

Explanatory Statement of Annual General Meeting Shareholders Agenda

Dear Esteemed Shareholders,

The Board of Directors of PT AKR Corporindo Tbk (the "Company") hereby presents to the Company's Shareholders the Explanatory Statement regarding the resolutions to be approved at the Company's Annual General Meeting of Shareholders on April 28, 2023, at 09:00am (West Indonesia Time).

Date : Friday, April 28' 2023
Time : 09.00 a.m. – finish
Venue : AKR Gallery West, Meeting Room P2 Floor, Jl. Panjang No.5, Kebon Jeruk, Jakarta Barat 11530, Indonesia
Mechanism : Physical and Electronic GMS through the eASY.KSEI application

All documents related to the conduct of AGM can be accessed from Company's website by clicking on following link:

<https://www.akr.co.id/shareholders-agm-egm>

The Board of Directors request you to use the option to participate by submission of Proxies and submission of questions by email and avoid participation in person in order to comply with the Government regulation due to prevent COVID 19 during transitional period to endemic.

Agenda 1

Approval and ratification of the Report of the Board of Directors regarding the course of the Company's business and financial administration for the financial year ended on December 31st, 2022 as well as the approval and ratification of the Company's Financial Statements including the Balance Sheet and Profit/Loss Statement for the year ended on December 31st, 2022 that have been audited by the Independent Public Accountant, and the approval of the Company's Annual Report, the report of the Board of Commissioners supervisory duties for the fiscal year ended on December 31st, 2022, and to provide settlement and discharge of responsibility (acquit et de charge) to all members of the Board of Directors and Board of Commissioners for the actions of management and supervision that have been conducted in the fiscal year ended on December 31st, 2022.

Explanation: With respect to above mentioned agenda, the Company will provide explanations to the shareholders regarding the implementation of Company's business activity and financial circumstances as listed in the Company's Financial Report for the fiscal year ended December 31, 2022. Based on Article 9 verse 5 of Company's Articles of Association, the approval of the Financial Report as it is stated above will provide release and full acquit (acquit et de charge) to all members of Director and Board of Commissioners for the actions of management and supervision which have been done in the fiscal year ended December 31, 2022.

Explanatory statement:

The Financial statements for the year ended December 31, 2022 have been audited by Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Limited) and the Audit report dated March 21st 2023 stated that the consolidated financial statements present fairly, in all material aspects, the consolidated financial position of the Company and its subsidiaries as on December 31, 2022.

The annual report for the year ended December 31, 2022, is available for download on the Company's website or IDX website on the following link.

<https://www.akr.co.id/shareholders-agm-egm>

The Resolution to be approved by the AGM is to approve the Annual report of the Board of Directors and Board of Commissioners detailing the strategies employed, financial performance and other matters listed in the report. The Board of Directors hereby requests the shareholders to approve and ratify the Report.

According to Indonesian law of Limited Liability Company, shareholders are required to provide the approval of the Annual Report so as to provide full discharge (acquit et de charge) to all members of the Board of Directors and Board of Commissioners for all their actions stated in the Annual Report.

The Company has delivered Net profit for the year 2022 of Rp 2,403 trillion, 116% higher than the previous year. Overall, in 3 years of COVID19, company's Net Profit has increased by cumulative 235%. AKR has maintained strong financial performance during challenging environment of 2020 to 2022. Revenues in 2022 increased by 85% to reach Rp47,540 billion compared to the previous year's Rp25,707 billion. Gross Profit increased by 85%, to Rp4,252 billion and Operating Profit growth was 112% to Rp3,087 billion. EPS grew by 116% to Rp121.77/share.

AKR has deliver strong all-round performance in an environment of rising prices of energy, price volatility, global supply chain disruptions and mobility restrictions imposed due to COVID19. This is a testament to the resilience of the Company's strong business model. This success is the result of the Company's consistency in building core competencies in logistics & supply chain and is recognized as a major private player in the distribution of energy & basic chemicals in Indonesia.



The Company successfully implementing strategic projects including JIPE. The Integrated Industrial and Port Estate (JIPE) also recorded higher revenue from land sales and lease income with sales of 44.5 Ha of land during the year 2022. Performance of trading and distribution was also strong which is reflected in the Company's revenue in this segment growing by 89% to Rp44,698 billion..

Key Highlights of 2022 performance are as follows:

| Profit & Loss (Rp Billion) | 2022 | 2021 | YoY |
|---|--------|--------|------|
| Revenue and Sales | 47,540 | 25,707 | 85% |
| Gross Profit | 4,252 | 2,293 | 85% |
| Operating Profit | 3,087 | 1,455 | 112% |
| EBITDA | 3,539 | 1,867 | 90% |
| Net Profit for the year Attributable to Equity holder of parent entity | 2,403 | 1,112 | 116% |
| Earnings per Share | 121.77 | 56.32 | 116% |

Agenda 2

Approval for the proposed plan of the Company's Net Income usage for the fiscal year ended December 31st, 2022.

Explanation: With respect to above mentioned agenda, we will discuss and decide regarding the appropriation of the company's net income for year ended on December 31, 2022. According to the legislation set in (i) Article 21 verse 1 of Company's Articles of Association and (ii) Article 70 and Article 71 verse (1) the Law of Limited Liabilities Companies No. 40 year 2007, the use of Company's net income is to be decided in GMS.

Explanatory statement:

The Profit (loss) for the year ended 31st December 2022 attributable to equity holders of the parent entity is Rp 2,403 billion. The Board of Directors proposed that the appropriation be as follows:

- i. Appropriation of Rp200 million towards the general reserve of the Company.
- ii. The company has a dividend policy to payout a minimum of 30% provided the Net Profit is higher than Rp 50 billion. Over the past 4 years the company has been paying dividends in the range of 50% taking into account its strong profit growth, financial condition and cash flow.

Below are figures of dividend payment from the year 2018 – 2021:

| Year | Dividend Per Shares (Rp/shares) | Total Dividend (Rp Billion) | Dividend Payout Ratio (%) |
|------|---------------------------------|-----------------------------|---------------------------|
| 2018 | 48 | 964 | 58,57% |
| 2019 | 22 | 442 | 61,57% |
| 2020 | 25 | 493 | 53,34% |
| 2021 | 29 | 572 | 51,49% |

The Board of Directors recommend payment of Rp75/share as dividend for the financial year 2022. The total amount of dividend recommended is Rp1,480 billion or representing 61.65% payout of the Net Profit attributable to the equity holders of the Company. If approved by the GMS, The Company will pay a final dividend of Rp50/share as approximately Rp987 billion after deducting the interim dividend for 2022 of IDR 25 per share equivalent to around IDR 493 billion which was paid on 16 August 2022.

The Board of Directors have evaluated the cash flow requirements and recommend the AGM to approve payment of the dividend proposed.

iii. The unappropriated portion of Net profit attributable to equity holders shall be used for internal funding requirement of the Company.

Agenda 3

Appointment of Independent Public Accountant Firm to conduct audits on the books of the Company for the financial year ended December 31st, 2022.

Explanation: With respect to above mentioned agenda, AGM will discuss regarding the plan of the appointment of Independent Public Accountant which is registered with Financial Services Authority (“OJK”) whom will conduct audit of the books of the account for fiscal year ended on December 31, 2022. Based on the settlement Article 9 verse 4(f) of Company’s Articles of Association, the Company seek approval from shareholders to authorize the Board of Commissioners of the Company to appoint the public accountant, by the provisions of the public accountant appointed is registered in OJK and determine the amount of honorarium.

Explanatory statement:

This agenda is for the appointment of an Independent Public Accountant to audit the Company’s financial statement for the fiscal year 2023. Purwanto, Sungkoro & Surja, a member of Ernst & Young Global Limited registered with OJK and conducted the audit of the Company’s financial statement for the fiscal year of 2022 . The Board of Commissioners and the Company’s Audit Committee are satisfied with the services rendered.

In respect of the appointment of auditors for FY 2023, the Board of Directors recommend to the shareholders to give their authority to Board of Commissioner for the appointment of the Public Accountant, to audit the financial statement year ending December 31, 2023 and fix the honorarium payable to the Public Accountant for their services.

The total amount of honorarium paid for the audit of the Company during 2022 to the Public accountant is Rp1,460,000,000 (Rupiah One billion four hundred sixty million).

Agenda 4

Changes in the composition of the Company's management.

Explanation: With respect to above agenda, the Company seek an approval from Shareholders to discharge and appoint one member of the Company’s Board of Commissioners. According to the Articles 26 the regulations of OJK No. 33/POJK.04/2014 regarding The Board of Directors and The Board of Commissioners of Issuer or Public Company, the candidate of Board of Commissioners of the Company which will be presented at the Meeting is in accordance with the recommendation from the Company’s Nomination and Remuneration Committee. Furthermore, for information, the curriculum vitae of the candidate members of the Board of Commissioners will be available on the website of the Company since the date of the invitation of Meeting until the date of the Meeting.

Explanatory statement:

The Company has received a Resignation Letter dated March 17, 2023, submitted by Mr. I Nyoman Mastra as the Company's Commissioner. The Nomination and Remuneration Committee has received a written proposal from the major shareholder of the Company, namely PT. Arthakencana Rayatama, vide that letter dated March 20, 2023, proposing Mr. Sofyan A. Djalil to replace Mr. I Nyoman Mastra.

Mr Sofyan A. Djalil has extensive experience in public and private sectors. He Served as Indonesian Cabinet Minister for 13 years under the leadership of two Presidents. Under President Jokowi served as Minister of Agrarian Affairs and Spatial Planning/Head of the National Land Agency (2016 - June 2022). Previously, he served as Minister of National Development Planning/Head of Bappenas (2015-2016) and Coordinating Minister for the Economy (2014-2015). During President Susilo Bambang Yudhoyono's first term, he served as Minister of Communication and Information Technology (2004-2007) and Minister of State-Owned Enterprises (2007-2009).

In terms of corporate organization, Dr Sofyan A. Djalil has served as President Commissioner, Commissioner and Advisor in various companies, both State-Owned Enterprises, National Companies and Multinational Companies. Previously served as Vice President of Research and Development for the Jakarta Stock Exchange (1998), Consultant for Community Relations for Chevron Indonesia (2000), and Consultant for Good Corporate Governance (GCG) who served as advisor to several well-known companies in Indonesia (2000-2004). Currently serves as President Commissioner of several companies, including PT Indika Nature, PT Pembangunan Jaya Ancol Tbk, PT Pintar Group/Pacific Satelit Nusantara, PT Bumi Bandara Indah and the Indonesian Palm Oil Strategic Studies (IPOSS) Steering Committee.

With extensive experience in the public and private sectors, as well as experience as a policy maker, Mr. Dr Sofyan A. Djalil has the right profile to join AKR's Board of Commissioners for the remaining term until April 2025 and will strengthen the composition of the Board.

Agenda 5

Determination of honorarium and other benefits for members of the Company's Board of Commissioners and Board of Directors.

Explanation: With respect to above agenda, the Company propose to the meeting to determine the honorarium and allowance of Board of Commissioners and Board of Directors.

Explanatory statement:

This agenda is to approve:

- a. Determination of the honorarium for the Board of Commissioners and give authorization to President Commissioner to determine the honorarium amount of among members of the Company's Board of Commissioners, taking into account the opinion of the Company's Nomination and Remuneration Committee.
- b. Delegation of authority to the Company's Board of Commissioners to determine the amount of salary and other benefits for each member of the Company's Board of Directors, taking into account the opinion of the Company's Nomination and Remuneration Committee.
- c. The Board recommends to the AGM to fix the remuneration payable to the Board of Commissioners and also approve the delegation of authority to BOC to fix remuneration of BOD

IMPORTANT NOTE:

A. GENERAL PROVISIONS

1. The Company does not send a separate invitation letter to shareholders, therefore this announcement is in accordance with Article 11 paragraph 7 (a) of the Articles of Association of the Company and serves as official invitation to the Shareholders.
2. Shareholders who are entitled to attend or be represented at the Meeting are:
 - a. For shares of the Company which are not deposited in Collective Custody:
Shareholders or legal proxies of shareholders of the Company whose names are registered in the Register of Shareholders of the Company as of April 5, 2023 at the latest 04.00 p.m. (Western Indonesian Time) at PT Raya Saham Registra, the Company's Securities Administration Bureau (Biro Administrasi Efek or "BAE");
 - b. For shares of the Company which are deposited in Collective Custody:
Only the shareholders or legal proxies of the shareholders of the Company whose names are registered with the account holder or custodian bank at PT Kustodian Sentral Efek Indonesia ("KSEI") as of April 5, 2023 at the latest 04.00 p.m. (Western Indonesian Time). For KSEI securities account holders in Collective Custody, they are required to give the Register of Shareholders to KSEI in order to obtain Written Confirmation for the Meeting (Konfirmasi Tertulis Untuk Rapat or "KTUR").
3. The Company will provide Meeting materials on each agenda that can be downloaded through the Company's website www.akr.co.id, as of the date of the Invitation. The Company does not provide hardcopy material at the Meeting

B. Physical and Electronic Meeting Implementation

As prevention of the spread of Covid-19, The Company appeals to the shareholders to follow the direction of the government of The Republic of Indonesia on conducting social distancing. The company facilitates the meeting as follows:

1. Shareholders can participate in the Meeting by either:
 - a. physically attending the Meeting; or
 - b. electronically attending the Meeting through the eASY.KSEI application.
2. Considering POJK e-RUPS, Minister of Home Affairs Instruction Number 53 of 2022 concerning Prevention and Control of Corona Virus Disease 2019 During the Transitional Period to Endemic ("Inmendagri 53/2022") and KSEI Regulation Number: XI-B of 2022 concerning Procedures Implementation of an Electronic General Meeting of Shareholders Accompanied by Voting through the KSEI Electronic General Meeting System (eASY.KSEI), the Company appeals to the Shareholders to attend electronically as referred to in number 1 letter b or to grant power of attorney with the following mechanism:
 - a. Shareholders whose shares of the Company which are deposited in Collective Custody of KSEI may register in the KSEI Securities Ownership Reference Facility ("AKSes KSEI"). through the website <https://access.ksei.co.id>
 - b. The registered Shareholders may grant power of attorney electronically to an independent representative appointed by the Company through the eASY.KSEI application which can be

- accessed through website <https://easy.ksei.co.id> (e-proxy) no later than 1 (one) working day before the date of Meeting or Thursday, April 27, 2023 at 01.00 pm (Western Indonesian Time).
- c. Shareholders whose shares of the Company which are not deposited in Collective Custody of KSEI or in the form of script, may grant power of attorney to BAE. The Shareholders can download Power of Attorney form from the Company's website www.akr.co.id. The original Power of Attorney must be submitted directly or through registered letter to PT Raya Saham Registra, Gedung Plaza Sentral, 2nd Floor Jl. Jend. Sudirman Kav. 47-48 Jakarta 12930 Indonesia, attention. Ms. Melania Tan, no later than Tuesday, April 25, 2023 at the latest 04.00 p.m.
3. Notary, assisted by the BAE, will check and count votes for each agenda in each meeting decision making based on the Power of Attorney sent by the Shareholders as referred to point 1 above.
 4. Prior to entering the Meeting room, all shareholders or their representatives who wish to physically participate in the meeting are required to:
 - a. Must have the COVID-19 vaccine certificate with a complete dose which is proven through Satu Sehat application (previously known as Peduli Lindungi) and scan the QR code of Satu Sehat application before entering the Meeting building;
 - b. Must have a Statement Letter of Rapid Antigen Test or PCR Swab Test of COVID-19 with negative result obtained from a hospital doctor, public health center, or medical clinic with the date of the test taken 1 (one) day prior to the Meeting, for those who has not carried out booster vaccines.
 - c. Registration on the Meeting date since 07.00 – 08.30 by submitting the copy of the Collective Share Certificate and Identity Card or other valid identification to the officers of the Company's BAE, prior to entering the meeting room. The Shareholders in collective custody shall bring KTUR which can be obtained through exchange members or custodian bank.
 - d. For Shareholders in the form of legal entities such as limited liability companies, cooperatives, foundations or pension funds are required to bring a copy of their completed Articles of Association.
 - e. Comply with the rules and procedures for preventing the Covid-19 during the transitional period to endemic, by referring to the health protocols issued by the Government and Building Management to ensure the implementation of the Meeting can run safely and efficiently, including by wearing a mask while in the meeting area and place, also has body temperature $\leq 37^{\circ}\text{C}$
 5. To facilitate a swift conduct of the Meeting, the shareholders or their proxies are kindly requested to be present at the Meeting venue at least of 30 (thirty) minutes before the Meeting begins.