

Explanatory Statement of Annual General Meeting Shareholders Agenda

Dear Shareholders,

The Board of Directors of PT AKR Corporindo Tbk ("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:

Date : Monday, April 29, 2024
Time : 10.00 AM - Finish
Venue : AKR Gallery West, Meeting Room P2 Floor, Jl. Panjang No.5, Kebon Jeruk, West Jakarta 11530, Indonesia
Mechanism : Physical and electronic AGMS via 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 requests shareholders to use the participation option via the KSEI easy application.

First Agenda

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, 2023 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, 2023 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, 2023, 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, 2023.

Explanation: With respect to above mentioned agenda, the Company Board of Directors has published the annual report detailing the key performance and the strategies during the financial year ended 31st December 2023 and the financial condition as stated in the Audited financial statement for the year ended 31 December 2023.

- The Financial Report for the financial year ended 31 December 2023 has been audited by the Public Accounting Firm Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Limited) with its report dated 20 March 2024 and received a fair opinion in all material matters, position consolidated financials of the Company and subsidiaries as of December 31, 2023.
- The Annual Report for the financial year ended 31 December 2023 is available and can be downloaded on the Company's website on the following link: <https://www.akr.co.id/shareholders-agm-egm>
- In accordance with the Indonesian Limited Liability Company Law, shareholders are required to provide approval to the Annual Report thereby providing full release (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 reports strong performance throughout 2023 with Net Profit growth of 16% YoY reaching IDR 2,780 billion. The Company continues to maintain growth momentum driven by its core business sectors, namely Trade and Distribution and Logistics, as well as the significant contribution of the Industrial Area Segment; "Throughout 2023 the JIPE Special Economic Zone in Gresik recorded significant land sales from international companies."
- The company continues to improve operational efficiency resulting in significant cost reductions and reporting strong operational cash flow. EBITDA also grew by 14% to IDR 4,048 billion and enabled the company to fund expansion and pay significant Interim dividends to Shareholders. The company further increased its Return on Equity to 24.7% in fiscal year 2023 and Return on Assets increased to 9.2% driven by strong financial performance.
- FY 2023 consolidated revenue was recorded at IDR 42.087 billion; Income from Trading and Distribution of IDR 38,213 billion was lower compared to IDR 44,698 billion, which was caused by lower selling prices throughout the year with normalization of international fuel and basic chemical prices; The Company continues to effectively monitor and track price movements and increase Volume while maintaining margins.
- FY2023 consolidated gross profit reached IDR 4,473 billion with an increase in contribution from the industrial estate segment. The trade & distribution, logistics and manufacturing segments contributed 78% to Gross Profit while the contribution of the Industrial Estate segment increased significantly to 22% in 2023 compared to 13% in 2022; Industrial Estate Segment Gross Profit grew 81% YoY to reach IDR 981 billion. Consolidated Gross Profit Margin in 2023 will reach 11%, an increase from 9% in 2022.

2023 Financial Performance Highlights are as follow:

Income Statement (IDR bn)	2023	2022	YoY
Sales and Revenues	42,087	47,540	-11%
Gross Profit	4,473	4,252	5%
Operating Profit	3,561	3,087	15%
EBITDA	4,048	3,539	14%
Net Profit Attributable to Equity Holders of Parent Entity	2,780	2,403	16%
Earning per Share	140.87	121.77	16%

In accordance with provisions of Article 9 paragraph 5 of the Company's Articles of Association, approval of the Financial Report as referred to above will provide full release and repayment (acquit et de charge) to all members of the Company's Board of Directors and Board of Commissioners for management and supervision actions that have been carried out in the financial year.

Second Agenda

Approval for the proposed plan of the Company's Net Income usage for the fiscal year ended December 31st, 2023.

Explanation: In this agenda item, the distribution of the Company's net profit ended on 31 December 2023 will be discussed and decided. Based on the provisions of (i) Article 21 paragraph 1 of the Company's Articles of Association and (ii) Article 70 and Article 71 paragraph (1) of the Law. Law on Limited Liability Companies No. 40 of 2007, the use of the Company's net profit is decided at the GMS.

Explanatory statement:

Profit for the Year Attributable to Owners of the Parent Entity for the year ended 31 December 2023 is IDR. 2,780 billion. The Company's Board of Directors proposes to the Meeting the following usage/allocation of funds:

- i. Rp. 200 million for Reserve Fund
- ii. Approximately IDR 2,462 billion or IDR 125 rupiah per share will be proposed as dividend for the year 2023. If approved, the final dividend of IDR 50/shares will be paid after deducting the interim dividends 1) IDR 25 per share (July 2023) 2) IDR 50/share (Oct 2023).

Below is the table of dividends payments from 2019-2023:

Year	Dividend Per Share	Total Dividend (IDR Bilion)	Dividend Payout Ratio (%)
2019	22	442	61.3%
2020	25	494	53.5%
2021	29	572	51.5%
2022	75	1,480	61,6%
2023*	125	2,462	88,6%

* Subject to AGM approval

- iii. Meanwhile, the remainder will be recorded as Retained Earnings and used as the Company's Working Capital.

Agenda 3

Appointment of Independent Public Accountant Firm to conduct audit of the Company's financial statement for the year ended December 31st, 2024.

Explanation: With respect to above mentioned agenda, AGM will discuss regarding the appointment of a Public Accounting Firm registered with the Financial Services Authority ("OJK") which will audit the Company's financial statement for the financial year ended 31 December 2024. In accordance with the provisions of Article 9 paragraph 4(f) The Company's Articles of Association, the approval requested by the Company is to request that the shareholders authorize the Company's Board of Commissioners to make this appointment, provided that the appointed Public Accounting Firm must be registered with the OJK, and the power to determine the amount of the Public Accounting Firm's honorarium.

Explanatory statement:

- This agenda item relates to the appointment of an Independent Public Accountant to audit the Company's

financial statement for the 2024 financial year.

- The 2023 financial statement has been audited by Purwantono, Sungkoro & Surja (a member of Ernst & Young Global Limited) registered with the OJK and is one of the 4 top audit firm in the world. The Board of Commissioners assessed the services provided by KAP in previous years as satisfactory.
- The total honorarium paid for the Company's audit services during 2023 to the Public Accounting Firm is IDR 1,575,000,000 (one billion four hundred and sixty million Rupiah).
- The Board of Directors recommends to shareholders to authorize the Company's Board of Commissioners to appoint a public accountant to audit the financial statements for the 2024 financial year.

Fourth Agenda

Determination of remuneration for members of the Company's Board of Commissioners and Directors.

Explanation: In this meeting's agenda, the Company will request approval for the remuneration of members of the Board of Commissioners and Directors of the Company.

Explanatory statement

- *The Board of Directors requests the GMSto approve the maximum amount of remuneration payable to Board of Commissioners for FY 2024; The GMS is requested to authorize the president commissioners to determine the distribution of the remuneration among the member of BOC.*
- *The BOD requests GMS to delegate to the BOC to determine the remuneration payable to BOD for the year 2024.*
- *During the year of FY 2023, the remuneration paid to the BOC and BOD is as follow:*

In IDR Thousand

	Short Term Benefit	Post Employment Benefit
Commissioners	21,074,204	-
Directors	97,898,811	2,652,036

Fifth Agenda

Approval of the plan to transfer some buyback shares of the Company (treasury shares) through the establishment and implementation of Management and Employee Stock Option Program (MESOP) with total of 156,500,000 shares or 0.78% of the issued and fully paid-up capital of the Company.

Explanation: In this meeting's agenda, the Company will request shareholder approval for the plan to transfer some of its treasury shares through the MESOP program

Explanatory statement:

1) Treasury Stock Buyback 2020

During 16 March 2020 to 12 June 2020, the Company carried out share buybacks in accordance with the provisions stipulated in OJK Regulation No. 2/POJK.04/2013 concerning the Buyback of Shares Issued by Issuers or Public Companies in Significantly Fluctuating Market Conditions ("POJK 2/2013") and OJK Circular Letter No. 3/SEOJK.04/2020 concerning Other Conditions as Market Conditions Fluctuate Significantly in the Implementation of the Buyback of Shares Issued by Issuers or Public Companies ("SEOJK 3/2020"), with the total of shares bought back amounting to 67,261,000 shares or the equivalent of 336,305,000 shares after stock split, with an average purchase price of IDR 1,754.71 (one thousand seven hundred and fifty four point seven one Rupiah) per share or equivalent to IDR 350.94 per share after stocksplitted, with a total share purchase amounting to IDR 118,137,717,030.- The Company's share buyback in 2020 was carried out due to significantly fluctuating market conditions and was carried out without approval from the General Meeting of Shareholders (GMS).

	Before Stock Split	Post Stock Split
Number of Shares	67,261,000	336,305,000
Average Acquisition price (IDR/sh)	1,754.70	350.94

2) Proposed utilization of treasury stock,

The Company is required to transfer the shares resulting from the Company's repurchase (Treasury Shares) within the maximum period of 6 years, transferred no later than June 2026. The Company plans to transfer some of its Treasury Shares, one of which is through the implementation of a share ownership program by management and key employees (management and employee stock option program or referred to as the "MESOP Program"), amounting to 156,500,000 shares or 0.78% (zero point seven eight percent) of the issued and fully paid-up capital of the Company. In implementing the MESOP Program, the Company formed a MESOP committee which aims to prepare and supervise the implementation of the MESOP Program.

3) According to the POJK No 30/ POJK.04/2017 regarding stock buyback, the treasury stock can be utilized for:

1. Reselling to the market
2. Withdrawn by means of capital reduction
3. Employee Stock option program
4. Conversion of equity securities; and/or
5. Other means with the approval of the financial services authority

The Board of Directors have decided to use a part of treasury shares for the purpose of MESOP plan amounting to 156,500,000 shares or 0.78% and made disclosure which can be accessed through the following [Link](#).

4) The MESOP Program is carried out with the following objectives:

1. Increase the sense of ownership of the Company so that it will improve the performance of each MESOP Program participant which will ultimately improve the Company's performance;
2. Achieving harmonization of the Company's interests with the interests of MESOP Program participants;
3. Providing rewards and incentives for the contributions of MESOP Program participants so that they can stimulate the performance of the Company's management and employees;
4. Increase the loyalty of MESOP Program participants and improve the Company's performance and profitability in the future; And
5. Attract and retain management and employees who excel in the Company.

5) The MESOP Program will be implemented with the Option Rights exercise period as follows:

Number of Treasury Stock Allocated	Option Grant Date	MESOP Phases	Share Allocation	Option Rights Exercise Period
156.500.000	20 September 2023	Phase I	15.650.000	1 August 2024 to 31 Agustus 2024
		Phase II	46.950.000	1 August 2025 to 31 Agustus 2025
		Phase III.A	46.950.000	1 Mei 2026 to 20 Mei 2026
		Phase III.B ¹	46.950.000	1 Mei 2026 to 20 Mei 2026
Total:			156.500.000	

¹ Please note that the share portion that has been exercised based on Stage III.B will be subject to a Prohibition on Selling Shares in accordance with the provisions stipulated in the Option Rights Grant Agreement

The implementation price of the MESOP Program which will be carried out by Participants is IDR 499.00 per share. On the exercise date of an Option Right, Participants must purchase Treasury Shares in accordance with the Number of MESOP Shares Allocated to each Participant (as regulated in the Option Rights Grant Agreement) with a payment price per share in accordance with the Exercise Price

The Board of Directors recommend to the GMS to approve utilization of part of the treasury shares for the MESOP plan.

Important note:

A. General Rule

1. 1. The Company does not send a separate invitation letter to Shareholders, so that in accordance with the provisions of Article 11 paragraph 7 (a) of the Company's Articles of Association, the GMS Invitation is an official invitation for the Company's Shareholders.
2. The Company's Shareholders who have the right to attend or be represented at the Meeting are:
 - a. For Company Shares that are not in Collective Custody:
Company Shareholders or proxies of Company Shareholders whose names are legally registered in the Company's Register of Shareholders on April 4 2024 until 16:00 WIB at PT Raya Shares Registra, the Company's Securities Administration Bureau ("BAE").
 - b. For Company shares that are in Collective Custody:
The Company's Shareholders or the Company's Shareholders' proxies whose names are registered with the account holder or custodian bank at PT Kustodian Sentral Efek Indonesia ("KSEI") on April 4 2024 no later than 16:00 WIB. KSEI securities account holders in Collective Custody are required to provide a List of Shareholders of the Company they manage to KSEI to obtain Written Confirmation for the Meeting ("KTUR").
3. The Company will provide Meeting materials for each Meeting agenda which can be downloaded via the Company's website www.akr.co.id, from the date of the Invitation to the Meeting until the Meeting is held. The Company does not provide materials in hardcopy form at the Meeting.

B. Implementation of Physical and Electronic Meetings

1. Shareholder participation in the Meeting can be carried out using the following mechanism;
 - a. physically present at the Meeting; or
 - b. attend the Meeting electronically via the eASY.KSEI application.
2. Paying attention to POJK e-GMS and KSEI Regulation Number: electronically or provide power of attorney using the following mechanism:
 - a. Shareholders whose shares are in KSEI Collective Custody can register with the KSEI Securities Ownership Reference Facility ("AKSes KSEI") via the website <https://akses.ksei.co.id>
 - b. Registered Shareholders may provide power of attorney electronically to independent representatives appointed by the Company via the eASY.KSEI application which can be accessed on the website <https://easy.ksei.co.id> (e-proxy) no later than 1 (one) working day before the date of the Meeting or Friday, April 26 2024 at 13:00 WIB.
 - c. Shareholders whose shares are not yet in KSEI Collective Custody or in script form, can give power of attorney to BAE. Shareholders can download the Power of Attorney form on the Company's website www.akr.co.id. The original power of attorney must be delivered in person or by registered letter to PT Raya Shares Registra, Plaza Sentral Building, 2nd Floor Jl. Gen. Sudirman Kav. 47-48 Jakarta 12930 Indonesia, up. Mrs. Melania Tan no later than Friday, April 26 2024 until 16.00 WIB.
3. The Notary, assisted by the Registrar of Companies, will check and count the votes for each Meeting agenda item in every Meeting decision made regarding that agenda item, based on the power of attorney that has been submitted by the shareholders as referred to in point 2 above.

4. Before entering the Meeting room, shareholders or their proxies who are physically present at the Meeting are required to:
 - a. Register on the date of the Meeting from 07.00 – 09.30 by submitting a photocopy of the Collective Share Certificate and a photocopy of the Resident Identity Card (KTP) or other valid identification to the Company's BAE officer.
 - b. Company Shareholders in collective custody are required to bring a KTUR Letter which can be obtained through Exchange Members or Custodian Banks.

5. To facilitate the organization and orderliness of the Meeting, the Company's Shareholders or their authorized proxies are kindly requested to be present at the Meeting venue 30 (thirty) minutes before the Meeting starts.