

PT DELTA MERLIN DUNIA TEXTILE
(under PKPU/Restructuring Process)
(Incorporated in the Republic of Indonesia)

**SUCCESSFUL APPROVAL OF THE COMPOSITION PLANS BY SEMARANG
COMMERCIAL COURT AND APPLICATION FOR RECOGNITION OF
COMPOSITION PLANS IN THE US BANKRUPTCY COURT**

PT Delta Merlin Dunia Textile (the “**Company**”) refers to:

- a) PKPU case 22/Pdt.Sus-PKPU/2019/PN.Smg (“**PKPU Case 22**”) and case 25/Pdt Sus-PKPU/2019/PN.Smg (“**PKPU Case 25**”, together with PKPU Case 22, the “**PKPU Proceedings**”);
- b) the compositions plans prepared in the course of the PKPU Proceedings, with the composition plan for PKPU Case 22 referred to herein as the “**Case 22 Composition Plan**”, and together with the composition plan for PKPU Case 25, the “**Composition Plans**”;
- c) the Company filings on 8 October 2019 with the United States Bankruptcy Court, Southern District of New York (the “**US Bankruptcy Court**”) for, among other things, an order that the PKPU Proceedings be recognized as a foreign main proceeding under the Bankruptcy Code (the “**Chapter 15 Proceedings**”); and
- d) the Chapter 15 Order Recognizing Foreign Proceeding issued by the US Bankruptcy Court on 4 February 2020 (the “**Chapter 15 Orders**”).

The Company wishes to announce the following:

- a) On 26 June 2020, the Indonesian Semarang Commercial Court approved the Composition Plans.
- b) To make an application to the US Bankruptcy Court for the recognition and enforcement of the Composition Plans (the “**Recognition Motion**”) within the Chapter 15 Proceedings, an authorized and sworn English translation of the Composition Plans was, *inter alia*, required to be submitted (the “**Translation**”). The Translation was received on 7 August 2020.
- c) On 18 August 2020, the Recognition Motion was filed, which motion seeks certain orders (the “**Recognition Orders**”).
- d) The Recognition Motion will be heard in the US Bankruptcy Court before Judge Sean H. Lane (the “**Court Hearing**”) on **11 September 2020 at 10am (New York Time)**.

INTEREST RESERVE ACCOUNT

Order 6 of the Chapter 15 Orders prohibits the payment to the noteholders from the interest reserve account (the “**IRA**”):

“Pending further order of this Court, neither the Foreign Debtors nor the Foreign Representative shall take any action with respect to the funds held in the Interest Reserve Account established under the Indenture.”

Accordingly, the Recognition Orders sought at the Court Hearing seek to allow the release of the funds in the IRA to noteholders in accordance with the Case 22 Composition Plan. In this regard, the Recognition Orders sought include that *“The Indenture Trustee is authorized and directed to use the funds in the Interest Reserve Account to make the Interest Payment”*.

Assuming the Court grants the Recognition Orders requested at the Court Hearing, the payment to the noteholders from the IRA in accordance with the Case 22 Composition Plan will then be made.

The Company will continue to keep its noteholders updated and will make the appropriate announcements as and when there are any material updates or developments. Noteholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully and should exercise caution when dealing in the Company’s securities. Stakeholders and potential investors who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

By Order of the Board

Teguh Handoko

Head of Finance

25 August 2020

The release of this announcement by the Company was authorised by the administrators of the Company appointed by the Commercial Court Decision of the Semarang District Court Number 22/Pdt.Sus-PKPU/2019/PN.Smg dated 30 September 2019