

AKR NEWS RELEASE



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Hebang Group to invest USD 800 Million in SEZ JIPE Term Sheet signed for Joint Venture with AKR Corporindo for Petrochemical Manufacturing Plant

Jakarta, 31st August 2023 –PT AKR Corporindo Tbk (IDX Stock Code: AKRA.IJ) today announced that Sichuan Hebang Biotechnology Co. (Hebang) leading Chinese listed company which integrates chemical, photovoltaic and mineral products has signed binding agreement (CSPA) with PT Berkah Kawasan Manyar Sejahtera (BKMS) subsidiary of AKRA for purchase of land to set up Petrochemical manufacturing plant in SEZ- Java Integrated Industrial and Port Estate (JIPE-SEZ);

Hebang in its announcement dated August 30, 2023, disclosed that plans to invest US Dollars 800 million in the project, to build a Petro chemical plant on the land **measuring 67 hectares** in JIPE-SEZ, mainly for the production of Sodium carbonate, Ammonium chloride and Glyphosate and other products. At the same time, Hebang signed a Term Sheet with PT AKR Corporindo Tbk (AKRA), to establish a joint venture company which will be the investment, construction and operation entity for the project in Indonesia with proposed ownership of 90% of the shares by Hebang (or any of its affiliates or subsidiaries), and AKRA (or any of its affiliates or subsidiaries) shall hold 10% of the shares in the Joint Venture Company.



Land Sale and Purchase Agreement Signing Ceremony between BKMS< AKRA & Hebang Biotechnology



The CSPA for land sales was signed by Mr. Bambang Setiono, President director of BKMS and Mr. Zeng Xiaoping, President of Hebang Group and Chairman of Hebang Biotechnology. THE Letter of intent for the proposed Joint Venture was signed by Mr. Haryanto Adikoesoemo, President Director of AKRA along with Mr. Zeng Xiaoping.

According to the announcement of Hebang the plant shall produce Sodium carbonate, Ammonium chloride and Glyphosate and other products. Sodium carbonate, commonly known as "soda ash", is a widely used chemical raw material. The project will achieve an annual capacity of 600,000 tons of sodium carbonate after completion; Ammonium chloride is an important agricultural fertilizer, which can provide nitrogen for plant growth and is the most suitable fertilizer for palm trees. The project will achieve an annual production capacity of 600,000 tons of Ammonium chloride after completion. Glyphosate is the most widely used and produced herbicide in the world, and the project will achieve an annual capacity of 200,000 tons of Glyphosate.

Mr Bambang Soetiono, President Director of BKMS said "We are extremely happy to sign the binding CSPA for land sale in JIPE-KEK with Sichuan Hebang Biotechnology Co., Ltd. We welcome Hebang a prestigious foreign investor who will bring significant benefits including much needed foreign investment and also world class products which would be required by various industries in Indonesia. JIPE Special Economic Zone will provide all required facilities and assistance to Hebang to construct and commission the Chemical production facilities and provide world class utilities and facilities for Hebang's production activities in JIPE Special Economic Zone".

Hebang said that the company which actively participates in the construction of the "Belt and Road", shall make full use of the geographical advantages of JIPE in Surabaya; Along with Indonesia's resource advantages, building factory in JIPE will enable it to expand existing markets and enhance the international influence of its products. The implementation of this project is conducive to the realization of the company's "focus, professionalism, excellence, stronger" high-quality development strategic goals, enhance the core competitiveness of the enterprise, sustainable competitiveness, in line with the company's long-term development plan and the interests of all shareholders, is conducive to the company's sustainable development.

JIIPE- SEZ which is the one of the largest integrated industrial park in Indonesia with a deep water port, large industrial zone with multimodal transportation facilities along with efficient utilities is actively attracting Foreign and domestic investors; the Special Economic Zone also offers attractive fiscal and non – fiscal benefits while assuring ease of doing business to the investors.

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About PT AKR Corporindo Tbk.

PT AKR Corporindo Tbk

PT AKR Corporindo Tbk (the Company) was founded in Surabaya in 1977 and has been listed on the Indonesia Stock Exchange since 1994. The Company is the largest private company in Indonesia engaged in providing fuel and basic chemical distribution services. This company is also the first national private company appointed by the Government of Indonesia for subsidized fuel distribution services. In addition, the Company is also engaged in providing logistics and infrastructure services with operating areas covering Indonesia and China. Through a number of subsidiaries, the Company also operates in the coal manufacturing and trading sector.

Java Integrated Industrial Port Estate

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

JIIPE aims to become a strategically located Industrial Estate, complete with supporting facilities and infrastructure. In addition to the deep sea port located within the complex, the site has direct access to the main toll road network connecting cities in East Java, arterial roads, rail systems and access to air transportation (Juanda International Airport). This area is also located 30 kilometers from the city of Surabaya, the second largest city in Indonesia. Based on the master plan, the total area of the industrial area is 1,761 ha.

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