

AKR NEWS RELEASE



For Immediate release

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AKRA's Subsidiaries Divested the Company's Coal Business

JAKARTA, 27 Mar 2018 – PT AKR Corporindo Tbk ("AKRA") reported that the Company's subsidiaries, PT. Anugrah Karya Raya ("Anugrah") and PT. Business Era Pratama Nusantara ("UEPN") as the shareholders of PT. Bumi Karunia Pertiwi ("BKP"), have signed shareholder resolution regarding to the divestment of BKP. In the written agreement, Anugrah transferred all of its 2,499,999 shares to PT. Harum Energy, Tbk. and UEPN transferred all of its share (1 share) to PT Sentral Batubara Jawa. All parties have agreed for the transfer value of Rp 31.5 billion for the entire equity of BKP.

Anugrah is a coal company owned by the Company with 96.75% ownership. UEPN is one of the Company's logistics subsidiaries with 99.99% ownership in port handling services. The divestment of the Company's coal business unit was carried-out based on the consideration of current mining business conditions and is also part of AKRA's strategy to focus on the Company's main business with core competence in logistics.

Mr. Jimmy Tandyo, as CEO of AKRA Business Unit stated, "The BKP's equity transfer agreement with PT Harum Energy has been prepared since late of 2017 and finally can be completed. This transaction is part of our strategy to focus on the development of our logistics-based main business. This divestment will certainly bring positive value to our shareholders".

Anugrah has controlled BKP since November 10, 2009. BKP is a high-calorie coal mining company located in Central Kalimantan and currently is no longer in operation.

Jimmy Tandyo

CEO Business Unit
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 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. According to the master plan, the total area of the industrial estate is 1,761 ha.

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