

DISCLOSURE OF INFORMATION TO SHAREHOLDERS

**TO FULFILL REQUIREMENT OF FINANCIAL SERVICES AUTHORITY
NO. 17/POJK.04/2020 ON MATERIAL TRANSACTIONS AND
CHANGES IN BUSINESS**



PT ARGO PANTES Tbk

("The Company")

Line of Business

Industry including trading, warehousing and real estate

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Disclosure of Information to these Shareholders ("**Disclosure of Information**") contains information on the plan of Adding Business Fields, which must first obtain approval from the General Meeting of Shareholders ("GMS") of the Company, as referred to in Article 22 paragraph 1 point (a) of The Financial Services Authority Regulation No. 17/POJK.04/2020 dated April 21, 2020 concerning Material Transactions and Changes in Business Activities ("POJK 17/2020"), namely the addition of warehousing and storage business (KBLI 2020: 52101), Cold Storage Activity (KBLI 2020:52102), *Bounded Warehousing* Activity or Bonded Zone (52103) Warehousing and Other Storage (KBLI 2020: 52109), Cargo Handling (loading and unloading of goods) (KBLI 2020: 52240), Transportation Management Services (JPT) (KBLI 2020: 52291), Other Transportation Support Transportation YTDL (KBLI 2020: 52299), Real Estate Owned Or Rented (KBLI 2020 : 68111), Real Estate On The Basis of Repayment (*Fee*) Or Contract (KBLI 2020: 68200) (hereinafter referred to as "Addition of Business Field").

This Transaction does not contain a Conflict of Interest and does not constitute an Affiliated Transaction as referred to in Financial Services Authority Regulation No. 42/POJK.04/2020 dated July 2, 2020 concerning Affiliate Transactions and Conflict of Interest Transactions.

Disclosure of this information was published in Jakarta on July 21, 2021.

PRELIMINARY

Disclosure of this Information is made in connection with the plan to add business activities to be carried out by the Company, as referred to in POJK 17/2020, which is required to obtain approval of the GMS. In connection with the matters as mentioned above, the Board of Directors of the Company announced this Information Disclosure with the intention to provide information and a more complete picture to the Shareholders of the Company regarding the plan of Adding Business Activities. In accordance with POJK 17/2020, the Board of Directors of the Company shall announce this Information Disclosure on the Company's Website and the Website of the Indonesia Stock Exchange to provide information to the Shareholders of the Company regarding the planned Changes in Business Activities to be carried out by the Company that require approval from the Company's GMS.

Disclosure of this Information becomes the basis of consideration for the Shareholders of the Company in order to give its approval related to the plan of Business Activities to be proposed by the Company in the GMS

I. BRIEF DESCRIPTION OF THE COMPANY

A Brief History of the Company

PT ARGO Pantes Tbk ("the Company") was established under Deed No.30 dated July 12, 1977 from Darwani Sidi Bakaroesdin, SH., Notary in Jakarta, and has been approved by the Ministry of Justice of the Republic of Indonesia by Decree No. Y.A. 5/236/24 dated July 19, 1978 and has been announced in the State Gazette of the Republic of Indonesia No. 87, Supplement No.1198 dated October 28, 1988.

The Company's Articles of Association have undergone several changes, including Deed No.5 dated July 31, 2019 made by Shanti Indah Lestari, S.H., M.Kn., Notary in Tangerang concerning the Statement of Resolution of the Meeting on Amendments to the Company's Articles of Association. And the last Deed No.11 dated August 28, 2020 made by Shanti Indah Lestari, S.H., M.Kn., notary in Tangerang on the approval of changes in the composition of the Board of Commissioners and Board of Directors. The deed has been received and recorded in the database of the Administrative System of Legal Entities of the Ministry of Law and Human Rights of the Republic of Indonesia with No. AHU-AH.01.03.0390660 dated September 24, 2020.

In accordance with Article 3 of the Company's Articles of Association, the scope of the Company's business activities is to strive in the field of industry (including trade, warehousing and *real estate*). The Company started commercial production in 1977.

B Share Ownership

Tabel 2.1 Composition of The Company's Shareholders

information	Number of Shares (Shares)	Stock Value	Composition (%)
PT Dharma Manunggal	98.500.000	21.271.091	29,35%
The Ning King	34.727.500	7.501.049	10,35%
PT Lintas Digraprama	31.235.930	6.747.321	9,31%
PT Manunggal Prime Development	23.683.000	5.116.658	7,06%
Public (below 5%) each.	147.411.020	31.837.786	43,93%
sum	335.557.450	72.473.905	100,00%

C The Company's Management

Based on Deed No.11 dated August 28, 2020 made by Shanti Indah Lestari, S.H., M.Kn., notary in Tangerang, the composition of the Company's management is as follows:

Board of Commissioners

President Commissioner : The Nicholas
 Commissioner : Febrina Listyani
 Independent Commissioner : Ir. Doddy Soepardi HAR

Directors :

President Director : Surjanto Purnadi
 Director : Lim Handy Wierdadi
 Ifa Fiolia Tan

II SUMMARY OF FEASIBILITY STUDY ON BUSINESS ACTIVITY ADDITION PLAN

A Independent Assessor Identity

TnR is designated as the official Public Appraisal Service Office based on the Decree of the Minister of Finance Number: 1009/KM.1/2009, dated July 28, 2009, with a Business License of the Office of Public Appraisal Services (SIUKJPP) Number: 2.09.0055 and registered as a capital market support profession on behalf of:

Assessor Name: Ir. Toto Suharto , MSc., MAPPI (Cert)
 Public Appraisal License: PB-1.08.00060
 Capital Market Support STTD: No. 01/PM/STTD-P/AB/2006
 STTD IKNB: No. 008/NB.122/STTD-P/2017
 MAPPI: 93-S-00361
 License Classification: Business Assessor (B)

KJPP Toto Suharto &Rekan (TnR) is a Public Appraisal Service Office registered with the Ministry of Finance and Capital Markets and has the competence to conduct this Feasibility Study.

B Feasibility Study Report Summary

Report No. 00242/2.0055-00/BS/04/0369/1/VII/2021 dated July 14, 2021.

a. Object Feasibility Study

That the Object of Feasibility study in accordance with the information provided by the assignor is a feasibility study service addition of business activities.

b. Purpose and Purpose of Feasibility Study

The Feasibility Study Report aims to provide an opinion on the feasibility of the planned addition of business activities that will be conducted by the Company reviewed from various aspects, including market aspects, technical aspects, business pattern aspects, management model aspects, and financial aspects.

The purpose of the preparation of the Feasibility Study is to provide an overview of the feasibility of the addition of business activities to be carried out by the Company.

This assignment was carried out with reference to POJK Regulation No.17/2020 and the provisions of the Indonesian Assessor Code of Conduct ("KEPI") and Indonesian Assessment Standard ("SPI") Issue VII of 2018.

c. Assumptions and Limiting Conditions

1. Specific Assumptions and Assumptions

The specific assumptions and assumptions to be used in the assignment are specific assumptions and assumptions that are reasonable and relevant with regard to the purpose for which a feasibility study is required.

Specific assumptions are assumptions that differ from the actual facts on the date of the feasibility study or things that a small percentage of market participants will not make in a transaction on the date of the feasibility study.

Specific assumptions are often used to describe the effects of a situation that will affect the value.

In the implementation of the assignment, the Assessor will use reasonable assumptions to be accepted as facts in the context of the assignment without a specific investigation or verification.

2. Limiting Conditions/Restriction Conditions

- The Feasibility Study Report is the result of KJPP TnR analysis of the Company's plan which is also intended to be used as a fulfillment of the Indonesian Assessor Code of Conduct ("KEPI") and The Indonesian Assessment Standard ("SPI") Issue VII of 2018.
- The preparation of this report is based on the analysis and calculation of the data and information obtained, namely based on discussions with the Management of the Company to explain and obtain further information on the information provided.
- The preparation of this feasibility study report is our interpretation of the data and information obtained and available that we deem correct at the time of the preparation of this report. The assumptions used may no longer apply in the event of certain things or conditions that affect the accuracy of those assumptions, such as the enactment of new government regulations or important changes in the political, social and economic fields.
- The investment value used in the projection refers to management plans and considerations and market data.

- The preparation of this feasibility study report is directed to the Management of the Company used as a review of the optimization of the Company's assets.
- This report is not intended for public circulating or distribution and is not for reproduction and use for any other purpose, except with our prior written consent. We are not responsible for any loss or damage suffered as a result of the use of this report by any other party without our prior written consent.
- We are not responsible for any losses as a result of any error of opinion or conclusion that occurred due to the existence of data or information from the relevant company and significant influence on our opinions or conclusions, which we have not and/or have not received from the company.
- We assume that the Company adheres to all regulations set by the government, especially those related to the Company's operations, both in the past and in the future.
- We do not carry out checks on the legality of assets owned by the company, because our profession is not a consultant in the field of law. We assume that there are no legal issues with respect to the company's assets, both current and future.
- We do not conduct detailed analysis of the availability of the required workforce, both in construction and in the operational period. We assume that the company is able to provide the necessary manpower so that the construction and operation of the project can run as planned.
- We assume that the company has and will fulfill its obligations relating to taxation, levies and other levies in accordance with applicable regulations.
- We are not a consultant with environmental concerns, and are therefore not responsible for any actual or potential obligations related to environmental issues.
- We have conducted an examination of the documents used in the process of preparing the Feasibility Study.
- We rely entirely on data from management, as for audited financial statements *per cut off date*, we obtain from management.
- Data and information are obtained from reliable sources and data.
- We use adjusted financial projections that reflect the fairness of financial projections made by management with *fiduciary* duty.
- We are responsible for the implementation of the preparation of feasibility studies and the fairness of financial projections.
- This Feasibility Study Report is a non disclaimer opinion.
- The assessor is responsible for this Feasibility Study report and the final conclusion of this report.

d. Feasibility Study Approaches and Methods

The methodology of report preparation is carried out through the data collection process as well as the analysis process as follows:

- Make a visit to the Company's assets located on Jalan Jl. MH. Thamrin No. 9, RT.006/RW.001, Cikokol, Tangerang District, Tangerang City, Banten Province on June 28, 2021 as well as assets located at MM 2100 Industrial Town, Gandamekar Cibitung Bekasi Village, West Java Province on June 30, 2021 to get an overview of the project.

- Collection of primary data from the Company related to the planned changes in business activities that include identity data, licensing, business plans and other data related to the planned changes in business activities.
- Collection of secondary data from related sources that can be accounted for.
- Macroeconomic analysis, industry analysis to evaluate the influence of these factors on the Company's future performance.

In the conduct of this assignment, analysis was conducted on the feasibility of changes in business activities. This analysis was conducted using Net Present Value (NPV), Profitability Index (PI), and Internal Rate of Return (IRR), Break Even Point and Return on Investment (ROI) indicators.

e. Feasibility Study Conclusions

Based on the study, evaluation and analysis of finance and other projections provided that the assumptions that have been determined can be fulfilled, it can be concluded that the plan to add business activities to be carried out by the Company is feasible to be implemented.

III AVAILABILITY OF EXPERTS IN CONNECTION WITH THE PLAN TO EXPAND BUSINESS ACTIVITIES

In the next development, the Company's organizational structure will develop in accordance with the company's business activities. The addition of such business activities will require experts who have expertise in their fields and property rental services and logistics services delivery of goods, so that the human resources owned by the Company are competent in the field of industry in accordance with the addition of business activities.

IV EXPLANATION, CONSIDERATION AND REASONS FOR THE ADDITION OF BUSINESS ACTIVITIES

In addition to the textile industry, the Company plans to utilize and optimize existing assets for rent and integrate property rentals with freight services. Therefore, it is necessary to increase business activities and make adjustments to the official classification code to classify the types of business fields of the Company in Indonesia or better known as the Standard Classification of Indonesian Business Fields (KBLI) in order to run a property rental business and delivery services.

V THE IMPACT OF THE ADDITION OF BUSINESS FIELDS ON THE COMPANY'S FINANCIAL CONDITION

The effect of changes in business activities is seen from the Feasibility of the Addition of business activities is calculated from the economic benefits anticipated in the future from the addition of business activities calculated from the difference between *Free Cash Flow To Firm* if there is additional business activities, with *Free Cash Flow To Firm* if the Company does not add business activities. The next one is compared to his economic sacrifice. So obtained *Free Cash Flow to incremental*. Based on the feasibility analysis of the addition of business activities by considering the assumptions that have been made obtained the results of the calculation as follows:

- ☒ Net Present Value (NPV): 454.059.756.000
- ☒ Internal Rate of Return (IRR): 138,89%
- ☒ Profitability Index (PI): 19,24

Total NPV is obtained from the present value of cash flow that already considers the level of risk. Based on our analysis, that after the addition of business activities in the field of renting property and goods delivery services, the projected incremental cash flow is positive.

IRR of 138.89% indicates that the Company's corporate actions by adding business activities are considered very feasible because the amount of IRR is much higher than the discount rate. Based on our analysis that IRR shows a high number due to the investment capital issued by the Company with the addition of this new business is very small because the assets in the form of land and buildings to be leased are already available from the old or existing business.

Profitability Index shows the figure of 19.24 means that the Company when adding business activities is considered very reasonable because profitability index above 1.

VI EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

Approval of the plan to addition of business activities, the Company will hold an Extraordinary General Meeting of Shareholders ("EGMS") on Friday, August 27, 2021 at the PT Argo Pantes Tbk Factory located on Jl. MH. Thamrin Km.4, Cikokol-Tangerang, 15117, Indonesia.

The agenda of the EGMS is as follows:

1. Discussion of feasibility study on the addition of the Company's business activities.
2. Application for approval of the planned amendment of Article 3 of the Company's Articles of Association in connection with the plan to add new business activities of the Company and redactional changes to the description of the Company's business activities.

In the first agenda will be discussed the plan of changes in the main business activities including feasibility studies on changes in the main business activities.

Therefore, this Change in Main Business Activities requires changes to Article 3 of the Company's Articles of Association concerning the purposes and objectives and business activities, the requirements for attendance and decision making of EGMS are as follows:

- a. EGMS may be held if the EGMS is attended by shareholders or their authorized proxy representing at least 2/3 (two-thirds) of the total number of shares with valid voting rights issued by the Company.
- b. The resolution of the EGMS as referred to in letter a is valid if approved by more than 2/3 (two-thirds) of the number of validly issued votes in the relevant EGMS.
- c. In the event that the quorum as referred to in letter a is not reached, the second EGMS may be held with the provisions of the second EGMS is valid and entitled to make a decision if attended by shareholders or their valid proxies representing at least 3/5 (three-fifths) of the total number of shares with valid voting rights and the decision approved by more than 2/3 (two-thirds) part of the number of valid votes issued in the EGMS.

If the plan of Change of Main Business Activities as mentioned above does not obtain approval from the EGMS, then the plan can only be resubst submitted 12 (twelve) months after the implementation of the EGMS.

VII ADDITIONAL INFORMATION

To obtain additional information, the shareholders of the Company may contact the Company, during working days and working hours of the Company, at the address below:

PT Argo Pantes Tbk

Jl. MH Thamrin KM. 4, Cikokol – Tangerang

Attn. Corporate Secretary

Email : corp-secretary@argopantes.com

Jakarta, 21 July 2021

Board of Directors of the Company