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Asia Pacific Rayon Raises US\$300m from National and International Affiliated Banks to Expand Production Capacity

- *Continued capital expenditure aims to boost production and support the recovery of Indonesian economy*
- *Loan agreements aligned with Indonesian Government's strategy to drive investment growth in 2021*
- *APR is a member of the RGE group of companies*

Jakarta, 10 April 2021 – Asia Pacific Rayon (APR), the largest integrated rayon fibre producer in Indonesia, today announced that it has secured a syndicated loan facility of Rp 4.5 trillion (US\$300 million) with national and international affiliated banks. The funding will be used to support continued capital investment in the company's production facilities at Pangkalan Kerinci, Riau Province, Sumatra.

APR is vertically integrated through its supply chain, from renewable fibre plantations to high-value textile development. It commenced operations in 2019 and was formally inaugurated by President Jokowi Widodo in February 2020. APR plans to increase its production capacity over the coming year to capture the strong growth potential of viscose staple fibre (VSF), strengthening its market position in Indonesia and in export markets across the region. APR is a member of the RGE group of companies. RGE manages a group of resource-based manufacturing companies with global operations.

The syndicated loan participating banks are PT Bank Rakyat Indonesia (Persero) Tbk, PT Bank Central Asia Tbk, PT Bank Pan Indonesia Tbk, PT Bank Pembangunan Daerah Jawa Barat, PT Bank Woori Saudara Indonesia 1906 Tbk and PT Bank KEB Hana Indonesia. The joint mandated lead arrangers and bookrunners for the syndicated loan are PT Bank Rakyat Indonesia (Persero) Tbk, PT Bank Central Asia Tbk, and PT BANK Pan Indonesia Tbk.

Basrie Kamba, Director, Asia Pacific Rayon, said: "This funding will be used to support continued investment in our operations in Pangkalan Kerinci. Rayon fibre or viscose, is a textile raw material derived from sustainably managed plantations. As rayon is both renewable and biodegradable, it supports the trend towards sustainable fashion in Indonesia and in other markets around the world."

APR's planned expansion is aligned with the Indonesian Government's strategy to increase investment and boost employment to support the recovery of the country's economy and address the continued impact of the COVID-19 pandemic. Following the passing into law of the Omnibus Bill in October last year to streamline investment and stimulate job creation, President Widodo said last month that investment would be the key factor in achieving 5% economic growth in 2021.

"This loan facility and our continued investment in our operations are evidence of the growth potential of the viscose rayon sector in Indonesia and around the world. We are committed to supporting the Indonesian Government's efforts to improve the investment climate in export-oriented manufacturing industries, and its efforts to create upstream jobs in

plantations and the processing of raw materials, and downstream opportunities in textile factories and related businesses,” said Basrie.

Hari Setiawan, Executive Vice President of PT Bank Rakyat Indonesia (Persero) Tbk said: “As Representative of JMLAB and all lenders, I hope this collaboration will be useful to support the growth and development of PT Asia Pacific Rayon in increasing production and operations and also supporting the recovery of Indonesia’s export growth.”

“Support from BCA and other Banks reflect our confidence in APR, and as our contribution to promote a sustainable and environment friendly industry. We hope this cooperation will tighten our relationship as well,” said Susiana Santoso, Executive Vice President of PT Bank Central Asia Tbk.

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About Asia Pacific Rayon

Asia Pacific Rayon is the first fully integrated viscose rayon producer in Asia. Located in Pangkalan Kerinci, Riau, the company uses the latest production technology to produce high-quality rayon to meet textile needs. APR is committed to becoming a leading viscose rayon producer with the principles of sustainability, transparency and operational efficiency, serves the interests of the community and the country, and provides value to customers. APR is part of the RGE (Royal Golden Eagle) group of resource-based manufacturing companies. Sustainability is fundamental to APR. The APR Sustainability Policy, updated in September 2020, include additional commitments on pulp sourcing and clean manufacturing.

About RGE

RGE Pte Ltd manages a group of resource-based manufacturing companies with global operations. Our work ranges from the upstream, comprising sustainable resource development and harvesting, to downstream, where our companies create diverse value-added products for the global market. Our commitment to sustainable development underpins our operations, as we strive towards what is good for the community, good for the country, good for climate, good for customer, and good for company. RGE was founded in 1973. The assets held by RGE companies today exceed US\$20 billion. With more than 60,000 employees, we have operations in Indonesia, China, Brazil, Spain and Canada and continue to expand to engage newer markets and communities.
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