

## Explanatory Statement

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 and Extraordinary General Meeting of Shareholders on April 28, 2022, at 10:00am (West Indonesia Time).

Time : 10.00 a.m. – finish

Venue : AKR Gallery West, Meeting Room P2 Floor, Jl. Panjang No.5, Kebon Jeruk,  
Jakarta Barat 11530, Indonesia

Mechanism : Electronic GMS through the eASY.KSEI application

<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 the extraordinary situation of COVID 19 pandemic.*

### **ANNUAL GENERAL MEETING OF SHAREHOLDERS**

#### **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, 2021 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, 2021 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, 2021, 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, 2021.**

*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, 2021. Based on the Provision 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, 2021.*

#### **Explanatory statement:**

The Financial statements for the year ended December 31, 2021, have been audited by Purwantono, Sungkoro & Surja (a member firm of Ernst & Young Global Limited) and the Audit report dated March 21<sup>st</sup>, 2022, 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, 2021.

The annual report for the year ended December 31, 2021, 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 that 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 2021 of Rp 1.11 trillion, 20% higher than the previous year. Overall, in 2 years of COVID19, company's Net Profit has increased by cumulative 55%. AKR has maintained strong financial performance during challenging environment of 2020 and 2021. Revenues in 2021 increased by 45% to reach Rp25.7 trillion compared to the previous year's Rp17.7 trillion. Gross Profit increased by 12%, to Rp2.3tn and Operating Profit growth was 16% to Rp1.46 trn. EPS grew by 21% to Rp56.32/shares.

AKR has delivered strong all-round performance in an environment of rising prices of oil and chemicals, 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, especially in the logistics & supply chain, and it is now recognized as a major private player in the distribution of energy & basic chemicals in Indonesia.

Supported by the strong performance in trading and distribution Company's revenue in this segment grew by 46% to Rp23.7 trillion. The Company also recorded a strong performance in the industrial estate segment. JIPE's revenue grew 69% to Rp539 billion driven by increased land sales and lease agreements for the copper smelter project.

Key Highlights of 2021 performance are as follows:

Profit & Loss (Rp Billion)	2021	2020	YoY
<b>Sales and Revenue</b>	25,707	17,716	45%
<b>Gross Profit</b>	2,293	2,048	12%
<b>Operating Profit</b>	1,455	1,258	16%
<b>Profit for the period</b>	1,135	962	18%
<b>Profit for the Year Attributable to Equity Holders of Parent Entity</b>	1,112	925	20%
<b>EBITDA</b>	1,819	1,595	14%

Revenue Growth	EPS	Ebitda Growth
45% 	56.32	14%  EBITDA growth
Net Operating Cash Flow	Net Gearing	Return on Equity
Rp 2,945 Bn	0.02 x	12%

The Board of Directors seek the support of the Shareholders to approve this item of Agenda

## Agenda 2

### Approval for the proposed plan of the Company's Net Income usage for the fiscal year ended December 31st, 2021.

*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, 2021. 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 2021 attributable to equity holders of the parent entity is Rp 1,112 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 3 years the company has paid dividend payout in the range of 50% considering the profit growth, strong financial condition, and cash flow. The Board of Directors will recommend dividend payout similar to the previous years. Final Dividend will be approved by AGM and will be paid after deducting the interim dividend for the year 2021 of Rp12 per share equivalent to approximately Rp237 billion that had been paid on August 19, 2021.

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	494	53,34%

iii\* Dividend amount paid in 2018-2020 has been adjusted for the 1:5 Stock split which has been approved by EGMS on 20 December 2021, and became effective on 12 January 2022..

iv. 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, we will discuss regarding the plan of the appointment of Independent Public Accountant which is registered with Financial Services Authority (“OJK”) who will conduct audit of the books of the account for fiscal year ended on December 31, 2022. Based on the provision 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 books for the fiscal year 2022. The books of accounts for the year 2021 were audited by Purwantono, Sungkoro & Surja, a member of Ernst & Young Global Limited is registered with OJK and being one of Top 4 audit firms in the World. The Board of Directors recommend to the shareholders to authorize the Board of Commissioners of the Company to appoint public accountant who is empaneled with OJK to audit the accounts for the year 2022 and also determine the honorarium for conduct of the audit

The total amount of honorarium paid for the audit of the Company during 2021 to the Public accountant is Rp1,390,000,000 (Rupiah One billion three hundred ninety million).

## EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

### Agenda

**Approval on the amendments and adjustments of The Company's Articles of Association regarding the Purposes and Objectives as well as business activities in line with Indonesian Standard Industrial Classification of 2020 as stated on Central Statistic Agency Regulation No. 2 of 2020 concerning Indonesian Standard Industrial Classification (KBLI 2020).**

*Explanation: With respect to above agenda, the Company propose to the meeting to approve the amendment and restatement of the Articles of Association of the Company regarding the Purposes and Objectives as well as business activities to be adjusted to Indonesian Standard Industrial Classification of 2020, and comply with, among others, the provisions of Central Statistic Agency Regulation No. 2 of 2020 concerning Indonesian Standard Industrial Classification (KBLI 2020).*

Explanatory statement:

In order to align with the development, diversity and detailed economic activities in Indonesia, the Chief of the Statistical Bureau has issued Regulation No. 2 Year 2020 concerning the Indonesian Industrial Standard Classifications (Klasifikasi Baku Lapangan Usaha Indonesia/KBLI) 2020. This regulation was issued on 24 September 2020 as a refinement to the previous KBLI 2017.

Together with the enactment of Job Creation Law No. 11 Year 2020, the issuance of KBLI 2020 is an important step towards the adoption of a Risk Based Approach that will be implemented by the Government to replace the Licensing Approach to granting licenses for businesses.

Under the Risk-Based Approach, the Government will determine whether a business classification, as described by its five-digit KBLI Code, should be considered low, medium, or high risk. This rating will help to determine whether a company must only register for and obtain a standard certification or whether it must also obtain business licenses to engage in such business classifications.

In KBLI 2020, there are new business classifications and the removal of some business classifications that were present in KBLI 2017. Along with the additions and removals, KBLI 2020 also features amendments and reclassifications of the existing business classifications and their descriptions.

This Agenda item is to adjust the Articles of Association with the Central Statistics Agency Regulation No. 2 of 2020 concerning the Indonesian Standard Industrial Classification (KBLI 2020) with change in code.

The Board of Directors recommend shareholders to support this resolution which is to align the Company Article of Association in line with the new classification. The following is description of the business activities that will be changed and those that have remained:

No.	KBLI 2017	KBLI 2020	Note
1	Angkutan Melalui Saluran Pipa 49300	Still	
2	Perdagangan Besar Bahan dan Barang Kimia Dasar 46691	Perdagangan Besar Bahan dan Barang Kimia Dasar 46651	KBLI Code changed
3	Aktivitas Penyewaan Dan Sewa Guna Usaha Tanpa Hak Opsi Mobil, Bus, Truk dan Sejenisnya 77100	Still	
4	Aktivitas Konsultasi Manajemen Lainnya 70209	Still	
5	Angkutan Laut Dalam Negeri Untuk Barang Khusus 50133	Still	
6	Aktivitas Bounded Warehousing Atau Wilayah Kawasan Berikat 52103	Still	
7	Perdagangan Besar Bahan Bakar Padat, Cair dan Gas dan Produk YDBI 46610	Still	
8	Angkutan Bermotor Untuk Barang Khusus 49432	Still	
9	Industri Produk Dari Hasil Kilang Minyak Bumi 19291	Still	
10	Pergudangan Dan Penyimpanan 52101	Pergudangan Dan Penyimpanan 52109	KBLI Code changed
11	New additional in KBLI 2020 >>	Penyimpanan Minyak dan Gas Bumi 52104 Note: This group includes storage business activities which include receiving, collecting, storing, and releasing petroleum, fuel oil, gas fuel, and/or processed products at locations above and/or below the ground and/or water surface for the purpose of commercial including storage in free trade zones.	

## **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, 2022 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, 2022 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](http://www.akr.co.id), as of the date of the Invitation. The Company does not provide hardcopy material at the Meeting

### **B. Preventive Measures Against the Spread of Coronavirus ("COVID-19")**

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. The Company appeal the Shareholders 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 grant power of attorney electronically to an independent representative appointed by the Company through the eASY.KSEI application (e-proxy) no later than 1 (one) working day before the date of Meeting or Wednesday, April 27, 2022 at 01.00 pm (Western Indonesian Time).
  - b. 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](http://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. Lusiany Lugina, no later than Monday, April 25, 2022 at the latest 04.00 p.m.
2. 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.
3. This preventive action does not prevent Shareholders who are willing to be present directly at the Meeting and must comply with the rules and procedures for reducing the spread of the Covid-19 by

referring to procedures issued by BNPB, Jakarta Provincial Government, and Building Management to ensure the implementation of the Meeting can run safely and efficiently.

4. Shareholders or their proxies who will attend the meeting are kindly requested to bring and submit 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.
5. 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.
6. 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.