



For Immediate release

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## AKRA subsidiary PT BKMS signed the Long-Term Land Lease Agreement for Copper Smelter in JIPE SEZ

JAKARTA, August 27, 2021 – PT AKR Corporindo Tbk (IDX stock code: AKRA.IJ) subsidiary PT Berkah Kawasan Manyar Sejahtera (BKMS) and PT Freeport Indonesia (PTFI) have signed the Long Term Lease Agreement for PTFI Copper Smelter and Precious Metal Refinery in SEZ JIPE Gresik East Java on August 27, 2021. The signing ceremony was attended by Mr. Haryanto Adikoesoemo President Director, Mr. Bambang Soetiono President Director BKMS, Mr. Tony Wenas President Director PTFI and other senior management of AKRA, BKMS and PTFI. Mr. Boy Robyanto - President Director of PELINDO III and the senior management of BMS, were also present virtually.



*Left: BKMS Finance Director - Mr. Ifan Johar Kuswahyudi, BKMS President Director - Mr. Bambang Soetiono, PTFI President Director - Mr. Tony Wenas  
Right: Senior Management of AKR, BKMS, and PTFI*

PTFI requires Land area and additional services and facilities in the SEZ JIPE Gresik for the development, construction and operation of the copper smelter and refinery and ancillary infrastructure and related facilities. SEZ JIPE will provide the land on lease and supporting utilities and services. This Agreement, replacing an earlier agreement, is for long term lease of 80 years, divided into initial lease period of 18 years, followed by another 2 years and then can be extended for 6 periods of 10 years each, in accordance with the terms and conditions in the Land Lease Agreement

Speaking after the signing ceremony, President Director of AKRA, Mr. Haryanto Adikoesoemo, stated, “We welcome PTFI as one of the major tenants to SEZ JIPE. The Smelter project requires extensive use of port facilities, laydown area during construction, reliable supply of utilities and other services. SEZ JIPE is ready to meet all the requirements.

We have designed SEZ JIPE for the specific needs of industries that are Metal, Chemical, Electronic, Energy and New Economy sectors. The establishment of PTFI Copper Smelter and Precious Metal Refinery will bring further investments, creating supply chains of many value added products like Electric Vehicles, Fertilizers, Construction Material, and Consumer durables.”

The President Director of PTFI Mr. Tony Wenas highlighted why PTFI has selected SEZ JIPE, “The Copper Smelter is a very important project for PTFI. JIPE provides the facilities needed by Freeport such as land readiness, ease of licensing and administration, supporting infrastructure: port, road connection, and laydown area”.

SEZ JIPE Gresik, East Java is a joint venture between AKRA and PELINDO III and is one of major Public Private Partnership in Indonesia. It is built with a total area of 3,000 ha that comprises an industrial area of 1,761 ha, a deep sea port of 400 ha, and a modern residential area of 800 ha.

JIPE is designed as a Green Project with zero water run off and has complete utility facilities. This facility responds to the needs of the industry in generating efficiency, as well as being a source of recurring income for BKMS. The location of JIPE which is connected by sea, Krian Legundi Bunder Manyar Toll Road, and the train provides convenience in the traffic of export and import goods in East Java.

For more information, please contact

ir@akr.co.id  
corporate.secretary@akr.co.id

#### **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’s joint venture with BP has opened non-subsidized gasoline stations under BP-AKR retail in various locations in Indonesia. The Company is a renowned provider of logistics and infrastructure with areas of operations encompassing Indonesia. Through a number of subsidiaries, it governs, the Company also operates in the areas of logistic services, manufacturing.

#### **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 3,000 ha. This project through PT Berkah Kawasan Manyar Sejahtera (“BKMS”) will develop the industrial estate, while its sister company PT Berlian 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 BJTI. 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.

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