

Subang Sugar Factory Revitalization

October 5th, 2022





PG Rajawali II

member of **ID FOOD**



History

PT Pabrik Gula Rajawali II started from PT Perkebunan XIV (Persero) based on Cirebon

PT Rajawali II Sugar Factory started from PT Perkebunan XIV (Persero) domiciled in Cirebon which was established based on Deed No. 3 dated May 2, 1981 and amended by Deed No. 57 dated June 29, 1983 from Notary Gustaaf Moemala Soankoepaon Loemban Tobing, SH, Notary in Jakarta.

Since June 30, 1988, the management of PT Perkebunan XIV (Persero) was transferred to PT Rajawali Nusantara Indonesia (PT RNI) based on the Decree of the Minister of Finance of the Republic of Indonesia No. 1326/KMK.013/1988 dated June 30, 1988.

Based on Government Regulation no. 1 of 1993 dated 8 June 1993 concerning the addition of the Republic of Indonesia's State Equity Participation into the share capital of the company PT RNI, on that basis PT Perkebunan XIV (Persero) officially **became one of the subsidiaries of PT RNI** with a share ownership of 99.99%.

Sugar Factory

PG Tersana Baru, capacity 3.000 TCD
PG Jatitujuh, capacity 4.500 TCD
PG Sindanglaut, capacity 1.800 TCD (off 2020)



PG Subang, capacity 3.000 TCD (off 2018)

Puslitagro:

Research and Development,
Varieties, Micropropagation, Soil
Laboratorium, and Plant
Protection



Main Business

Business Diversification

Apotek Raja Farma

Drugs store
Laboratorium and Medical Clinic



Alcohol Factory

PSA Palimanan, production capacity:
Ethil Alkohol 95% : 21.000 liters/day
Ethil Alkohol 65% : 10.000 liters/day

Asset Optimization:

To optimize main core business and idle assets
Ex: Rajawali Guest House and Ciloto Guest House



Subang Sugar Factory/PG Subang Revitalization



Why

- Domestic sugar production is not sufficient (West Java Demand $57,86 \times 10^6$; West Java Production $5,39 \times 10^6$)
- We have an Cultivation Rights Title (HGU) land as large as 4.500 ha for Sugar cane.
- We also have opportunity to expand the land for sugar cane until 6.000 ha (Joint operation with PTP N VIII and Perhutani Subang)
- Increasing sugarcane productivity (60 to 75 ton/ha)
- Supporting government policy to achieve self-sufficiency of sugar

What

- Since 2018 until now PG Subang has never been operated. On September 22, 2020 the LPP Yogyakarta (Consultant) conducted a site visit to see the current condition and make feasibility study of PG Subang. As a result, the LPP conclude that PG Subang really needed to be revitalized.

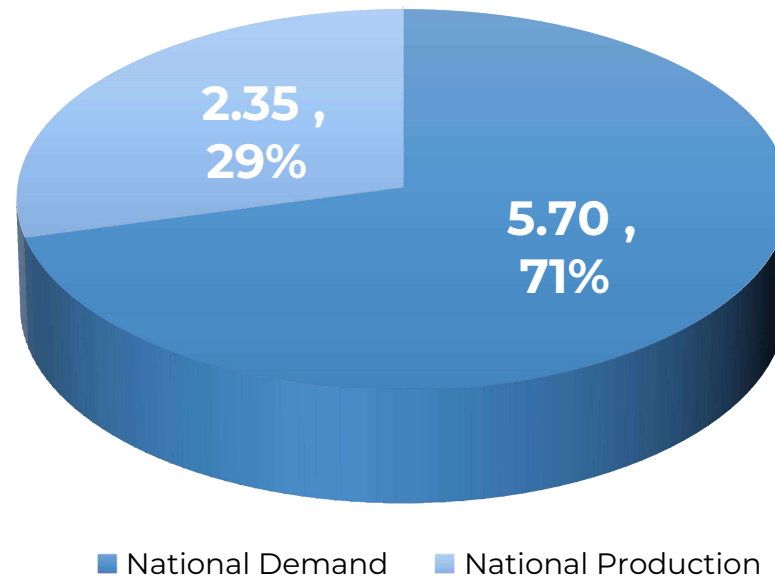
How

- We need investors to realize the revitalization of PG Subang (build new factory).
- Based on Financial study by LPP Yogyakarta, the project is feasible.
 - Estimated Investment Value : IDR 1.3 Trillion
 - Concession Period : 15 years
 - Projected Net Income : IDR 598 Billion
 - IRR : 16,11%
 - NPV : IDR 416 Billion
 - Pay Back Period : 6 years
- Business scheme : Joint Operation



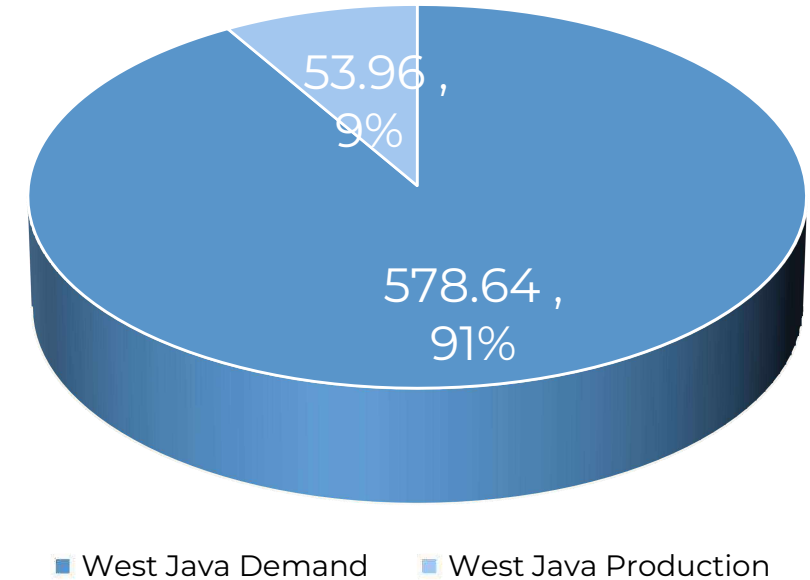
National Sugar Ratio 2021

Amount of Sugar (Million Ton)

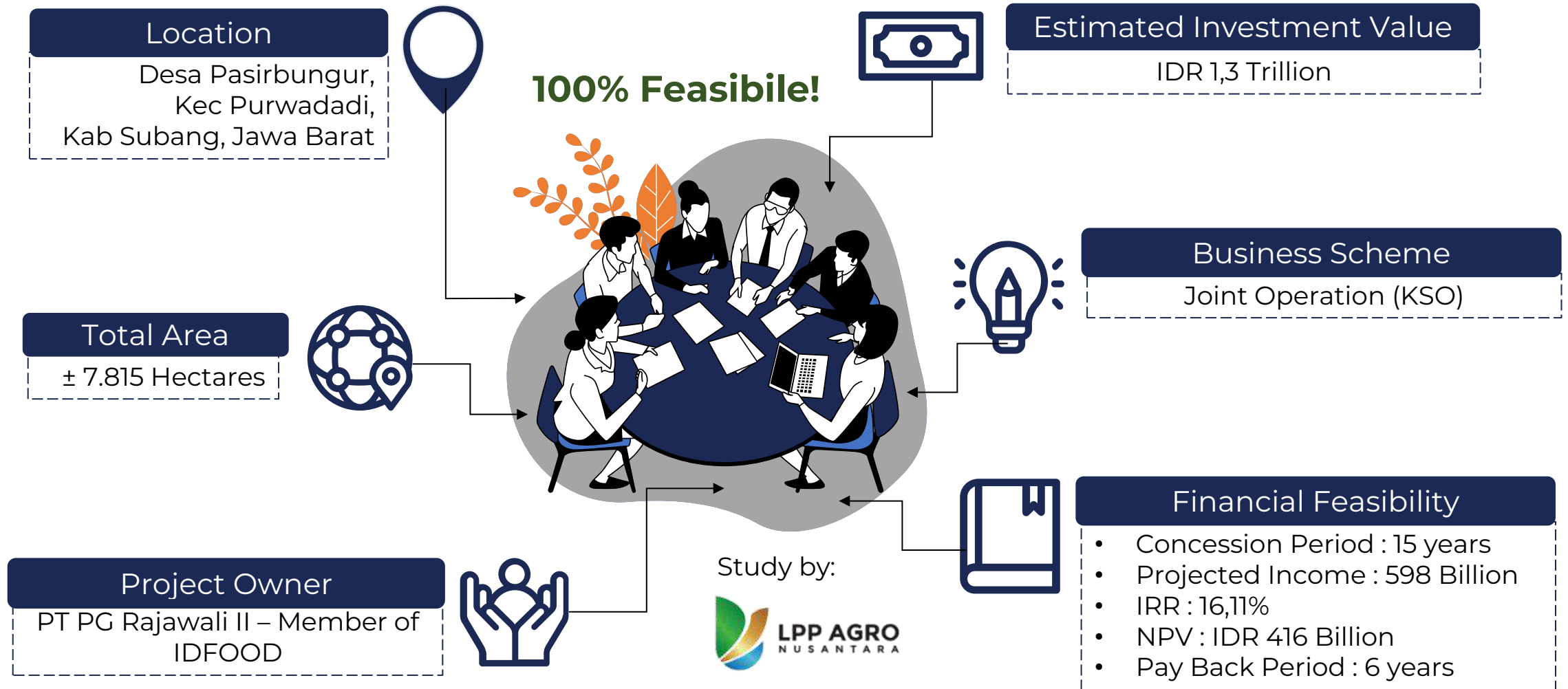


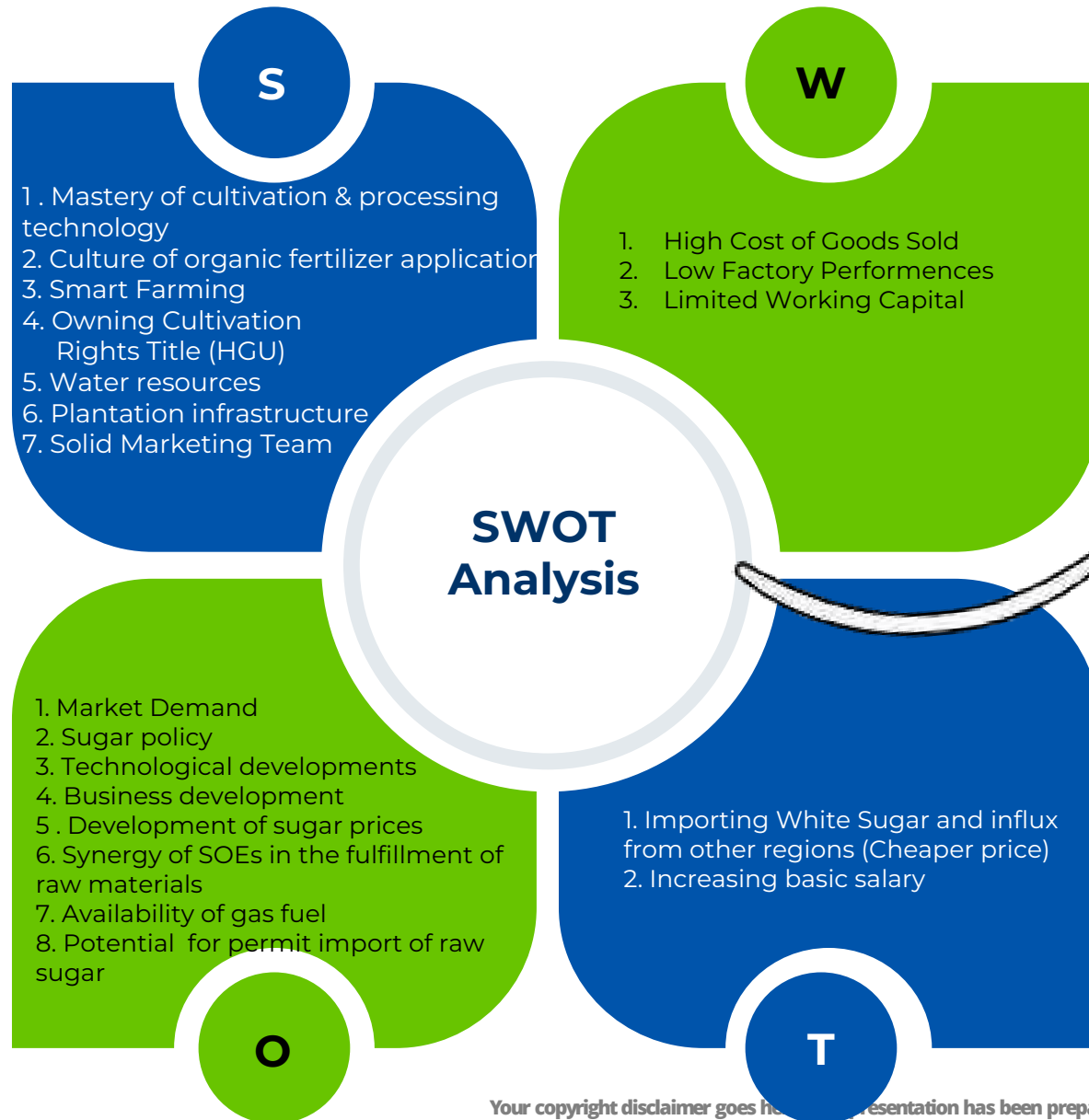
West Java Sugar Ratio in 2021

Amount of Sugar (Million Ton)

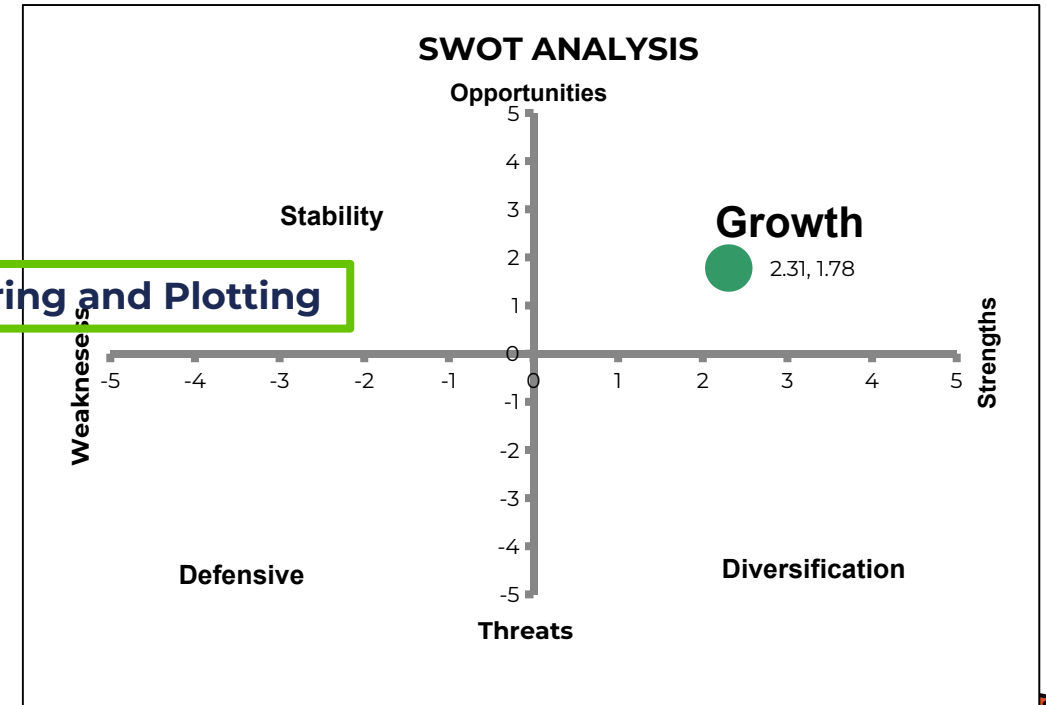


In order to advance the Indonesian sugar industry, IDFOOD as a State-Owned Enterprise (SOE) whose main business is in the sugar industry continues to develop its sugar production capacity. One of the plans to develop sugar production is to revitalize PG Subang.



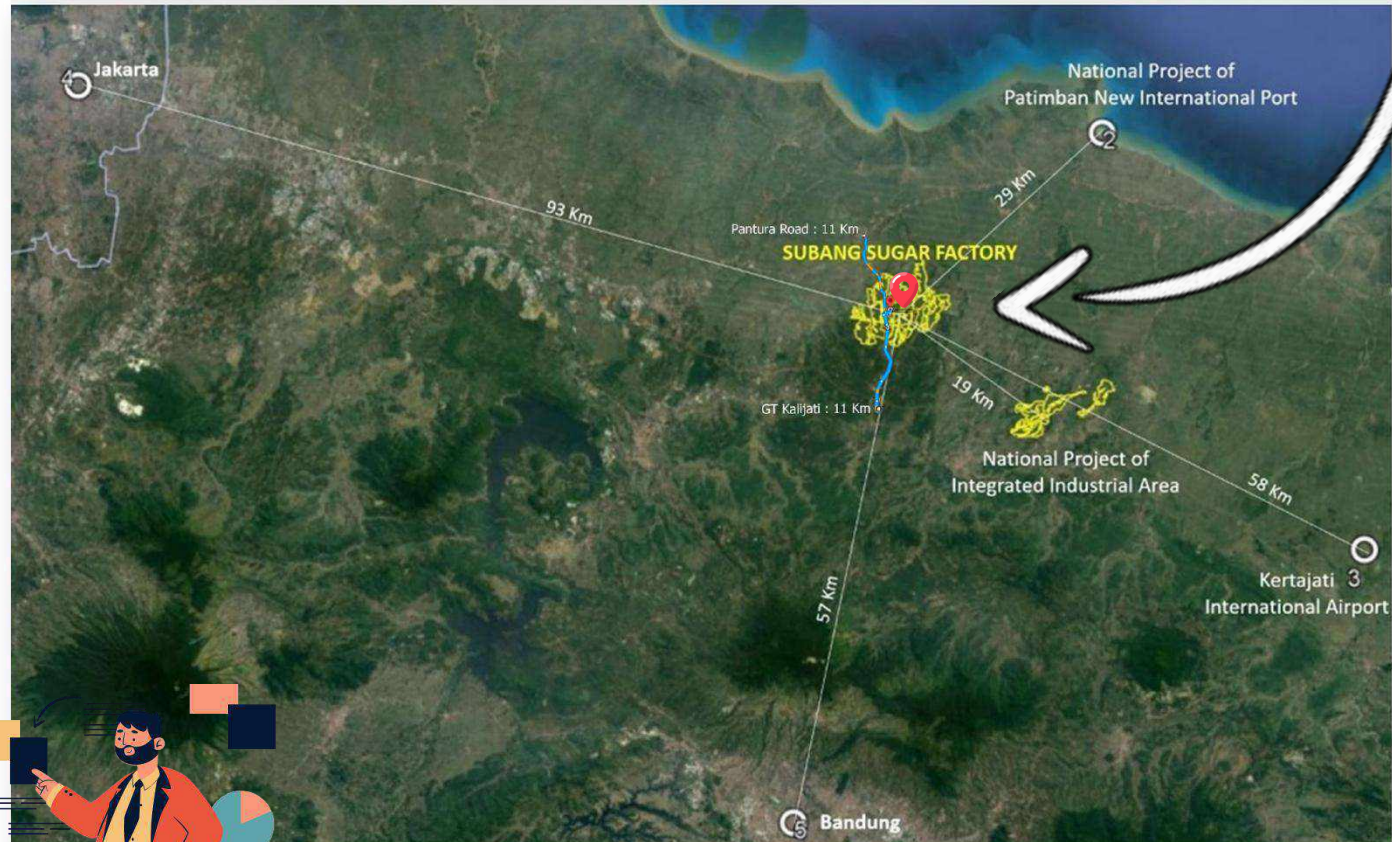


Delphi Matrix



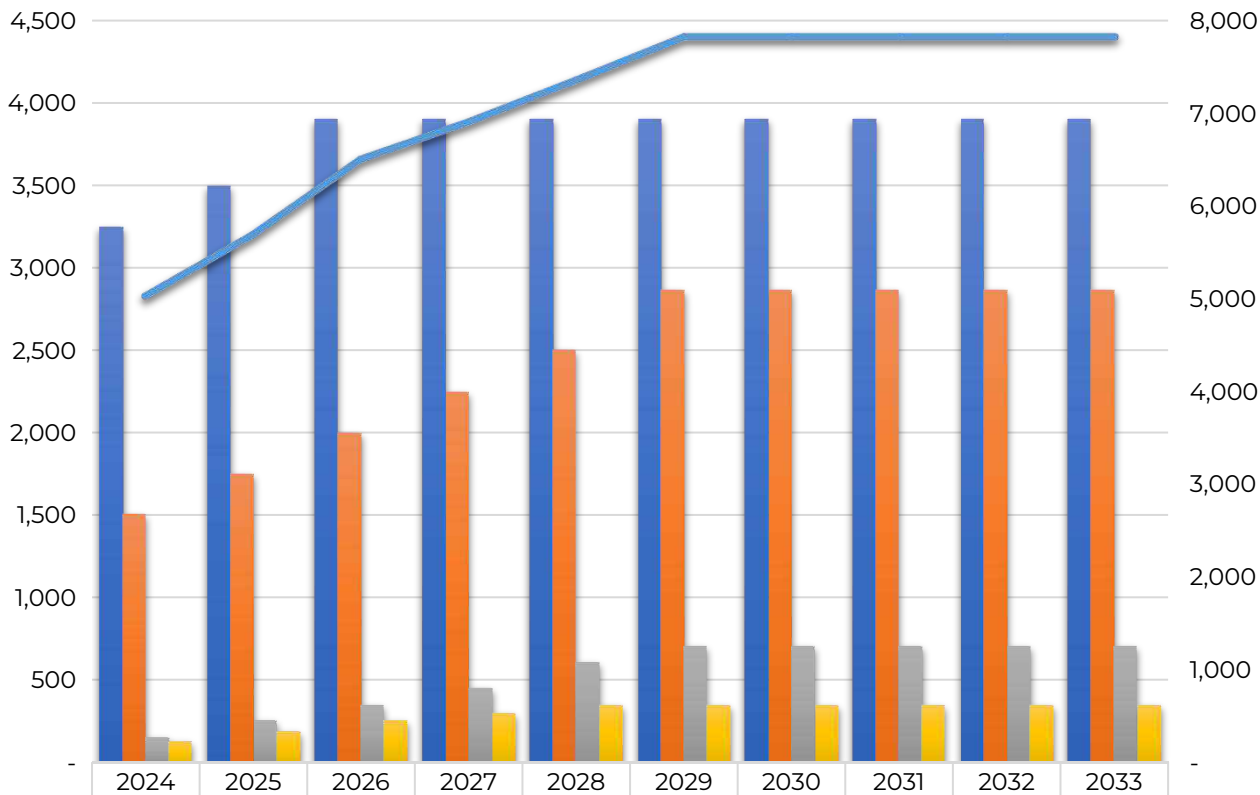
Scoring and Plotting

From the calculation of the SWOT component, PT PG Rajawali II is in the **Growth Quadrant** with S-O attractiveness, or using the company's strength to take advantage of existing opportunities (**Growth Strategy**)



PG. Subang is ***strategically*** located in the Cidangdeur block, Pasirbungur Village, Purwadadi District, Subang Regency, West Java, with a position of:

-  93 km from Jakarta
-  58 km from Kertajati International Airport.
-  57 km from Bandung
-  29 km from National Project of Patimban New International Port
-  19 km from National Project of Integrated Industrial Area
-  11,8 km from ke Kalijati Toll Gate
-  11,1 km from Pantura National Street



Explanation

- The estimated additional land suitability from ±7.815 Ha.
- Production Projection Own Farm (TS) average ± 77,5 ton/ha and Farmers Partnership (TR) average ±72,5 ton/ha.
- Initial operational plan in 2024 with initial milling capacity of 4,000 TCD Operational day range 100 – 120 days.



Existing of Cultivation Rights Title (HGU) PTPN VIII area Agroforestry Farmer Partnership Total Area



It will be supported by Irrigations and Reservoirs



“International Standart Modern Sugar Factory”

A reliable factory is able to show performance (Overall Recovery > 82%), environmentally friendly and more hygienic products by selecting a purification process for Remelt Carbonation, which utilizes CO₂ from the boiler as a substitute for sulfur), Energy efficiency by using high steam power pressure, and is supported by continuity parameters process through DCS (Distribute Control System).



PARAMETERS	QUANTITY	UNIT
Factory Design Capacity	4000 Expandable 5000	Ton Cane Day
Purification System	Defecation Remelt Carbonation	
White Crystal Sugar (GKP) Colour Average	100-300	ICUMSA Unit
Steam Consumption (Steam % Sugarcane)	< 46	%
Evaporator	1-5	Quintiple Full Bleeding Body
Electricity Consumption	35	KWh / Ton Cane Hour
Prime Movers	Full Electrification (Except Turbo Alternator and Heavy Duty Hammer Shredder)	
Boiler and Turbo Alternator	45 (High Pressure)	Barg
Electric Excess (Co-Gen)	1.7 (In Milling Period/DMG) and 3.3 Outside the Milling Period/LMG)	MegaWatt
Utility System	Close Loop Water System	
Investment Forecast	IDR 1.3 Trillion	

PG Rajawali II

member of  ID FOOD



Get profit sharing
with the amount
agreed in the
agreement

Get profit sharing
with the amount
agreed at the
beginning of the
agreement

INVESTOR

Joint Operation (KSO)

Cooperation is carried out for a mutually agreed period of operational cooperation objects (Assets Owned by PG and Investors)

Benefits:

- Obtain asset management rights that have a history of processing sugar
- Get profit sharing from Joint Operation (KSO)
- Get ready resources to run sugar factory operations (Assets and HR)
- Can participate in the management of KSO managers

Terima Kasih Thank

DIRECTOR OFFICE

Jl. Dr. Wahidin S No.46,
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October, 5 2022

Assets

Object	Units	Area (M2)	Market Value (IDR)	Liquidation Value (IDR)
Land	1	35.000.000	484.722.500.000	200.454.361.877
Buildings	67		12.585.400.000	7.551.170.000
TOTAL			497.307.900.000	208.005.531.877

Proportion of Profit Sharing on Management

Management Weighting Component	PT PG Rajawali II	Partner
Raw Sugar Permit	5%	0%
Finance (Working Capital)	0%	15%
Technology	0%	10%
Managerial	2.5%	7.5%
TOTAL	7.5%	32.5%



Proportion of Profit Sharing on Assets

Assets	Contributions
Cooperation assets value of PT PG Rajawali II	IDR 497.357.900.000
Cooperation assets value of Partner	1.300.000.000.000
Proportion of profit sharing on the assets of PT PG Rajawali II	16,60%
Proportion of profit sharing on the assets of Partner	43,40%

Calculation of NPV



■ PT PG Rajawali II ■ Partner