263,939,311	2,649,712,130
Total		259,331,846,288	10,000,007,838	(30,151,830,679)	239,180,023,447

	December 31, 2021 (One year) (Audited)				
	Percentage of ownership (%)	Beginning balance	Additions	Impairment losses and share in (loss) profit of associate	Ending balance
Investment in Associates					
PT PP Properti Jababeka Residen	47.40	161,932,467,198	-	(316,817,368)	161,615,649,830
PT Plaza Indonesia Jababeka	30.00	43,232,235,816	-	(15,640,196,840)	27,592,038,976
PT Morotai Paradis Resor	34.78	29,690,171,420	-	(674,186,789)	29,015,984,631
PT YUKK Kreasi Indonesia	36.14	23,091,199,035	10,000,007,838	(28,613,988,672)	4,477,218,201
PT Access World Logistics Indonesia	33.00	1,385,772,819	-	2,758,950,691	4,144,723,510
Total		259,331,846,288	10,000,007,838	(42,486,238,978)	226,845,615,148

	December 31, 2020 (One year) (Audited)				
	Percentage of ownership (%)	Beginning balance	Additions	Impairment losses and share in (loss) profit of associate	Ending balance
Investment in Associates					
PT PP Properti Jababeka Residen	47.40	159,989,978,336	-	1,942,488,862	161,932,467,198
PT Plaza Indonesia Jababeka	30.00	43,367,440,093	-	(135,204,277)	43,232,235,816
PT Morotai Paradis Resor	34.78	30,269,771,856	-	(579,600,436)	29,690,171,420
PT YUKK Kreasi Indonesia	34.23	26,425,901,914	-	(3,334,702,879)	23,091,199,035
PT Access World Logistics Indonesia	33.00	-	1,386,000,000	(227,181)	1,385,772,819
Total		260,053,092,199	1,386,000,000	(2,107,245,911)	259,331,846,288

	December 31, 2019 (One year) (Audited)				
	Percentage of ownership (%)	Beginning balance	Additions (reclassification)	Impairment losses and share in (loss) profit of associate	Ending balance
Investment in Associates					
PT PP Properti Jababeka Residen	47.40	141,308,190,553	18,960,000,000	(278,212,217)	159,989,978,336
PT Plaza Indonesia Jababeka	30.00	43,523,158,320	-	(155,718,227)	43,367,440,093
PT Morotai Paradis Resor	34.78	31,872,181,170	-	(1,602,409,314)	30,269,771,856
PT YUKK Kreasi Indonesia	34.23	-	27,917,204,194	(1,491,302,280)	26,425,901,914
Investment in Joint Venture					
PT Jababeka Keihan Residence	52.00	37,201,973,844	(37,201,973,844)	-	-
Total		253,905,503,887	9,675,230,350	(3,527,642,038)	260,053,092,199

The reclassification was due to consolidation of JKR to the Group in 2019 (Note 1d)

8. **INVESTMENTS** (Continued)

b. **Investment In Associates and Joint Venture** (Continued)

The following table is the summarized financial information as of and for the periods ended June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 of the investments in associates, which are accounted using the equity method:

	June 30, 2022 (Unaudited)			
	Total assets	Total liabilities	Equity	Net loss
Investment in Associates				
PT PP Properti Jababeka Residen	391,691,054,146	51,403,379,380	340,287,674,766	(680,314,093)
PT Plaza Indonesia Jababeka	458,630,986,469	380,521,438,831	78,109,547,638	(13,863,915,618)
PT Morotai Paradis Resor	85,742,832,551	533,176,742	85,209,655,809	(486,963,606)
PT YUKK Kreasi Indonesia	8,362,490,566	4,092,171,115	4,270,319,451	(7,839,658,305)
PT Access World Logistic Indonesia	23,445,421,125	7,676,246,969	15,769,174,156	3,209,405,941
Total	967,872,784,857	444,226,413,037	523,646,371,820	(19,661,445,681)

	June 30, 2021 (Unaudited)			
	Total assets	Total liabilities	Equity	Net loss
Investment in Associates				
PT PP Properti Jababeka Residen	376,908,617,413	35,839,391,123	341,069,226,290	(549,700,562)
PT Plaza Indonesia Jababeka	496,814,312,104	352,836,709,055	143,977,603,049	(129,849,671)
PT Morotai Paradis Resor	86,821,932,348	563,017,505	86,258,914,843	(1,376,136,969)
PT YUKK Kreasi Indonesia	10,007,134,975	3,693,263,930	6,313,871,045	(9,184,418,763)
PT Access World Logistic Indonesia	14,916,031,268	6,886,600,570	8,029,430,698	3,830,119,125
Total	985,468,028,108	399,818,982,183	585,649,045,925	(7,409,986,840)

	December 31, 2021 (Audited)			
	Total assets	Total liabilities	Equity	Net loss
Investment in Associates				
PT PP Properti Jababeka Residen	378,459,939,657	37,491,950,792	340,967,988,865	(650,937,989)
PT Plaza Indonesia Jababeka	458,140,487,030	366,167,023,771	91,973,463,259	(26,163,758,303)
PT Morotai Paradis Resor	86,207,836,660	511,217,248	85,696,619,412	(1,938,432,402)
PT YUKK Kreasi Indonesia	16,372,463,073	3,983,923,495	12,388,539,578	(15,109,748,390)
PT Access World Logistic Indonesia	20,083,120,105	7,523,351,893	12,559,768,212	8,360,456,639
Total	959,263,846,525	415,677,467,199	543,586,379,326	(35,502,420,445)

	December 31, 2020 (Audited)			
	Total assets	Total liabilities	Equity	Net loss
Investment in Associates				
PT PP Properti Jababeka Residen	375,707,832,382	34,078,154,751	341,629,677,631	4,098,077,773
PT Plaza Indonesia Jababeka	483,775,187,635	339,667,734,908	144,107,452,727	(450,680,931)
PT Morotai Paradis Resor	85,873,190,036	514,445,302	85,358,744,734	(1,666,476,242)
PT YUKK Kreasi Indonesia	15,703,884,955	7,905,518,680	7,798,366,275	(9,742,047,561)
PT Access World Logistic Indonesia	4,199,311,572	-	4,199,311,572	(688,427)
Total	965,259,406,580	382,165,853,641	583,093,552,939	(7,761,815,388)

	December 31, 2019 (Audited)			
	Total assets	Total liabilities	Equity	Net loss
Investment in Associates				
PT PP Properti Jababeka Residen	362,022,403,020	24,490,803,161	337,531,599,859	(586,945,594)
PT Plaza Indonesia Jababeka	456,688,339,628	312,130,205,971	144,558,133,657	(519,060,755)
PT Morotai Paradis Resor	87,283,201,682	257,980,705	87,025,220,977	(4,607,272,324)
PT YUKK Kreasi Indonesia	23,305,780,786	5,765,366,955	17,540,413,831	(10,739,100,192)
Total	929,299,725,116	342,644,356,792	586,655,368,324	(16,452,378,865)

8. **INVESTMENTS** (Continued)

b. **Investment In Associates and Joint Venture** (Continued)

In 2021, PT Infrastruktur Cakrawala Telekomunikasi (ICT), Subsidiary, made an additional investment in PT YUKK Kreasi Indonesia (YKI) amounting to Rp 10,000,007,838 for 38.86% ownership interest. Later within the same year, other investors made an investment in YKI amounting to Rp 11,999,998,160 diluting ICT's ownership interest in YKI to 36.14%.

In June 30, 2021 and December 31, 2021, ICT recognized an impairment on its investment amounting to Rp 23,366,936,672 and Rp 19,077,354,919, respectively, due to continuing losses in the investee.

In 2020, GTC made an investment in PT Access World Logistic Indonesia amounting to Rp 1,386,000,000 for 33.00% ownership interest. As a result, this investment is carried as an investment in associate.

In 2019, PT PP Properti Tbk and GBC agreed to increase investment in PT PP Properti Jababeka Residen in the amount of Rp 40,000,000,000 in which Rp 18,960,000,000 was contributed by GBC.

In 2019, ICT made an investment in YKI amounting to Rp 27,917,204,194 for a 34.23% ownership interest. As a result, this investment is carried as an investment in associate.

9. **DERIVATIVE FINANCIAL ASSETS**

	June 30, 2022 (Unaudited)	
	Notional amount	Derivative assets
Derivative not designated as hedging instruments:		
Non-deliverable currency forward contracts	USD 200,000,000	239,681,687,039

	June 30, 2021 (Unaudited)	
	Notional amount	Derivative assets
Derivative not designated as hedging instruments:		
Non-deliverable currency forward contracts	USD 200,000,000	271,173,091,487

	December 31, 2021 (Audited)	
	Notional amount	Derivative assets
Derivative not designated as hedging instruments:		
Non-deliverable currency forward contracts	USD 200,000,000	240,915,655,649

	December 31, 2020 (Audited)	
	Notional amount	Derivative assets
Derivative not designated as hedging instruments:		
Non-deliverable currency forward contracts	USD 200,000,000	329,070,087,254

	December 31, 2019 (Audited)	
	Notional amount	Derivative assets
Derivative not designated as hedging instruments:		
Non-deliverable currency forward contracts	USD 200,000,000	342,725,151,511

The Group enters into various non-deliverable currency forward contracts to manage the Group's foreign currency risk arising from its United States Dollar (USD) denominated loans. The aggregate notional amount of the currency forward contracts amounted to USD 200,000,000 as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019. The currency forward contracts matured in 2019. In separate agreements in 2017 and 2016, these currency forward contracts were extended until 2023. The net fair value of the outstanding currency forward contracts amounted to Rp 239,681,687,039, Rp 271,173,091,487 and Rp 240,915,655,649, Rp 329,070,087,254 and Rp 342,725,151,511 As of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, respectively.

Other information relating to derivative assets are as follows:

Type of contract	Settlement schedule	Counterparties
Non-deliverable currency forward contract	April 2017-October 2023	Deutsche Bank AG, Singapore Branch
Non-deliverable currency forward contract	September 2014-October 2023	Standard Chartered Bank, Singapore Branch
Non-deliverable currency forward contract	April 2017-October 2023	Standard Chartered Bank, Singapore Branch

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10. PROPERTY, PLANT AND EQUIPMENT - NET

	June 30, 2022 (Six Months) (Unaudited)				
	Beginning balance	Additions	Deductions	Reclassifications	Ending balance
Cost					
Land	171,860,939,907	-	-	-	171,860,939,907
Buildings	1,015,582,495,337	2,321,139,563	-	-	1,017,903,634,900
Leasehold improvements	380,310,300,312	642,271,200	-	955,916,830	381,908,488,342
Machineries and equipment	1,631,783,037,481	15,997,671,900	-	10,233,661,780	1,658,014,371,161
Furnitures and fixtures	160,299,199,469	3,091,956,223	225,014,079	55,000,000	163,221,141,613
Motor vehicles	59,879,711,077	427,637,729	-	-	60,307,348,806
Construction in-progress	52,205,243,298	38,395,403,534	-	(11,244,578,610)	79,356,068,222
Total	3,471,920,926,881	60,876,080,149	225,014,079	-	3,532,571,992,951
Accumulated depreciation					
Buildings	378,695,424,354	21,319,466,509	-	-	400,014,890,863
Leasehold improvements	246,528,520,114	12,379,061,747	-	-	258,907,581,861
Machineries and equipment	704,031,532,736	33,931,118,900	-	-	737,962,651,636
Furnitures and fixtures	145,538,314,586	3,694,330,900	225,014,079	-	149,007,631,407
Motor vehicles	48,699,674,046	1,995,973,549	-	-	50,695,647,595
Total	1,523,493,465,836	73,319,951,605	225,014,079	-	1,596,588,403,362
Net book value	1,948,427,461,045				1,935,983,589,589

	June 30, 2021 (Six Months) (Unaudited)				
	Beginning balance	Additions	Deductions	Reclassifications	Ending balance
Cost					
Land	171,432,881,689	-	-	406,547,498	171,839,429,187
Buildings	1,007,362,934,605	122,221,218	-	-	1,007,485,155,823
Leasehold improvements	367,663,367,271	1,571,199,051	-	1,938,182,495	371,172,748,817
Machineries and equipment	1,615,420,889,500	2,816,434,251	56,167,800	4,417,667,439	1,622,598,823,390
Furnitures and fixtures	153,551,273,452	5,241,386,662	948,929,916	-	157,843,730,198
Motor vehicles	61,996,618,440	21,723,820	-	-	62,018,342,260
Construction in-progress	39,544,075,230	10,015,508,708	-	(10,260,547,432)	39,299,036,506
Total	3,416,972,040,187	19,788,473,710	1,005,097,716	(3,498,150,000)	3,432,257,266,181
Accumulated depreciation					
Buildings	335,118,161,646	20,793,630,381	-	-	355,911,792,027
Leasehold improvements	225,332,263,964	8,162,441,690	-		233,494,705,654
Machineries and equipment	636,757,752,513	33,562,315,942	56,167,800	-	670,263,900,655
Furnitures and fixtures	137,468,125,826	5,112,481,504	925,179,916	-	141,655,427,414
Motor vehicles	48,498,353,190	1,808,491,163	-	-	50,306,844,353
Total	1,383,174,657,139	69,439,360,680	981,347,716	-	1,451,632,670,103
Net book value	2,033,797,383,048				1,980,624,596,078

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10. **PROPERTY, PLANT AND EQUIPMENT - NET** (Continued)

	December 31, 2021 (One year) (Audited)				
	Beginning balance	Additions	Deductions	Reclassifications	Ending balance
Cost					
Land	171,432,881,689	-	-	428,058,218	171,860,939,907
Buildings	1,007,362,934,605	13,102,073	-	8,206,458,659	1,015,582,495,337
Leasehold improvements	367,663,367,271	3,006,662,497	-	9,640,270,544	380,310,300,312
Machineries and equipment	1,615,420,889,500	7,260,988,816	230,742,830	9,331,901,995	1,631,783,037,481
Furnitures and fixtures	153,551,273,452	7,996,903,092	1,447,602,075	198,625,000	160,299,199,469
Motor vehicles	61,996,618,440	1,741,322,729	3,858,230,092	-	59,879,711,077
Construction in-progress	39,544,075,230	37,396,218,909	-	(24,735,050,841)	52,205,243,298
Total	3,416,972,040,187	57,415,198,116	5,536,574,997	3,070,263,575	3,471,920,926,881
Accumulated depreciation					
Buildings	335,118,161,646	43,577,262,708	-	-	378,695,424,354
Leasehold improvements	225,332,263,964	21,196,256,150	-	-	246,528,520,114
Machineries and equipment	636,757,752,513	67,504,523,053	230,742,830	-	704,031,532,736
Furnitures and fixtures	137,468,125,826	9,493,213,524	1,423,024,764	-	145,538,314,586
Motor vehicles	48,498,353,190	4,059,550,948	3,858,230,092	-	48,699,674,046
Total	1,383,174,657,139	145,830,806,383	5,511,997,686	-	1,523,493,465,836
Net book value	2,033,797,383,048				1,948,427,461,045

	December 31, 2020 (One year) (Audited)				
	Beginning balance	Additions	Deductions	Reclassifications	Ending balance
Cost					
Land	164,471,485,648	1,137,326,255	-	5,824,069,786	171,432,881,689
Buildings	997,722,579,327	2,487,403,378	376,000,000	7,528,951,900	1,007,362,934,605
Leasehold improvements	358,960,221,519	3,121,657,986	-	5,581,487,766	367,663,367,271
Machineries and equipment	1,588,978,858,252	17,791,008,604	-	8,651,022,644	1,615,420,889,500
Furnitures and fixtures	145,186,332,486	7,530,362,276	1,650,000	836,228,690	153,551,273,452
Motor vehicles	54,872,546,167	1,401,577,455	1,646,578,682	7,369,073,500	61,996,618,440
Finance leases					
Motor vehicles	7,369,073,500	-	-	(7,369,073,500)	-
Machineries and equipment	1,279,000,000	-	-	(1,279,000,000)	-
Construction in-progress	40,540,158,618	14,078,655,712	-	(15,074,739,100)	39,544,075,230
Total	3,359,380,255,517	47,547,991,666	2,024,228,682	12,068,021,686	3,416,972,040,187
Accumulated depreciation					
Buildings	293,583,709,714	41,922,255,910	-	(387,803,978)	335,118,161,646
Leasehold improvements	194,000,348,566	31,331,915,398	-	-	225,332,263,964
Machineries and equipment	560,132,558,863	76,243,825,166	-	381,368,484	636,757,752,513
Furnitures and fixtures	126,098,027,648	11,371,748,178	1,650,000	-	137,468,125,826
Motor vehicles	42,208,353,116	5,419,467,298	1,211,366,944	2,081,899,720	48,498,353,190
Finance leases					
Motor vehicles	2,081,899,720	-	-	(2,081,899,720)	-
Machineries and equipment	381,368,484	-	-	(381,368,484)	-
Total	1,218,486,266,111	166,289,211,950	1,213,016,944	(387,803,978)	1,383,174,657,139
Net book value	2,140,893,989,406				2,033,797,383,048

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10. **PROPERTY, PLANT AND EQUIPMENT - NET** (Continued)

	December 31, 2019 (One year) (Audited)				
	Beginning balance	Additions	Deductions	Reclassifications	Ending balance
Cost					
Land	162,890,629,970	660,556,800	-	920,298,878	164,471,485,648
Buildings	1,089,038,006,019	10,538,973,619	-	(101,854,400,311)	997,722,579,327
Leasehold improvements	339,417,438,314	7,263,842,379	36,500,000	12,315,440,826	358,960,221,519
Machineries and equipment	1,537,902,502,437	36,130,154,197	-	14,946,201,618	1,588,978,858,252
Furnitures and fixtures	136,602,451,209	9,122,362,452	132,956,360	(405,524,815)	145,186,332,486
Motor vehicles	50,632,132,322	8,785,723,500	4,545,309,655	-	54,872,546,167
Finance leases					
Motor vehicles	7,369,073,500	-	-	-	7,369,073,500
Machineries and equipment	1,279,000,000	-	-	-	1,279,000,000
Construction in-progress	22,022,886,460	42,023,185,421	1,335,085,400	(22,170,827,863)	40,540,158,618
Total	3,347,154,120,231	114,524,798,368	6,049,851,415	(96,248,811,667)	3,359,380,255,517
Accumulated depreciation					
Buildings	289,495,736,840	43,717,417,315	-	(39,629,444,441)	293,583,709,714
Leasehold improvements	164,035,796,670	30,190,601,461	-	(226,049,565)	194,000,348,566
Machineries and equipment	486,531,316,682	73,601,242,181	-	-	560,132,558,863
Furnitures and fixtures	116,057,003,381	10,942,192,945	132,781,360	(768,387,318)	126,098,027,648
Motor vehicles	42,250,019,593	3,934,311,258	3,975,977,735	-	42,208,353,116
Finance leases					
Motor vehicles	1,151,822,492	930,077,228	-	-	2,081,899,720
Machineries and equipment	253,135,411	128,233,073	-	-	381,368,484
Total	1,099,774,831,069	163,444,075,461	4,108,759,095	(40,623,881,324)	1,218,486,266,111
Net book value	2,247,379,289,162				2,140,893,989,406

Depreciation expenses are apportioned to the following accounts:

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Cost of sales and service revenue	63,074,773,232	59,015,471,710	124,849,470,620	145,613,172,575	145,649,467,341
General and administrative expenses (Note 30)	10,245,178,373	10,423,888,970	20,981,335,763	20,676,039,375	17,794,608,120
Total	73,319,951,605	69,439,360,680	145,830,806,383	166,289,211,950	163,444,075,461

The details of sales of property, plant and equipment are as follows:

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Selling price	70,069,369	40,909,091	668,729,157	1,114,406,455	2,436,363,636
Net book value	-	(23,750,000)	(24,577,311)	(435,211,738)	(1,638,990,522)
Gain on sale of property, plant and equipment	70,069,369	17,159,091	644,151,846	679,194,717	797,373,114

10. **PROPERTY, PLANT AND EQUIPMENT – NET** (Continued)

The details of construction in progress are as follows:

June 30, 2022	Percentage of completion (Unaudited)	Accumulated costs	Estimated completion date (Unaudited)
Buildings	28%	49,007,173,231	December 2022
Leasehold improvements	37%	6,325,361,799	November 2022
Machineries and equipment	48%	24,023,533,192	November 2022
Total		79,356,068,222	

June 30, 2021	Percentage of completion (Unaudited)	Accumulated costs	Estimated completion date (Unaudited)
Buildings	29%	10,760,850,171	December 2021
Leasehold improvements	37%	6,904,710,330	November 2021
Machineries and equipment	66%	21,633,476,005	August 2021
Total		39,299,036,506	

December 31, 2021	Percentage of completion (Unaudited)	Accumulated costs	Estimated completion date (Unaudited)
Buildings	23%	21,556,259,053	September 2022
Leasehold improvements	44%	6,744,003,416	September 2022
Machineries and equipment	48%	23,904,980,829	September 2022
Total		52,205,243,298	

December 31, 2020	Percentage of completion (Unaudited)	Accumulated costs	Estimated completion date (Unaudited)
Buildings	39%	20,643,768,860	October 2021
Leasehold improvements	88%	324,226,034	April 2021
Machineries and equipment	54%	18,576,080,336	June 2021
Total		39,544,075,230	

December 31, 2019	Percentage of completion (Unaudited)	Accumulated costs	Estimated completion date (Unaudited)
Buildings	93%	19,836,174,374	October 2020
Leasehold improvements	46%	326,024,962	December 2020
Machineries and equipment	62%	20,377,959,282	November 2020
Total		40,540,158,618	

The land account represents parcels of land located in Jakarta, Cikarang, Kendal, Cilegon and Pandeglang with total area of 1,228,932, 1,146,174, 1,174,164, 1,146,174 and 1,131,393 square meters as of June 30, 2022 and 2021, and December 31, 2021, 2020 and 2019, respectively, on which the Group has Right to Use (Hak Guna Bangunan/HGB) except for the land located in Cilegon with area of 15,075 square meters which is still in the process of obtaining the usage rights. The HGB will expire on different dates from September 29, 2022 until August 23, 2050. The Group's management believes that the HGB can be renewed when the legal terms of the land rights expired.

Property, plant and equipment, except land, are covered against losses by fire and other risks under blanket policies for Rp 626,445,502,436 and USD 110,984,839 as of June 30, 2022, Rp 555,676,104,917 and USD 109,777,290 as of June 30, 2021, Rp 627,688,595,067 and USD 110,984,839 as of December 31, 2021, Rp 580,649,072,774 and USD 109,777,290 as of December 31, 2020 and Rp 477,269,102,859 and USD 107,624,900 as of December 31, 2019. The Group's management believes that the insurance coverage is adequate to cover possible losses arising from such risks.

Certain land from property, plant and equipment located in Cikarang and Pandeglang are used as collateral of bank loans (Note 14 and 15).

For the periods ended December 31, 2021 and December 31, 2019, certain reclassification was made between land for development (Note 7) and property, plant and equipment.

10. **PROPERTY, PLANT AND EQUIPMENT - NET** (Continued)

On January 1, 2020, motor vehicles and machinery and equipment held under finance lease based on PSAK 30 with carrying amounts of Rp 6,184,805,296 were reclassified to right-of-use assets account (Note 15).

For the years ended December 31, 2020 and 2019, certain reclassifications were made between property, plant and equipment and investment properties (Note 11).

For the periods ended June 30, 2021 and December 31, 2021 and 2019, certain reclassifications were made between property, plant and equipment and inventories (Note 6).

Based on the assessment of the Group's management, there are no events or changes in circumstances which indicated impairment in the value of the property, plant and equipment as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, respectively.

11. **INVESTMENT PROPERTIES - NET**

Investment properties movement as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 are as follows:

	June 30, 2022 (Six Months) (Unaudited)				
	Beginning balance	Additions	Deductions	Reclassifications	Ending balance
Cost					
Direct ownership					
Land	607,270,171	-	-	-	607,270,171
Buildings	137,640,459,098	-	-	-	137,640,459,098
Total	138,247,729,269	-	-	-	138,247,729,269
Accumulated depreciation					
Direct ownership					
Buildings	44,010,110,964	3,455,591,642	-	-	47,465,702,606
Net book value	94,237,618,305				90,782,026,663

	June 30, 2021 (Six Months) (Unaudited)				
	Beginning balance	Additions	Deductions	Reclassifications	Ending balance
Cost					
Direct ownership					
Land	607,270,171	-	-	-	607,270,171
Buildings	105,557,259,098	-	-	-	105,557,259,098
Total	106,164,529,269	-	-	-	106,164,529,269
Accumulated depreciation					
Direct ownership					
Buildings	38,621,200,384	2,562,406,958	-	-	41,183,607,342
Net book value	67,543,328,885				64,980,921,927

	December 31, 2021 (One Year) (Audited)				
	Beginning balance	Additions	Deductions	Reclassifications	Ending balance
Cost					
Direct ownership					
Land	607,270,171	-	-	-	607,270,171
Buildings	105,557,259,098	32,083,200,000	-	-	137,640,459,098
Total	106,164,529,269	32,083,200,000	-	-	138,247,729,269
Accumulated depreciation					
Direct ownership					
Buildings	38,621,200,384	5,388,910,580	-	-	44,010,110,964
Net book value	67,543,328,885				94,237,618,305

11. **INVESTMENT PROPERTIES - NET** (Continued)

	December 31, 2020 (One Year) (Audited)				
	Beginning balance	Additions	Deductions	Reclassifications	Ending balance
Cost					
Direct ownership					
Land	403,664,933	-	-	203,605,238	607,270,171
Buildings	105,004,591,918	-	1,035,854,008	1,588,521,188	105,557,259,098
Total	105,408,256,851	-	1,035,854,008	1,792,126,426	106,164,529,269
Accumulated depreciation					
Direct ownership					
Buildings	33,823,580,877	5,217,898,287	808,082,758	387,803,978	38,621,200,384
Net book value	71,584,675,974				67,543,328,885

	December 31, 2019 (One Year) (Audited)				
	Beginning balance	Additions	Deductions	Reclassifications	Ending balance
Cost					
Direct ownership					
Land	403,664,933	-	-	-	403,664,933
Buildings	1,341,558,064	4,260,000,000	-	99,403,033,854	105,004,591,918
Total	1,745,222,997	4,260,000,000	-	99,403,033,854	105,408,256,851
Accumulated depreciation					
Direct ownership					
Buildings	1,080,453,322	4,357,600,643	-	28,385,526,912	33,823,580,877
Net book value	664,769,675				71,584,675,974

The Group insured their investment properties to PT Asuransi Reliance Indonesia against risks of fire, damages, theft and other possible risks with total insurance coverage of Rp 2,532,859,500, Rp 2,785,402,666, Rp 2,532,859,500, Rp 2,503,600,000 and Rp 2,503,600,000 as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, respectively. The office units in Menara Batavia and City Center is insured by joint insurance between the Subsidiary's property and other residents for a total sum insurance of Rp 2,460,314,470,000, Rp 1,347,000,000,000, Rp 2,460,314,470,000, Rp 1,218,781,802,666 and Rp 1,307,000,000,000 as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, respectively. The Group's management believes that the insurance coverage is adequate to cover possible losses of the investment properties insured.

For the years ended December 31, 2020 and 2019, certain property, plant and equipment were reclassified to investment properties with net book values amounting to Rp 1,404,322,448 and Rp 71,017,506,942, respectively.

Based on the independent appraiser's report of KJPP Desmar & Rekan dated February 16, 2022 and March 5, 2021, and February 27, 2020 the market value of the investment properties as of December 31, 2021, 2020 and 2019 amounted to Rp 679,759,400,000, Rp 617,855,000,000 and Rp 618,068,000,000, respectively. The Group's management believes that there is no impairment in value on these assets.

12. **RESTRICTED CASH AND CASH EQUIVALENTS**

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Cash in banks					
Rupiah					
PT Bank Negara Indonesia (Persero) Tbk	16,790,360,408	19,992,466,359	19,921,826,808	16,228,656,359	12,369,102,359
PT Bank Central Asia Tbk	15,300,364,884	8,462,737,060	13,520,265,213	1,969,746,334	4,163,816,918
PT Bank Mandiri (Persero) Tbk	11,525,710,174	14,402,086,454	11,525,710,174	10,955,871,454	7,558,345,307
PT Bank CIMB Niaga Tbk	2,796,935,776	3,555,791,195	2,792,213,038	3,237,241,663	2,179,122,588
PT Bank Nationalnobu Tbk	2,554,416,747	-	-	-	-
PT Bank Maybank Indonesia Tbk	1,244,216,206	1,044,621,334	1,237,047,443	1,038,636,153	1,026,637,242
PT Bank Pembangunan Daerah Jawa Barat dan Banten Tbk	469,973,266	469,973,266	469,973,266	-	469,973,266
PT Bank Pan Indonesia Tbk	293,612,127	-	-	-	-
PT Bank Tabungan Negara (Persero) Tbk	-	-	-	9,000,000	9,035,000
Total cash in banks	50,975,589,588	47,927,675,668	49,467,035,942	33,439,151,963	27,776,032,680

12. **RESTRICTED CASH AND CASH EQUIVALENTS** (Continued)

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Time deposits					
Rupiah					
PT Bank CIMB Niaga Tbk	41,793,313,944	53,573,650,059	58,974,077,930	41,362,330,105	1,607,137,081
PT Bank Permata Tbk	18,592,836,073	14,790,332,146	16,847,591,700	11,476,258,370	6,858,863,415
PT Bank UOB Indonesia	7,625,862,979	8,358,673,622	6,831,979,341	6,395,180,668	5,225,571,589
PT Bank Maybank Indonesia Tbk	5,343,190,674	3,835,043,920	4,892,164,478	5,074,452,469	1,576,647,586
PT Bank OCBC NISP Tbk	3,778,697,602	1,744,856,466	1,762,815,229	1,725,086,691	1,666,308,376
PT Bank Syariah Indonesia Tbk	3,312,125,608	4,652,345,620	3,956,351,550	2,817,324,044	2,699,874,994
PT Bank China Construction Bank Indonesia Tbk	2,567,520,562	2,380,452,010	2,567,520,562	2,380,452,010	2,459,694,831
PT Bank Danamon Indonesia Tbk	1,749,214,130	1,361,571,811	2,901,349,579	1,361,571,811	2,315,348,267
PT Bank Mandiri (Persero) Tbk	1,714,555,088	1,714,555,088	3,077,796,843	1,769,554,838	9,999,750
PT Bank KEB Hana Indonesia	1,694,533,800	2,697,825,000	1,694,533,800	-	3,638,770,500
PT Bank Artha Graha Internasional Tbk	518,275,924	518,275,924	518,275,924	518,275,924	518,275,924
PT Bank Rakyat Indonesia (Persero) Tbk	484,115,625	271,063,225	122,285,625	122,285,625	-
PT Bank Tabungan Negara (Persero) Tbk	405,696,727	364,450,000	352,800,000	364,450,000	352,800,000
PT Bank Mayora	195,360,000	195,360,000	195,360,000	976,800,000	-
PT Bank Pan Indonesia Tbk	155,710,457	190,424,312	195,010,912	190,424,311	419,683,773
PT Bank Central Asia Tbk	-	-	13,750,732,711	-	-
Total time deposits	89,931,009,193	96,648,879,203	118,640,646,184	76,534,446,866	29,348,976,086
Total	140,906,598,781	144,576,554,871	168,107,682,126	109,973,598,829	57,125,008,766

Cash in bank and time deposits above were placed in certain banks and are used as housing loans obtained by the Group's customers.

The range of annual interest rates of the above time deposits is as follows:

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Time deposits					
Rupiah	2,25% - 3,25%	2,75% - 3,25%	0,50% - 2,75%	2,00% - 5,50%	2,75% - 5,25%

13. **ADVANCES**

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Advances for land acquisition and project	464,266,572,325	440,132,834,165	457,245,923,044	452,339,677,128	477,461,365,542
Advances to contractors	21,593,804,806	18,075,108,847	6,091,617,715	22,926,579,485	12,702,267,992
Others	27,913,307,664	16,049,715,884	21,351,032,795	37,223,652,382	23,025,479,268
Total	513,773,684,795	474,257,658,896	484,688,573,554	512,489,908,995	513,189,112,802

14. SHORT-TERM BANK LOANS

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Rupiah					
PT Bank Rakyat Indonesia (Persero) Tbk	989,000,000	-	-	-	1,999,999,999
United States Dollar					
Standard Chartered Bank	-	17,975,040,000	-	35,262,500,000	62,554,522,500
Total	989,000,000	17,975,040,000	-	35,262,500,000	64,554,522,499

PT Bank Rakyat Indonesia (Persero) Tbk (Rupiah)

Subsidiary

On November 29, 2018, PT Banten West Java Tourism Development (BWJ), a Subsidiary, entered into a loan agreement with PT Bank Rakyat Indonesia (Persero) Tbk (BRI), in the form of a Working Capital Credit facility for tourism services, hotel and restaurant with credit facilities amounting to Rp 1,000,000,000 with credit interest rate of 14.00% per annum with a term of 12 months. This facility has been extended several times, the latest being in April 2020, which was extended until April 2022. Due to changes in the loan term in this agreement, this loan became a long-term loan. This loan is collateralized with inventories consisting of food, beverage and other equipment amounting to Rp 421,567,000 and land with an area of 2,024 square meters located in Pandeglang, Banten (Note 6).

On May 31, 2019, BWJ entered into a loan agreement with BRI, in the form of a Working Capital Credit facility for property management amounting to Rp 1,000,000,000 with credit interest rate of 12.50% per annum with a term of 12 months. This loan is collateralized with land with an area of 31,427 square meters located in Pandeglang, Banten on behalf of BWJ (Note 7).

On April 22, 2020, both loan were amended. The term of the loans facility was extended until April 2022, with interest for the first and second years of 9% and 12.5%, respectively.

On April 28, 2022, the first credit facility was reduced to Rp 989,000,000 and the term was extended until April 2023. While for the second facility, the management fully paid the loan in April 2022.

The outstanding balance of Working Capital Credit loan as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 amounted to Rp 989,000,000, Rp Nil, Rp Nil, Rp Nil and Rp 1,999,999,999, respectively.

Standard Chartered Bank (US Dollar)

Subsidiary

On March 17, 2017, PT Bekasi Power (BP), a Subsidiary, obtained loan from Standard Chartered Bank as Working Capital Credit facility and Import Invoice Financing facility with total facility amounting to USD 6,500,000 and is subject to interest at LIBOR plus an applicable margin of 3.75% and 3.50% per annum, respectively, with due date of 60 - 90 days from drawdown date. Furthermore, BP obtained Bonds & Guarantee facility and the Standby Letter of Credit (SBLC) facility to guarantee BP's gas payments to gas suppliers with total facility amounting to USD 15,000,000 with issuance fee of 1.00% per annum, with due date of 1 year from drawdown date. The availability period of the facilities are until December 31, 2017 ("the Availability Period"), this availability period shall be automatically extended for every 12 months period basis, unless otherwise determined by the bank from time to time.

The Company acts as a corporate guarantor for the loan facilities. The loan is also collateralized by property, plant and equipment which consist of land and golf course on behalf of PT Grahabuana Cikarang, a Subsidiary (guarantor), with coverage of at least 1.50x over the loan amount (Note 10) and a fiduciary in receivables from PLN.

On April 28, 2020, BP and Standard Chartered Bank amended the loan facilities as follows:

- Total of Working Capital Credit facility and Import Invoice Financing facility amended into USD 4,500,000 and is subject to interest at LIBOR plus applicable margin of 4.15% and 3.50% per annum, respectively;
- Bond & Guarantee facility and Standby Letter of Credit (SBLC) facility amended into USD 10,000,000 with issuance fee of 1.00% per annum; and
- Additional facility of Import Letter of Credits (secured and unsecured) amounted to USD 4,500,000 with issuance fee of 1.00% per annum.

The availability period of the facilities are until December 31, 2020, and shall be automatically extended annually, unless otherwise determined by the bank from time to time. In 2021, BP has paid off its loan on December 14, 2021.

The outstanding balance of the Working Capital Credit Loan as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 amounted to USD Nil, USD 1,240,000, USD Nil, USD 2,500,000 and USD 4,500,000, respectively (equivalent to Rp Nil, Rp 17,975,040,000, Rp Nil, Rp 35,262,500,000 and Rp 62,554,522,500, respectively).

PT KAWASAN INDUSTRI JABABEKA Tbk AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIODS ENDED JUNE 30, 2022 AND 2021 (UNAUDITED)
AND FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 AND 2019 (AUDITED)
(Expressed in Rupiah, unless otherwise stated)

15. LONG-TERM DEBTS

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
United States Dollar					
Senior Notes	4,367,087,068,229	4,217,570,074,196	4,173,894,510,086	4,082,894,534,318	3,984,609,348,477
Bank loan					
PT Bank Central Asia Tbk	-	18,844,799,420	9,274,848,858	27,504,750,000	35,447,574,666
Rupiah					
Bank loans					
PT Bank Tabungan Negara (Persero) Tbk	64,891,666,667	66,931,250,000	66,531,250,000	76,931,250,001	79,711,666,667
PT Bank OCBC NISP Tbk	1,714,025,298	-	1,608,087,798	-	-
PT Bank Negara Indonesia (Persero) Tbk	-	11,773,791,661	4,795,666,659	12,751,916,663	12,708,166,667
PT Bank Rakyat Indonesia (Persero) Tbk	-	1,996,000,000	1,988,000,000	2,000,000,000	-
Lease liabilities	35,652,642,914	5,344,557,168	43,087,982,676	2,229,089,319	399,063,266
Total	4,469,345,403,108	4,322,460,472,445	4,301,180,346,077	4,204,311,540,301	4,112,875,819,743
Less: Current portion					
Bank loans	27,841,032,367	34,952,091,081	27,951,012,417	45,662,917,795	48,485,606,540
Lease liabilities	15,554,706,628	959,416,615	15,030,080,890	739,549,097	399,063,266
Long-term debts net of current portion					
Senior Notes	4,367,087,068,229	4,217,570,074,196	4,173,894,510,086	4,082,894,534,318	3,984,609,348,477
Bank loans	38,764,659,598	64,593,750,000	56,246,840,898	73,524,998,869	79,381,801,460
Lease liabilities	20,097,936,286	4,385,140,553	28,057,901,786	1,489,540,222	-

a. **Senior Notes**

	June 30, 2022 (Unaudited)		
	Principal	Unamortized debt issuance cost	Balance
Guaranteed Senior Notes due 2023	4,432,128,000,000	(65,040,931,771)	4,367,087,068,229

	June 30, 2021 (Unaudited)		
	Principal	Unamortized debt issuance cost	Balance
Guaranteed Senior Notes due 2023	4,327,056,000,000	(109,485,925,804)	4,217,570,074,196

	December 31, 2021 (Audited)		
	Principal	Unamortized debt issuance cost	Balance
Guaranteed Senior Notes due 2023	4,259,296,500,000	(85,401,989,914)	4,173,894,510,086

15. **LONG-TERM DEBTS** (Continued)

a. **Senior Notes** (Continued)

	December 31, 2020 (Audited)		
	Principal	Unamortized debt issuance cost	Balance
Guaranteed Senior Notes due 2023	4,210,342,500,000	(127,447,965,682)	4,082,894,534,318

	December 31, 2019 (Audited)		
	Principal	Unamortized debt issuance cost	Balance
Guaranteed Senior Notes due 2023	4,149,448,500,000	(164,839,151,523)	3,984,609,348,477

On October 5, 2016, JIBV, a Subsidiary, issued Guaranteed Senior Notes (the "Guaranteed Senior Notes due 2023") amounting to USD 189,150,000 in which USD 20,617,000 are new notes and an additional amount of USD 168,533,000 are exchange notes used to exchange with Guaranteed Senior Notes due 2019. The Guaranteed Senior Notes due 2023 will mature in October 5, 2023. The Guaranteed Senior Notes due 2023 bear a fixed interest rate of 6.5% per annum, payable semi-annually in arrears on April 5 and October 5 of each year commencing on April 5, 2017.

On October 19, 2016, JIBV offered to exchange the Guaranteed Senior Notes due 2019 for Guaranteed Senior Notes due 2023. JIBV exchanged a total of USD 168,533,000 Guaranteed Senior Notes due 2019 for USD 168,533,000 Guaranteed Senior Notes due 2023. The Guaranteed Senior Notes due 2019 was issued by JIBV on September 24, 2014.

The proceeds from the New Notes due 2023 are mainly used for premium payments, early exchange fee and consent fee (among others) to exchange and obtain consents from holders of the Guaranteed Senior Notes due 2019, and the remaining for general corporate purposes.

On November 15, 2017, JIBV issued Guaranteed Senior Notes due 2023 ("Further Notes") amounting to USD 110,850,000, with selling price of 104.50%. This Further Notes constitute a further issuance of the issuer's Guaranteed Senior Notes due 2023 amounting to USD 189,150,000 on October 5, 2016 and October 19, 2016. The Further Notes will mature in 2023. The Further Notes bear a fixed interest rate of 6.5% per annum, payable semi-annually in arrears on April 5 and October 5 of each year commencing on April 5, 2018.

The proceeds of the Further Notes due 2023 are mainly used for redemption of the Guaranteed Senior Notes due 2019 consisting of outstanding principal amount, accrued interest as of the date of redemption and redemption premium and repayment of the loan from Standard Chartered Bank.

The Guaranteed Senior Notes due 2023 are unconditionally and irrevocably guaranteed by the Company and certain Subsidiaries (PT Grahabuana Cikarang, PT Jababeka Infrastruktur, PT Indocargomas Persada, PT Saranapratama Pengembangan Kota, PT Mercuagung Graha Realty, PT Banten West Java Tourism Development, PT Padang Golf Cikarang, PT Metropark Condominium Indah, PT Karyamas Griya Utama, PT Patriamanunggal Jaya and PT Jababeka Morotai).

The Guaranteed Senior Notes due 2023 were issued under an indenture between JIBV, the Company and The Bank of New York Mellon, as the trustee.

As of June 30, 2022 and 2021, December 31, 2021, 2020, the Guaranteed Senior Notes due 2023 have been rated "B-" by Standard and Poor's ("S&P") and Fitch; and as of December 31, 2019 the Guaranteed Senior Notes due 2023 have been rated "B" by S&P and Fitch. The ratings reflect the rating agencies' assessments of the likelihood of timely payment of the principal and interest on the Guaranteed Senior Notes due 2023.

The Guaranteed Senior Notes due 2023 are listed on the Singapore Exchange Securities Trading.

The Guaranteed Senior Notes due 2023 limit the ability of the Company and certain Subsidiaries to, among other things:

- Incur additional indebtedness and issue preferred stock;
- Make investments or other specified restricted payments;
- Entering into an agreements that replaces the requirements of the Subsidiary ability to pay dividends and transfer assets or provide inter-company loans;

15. **LONG-TERM DEBTS** (Continued)

a. **Senior Notes** (Continued)

The Guaranteed Senior Notes due 2023 limit the ability of the Company and certain Subsidiaries to, among other things: (Continued)

- Enter into agreements that restrict the issue or sell capital stock of restricted Subsidiaries;
- Issue guarantees by restricted Subsidiaries;
- Enter into transactions with equity holders or affiliates;
- Create any liens;
- Enter into sale and leaseback transactions;
- Sell assets;
- Engage in different business activities; and
- Effect a consolidation or merger.

In addition, Guaranteed Senior Notes due 2023 also require the Company to manage certain area, among other things:

- Existing agency office where Senior Notes are registered;
- Maintenance of insurance; and
- Offer to repurchase Senior Notes upon a change of control.

These covenants stated above are subject to a number of important qualifications and exceptions.

In accordance with the disclosure within this notes to the consolidated financial statements regarding the potential change of control, the Group has complied with all the above covenants as of June 30, 2022 and 2021, December 31, 2021, 2020 and 2019.

As of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, PT Grahabuana Cikarang (GBC), a Subsidiary, has Guaranteed Senior Notes Due 2023 issued by JIBV, which amounted to USD 1,500,000. This outstanding balance is eliminated in preparation and presentation of the consolidated financial statements.

b. **Bank Loans**

	June 30, 2022 (Unaudited)		
	Principal	Unamortized debt issuance cost	Balance
Bank Loans	67,384,962,800	(779,270,835)	66,605,691,965
Less : Current portion of long term bank loan	28,096,240,700	(255,208,333)	27,841,032,367
Long-term bank loan-net of current portion	39,288,722,100	(524,062,502)	38,764,659,598

	June 30, 2021 (Unaudited)		
	Principal	Unamortized debt issuance cost	Balance
Bank Loans	100,194,800,000	(648,958,919)	99,545,841,081
Less : Current portion of long term bank loan	35,194,800,000	(242,708,919)	34,952,091,081
Long-term bank loan-net of current portion	65,000,000,000	(406,250,000)	64,593,750,000

	December 31, 2021 (Audited)		
	Principal	Unamortized debt issuance cost	Balance
Bank Loans	85,276,812,798	(1,078,959,483)	84,197,853,315
Less : Current portion of long term bank loan	28,090,596,900	(139,584,483)	27,951,012,417
Long-term bank loan-net of current portion	57,186,215,898	(939,375,000)	56,246,840,898

15. **LONG-TERM DEBTS** (Continued)

b. **Bank Loans** (Continued)

	December 31, 2020 (Audited)		
	Principal	Unamortized debt issuance cost	Balance
Bank Loans	119,858,750,000	(670,833,336)	119,187,916,664
Less : Current portion of long term bank loan	45,852,501,128	(189,583,333)	45,662,917,795
Long-term bank loan-net of current portion	74,006,248,872	(481,250,003)	73,524,998,869

	December 31, 2019 (Audited)		
	Principal	Unamortized debt issuance cost	Balance
Bank Loans	128,771,575,206	(904,167,206)	127,867,408,000
Less : Current portion of long term bank loan	48,810,606,540	(325,000,000)	48,485,606,540
Long-term bank loan-net of current portion	79,960,968,666	(579,167,206)	79,381,801,460

PT Bank Central Asia Tbk

Subsidiary

On August 29, 2016, PT Gerbang Teknologi Cikarang (GTC), a Subsidiary, obtained an Investment Credit facility from PT Bank Central Asia Tbk (BCA) which amounted to USD 4,000,000. The purpose of this loan is for funding the warehouse construction. The loan is subject to interest of 5.25% per annum. The loan period is 5 years with grace period of 1 year since the first withdrawal. This loan is collateralized with 3 Sertifikat Hak Guna Bangunan (SHGB) with total area of 133,185 square meters under the name of GTC with minimum "Hak Tanggungan" of 125% from the facility. This facility has been extended up to October 2020, which was subsequently extended until June 2022. Based on the latest agreement, this loan bears interest of 5.5% from October 2020 until December 2020, and becomes 5% from January 2021 to June 2022. GTC has paid off its loan on June 1, 2022.

Under the loan agreements, GTC must comply with several covenants, as follows:

a. Maintain certain financial ratios:
   1. EBITDA minimum 1 (one) time; and
   2. Debt to Equity maximum of 0.5 time.

b. GTC must obtain written approval from BCA prior to performing the following activities:
   1. Obtain new loans from other banks/other financial institutions and/or bind themselves as guarantor in any form and name and/or use the GTC's assets to other parties;
   2. Borrowing money, including but not limited to affiliated companies, except for the purpose of daily operation;
   3. Enter into merger, consolidation, acquisition, liquidation;
   4. Change institutional status, composition of the management and shareholders;
   5. Pay dividend; and
   6. Pay off shareholder debt unless converted into equity.

As of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 all the requirements that have been provided in relation to the long-term bank loan has been fulfilled by GTC.

Total outstanding loan from BCA as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 amounted to USD Nil (equivalent to Rp Nil), USD 1,300,000 (equivalent to Rp 18,844,799,420), USD 650,000 (equivalent to Rp 9,274,848,858), USD 1,950,000 (equivalent to Rp 27,504,750,000) and USD 2,550,002 (equivalent to Rp 35,447,574,666), respectively.

15. **LONG-TERM DEBTS** (Continued)

b. **Bank Loans** (Continued)

PT Bank Tabungan Negara (Persero) Tbk (Rupiah)

Subsidiary

On May 3, 2017, PT Jababeka PP Properti (JPP), a Subsidiary, obtained Credit Loan (Construction Credit BTN) from PT Bank Tabungan Negara (Persero) Tbk (BTN) with total facility amounting to Rp 130,000,000,000. The loan facility has a term of 5 years after the date of the agreement. The effective interest rate of the loan is 10.50% per annum (adjustable rate), unless otherwise determined by BTN from time to time.

The purpose of this credit loan is to finance the construction of Anami Riverview Residences Apartment, Mahakam Tower with a total of 1,020 units. The main collateral are land and building of JPP located in the current project location where the apartment will be built with a minimum area of 6,505 square meters which is tied by amenability right (Hak Tanggungan), also, the land for development of JPP where the 2nd, 3rd, and 4th towers will be built with a minimum area of more or less 19,350 square meters which is tied by Surat Kuasa Membebankan Hak Tanggungan (SKMHT). The SKMHT will be held by BTN during the credit term. JPP guaranteed that when the SKMHT status needs to be upgraded to Surat Hak Tangguhan (SHT), JPP will sign the notarial deed without any objection and a Standing Instruction (SI) which stated that any kind of payment methods by JPP including the drawdown of this loan will be transferred through BTN (Bekasi branch); Escrow Account will be created including Construction Account, Collection Account, Fee Account, and Operational Account which are tied by mortgage deed of the accounts notarially accompanied by irrevocable power to debit amounts in those accounts; Cessie of the receivables associated to sales of the apartment which is financed by BTN; and the collateral of the building shall be protected with a loss insurance with a minimum amount of credit ceiling or in accordance with the terms provided by Banker's Clause of BTN.

Under the loan agreements, JPP must comply with several covenants, as follows:

a. Maintain debt to equity financial ratios.
b. JPP must obtain written approval from BTN prior to performing the following activities:
   1. Obtain credit facilities from other parties in connection with this project, except loans from shareholders and normal trade transactions;
   2. Act as a guarantor of debt;
   3. Change the articles of association and management of JPP;
   4. Merger or acquisition;
   5. Pay off debts to shareholders;
   6. Dissolved JPP and asked to be declared bankrupt;
   7. Leasing JPP to third parties;
   8. Transfer JPP in any form and/ or by any name and for any purpose to a third party; and
   9. Issued new shares and sell existing shares.

On May 29, 2020, JPP and BTN agreed to restructure loans affected by COVID-19 amending the loan maturity to May 3, 2023. The effective loan interest rate changes to 11% per annum.

On December 1, 2021, JPP and BTN agreed to restructure loans affected by COVID-19. Based on the latest agreement, the loan maturity will be on May 3, 2024. The effective loan interest rate changes to 10% per annum.

Total outstanding loan from BTN as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 amounted to Rp 64,891,666,667, Rp 66,931,250,000, Rp 66,531,250,000, Rp 76,931,250,001 and Rp 79,711,666,667, respectively.

PT Bank Negara Indonesia (Persero) Tbk (Rupiah)

Subsidiary

On April 24, 2019, PT Jababeka Creed Residence (JCR), a Subsidiary, obtained a Working Capital Credit facility from Bank Negara Indonesia (Persero) Tbk (BNI) with maximum amount of Rp 50,000,000,000. The purpose of this loan is for funding the Kawana Golf Residence Apartment construction. The facility is subject to interest of 11.75% per annum, and will be reviewed by BNI every time according to its current interest rate. The loan period is 4 years since April 24, 2019 until April 23, 2023, with grace period of 2 years. This loan is collateralized with SHGB with total area of 2,714 square meters and IMB with total area of 17,620.05 square meters under name of the JCR with total facility amounting to Rp 62,500,000,000.

Under the loan agreements, JCR must comply with several covenants, as follows:

a. Maintain certain financial ratios:
   1. Current ratio;
   2. Debt to equity; and
   3. Debt service coverage.

15. **LONG-TERM DEBTS** (Continued)

b. **Bank Loans** (Continued)

PT Bank Negara Indonesia (Persero) Tbk (Rupiah) (Continued)

Subsidiary (Continued)

Under the loan agreements, JCR must comply with several covenants, as follows: (Continued)

b. JCR must obtain written approval from BNI prior to performing the following activities, among others things:
   1. Changing the form or legal status of JCR, changing the articles of association (except for an increase in capital), transferring company shares either between shareholders or to other parties resulting in changes to the dominant shareholder;
   2. Acquiring third party assets;
   3. Changing the composition of the management and owners of JCR shares;
   4. Making investments in other companies;
   5. Permit other parties to use JCR for the other party's business activities;
   6. Selling and/or leasing JCR assets or collateral to other parties;
   7. Pay all or part of JCR's debt to shareholders or related party companies;
   8. Distribute dividends; and
   9. Changing the line of business.

As of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, all the requirements that have been provided in relation to the long-term bank loan has been fulfilled by JCR. JCR has paid off its loan on May 2022.

Total outstanding loan from BNI as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 amounted to Rp Nil, Rp 11,733,791,661, Rp 4,795,666,659, Rp 12,751,916,663 and Rp 12,708,166,667, respectively.

PT Bank Rakyat Indonesia (Persero) Tbk (Rupiah)

Subsidiary

On November 29, 2018, PT Banten West Java Tourism Development (BWJ), a Subsidiary, entered into a loan agreement with PT Bank Rakyat Indonesia (Persero) Tbk (BRI), in the form of a Working Capital Credit 1 Facility for tourism services, hotel and restaurant with credit facilities amounting to Rp 1,000,000,000 with credit interest rate of 14.00% per annum with a term of 12 months. This loan is collateralized with inventories consisting of food, beverage and other equipment amounting to Rp 421,567,000 and land with an area of 2,042 square meters located in Pandeglang, Banten (Note 10). On May 31, 2019, BWJ entered into a loan agreement with BRI, in the form of a Working Capital Credit facility for property management amounting to Rp 1,000,000,000 with credit interest rate of 12.50% per annum with a term of 12 months. This loan is collateralized with land for development with an area of 31,427 square meters located in Pandeglang, Banten on behalf of BWJ (Note 7).

On April 22, 2020, both loan were amended. The term of the loans facility was extended until April 2022, with interest for the first and second years of 9% and 12.5%, respectively.

On April 28, 2022, the first credit facility was reduced to Rp 989,000,000 and the term was extended until April 2023. While for the second facility, the management fully paid the loan in April 2022.

Under the loan agreements, BWJ must obtain written approval from BRI to performing the following activities, among others things:
1. Mergers, acquisitions, sales of BWJ assets and going public;
2. Guarantee the BWJ's assets;
3. Amend the articles of association or change the composition of management, shareholders and capital composition;
4. Investing in shares;
5. Providing receivables to shareholders;
6. Pay off debts to related parties/shareholders;
7. Distribute dividends;
8. Receiving new loans from other banks/financial institutions; and
9. Making new investments and expanding businesses.

As of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, all the requirements that have been provided in relation to the long-term bank loan has been fulfilled by BWJ.

The outstanding balance of Working Capital Credit loan as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 amounted to Rp Nil, Rp 1,996,000,000, Rp 1,988,000,000, Rp 2,000,000,000, and Rp Nil, respectively.

15. **LONG-TERM DEBTS** (Continued)

b. **Bank Loans** (Continued)

PT Bank OCBC NISP Tbk (Rupiah)

Subsidiary

On January 22, 2021, PT Kawasan Industri Kendal (KIK), a Subsidiary, obtained a Term Loan facility from PT Bank OCBC NISP Tbk (OCBC NISP) amounting to Rp 100,000,000,000. This loan bears a Prime Lending Rate (PLR) plus 0.05% per annum, an administration fee of 0.5% flat, and a fee or commission of 0.5% flat. The term of this agreement is 4 years including 1 year of grace period starting from the first drawdown date. KIK made its first drawdown on September 9, 2021. This loan is collateralized with 22 Sertifikat Hak Guna Bangunan (SHGB) with total area of 191,608 square meter under the name of KIK with minimum "Hak Tanggungan" of 125% from the facility.

On December 7, 2021, 1 SHGB with total area of 12,073 square meters was released as collateral. As of June 30, 2022 and December 31, 2021, the loan is collateralized with 21 SHGB with total area of 179,535 square meters.

Under the loan agreement, KIK must comply with several covenants, as follows:

a. Maintain certain financial ratios:
   1. Debt to equity;
   2. Debt service coverage ratio; and
   3. Current Ratio

b. KIK must obtain written approval from OCBC NISP prior to performing the following activities:
   1. Obtain new or additional loan from financial institutions and provide guarantee to other party;
   2. Provide borrowing, including but not limited to affliliated companies, except for the purpose of daily operations;
   3. Give any pledge as collateral;
   4. Enter into into merger, acquisition, joint venture, and liquidation;
   5. Pay off debts to shareholder; and
   6. Reduction of of paid in capital.

As of June 30, 2022 and December 31, 2021, all requirements that have been provided in relation to the long term loan bank has been fulfilled by KIK.

Total outstanding loan from OCBC NISP as of June 30, 2022 and December 31, 2021 amounted to Rp 1,714,025,298 and Rp 1,608,087,798.

c. **Lease Liabilities and Right-of-Use Assets**

	Land and buildings	Vehicles and Machine	Total
At January 1, 2020	-	399,063,266	399,063,266
Implementation of PSAK 73	446,289,326	2,730,525,775	3,176,815,101
Addition	-	-	-
Interest expense	36,219,240	104,914,978	141,134,218
Lease payments	(278,183,774)	(1,209,739,492)	(1,487,923,266)
At December 31, 2020	204,324,792	2,024,764,527	2,229,089,319
Addition	3,657,706,124	-	3,657,706,124
Interest expense	9,416,888	36,474,833	45,891,721
Lease payments	(117,730,000)	(470,399,996)	(588,129,996)
At June 30, 2021	3,753,717,804	1,590,839,364	5,344,557,168

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15. **LONG-TERM DEBTS** (Continued)

c. **Lease Liabilities and Right-of-Use Assets** (Continued)

	Land and buildings	Vehicles and Machine	Total
At January 1, 2021	204,324,792	2,024,764,527	2,229,089,319
Addition	42,170,775,021	-	42,170,775,021
Interest expense	79,888,220	85,460,107	165,348,327
Lease payments	(459,097,517)	(1,018,132,474)	(1,477,229,991)
At December 31, 2021	41,995,890,516	1,092,092,160	43,087,982,676
Addition	-	-	-
Interest expense	1,891,670,412	200,507,872	2,092,178,284
Lease payments	(8,921,461,685)	(606,056,361)	(9,527,518,046)
At June 30, 2022	34,966,099,243	686,543,671	35,652,642,914

The maturity analysis of lease liabilities at each reporting period are as follows:

	June 30, 2022 (Unaudited)		
	Land and buildings	Vehicles and Machine	Total
Current maturities	14,906,233,169	648,473,459	15,554,706,628
Non-current maturities	20,059,866,074	38,070,212	20,097,936,286
Total	34,966,099,243	686,543,671	35,652,642,914

	June 30, 2021 (Unaudited)		
	Land and buildings	Vehicles and Machine	Total
Current maturities	170,574,949	788,841,666	959,416,615
Non-current maturities	3,583,142,855	801,997,698	4,385,140,553
Total	3,753,717,804	1,590,839,364	5,344,557,168

	December 31, 2021 (Audited)		
	Land and buildings	Vehicles and Machine	Total
Current maturities	14,162,614,748	867,466,142	15,030,080,890
Non-current maturities	27,833,275,768	224,626,018	28,057,901,786
Total	41,995,890,516	1,092,092,160	43,087,982,676

	December 31, 2020 (Audited)		
	Land and buildings	Vehicles and Machine	Total
Current maturities	-	739,549,097	739,549,097
Non-current maturities	204,324,792	1,285,215,430	1,489,540,222
Total	204,324,792	2,024,764,527	2,229,089,319

	December 31, 2019 (Audited)		
	Land and buildings	Vehicles and Machine	Total
Current maturities	-	399,063,266	399,063,266
Non-current maturities	-	-	-
Total	-	399,063,266	399,063,266

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15. **LONG-TERM DEBTS** (Continued)

c. **Lease Liabilities and Right-of-Use Assets** (Continued)

Details of right-of-use assets as of June 30, 2022 and 2021 and December 31, 2021 and 2020 are as follows:

	June 30, 2022 (Six Months) (Unaudited)				
	Beginning balance	Additions	Deduction	Reclassification	Ending balance
Cost					
Land	4,595,507,431	-	-	-	4,595,507,431
Vehicles	2,766,308,017	-	-	-	2,766,308,017
Buildings	38,513,068,896	-	-	-	38,513,068,896
Total	45,874,884,344	-	-	-	45,874,884,344
Accumulated amortization					
Land	615,030,049	267,168,431	-	-	882,198,480
Vehicles	1,752,301,357	440,140,718	-	-	2,192,442,075
Buildings	6,418,844,792	6,418,844,814	-	-	12,837,689,606
Total	8,786,176,198	7,126,153,963	-	-	15,912,330,161
Net book value	37,088,708,146				29,962,554,183

	June 30, 2021 (Six Months) (Unaudited)				
	Beginning balance	Additions	Deduction	Reclassification	Ending balance
Cost					
Land	410,507,084	4,185,000,347	-	-	4,595,507,431
Vehicles	2,766,308,017	-	-	-	2,766,308,017
Total	3,176,815,101	4,185,000,347	-	-	7,361,815,448
Accumulated amortization					
Land	117,287,736	248,871,156	-	-	366,158,892
Vehicles	876,141,676	438,079,842	-	-	1,314,221,518
Total	993,429,412	686,950,998	-	-	1,680,380,410
Net book value	2,183,385,689				5,681,435,038

	December 31, 2021 (One Year) (Audited)				
	Beginning balance	Additions	Deduction	Reclassification	Ending balance
Cost					
Land	410,507,084	4,185,000,347	-	-	4,595,507,431
Vehicles	2,766,308,017	-	-	-	2,766,308,017
Buildings	-	38,513,068,896	-	-	38,513,068,896
Total	3,176,815,101	42,698,069,243	-	-	45,874,884,344
Accumulated amortization					
Land	117,287,736	497,742,313	-	-	615,030,049
Vehicles	876,141,676	876,159,681	-	-	1,752,301,357
Buildings	-	6,418,844,792	-	-	6,418,844,792
Total	993,429,412	7,792,746,786	-	-	8,786,176,198
Net book value	2,183,385,689				37,088,708,146

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15. **LONG-TERM DEBTS** (Continued)

c. **Lease Liabilities and Right-of-Use Assets** (Continued)

Details of right-of-use assets as of June 30, 2022 and 2021 and December 31, 2021 and 2020 are as follows: (Continued)

	December 31, 2020 (One Year) (Audited)				
	Beginning balance (PSAK 73 application)	Additions	Deduction	Reclassification	Ending balance
Cost					
Land	7,779,580,584	-	-	(7,369,073,500)	410,507,084
Vehicles	4,045,308,017	-	-	(1,279,000,000)	2,766,308,017
Total	11,824,888,601	-	-	(8,648,073,500)	3,176,815,101
Accumulated amortization					
Land	2,081,899,720	117,287,736	-	(2,081,899,720)	117,287,736
Vehicles	381,368,484	876,141,676	-	(381,368,484)	876,141,676
Total	2,463,268,204	993,429,412	-	(2,463,268,204)	993,429,412
Net book value	9,361,620,397				2,183,385,689

Depreciation expense and interest expense recognized in the statement of profit or loss and other comprehensive income are as follows:

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)
Amortization expense of ROU Assets				
Cost of sales and service revenue	267,168,431	248,871,156	497,742,289	117,287,736
General and administrative expenses (Note 30)	6,858,985,532	438,079,842	7,295,004,497	876,141,676
Total	7,126,153,963	686,950,998	7,792,746,786	993,429,412

Interest expense is shown under financial expenses in the consolidated statement of profit or loss and other comprehensive income.

16. **TRADE PAYABLES TO THIRD PARTIES**

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Contractors	122,747,678,153	78,864,229,369	116,726,230,987	94,729,338,777	102,871,136,076
Suppliers	22,059,486,246	41,062,299,022	32,744,224,655	29,575,121,728	34,106,384,374
Others	-	-	420,773,583	24,407,734	-
Total	144,807,164,399	119,926,528,391	149,891,229,225	124,328,868,239	136,977,520,450

16. **TRADE PAYABLES TO THIRD PARTIES** (Continued)

The aging analysis of the trade payables to third parties are as follows:

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Until 1 month	51,260,236,859	48,279,481,466	43,684,874,504	32,104,908,030	61,753,873,371
> 1 month - 3 months	31,023,761,375	14,482,555,920	28,835,936,220	9,699,515,418	16,083,020,511
> 3 months - 6 months	5,693,090,551	9,455,952,179	16,053,524,048	19,289,218,771	17,634,300,539
> 6 months	56,830,075,614	47,708,538,826	61,316,894,453	63,235,226,020	41,506,326,029
Total	144,807,164,399	119,926,528,391	149,891,229,225	124,328,868,239	136,977,520,450

All trade payables as of 30 June 2022 and 2021, and December 31, 2021, 2020 and 2019 are in Rupiah currency.

17. **OTHER PAYABLES TO THIRD PARTIES**

This account mainly consists of payable fee PPAT and AJB, service charge, Jamsostek payable and others. As of June 30, 2022 and 2021, and December 31, 2021, 2020 and 2019, outstanding balance of other payables amounted to Rp 69,051,100,524, Rp 64,008,285,741, Rp 74,516,380,127, Rp 83,134,312,606 and Rp 138,307,871,702, respectively.

18. **TAXATION**

a. **Prepaid taxes**

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Value Added Tax - Input	39,179,972,439	53,515,292,399	55,491,633,048	52,735,429,516	38,385,222,830
Income Tax Article 4(2)	2,143,379,354	1,063,148,576	1,954,908,265	707,537,131	650,008,204
Income Tax Article 21	-	129,016,511	-	83,726,200	-
Income Tax Article 22	1,576,804,016	4,536,134,822	-	-	-
Income Tax Article 23	15,126,816,203	14,738,565,948	-	-	-
Income Tax Article 25	164,427,454	243,739,035	-	-	-
Total	58,191,399,466	74,225,897,291	57,446,541,313	53,526,692,847	39,035,231,034

b. **Estimated claims for income tax refund**

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
The Company	-	43,066,198,870	7,000,000,000	-	-
Subsidiaries	172,781,995,791	145,404,061,850	182,136,864,823	156,492,549,248	74,950,002,305
Total	172,781,995,791	188,470,260,720	189,136,864,823	156,492,549,248	74,950,002,305

c. **Tax letters**

The Company

In 2020, the Company received a Tax Underpayment Assessment Letter (SKPKB) for years 2017 and 2018 Corporate Income Tax and year 2018 Income Tax (PPh) Article 26 amounting to Rp 272,225,464,787 and Rp 25,175,858,464, respectively. In 2021, the Company filed for objection on the said SKPKB to the Tax Office and paid Rp 43,066,198,870 as deposit.

18. **TAXATION** (Continued)

c. **Tax letters** (Continued)

The Company (Continued)

In 2022, the Company received the result of the objection related to the SKPKB for years 2017 and 2018 Corporate Income Tax, where the initial underpayment assessment in 2017 was reduced to Rp 43,354,953,863 and the initial underpayment assessment in 2018 resulted to an overpayment of Rp 7,000,000,000. Consequently, the unrecoverable amount of Rp 36,066,198,879 was recorded as expense in 2021.

In 2022, the Tax Office rejected the objection related to underpayment of PPh 26 year 2018. Until the date of the issuance of the consolidated financial statements, the Company is still in the process of appeal.

Subsidiaries

PT Kawasan Industri Kendal (KIK)

In 2021, KIK received a SKPKB for year 2017 Value Added Tax (VAT) which amounted to Rp 798,371,504. KIK paid the said SKPKB to the Tax Office and filed for objection in 2021. In 2022, KIK received the result of the objection related to the SKPKB for the year 2017 VAT, where the initial underpayment assessment resulted in an overpayment of Rp 793,635,122. Consequently, the unrecoverable amount of Rp 4,736,382 was recorded as an expenses in 2022.

PT Cikarang Inland Port (CIP)

In 2020, CIP has submitted an Annual Tax Overpayment Notification Letter (SPT LB) of Corporate Income Tax amounting to Rp 2,835,755,553 and in 2022, CIP received a Tax Overpayment Assessment Letter (SKPLB) this SPT LB amounted to Rp 2,705,475,293 and SKPKB of Income Tax Article 23 and 26 and VAT amounting Rp 210,704,625, Rp 244,289,409, Rp 12,290,642,477, respectively, and STP 2020 VAT amounted to Rp 881,360,102. For the SKPKB of 2020 VAT the Company only agreed that the underpayment was Rp 12,982,600, hence for SKPKB 2020 VAT and STP 2020 VAT the Company object the SKPKB and until the date of the consolidated financial statement, the Company is still in the process of objection. The Company has received the refund for SKPLB 2020 Corporate Income Tax which compensated with SKPKB of Income Tax Article 23 and 26 amounting Rp 210,704,625, Rp 244,289,409, respectively and 2020 VAT amounted to Rp 12,982,600 and STP 2020 VAT amounting to Rp 881,360,102. The difference between the results of the tax audit and the estimated claim for income tax refund and SKPKB of Income Tax Article 23 and 26 has been recorded as expenses in 2022.

In 2020, PT Cikarang Inland Port (CIP) received a SKPKB for years 2016 and 2017 VAT which amounted to Rp 26,190,898,685. CIP paid Rp 15,367,515,340 and filed for objection to the Tax Office. The Tax Office rejected the objection. In 2021, CIP appealed to the Tax Court. Until the date of the issuance of the consolidated financial statements, the Company is still in the process of appeal.

In 2019, CIP has submitted an Annual Tax Overpayment Notification Letter (SPT LB) of Corporate Income Tax amounting to Rp 4,665,273,263. In 2021, the result of the tax audit related to the SPT LB of the 2019 Corporate Income Tax was an SKPLB amounting to Rp 4,506,510,271. The difference between the SPT LB and SKPLB of Corporate Income Tax was recorded to expense in 2021. The overpayment of SKPLB 2019 Corporate Income Tax amounting to Rp 4,506,510,271 were compensated with STP 2016-2017 VAT amounting to Rp 3,536,741,838 and SKPKB 2019 VAT amounting to Rp 969,768,433. The SKPKB 2019 VAT was recorded as expense in 2021 while the STP 2016-2017 VAT amounting to Rp 3,536,741,838 was objected by CIP. In 2021, the Tax Office rejected the objection and until the date of the issuance of the consolidated financial statements, the Company is still in the process of appeal.

PT Jababeka Infrastruktur (JI)

In 2020, JI received a SKPKB for Corporate Income Tax and Income Tax Article 26 year 2018 amounted to Rp 67,013,691,909. JI filed an objection for the related SKPKB.

In 2021, JI received the decision letter of Director General of Taxes that the objection was rejected. Until the date of the issuance of the consolidated financial statements, the Company is still in the process of appeal.

In 2018, JI received a SKPKB for Corporate Income Tax, VAT, Income Tax (Articles 21, 23 and 26) and final tax (article 4(2)) year 2016 which amounted to Rp 191,071,921,819.

18. **TAXATION** (Continued)

c. **Tax letters** (Continued)

Subsidiaries (Continued)

PT Jababeka Infrastruktur (JI) (Continued)

In 2019, JI paid Rp 172,832,138 on the SKPKB year 2016 and filed for objection on the remaining SKPKB amounting to Rp 190,899,089,681. The payment was recorded as tax expense in the consolidated financial statements.

In 2020, the Tax Office rejected the objection. Hence, JI filed an appeal amounting to Rp 190,899,089,681. Until the date of the issuance of the consolidated financial statements, the Company is still in the process of appeal.

PT Bekasi Power (BP)

In 2022, BP received a SKPLB for Corporate Income Tax year 2020 which amounted to Rp 7,225,140,367. From the statement of refund, some were used as a compensation for SKPKB of Income Tax Article 23 of the year 2020 amounted Rp 32,672,888. The overpayment of Corporate Income Tax amounted Rp 7,192,467,479 has been received in 2022.

In 2021, BP received a SKPLB for Corporate Income Tax year 2019 which amounted to Rp 10,241,587,884. From the statement of refund, some were used as a compensation for SKPKB of Income Tax Article 21, 23, and VAT of the year 2019 amounted Rp 161,097,905. The overpayment of Corporate Income Tax amounted Rp 10,080,489,979 has been received in 2021.

In 2020, BP received a SKPLB for Corporate Income Tax year 2018 which amounted to Rp 11,550,190,732. The overpayment of corporate income tax has been received in 2020. The difference between the results of the tax audit and the estimated claim for income tax refund is recognized as an expense.

In 2019, BP received a SKPLB for Corporate Income Tax year 2017 which amounted to Rp 20,766,726,269.

PT Mercuagung Graha Realty (MGR)

In 2021, MGR received a SKPKB for fiscal year 2017 which amounted to Rp 4,305,468,631 which has been paid by MGR in 2021 and fully charged to 2021 operations.

In 2019, PT Mercuagung Graha Realty (MGR) received a Tax Underpayment Assessment Letter (SKPKB) for fiscal year 2016 which amounted to Rp 2,746,727,767 for the underpayment of corporate income tax, which has been paid by MGR in 2019 and fully charged to 2019 operations.

d. **Taxes payable**

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Final income tax					
Building and land rental	1,550,452	350,000	850,000	-	6,209,091
Transfer of land rights and/or buildings	-	-	1,250,000	-	361,832,968
Construction service	-	-	27,313,751	-	
Subsidiaries	8,575,934,768	6,328,370,385	6,537,474,976	4,700,193,466	10,121,440,321
Income Taxes:					
Article 15	-	-	96,957	-	-
Article 21	1,731,552,699	2,251,046,976	3,822,803,296	12,530,660,924	2,298,588,231
Article 23	2,697,406,146	2,560,667,827	2,667,323,272	2,536,007,909	2,664,385,173
Article 25	9,980,683	-	150,770,478	95,445,670	498,667,720
Article 26	705,960,052	526,428,493	6,754,474,915	890,528,946	30,116,250
Value Added Tax - Out	12,748,701,061	12,021,083,148	14,416,171,020	13,803,187,631	36,257,111,619
Development Tax 1	284,290,032	825,659,420	772,925,588	1,266,102,106	1,047,046,743
Corporate Income Tax	7,011,812,653	3,466,556,699	6,157,171,073	695,653,208	2,004,347,120
Total	33,767,188,546	27,980,162,948	41,308,625,326	36,517,779,860	55,289,745,236

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18. **TAXATION** (Continued)

e. **Fiscal computation**

Current income tax expense

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
The Company	1,567,280	21,692,220	10,731,160	23,250,260	30,391,500
Subsidiaries	9,036,842,196	4,451,208,983	10,529,407,815	2,786,503,481	32,597,411,105
Total	9,038,409,476	4,472,901,203	10,540,138,975	2,809,753,741	32,627,802,605

The Group submits an annual tax on its own calculation ("Self assessment") in accordance with recent changes to the Law of the General Provisions and Tax Procedures which is effective on January 1, 2008. Tax Office may set or change the amount of tax liability within the limit of 5 (five) years from the date the tax becomes due.

Final tax expense

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
The Company	110,950,342	3,480,000	219,762,734	714,827,096	1,000,341,577
Subsidiaries	20,299,082,795	12,986,580,788	28,531,154,211	23,797,563,371	40,204,978,189
Total	20,410,033,137	12,990,060,788	28,750,916,945	24,512,390,467	41,205,319,766

The Company's final tax in connection with sale and rent of land and factory building is as follows:

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Final tax expense from:					
Transfer of land rights and/or buildings	105,868,074	-	1,250,000	710,226,181	989,475,631
Building and land rental	5,082,268	3,480,000	218,512,734	4,600,915	10,865,946
Total	110,950,342	3,480,000	219,762,734	714,827,096	1,000,341,577

The details of final tax payable are as follows:

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Beginning balance	29,413,751	-	-	368,042,059	-
Final tax expense on revenues in current period	110,950,342	3,480,000	219,762,734	714,827,096	1,000,341,577
Final tax expense deducted by third party or paid by the Company in the current period	(138,813,641)	(3,130,000)	(190,348,983)	(1,082,869,155)	(632,299,518)
Total	1,550,452	350,000	29,413,751	-	368,042,059

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18. **TAXATION** (Continued)

f. **Deferred tax assets and liabilities**

	June 30, 2022 (Six Months) (Unaudited)				
	Beginning balance	Changes of tax rate	Credited (charged) to profit or loss	Charged to other comprehensive income	Ending balance
Deferred tax assets					
Post-employment benefits liabilities	15,066,865,463	-	947,611,938	-	16,014,477,401
Allowance for impairment losses	2,735,314,420	-	(1,183,819)	-	2,734,130,601
Total	17,802,179,883	-	946,428,119	-	18,748,608,002
Deferred tax liabilities					
Effect of fair value increment from acquisition of Subsidiaries	(3,737,949,961)	-	588,427,113	-	(3,149,522,848)
Foreign operations - amortized cost of issuance cost loan	(16,086,913,407)	-	3,813,244,800	-	(12,273,668,607)
Depreciation of property, plant and equipment	(61,085,532,524)	-	(1,994,370,306)	-	(63,079,902,830)
Total	(80,910,395,892)	-	2,407,301,607	-	(78,503,094,285)

	June 30, 2021 (Six Months) (Unaudited)				
	Beginning balance	Changes of tax rate	Credited (charged) to profit or loss	Charged to other comprehensive income	Ending balance
Deferred tax assets					
Post-employment benefits liabilities	18,872,763,633	2,427,332,184	(1,559,900,943)	(1,742,306,769)	17,997,888,105
Allowance for impairment losses	4,403,990,534	385,837,270	(1,399,104,096)	-	3,390,723,708
Total	23,276,754,167	2,813,169,454	(2,959,005,039)	(1,742,306,769)	21,388,611,813
Deferred tax liabilities					
Effect of fair value increment from acquisition of Subsidiaries	(6,358,209,834)	-	202,025,246	-	(6,156,184,588)
Foreign operations - amortized cost of issuance cost loan	(23,179,254,282)	-	2,761,754,248	-	(20,417,500,034)
Depreciation of property, plant and equipment	(51,208,498,862)	(4,805,985,516)	(2,363,432,215)	-	(58,377,916,593)
Total	(80,745,962,978)	(4,805,985,516)	600,347,279	-	(84,951,601,215)

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18. **TAXATION** (Continued)

f. **Deferred tax assets and liabilities** (Continued)

	December 31, 2021 (One Year) (Audited)				
	Beginning balance	Changes of tax rate	Credited (charged) to profit or loss	Charged to other comprehensive income	Ending balance
Deferred tax assets					
Post-employment benefits liabilities	18,872,763,633	2,798,517,254	(3,119,801,886)	(3,484,613,538)	15,066,865,463
Allowance for impairment losses	4,403,990,534	292,070,234	(1,960,746,348)	-	2,735,314,420
Total	23,276,754,167	3,090,587,488	(5,080,548,234)	(3,484,613,538)	17,802,179,883
Deferred tax liabilities					
Effect of fair value increment from acquisition of Subsidiaries	(6,358,209,834)	1,988,815,383	631,444,490	-	(3,737,949,961)
Foreign operations - amortized cost of issuance cost loan	(23,179,254,282)	-	7,092,340,875	-	(16,086,913,407)
Depreciation of property, plant and equipment	(51,208,498,862)	(5,096,374,274)	(4,780,659,388)	-	(61,085,532,524)
Total	(80,745,962,978)	(3,107,558,891)	2,943,125,977	-	(80,910,395,892)

	December 31, 2020 (One Year) (Audited)					
	Beginning balance	Changes of accounting policies	Changes of tax rate	Credited (charged) to profit or loss	Charged to other comprehensive income	Ending balance
Deferred tax assets						
Post-employment benefits liabilities	29,126,656,734	-	(9,332,290,440)	940,605,501	(1,862,208,162)	18,872,763,633
Allowance for impairment losses	666,762,765	4,525,000,948	(1,106,688,446)	318,915,267	-	4,403,990,534
Accumulated fiscal loss	130,174,750	-	-	(130,174,750)	-	-
Total	29,923,594,249	4,525,000,948	(10,438,978,886)	1,129,346,018	(1,862,208,162)	23,276,754,167
Deferred tax liabilities						
Effect of fair value increment from acquisition of Subsidiaries	(6,714,793,987)	-	-	356,584,153	-	(6,358,209,834)
Foreign operations- amortized cost of issuance cost loan	(29,855,914,455)	-	-	6,676,660,173	-	(23,179,254,282)
Depreciation of property, plant and equipment	(64,059,455,938)	-	16,112,318,041	(3,261,360,965)	-	(51,208,498,862)
Total	(100,630,164,380)	-	16,112,318,041	3,771,883,361	-	(80,745,962,978)

18. **TAXATION** (Continued)

f. **Deferred tax assets and liabilities** (Continued)

	December 31, 2019 (One Year) (Audited)			
	Beginning balance	Credited (charged) to profit or loss	Charged to other comprehensive income	Ending balance
Deferred tax assets				
Post-employment benefits liabilities	25,654,002,471	3,633,623,538	(160,969,275)	29,126,656,734
Allowance for impairment losses	659,878,239	6,884,526	-	666,762,765
Accumulated fiscal loss	-	130,174,750	-	130,174,750
Total	26,313,880,710	3,770,682,814	(160,969,275)	29,923,594,249
Deferred tax liabilities				
Effect of fair value increment from acquisition of Subsidiaries	(6,818,311,740)	103,517,753	-	(6,714,793,987)
Foreign operations amortized cost of issuance cost loan	(31,750,229,665)	1,894,315,210	-	(29,855,914,455)
Depreciation of property, plant and equipment	(58,785,178,678)	(5,274,277,260)	-	(64,059,455,938)
Total	(97,353,720,083)	(3,276,444,297)	-	(100,630,164,380)

Deffered tax assets and liabilities as of June 30, 2022 and 2021, and December 31, 2021, 2020 and 2019 have been calculated taking into account tax rates expected to be prevailing at the time realized.

The Group's management believes that deferred tax assets arising from temporary differences can be realized in future periods.

Tax rate

On March 31, 2020, the President of the Republic of Indonesia has issued a Government Regulation in Lieu of the Laws of the Republic of Indonesia (PerPPU) No. 1 year 2020 about Indonesia's financial policy and financial systems stability in handling the Corona Virus Diseases 2019 (COVID-19) and/or in order to face threats that endanger the national economy and/or financial system stability. The PerPPU covered regulations on State financial policy, which covers, among others, the adjustment of corporate income tax rate as follows:

a. 22% effective starting Fiscal Year 2020 and 2021.
b. 20% effective starting Fiscal Year 2022.
c. Resident publicly-listed companies in Indonesia whose at least 40% or more of the total paid-up shares or other equity instruments are listed for trading in the Indonesia stock exchanges and meet certain requirements in accordance with the government regulations, can earn a tariff of 3% lower than tariff as stated in point a and b above.

On May 16, 2020, President of the Republic of Indonesia has enacted PerPPU No. 1 2020 into law No. 2 Year 2020.

On October 29, 2021, the Government issue Law of the Republic of Indonesia No. 7 year 2021 concerning Harmonization of Tax Regulations. The regulation has stipulated the income tax rate for domestic taxpayers and business establishments of 22% which will be effective from the Fiscal Year 2022 onwards, and a further reduction of the tax rate by 3% for domestic taxpayers who meet certain requirements. Hence, the previously tax rate determination of 20% will be invalid after the ratification of this Law.

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19. ACCRUED EXPENSES

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Interest	86,324,882,256	97,141,684,768	89,439,585,030	100,453,088,760	110,588,611,027
Hedging costs	35,414,226,889	4,841,657,883	4,749,451,303	11,910,615,489	6,954,752,526
Employee expense	17,419,085,088	41,755,306,066	20,851,489,027	42,403,026,470	9,037,933,236
Electricity expense	14,333,311,014	4,932,414,527	11,926,269,732	14,075,747,853	14,362,545,237
Commission expense	2,592,966,297	731,726,563	2,534,965,195	1,024,830,560	3,882,607,330
Gas expenses	1,843,577,603	5,212,979,832	271,333,723	36,202,118,313	40,340,545,249
Professional fee expense	1,547,936,537	1,832,916,720	4,069,121,914	3,095,377,166	4,696,635,453
Security expense	1,381,690,738	1,506,167,847	1,648,792,475	1,041,232,817	1,872,387,795
Environmental expense	967,317,776	1,776,790,203	967,221,818	5,118,302,781	1,583,692,558
Others	38,301,137,284	38,166,981,823	42,057,392,827	72,293,828,836	43,829,346,077
Total	200,126,131,482	197,898,626,232	178,515,623,044	287,618,169,045	237,149,056,488

20. EMPLOYEE BENEFIT LIABILITIES

The Group provides unfunded benefits to their qualified employees in accordance with The Company Regulation and the existing legal regulation.

Since the legal regulation sets the formula for determining the minimum amount of benefits, in substance, pension plans under the legal regulation represent defined benefit plans.

As of December 31, 2020 and 2019, the Group recorded employee benefit liabilities based on Labor Law No. 13/2003. In 2022 and 2021, the Group implemented Government Regulation No. 35 of 2021 concerning Job Creation.

The net employee benefits expense recognized in the consolidated statement of profit or loss and other comprehensive income and the amounts recognized in the consolidated statement of financial position as employee benefit liabilities as of and for the years ended December 31, 2021, 2020 and 2019 were determined by KKA Riana & Rekan (formerly PT Padma Radya Aktuaria), an independent actuary, in its reports dated February 3, 2022, February 19, 2021 and January 14, 2020, respectively, using the "Projected Unit Credit". The principal assumptions used in determining the employee benefit liabilities as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019 are as follows:

Discount rate per annum		
- Post-employment benefits	:	6.75% in 2021, 6,75% in 2020, and 7,75% in 2019
- Other long-term employee benefit	:	6.00% in 2021, 6.00% in 2020 and 7.75% in 2019
Annual salary increment rate	:	7.00% in 2021, 9.00% in 2020 and 9.00% in 2019
Mortality rate	:	100% of Indonesia Mortality Table IV in 2021, 2020 and Table III in 2019
Disability rate	:	5% from mortality rate
Resignation rate	:	5% per year up to age 40 years, linearly decreasing to 0% at the age of 57 years in 2021, 2020 and 55 years in 2019
Normal retirement age	:	57 years in 2021, 57 years in 2020 and 55 years in 2019

Amounts recognized in the consolidated statement of profit or loss and other comprehensive income in respect of the defined benefit plan are as follows:

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Service cost					
- Current service cost	5,159,499,163	7,404,298,056	14,808,596,111	17,474,908,722	16,722,389,987
- Past service cost	-	(22,029,661,431)	(44,059,322,861)	(9,688,513,283)	(157,432,916)
Net interest expense	4,460,163,838	5,284,337,442	10,568,674,884	15,236,631,990	13,351,336,752
Actuarial (gain) loss	-	(776,568,049)	(1,553,136,097)	1,046,552,978	(1,265,650,566)
Total cost (benefit) recognized in profit or loss	9,619,663,001	(10,117,593,982)	(20,235,187,963)	24,069,580,407	28,650,643,257

20. **EMPLOYEE BENEFIT LIABILITIES** (Continued)

Amounts recognized in the consolidated statement of profit or loss and other comprehensive income in respect of the defined benefit plan are as follows: (Continued)

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Remeasurement in net defined benefit					
Change in actuarial assumptions	-	(9,143,833,897)	(18,287,667,793)	12,924,380,162	4,836,993,988
Change in demographic assumptions	-	-	-	(5,175,683,827)	-
Adjustments	-	(4,672,106,858)	(9,344,213,716)	(22,572,310,216)	(6,799,367,356)
Total remeasurement in employee benefit liabilities recognized in other comprehensive income	-	(13,815,940,755)	(27,631,881,509)	(14,823,613,881)	(1,962,373,368)

Movements in the employee benefit liabilities in the consolidated statement of financial position, are as follows:

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Beginning balance	148,517,393,917	209,665,186,979	209,665,186,979	206,022,876,503	182,077,406,231
Total cost (benefit) recognized in the profit or loss	9,619,663,001	(10,117,593,982)	(20,235,187,963)	24,069,580,407	28,650,643,257
Total remeasurements in employee benefit liabilities recognized in other comprehensive income	-	(13,815,940,755)	(27,631,881,509)	(14,823,613,881)	(1,962,373,368)
Benefits paid	(201,184,650)	(6,640,361,794)	(13,280,723,590)	(5,603,656,050)	(2,742,799,617)
Balance at end of period	157,935,872,268	179,091,290,448	148,517,393,917	209,665,186,979	206,022,876,503

The Group was exposed to a number of significant risks related to its defined benefit plans, as follows:

- Changes in discount rate
  A decrease in discount rate will increase plan liabilities.
- Salary increment rate
  Employee benefit liabilities are related to salary increment rate, whereby the higher salary increment rate will lead to higher liabilities.

The quantitative sensitivity analysis of the employee benefit liabilities to the changes in the weighted principal assumptions as of December 31, 2021, 2020 and 2019 were as follows:

		Impact on defined benefit obligation		
Actuary Assumption	**Changes in assumption**	**December 31, 2021**	**December 31, 2020**	**December 31, 2019**
Discount rate	+1%	140,687,393,357	196,972,192,494	196,128,241,995
Discount rate	-1%	157,348,399,896	224,174,179,459	217,191,394,789
Growth in future salaries	+1%	157,942,098,713	224,689,094,621	217,782,469,981
Growth in future salaries	-1%	140,026,239,560	196,279,722,971	195,423,396,269

The sensitivity analysis is based on a change in an assumption while considering all other assumptions are constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefits obligation to principal assumptions, the same method (present value of the defined benefits obligation calculated with the Projected Unit Credit method at the end of the reporting period) has been applied.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the employee benefit liabilities as of December 31, 2021, 2020 and 2019 are 9 until 10 years, 12 until 13 years and 12 until 13 years, respectively.

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21. CUSTOMERS' DEPOSITS

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Selling of residential houses	314,735,290,283	401,855,633,663	359,157,637,311	357,327,940,256	205,456,096,846
Selling of office space and shop houses	255,299,866,715	256,247,168,183	308,196,087,186	237,761,906,178	230,519,692,762
Selling of land	200,486,173,042	254,679,466,761	127,453,448,760	129,384,963,669	245,058,486,022
Selling of industrial estate	15,399,899,191	38,625,585,910	11,928,108,893	26,215,345,230	22,930,477,572
Others	2,194,253,824	2,353,133,030	1,548,026,714	987,039,732	1,830,214,376
Total	788,115,483,055	953,760,987,547	808,283,308,864	751,677,195,065	705,794,967,578
Less: Short-term portion	(787,939,728,532)	(953,508,390,173)	(808,122,152,541)	(751,523,317,045)	(703,941,724,648)
Long-term portion	175,754,523	252,597,374	161,156,323	153,878,020	1,853,242,930

Movement in customers' deposits for the period 30 June 2022 and 2021, and 31 December 2021, 2020 and 2019 are as follows:

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Beginning balance	808,283,308,864	751,677,195,065	751,677,195,065	705,794,967,578	390,184,352,224
Addition	420,483,723,083	493,958,846,276	965,474,129,108	983,815,285,544	940,659,807,555
Revenue recognized	(440,651,548,892)	(291,875,053,794)	(908,868,015,309)	(937,933,058,057)	(625,049,192,201)
Ending balance	788,115,483,055	953,760,987,547	808,283,308,864	751,677,195,065	705,794,967,578

22. SHARE CAPITAL

The composition of the Company's shareholders as of June 30, 2022 and 2021, and December 31, 2021, 2020 and 2019 are based on the records of PT Datindo Entrycom, Securities Administration Agency, are as follows:

	June 30, 2022 (Unaudited)				
Shareholders	Series A (Par value of Rp 500 per share)	Series B (Par value of Rp 75 per share)	Total shares	Percentage of ownership (%)	Issued and fully paid capital
Mu Min Ali Gunawan	-	4,391,370,788	4,391,370,788	21.09	329,352,809,100
Islamic Development Bank	-	2,437,884,372	2,437,884,372	11.71	182,841,327,900
Hadi Rahardja (Commissioner)*	-	580,637,352	580,637,352	2.79	43,547,801,400
Treasury shares	-	292,500,000	292,500,000	1.40	21,937,500,000
Others (each less than 5%)	711,956,815	12,410,539,042	13,122,495,857	63.01	1,286,768,835,650
Total	711,956,815	20,112,931,554	20,824,888,369	100.00	1,864,448,274,050

	June 30, 2021 (Unaudited)				
Shareholders	Series A (Par value of Rp 500 per share)	Series B (Par value of Rp 75 per share)	Total shares	Percentage of ownership (%)	Issued and fully paid capital
Mu Min Ali Gunawan	-	4,391,370,788	4,391,370,788	21.09	329,352,809,100
Islamic Development Bank	-	2,440,884,372	2,440,884,372	11.72	183,066,327,900
Hadi Rahardja (Commissioner)	-	580,637,352	580,637,352	2.79	43,547,801,400
Setiawan Mardjuki (Director)	-	34,587,458	34,587,458	0.17	2,594,059,350
Treasury shares	-	292,500,000	292,500,000	1.40	21,937,500,000
Others (each less than 5%)	711,956,815	12,372,951,584	13,084,908,399	62.83	1,283,949,776,300
Total	711,956,815	20,112,931,554	20,824,888,369	100.00	1,864,448,274,050

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22. **SHARE CAPITAL** (Continued)

	December 31, 2021 (Audited)				
Shareholders	Series A (Par value of Rp 500 per share)	Series B (Par value of Rp 75 per share)	Total shares	Percentage of ownership (%)	Issued and fully paid capital
Mu Min Ali Gunawan	-	4,391,370,788	4,391,370,788	21.09	329,352,809,100
Islamic Development Bank	-	2,437,884,372	2,437,884,372	11.71	182,841,327,900
Hadi Rahardja (Commissioner)*	-	580,637,352	580,637,352	2.79	43,547,801,400
Treasury shares	-	292,500,000	292,500,000	1.40	21,937,500,000
Others (each less than 5%)	711,956,815	12,410,539,042	13,122,495,857	63.01	1,286,768,835,650
Total	711,956,815	20,112,931,554	20,824,888,369	100.00	1,864,448,274,050

	December 31, 2020 (Audited)				
Shareholders	Series A (Par value of Rp 500 per share)	Series B (Par value of Rp 75 per share)	Total shares	Percentage of ownership (%)	Issued and fully paid capital
Mu Min Ali Gunawan	-	4,391,370,788	4,391,370,788	21.09	329,352,809,100
Islamic Development Bank	-	2,440,884,372	2,440,884,372	11.72	183,066,327,900
Hadi Rahardja (Commissioner)	-	580,637,352	580,637,352	2.79	43,547,801,400
Setiawan Mardjuki (Director)	-	34,587,458	34,587,458	0.17	2,594,059,350
Treasury shares	-	292,500,000	292,500,000	1.40	21,937,500,000
Others (each less than 5%)	711,956,815	12,372,951,584	13,084,908,399	62.83	1,283,949,776,300
Total	711,956,815	20,112,931,554	20,824,888,369	100.00	1,864,448,274,050

	December 31, 2019 (Audited)				
Shareholders	Series A (Par value of Rp 500 per share)	Series B (Par value of Rp 75 per share)	Total shares	Percentage of ownership (%)	Issued and fully paid capital
Mu Min Ali Gunawan	-	4,391,370,788	4,391,370,788	21.09	329,352,809,100
Islamic Development Bank	-	2,457,916,572	2,457,916,572	11.80	184,343,742,900
Hadi Rahardja (Commissioner)	-	583,009,652	583,009,652	2.80	43,725,723,900
Setiawan Mardjuki (Director)	-	34,587,458	34,587,458	0.17	2,594,059,350
Others (each less than 5%)	711,956,815	12,646,047,084	13,358,003,899	64.14	1,304,431,938,800
Total	711,956,815	20,112,931,554	20,824,888,369	100.00	1,864,448,274,050

*Passed away on September 26, 2021

According to letter from management to Kepala Eksekutif Pengawas Pasar Modal Otoritas Jasa Keuangan (OJK) dated March 18, 2020, the Company will repurchase the Company's shares. The transaction is in accordance with OJK regulation No. 2/POJK.04/2013 dated August 23, 2013 concerning of the Repurchase of Emittent Shares or Listed Company in Potentially Crisis Market Condition; and OJK circulation No. 3/SEOJK.04/2020 dated March 9, 2020 concerning Other Conditions as Potentially Crisis Market Condition in regards to the Repurchase of Emitent Shares or Listed Company. The Company can reacquire its shares at 20% maximum of paid in capital. In 2020, the Company reacquired 292,500,000 shares at its cost amounting to Rp 47,843,709,726 (with a par value amounting to Rp 21,937,500,000).

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23. ADDITIONAL PAID IN CAPITAL - NET

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Difference from decrease in par value	212,589,195,242	212,589,195,242	212,589,195,242	212,589,195,242	212,589,195,242
Share issuance costs	(27,230,260,388)	(27,230,260,388)	(27,230,260,388)	(27,230,260,388)	(27,230,260,388)
Difference in par value and market value issued to creditors due to restructuring loan	(72,822,060,900)	(72,822,060,900)	(72,822,060,900)	(72,822,060,900)	(72,822,060,900)
Additional paid in capital from rights issue	1,056,303,880,975	1,056,303,880,975	1,056,303,880,975	1,056,303,880,975	1,056,303,880,975
Additional paid in capital from stock dividend	223,883,494,789	223,883,494,789	223,883,494,789	223,883,494,789	223,883,494,789
Additional paid in capital from tax amnesty	3,344,749,403	3,344,749,403	3,344,749,403	3,344,749,403	3,344,749,403
Total	1,396,068,999,121	1,396,068,999,121	1,396,068,999,121	1,396,068,999,121	1,396,068,999,121

24. GENERAL RESERVES

Based on the Company's Shareholders' General Meetings held on September 8, 2021 and June 26, 2019, which were covered by Notarial deed of Yualita Widyadhari, S.H., M.Kn., No. 2 and No. 16, the Shareholders approved the following, among others, additional appropriation of retained earnings for general reserves 2019 and 2018 amounted to Rp 50,000,000, respectively. The appropriated retained earnings amounted to Rp 500,000,000, Rp 400,000,000, Rp 500,000,000, Rp 450,000,000 and Rp 450,000,000 as of June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, respectively.

25. NON-CONTROLLING INTEREST

Non-controlling interest in net assets of Subsidiaries represents the share of minority shareholders in the net assets of Subsidiaries which are not wholly owned by the Company.

Details of non-controlling interest are as follows:

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
PT Kawasan Industri Kendal	973,952,348,242	909,057,688,089	961,586,072,750	872,957,840,330	771,116,812,826
PT Jababeka Keihan Residence	95,084,535,193	95,713,503,063	95,481,999,118	95,836,474,675	96,887,681,078
PT Jababeka Creed Residence	18,362,880,911	10,046,218,022	15,243,949,222	8,785,403,556	18,982,862,638
PT Jababeka PP Properti	18,288,777,038	21,167,913,835	20,949,244,347	23,528,131,895	27,261,215,653
PT Jababeka Plaza Indonesia	15,669,958,938	15,635,463,305	15,650,472,892	15,606,825,627	15,527,527,812
PT Nusantara Gas Energi	8,551,981,864	7,575,339,100	7,960,730,386	7,507,285,476	7,247,756,809
PT Proteksi Usaha Indonesia	1,175,536,754	947,551,440	1,027,474,772	860,173,910	691,567,922
PT Media Membangun Negeri	607,668,059	468,206,712	685,527,102	612,500,000	-
PT Rumah Prima Sehat	400,000,000	400,000,000	400,000,000	400,000,000	-
PT Faunaland Tanjung Lesung	122,500,000	-	122,500,000	-	-
PT Duta Bandara Banten	12,381,810	12,712,500	12,412,500	12,797,500	13,305,000
PT Jababeka Longlife City	(3,969,353,783)	(3,883,218,046)	(3,927,422,458)	(3,838,158,761)	(3,416,341,600)
Total	1,128,259,215,026	1,057,141,378,020	1,115,192,960,631	1,022,269,274,208	934,312,388,138

26. BASIC (LOSS) EARNINGS PER SHARE

Basic (loss) earnings per share is calculated by dividing consolidated net income attributable to shareholders by the weighted average number of ordinary shares of outstanding during the related period.

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
(Loss) profit attributable to owners the of parent company	(56,178,927,359)	(139,487,818,073)	(5,165,288,948)	(47,794,388,214)	118,806,202,269
Weighted average number of ordinary shares outstanding - basic	20,532,388,369	20,532,388,369	20,532,388,369	20,664,223,427	20,824,888,369
Basic (loss) earnings per share	(2.74)	(6.79)	(0.25)	(2.31)	5.71

27. SALES AND SERVICE REVENUE

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Sales					
Developed land	190,446,219,870	211,112,582,446	736,833,211,083	782,948,418,108	422,593,962,964
Land and houses	101,197,828,160	72,283,966,993	189,616,438,361	121,532,558,604	75,721,915,909
Office spaces and shop houses	100,875,353,772	63,210,641,817	116,506,532,728	122,104,993,640	113,223,813,201
Apartment	42,958,282,900	34,139,047,811	98,257,210,605	88,077,501,569	157,980,624,992
Land and factory buildings	42,313,805,932	19,148,776,319	77,264,302,171	65,799,968,599	39,816,429,884
Power plant	324,565,695,840	388,685,134,392	633,477,921,625	637,818,329,610	831,771,292,216
Service and maintenance fees	159,645,662,714	155,380,070,491	315,734,123,185	277,157,659,498	257,677,948,462
Dry port	99,623,911,576	86,712,368,058	174,123,989,232	145,508,234,616	201,815,275,840
Golf	36,326,158,624	32,552,505,091	62,512,436,540	58,218,168,131	65,223,862,926
Office spaces, factory and shop houses rental	21,603,603,787	28,300,075,907	54,185,437,066	56,662,640,149	64,577,022,265
Land, villa and tourism	14,055,057,843	11,978,855,064	24,459,527,887	31,353,620,836	16,709,154,122
Agribusiness and consulting	2,278,324,017	1,018,846,251	2,925,232,137	5,595,882,780	4,330,391,665
Condominium	1,313,008,668	1,304,790,668	4,359,848,382	3,308,040,894	2,502,632,205
Total	1,137,202,913,703	1,105,827,661,308	2,490,256,211,002	2,396,086,017,034	2,253,944,326,651

Sales and service revenue based on timing of revenue recognition is as follows:

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)
Point in time	477,791,490,634	399,895,015,386	1,218,477,694,948	1,180,463,440,520
Over time	637,807,819,282	677,632,570,015	1,217,593,078,988	1,158,959,936,365
Total	1,115,599,309,916	1,077,527,585,401	2,436,070,773,936	2,339,423,376,885

Excluding rental income amounting to Rp 21,603,603,787, Rp 28,300,075,907, Rp 54,185,437,066 and Rp 56,662,640,149 for June 30, 2022 and 2021 and December 31, 2021, 2020 and 2019, respectively.

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27. **SALES AND SERVICE REVENUE** (Continued)

Detail of customer which exceeded 10% of the consolidated sales and service revenues are as follows:

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Customer:					
PT Perusahaan Listrik Negara (Persero)	212,427,084,420	284,156,276,595	424,487,128,685	437,299,326,065	626,329,587,623

28. **COST OF SALES AND SERVICE REVENUE**

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Sales					
Developed land	43,245,154,057	106,233,372,707	296,032,681,964	389,346,269,343	149,771,687,438
Land and houses	44,926,235,817	38,439,224,776	99,366,692,136	58,304,541,975	26,400,715,279
Office spaces and shop houses	17,694,353,267	16,092,546,394	25,160,296,979	26,432,466,288	26,702,826,648
Apartment	25,154,443,856	20,764,806,981	63,758,123,397	63,654,797,822	107,376,561,642
Land and factory buildings	13,768,711,115	7,232,329,775	29,630,979,370	26,771,836,234	18,574,253,746
Power plant	245,092,537,133	309,113,287,328	539,991,192,274	465,573,632,493	695,464,157,442
Service and maintenance fees	62,233,963,340	76,482,482,509	150,289,658,590	136,096,731,897	127,155,686,021
Dry port	56,430,398,905	55,464,689,475	106,755,256,538	103,816,795,139	149,092,622,254
Golf	18,643,641,372	16,579,408,356	31,665,181,756	34,403,336,013	40,312,734,228
Office spaces, factory and shop houses rental	11,138,455,550	9,187,867,153	21,636,019,396	33,995,337,266	39,814,429,538
Land, villa and tourism	14,649,249,413	13,321,655,632	28,384,819,742	31,757,142,387	26,585,650,278
Condominium	837,142,507	339,828,007	2,122,004,848	1,661,684,259	760,973,049
Agribusiness and consulting	485,382,757	858,843,459	2,891,492,738	5,852,390,492	2,480,678,653
Total	554,299,669,089	670,110,342,552	1,397,684,399,728	1,377,666,961,608	1,410,492,976,216

Details of supplier which exceeded 10% of the consolidated service revenue are as follow:

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Supplier:					
PT Perusahaan Gas Negara (Persero) Tbk	92,826,988,667	143,444,935,429	227,353,943,186	146,664,849,049	287,635,299,037

29. **SELLING EXPENSES**

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Promotion and advertising	13,796,006,891	10,594,956,128	23,517,096,360	22,587,924,988	35,377,341,824
Commissions and incentives	8,746,882,596	7,167,294,986	20,076,597,547	17,428,858,858	27,993,122,072
Operational	7,352,232,454	6,695,251,075	14,652,138,827	15,963,745,063	23,992,250,259
Others	790,514,550	725,968,583	1,842,651,283	1,294,856,681	2,400,649,081
Total	30,685,636,491	25,183,470,772	60,088,484,017	57,275,385,590	89,763,363,236

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30. GENERAL AND ADMINISTRATIVE EXPENSES

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Salaries and employee benefits	101,766,387,509	94,921,968,043	200,846,794,875	213,750,997,238	200,933,115,245
Taxes and licenses	15,737,306,638	23,792,054,607	85,929,747,162	47,756,749,248	41,082,064,264
Office supplies and equipment	15,397,113,128	21,282,578,216	37,021,739,425	17,552,939,399	20,231,539,799
Professional fees	13,170,028,421	6,577,609,491	18,061,857,855	15,645,485,115	17,247,322,124
Outsourcing	11,705,847,409	10,950,225,185	21,576,031,674	22,298,594,322	21,713,051,442
Depreciation of property, plant and equipment (Note 10)	10,245,178,373	10,423,888,970	20,981,335,763	20,676,039,375	17,794,608,120
Employee benefits expense (benefit) (Note 20)	9,619,663,001	(10,117,593,982)	(20,235,187,963)	24,069,580,407	28,650,643,257
Security	9,496,307,854	9,310,010,546	18,870,139,807	16,287,810,688	17,356,634,057
Amortization of right-of-use asset (Note 15)	6,858,985,532	438,079,842	7,295,004,497	876,141,676	-
Environment	5,393,354,669	3,606,925,499	8,697,487,339	10,274,163,042	9,778,702,307
Maintenance service	4,178,002,192	3,186,354,815	8,706,684,994	12,508,120,253	12,838,829,677
Insurance	3,921,944,417	4,074,538,509	8,065,060,500	8,467,147,605	7,737,404,663
Rent	2,724,586,170	3,125,861,710	9,890,701,696	6,334,689,109	8,353,661,634
Electricity and water	2,135,972,388	2,025,895,616	4,453,531,492	4,096,278,542	5,117,279,979
Business travel	1,555,898,672	1,418,330,809	2,496,354,864	2,389,854,511	10,794,884,172
Communication	1,378,419,830	2,051,257,508	2,762,014,216	5,434,098,085	5,962,422,357
Entertainment and representation	1,180,125,123	1,781,389,000	4,037,194,862	5,310,157,066	6,455,819,126
Transportation	1,091,363,785	1,093,021,153	2,277,449,893	2,815,772,261	3,348,685,413
Training	526,998,063	192,793,566	782,492,285	1,031,897,216	4,136,114,105
Service charge	493,944,439	939,350,050	1,811,524,140	2,066,868,400	2,205,519,228
Others	6,352,629,817	209,192,395	3,328,633,434	26,370,139,650	14,042,128,465
Total	224,930,057,430	191,283,731,548	447,656,592,810	466,013,523,208	455,780,429,434

31. FINANCIAL INCOME

This account consists of interest from cash in banks, time deposits, short-term investments and interest from trade receivables with significant financing component amounting to Rp 12,680,014,774, Rp 14,212,021,691, Rp 29,661,114,463, Rp 35,225,819,338 and Rp 39,011,582,419 for the periods ended June 30, 2022 and 2021, and December 31, 2021, 2020 and 2019, respectively.

32. FINANCIAL EXPENSES

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Interest expense on loan	222,911,038,862	194,228,720,973	390,683,264,496	410,468,609,497	378,075,795,793
Amortization of issuance cost Senior Notes	23,296,180,283	21,308,438,895	43,878,263,342	41,335,714,496	36,984,514,335
Mark to market loss on forward contract	1,233,968,610	649,840,767	30,907,276,605	13,655,064,257	8,602,913,065
Bank charges	576,647,614	592,716,173	1,122,287,109	1,165,831,851	1,018,219,259
Total	248,017,835,369	216,779,716,808	466,591,091,552	466,625,220,101	424,681,442,452

33. OTHER (EXPENSES) INCOME - NET

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Reversal on impairment losses of trade receivables	20,018,043,502	6,359,564,072	9,312,465,806	-	-
Connection charge	18,950,827,800	11,060,619,200	22,588,987,050	6,568,930,780	3,830,575,000
Sales cancellation income (expense)	9,584,890,295	(402,169,041)	2,038,081,513	(27,356,957,026)	2,068,161,670
Income from environment fee	6,913,993,389	2,375,085,216	10,054,199,967	15,823,156,584	16,332,039,823
Income from late payment charges	2,861,420,231	2,123,514,664	7,904,692,451	6,957,537,214	10,962,280,709
Rent income	1,292,567,831	1,436,541,142	2,425,783,773	1,933,089,380	11,215,411,080
Income from clean water treatment	-	4,348,608,870	6,049,857,312	26,050,078,856	25,431,371,449
Gain from sales of investment properties	-	-	-	10,572,228,750	-
Claims from insurance	-	-	-	5,108,184,285	20,381,204,778
Foreign exchange loss	(167,597,600,371)	(111,923,109,688)	(46,770,743,580)	(47,012,034,253)	176,860,722,944
Impairment losses and share in loss of association (Note 8)	(6,525,830,297)	(30,151,830,679)	(42,486,238,978)	(2,107,245,911)	(3,527,642,038)
Impairment losses of receivables	(258,400,102)	(11,857,304,144)	(11,222,802,576)	(22,301,552,002)	(657,658,147)
Others	5,792,397,547	27,146,780,621	21,290,306,959	24,031,286,687	39,345,025,922
Total	(108,967,690,175)	(99,483,699,767)	(18,815,410,303)	(1,733,296,656)	302,241,493,190

34. SIGNIFICANT AGREEMENTS AND EVENTS

a. On December 12, 2012, PT Padang Golf Cikarang (PGC), a Subsidiary, entered into a collaborative agreement for the Management of Akmil's Sport Facilities Golf Course Tidar-Magelang with Military Academy (Akmil) for the development and management of golf course located in Komplek Akademi Militer, Magelang, East Java, with an area of 332,556.5 square meters. The agreement is effective until March 13, 2031 and can be extended upon the agreement of both parties. On February 19, 2021, this agreement has been amended, where the change is in the rate of Non-Tax State Revenue (PNBP) with an increase of 2.68% per year, and the profit sharing tariff for Utilization Cooperation (KSP) State Owned Property by 50% of net income per year.

b. On 24 August 3, 2007, PT Bekasi Power (BP), a Subsidiary, entered into an Agreement of Gas Sales Purchase and Distribution ("Agreement") with PT Perusahaan Gas Negara (Persero) Tbk (PGN) to sell, purchase and distribute gas. During the period of Agreement, BP should provide payment guarantee in the form of Stand By Letter of Credit ("SBLC") with several conditions. This payment guarantee is valid for 12 (twelve) months since the date of issuance. This Agreement is valid for 5 (five) years contract since August 1, 2008 or another date agreed by both parties based on the Gas Distribution Memo and will end after 5 (five) years contract or February 28, 2014. On December 21, 2021, BP and PGN make an amendment to their agreement that changed the payment scheme of BP into prepayments for their obligations. The Agreement has been extended several times, the latest extension is until 2023.

c. On April 7, 2008, BP entered into an Agreement of Gas Sales Purchase and Distribution ("Agreement") with PT Bayu Buana Gemilang (BBG) to sell, purchase and distribute gas. During the period of Agreement, BP is required to provide payment deposit in Stand By Letter of Credit ("SBLC") with several conditions. This payment deposit will be in effect for 12 (twelve) months since the date of issuance. The Agreement is effective since the signing, and will end after 7 (seven) years contract and can be extended upon the agreement of both parties. On March 9, 2018, BP and BBG agreed to extend the Agreement until January 5, 2033. On September 2, 2021, BP and BBG changed the payment scheme into prepayments from August 1, 2021 until December 31, 2021.

d. On January 25, 2008, BP entered into a Gas Compression Cooperation Agreement with PT Margaseta Utama (MU) in which MU would increase the gas pressure from the pressure of 8 (eight) Bar to 22 (twenty two) Bar to supply the operation of power plants turbine generators owned by BP. The Agreement is effective for 15 (fifteen) years which started from the commencement of operation of compressor and can be extended upon the agreement of both parties.

e. On February 24, 2011, BP and PT Perusahaan Listrik Negara (PLN) agreed and entered into the Sale and Purchase Electricity Cooperation Agreement ("Agreement"). Based on this Agreement, BP will provide Net Power Capability to PLN which is sourced from all systems in Gas and Steam Power Plant (combined cycle) (PLTGU) owned by BP in net capacity totaling 118.8 MegaWatt (MW). This Agreement has an effective date from the date of funding and will be over in 20 (twenty) years from Commercial Operation Date, except terminated earlier according to the Agreement. Commercial Operation Date is the day after passing the operation test facility in accordance with testing procedures, which occurred on January 5, 2013.

34. **SIGNIFICANT AGREEMENTS AND EVENTS** (Continued)

f. In fourth quarter of 2021, BP and PLN has not yet agreed on the amount of billing, therefore causing a delay of billing in for the quarter. In 2022, PLN already paid some of the agreed billing to BP.

g. On July 19, 2019, the Company received a letter from the Lawfirm Julius Rizaldi & Partners as the attorney of Lanny Arifin, Handi Kurniawan, Wiwin Kurniawan, Christine Dewi, Richard Budi Gunawan, PT Multidana Venturindo Kapitanusa and Yanti Kurniawan, Shareholders of the Company filed a lawsuit to District Court of Central Jakarta with case register No. 413/PDT.G/2019/PN.Jkt.Pst regarding the decision of the fifth agenda of Annual Shareholder General Meeting of the Company, for the appointment of Dr. Sugiharto as President Director and Aries Liman as Commissioner therefore the decision cannot be registered and reported by the Notary Yualita Widyadhari, S.H., M.Km., on the Legal Entity Administration System (SABH) to the Director General of General Legal Administration, Ministry of Law and Human Rights of the Republic of Indonesia.

h. After several trials being held at Central Jakarta District Court, on October 25, 2019, the Lawfirm of Julius Rizaldi & Partners as attorneys from Lanny Arifin, Handi Kurniawan, Wiwin Kurniawan, Christine Dewi, Richard Budi Gunawan, PT Multidana Venturindo Kapitanusa and Yanti Kurniawan, Shareholders of the Company, has filled a request for revocation of a lawsuit, through its letter dated on October 24, 2019, to the Central Jakarta District Court for Civil Case Register No. 413/PDT.G/2019/PN.Jkt.Pst, which has been submitted and registered at the Civil Registry of the Central Jakarta District Court on July 19, 2019 regarding the decision of the fifth agenda of Annual Shareholder General Meeting for the appointment of Dr. Sugiharto as President Director and Aries Liman as Commissioner.

i. On November 7, 2019, the Company received a letter from Hotman Paris & Partners as the attorney of Lanny Arifin, Handi Kurniawan, Wiwin Kurniawan, Christine Dewi, Richard Budi Gunawan and PT Multidana Venturindo Kapitanusa, Shareholders of the Company, regarding a lawsuit filed to the District Court of Central Jakarta with case register No. 660/Pdt.G/2019/PN.Jkt.Pst regarding the Annual Shareholders General Meeting of the Company on June 26, 2019 therefore the decision cannot be registered and reported by the Notary Yualita Widyadhari, S.H., M.Km., on the Legal Entity Administration System (SABH) to the Director General of General Legal Administration, Ministry of Law and Human Rights of the Republic of Indonesia.

Based on the verdict of District Court of Central Jakarta dated March 30, 2021, all matters that are decided at the Company's AGMS 2019 pursuant to Deed No. 16 dated June 26, 2019 are declared null and void and/or do not have legal force, which among others are related to:

1) Approval and ratification of the Company's Annual Report for the financial year which ended December 31, 2018, as well as granting full payment and release of responsibility (acquit et de charge) to all members of the Board of Directors and Board of Commissioners of the Company for management and supervisory actions that have been carried out in the financial year which ended December 31, 2018;

2) Determination of the use of the Company's net profit for the financial year which ended December 31, 2018;

3) Appointment of an independent Public Accountant who will audit the Company's books for the financial year which ended December 31, 2018, and authorize the Board of Commissioners of the Company to determine the amount of the honorarium for the Independent Public Accountant and other terms of appointment;

4) Determination of the salaries and other benefits of the members of the Board of Directors of the Company as well as the honorarium and other benefits of members of the Board of Commissioners of the Company for the 2019 financial year; and

5) Changes in the composition of the members of the Board of Directors and the Board of Commissioners.

Based on Letter Number W10.U1.4015 HT.02/V/2021/03/ina dated May 7, 2021 from the Central Jakarta District Court, which stated that until the issuance of the Letter from the Central Jakarta District Court, the parties had not filed legal remedies in accordance with the grace period stipulated by the applicable law, therefore the decision of the court is deemed to have permanent legal force and can be enforced.

35. SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and have five reportable operating segments as follows:

Real Estate Segment

Real estate segment is mainly involved in the development and sale of industrial estates and related facilities and services including, among others, residential estate, apartments, office buildings, shopping centers, development and installation of water treatment plants, waste water treatment, telephone, electricity and other facilities to support the industrial estate, including providing sports and recreational facilities, and also exports and imports of goods for businesses relating to the development and management of the industrial estate.

Golf Segment

Golf segment is mainly involved in the development and management of the golf course, club house, recreation and sports facilities and its supporting facilities.

Service and Maintenance Segment

Service and maintenance segment is mainly consists of service and maintenance fees relating to development and infrastructure management of industrial estates, hotel and residential estate; dry port; agribusiness and consulting.

Power Plant Segment

Power plant segment is mainly involved in the power plant development, including managing, supplying and distributing energy and providing energy management services to third parties.

Tourism Segment

Tourism segment is mainly involved in the tourism object, tourism hotel, tourism estate and education and tourism training center.

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35. **SEGMENT INFORMATION** (Continued)

Business segment

The following table presents revenue and profit, and certain asset and liability information regarding the Group's business segments:

	June 30, 2022 (Six-months) (Unaudited)						
	Real estate	Golf	Service and maintenance	Power plant	Tourism	Elimination	Total
Sales and service revenue	502,681,968,524	36,326,158,624	268,995,236,015	326,429,324,376	17,558,498,484	(14,788,272,320)	1,137,202,913,703
Cost of sales and service revenue	155,983,572,851	19,157,691,570	127,434,539,287	246,710,386,742	16,873,890,205	(11,860,411,566)	554,299,669,089
Gross profit	346,698,395,673	17,168,467,054	141,560,696,728	79,718,937,634	684,608,279	(2,927,860,754)	582,903,244,614
Selling expenses	(28,818,118,079)	(597,689,984)	(596,868,012)	(317,813,903)	(914,211,054)	559,064,541	(30,685,636,491)
General and administrative expenses	(129,626,575,824)	(12,231,700,261)	(44,624,122,890)	(16,742,748,131)	(23,515,338,670)	1,810,428,346	(224,930,057,430)
Financial income	158,587,749,310	305,201,094	89,150,598,225	625,363,710	119,964,220	(236,108,861,785)	12,680,014,774
Financial expenses	(267,815,428,292)	(730,792,326)	(128,739,789,325)	(87,305,118,498)	(156,090,778)	236,729,383,850	(248,017,835,369)
Final tax expense	(17,494,492,582)	(46,623,759)	(2,736,869,817)	-	(132,046,979)	-	(20,410,033,137)
Other (expenses) income	135,101,580,069	890,803,738	(18,153,232,230)	27,802,761,124	(2,133,385,650)	(252,476,217,226)	(108,967,690,175)
Profit before income tax (expense) benefit	196,633,110,275	4,757,665,556	35,860,412,679	3,781,381,936	(26,046,500,632)	(252,414,063,028)	(37,427,993,214)
Income tax benefit (expense) - Net	3,281,058,424	(1,260,794,543)	(4,563,045,077)	(3,863,510,928)	133,185,261	588,427,113	(5,684,679,750)
Net profit (loss)	199,914,168,699	3,496,871,013	31,297,367,602	(82,128,992)	(25,913,315,371)	(251,825,635,915)	(43,112,672,964)
Other comprehensive income	(3,326,139,197)	-	-	-	-	-	(3,326,139,197)
Net comprehensive income (loss)	196,588,029,502	3,496,871,013	31,297,367,602	(82,128,992)	(25,913,315,371)	(251,825,635,915)	(46,438,812,161)
Net profit (loss) attributable to:							
Owners of the parent company	187,509,338,032	3,496,871,013	30,635,913,184	(82,128,992)	(25,913,284,681)	(251,825,635,915)	(56,178,927,359)
Non-controlling interests	12,404,830,667	-	661,454,418	-	(30,690)	-	13,066,254,395
Total	199,914,168,699	3,496,871,013	31,297,367,602	(82,128,992)	(25,913,315,371)	(251,825,635,915)	(43,112,672,964)
Net comprehensive income (loss) attributable to:							
Owners of the parent company	184,183,198,835	3,496,871,013	30,635,913,184	(82,128,992)	(25,913,284,681)	(251,825,635,915)	(59,505,066,556)
Non-controlling interests	12,404,830,667	-	661,454,418	-	(30,690)	-	13,066,254,395
Total	196,588,029,502	3,496,871,013	31,297,367,602	(82,128,992)	(25,913,315,371)	(251,825,635,915)	(46,438,812,161)
Capital expenditures	39,323,471,990	1,159,032,340	9,409,580,878	11,420,445,006	504,124,714	-	61,816,654,928
Depreciation and amortization	29,821,325,738	1,723,674,794	14,527,068,798	37,108,268,415	2,676,919,866	(1,069,241,907)	84,788,015,704
Amortization of Senior Notes issuance cost	23,296,180,283	-	-	-	-	-	23,296,180,283
Other information							
Segments assets	22,966,090,555,061	108,751,538,589	3,411,622,925,423	1,528,879,786,240	1,155,710,965,981	-	29,171,055,771,294
Elimination of inter-segment assets	(14,509,667,527,277)	(555,614,776)	(2,159,604,838,489)	(43,358,769,168)	(36,997,681,657)	-	(16,750,184,431,367)
Net	8,456,423,027,784	108,195,923,813	1,252,018,086,934	1,485,521,017,072	1,118,713,284,324	-	12,420,871,339,927
Segment liabilities	8,795,827,617,144	45,559,000,434	2,893,561,862,832	1,506,263,735,178	210,202,675,295	-	13,451,414,890,883
Elimination of inter-segment liabilities	(3,334,972,245,478)	(40,865,897)	(2,741,095,721,105)	(1,278,304,970,668)	(1,701,306,730)	-	(7,356,115,109,878)
Net	5,460,855,371,666	45,518,134,537	152,466,141,727	227,958,764,510	208,501,368,565	-	6,095,299,781,005

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35. **SEGMENT INFORMATION** (Continued)

Business segment (Continued)

The following table presents revenue and profit, and certain asset and liability information regarding the Group's business segments: (Continued)

	June 30, 2021 (Six-months) (Unaudited)						
	Real estate	Golf	Service and maintenance	Power plant	Tourism	Elimination	Total
Sales and service revenue	433,657,703,443	32,552,505,091	253,834,023,093	390,581,390,008	17,441,103,278	(22,239,063,605)	1,105,827,661,308
Cost of sales and service revenue	209,500,953,449	17,310,070,709	138,662,749,748	311,216,563,685	14,533,211,273	(21,113,206,312)	670,110,342,552
Gross profit	224,156,749,994	15,242,434,382	115,171,273,345	79,364,826,323	2,907,892,005	(1,125,857,293)	435,717,318,756
Selling expenses	(23,565,693,681)	(474,985,674)	(390,200,471)	(285,274,166)	(822,949,914)	355,633,134	(25,183,470,772)
General and administrative expenses	(110,017,561,291)	(9,257,794,866)	(41,056,671,339)	(14,618,063,297)	(21,601,337,755)	5,267,697,000	(191,283,731,548)
Financial income	157,947,591,588	550,057,870	89,392,906,114	784,523,751	142,369,330	(234,605,426,962)	14,212,021,691
Financial expenses	(246,114,052,237)	(541,651,138)	(117,446,798,693)	(87,874,786,499)	(104,525,730)	235,302,097,489	(216,779,716,808)
Final tax expense	(12,690,631,491)	(44,414,440)	-	-	(255,014,857)	-	(12,990,060,788)
Other (expenses) income	24,197,327,815	(512,485,647)	(123,307,298,982)	16,714,444,033	1,096,201,039	(17,671,888,025)	(99,483,699,767)
Profit before income tax benefit (expense)	13,913,730,697	4,961,160,487	(77,636,790,026)	(5,914,329,855)	(18,637,365,882)	(12,477,744,657)	(95,791,339,236)
Income tax (expense) benefit - Net	2,398,341,771	(602,167,762)	(3,393,899,367)	(7,221,605,013)	(207,069,900)	202,025,246	(8,824,375,025)
Net profit (loss)	16,312,072,468	4,358,992,725	(81,030,689,393)	(13,135,934,868)	(18,844,435,782)	(12,275,719,411)	(104,615,714,261)
Other comprehensive income	5,016,283,511	1,175,522,475	2,837,952,734	1,325,216,833	844,069,512	(62,691,552)	11,136,353,513
Net comprehensive income (loss)	21,328,355,979	5,534,515,200	(78,192,736,659)	(11,810,718,035)	(18,000,366,270)	(12,338,410,963)	(93,479,360,748)
Net profit (loss) attributable to:							
Owners of the parent company	(18,548,978,478)	4,358,992,725	(81,041,827,259)	(13,135,934,868)	(18,844,350,782)	(12,275,719,411)	(139,487,818,073)
Non-controlling interests	34,861,050,946	-	11,137,866	-	(85,000)	-	34,872,103,812
Total	16,312,072,468	4,358,992,725	(81,030,689,393)	(13,135,934,868)	(18,844,435,782)	(12,275,719,411)	(104,615,714,261)
Net comprehensive income (loss) attributable to:							
Owners of the parent company	(13,532,694,967)	5,534,515,200	(78,203,874,525)	(11,810,718,035)	(18,000,281,270)	(12,338,410,963)	(128,351,464,560)
Non-controlling interests	34,861,050,946	-	11,137,866	-	(85,000)	-	34,872,103,812
Total	21,328,355,979	5,534,515,200	(78,192,736,659)	(11,810,718,035)	(18,000,366,270)	(12,338,410,963)	(93,479,360,748)
Capital expenditures	4,482,938,503	504,870,170	5,334,330,139	9,522,648,321	1,386,438,789	-	21,231,225,922
Depreciation and amortization	25,688,841,337	1,259,994,579	15,810,996,802	36,385,910,454	2,832,280,818	(8,330,324,598)	73,647,699,392
Amortization of Senior Notes issuance cost	21,308,438,895	-	-	-	-	-	21,308,438,895
Other information							
Segments assets	21,954,153,845,051	81,654,707,683	3,207,287,741,316	1,585,242,507,140	1,162,097,803,492	-	27,990,436,604,682
Elimination of inter-segment assets	(13,644,082,651,737)	678,876,083	(2,004,056,730,914)	(36,724,087,070)	(43,447,540,901)	-	(15,727,632,134,539)
Net	8,310,071,193,314	82,333,583,766	1,203,231,010,402	1,548,518,420,070	1,118,650,262,591	-	12,262,804,470,143
Segment liabilities	8,499,113,499,299	47,968,743,682	2,848,736,206,912	1,507,850,967,145	176,736,058,908	-	13,080,405,475,946
Elimination of inter-segment liabilities	(2,997,523,307,465)	(109,055,200)	(2,676,590,058,346)	(1,303,304,970,668)	(6,848,761,957)	-	(6,984,376,153,636)
Net	5,501,590,191,834	47,859,688,482	172,146,148,566	204,545,996,477	169,887,296,951	-	6,096,029,322,310

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35. **SEGMENT INFORMATION** (Continued)

Business segment (Continued)

The following table presents revenue and profit, and certain asset and liability information regarding the Group's business segments: (Continued)

	December 31, 2021 (One year) (Audited)						
	Real estate	Golf	Service and maintenance	Power plant	Tourism	Elimination	Total
Sales and service revenue	1,278,044,456,398	62,512,436,540	524,355,041,755	637,232,404,252	41,729,548,503	(53,617,676,446)	2,490,256,211,002
Cost of sales and service revenue	553,786,907,474	35,379,602,243	282,392,437,348	543,482,589,261	33,625,469,024	(50,982,605,622)	1,397,684,399,728
Gross profit	724,257,548,924	27,132,834,297	241,962,604,407	93,749,814,991	8,104,079,479	(2,635,070,824)	1,092,571,811,274
Selling expenses	(60,223,840,116)	(1,000,424,056)	(2,059,339,460)	(1,351,381,123)	(1,654,157,276)	6,200,658,014	(60,088,484,017)
General and administrative expenses	(274,944,185,813)	(19,733,457,616)	(84,458,271,320)	(29,843,588,714)	(46,000,337,219)	7,323,247,872	(447,656,592,810)
Financial income	317,568,470,602	868,720,079	179,051,862,080	1,298,754,293	344,723,433	(469,471,416,024)	29,661,114,463
Financial expenses	(515,947,906,261)	(1,037,414,824)	(244,294,794,063)	(175,373,809,184)	(353,513,302)	470,416,346,082	(466,591,091,552)
Final tax expense	(26,315,502,785)	(79,119,511)	(1,952,211,303)	-	(404,083,346)	-	(28,750,916,945)
Other (expenses) income	395,274,484,649	1,900,279,846	(57,317,561,669)	26,728,262,723	3,322,969,732	(388,723,845,584)	(18,815,410,303)
Profit before income tax (expense) benefit	559,669,069,200	8,051,418,215	30,932,288,672	(84,791,947,014)	(36,640,318,499)	(376,890,080,464)	100,330,430,110
Income tax (expense) benefit - Net	5,590,703,289	(1,248,244,823)	(9,717,773,494)	(9,362,564,629)	(576,912,853)	2,620,259,875	(12,694,532,635)
Net profit (loss)	565,259,772,489	6,803,173,392	21,214,515,178	(94,154,511,643)	(37,217,231,352)	(374,269,820,589)	87,635,897,475
Other comprehensive income	9,797,529,715	2,351,044,951	5,675,905,467	2,650,433,666	1,688,139,025	1,834,412,203	23,997,465,027
Net comprehensive income (loss)	575,057,302,204	9,154,218,343	26,890,420,645	(91,504,077,977)	(35,529,092,327)	(372,435,408,386)	111,633,362,502
Net profit (loss) attributable to:							
Owners of the parent company	473,151,973,939	6,803,173,392	20,520,742,305	(94,154,511,643)	(37,216,846,352)	(374,269,820,589)	(5,165,288,948)
Non-controlling interests	92,107,798,550	-	693,772,873	-	(385,000)	-	92,801,186,423
Total	565,259,772,489	6,803,173,392	21,214,515,178	(94,154,511,643)	(37,217,231,352)	(374,269,820,589)	87,635,897,475
Net comprehensive income (loss) attributable to:							
Owners of the parent company	482,949,503,654	9,154,218,343	26,196,647,772	(91,504,077,977)	(35,528,707,327)	(372,435,408,386)	18,832,176,079
Non-controlling interests	92,107,798,550	-	693,772,873	-	(385,000)	-	92,801,186,423
Total	575,057,302,204	9,154,218,343	26,890,420,645	(91,504,077,977)	(35,529,092,327)	(372,435,408,386)	111,633,362,502
Capital expenditures	21,898,733,891	2,380,552,409	19,912,057,053	14,474,125,743	3,337,592,530	-	62,003,061,626
Depreciation and amortization	56,753,539,275	3,297,146,207	31,421,269,891	73,020,878,485	5,424,895,811	(8,982,965,658)	160,934,764,011
Amortization of Senior Notes issuance cost	43,878,263,342	-	-	-	-	-	43,878,263,342
Other information							
Segments assets	22,459,436,270,431	105,180,732,022	3,250,726,015,144	1,486,962,304,584	1,169,388,707,191	-	28,471,694,029,372
Elimination of inter-segment assets	(14,064,583,296,320)	(387,035,548)	(2,035,843,855,327)	(35,713,157,917)	(43,076,354,234)	-	(16,179,603,699,346)
Net	8,394,852,974,111	104,793,696,474	1,214,882,159,817	1,451,249,146,667	1,126,312,352,957	-	12,292,090,330,026
Segment liabilities	8,498,592,036,330	45,485,064,879	2,771,690,213,279	1,489,264,124,531	197,967,101,131	-	13,002,998,540,150
Elimination of inter-segment liabilities	(3,161,476,429,184)	(99,535,155)	(2,612,222,273,140)	(1,303,304,970,668)	(5,815,373,060)	-	(7,082,918,581,207)
Net	5,337,115,607,146	45,385,529,724	159,467,940,139	185,959,153,863	192,151,728,071	-	5,920,079,958,943

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35. **SEGMENT INFORMATION** (Continued)

Business segment (Continued)

The following table presents revenue and profit, and certain asset and liability information regarding the Group's business segments: (Continued)

	December 31, 2020 (One year) (Audited)						
	Real estate	Golf	Service and maintenance	Power plant	Tourism	Elimination	Total
Sales and service revenue	1,245,133,995,655	58,218,168,131	463,193,649,662	641,953,384,205	37,601,471,049	(50,014,651,668)	2,396,086,017,034
Cost of sales and service revenue	601,331,173,869	35,328,560,319	262,266,470,739	468,087,029,117	35,519,170,466	(24,865,442,902)	1,377,666,961,608
Gross profit	643,802,821,786	22,889,607,812	200,927,178,923	173,866,355,088	2,082,300,583	(25,149,208,766)	1,018,419,055,426
Selling expenses	(52,044,165,137)	(815,392,927)	(695,890,678)	(944,166,671)	(2,798,270,177)	22,500,000	(57,275,385,590)
General and administrative expenses	(253,505,064,112)	(22,985,168,047)	(108,335,588,177)	(35,238,944,098)	(49,140,028,047)	3,191,269,273	(466,013,523,208)
Financial income	317,772,021,972	1,877,435,852	185,858,062,827	3,917,004,561	823,649,725	(475,022,355,599)	35,225,819,338
Financial expenses	(520,613,875,720)	(439,879,536)	(239,025,848,932)	(178,665,020,066)	(296,731,441)	472,416,135,594	(466,625,220,101)
Final tax expense	(24,191,523,009)	(80,667,504)	(27,979,414)	-	(212,220,540)	-	(24,512,390,467)
Other (expenses) income	301,846,418,296	1,538,422,892	(24,872,525,297)	78,979,147	1,258,742,653	(281,583,334,347)	(1,733,296,656)
Profit before income tax (expense) benefit	413,066,634,076	1,984,358,542	13,827,409,252	(36,985,792,039)	(48,282,557,244)	(306,124,993,845)	37,485,058,742
Income tax benefit (expense) - Net	6,218,969,474	(1,051,459,257)	(6,459,042,882)	8,419,393,709	280,369,596	356,584,153	7,764,814,793
Net profit (loss)	419,285,603,550	932,899,285	7,368,366,370	(28,566,398,330)	(48,002,187,648)	(305,768,409,692)	45,249,873,535
Other comprehensive income	7,595,782,243	494,388,703	5,804,200,355	266,712,466	233,547,083	-	14,394,630,850
Net comprehensive income (loss)	426,881,385,793	1,427,287,988	13,172,566,725	(28,299,685,864)	(47,768,640,565)	(305,768,409,692)	59,644,504,385
Net profit (loss) attributable to:							
Owners of the parent company	419,285,603,550	932,899,285	7,368,366,370	(28,566,398,330)	(48,002,187,648)	(398,812,671,441)	(47,794,388,214)
Non-controlling interests	-	-	-	-	-	93,044,261,749	93,044,261,749
Total	419,285,603,550	932,899,285	7,368,366,370	(28,566,398,330)	(48,002,187,648)	(305,768,409,692)	45,249,873,535
Net comprehensive income (loss) attributable to:							
Owners of the parent company	426,881,385,793	1,427,287,988	13,172,566,725	(28,299,685,864)	(47,768,640,565)	(398,812,671,441)	(33,399,757,364)
Non-controlling interests	-	-	-	-	-	93,044,261,749	93,044,261,749
Total	426,881,385,793	1,427,287,988	13,172,566,725	(28,299,685,864)	(47,768,640,565)	(305,768,409,692)	59,644,504,385
Capital expenditures	13,984,749,567	1,612,431,536	15,482,430,843	16,478,122,049	2,501,993,120	-	50,059,727,115
Depreciation and amortization	51,953,199,090	2,327,114,398	33,537,223,438	81,206,596,232	4,866,330,617	-	173,890,463,775
Amortization of Senior Notes issuance cost	41,335,714,496	-	-	-	-	-	41,335,714,496
Other information							
Segments assets	21,405,534,757,057	70,331,119,553	3,226,906,960,771	1,637,857,691,490	1,164,857,221,586	-	27,505,487,750,457
Elimination of inter-segment assets	(13,188,518,091,325)	(49,174,746)	(2,044,855,481,324)	(29,865,649,756)	(42,023,373,436)	-	(15,305,311,770,587)
Net	8,217,016,665,732	70,281,944,807	1,182,051,479,447	1,607,992,041,734	1,122,833,848,150	-	12,200,175,979,870
Segment liabilities	8,028,660,866,319	42,179,670,752	2,790,162,689,724	1,548,655,433,462	162,233,041,187	-	12,571,891,701,444
Elimination of inter-segment liabilities	(2,713,676,915,570)	-	(2,612,236,654,175)	(1,302,504,970,668)	(3,551,689,742)	-	(6,631,970,230,155)
Net	5,314,983,950,749	42,179,670,752	177,926,035,549	246,150,462,794	158,681,351,445	-	5,939,921,471,289

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35. **SEGMENT INFORMATION** (Continued)

Business segment (Continued)

The following table presents revenue and profit, and certain asset and liability information regarding the Group's business segments: (Continued)

	December 31, 2019 (One year) (Audited)						
	Real estate	Golf	Service and maintenance	Power plant	Tourism	Elimination	Total
Sales and service revenue	809,736,526,215	65,223,862,926	494,094,553,630	835,975,685,635	93,488,120,236	(44,574,421,991)	2,253,944,326,651
Cost of sales and service revenue	324,878,617,087	40,312,734,228	294,491,754,071	700,151,545,589	54,189,221,817	(3,530,896,576)	1,410,492,976,216
Gross profit	484,857,909,128	24,911,128,698	199,602,799,559	135,824,140,046	39,298,898,419	(41,043,525,415)	843,451,350,435
Selling expenses	(80,426,230,859)	(945,412,430)	(1,736,360,265)	(1,707,728,930)	(5,001,630,752)	54,000,000	(89,763,363,236)
General and administrative expenses	(243,309,878,226)	(24,416,654,372)	(95,795,035,777)	(38,181,428,437)	(57,186,192,861)	3,108,760,239	(455,780,429,434)
Financial income	304,863,784,379	2,100,790,696	196,960,514,221	5,548,059,506	440,560,136	(470,902,126,519)	39,011,582,419
Financial expenses	(487,591,267,107)	(436,613,868)	(221,717,969,759)	(185,538,686,841)	(174,743,418)	470,777,838,541	(424,681,442,452)
Final tax expense	(38,981,090,117)	(96,662,126)	(28,636,311)	(1,611,554)	(2,097,319,658)	-	(41,205,319,766)
Other income (expenses)	453,318,942,927	1,228,747,182	58,948,779,166	10,130,300,969	28,458,132,363	(249,843,409,417)	302,241,493,190
Profit before income tax (expense) benefit	392,732,170,125	2,345,323,780	136,234,090,834	(73,926,955,241)	3,737,704,229	(287,848,462,571)	173,273,871,156
Income tax (expense) benefit - Net	2,219,795,006	(25,152,590)	(30,189,270,137)	(4,525,859,547)	283,405,427	103,517,753	(32,133,564,088)
Net profit (loss)	394,951,965,131	2,320,171,190	106,044,820,697	(78,452,814,788)	4,021,109,656	(287,744,944,818)	141,140,307,068
Other comprehensive income	(5,562,839,029)	8,031,274	329,459,560	19,239,931	86,048,178	(1,170,245,790)	(6,290,305,876)
Net comprehensive income (loss)	389,389,126,102	2,328,202,464	106,374,280,257	(78,433,574,857)	4,107,157,834	(288,915,190,608)	134,850,001,192
Net profit (loss) attributable to:							
Owners of the parent company	394,951,965,131	2,320,171,190	106,044,820,697	(78,452,814,788)	4,021,109,656	(310,079,049,617)	118,806,202,269
Non-controlling interests	-	-	-	-	-	22,334,104,799	22,334,104,799
Total	394,951,965,131	2,320,171,190	106,044,820,697	(78,452,814,788)	4,021,109,656	(287,744,944,818)	141,140,307,068
Net comprehensive income (loss) attributable to:							
Owners of the parent company	389,389,126,102	2,328,202,464	106,374,280,257	(78,433,574,857)	4,107,157,834	(311,249,295,407)	112,515,896,393
Non-controlling interests	-	-	-	-	-	22,334,104,799	22,334,104,799
Total	389,389,126,102	2,328,202,464	106,374,280,257	(78,433,574,857)	4,107,157,834	(288,915,190,608)	134,850,001,192
Capital expenditures	48,450,951,850	1,793,410,351	42,398,488,137	23,288,188,173	4,659,683,234	-	120,590,721,745
Depreciation and amortization	49,737,504,001	2,579,760,780	33,327,565,943	78,220,400,241	5,199,392,222	-	169,064,623,187
Amortization of Senior Notes issuance cost	(36,984,514,335)	-	-	-	-	-	(36,984,514,335)
Other information							
Segments assets	20,634,408,472,912	65,208,690,283	3,087,689,219,815	1,695,962,729,829	1,211,588,925,080	-	26,694,858,037,919
Elimination of inter-segment assets	(12,437,218,539,769)	-	(1,999,726,197,162)	(22,174,013,119)	(51,127,708,557)	-	(14,510,246,458,607)
Net	8,197,189,933,143	65,208,690,283	1,087,963,022,653	1,673,788,716,710	1,160,461,216,523	-	12,184,611,579,312
Segment liabilities	7,647,603,648,306	36,884,529,470	2,719,542,512,644	1,578,460,785,937	163,046,104,116	-	12,145,537,580,473
Elimination of inter-segment liabilities	(2,421,999,435,063)	-	(2,547,635,206,990)	(1,290,304,970,668)	(8,001,617,756)	-	(6,267,941,230,477)
Net	5,225,604,213,243	36,884,529,470	171,907,305,654	288,155,815,269	155,044,486,360	-	5,877,596,349,996

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35. **SEGMENT INFORMATION** (Continued)

Business Segment (Continued)

All of the Group's assets are located in Indonesia and Netherland. The following table presents sales to customers based on the geographical location of the customers:

	June 30, 2022 (Six-months) (Unaudited)						
	Real estate	Golf	Service and maintenance	Power plant	Tourism	Elimination	Total
Sales and service revenue							
Cikarang	452,450,152,719	29,102,438,628	268,995,236,015	313,756,266,853	9,118,501,217	(14,788,272,320)	1,058,634,323,112
Pandeglang	-	-	-	-	8,314,942,340	-	8,314,942,340
Morotai	-	-	-	-	125,054,927	-	125,054,927
Kendal	50,231,815,805	-	-	12,673,057,523	-	-	62,904,873,328
Amsterdam	-	-	-	-	-	-	-
Others	-	7,223,719,996	-	-	-	-	7,223,719,996
Total	502,681,968,524	36,326,158,624	268,995,236,015	326,429,324,376	17,558,498,484	(14,788,272,320)	1,137,202,913,703
Other information							
Segment assets							
Cikarang	16,203,252,054,795	92,363,738,875	3,410,384,624,423	1,468,303,084,094	34,856,842,109	-	21,209,160,344,296
Pandeglang	-	-	1,238,301,000	100,000,000	965,545,190,821	-	966,883,491,821
Morotai	-	-	-	-	155,308,933,051	-	155,308,933,051
Kendal	2,168,114,208,909	-	-	60,476,702,146	-	-	2,228,590,911,055
Amsterdam	4,591,586,893,312	-	-	-	-	-	4,591,586,893,312
Others	3,137,398,045	16,387,799,714	-	-	-	-	19,525,197,759
Total	22,966,090,555,061	108,751,538,589	3,411,622,925,423	1,528,879,786,240	1,155,710,965,981	-	29,171,055,771,294
Elimination of inter - segment assets							
Cikarang	(14,509,667,527,277)	(555,614,776)	(2,159,604,838,489)	(43,358,769,168)	-	-	(16,713,186,749,710)
Pandeglang	-	-	-	-	(36,997,681,657)	-	(36,997,681,657)
Morotai	-	-	-	-	-	-	-
Kendal	-	-	-	-	-	-	-
Amsterdam	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	(14,509,667,527,277)	(555,614,776)	(2,159,604,838,489)	(43,358,769,168)	(36,997,681,657)	-	(16,750,184,431,367)
Net							
Cikarang	1,693,584,527,518	91,808,124,099	1,250,779,785,934	1,424,944,314,926	34,856,842,109	-	4,495,973,594,586
Pandeglang	-	-	1,238,301,000	100,000,000	928,547,509,164	-	929,885,810,164
Morotai	-	-	-	-	155,308,933,051	-	155,308,933,051
Kendal	2,168,114,208,909	-	-	60,476,702,146	-	-	2,228,590,911,055
Amsterdam	4,591,586,893,312	-	-	-	-	-	4,591,586,893,312
Others	3,137,398,045	16,387,799,714	-	-	-	-	19,525,197,759
Total	8,456,423,027,784	108,195,923,813	1,252,018,086,934	1,485,521,017,072	1,118,713,284,324	-	12,420,871,339,927

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35. **SEGMENT INFORMATION** (Continued)

Business Segment (Continued)

All of the Group's assets are located in Indonesia and Netherland. The following table presents sales to customers based on the geographical location of the customers: (Continued)

	June 30, 2022 (Six-months) (Unaudited)						
	Real estate	Golf	Service and maintenance	Power plant	Tourism	Elimination	Total
Segment liabilities							
Cikarang	3,924,217,972,914	37,290,767,561	2,893,561,742,832	1,486,273,520,207	21,326,714,520	-	8,362,670,718,034
Pandeglang	-	-	120,000	-	120,243,688,511	-	120,243,808,511
Morotai	-	-	-	-	68,632,272,264	-	68,632,272,264
Kendal	176,954,601,670	-	-	19,990,214,971	-	-	196,944,816,641
Amsterdam	4,694,655,042,560	-	-	-	-	-	4,694,655,042,560
Others	-	8,268,232,873	-	-	-	-	8,268,232,873
Total	8,795,827,617,144	45,559,000,434	2,893,561,862,832	1,506,263,735,178	210,202,675,295	-	13,451,414,890,883
Elimination of Inter-segment liabilities							
Cikarang	(3,334,972,245,478)	(40,865,897)	(2,741,095,721,105)	(1,278,304,970,668)	-	-	(7,354,413,803,148)
Pandeglang	-	-	-	-	(1,701,306,730)	-	(1,701,306,730)
Morotai	-	-	-	-	-	-	-
Kendal	-	-	-	-	-	-	-
Amsterdam	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	(3,334,972,245,478)	(40,865,897)	(2,741,095,721,105)	(1,278,304,970,668)	(1,701,306,730)	-	(7,356,115,109,878)
Net							
Cikarang	589,245,727,436	37,249,901,664	152,466,021,727	207,968,549,539	21,326,714,520	-	1,008,256,914,886
Pandeglang	-	-	120,000	-	118,542,381,781	-	118,542,501,781
Morotai	-	-	-	-	68,632,272,264	-	68,632,272,264
Kendal	176,954,601,670	-	-	19,990,214,971	-	-	196,944,816,641
Amsterdam	4,694,655,042,560	-	-	-	-	-	4,694,655,042,560
Others	-	8,268,232,873	-	-	-	-	8,268,232,873
Total	5,460,855,371,666	45,518,134,537	152,466,141,727	227,958,764,510	208,501,368,565	-	6,095,299,781,005
Capital expenditures							
Cikarang	708,546,711	824,936,886	9,409,580,878	3,265,264,437	41,632,240	-	14,249,961,152
Pandeglang	-	-	-	-	186,089,567	-	186,089,567
Morotai	-	-	-	-	276,402,907	-	276,402,907
Kendal	38,614,925,279	-	-	8,155,180,569	-	-	46,770,105,848
Amsterdam	-	-	-	-	-	-	-
Others	-	334,095,454	-	-	-	-	334,095,454
Total	39,323,471,990	1,159,032,340	9,409,580,878	11,420,445,006	504,124,714	-	61,816,654,928

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35. **SEGMENT INFORMATION** (Continued)

Business Segment (Continued)

All of the Group's assets are located in Indonesia and Netherland. The following table presents sales to customers based on the geographical location of the customers: (Continued)

	June 30, 2021 (Six-months) (Unaudited)						
	Real estate	Golf	Service and maintenance	Power plant	Tourism	Elimination	Total
Sales and service revenue							
Cikarang	247,074,797,912	26,500,979,579	253,834,023,093	384,024,978,123	10,325,204,011	(21,720,090,395)	900,039,892,323
Pandeglang	-	-	-	-	6,685,615,495	-	6,685,615,495
Morotai	-	-	-	-	430,283,772	-	430,283,772
Kendal	186,582,905,531	-	-	6,556,411,885	-	(518,973,210)	192,620,344,206
Amsterdam	-	-	-	-	-	-	-
Others	-	6,051,525,512	-	-	-	-	6,051,525,512
Total	433,657,703,443	32,552,505,091	253,834,023,093	390,581,390,008	17,441,103,278	(22,239,063,605)	1,105,827,661,308
Other information							
Segment assets							
Cikarang	15,513,207,680,281	67,964,124,456	3,206,016,491,316	1,540,673,436,414	39,625,196,405	-	20,367,486,928,872
Pandeglang	-	-	1,271,250,000	100,000,000	966,673,891,651	-	968,045,141,651
Morotai	-	-	-	-	155,798,715,436	-	155,798,715,436
Kendal	1,955,070,393,182	-	-	44,469,070,726	-	-	1,999,539,463,908
Amsterdam	4,482,727,210,368	-	-	-	-	-	4,482,727,210,368
Others	3,148,561,220	13,690,583,227	-	-	-	-	16,839,144,447
Total	21,954,153,845,051	81,654,707,683	3,207,287,741,316	1,585,242,507,140	1,162,097,803,492	-	27,990,436,604,682
Elimination of inter - segment assets							
Cikarang	(13,644,082,651,737)	678,876,083	(2,004,056,730,914)	(36,724,087,070)	-	-	(15,684,184,593,638)
Pandeglang	-	-	-	-	(43,447,540,901)	-	(43,447,540,901)
Morotai	-	-	-	-	-	-	-
Kendal	-	-	-	-	-	-	-
Amsterdam	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	(13,644,082,651,737)	678,876,083	(2,004,056,730,914)	(36,724,087,070)	(43,447,540,901)	-	(15,727,632,134,539)
Net							
Cikarang	1,869,125,028,544	68,643,000,539	1,201,959,760,402	1,503,949,349,344	39,625,196,405	-	4,683,302,335,234
Pandeglang	-	-	1,271,250,000	100,000,000	923,226,350,750	-	924,597,600,750
Morotai	-	-	-	-	155,798,715,436	-	155,798,715,436
Kendal	1,955,070,393,182	-	-	44,469,070,726	-	-	1,999,539,463,908
Amsterdam	4,482,727,210,368	-	-	-	-	-	4,482,727,210,368
Others	3,148,561,220	13,690,583,227	-	-	-	-	16,839,144,447
Total	8,310,071,193,314	82,333,583,766	1,203,231,010,402	1,548,518,420,070	1,118,650,262,591	-	12,262,804,470,143

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35. **SEGMENT INFORMATION** (Continued)

Business Segment (Continued)

All of the Group's assets are located in Indonesia and Netherland. The following table presents sales to customers based on the geographical location of the customers: (Continued)

	June 30, 2021 (Six-months) (Unaudited)						
	Real estate	Golf	Service and maintenance	Power plant	Tourism	Elimination	Total
Segment liabilities							
Cikarang	3,854,132,415,506	43,399,967,309	2,848,736,206,912	1,472,224,391,978	24,410,594,902	-	8,242,903,576,607
Pandeglang	-	-	-	-	97,232,793,540	-	97,232,793,540
Morotai	-	-	-	-	55,092,670,466	-	55,092,670,466
Kendal	97,002,274,833	-	-	35,626,575,167	-	-	132,628,850,000
Amsterdam	4,547,978,808,960	-	-	-	-	-	4,547,978,808,960
Others	-	4,568,776,373	-	-	-	-	4,568,776,373
Total	8,499,113,499,299	47,968,743,682	2,848,736,206,912	1,507,850,967,145	176,736,058,908	-	13,080,405,475,946
Elimination of Inter-segment liabilities							
Cikarang	(2,997,523,307,465)	(109,055,200)	(2,676,590,058,346)	(1,303,304,970,668)	-	-	(6,977,527,391,679)
Pandeglang	-	-	-	-	(6,848,761,957)	-	(6,848,761,957)
Morotai	-	-	-	-	-	-	-
Kendal	-	-	-	-	-	-	-
Amsterdam	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	(2,997,523,307,465)	(109,055,200)	(2,676,590,058,346)	(1,303,304,970,668)	(6,848,761,957)	-	(6,984,376,153,636)
Net							
Cikarang	856,609,108,041	43,290,912,109	172,146,148,566	168,919,421,310	24,410,594,902	-	1,265,376,184,928
Pandeglang	-	-	-	-	90,384,031,583	-	90,384,031,583
Morotai	-	-	-	-	55,092,670,466	-	55,092,670,466
Kendal	97,002,274,833	-	-	35,626,575,167	-	-	132,628,850,000
Amsterdam	4,547,978,808,960	-	-	-	-	-	4,547,978,808,960
Others	-	4,568,776,373	-	-	-	-	4,568,776,373
Total	5,501,590,191,834	47,859,688,482	172,146,148,566	204,545,996,477	169,887,296,951	-	6,096,029,322,310
Capital expenditures							
Cikarang	2,319,206,391	488,194,670	5,334,330,139	9,300,371,065	319,757,650	-	17,761,859,915
Pandeglang	-	-	-	-	1,039,615,639	-	1,039,615,639
Morotai	-	-	-	-	27,065,500	-	27,065,500
Kendal	2,163,732,112	-	-	222,277,256	-	-	2,386,009,368
Amsterdam	-	-	-	-	-	-	-
Others	-	16,675,500	-	-	-	-	16,675,500
Total	4,482,938,503	504,870,170	5,334,330,139	9,522,648,321	1,386,438,789	-	21,231,225,922

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35. **SEGMENT INFORMATION** (Continued)

Business Segment (Continued)

All of the Group's assets are located in Indonesia and Netherland. The following table presents sales to customers based on the geographical location of the customers: (Continued)

	December 31, 2021 (One year) (Audited)						
	Real estate	Golf	Service and maintenance	Power plant	Tourism	Elimination	Total
Sales and service revenue							
Cikarang	773,388,577,246	49,937,893,092	524,355,041,755	621,023,519,444	20,090,550,984	(53,617,676,446)	1,935,177,906,075
Pandeglang	-	-	-	-	20,910,927,964	-	20,910,927,964
Morotai	-	-	-	-	728,069,555	-	728,069,555
Kendal	504,655,879,152	-	-	16,208,884,808	-	-	520,864,763,960
Amsterdam	-	-	-	-	-	-	-
Others	-	12,574,543,448	-	-	-	-	12,574,543,448
Total	1,278,044,456,398	62,512,436,540	524,355,041,755	637,232,404,252	41,729,548,503	(53,617,676,446)	2,490,256,211,002
Other information							
Segment assets							
Cikarang	15,968,964,503,636	88,497,807,555	3,249,467,725,144	1,438,519,462,502	36,719,691,848	-	20,782,169,190,685
Pandeglang	-	-	1,258,290,000	100,000,000	977,151,090,522	-	978,509,380,522
Morotai	-	-	-	-	155,517,924,821	-	155,517,924,821
Kendal	2,073,168,775,427	-	-	48,342,842,082	-	-	2,121,511,617,509
Amsterdam	4,414,160,011,736	-	-	-	-	-	4,414,160,011,736
Others	3,142,979,632	16,682,924,467	-	-	-	-	19,825,904,099
Total	22,459,436,270,431	105,180,732,022	3,250,726,015,144	1,486,962,304,584	1,169,388,707,191	-	28,471,694,029,372
Elimination of inter - segment assets							
Cikarang	(14,064,583,296,320)	(387,035,548)	(2,035,843,855,327)	(35,713,157,917)	-	-	(16,136,527,345,112)
Pandeglang	-	-	-	-	(43,076,354,234)	-	(43,076,354,234)
Morotai	-	-	-	-	-	-	-
Kendal	-	-	-	-	-	-	-
Amsterdam	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	(14,064,583,296,320)	(387,035,548)	(2,035,843,855,327)	(35,713,157,917)	(43,076,354,234)	-	(16,179,603,699,346)
Net							
Cikarang	1,904,381,207,316	88,110,772,007	1,213,623,869,817	1,402,806,304,585	36,719,691,848	-	4,645,641,845,573
Pandeglang	-	-	1,258,290,000	100,000,000	934,074,736,288	-	935,433,026,288
Morotai	-	-	-	-	155,517,924,821	-	155,517,924,821
Kendal	2,073,168,775,427	-	-	48,342,842,082	-	-	2,121,511,617,509
Amsterdam	4,414,160,011,736	-	-	-	-	-	4,414,160,011,736
Others	3,142,979,632	16,682,924,467	-	-	-	-	19,825,904,099
Total	8,394,852,974,111	104,793,696,474	1,214,882,159,817	1,451,249,146,667	1,126,312,352,957	-	12,292,090,330,026

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35. **SEGMENT INFORMATION** (Continued)

Business Segment (Continued)

All of the Group's assets are located in Indonesia and Netherland. The following table presents sales to customers based on the geographical location of the customers: (Continued)

	December 31, 2021 (One year) (Audited)						
	Real estate	Golf	Service and maintenance	Power plant	Tourism	Elimination	Total
Segment liabilities							
Cikarang	3,895,483,505,719	37,854,679,087	2,771,673,173,279	1,448,762,005,457	20,022,363,210	-	8,173,795,726,752
Pandeglang	-	-	17,040,000	-	115,788,886,840	-	115,805,926,840
Morotai	-	-	-	-	62,155,851,081	-	62,155,851,081
Kendal	107,246,465,108	-	-	40,502,119,074	-	-	147,748,584,182
Amsterdam	4,495,862,065,503	-	-	-	-	-	4,495,862,065,503
Others	-	7,630,385,792	-	-	-	-	7,630,385,792
Total	8,498,592,036,330	45,485,064,879	2,771,690,213,279	1,489,264,124,531	197,967,101,131	-	13,002,998,540,150
Elimination of Inter-segment liabilities							
Cikarang	(3,161,476,429,184)	(99,535,155)	(2,612,222,273,140)	(1,303,304,970,668)	-	-	(7,077,103,208,147)
Pandeglang	-	-	-	-	(5,815,373,060)	-	(5,815,373,060)
Morotai	-	-	-	-	-	-	-
Kendal	-	-	-	-	-	-	-
Amsterdam	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	(3,161,476,429,184)	(99,535,155)	(2,612,222,273,140)	(1,303,304,970,668)	(5,815,373,060)	-	(7,082,918,581,207)
Net							
Cikarang	734,007,076,535	37,755,143,932	159,450,900,139	145,457,034,789	20,022,363,210	-	1,096,692,518,605
Pandeglang	-	-	17,040,000	-	109,973,513,780	-	109,990,553,780
Morotai	-	-	-	-	62,155,851,081	-	62,155,851,081
Kendal	107,246,465,108	-	-	40,502,119,074	-	-	147,748,584,182
Amsterdam	4,495,862,065,503	-	-	-	-	-	4,495,862,065,503
Others	-	7,630,385,792	-	-	-	-	7,630,385,792
Total	5,337,115,607,146	45,385,529,724	159,467,940,139	185,959,153,863	192,151,728,071	-	5,920,079,958,943
Capital expenditures							
Cikarang	6,976,542,109	2,229,645,817	19,912,057,053	13,380,342,687	257,564,149	-	42,756,151,815
Pandeglang	-	-	-	-	2,907,604,381	-	2,907,604,381
Morotai	-	-	-	-	172,424,000	-	172,424,000
Kendal	14,922,191,782	-	-	1,093,783,056	-	-	16,015,974,838
Amsterdam	-	-	-	-	-	-	-
Others	-	150,906,592	-	-	-	-	150,906,592
Total	21,898,733,891	2,380,552,409	19,912,057,053	14,474,125,743	3,337,592,530	-	62,003,061,626

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35. **SEGMENT INFORMATION** (Continued)

Business Segment (Continued)

All of the Group's assets are located in Indonesia and Netherland. The following table presents sales to customers based on the geographical location of the customers: (Continued)

	December 31, 2020 (One year) (Audited)						
	Real estate	Golf	Service and maintenance	Power plant	Tourism	Elimination	Total
Sales and service revenue							
Cikarang	604,774,475,996	47,673,879,081	463,193,649,662	632,314,321,127	22,658,120,043	(49,791,065,104)	1,720,823,380,805
Pandeglang	-	-	-	-	12,822,760,125	-	12,822,760,125
Morotai	-	-	-	-	2,120,590,881	-	2,120,590,881
Kendal	640,359,519,659	-	-	9,639,063,078	-	(223,586,564)	649,774,996,173
Amsterdam	-	-	-	-	-	-	-
Others	-	10,544,289,050	-	-	-	-	10,544,289,050
Total	1,245,133,995,655	58,218,168,131	463,193,649,662	641,953,384,205	37,601,471,049	(50,014,651,668)	2,396,086,017,034
Other information							
Segment assets							
Cikarang	15,167,588,208,107	57,543,284,804	3,225,597,210,771	1,601,809,260,911	37,832,062,444	-	20,090,370,027,037
Pandeglang	-	-	1,309,750,000	100,000,000	970,956,926,739	-	972,366,676,739
Morotai	-	-	-	-	156,068,232,403	-	156,068,232,403
Kendal	1,869,171,586,128	-	-	35,948,430,579	-	-	1,905,120,016,707
Amsterdam	4,365,620,820,015	-	-	-	-	-	4,365,620,820,015
Others	3,154,142,807	12,787,834,749	-	-	-	-	15,941,977,556
Total	21,405,534,757,057	70,331,119,553	3,226,906,960,771	1,637,857,691,490	1,164,857,221,586	-	27,505,487,750,457
Elimination of inter - segment assets							
Cikarang	(13,188,518,091,325)	(49,174,746)	(2,044,855,481,324)	(29,865,649,756)	-	-	(15,263,288,397,151)
Pandeglang	-	-	-	-	-	-	-
Morotai	-	-	-	-	(42,023,373,436)	-	(42,023,373,436)
Kendal	-	-	-	-	-	-	-
Amsterdam	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	(13,188,518,091,325)	(49,174,746)	(2,044,855,481,324)	(29,865,649,756)	(42,023,373,436)	-	(15,305,311,770,587)
Net							
Cikarang	1,979,070,116,782	57,494,110,058	1,180,741,729,447	1,571,943,611,155	37,832,062,444	-	4,827,081,629,886
Pandeglang	-	-	1,309,750,000	100,000,000	970,956,926,739	-	972,366,676,739
Morotai	-	-	-	-	114,044,858,967	-	114,044,858,967
Kendal	1,869,171,586,128	-	-	35,948,430,579	-	-	1,905,120,016,707
Amsterdam	4,365,620,820,015	-	-	-	-	-	4,365,620,820,015
Others	3,154,142,807	12,787,834,749	-	-	-	-	15,941,977,556
Total	8,217,016,665,732	70,281,944,807	1,182,051,479,447	1,607,992,041,734	1,122,833,848,150	-	12,200,175,979,870

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35. **SEGMENT INFORMATION** (Continued)

Business Segment (Continued)

All of the Group's assets are located in Indonesia and Netherland. The following table presents sales to customers based on the geographical location of the customers: (Continued)

	December 31, 2020 (One year) (Audited)						
	Real estate	Golf	Service and maintenance	Power plant	Tourism	Elimination	Total
Segment liabilities							
Cikarang	3,530,756,743,244	38,144,472,347	2,790,132,689,724	1,515,481,621,739	20,426,917,269	-	7,894,942,444,323
Pandeglang	-	-	30,000,000	-	91,616,746,465	-	91,646,746,465
Morotai	-	-	-	-	50,189,377,453	-	50,189,377,453
Kendal	85,430,033,415	-	-	33,173,811,723	-	-	118,603,845,138
Amsterdam	4,412,474,089,660	-	-	-	-	-	4,412,474,089,660
Others	-	4,035,198,405	-	-	-	-	4,035,198,405
Total	8,028,660,866,319	42,179,670,752	2,790,162,689,724	1,548,655,433,462	162,233,041,187	-	12,571,891,701,444
Elimination of Inter-segment liabilities							
Cikarang	(2,713,676,915,570)	-	(2,612,236,654,175)	(1,302,504,970,668)	-	-	(6,628,418,540,413)
Pandeglang	-	-	-	-	-	-	-
Morotai	-	-	-	-	(3,551,689,742)	-	(3,551,689,742)
Kendal	-	-	-	-	-	-	-
Amsterdam	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	(2,713,676,915,570)	-	(2,612,236,654,175)	(1,302,504,970,668)	(3,551,689,742)	-	(6,631,970,230,155)
Net							
Cikarang	817,079,827,674	38,144,472,347	177,896,035,549	212,976,651,071	20,426,917,269	-	1,266,523,903,910
Pandeglang	-	-	30,000,000	-	91,616,746,465	-	91,646,746,465
Morotai	-	-	-	-	46,637,687,711	-	46,637,687,711
Kendal	85,430,033,415	-	-	33,173,811,723	-	-	118,603,845,138
Amsterdam	4,412,474,089,660	-	-	-	-	-	4,412,474,089,660
Others	-	4,035,198,405	-	-	-	-	4,035,198,405
Total	5,314,983,950,749	42,179,670,752	177,926,035,549	246,150,462,794	158,681,351,445	-	5,939,921,471,289
Capital expenditures							
Cikarang	5,436,038,631	1,355,914,536	15,482,430,843	3,162,768,861	423,621,291	-	25,860,774,162
Pandeglang	-	-	-	-	2,046,601,529	-	2,046,601,529
Morotai	-	-	-	-	31,770,300	-	31,770,300
Kendal	8,548,710,936	-	-	13,315,353,188	-	-	21,864,064,124
Amsterdam	-	-	-	-	-	-	-
Others	-	256,517,000	-	-	-	-	256,517,000
Total	13,984,749,567	1,612,431,536	15,482,430,843	16,478,122,049	2,501,993,120	-	50,059,727,115

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36. **SEGMENT INFORMATION** (Continued)

Business Segment (Continued)

All of the Group's assets are located in Indonesia and Netherland. The following table presents sales to customers based on the geographical location of the customers: (Continued)

	December 31, 2019 (One year) (Audited)						
	Real estate	Golf	Service and maintenance	Power plant	Tourism	Elimination	Total
Sales and service revenue							
Cikarang	637,266,200,816	56,059,681,879	494,094,553,630	831,643,940,093	12,077,335,853	(44,426,914,560)	1,986,714,797,711
Pandeglang	-	-	-	-	79,038,893,600	-	79,038,893,600
Morotai	-	-	-	-	2,371,890,783	-	2,371,890,783
Kendal	172,470,325,399	-	-	4,331,745,542	-	(147,507,431)	176,654,563,510
Amsterdam	-	-	-	-	-	-	-
Others	-	9,164,181,047	-	-	-	-	9,164,181,047
Total	809,736,526,215	65,223,862,926	494,094,553,630	835,975,685,635	93,488,120,236	(44,574,421,991)	2,253,944,326,651
Other information							
Segment assets							
Cikarang	14,508,643,319,200	52,817,498,966	3,086,341,919,815	1,668,934,775,358	36,793,362,744	-	19,353,530,876,083
Pandeglang	-	-	1,347,300,000	100,000,000	1,017,658,153,770	-	1,019,105,453,770
Morotai	-	-	-	-	157,137,408,566	-	157,137,408,566
Kendal	1,820,990,793,215	-	-	26,927,954,471	-	-	1,847,918,747,686
Amsterdam	4,301,609,054,515	-	-	-	-	-	4,301,609,054,515
Others	3,165,305,982	12,391,191,317	-	-	-	-	15,556,497,299
Total	20,634,408,472,912	65,208,690,283	3,087,689,219,815	1,695,962,729,829	1,211,588,925,080	-	26,694,858,037,919
Elimination of inter - segment assets							
Cikarang	(12,437,218,539,769)	-	(1,999,726,197,162)	(22,174,013,119)	-	-	(14,459,118,750,050)
Pandeglang	-	-	-	-	(51,127,708,557)	-	(51,127,708,557)
Morotai	-	-	-	-	-	-	-
Kendal	-	-	-	-	-	-	-
Amsterdam	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	(12,437,218,539,769)	-	(1,999,726,197,162)	(22,174,013,119)	(51,127,708,557)	-	(14,510,246,458,607)
Net							
Cikarang	2,071,424,779,431	52,817,498,966	1,086,615,722,653	1,646,760,762,239	36,793,362,744	-	4,894,412,126,033
Pandeglang	-	-	1,347,300,000	100,000,000	966,530,445,213	-	967,977,745,213
Morotai	-	-	-	-	157,137,408,566	-	157,137,408,566
Kendal	1,820,990,793,215	-	-	26,927,954,471	-	-	1,847,918,747,686
Amsterdam	4,301,609,054,515	-	-	-	-	-	4,301,609,054,515
Others	3,165,305,982	12,391,191,317	-	-	-	-	15,556,497,299
Total	8,197,189,933,143	65,208,690,283	1,087,963,022,653	1,673,788,716,710	1,160,461,216,523	-	12,184,611,579,312

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35. **SEGMENT INFORMATION** (Continued)

Business Segment (Continued)

All of the Group's assets are located in Indonesia and Netherland. The following table presents sales to customers based on the geographical location of the customers: (Continued)

	December 31, 2019 (One year) (Audited)						
	Real estate	Golf	Service and maintenance	Power plant	Tourism	Elimination	Total
Segment liabilities							
Cikarang	3,084,536,933,021	33,738,917,740	2,719,525,712,644	1,558,823,164,068	14,504,046,840	-	7,411,128,774,313
Pandeglang	-	-	16,800,000	-	108,889,843,925	-	108,906,643,925
Morotai	-	-	-	-	39,652,213,351	-	39,652,213,351
Kendal	245,041,483,335	-	-	19,637,621,869	-	-	264,679,105,204
Amsterdam	4,318,025,231,950	-	-	-	-	-	4,318,025,231,950
Others	-	3,145,611,730	-	-	-	-	3,145,611,730
Total	7,647,603,648,306	36,884,529,470	2,719,542,512,644	1,578,460,785,937	163,046,104,116	-	12,145,537,580,473
Elimination of Inter-segment liabilities							
Cikarang	(2,421,999,435,063)	-	(2,547,635,206,990)	(1,290,304,970,668)	-	-	(6,259,939,612,721)
Pandeglang	-	-	-	-	(8,001,617,756)	-	(8,001,617,756)
Morotai	-	-	-	-	-	-	-
Kendal	-	-	-	-	-	-	-
Amsterdam	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-
Total	(2,421,999,435,063)	-	(2,547,635,206,990)	(1,290,304,970,668)	(8,001,617,756)	-	(6,267,941,230,477)
Net							
Cikarang	662,537,497,958	33,738,917,740	171,890,505,654	268,518,193,400	14,504,046,840	-	1,151,189,161,592
Pandeglang	-	-	16,800,000	-	100,888,226,169	-	100,905,026,169
Morotai	-	-	-	-	39,652,213,351	-	39,652,213,351
Kendal	245,041,483,335	-	-	19,637,621,869	-	-	264,679,105,204
Amsterdam	4,318,025,231,950	-	-	-	-	-	4,318,025,231,950
Others	-	3,145,611,730	-	-	-	-	3,145,611,730
Total	5,225,604,213,243	36,884,529,470	171,907,305,654	288,155,815,269	155,044,486,360	-	5,877,596,349,996
Capital expenditures							
Cikarang	15,844,172,092	1,739,376,351	42,398,488,137	17,204,408,701	1,584,024,190	-	78,770,469,471
Pandeglang	-	-	-	-	2,636,021,631	-	2,636,021,631
Morotai	-	-	-	-	439,637,413	-	439,637,413
Kendal	32,606,779,758	-	-	6,083,779,472	-	-	38,690,559,230
Amsterdam	-	-	-	-	-	-	-
Others	-	54,034,000	-	-	-	-	54,034,000
Total	48,450,951,850	1,793,410,351	42,398,488,137	23,288,188,173	4,659,683,234	-	120,590,721,745

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36. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

		June 30, 2022 (Unaudited)		June 30, 2021 (Unaudited)	
		Foreign currency	Rupiah equivalent	Foreign currency	Rupiah equivalent
Assets					
Cash and cash equivalents	USD	9,416,792	139,820,524,053	10,524,823	152,567,839,573
	EUR	156,533	2,443,475,968	248,018	4,279,552,608
	SGD	512,681	5,477,999,157	408,170	4,400,480,298
Other receivables from third parties	USD	23,021	341,813,284	23,021	333,712,416
Refundable deposits	USD	4,400	65,331,200	623,029	9,031,428,384
Total Assets	USD	9,444,213	140,227,668,537	11,170,873	161,932,980,373
	EUR	156,533	2,443,475,968	248,018	4,279,552,608
	SGD	512,681	5,477,999,157	408,170	4,400,480,298
Liabilities					
Short term bank loan	USD	-	-	1,240,000	17,975,040,000
Long-term debts	USD	298,500,000	4,432,128,000,000	299,800,000	4,345,900,799,420
Accrued expenses	USD	8,309,372	123,377,553,394	7,351,901	106,573,156,896
Total Liabilities	USD	306,809,372	4,555,505,553,394	308,391,901	4,470,448,996,316
(Net Liabilities)	USD	(297,365,159)	(4,415,277,884,857)	(297,221,028)	(4,308,516,015,943)
Net Assets	EUR	156,533	2,443,475,968	248,018	4,279,552,608
	SGD	512,681	5,477,999,157	408,170	4,400,480,298

		December 31, 2021 (Audited)		December 31, 2020 (Audited)		December 31, 2019 (Audited)	
		Foreign currency	Rupiah equivalent	Foreign currency	Rupiah equivalent	Foreign currency	Rupiah equivalent
Assets							
Cash and cash equivalents	USD	8,736,618	124,662,805,147	8,618,769	121,567,739,937	14,823,124	206,056,367,450
	EUR	184,944	2,982,591,994	270,390	4,685,864,365	76,316	1,189,661,481
	SGD	512,647	5,400,223,778	408,162	4,344,472,828	249,298	2,557,203,705
Other receivables from third parties	USD	23,021	328,484,271	23,021	324,708,807	23,021	320,012,604
Refundable deposits	USD	4,400	62,783,600	4,400	62,062,000	4,400	61,164,400
Total Assets	USD	8,764,039	125,054,073,018	8,646,190	121,954,510,744	14,850,545	206,437,544,454
	EUR	184,944	2,982,591,994	270,390	4,685,864,365	76,316	1,189,661,481
	SGD	512,647	5,400,223,778	408,162	4,344,472,828	249,298	2,557,203,705
Liabilities							
Short term bank loan	USD	-	-	2,500,000	35,262,500,000	4,500,000	62,554,522,500
Long-term debts	USD	299,150,000	4,268,571,348,858	300,449,893	4,237,847,250,000	289,191,715	4,020,056,923,143
Accrued expenses	USD	8,601,640	122,736,801,556	15,736,782	221,967,313,672	11,386,773	158,287,526,735
Total Liabilities	USD	307,751,640	4,391,308,150,414	318,686,675	4,495,077,063,672	305,078,488	4,240,898,972,378
(Net Liabilities)	USD	(298,987,601)	(4,266,254,077,396)	(310,040,485)	(4,373,122,552,928)	(290,227,943)	(4,034,461,427,924)
Net Assets	EUR	184,944	2,982,591,994	270,390	4,685,864,365	76,316	1,189,661,481
	SGD	512,647	5,400,223,778	408,162	4,344,472,828	249,298	2,557,203,705

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37. FAIR VALUE OF FINANCIAL INSTRUMENTS

	June 30, 2022 (Unaudited)		June 30, 2021 (Unaudited)	
	Carrying amount	Fair value*	Carrying amount	Fair value*
Financial Assets				
Cash and cash equivalents	1,175,101,785,497	1,175,101,785,497	1,154,337,171,363	1,154,337,171,363
Short-term investment	9,750,000,000	9,750,000,000	-	-
Trade receivables from third parties	393,858,336,628	393,858,336,628	388,128,778,122	388,128,778,122
Other receivables from third parties	59,925,899,693	59,925,899,693	55,650,538,971	55,650,538,971
Investments in shares of stock	39,337,374,000	39,337,374,000	27,971,862,500	27,971,862,500
Derivative financial assets	239,681,687,039	239,681,687,039	271,173,091,487	271,173,091,487
Refundable deposits and other deposits	10,468,609,989	10,468,609,989	12,574,313,392	12,574,313,392
Restricted cash and cash equivalents	140,906,598,781	140,906,598,781	144,576,554,871	144,576,554,871
Total Financial Assets	2,069,030,291,627	2,069,030,291,627	2,054,412,310,706	2,054,412,310,706
Financial Liabilities				
Short-term bank loans	989,000,000	989,000,000	17,975,040,000	17,975,040,000
Trade payables to third parties	144,807,164,399	144,807,164,399	119,926,528,391	119,926,528,391
Other payables to third parties	69,051,100,524	69,051,100,524	64,008,285,741	64,008,285,741
Accrued expenses	200,126,131,482	200,126,131,482	197,898,626,232	197,898,626,232
Dividends payable	147,949,389	147,949,389	147,949,389	147,949,389
Security deposits	115,588,290,455	115,588,290,455	93,713,565,325	93,713,565,325
Long-term debts	4,469,345,403,108	2,970,648,463,033	4,322,460,472,445	4,235,590,285,743
Total Financial Liabilities	5,000,055,039,357	3,501,358,099,282	4,816,130,467,523	4,729,260,280,821

	December 31, 2021 (Audited)		December 31, 2020 (Audited)		December 31, 2019 (Audited)	
	Carrying amount	Fair value*	Carrying amount	Fair value*	Carrying amount	Fair value*
Financial Assets						
Cash and cash equivalents	1,111,486,304,905	1,111,486,304,905	1,178,458,368,683	1,178,458,368,683	1,005,108,029,387	1,005,108,029,387
Short-term investment	6,250,000,000	6,250,000,000	4,021,895,657	4,021,895,657	23,500,000,000	23,500,000,000
Trade receivables from third parties	415,514,694,793	415,514,694,793	309,741,525,487	309,741,525,487	563,138,417,937	563,138,417,937
Other receivables from third parties	56,373,037,468	56,373,037,468	64,259,323,111	64,259,323,111	81,905,626,143	81,905,626,143
Investments in shares of stock	39,337,374,000	39,337,374,000	28,971,862,500	28,971,862,500	28,971,862,500	28,971,862,500
Derivative financial assets	240,915,655,649	240,915,655,649	329,070,087,254	329,070,087,254	342,725,151,511	342,725,151,511
Refundable deposits and other deposits	8,074,907,883	8,074,907,883	12,630,616,289	12,630,616,289	12,975,872,689	12,975,872,689
Restricted cash and cash equivalents	168,107,682,126	168,107,682,126	109,973,598,829	109,973,598,829	57,125,008,766	57,125,008,766
Total Financial Assets	2,046,059,656,824	2,046,059,656,824	2,037,127,277,810	2,037,127,277,810	2,115,449,968,933	2,115,449,968,933
Financial Liabilities						
Short-term bank loans	-	-	35,262,500,000	35,262,500,000	64,554,522,499	64,554,522,499
Trade payables to third parties	149,891,229,225	149,891,229,225	124,328,868,239	124,328,868,239	136,977,520,450	136,977,520,450
Other payables to third parties	74,516,380,127	74,516,380,127	83,134,312,606	83,134,312,606	138,307,871,702	138,307,871,702
Accrued expenses	178,515,623,044	178,515,623,044	287,618,169,045	287,618,169,045	237,149,056,488	237,149,056,488
Dividends payable	147,949,389	147,949,389	147,949,389	147,949,389	147,949,389	147,949,389
Security deposits	105,204,951,138	105,204,951,138	99,832,233,599	99,832,233,599	92,082,046,313	92,082,046,313
Long-term debts	4,301,180,346,077	4,050,162,330,240	4,204,311,540,301	4,091,746,137,990	4,112,875,819,743	3,787,811,389,094
Total Financial Liabilities	4,809,456,479,000	4,558,438,463,163	4,834,635,573,179	4,722,070,170,868	4,782,094,786,584	4,457,030,355,935

*) Measured by fair value measurement hierarchy Level 3, except for derivative financial assets measured by fair value measurement hierarchy Level 2 and Senior Notes measured by fair value measurement hierarchy Level 1.

37. **FAIR VALUE OF FINANCIAL INSTRUMENTS** (Continued)

The following are the methods and assumptions used to estimate the fair value of each group of financial instruments of the Group:

The Group's management has determined that the carrying values of cash and cash equivalents, short-term investments, trade receivables, other receivables, short-term bank loans, trade payables, other payables and accrued expenses approximate their fair values due to the short-term maturities of these financial instruments.

For other non-current assets and liabilities which are not stated at quoted market price and whose fair value cannot be reliably measured without incurring excessive costs, refundable deposits and other deposits and restricted cash and cash equivalents are carried at their nominal amounts less any impairment losses, while long term debts are carried at amortized cost. The fair value of Senior Notes is estimated using the quoted market price.

Investments in other unquoted ordinary shares representing equity ownership interest of below 20% are carried at cost as the fair values cannot be reliably measured.

38. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Group's activities expose to a variety of financial risks including foreign currency risk, credit risk, liquidity risk and interest rate risk. The Board of Directors ("BOD") reviews on an informal basis and agrees the policies for managing each of these risks, from the previous year as disclosed below:

i. **Foreign currency risk**

Foreign currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to of changes in foreign exchanges rates. Most of the Group's revenues are denominated in Rupiah.

The Group foreign currency risk arises from the loan received by the Company in foreign currency. Foreign exchange risks on the US dollar are managed through constant monitoring of the political and economic environment. The Group also enters into currency forward contracts to oversee its currency risk. The Group believe that this risk management strategy results in positive benefit for the Group in the short-term period.

The table below shows the sensitivity to a reasonably possible change in foreign exchange rates, assuming all other variables are fixed, to the profit after income taxes of the Group for the periods ended June 30, 2022 and 2021, and December 31, 2021, 2020 and 2019.

	Increase (decrease)				
	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Exchange rate weakened by 5%					
Net profit after income tax					
USD	(172,195,837,509)	(168,032,124,622)	(166,383,909,018)	(170,551,779,564)	(151,292,303,547)
EUR	95,295,564	166,902,553	116,321,088	182,748,710	44,612,306
SGD	213,641,968	171,618,732	210,608,727	169,434,440	95,895,139
Exchange rate strengthened by 5%					
Net profit after income tax					
USD	172,195,837,509	168,032,124,622	166,383,909,018	170,551,779,564	151,292,303,547
EUR	(95,295,564)	(166,902,553)	(116,321,088)	(182,748,710)	(44,612,306)
SGD	(213,641,968)	(171,618,732)	(210,608,727)	(169,434,440)	(95,895,139)

ii. **Credit risk**

Credit risk is the risk that a counterparty of the Group will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group minimizes credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek recurring revenue growth and minimizing losses incurred due to the credit risk exposure increasing. The Group's only recognize the transaction with third party that is creditworthy and use credit verification procedures for all customer seeking to trade on credit terms. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

38. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (Continued)

ii. **Credit risk** (Continued)

As of June 30, 2022 and 2021, and December 31, 2021, 2020 and 2019, the Group's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognized in the consolidated statements of financial position.

iii. **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The table summarizes the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on undiscounted contractual payments.

	June 30, 2022 (Unaudited)			
	Carrying amount	Total including interest	Less than one year	More than one year
Financial Liabilities				
Short-term bank loans	989,000,000	1,092,020,833	1,092,020,833	-
Trade payables to third parties	144,807,164,399	144,807,164,399	144,807,164,399	-
Other payables to third parties	69,051,100,524	69,051,100,524	69,051,100,524	-
Accrued expenses	200,126,131,482	200,126,131,482	200,126,131,482	-
Dividends payable	147,949,389	147,949,389	147,949,389	-
Security deposits	115,588,290,455	115,588,290,455	8,144,482,702	107,443,807,753
Long term debts:				
Senior notes	4,367,087,068,229	4,792,238,400,000	288,088,320,000	4,504,150,080,000
Bank loans	66,605,691,965	73,670,706,667	31,051,387,802	42,619,318,865
Lease liabilities	35,652,642,914	42,990,808,057	20,098,523,800	22,892,284,257
Total	5,000,055,039,357	5,439,712,571,806	762,607,080,931	4,677,105,490,875

	June 30, 2021 (Unaudited)			
	Carrying amount	Total including interest	Less than one year	More than one year
Financial Liabilities				
Short-term bank loans	17,975,040,000	18,740,776,704	18,740,776,704	-
Trade payables to third parties	119,926,528,391	119,926,528,391	119,926,528,391	-
Other payables	64,008,285,741	64,008,285,741	64,008,285,741	-
Accrued expenses	197,898,626,232	197,898,626,232	197,898,626,232	-
Dividends payable	147,949,389	147,949,389	147,949,389	-
Security deposits	93,713,565,325	93,713,565,325	50,297,381	93,663,267,944
Long term debts:				
Senior notes	4,217,570,074,196	4,491,712,129,019	274,142,054,823	4,217,570,074,196
Bank loans	99,545,841,081	140,436,403,912	63,767,211,204	76,669,192,708
Lease liabilities	5,344,557,168	6,615,175,080	959,416,615	5,655,758,465
Total	4,816,130,467,523	5,133,199,439,793	739,641,146,480	4,393,558,293,313

	December 31, 2021 (Audited)			
	Carrying amount	Total including interest	Less than one year	More than one year
Financial Liabilities				
Trade payables to third parties	149,891,229,225	149,891,229,225	149,891,229,225	-
Other payables	74,516,380,127	74,516,380,127	74,516,380,127	-
Accrued expenses	178,515,623,044	178,515,623,044	178,515,623,044	-
Dividends payable	147,949,389	147,949,389	147,949,389	-
Security deposits	105,204,951,138	105,204,951,138	5,046,976,035	100,157,975,103
Long term debts:				
Senior notes	4,173,894,510,086	4,766,862,666,250	276,854,272,500	4,490,008,393,750
Bank loans	84,197,853,315	101,630,278,488	36,049,243,612	65,581,034,876
Lease liabilities	43,087,982,676	52,748,756,106	19,512,598,223	33,236,157,883
Total	4,809,456,479,000	5,429,517,833,767	740,534,272,155	4,688,983,561,612

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38. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES** (Continued)

iii. **Liquidity risk** (Continued)

	December 31, 2020 (Audited)			
	Carrying amount	Total including interest	Less than one year	More than one year
Financial Liabilities				
Short-term bank loans	35,262,500,000	36,764,682,500	36,764,682,500	-
Trade payables to third parties	124,328,868,239	124,328,868,239	124,328,868,239	-
Other payables	83,134,312,606	83,134,312,606	83,134,312,606	-
Accrued expenses	287,618,169,045	287,618,169,045	287,618,169,045	-
Dividends payable	147,949,389	147,949,389	147,949,389	-
Security deposits	99,832,233,599	99,832,233,599	747,407,715	99,084,825,884
Long term debts:				
Senior notes	4,082,894,534,318	4,985,747,243,750	273,672,262,500	4,712,074,981,250
Bank loans	119,187,916,664	141,238,553,974	57,581,845,503	83,656,708,471
Lease liabilities	2,229,089,319	2,910,290,000	1,017,730,000	1,892,560,000
Total	4,834,635,573,179	5,761,722,303,102	865,013,227,497	4,896,709,075,605

	December 31, 2019 (Audited)			
	Carrying amount	Total including interest	Less than one year	More than one year
Financial Liabilities				
Short-term bank loans	64,554,522,499	64,554,522,499	64,554,522,499	-
Trade payables to third parties	136,977,520,450	136,977,520,450	136,977,520,450	-
Other payables	138,307,871,702	138,307,871,702	138,307,871,702	-
Accrued expenses	237,149,056,488	237,149,056,488	237,149,056,488	-
Dividends payable	147,949,389	147,949,389	147,949,389	-
Security deposit	92,082,046,313	92,082,046,313	463,524,525	91,618,521,788
Long term debts:				
Senior notes	3,984,609,348,477	4,243,608,956,128	258,999,607,651	3,984,609,348,477
Bank loans	127,867,408,000	127,867,408,000	48,485,606,540	79,381,801,460
Lease liabilities	399,063,266	399,063,266	399,063,266	-
Total	4,782,094,786,584	5,041,094,394,235	885,484,722,510	4,155,609,671,725

iv. **Interest rate risk**

Risk exposure for interest rate with regard to the assets and liabilities for which the interest rate movement could affect earnings before tax. Interest income risk is limited due to the Group only maintaining adequate cash balance for operational needs. In interest expense, optimal balance between liabilities with floating and fixed interest rate is predetermined. The Group's policy on the funding which will give combination according to floating and fixed interest rate. Approval from the directors and board of commissioners must be obtained before the Group executes the financial instrument in order to manage interest rate risk exposure.

The following table demonstrates the sensitivity to a reasonably possible change in floating interest rates on loans as of June 30, 2022 and 2021, and December 31, 2021, 2020 and 2019. With all other variables considered constant, the impact on floating interest rates of loans to the profit before tax are as follows:

	Effect on Profit Before Tax				
	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Increase/ Decrease in Interest Rates					
+ 100 basis point	(666,056,920)	(966,800,817)	(729,350,045)	(1,249,456,667)	(1,549,743,558)
- 100 basis point	666,056,920	966,800,817	729,350,045	1,249,456,667	1,549,743,558

The Group's floating interest rate from its loan with PT Bank Tabungan Negara (Persero) Tbk, Standard Chartered Bank, PT Bank Negara Indonesia (Persero) Tbk and PT Bank OCBC NISP Tbk.

39. CAPITAL MANAGEMENT

The primary objective of the Group capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of the Group's strategy and financial conditions, and domestic and global economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payments to shareholders, return capital to shareholders or issue new shares.

Further, the Group has prudent cash management in order to manage its capital. The Group apply centralized treasury management to maintain financing flexibility and reduce liquidity risk. The Group also strives to maintain adequate working capital needs.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep a healthy gearing ratio, Net debt includes finance lease payables, trade and other payables and loans, less cash and cash equivalents. Capital includes equity attributable to the owners of the parent. There were no changes from the previous period for the Group's capital management.

	June 30, 2022 (Unaudited)	June 30, 2021 (Unaudited)	December 31, 2021 (Audited)	December 31, 2020 (Audited)	December 31, 2019 (Audited)
Short-term bank loans	989,000,000	17,975,040,000	-	35,262,500,000	64,554,522,499
Trade and other payables	213,858,264,923	183,934,814,132	224,407,609,352	207,463,180,845	275,285,392,152
Long-term debts	4,469,345,403,108	4,322,460,472,445	4,301,180,346,077	4,204,311,540,301	4,112,875,819,743
Less:					
Cash and cash equivalents	(1,175,101,785,497)	(1,154,337,171,363)	(1,111,486,304,905)	(1,178,458,368,683)	(1,005,108,029,387)
Short-term investment	(9,750,000,000)	-	(6,250,000,000)	(4,021,895,657)	(23,500,000,000)
Net debts	3,499,340,882,534	3,370,033,155,214	3,407,851,650,524	3,264,556,956,806	3,424,107,705,007
Total equity	6,325,571,558,922	6,166,775,147,833	6,372,010,371,083	6,260,254,508,581	6,307,015,229,316
Gearing ratio	55.32%	54.65%	53.48%	52.15%	54.29%

40. SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION

	June 30, 2022 (Six months) (Unaudited)	June 30, 2021 (Six months) (Unaudited)	December 31, 2021 (One year) (Audited)	December 31, 2020 (One year) (Audited)	December 31, 2019 (One year) (Audited)
Additional realization from advance for purchase of property, plant and equipment to property, plant and equipment	485,675,000	241,268,690	3,378,783,272	9,180,155,052	5,921,056,365
Reclassification from property, plant and equipment to inventories	-	3,498,150,000	3,498,150,000	-	11,927,196,258
Additional from advance for project to investment property	-	-	26,736,000,000	-	-
Reclassification from land for development to property, plant and equipment	-	-	6,568,413,575	-	24,217,636,015
Reclassification from inventories to property, plant and equipment	-	-	-	13,860,148,112	3,102,136,842
Reclassification from property, plant and equipment to investment properties	-	-	-	1,404,322,448	71,017,506,942
Additional from advance for project to property, plant and equipment	-	-	-	473,630,049	-

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40. **SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION** (Continued)

	Bank loans	Senior notes	Total
January 1, 2019	242,762,223,720	4,113,191,486,278	4,355,953,709,998
Cash flows	(45,418,406,556)	-	(45,418,406,556)
Non-cash flows:			
Amortized issuance costs	141,314,799	36,984,514,335	37,125,829,134
Effect of foreign exchange - issuance costs	-	7,563,347,864	7,563,347,864
Effect of foreign exchange – principal	(5,063,201,464)	(173,130,000,000)	(178,193,201,464)
December 31, 2019	192,421,930,499	3,984,609,348,477	4,177,031,278,976

	Bank loans	Senior notes	Total
January 1, 2020	192,421,930,499	3,984,609,348,477	4,177,031,278,976
Cash flows	(39,905,151,037)	-	(39,905,151,037)
Non-cash flows:			
Amortized issuance costs	233,333,870	41,335,714,496	41,569,048,366
Effect of foreign exchange - issuance costs	-	(3,944,528,655)	(3,944,528,655)
Effect of foreign exchange – principal	1,700,303,332	60,894,000,000	62,594,303,332
December 31, 2020	154,450,416,664	4,082,894,534,318	4,237,344,950,982

	Bank loans	Senior Notes	Total
January 1, 2021	154,450,416,664	4,082,894,534,318	4,237,344,950,982
Cash flows	(70,733,190,556)	-	(70,733,190,556)
Non-cash flows:			
Amortized issuance costs	(408,126,147)	43,878,263,342	43,470,137,195
Effect of foreign exchange - issuance costs	-	(1,832,287,574)	(1,832,287,574)
Effect of foreign exchange – principal	888,753,354	48,954,000,000	49,842,753,354
December 31, 2021	84,197,853,315	4,173,894,510,086	4,258,092,363,401

	Bank loans	Senior notes	Total
January 1, 2021	154,450,416,664	4,082,894,534,318	4,237,344,950,982
Cash flows	(38,309,332,241)	-	(38,309,332,241)
Non-cash flows:			
Amortized issuance costs	21,874,417	21,308,438,895	21,330,313,312
Effect of foreign exchange - issuance costs	-	(3,346,399,017)	(3,346,399,017)
Effect of foreign exchange – principal	1,357,922,241	116,713,500,000	118,071,422,241
June 30, 2021	117,520,881,081	4,217,570,074,196	4,335,090,955,277

	Bank loans	Senior Notes	Total
January 1, 2022	84,197,853,315	4,173,894,510,086	4,258,092,363,401
Cash flows	(17,043,357,131)	-	(17,043,357,131)
Non-cash flows:			
Amortized issuance costs	299,688,648	23,296,180,283	23,595,868,931
Effect of foreign exchange - issuance costs	-	(2,935,122,140)	(2,935,122,140)
Effect of foreign exchange – principal	140,507,133	172,831,500,000	172,972,007,133
June 30, 2022	67,594,691,965	4,367,087,068,229	4,434,681,760,194

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41. CHANGES IN ACCOUNTING POLICIES

The impact of PSAK 71, PSAK 72 and PSAK 73 on the consolidated statements of financial position as of January 1, 2020 (date of initial application) is as follows:

	As previously reported as of December 31, 2019	Adoption of PSAK 71	Adoption of PSAK 72 (a)	Adoption of PSAK 73	Adjusted as of January 1, 2020
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	1,005,108,029,387	-	-	-	1,005,108,029,387
Short-term investments	23,500,000,000	-	-	-	23,500,000,000
Trade receivables from third parties - Net	563,138,417,937	(18,100,003,792)	(52,093,466,764)	-	492,944,947,381
Other receivables from third parties - Net	81,905,626,143	-	-	-	81,905,626,143
Inventories	1,398,737,903,587	-	112,574,977,240	-	1,511,312,880,827
Land for development - Current portion	4,909,582,422,607	-	-	-	4,909,582,422,607
Prepaid taxes	39,035,231,034	-	-	-	39,035,231,034
Prepaid expenses	6,688,998,968	-	-	-	6,688,998,968
Advances	513,189,112,802	-	-	-	513,189,112,802
Total Current Assets	8,540,885,742,465	(18,100,003,792)	60,481,510,476	-	8,583,267,249,149
NON-CURRENT ASSETS					
Investment in associates and joint venture	260,053,092,199	-	-	-	260,053,092,199
Investments in shares of stock	28,971,862,500	-	-	-	28,971,862,500
Derivative financial assets	342,725,151,511	-	-	-	342,725,151,511
Property, plant and equipment - Net	2,140,893,989,406	-	-	(6,184,805,296)	2,134,709,184,110
Intangible assets - Net	4,013,207,917	-	-	-	4,013,207,917
Right-of-use assets - Net	-	-	-	9,361,620,397	9,361,620,397
Investment properties - Net	71,584,675,974	-	-	-	71,584,675,974
Land for development - Non-current portion	620,509,379,331	-	-	-	620,509,379,331
Deferred tax assets	29,923,594,249	4,525,000,948	-	-	34,448,595,197
Estimated claims for income tax refund	74,950,002,305	-	-	-	74,950,002,305
Refundable deposits and other deposits	12,975,872,689	-	-	-	12,975,872,689
Restricted cash	57,125,008,766	-	-	-	57,125,008,766
Total Non-current Assets	3,643,725,836,847	4,525,000,948	-	3,176,815,101	3,651,427,652,896
TOTAL ASSETS	12,184,611,579,312	(13,575,002,844)	60,481,510,476	3,176,815,101	12,234,694,902,045

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41. **CHANGES IN ACCOUNTING POLICIES** (Continued)

The impact of PSAK 71, PSAK 72 and PSAK 73 on the consolidated statements of financial position as of January 1, 2020 (date of initial application) is as follows: (Continued)

	As previously reported as of December 31, 2019	Adoption of PSAK 71	Adoption of PSAK 72 (a)	Adoption of PSAK 73	Adjusted as of January 1, 2020
LIABILITIES AND EQUITY					
LIABILITIES					
CURRENT LIABILITIES					
Short-term bank loans	64,554,522,499	-	-	-	64,554,522,499
Trade payables to third parties	136,977,520,450	-	-	-	136,977,520,450
Other payables	138,307,871,702	-	-	-	138,307,871,702
Taxes payable	55,289,745,236	-	-	-	55,289,745,236
Accrued expenses	237,149,056,488	-	-	-	237,149,056,488
Dividend payable	147,949,389	-	-	-	147,949,389
Customers' deposits –					
Current portion	703,941,724,648	-	116,256,023,026	-	820,197,747,674
Security deposits -					
Current portion	463,524,525	-	-	-	463,524,525
Unearned income –					
Current portion	10,207,122,586	-	-	-	10,207,122,586
Current portion of long-term debts:					
Bank loans	48,485,606,540	-	-	-	48,485,606,540
Lease liablities	399,063,266	-	-	262,828,383	661,891,649
Total Current Liabilities	1,395,923,707,329	-	116,256,023,026	262,828,383	1,512,442,558,738
NON-CURRENT LIABILITIES					
Long-term debts – Net of current portion:					
Senior Notes	3,984,609,348,477	-	-	-	3,984,609,348,477
Bank loans	79,381,801,460	-	-	-	79,381,801,460
Lease liablities	-	-	-	2,913,986,718	2,913,986,718
Unearned income –					
Non-current portion	17,556,687,129	-	-	-	17,556,687,129
Customers' deposit –					
Non-current portion	1,853,242,930	-	-	-	1,853,242,930
Security deposits -					
Non-current portion	91,618,521,788	-	-	-	91,618,521,788
Post-employment benefits liabilities	206,022,876,503	-	-	-	206,022,876,503
Deferred tax liabilities	100,630,164,380	-	-	-	100,630,164,380
Total Non-current Liabilities	4,481,672,642,667	-	-	2,913,986,718	4,484,586,629,385
TOTAL LIABILITIES	5,877,596,349,996	-	116,256,023,026	3,176,815,101	5,997,029,188,123
EQUITY					
Share capital	1,864,448,274,050	-	-	-	1,864,448,274,050
Additional paid-in capital - Net	1,396,068,999,121	-	-	-	1,396,068,999,121
Retained earnings					
Appropriated	450,000,000	-	-	-	450,000,000
Unappropriated	2,049,177,515,313	(13,575,002,844)	(39,899,136,871)	-	1,995,703,375,598
Foreign currency translation reserves	44,908,936,248	-	-	-	44,908,936,248
Other capital reserves	17,649,116,446	-	-	-	17,649,116,446
Equity attributable to owners of the Parent Company	5,372,702,841,178	(13,575,002,844)	(39,899,136,871)	-	5,319,228,701,463
Non-controlling interests	934,312,388,138	-	(15,875,375,679)	-	918,437,012,459
TOTAL EQUITY	6,307,015,229,316	(13,575,002,844)	(55,774,512,550)	-	6,237,665,713,922
TOTAL LIABILITIES AND EQUITY	12,184,611,579,312	(13,575,002,844)	60,481,510,476	3,176,815,101	12,234,694,902,045

41. **CHANGES IN ACCOUNTING POLICIES** (Continued)

The impact of PSAK 72 on the consolidated financial statements for the year ended December 31, 2020 is as follows:

	Under previous PSAK	Adoption of PSAK 72 (a)	Under new PSAK
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	1,178,458,368,683	-	1,178,458,368,683
Short-term investments	4,021,895,657	-	4,021,895,657
Trade receivables from third parties - Net	341,532,251,486	(31,790,725,999)	309,741,525,487
Other receivables from third parties - Net	64,259,323,111	-	64,259,323,111
Inventories	1,479,767,765,736	33,406,089,189	1,513,173,854,925
Land for development - Current portion	4,876,183,781,438	-	4,876,183,781,438
Prepaid taxes	53,526,692,847	-	53,526,692,847
Prepaid expenses	7,870,993,012	-	7,870,993,012
Advances	512,489,908,995	-	512,489,908,995
Total Current Assets	8,518,110,980,965	1,615,363,190	8,519,726,344,155
NON-CURRENT ASSETS			
Investment in associates and joint venture	259,331,846,288	-	259,331,846,288
Investments in shares of stocks	28,971,862,500	-	28,971,862,500
Derivative financial assets	329,070,087,254	-	329,070,087,254
Property, plant and equipment - Net	2,033,797,383,048	-	2,033,797,383,048
Intangible assets - Net	6,096,698,576	-	6,096,698,576
Righ-of-use assets - Net	2,183,385,689	-	2,183,385,689
Investment properties - Net	67,543,328,885	-	67,543,328,885
Land for development '- Non-current portion	651,081,524,942	-	651,081,524,942
Deferred tax assets	23,276,754,167	-	23,276,754,167
Estimated claims for income tax refund	156,492,549,248	-	156,492,549,248
Refundable deposits and other deposits	12,630,616,289	-	12,630,616,289
Restricted cash	109,973,598,829	-	109,973,598,829
Total Non-current Assets	3,680,449,635,715	-	3,680,449,635,715
TOTAL ASSETS	12,198,560,616,680	1,615,363,190	12,200,175,979,870

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41. **CHANGES IN ACCOUNTING POLICIES** (Continued)

The impact of PSAK 72 on the consolidated financial statements for the year ended December 31, 2020 is as follows: (Continued)

	Under previous PSAK	Adoption of PSAK 72 (a)	Under new PSAK
LIABILITIES AND EQUITY			
LIABILITIES			
CURRENT LIABILITIES			
Short-term bank loans	35,262,500,000	-	35,262,500,000
Trade payables to third parties	124,328,868,239	-	124,328,868,239
Other payables	83,134,312,606	-	83,134,312,606
Taxes payable	36,517,779,860	-	36,517,779,860
Accrued expenses	287,618,169,045	-	287,618,169,045
Dividend payable	147,949,389	-	147,949,389
Customers' deposits - Current portion	724,496,779,553	27,026,537,492	751,523,317,045
Security deposits - Current portion	747,407,715	-	747,407,715
Unearned income - Current portion	13,078,503,974	-	13,078,503,974
Current portion of long-term debts:			
Bank loans	45,662,917,795	-	45,662,917,795
Lease liablities	739,549,097	-	739,549,097
Total Current Liabilities	1,351,734,737,273	27,026,537,492	1,378,761,274,765
NON-CURRENT LIABILITIES			
Long-term debts - Net of current portion:			
Senior Notes	4,082,894,534,318	-	4,082,894,534,318
Bank loans	73,524,998,869	-	73,524,998,869
Lease liablities	1,489,540,222	-	1,489,540,222
Unearned income - Non-current portion	13,601,269,254	-	13,601,269,254
Customers' deposit - Non-current portion	153,878,020	-	153,878,020
Security deposits - Non-current portion	99,084,825,884	-	99,084,825,884
Post-employment benefits liabilities	209,665,186,979	-	209,665,186,979
Deferred tax liabilities	80,745,962,978	-	80,745,962,978
Total Non-current Liabilities	4,561,160,196,524	-	4,561,160,196,524
TOTAL LIABILITIES	5,912,894,933,797	27,026,537,492	5,939,921,471,289
EQUITY			
Share capital	1,864,448,274,050	-	1,864,448,274,050
Additional paid-in capital - Net	1,396,068,999,121	-	1,396,068,999,121
Treasury Stock	(47,843,709,726)	-	(47,843,709,726)
Retained earnings			
Appropriated	450,000,000	-	450,000,000
Unappropriated	1,963,155,691,965	(15,246,704,581)	1,947,908,987,384
Foreign currency translation reserves	46,342,161,379	-	46,342,161,379
Other capital reserves	30,610,522,165	-	30,610,522,165
Equity attributable to owners of the Parent Company	5,253,231,938,954	(15,246,704,581)	5,237,985,234,373
Non-controlling interests	1,032,433,743,929	(10,164,469,721)	1,022,269,274,208
TOTAL EQUITY	6,285,665,682,883	(25,411,174,302)	6,260,254,508,581
TOTAL LIABILITIES AND EQUITY	12,198,560,616,680	1,615,363,190	12,200,175,979,870

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41. **CHANGES IN ACCOUNTING POLICIES** (Continued)

The impact of PSAK 72 on the consolidated financial statements for the year ended December 31, 2020 is as follows: (Continued)

	Under previous PSAK	Adoption of PSAK 72 (a)	Under new PSAK
SALES AND SERVICE REVENUE	2,454,903,280,525	(58,817,263,491)	2,396,086,017,034
COST OF SALES AND SERVICE REVENUE	1,411,073,050,797	(33,406,089,189)	1,377,666,961,608
GROSS PROFIT	1,043,830,229,728	(25,411,174,302)	1,018,419,055,426
Selling expenses	(57,275,385,590)	-	(57,275,385,590)
General and administrative expenses	(466,013,523,208)	-	(466,013,523,208)
Financial income	35,225,819,338	-	35,225,819,338
Financial expenses	(466,625,220,101)	-	(466,625,220,101)
Final tax expense	(24,512,390,467)	-	(24,512,390,467)
Other expenses - Net	(1,733,296,656)	-	(1,733,296,656)
PROFIT BEFORE INCOME TAX BENEFIT (EXPENSE)	62,896,233,044	(25,411,174,302)	37,485,058,742
INCOME TAX BENEFIT (EXPENSE)			
Current	(2,809,753,741)	-	(2,809,753,741)
Deferred	10,574,568,534	-	10,574,568,534
Income Tax Benefit - Net	7,764,814,793	-	7,764,814,793
NET PROFIT FOR THE YEAR	70,661,047,837	(25,411,174,302)	45,249,873,535
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
Remeasurement gain on post-employment benefits liabilities	14,823,613,881	-	14,823,613,881
Related income tax	(1,862,208,162)	-	(1,862,208,162)
Item that will be reclassified subsequently to profit or loss:			
Foreign currency translation reserve	1,433,225,131	-	1,433,225,131
Other Comprehensive Income - Net of Tax	14,394,630,850	-	14,394,630,850
NET COMPREHENSIVE INCOME	85,055,678,687	(25,411,174,302)	59,644,504,385
Net profit attributable to:			
Owners of the Parent Company	(32,547,683,633)	(15,246,704,581)	(47,794,388,214)
Non-controlling interests	103,208,731,470	(10,164,469,721)	93,044,261,749
Total	70,661,047,837	(25,411,174,302)	45,249,873,535
Net comprehensive income attributable to:			
Owners of the Parent Company	(18,153,052,783)	(15,246,704,581)	(33,399,757,364)
Non-controlling interests	103,208,731,470	(10,164,469,721)	93,044,261,749
Total	85,055,678,687	(25,411,174,302)	59,644,504,385
BASIC LOSS PER SHARE	(1.58)		(2.31)

Explanatory notes:

a) The adjustment is due to the revenue recognition of certain part of revenue in the Group's real estate business, by which the revenue is now recognized when the property unit is handed over to the customer, was previously recognized based on percentage-of-completion method.

42. EVENT AFTER REPORTING PERIOD

On July 27, 2022, PT Padang Golf Cikarang (PGC) and PT Grahabuana Cikarang (GBC) established PT Ritel Maju Sejahtera (RMS), where PGC and GBC held 51% and 49% respectively, equity ownership in RMS. Total equity of RMS amounted to Rp 750,000,000, which was contributed by PGC and GBC, amounting to Rp 382,500,000 and Rp 367,500,000, respectively.

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No. : 015/6.K029/AJM.2/06.22
Re : **Interim Consolidated Financial Statements**
June 30, 2022

Report on Review of Interim Financial Information

The Shareholders, Boards of Commissioners and Directors
PT Kawasan Industri Jababeka Tbk
Jakarta

Introduction

We have reviewed the accompanying interim consolidated financial statements of PT Kawasan Industri Jababeka Tbk (the "Company") and its Subsidiaries, which comprise the interim consolidated statements of financial position as of June 30, 2022, and the interim consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Indonesian Financial Accounting Standards. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", established by the Indonesian Institute of Cerfified Public Accountants ("IAPI"). A review of these interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the IAPI and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of PT Kawasan Industri Jababeka Tbk and its Subsidiaries as of June 30, 2022, and their consolidated financial performance and cash flows for the six-month period then ended, in accordance with Indonesian Financial Accounting Standards.

Other matter

This report has been prepared for inclusion in the offering documents in connection with the proposed public offering of the Company's debt securities to be listed on Singapore Exchange.

Kantor Akuntan Publik
TANUBRATA SUTANTO FAHMI BAMBANG & Rekan

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September 2, 2022

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No. : 016/6.K029/AJM.2/06.21
Re : **Interim Consolidated Financial Statements**
June 30, 2021

Report on Review of Interim Financial Information

The Shareholders, Boards of Commissioners and Directors
PT Kawasan Industri Jababeka Tbk
Jakarta

Introduction

We have reviewed the accompanying interim consolidated financial statements of PT Kawasan Industri Jababeka Tbk (the "Company") and its Subsidiaries, which comprise the interim consolidated statements of financial position as of June 30, 2021, and the interim consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these interim consolidated financial statements in accordance with Indonesian Financial Accounting Standards. Our responsibility is to express a conclusion on these interim consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", established by the Indonesian Institute of Cerfified Public Accountants ("IAPI"). A review of these interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing established by the IAPI and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of PT Kawasan Industri Jababeka Tbk and its Subsidiaries as of June 30, 2021, and their consolidated financial performance and cash flows for the six-month period then ended, in accordance with Indonesian Financial Accounting Standards.

Other matter

This report has been prepared for inclusion in the offering documents in connection with the proposed public offering of the Company's debt securities to be listed on Singapore Exchange.

Kantor Akuntan Publik
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No. : 00230/3.0424/AU.1/03/1620-2/1/IX/2022
Re : **Consolidated Financial Statements**
December 31, 2021

Independent Auditors' Report

The Shareholders, Boards of Commissioners and Directors
PT Kawasan Industri Jababeka Tbk
Jakarta

We have audited the accompanying consolidated financial statements of PT Kawasan Industri Jababeka Tbk (the "Company") and its Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2021, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audits. We conducted our audits in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Kawasan Industri Jababeka Tbk and its Subsidiaries as of December 31, 2021, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other matters

This report has been prepared for inclusion in the offering documents in connection with the proposed public offering of the Company's debt securities to be listed on Singapore Exchange.

Before this report, we have issued an independent auditors' report no. 00145/3.0424/AU.1/03/1620-2/1/IV/2022 dated April 26, 2022 on the consolidated financial statements of PT Kawasan Industri Jababeka Tbk and its Subsidiaries as of December 31, 2021 and for the year then ended, and expressed an unmodified opinion.

Kantor Akuntan Publik
TANUBRATA SUTANTO FAHMI BAMBANG & Rekan

00230

Andre Januar Mulya, S.E., Ak., CA., CPA
License No. AP.1620

September 2, 2022

AKS/dp

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No. : 00229/3.0424/AU.1/03/1620-1/1/IX/2022
Re : **Consolidated Financial Statements**
December 31, 2020

Independent Auditors' Report

The Shareholders, Boards of Commissioners and Directors
PT Kawasan Industri Jababeka Tbk
Jakarta

We have audited the accompanying consolidated financial statements of PT Kawasan Industri Jababeka Tbk (the "Company") and its Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2020, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audits. We conducted our audits in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Tanubrata Sutanto Fahmi Bambang & Rekan (Certified Public Accountant), an Indonesian partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Kawasan Industri Jababeka Tbk and its Subsidiaries as of December 31, 2020, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other matters

This report has been prepared for inclusion in the offering documents in connection with the proposed public offering of the Company's debt securities to be listed on Singapore Exchange.

Before this report, we have issued an independent auditors' report no. 00028/3.0424/AU.1/03/1620-1/1/III/2021 dated March 29, 2021 on the consolidated financial statements of PT Kawasan Industri Jababeka Tbk and its Subsidiaries as of December 31, 2020 and for the year then ended, and expressed an unmodified opinion.

Kantor Akuntan Publik
TANUBRATA SUTANTO FAHMI BAMBANG & Rekan

Andre Januar Mulya, S.E., Ak., CA., CPA
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September 2, 2022

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No. : 00231/3.0424/AU.1/03/1243-3/1/IX/2022
Re : **Consolidated Financial Statements**
December 31, 2019

Independent Auditors' Report

The Shareholders, Boards of Commissioners and Directors
PT Kawasan Industri Jababeka Tbk
Jakarta

We have audited the accompanying consolidated financial statements of PT Kawasan Industri Jababeka Tbk (the "Company") and its Subsidiaries, which comprise the consolidated statements of financial position as of December 31, 2019, and the consolidated statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on such consolidated financial statements based on our audits. We conducted our audits in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Tanubrata Sutanto Fahmi Bambang & Rekan (Certified Public Accountant), an Indonesian partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

Opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of PT Kawasan Industri Jababeka Tbk and its Subsidiaries as of December 31, 2019, and their consolidated financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Other matters

This report has been prepared for inclusion in the offering documents in connection with the proposed public offering of the Company's debt securities to be listed on Singapore Exchange.

Before this report, we have issued an independent auditors' report no. 00406/2.1068/AU.1/03/1243-3/1/IV/2020 dated April 15, 2020 on the consolidated financial statements of PT Kawasan Industri Jababeka Tbk and its Subsidiaries as of December 31, 2019 and for the year then ended, and expressed an unmodified opinion.

Kantor Akuntan Publik
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September 2, 2022

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