



**PT Pan Brothers Tbk**

**PRESS RELEASE**  
**Tangerang, 28 May 2021**

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On 27 May 2021 PT Pan Brothers Tbk ("**Pan Brothers**" or the "**Company**") was surprised to learn of a Penundaan Kewajiban Pembayaran Utang ("PKPU") or suspension of payments application made against it in the Central Jakarta Commercial Court (the "**Court**") by PT Bank Maybank Indonesia Tbk ("Maybank"). PKPU proceedings are governed by Law No. 37 of 2004 on Bankruptcy and Suspension of Debt Payment Obligations (the "**Indonesian Insolvency Law**"). The Company is seeking clarification from the Court on this matter, and wishes to assure all parties that it is doing everything in its power to challenge and resolve this PKPU application.

Pan Brothers has been working diligently with its syndicated and bilateral lenders to reach a voluntary out of court restructuring of its debts. As of today all indications are that, notwithstanding these actions by Maybank, a majority of lenders view the current negotiations favourably and are prepared to submit the negotiated terms for credit approval. It should be noted that Maybank's portion of the Company's total syndicated and bilateral debts is less than 4.5%.

Pan Brothers' financial difficulties began in 2020 with the onslaught of the COVID-19 pandemic and the abrupt change of sentiment towards the textile industry that it brought. The COVID-19 pandemic presented an unprecedented challenge to apparel manufacturers due to the vulnerability of garment supply chains coupled with a tapering off of external demand as well as supply shocks. While the Company has recovered from the initial shocks and operations remain robust, it is still dealing with other fallout from COVID-19 including: (1) an increase in industry cash conversion cycles which has had a significant impact on working capital demands; (2) a significant reduction in trade lines; and (3) credit rating downgrades. Nevertheless, throughout this the Company has continued to pay interest on its obligations and to actively engage with its creditors with a view to restructuring its debts in a consensual manner.

Pan Brothers is the largest publicly listed garment manufacturer in Indonesia, in terms of installed capacity. We commenced our business in 1980 and became a listed company on the Indonesia Stock Exchange in 1990, under the stock code: PBRX. Our products are mostly sold Internationally and our customers including some of the world's clothing brands and retailers. We also offer retail apparel by manufacturing and selling our garments in Indonesia under our own brands and others. During 2020, the Company recorded sales of USD 685 million or grew approximately 3% compared to year 2019 of USD 665 million. The sales were dominated by exports of products throughout various continents. Pan Brothers houses 31 thousand over employees across 25 factories in Indonesia. The Company also continues to operate optimally so that it is still able to contribute in development growth through exports and can reduce the unemployment rate in Indonesia.

**Directors**  
**PT Pan Brothers Tbk**