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JIIPE DESIGNATED AS SEZ - TECHNOLOGY AND MANUFACTURING, TO RESPOND TO THE NEEDS OF INDUSTRY 4.0

SEZ Gresik JIIPE is a Special Economic Zone for Technology and Manufacturing that offers an integrated Industrial and Port Estate with the 2nd largest international scale facility in Indonesia

JAKARTA, July 2, 2021 – JIIPE Gresik Special Economic Zone owned by PT AKR Corporindo Tbk (IDX stock code: AKRA.IJ) and Pelindo III has been officially ratified as a Technology & Manufacturing SEZ through Government Regulation (PP) No. 71 of 2021 dated June 28, 2021, signed by the President of the Republic of Indonesia, Joko Widodo.

The appointment of JIIPE as a Technology & Manufacturing SEZ as one of the most competitive Industrial Estates and in demand by industry players in this region. SEZ Gresik JIIPE a National Strategic Project that will cater to needs of Industry 4.0. It provides superior connectivity with multimodal transportation, connected deep sea port, 1 stop complete utility, environmental permit with 1 door AMDAL, and fast construction permit through the KLIK facility.

SEZ status will provide additional incentives to investors. The benefits include lower income tax, customs tax. Non-Fiscal incentives include 1-door approval and licensing, ease of passage of goods, and flexibility in employment. The Integration of JIIPE facilities, strategic location, and SEZ status will encourage the achievement of the government's target to reduce logistics and other operational costs, as well as make Indonesia an attractive investment destination.

. *Doc. JIIPE Inauguration with Mr. President in 2018*

President Director of AKRA, Haryanto Adikoesoemo, expressed his gratitude to the Government of the Republic of Indonesia, the Government of Gresik Regency and East Java Province as well as various parties who have supported the establishment of the JIIPE SEZ.

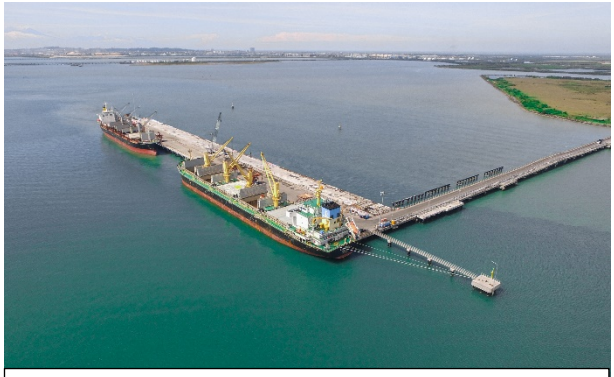
"We are proud to be part of the government's program in increasing industrial competitiveness in Indonesia. With the establishment of the Gresik JII SEZ, we believe we can provide convenience in doing business and help industry players to reduce costs and efficiency, so that Indonesia, especially East Java can become a an attractive investment destination in the eyes of the world," said Haryanto Adikoesoemo.

SEZ Gresik JIIPE is the first National Strategic Project in Indonesia that combines a modern industrial area, deep sea port, with high quality infrastructure and an international standard independent city. JIIPE is built with a total area of 3,000 ha which comprises of an industrial area of 1,761 ha, a deep sea port of 400 ha, and a modern residential area of 800 ha.

The availability of utilities needed by industry such as power plants, clean water and waste management, gas supply, telecommunication networks, and multimodal transportation makes the Gresik JIIPE SEZ become part of the development of industry 4.0. Where industry 4.0 combines information technology with industry. JIIPE has become a major investment destination in East Java and provides solutions for increasing industrial competitiveness in Indonesia. An environmentally friendly industrial area of 1,761 hectares based on the type of industry.

Currently, SEZ Gresik JIIPE has 13 tenants from the chemical processing, food, construction, and smelter industries. With the status of the Technology & Manufacturing SEZ, the cluster will be organized with the following clusters

1. Production & Processing
2. Logistics & Distribution
3. Research, Digital Economy, and Technology Development
4. Energy Development



The Deep Sea Port of SEZ GRESIK JIIPE

The Gresik JIIPE SEZ is equipped with 400 hectares of deep sea port area which is strategically located in the Madura Strait and part of the Surabaya Port Area. With a total pier length of 6,200 m, sea water depth of -16 m LWS, JIIPE Gresik SEZ can serve ships up to 150,000 DWT. This port has been operating since 2015, and is targeted to handle cargo of up to 6 million MT per year. Currently the port has entered the 2nd phase of development: Jetty expansion from 30x250 m to 50x500 m.

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Gas Power Plant in SEZ of GRESIK JIIPE

JIIPE is designed as a Green Project with zero run off that has complete utility facilities. This facility responds to the needs of the industry in generating efficiency, as well as being a source of JIIPE's recurring income. The location of JIIPE 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.

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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.

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