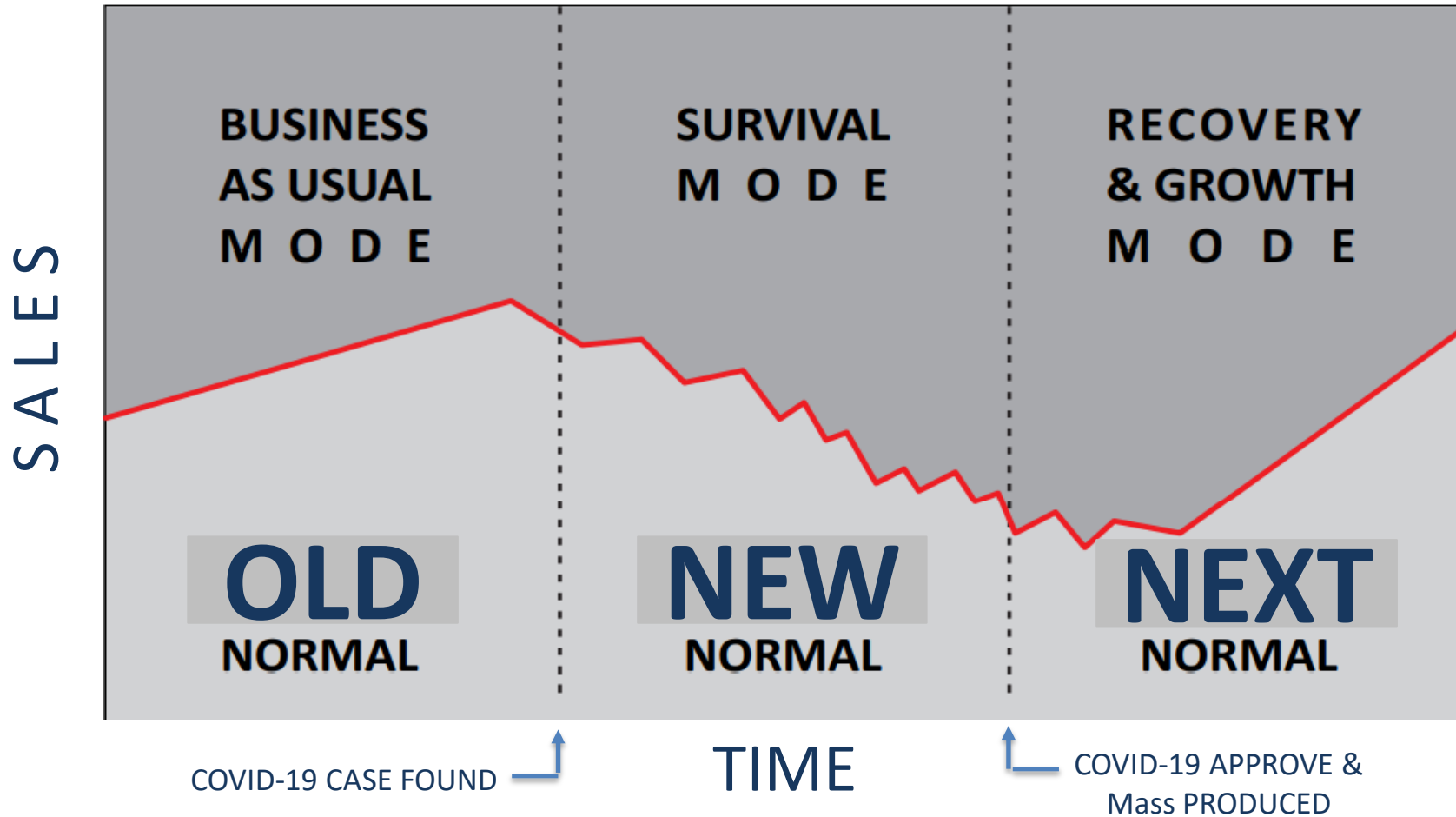




FORMATION OF STATE OWNED TOURISM HOLDING & NEW STRATEGIES TO INCREASE THE NUMBER OF RETAILERS

TOURISM UPDATE INDONESIA, February 15th , 2021

Situation Outlook



New Normal is the time for tourism industry to turn on “the survival mode”

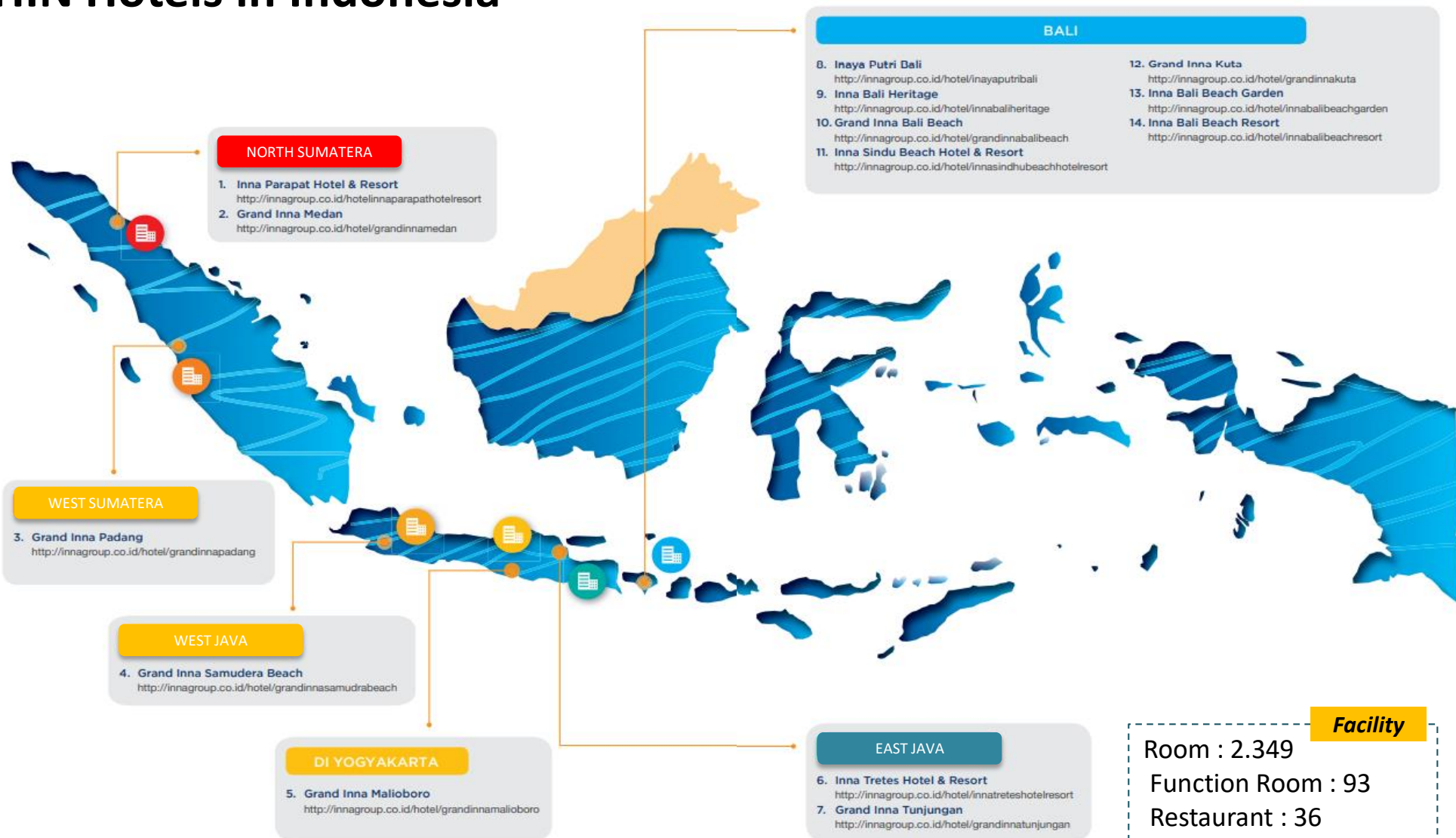
COVID-19 HAS AFFECTED EVERY SECTOR ACROSS THE GLOBE, AND THE HOTEL INDUSTRY IS AMONG THE HARDEST HIT

HIN Hotels in Indonesia

Overview

HIN Founded on August 5, 1962, PT Hotel Indonesia Natour (Persero) / HIN is a State-Owned Enterprise (BUMN) engaged in hospitality services and now has the business / commercial name of Inna Hotels & Resorts.

HIN has 14 units of hotels and resorts with 2.375 rooms in Bali, Java and Sumatra, namely Inaya Putri Bali Nusa Dua, Grand Inna Kuta, Grand Inna Padang, Grand Inna Bali Beach, Grand Inna Malioboro, Grand Inna Tunjungan, Grand Inna Samudra Beach, Grand Inna Medan, Inna Bali Beach Garden, Inna Bali Beach Resort, Inna Tretes Hotel & Resort, Inna Parapat Hotel & Resort, Inna Sindhu Beach Hotel & Resort, and Inna Bali Heritage Hotel



Facility

Room : 2.349
Function Room : 93
Restaurant : 36
Employee : 1.910

HIN Challenges in the New Normal

Three big challenges for HIN during the pandemic

1

Occupancy

- Hotel occupancy drops to single digits.
- No new consumer growth due to uncertainty and restrictions, and new government policies and regulations.

2

Productivity

- Productivity decreases due to limited resources.
- Hotel units renovation plans are postponed.

3

Existence

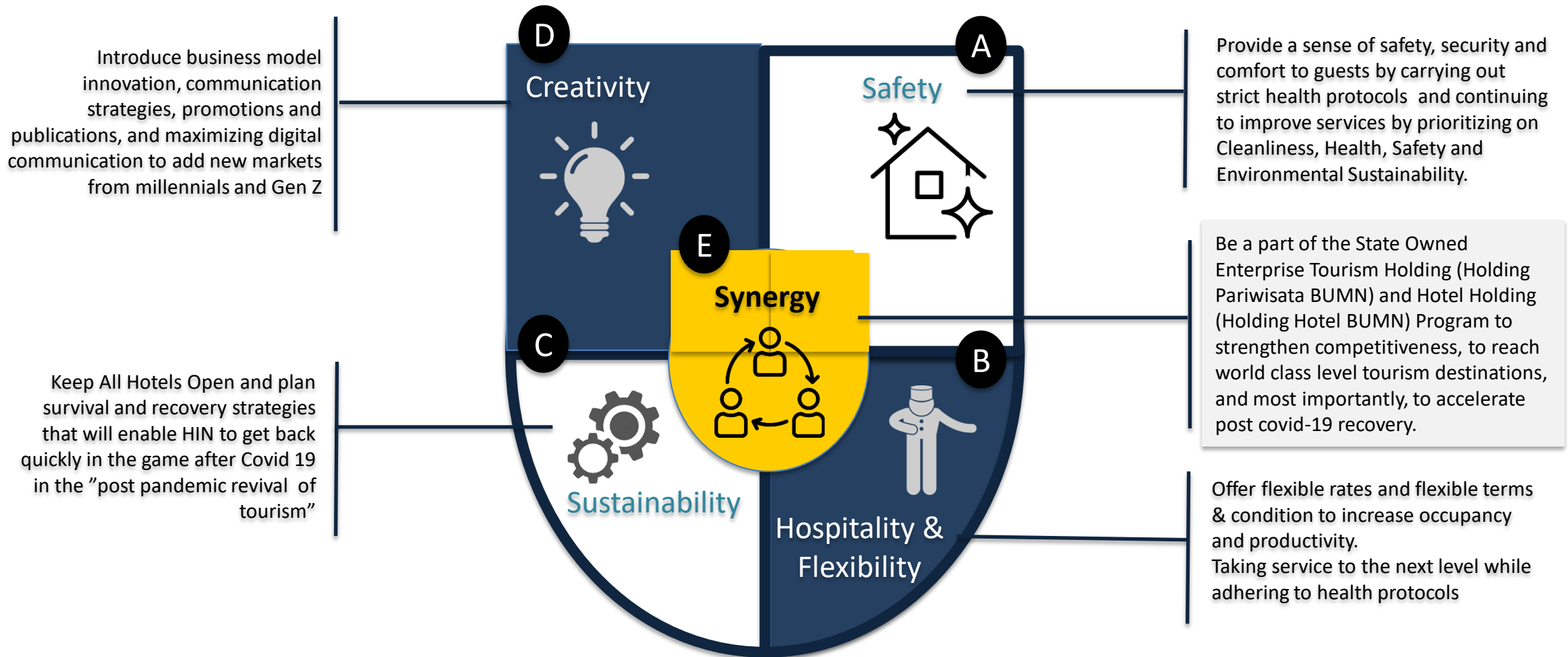
- HIN remains open and in operation amid a wave of hotel closures.
- HIN continue to expand and innovate business despite limited communication channels.

**THINK
NEW
NORMAL**

Intermittent distancing may be required into 2022 unless critical care capacity is increased substantially or a treatment or vaccine becomes available.

Harvard Study (*Science*, 2020)

To face the challenges, HIN sets 5 priority strategies



HIN in State Owned Holdings

HOTEL HOLDING & Co.



*SPV : Special Purpose Vehicle

TOURISM HOLDING



11 Hotels :

1. INAYA PUTRI BALI *5
2. GRAND INNA KUTA B *4
3. GRAND INNA MALIOBORO *4
4. GRAND INNA TUNJUNGAN *4
5. GRAND INNA SAMUDRA BEACH *4
6. GRAND INNA PADANG *4
7. GRAND INNA MEDAN *4
8. INNA PARAPAT *3
9. INNA TERETES *3
10. INNA SINDHU BALI *3
11. INNA BALI HERITAGE *3

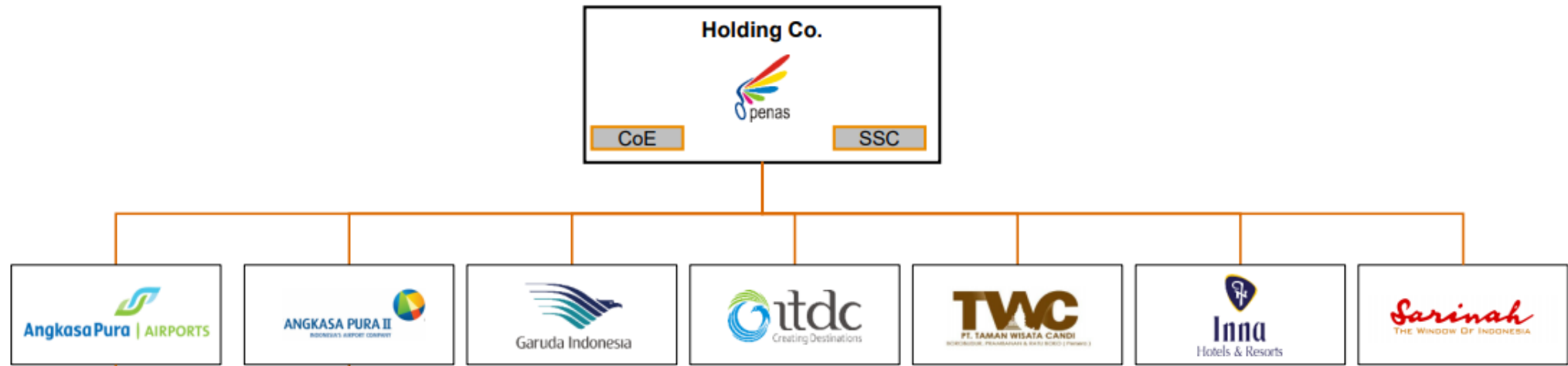
- 3 HOTEL : GRAND INNA BALI BEACH
- IDLE ASSETS
- NEW BUSINESS



- HIN will join in two state owned enterprise Holdings (Tourism Holding & Hotel Holding & CO.)
- 11 Hotels will be part of Wika Realty by Special Purpose Vehicle (SPV) and HIN will be shareholder in Wika Realty
- HIN & Wika Realty collaborate through a subsidiary in hotel operator business-> Hotel Indonesia Group
- Hotel Indonesia Group is official Hotel Operator for BUMN Hotels which will operate 105 BUMN Hotels in Hotel Indonesia Chain (until 2025)

Formation of State Owned Tourism Holding

Structure & members



Roles of Holding Member

Airport Management
 Airport management for Central & East Area (ex : Bali, Jogja, Manado, etc)

Airport Management
 Airport management for Central & West Area (ex : Jakarta, Medan, etc)

Airline
 Provides full service carrier and low cost carrier (citilink)






Destination Development
 Tourism destination development (ex : Mandalika, Labuan Bajo, etc) and content creator for Indonesia tourism

Heritage Management
 Heritage based asset development, ex : candi Borobudur, local handicraft, culture attractions, etc

Hotel & Travel Management
 Hotel assets development and bundling all core business from Tourism holding members in a travel technology platform to optimize the ecosystem

Retail Management
 Marketing & develop local product, and duty free management in airport & tourism destination

Holding Strategic Objectives

 <p>Accelerate Inclusive Economic & Human Capital Development</p>	<ul style="list-style-type: none"> • Drive integrated recovery effort for all players within the Tourism ecosystem, and minimise/mitigate impact of COVID-19 crisis for employees & suppliers • Reduce economic and social disparity • Develop cross-sectoral human capital capacity and capability
 <p>National & Global Connectivity Enhancement</p>	<ul style="list-style-type: none"> • Strengthen collective competitive advantage to capture pent-up demand post the crisis • Focus capabilities to create accessibility and connectivity through an integrated hub system across Indonesian archipelago
 <p>Business & Market Expansion</p>	<ul style="list-style-type: none"> • Harness cross-entities opportunities to expand into new segment and markets • Increase economies of scale and positioning
 <p>Service and Operational Excellence</p>	<ul style="list-style-type: none"> • Enhance sector safety and security • Operational excellence throughout portfolio value chain businesses • Develop agility to respond to rapidly changing market
 <p>Portfolio Management Optimisation</p>	<ul style="list-style-type: none"> • Focusing on core business for each entity to optimize value creation • Efficiency improvement by streamlining portfolios & avoiding duplication

New Strategies to increase the number of national and international Retailers



1

Alignment Core Values and connect our partners to our vision

set same vision with retailers to improve the economies of both parties



2

Go beyond transactional & beyond collaborative

Prioritizing collaboration and expanding networks both across regions and across countries



3

Be thorough & Selective

Choose a specific and selective tourism packages



4

Long Term Shared Purpose

Set long-term partnership



5

Complementary Strength

Improve services and facilities by aligning procedures to recent condition



6

Proactive, Intentional Communication

Develop an interactive communication and transparent system



7

Strategic Planning

Optimize digital system and Do promotions by involving Key Opinion leader and public figure



Thank You, Let's Discuss.