

KORINDO GROUP STATEMENT ON THE CIRCULATION OF FAKE NEWS

JAKARTA, 29 JUNE 2020 – As a company operating in Indonesia, Korindo has respected and complied with the laws and regulations of the Republic of Indonesia. This compliance applies to every business operation we carry out and includes upholding the culture and customs of the local community.

Korindo Group's operations have contributed significantly to the development of Indonesia's remote, rural and outermost regions, such as Papua. However, there have been unfounded accusations from certain parties, and, we are compelled to convey the following clarifications:

1. Korindo Group has a strong commitment to respecting the community rights including the compensation for customary rights. It is not true that the company has somehow neglected community rights in Boven Digoel Regency and Merauke Regency with unfair compensation, because compensations were preceded by collective negotiation and mutual agreement with the owners of customary rights.

We have the documentation on the settlement process of the customary rights. We also carried out social development plan of palm oil plantations and provided compensation to the community according to the agreement including the amount of compensation. The agreement was signed by the relevant parties, and the document specifying the agreement exists.

2. We emphasize that in relation to the takeover transaction of PT Papua Agro Lestari, we have followed the financial terms and regulations exercised and enforced by the Indonesia authorities. There never was any suspicion of illegal activities raised by the Indonesian government's financial authorities.

On the contrary, there have been some parties, such as Mongabay and The Gecko Project who have circulated false news related to the takeover transaction. Therefore, we will pursue legal action against parties for allegedly and repeatedly spreading fake news and defamation. We also will not hesitate to take strict legal action against other parties who participated in spreading false news about Korindo Group.

3. We will continue to fulfill our commitment to helping the community in education, health, environment, economy, general welfare, and infrastructure not only in Papua, but also in our other operational areas.

It should be noted that Korindo has provided scholarships to some 10,000 students, provided educational equipment to some 100 schools, built 28 schools, provided financial aid for over 200 teachers, and provided 40 school buses in remote areas. Korindo has provided educational support in Papua with the amount of IDR 11,146,706,262 (USD 800,000) between 2017 and 2019.

In Korindo Group's health program, we have established a Full Service Hospital in Asiki, Papua that provides modern and free medical services to 37,515 patients ranging from pediatrics to obstetrics and gynecology to dentistry to emergency treatment in 2018.

In 2018, the Asiki Hospital managed by Korindo Group in Papua has carried out 157,589 treatments and has spent a total budget of IDR 65,736,000,000 (USD 5-6 million) for all medical services in Papua during the periods of 2016 to 2020. In addition, we provided clean cook stoves, compost toilets, 120,000 masks and 3,500 Personal Protective Equipment (PPE), to hospital medical workers in Papua to combat COVID 19.

For the social program, we have built 66 mosques and churches, provide clean water to the people of Papua, built and maintain public roads of 550 kilometers in Papua, as well as provide free electricity to the Papua community. During the 2017-2019 periods, IDR 20,644,668,947 (USD 1.5 million) has been expended by Korindo for infrastructure development for the local community.

Korindo Group Management

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