

029/Intiland/CS/TVR/III/2020

6 March 2020

To:

Mr Adi Pratomo Aryanto

Head of Listings Group 1

Bursa Efek Indonesia/Indonesia Stock Exchange

Jl. Jend. Sudirman Kav. 52-53

Jakarta Selatan 12190

Dear Sir,

Clarification on the Implication of Effectively Adopting the Indonesia Financial Accounting Standards (PSAK) 71, 72, and 73 Year 2020 on the Company's Financial Statements

We refer to the Letter from the Indonesia Stock Exchange Number S-01457/BEI.PPU/03-2020 concerning its request for clarification on the implication of effectively adopting the Indonesia Financial Accounting Standards (*Pedoman Standar Akuntansi Keuangan*, PSAK) 71, 72, and 73 Year 2020 on the Company's Financial Statement, particularly for the period ending on 31 March 2020. PT Intiland Development Tbk. ("**Company**") wishes to provide the following clarification:

No	Query	Response
1a	Is the Company going to book an operating loss and/or net loss by adopting the PSAK 71, 72, and 73? Please explain.	Adoption of the PSAK 71, 72, and 73 will cause the Company to not be able to recognise revenue from contracts where the term is more than one year.
1b	In relation to PSAK 72, does the Company have any revenue from contracts where the term is more than one year? If "yes," does adoption of the PSAK cause the Company to not be able to recognise revenue from such contracts? Please explain.	<p>Yes, the Company and its subsidiaries have revenue from contracts where the term is more than one year.</p> <p>By adopting the PSAK 72, revenue from certain projects may not be recognised in 2020 since such projects are currently under construction. Nonetheless, the Company may be able to recognise revenue from its other projects in 2020 once the completed buildings have been handed over to customers in 2020.</p>

1c	In relation to PSAK 73, does the Company have any leases that will cause the Company's leased assets to be recorded as right-of-use assets (<i>aset hak guna</i>)?	The Company does not have any leases that will cause its leased assets to be recorded as Right-of-Use Assets (<i>Aset Hak Guna</i>).
2	The Company's measures to mitigate risks described in point (1) above.	<p>Subject to market conditions, the Company will choose the most suitable timing when launching new products, particularly high-rise buildings that are constructed under term-contracts. The Company has communicated the adoption of the new PSAK to its subsidiaries and has carried out in-depth discussions internally.</p> <p>Furthermore, the Company has explained the effects of the new accounting standards to its investors and relevant parties.</p>
3	The Company's clarification on material information or other important events which may affect the Company's business sustainability and may affect the Company's share price.	There are no material information or other important events which may affect the Company's business sustainability.

We thank you for your kind attention.

Sincerely yours,

[signed]

Theresia Rustandi
Corporate Secretary

CC:

1. Director of Listings, Indonesia Stock Exchange/Direktur Penilaian Perusahaan Bursa Efek Indonesia
2. Director of Financial Assessment of Real Sector Companies, Financial Services Authority/Direktur Penilaian Keuangan Perusahaan Sektor Riil, Otoritas Jasa Keuangan
3. Director of Financial Assessment of Service Sector Companies, Financial Services Authority/Direktur Penilaian Keuangan Perusahaan Sektor Jasa, Otoritas Jasa Keuangan
4. Director of Securities Transactions Supervision, Financial Services Authority/Direktur Pengawas Transaksi Efek, Otoritas Jasa Keuangan
5. Director of Capital Market Sanctions and Appeals, Financial Services Authority/Direktur Penetapan Sanksi dan Keberatan Pasar Modal, Otoritas Jasa Keuangan

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