

AKR NEWS RELEASE



For Immediate Release

Dec 21, 2017

AKR Build Partnership with Islamic Boarding School

Jakarta, 21 Dec 2017 - PT AKR Corporindo Tbk (IDX ticker code: AKRA.IJ) announced partnership with Islamic boarding school today, as a concrete action in supporting "People's Economic Empowerment Program" from Government which has goal for economic equalization and reduction of social inequality. The partnership was presented in a Press Conference of Private Collaboration for Independent Islamic Boarding School Empowerment by Mr. Darmin Nasution, The Coordinating Minister for Economic Affairs of Republic Indonesia. As the realization of this initiative, AKR has signed the principal cooperation agreement with Islamic boarding school of Zainul Hasan Genggong in Probolinggo and Sidogiri Islamic boarding school in Pasuruan to establish mini petrol stations (SPBKB Mini) in 26 locations. In addition, AKR has also invited Sidogiri Islamic boarding school to manage minimarket in SPBKB AKR network.

In the Coordinating Ministry for Economic Affairs Office, Mr. Darmin Nasution explained about the background, the implementation plan, and the business entity as well as the Islamic boarding school that will be involved in this government program. In the event, there was also Mr. Sudhamek AWS- Steering Committee of Pancasila Presidential Work Unit (UKP), Mr. Riza Damanik – The Head of Secretariat Presidential Staff Office, Mr. Haryanto Adikoesoemo as President Director of PT. AKR Corporindo Tbk. and Mr. Jimmy Tandyo as CEO of Business Unit AKR, along with representatives from 10 other companies who will participate in this program.



The Submission of Partnership Working Program by Mr. Haryanto Adikoesoemo to Mr Darmin Nasution as The Coordinating Minister for Economic Affairs

Mr. Sudhamek AWS as Steering Committee of Pancasila UKP stated, "Social justice can only be realized through Joint action among organizations in the community, and led by government. The 11 participating companies are currently the pioneer force, and are expected to be continued to the next generation. By the joint action between these 11 companies and religious organizations, we are expecting that the 5th principle in Pancasila can be realized". In a press conference, Mr. Darmin Nasution also emphasized that the partnership was relevant in the program of economic equalization and could provide opportunities for Indonesian human resource development.

In a separated statement, Mr. Haryanto Adikoesoemo explained, "AKR always supports and participates in the Government's program of " New Flow Indonesian Economy" for improving economic equalization and reducing social gap. We believe this partnership program will provide multiple benefits and profit to all parties. And we believe this partnership program will continue to grow in the future". In his statement, Mr. Haryanto Adikoesoemo also explained that AKR with Islamic boarding school will develop mini petrol station network in the approved locations.



The Network Distribution of AKR Partnership in The People's Economic Empowerment Program

The People's Economic Empowerment Program is a continuation of the People's Economic Congress which was inaugurated by President Joko Widodo in April 2017. This congress brings theme of "New Flow Indonesian Economy" which is aimed at economic equalization and reduction of social inequality. MUI (Indonesian Ulema Council) as the initiator of this Congress, emphasized the new flow as a mutually beneficial network between micro, small, and medium economic groups with large economic groups.

The Islamic Boarding School of Sidogiri and Genggong are competent boarding schools in developing educated santri (Islamic student) and entrepreneurial spirit. Those schools have been established for more than one and a half centuries and each has ± 1,000 santri. The Islamic Boarding School of Sidogiri itself has a cooperative credit union (Kopontren) established since 1981 and has succeed in developing Sharia economy. Currently Kopontren Sidogiri already has 72 branches on several districts and cities in East Java Province. And Since 2013 Kopontren Sidogiri established a mini market called by "BASMALAH".

PT AKR Corporindo Tbk. has experience in trading and distribution of petroleum products and currently has 135 petrol stations. While developing its network, AKR also caring the development of local SMEs to improve the local economy. AKR has also cooperated with Koperasi (cooperative credit union) to manage SPBN (Petrol Station for Fishermen). Since its establishment, SPBN AKR has assisted government in distributing subsidized petroleum for fishermen.

AKR also captures the potentiality for developing unsubsidized petroleum distribution service to various locations to support the petroleum availability for society. AKR is always committed to provide qualified petroleum at competitive prices to society. AKR implements a sophisticated and integrated computerized monitoring system in a management system that guarantees the appropriate quality and quantity to customer.

About PT AKR Corporindo Tbk.**PT AKR Corporindo Tbk**

PT AKR Corporindo Tbk (the Company) was formally established in Surabaya in 1977 and was listed on the Indonesian Stock Exchange in 1994. The Company is Indonesia's leading integrated supply chain solutions provider and largest private sector distributor of petroleum and basic chemicals. The Company is also the first private company appointed by the Government of Indonesia to distribute subsidized petroleum. The Company is a renowned provider of logistics and infrastructure with areas of operations encompassing Indonesia and China. Through a number of subsidiaries it governs, the Company also operates in the areas of logistic services, manufacturing and coal mining and trading.

Java Integrated Industrial Port Estate

Java Integrated Industrial Port Estate ("JIPE") is a project that is designed to be one of the largest integrated industrial, residential and deep sea port estates with development area totaling 2,933.3 ha. This project through PT Berkah Kawasan Manyar Sejahtera ("BKMS") will develop the Industrial Estate, while its sister company PT Bertan Manyar Sejahtera ("BMS") will handle the sea port operations and PT AKR Land Development (an affiliate of AKR) will develop the residential estate. AKR indirectly owns 60% of the company through UEPN, while Pelindo III indirectly owns 40% through BJT.

JIPE aims to become a strategically-located Industrial Estate, complete with supporting facilities and infrastructure. In addition to a deep water port in the complex, the location has direct access to the major toll road network that connects most cities in East Java, arterial road, railway system and air transport access (Juanda International Airport). The estate is also located 30 kilometers from the city of Surabaya, the second largest city in Indonesia. According to the master plan, the total area of the Industrial Estate is 1,761 ha.

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