



PT. PELAYARAN NASIONAL

BINA BUANA RAYA Tbk

Jakarta, November 03, 2020

No. Ref: 001/BBR-JKT/XI/2020

Dear,
PT Bursa Efek Indonesia
Indonesia Stock Exchange Building Tower 1 - Lt. 6
Jl. Jenderal Sudirman Kav. 52-53
Jakarta 12190

Up. Direktorat Pencatatan dan Penilaian Perusahaan

Perihal : Disclosure of Information of Realization / Progress of Improvement of Conditions that Cause Suspension

With respect,

We hereby for and on behalf of the Company submit the following Information or Material Facts as below:

Name of Issuer : PT Pelayaran Nasional Bina Buana Raya Tbk
Business Field : Shipping
Telephone : 021 - 29529461
Fax : 021 - 29529462
Email Address : corpsec@bbr.co.id

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| 1 | Date of Occurrence | Oktober 31, 2020 |
| 2 | Type of Information or Material Facts | Realization/Progress of Improvement of Conditions that Cause Suspension |
| 3 | Description of Information or Material Facts | <p>Following Disclosure of Corporate Information previously on Plan/Progress of Improvement of Conditions dated August 18, 2020 that the Company was finalizing the completion of the restructuring with CIMB Bank Berhad (hereinafter referred to as "CIMB") and Malayan Banking Berhad (hereinafter referred to as "Maybank") which the creditor is already requested the Company that it requires the transfer of all the rights, title and interest in its Mortgaged Vessels to the prospective buyer. If the transfer of the rights, title and interest of the Mortgaged Vessels transferred to the buyer, then all credit facility balances to Maybank will be deemed as fully paid.</p> <p>After that date, the Company also made several restructuring settlements with other creditors, as follows:</p> <ol style="list-style-type: none">1. On 24 August 2020, the Company signed the Post Final Inter Creditor Agreement with DBS Bank Ltd. (hereinafter referred to as "DBS") which regulates the settlement of the existing loan facility balance through the asset disposal program.2. After that, on 13 October 2020, the Company signed the Post Final Inter Creditor Agreement (FICA) Deed with United Overseas Bank Ltd (hereinafter referred to as "UOB") regarding |



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the handover of the "MP Veloce" vessel to Astro Offshore Pte. Ltd. And on the same date, UOB and Marco Polo Marine Ltd. (Shareholders, hereinafter referred to as "Marcopolo") have signed a Debt Purchase Agreement to take part of the Company's debt amounting to USD7.4 million, on the terms and conditions set out in a debt purchase agreement to be entered.

Thus, the Company has finalized the restructuring settlement agreement with All Creditors (DBS, UOB, CIMB and Maybank).

As for the progress of the vessels handover, up to the date of this letter, the "MP Prelude" vessel that was guaranteed to CIMB was submitted on September 29, 2020, the "MP Veloce" vessel that was guaranteed to UOB was submitted on October 29, 2020 and several sets of tugs and barge that is secured to DBS. Currently, the Company is still in the process of handing over other vessels, so it is targeted that in the fourth quarter of 2020, all debts to the Bank's Creditors will be deemed as fully paid.

Furthermore, according to the Company's strategy to maintain its existence by looking for replacement vessels that have been/will be submitted for the completion of restructuring with the Bank's Creditors, on October 16, 2020, the Company has signed a Memorandum of Agreement for vessels, namely "MP Perkasa" and "MP Pride" with Marco Polo Offshore (VI) Pte Ltd (Marcopolo Subsidiary).

In relation to the latest developments in the operational conditions of the Company and its Subsidiaries, up to the third quarter of 2020, the average vessel utilization for the offshore support vessel segment and the tugboat and barge segment of the Company was 66% and 58%, respectively, with total revenue amounting to USD10 million, and a gross loss of USD197.2 thousand.

The following are the Company's efforts/strategies/plans in order to restore the Company's going concern for 2020 and 2021:

| Quarter | Realization of Efforts/Strategies/Plans |
|------------------|---|
| 4th year 2020 | Transfer the vessels to the buyer so the debt to the banks on the vessels is paid off |
| 1st year 2021 | Strengthening capital by inviting the Company's shareholders and/or strategic investors to increase capital through PMHMETD |

In addition, the Company continues to strive to obtain short-term contracts and contracts from abroad for offshore support vessels at a time when the oil and gas business situation has not improved. And on an ongoing basis, the Company continues to carry out cost efficiency programs for all of the Company's business lines.



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| | | <p>The obstacles that will be faced by the Company are after all the restructuring processes are completed, which is targeted for the third quarter of 2020, in which the Company feels the need to strengthen capital and replace vessels transferred in the restructuring process. With current conditions, support from banks is still considered difficult, so support from shareholders is the most likely and easy option to do, so the Company plans to implement PMHMETD.</p> <p>And in accordance with the current financial position of the Company, the book value after the restructuring is below the nominal value of the shares, furthermore related to the terms of share trading on the Indonesia Stock Exchange Number II-A concerning Equity Securities Trading, the new shares must also be traded apart from being listed on the Indonesia Stock Exchange. For this reason, when the Company intends to issue shares with a nominal value in accordance with the book value of the Company and to attract shareholders and / or investors to participate in the implementation of the capital increase, the Company must first conduct a reverse stock before being able to implement PMHMETD.</p> <p>Currently, the Company continues to coordinate with the Indonesia Stock Exchange and the Financial Services Authority for the possibility of PMHMETD and reverse stock.</p> <p>The ultimate shareholder of the Company is currently the Latip family, where they have direct shares in the Company amounting to 17.76% through the ownership of PT Sinar Bintang Makmur which is 100% owned by them. In addition, they are also the controllers of Marcopolo Marine Ltd., Singapore, where one of its subsidiaries, PT Marcopolo Indonesia, owns 34.80% of the Company's shares. And until now, the ultimate shareholder of the Company is still committed to supporting the Company's business activities.</p> <p>At this time, there are no other material information/facts/events that have not been disclosed. And if there is later, the Company will conduct information disclosure in accordance with applicable regulations.</p> |
| 4 | The impact of such occurrence, information or material facts on the operations, laws, financial condition, or business continuity of the issuer | <p>Impact of Operational Activities There was a gradual decrease in the Company's revenue as a result of the delivery of the pledged vessels to the buyer as part of the restructuring settlement with the creditors. On the other hand, the Company's direct expenses are also reduced, especially depreciation costs, and interest expenses due to loans to the creditors concerned will be deemed as fully paid.</p> <p>Impact of Financial Condition The total net book value of vessels pledged to creditors as of September 30, 2020 is around USD36.4 million. By transfer these vessels to the nominee(s), all debts to creditors amounting to USD34.1 million as of September 30, 2020 will be recognized as</p> |



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| | | <p>being paid off. In the end, the Company will record a loss on the disposal of these assets amounting to USD 2.3 million.</p> <p>Impact of Laws There is no impact on the laws currently. However, if the vessels are delivered at the time of the vessels are chartered, there is a potential claim from the charterer.</p> <p>Impact of Business Continuity There is no significant impact on the Company's business continuity. If all the vessels pledged as collateral to the Creditors are handed over, the Company's assets will decrease by about 71%. But on the other hand, the Company's debt will also be reduced by around 82% because the debt to creditors will be recognized as being paid off. In the end, the Company will continue to operate with 3 offshore support vessels which are guaranteed to Marcopolo, and 4.5 sets of tugboats and barges and 1 unit of self-propelled barge which is free of collateral.</p> |
| 5 | Other information | - |

Thus to be informed accordingly. Thank you for your kind attention.

Best regards,
PT Pelayaran Nasional Bina Buana Raya Tbk



Sufisan
Corporate Secretary