

Press Release
8 December 2014

GMF AeroAsia and Bintan Aviation Investments establish a state of the art Aircraft Maintenance Facility in Bintan.

Jakarta, 8 December 2014 – GMF AeroAsia (GMF) and Bintan Aviation Investments (BAI) are teaming up to form a Joint Venture company for aircraft maintenance at Bintan Industrial Park in Lobam Bintan in the Province of Riau Islands. The Joint Venture Agreement was signed by the President & CEO of GMF AeroAsia, Mr. Richard Budihadianto and The President Director of Bintan Aviation Investments, Mr. Frans Gianto Gunara, at Hangar 1 GMF in Cengkareng on 8 December 2014. This Strategic co-operation is set up to accommodate the growing aircraft maintenance industry.

“This Joint Venture company will be the first subsidiary of GMF” said GMF CEO Richard Budihadianto. GMF is a member of Garuda Indonesia Group that is active in Aircraft Maintenance Services. Bintan Aviation Investments is a subsidiary of Gallant Venture Ltd. On 11 February 2014, Garuda and Gallant Venture have signed a Memorandum of Understanding to develop Bintan Island into a tourism and aviation hub.

The Aircraft Maintenance Centre will be part of the 177 hectare Bintan Aerospace Industrial Park located in the existing Bintan Industrial Estate adjacent to the runway of Bintan Airport. Bintan Airport is the first privately owned airport in Indonesia with facilities to accommodate wide body aircraft. The Bintan Aerospace Industrial Park will include Maintenance, Repair and Overhaul (MRO) facilities for aircraft; manufacturing and assembly of aircraft engines and components; aviation training and academy, and research & development. There will also be a dedicated township, including residential for employees, dormitories, health centre, sports centre, convenient stores, to cater to the management and staff in Bintan Aerospace Industry Park.

According to Richard Budihadianto, the joint venture company of GMF and BAI will primarily serves the maintenance and overhaul of wide body aircrafts such as B747, B777, and A330. In the first phase, two single bay hangars, each capable of handling heavy maintenance for wide body aircraft plus a third specialized wide body painting hangar will be built. The second phase will include the extension of two additional single bay heavy maintenance hangars. The maintenance hangar will be supported with *back up shop*, *component shop* and *aircraft related component*. “The first phase heavy maintenance hangar is scheduled to be operational at end of 2016” said Richard Budihadianto. The Heavy Maintenance hangar in Bintan will complement GMF’s hangar that is already in operations in Soekarno-Hatta International Airport in Cengkareng Jakarta.

To support the development and the operations of MRO activities in Bintan, GMF has established a co-operation with the Regional Government of Riau Islands province to select, educate and train the best local youth to be the future core of technicians and engineers of the Bintan- MRO. Currently the selected students are being sent to Suryadharma University in Jakarta to obtain the D3 certificate along with the General License. In the first five years, the JV company will employ more than 1500 employees. “Recruitment and education process have already begun since 2014,” Richard said.

Richard Budihadianto also said Bintan is carefully chosen as Aircraft Maintenance Center based on several considerations. Bintan is located near Singapore where several regional offices of Aviation Industry are located. In the location of Bintan Aerospace Industrial Park, the airport and seaport are integrated so-that the movement of aircraft component will be easy and efficient. Bintan Industrial Estate is also situated in a designated Free Trade Zone. “GMF wants to enhance its competitive edge through the integration of supply chain management” said Richard Budihadianto. It also a

huge advantage that Bintan-MRO is located in the Bintan Aerospace Industrial Park, the first integrated aviation industrial center in Indonesia with ample area to allow further expansion.

This Joint Venture company of GMF and BAI will focus on the growing aircraft maintenance market, in particular wide body aircrafts. Garuda Indonesia have already operated B777 and will operate a total of ten B777 aircrafts, 16 units of A330 that will grow to a total of 30 units and a number of B747. Other airlines, especially in Asia Pacific are expanding their aircraft fleet triggering a fast growing aircraft maintenance market. In 2013 the total market of aircraft maintenance in Asia Pacific is USD 16.4 billion. The market is expected to grow by 43.4%, with a total worth of USD 26.5 billion by 2022. "Asia Pacific has the highest growth among other area in the world", said Richard Budihadianto.

President Director BAI, who is also the Executive Director & COO of Gallant Venture Ltd. ("GV"), Frans Gianto Gunara, explained that the development of Bintan Resorts as the tourist destination of choice for international and domestic travelers, along with the expansion of Bintan Industrial Estate with a world class facility for the center of aerospace industry, equipped with premium airport facility will be the spearhead of the economic developments of Riau Islands province in anticipating the implementation of ASEAN single market.

We are committed to invest in providing the necessary infrastructure to serve the growing number of visitors to this island. We are extending our road network, power, portable water and telecommunication facilities to the new airport and its adjacent aerospace park. Our ferry connections to neighboring islands, including Singapore, will be enhanced so as to ensure speedy services and quicker turnaround. At the same time, Garuda Indonesia's operations and the aerospace Industrial Park in Bintan will boost the local economy and create substantial job opportunities as well as upgrading skill sets and standard of living for the people of the Riau Islands. "Gallant Venture is committed to support Garuda, its alliance partners and the aerospace industry in Indonesia" said Mr Frans Gianto Gunara.

Note to Editors:

About GMF AeroAsia

GMF AeroAsia is a subsidiary of PT Garuda Indonesia (Persero), Tbk. that work in MRO business. GMF supported by about 3,500 employees, most of them are highly skilled technician, already did aircraft maintenance for several domestic and international aircraft from more than 50 countries in the world. With the high experience in aircraft maintenance, human resources support, and the develop facilities, GMF that located in Bandara Soekarno-Hatta Cengkareng now ready to be a world class MRO of Customer's choice.

About Gallant Venture

Gallant Venture Ltd. is an investment holding company that has commercial development and management group in Riau Archipelago and an integrated master planner for industrial parks and resorts in Batam and Bintan. Gallant, through its subsidiary, is the owner of several facilities, including but not limited to Bintan Resorts, a resorts that has site area of 23,000 ha in Bintan island, Bintan Resort Ferry Operator, Bintan Industrial Estate that has site area of 4,000 ha located at Southern Bintan and Bintan Aviation Investments that focus on aviation business. Gallant owns the Land as well as the license holder to build Bintan Airport at Bintan Regency.

Media Contact :

PT. GMF AeroAsia
Dwi Prasmono Adjti, VP Corporate Secretary
VP. Corporate Secretary
Tel: 62 21 5508696 or 5508737
Fax: 62 21 5503555
Email: d.prasmono@gmf-aeroasia.co.id

PT Bintan Aviation Investments.
Mr. Michael Wudy,
Managing Director
Tel: 62 21 5223976
Fax : 62 21 2510141
Email: michaelwudy@gallantventure.com