

## **DISCLOSURE OF INFORMATION TO SHAREHOLDERS OF PT MERDEKA COPPER GOLD TBK. (“COMPANY”)**

THIS DISCLOSURE OF INFORMATION TO SHAREHOLDERS IS PROVIDED BY THE COMPANY IN COMPLIANCE WITH THE PROVISIONS OF FINANCIAL SERVICE AUTHORITY (“OJK”) REGULATION NO. 17/POJK.04/2020 ON MATERIAL TRANSACTION AND CHANGE OF BUSINESS ACTIVITY (“OJK REGULATION 17/2020”) AND OJK REGULATION NO. 42/POJK.04/2020 ON AFFILIATED AND CONFLICT OF INTEREST TRANSACTIONS (“OJK REGULATION 42/2020”).

THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY STATED THAT THE TRANSACTION IS A MATERIAL TRANSACTION WITH A TRANSACTION VALUE OF MORE THAN 20% BUT LESS THAN 50% OF THE EQUITY OF THE COMPANY AND THEREFORE, ONLY NEEDS TO FULFILL THE PROVISIONS AS REGULATED UNDER ARTICLE 6 PARAGRAPH (1) LETTER (a), LETTER (b) AND LETTER (c) OF OJK REGULATION 17/2020.

THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION MUST BE READ AND CONSIDERED BY THE SHAREHOLDERS OF THE COMPANY.

IF YOU HAVE ANY DIFFICULTY IN UNDERSTANDING THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION, PLEASE CONSULT WITH YOUR LEGAL ADVISOR, PUBLIC ACCOUNTANT, FINANCIAL ADVISOR, OR OTHER PROFESSIONALS.

THE BOARD OF DIRECTORS OF THE COMPANY PROVIDES THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION FOR THE PURPOSE OF PROVIDING COMPLETE INFORMATION AND DESCRIPTION REGARDING THE TRANSACTION TO THE SHAREHOLDERS OF THE COMPANY AS PART OF THE COMPLIANCE OF THE COMPANY TO OJK REGULATION 17/2020 AND OJK REGULATION 42/2020.

THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY, SEVERALLY AND JOINTLY, ARE FULLY RESPONSIBLE FOR THE ACCURACY AND COMPLETENESS OF THE INFORMATION STATED IN THIS DISCLOSURE OF INFORMATION. THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY DECLARE THAT THE INFORMATION IN THIS DISCLOSURE OF INFORMATION IS COMPLETE AND AFTER GIVING DUE AND CAREFUL EXAMINATION, EMPHASIZE THAT THE INFORMATION IN THIS DISCLOSURE OF INFORMATION IS CORRECT AND THAT THERE ARE NO MATERIAL AND RELEVANT FACTS OMITTED WHICH CAN CAUSE THE INFORMATION STATED HEREIN TO BE UNTRUE AND/OR MISLEADING.



**PT MERDEKA COPPER GOLD Tbk.**

### **Business Activities**

Mining of gold, silver, copper, and other associated minerals and mining services through its subsidiaries

**Domiciled in South Jakarta, DKI Jakarta, Indonesia**

**Headquarter Office**

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Jl. H.R. Rasuna Said, Karet Kuningan, Setiabudi, South Jakarta 12940  
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This Disclosure of Information  
is issued in Jakarta on March 28, 2022

## DEFINITIONS AND ABBREVIATIONS

**BTA** means PT Batutua Tambang Abadi, a limited liability company duly established pursuant to the laws of the Republic of Indonesia, domiciled in Southwest Maluku Regency.

**HLN** means PT Hamparan Logistik Nusantara, a limited liability company duly established pursuant to the laws of the Republic of Indonesia, domiciled in South Jakarta.

**MOLHR** means the Ministry of Law and Human Rights of the Republic of Indonesia.

**Disclosure of Information** means this Disclosure of Information to the Shareholders of the Company in compliance with the provisions of OJK Regulation 17/2020.

**Consolidated Financial Statements of the Company** means the Company's Consolidated Financial Statements as of September 30, 2021, for the year ended on that date which has been audited by a Public Accountant.

**Minister** means the Minister of Law and Human Rights of the Republic of Indonesia.

**OJK** means the Financial Services Authority, an independent institution whose duties and authorities cover regulatory, supervisory, inspection, and investigation within the capital markets sector, insurance, pension funds, financial institutions, and other financial service bodies, as stipulated in Law No. 21 of 2011 dated November 22, 2011.

**PCI** means PT Provident Capital Indonesia, a limited liability company duly established pursuant to the laws of the Republic of Indonesia, domiciled in Central Jakarta.

**Agreement** means the Conditional Shares Subscription Agreement effective on March 24, 2022 between BTA, HLN, and PCI.

**Company** means PT Merdeka Copper Gold Tbk., domiciled in South Jakarta, a publicly listed company whose shares are listed on the Indonesia Stock Exchange, which was duly established and organized under the laws of the Republic of Indonesia.

**Controlled Company** means any company which is directly or indirectly controlled by the Company as defined in OJK Regulation 17/2020.

**Transaction** means conditional shares subscription by BTA through the signing of the Agreement.

## INTRODUCTION

In compliance with OJK Regulation 17/2020 and OJK Regulation 42/2020, the Board of Directors of the Company announces the Disclosure of Information to provide information to the Shareholders of the Company that BTA, as a Controlled Company of the Company, has executed the Conditional Shares Subscription Agreement with HLN and PCI which shall be effective on March 24, 2022.

Based on the Agreement, BTA, HLN, and PCI agree that subject to the fulfilment or waiver of the conditions precedents (as stipulated in the Agreement), BTA will subscribe new shares issued by HLN in sufficient amount for BTA to hold shares representing 55.67% (fifty-five point six seven percent) from the issued and paid-up capital of HLN. The amount of Agreement or total amount of subscription price

is IDR5,359,637,883,165.00 (five trillion three hundred fifty nine billion six hundred thirty seven million eight hundred eighty three thousand one hundred sixty five Rupiah).

In accordance with the provisions of Article 6 paragraph 1 of POJK 17/2020, this Transaction is a material and an affiliated transaction that is required to use an Appraiser in determining the fairness of the Affiliated Transaction in which the fairness of the transaction needs to be announced to the public and OJK. The Company has received a fair result for this Transaction in accordance with the Appraisal Report from the Public Appraisal Service Office (*Kantor Jasa Penilai Publik* or “**KJPP**”) Iskandar and Partners No. 00141/2.0118-00/BS/02/0596/1/III/2022 dated 21 March 2022 on the Fairness Opinion Report of the Transaction Plan for Paid-Up Capital in PT Hamparan Logistik Nusantara by PT Batutua Tambang Abadi (a Controlled Company of PT Merdeka Copper Gold Tbk) (“**Appraiser’s Report**”).

This Transaction has complied with the procedures set forth in Article 3 of OJK Regulation 42/2020 *juncto* Article 10 paragraph (1) of OJK Regulation 17/2020 and has been implemented in accordance with generally accepted business practices.

In accordance with Article 33 letter (a) of OJK Regulation 17/2020, since the Transaction is a material transaction which is also an affiliated transaction as stipulated in OJK Regulation 42/2020, the Company is only required to comply with the provisions as stipulated in OJK Regulation 17/2020

Furthermore, in accordance with Article 30 letter (a) of OJK Regulation 17/2020, since the Transaction is conducted by BTA, a Controlled Company which is not a publicly-traded company and its financial statement is consolidated with the Company, hence only the Company is required to carry out the procedures as set forth in OJK Regulation 17/2020.

Based on the above and in accordance with the applicable laws and regulations, especially OJK Regulation 17/2020 and OJK Regulation 42/2020, the Board of Directors of the Company hereby announces this Disclosure of Information is in accordance with the procedures for implementing material transactions with a transaction value of more than 20% (twenty percent) but less than 50% (fifty percent) of the equity of the Company and, therefore, in compliance with the provisions of Article 6 paragraph (1) letter (a) letter (b) and letter (c) *jo.* Article 17 of OJK Regulation 17/2020 with the purpose of providing information and a more complete description to the Shareholders regarding the Transaction.

## **TRANSACTION OF THE CONDITIONAL SHARES SUBSCRIPTION**

### **1. BACKGROUND AND BENEFIT OF THE TRANSACTION**

BTA, as a Controlled Company which shares are more than 99% (ninety-nine percent) owned by the Company either directly or indirectly, is conducting business activities of holding company activities as well as other management consulting activities.

Moreover, this Transaction is conducted as one of the BTA's strategic measures with expectation to provide added value and economic benefit for BTA as well as the Company in the future.

### **2. NATURE OF THE TRANSACTION**

The value of the Transaction is IDR5,359,637,883,165.00 (five trillion three hundred fifty nine billion six hundred thirty seven million eight hundred eighty three thousand one hundred sixty five Rupiah), which constitutes 49.5% (forty-nine point five percent) of the total consolidated equity of the Company as of September 30, 2021, based on the Consolidated Financial

Statements of the Company of USD756,824,607 (seven hundred and fifty-six million eight hundred twenty four thousand six hundred seven United States Dollars) or equivalent to USD374,616,473 (three hundred seventy four million six hundred sixteen thousand four hundred seventy-three United States Dollar) in accordance with the applicable exchange rate on September 30, 2021. Therefore, the Transaction is a material transaction in accordance with Article 3 OJK Regulation 17/2020, with detail as follow:

- i. the value of Transaction reaches more than 20% (twenty percent) but less than 50% (fifty percent) of the Company's equity value in accordance with the Consolidated Financial Statements of the Company;
- ii. the amount of total assets of HLN divided by total assets of the Company is less than 20% (twenty percent); and
- iii. Currently HLN does not have any revenue, hence it cannot be compared with revenue of the Company.

Therefore, based on Article 6 paragraph (1) letter (a) letter (b) and letter (c) *juncto* Article 27 paragraphs (1) of OJK Regulation 17/2020, the Company must announce information regarding the transaction to the public and OJK at least on the Company's website and the Indonesia Stock Exchange's website and OJK no later than 2 (two) business days after the date of the Transaction.

## BRIEF DESCRIPTION OF THE TRANSACTION

### 1. TRANSACTION OBJECT

The details on the object and value of the Transaction are as follows:

- Based on the Agreement, BTA, HLN, and PCI agree that subject to the fulfilment or waiver of the conditions precedents (as stipulated in the Agreement), BTA will subscribe new shares issued by HLN in sufficient amount for BTA to hold shares representing 55.67% (fifty-five point six seven percent) from the issued and paid-up capital of HLN. The amount of Agreement or total amount of subscription price is IDR5,359,637,883,165.00 (five trillion three hundred fifty-nine billion six hundred thirty-seven million eight hundred eighty-three thousand one hundred sixty-five Rupiah).

### 2. PARTIES INVOLVED IN THE TRANSACTION

#### a. HLN

HLN established pursuant to the Deed of Establishment No. 66 dated 20 August 2019, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta ("**Deed of Establishment**"), which has been ratified by Minister by virtue of its Decree No. 0041804.AH.01.01.TAHUN 2019 dated August 22, 2019, has been registered in the Company Register in the MOLHR under No. AHU-0145851.AH.01.11.TAHUN 2019 dated August 22, 2019.

Thus far, HLN's Articles of Association is as stipulated in the Deed of Establishment and has not been amended yet.

HLN is domiciled at RDTX Tower 16<sup>th</sup> Floor, Karet Kuningan, Setiabudi, Jakarta Selatan 12950, DKI Jakarta.

According to Article 3 of the Company's Articles of Association, the purposes and objectives of the Company are as follows:

1. Activities of holding companies;
2. Other management consulting activities;
3. Warehousing and storage; and
4. Other warehousing and storage.

To carry out the main business activities above, the Company may carry out the supporting activities as follows:

1. carrying out activities of holding companies in which the main activity is ownership and/or control of assets of a group of subsidiary companies and its main activity is ownership of the aforesaid group. "Holding Companies" are not involved in the business activities of its subsidiaries. Holding companies' activities are including counsellors service and negotiators service in planning merger and acquisition;
2. conducting other management consulting activities, to provide advice, guidance and business operations for various management functions, strategic and organizational scheming, decision regarding financial purpose; marketing purpose and policy; human resources planning, practices and policies; schedule planning and control of production, including providing advice, guidance and business operations for various management functions, management consulting of agronomist processing and agricultural economist in agricultural sector and similar sector, design of accounting methods and procedures, cost accounting programs, budget control supervision procedures, providing advice and assistance to businesses and community services in planning, organizing, efficiency and control, manajement information, *et cetera*;
3. conducting storage business activities on a temporary basis prior to the shipment of the goods to its final destination, with commercial purposes; and
4. conducting warehousing business activities and other storage activities.

#### Capital Structure and Shareholders Composition of HLN

Pursuant to the Deed of Establishment, HLN's capital structure and shareholding composition are as follows:

Authorized Capital	:	IDR10,000,000,000
Issued Capital	:	IDR2,500,000,000
Paid up Capital	:	IDR2,500,000,000

The authorized capital of the Company is divided into 10,000 shares each with a par value of IDR1,000,000.

Thus, the shareholders' composition of HLN are as follows:

No.	SHAREHOLDERS' NAME	SHARES AMOUNT	VALUE (IDR)	%
1.	PT Provident Capital Indonesia	2,499	2,499,000,000	99.96
2.	PT Provident Indonesia	1	1,000,000	0.04

No.	SHAREHOLDERS' NAME	SHARES AMOUNT	VALUE (IDR)	%
Total		2,500	2,500,000,000	100
Shares in Portfolio		7,500	7,500,000,000	

Composition of the Board of Commissioners and Board of Directors of HLN

Pursuant to the Deed of Establishment of HLN, the composition of the Company's Board of Directors and Board of Commissioners on the issuance date of this Disclosure of Information are as follows:

**Board of Commissioners**

Commissioner : Helmy Yusman Santoso

**Board of Directors**

Director : Eko Widodo

**b. PCI**

PCI is a limited liability company duly established and domiciled in Central Jakarta, established based on Deed of Establishment No. 54 dated March 24, 2005, drawn up before Himijati Tandika S.H., Notary in Jakarta which has been approved by Minister by virtue of Decree No. C-09189.HT.01.01.TH.2005 dated April 6, 2005, and has been registered in the Company Register at the MOLHR under No. 090515150778 dated April 11, 2005.

The latest amendment of articles of association of PCI is stated in the Deed of Statement of Circular Resolution of General Meeting of Shareholders No. 23 dated October 4, 2019, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by Minister by virtue of Decree No. 0080911.AH.01.02.TAHUN 2019 dated October 10, 2019, and has been registered in the Company Register in the Ministry of Law and Human Rights of the Republic of Indonesia under No. AHU-0191106.AH.01.11.TAHUN 2019 dated October 10, 2019 ("**Deed 23/2019**").

According to Deed of Statement of Circular Resolution in lieu of General Meeting of Shareholders No. 44 dated May 10, 2021, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to Minister by virtue of the Letter of Notification Receipt of Changes of Data No. AHU-AH.01.03-0303397 dated May 10, 2021, and has been registered in the Company Register at the MOLHR under No. AHU-0086959.AH.01.11.TAHUN 2021 dated May 10, 2021, the composition of PCI's Board of Directors and Board of Commissioners are as follows:

**Board of Directors**

President Director : Hardi Wijaya Liong

Director : Helmy Yusman Santoso

**Board of Commissioners**

Commissioner : Winato Kartono

PCI's capital structure and composition of shareholders is as stated in the Deed of Statement of Circular Resolution in lieu of Extraordinary General Meeting of Shareholders No. 9 dated September 4, 2013, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by Minister by virtue of Decree No. AHU-48414.AH.01.02.TAHUN 2013 dated September 13, 2013, and has been registered in the Company Register at the MOLHR under No. AHU-0087062.AH.01.09.TAHUN 2013 dated September 13, 2013 are as follows:

Authorised Capital : IDR100,000,000,000  
 Issued Capital : IDR100,000,000,000  
 Paid-up Capital : IDR100,000,000,000

PCI's Authorised Capital is divided into 200.000 shares, each having nominal value of IDR500,000 per shares.

The shareholding composition of PCI stood as follows:

No.	SHAREHOLDERS' NAME	SHARES AMOUNT	VALUE (IDR)	%
1.	Winato Kartono	140,000	70,000,000,000	70
2.	Hardi Wijaya Liong	60,000	30,000,000,000	30
<b>Total</b>		<b>200,000</b>	<b>100,000,000,000</b>	<b>100</b>
<b>Shares in Portfolio</b>		-	-	

According to Article 3 of Articles of Association of PCI, the objectives and purposes of the PCI are as follows:

1. carrying out activities of holding companies; and
2. conducting other management consulting activities.

To carry out the main business activities above, PCI may carry out the supporting activities as follows:

1. carrying out activities of holding companies in which the main activity is ownership and/or control of assets of a group of subsidiary companies and its main activity is ownership of the aforesaid group. "Holding Companies" are not involved in the business activities of its subsidiaries. Holding companies' activities are including counsellors service and negotiators service in planning merger and acquisition; and
2. conducting other management consulting activities, to provide advice, guidance and business operations for various management functions, strategic and organizational scheming, decision regarding financial purpose; marketing purpose and policy; human resources planning, practices and policies; schedule planning and control of production, including providing advice, guidance and business operations for various management functions, management consulting of agronomist processing and agricultural economist in agricultural sector and similar sector, design of accounting methods and procedures, cost accounting programs, budget control supervision procedures, providing advice and assistance to businesses and community services in planning, organizing, efficiency and control, manajement information, *et cetera*.

**c. BTA**

BTA is a limited liability company duly established and domiciled in Southwest Maluku Regency, established based on Deed of Establishment No. 147 dated December 20, 2019, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta which has been approved by Minister by virtue of Decree No. AHU-0068145.AH.01.01.Tahun 2019 dated December 21, 2019, and has been registered in the Company Register at the MOLHR under No. AHU-0247639.AH.01.11.Tahun 2019 dated December 21, 2019 (“**Deed of Establishment of BTA**”).

The latest amendment of articles of association of BTA is stated in the Deed of Statement of Circular Resolution in lieu of Extraordinary General Meeting of Shareholders No. 95 dated February 24, 2022, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by Minister by virtue of Decree No. AHU-0013782.AH.01.02.TAHUN 2022 dated February 24, 2022, and notified to the Minister based on the Letter of Receipt of Notification of Change of the Company’s Data No. AHU-AH.01.03-0123227 dated February 24, 2022 and has been registered in the Company Register at the MOLHR under No. AHU-0038329.AH.01.11.Tahun 2022 dated February 24, 2022 (“**Deed 95/2022**”).

According to Deed of Establishment *juncto* Deed 95/2022, the composition of BTA’s Board of Directors and Board of Commissioners are as follows:

**Board of Directors**

President Director : Boyke Poerbaya Abidin

Director : Cahyono Seto

**Board of Commissioners**

Commissioner : Albert Saputro

The BTA’s capital structure and composition of shareholders is as stated in the Deed of Establishment of BTA *juncto* Deed of Statement of Circular Resolution in lieu of Extraordinary General Meeting of Shareholders No. 59 dated March 16, 2022, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to Minister by virtue of the Letter of Notification Receipt of Amendment of the Company’s Data No. AHU-AH.01.03-0172611 dated March 16, 2022, and has been registered in the Company Register in the MOLHR under No. AHU-0051553.AH.01.11.TAHUN 2022 dated March 16, 2022 are as follows:

Authorised Capital	:	IDR200,000,000
Issued Capital	:	IDR50,000,000
Paid-up Capital	:	IDR50,000,000

BTA’s Authorised Capital is divided into 800 shares, each having nominal value of IDR250,000 per shares.

The shareholding composition of BTA stood as follows:

No.	SHAREHOLDERS' NAME	SHARES AMOUNT	VALUE (IDR)	%
1.	The Company	199	49,750,000	99.50
2.	PT Batutua Abadi Jaya	1	250,000	0.50
<b>Total</b>		<b>200</b>	<b>50,000,000</b>	<b>100</b>
<b>Shares in Portfolio</b>		<b>600</b>	<b>150,000,000</b>	

Thus, BTA is a Controlled Company of the Company in accordance with OJK Regulation No. 17/2020 and OJK Regulation No. 42/2020.

According to Article 3 of Articles of Association of BTA, the objectives and purposes of the BTA are carrying out activities of holding companies and conducting other management consulting activities. To carry out the main business activities above, BTA may carry out the supporting activities as follows:

1. carrying out activities of holding companies in which the main activity is ownership and/or control of assets of a group of subsidiary companies and its main activity is ownership of the aforesaid group; and
2. conducting other management consulting activities, to provide advice, guidance and business operations for various management functions, strategic and organizational scheming, decision regarding financial purpose; marketing purpose and policy; human resources planning, practices and policies; schedule planning and control of production, including providing advice, guidance and business operations for various management functions, management consulting of agronomist processing and agricultural economist in agricultural sector and similar sector, design of accounting methods and procedures, cost accounting programs, budget control supervision procedures, providing advice and assistance to businesses and community services in planning, organizing, efficiency and control, management information, *et cetera*.

### 3. NATURE AND AFFILIATED RELATION

As for the natures of the affiliation relationship between BTA, PCI, and HLN are as follows:

- a. BTA is a Controlled Company of the Company with shares owned directly by the Company in the amount of 99.5% (ninety-nine point five percent);
- b. There are similar members of the Board of Commissioners of BTA and the Board of Directors of the Company;
- c. PCI is one of the Controller of the Company through indirect shares ownership in PT Mitra Daya Mustika and PT Suwarna Arta Mandiri;
- d. There are similar members of the Board of Directors of PCI and the Board of Directors of the Company; and
- e. HLN is an affiliated party of PCI.

### 4. SUMMARY OF APPRAISER'S REPORT

KJPP Iskandar and Partners who have been appointed by the Company's Board of Directors as independent appraisers in accordance with the proposal letter/contract work agreement No. 038.12/IDR/DO.2/Pr-BFO/III/2022 dated 1 Maret 2022, has been requested to provide an assessment of and provide an opinion of the Transaction's fairness.

## **Fairness Assessment Report on Transaction**

The following is summary of the KJPP's fairness assessment on the Transaction as stated in its report No. 00141/2.0118-00/BS/02/0596/1/III/2022 dated 21 March 2022 as follows:

a. Transaction Parties

The Transacting Parties are BTA and HLN in which BTA is the subscriber in ABI and HLN is the receiver of the subscription from BTA.

b. Appraisal Object

The Appraisal Object is the proposed paid-up capital in HLN by BTA (a Controlled Company of the Company).

The proposed Transaction is a series of transactions that cannot be separated, therefore in the event that one of the transactions cannot be implemented, thus the proposed Transaction cannot be conducted.

c. Purpose and Objective of Appraisal

The purpose of appraisal is to provide a fairness opinion on the proposed Transaction for the purpose of proposed Transaction's implementation.

d. Assumptions and Main Limit Conditions

1. This Appraisal report is a non disclaimer opinion.
2. The appraiser has reviewed the documents used in the appraisal process.
3. The data and information obtained come from trustworthy sources.
4. The financial projection used are adjusted financial projection that reflects the fairness of the financial projections made by management with the ability to achieve (fiduciary duty), if the appraisal uses financial projections.
5. The appraiser is responsible for the implementation of appraisal and fairness of the financial projections.
6. This appraisal report is disclosed to public, except for confidential information, which may affect the Company's operations.
7. The appraiser is responsible upon this Appraisal Report and the conclusion of the Final Score.
8. The appraiser has obtained information on the legal status of the Appraisal Object and the assignor.
9. This opinion should be viewed as a whole and that the use of any part of analysis and information without considering the entirety of information and analysis may cause a misleading view of the process where the opinion is based. The arrangement of this opinion is a complex process and may not be possible through incomplete analysis.
10. The Fairness Opinion is arranged by considering the market and economic conditions, general business and financial conditions, as well as government regulations on the issued date of this Opinion. This Fairness Opinion is only conducted upon the Transaction as described above.
11. The Fairness Opinion is prepared in accordance with the principle of information and data integrity. In arranging this Fairness Opinion, KJPP bases and is based on information and data as provided by the Company's management according to the nature of fairness is true, complete, reliable, and not misleading. KJPP does not carry out audits and compliance test in details upon the explanations and data provided by the Company's management, both verbally and in writing, and thus KJPP can not provide guarantees or be responsible for the correctness and

completeness of the informations or explanations.

12. This Fairness Opinion is only arranged by considering the perspective of the Company's Shareholders and does not consider the viewpoints of other stakeholders and other aspects.

e. Approach and Methods

In accordance with the scope of appraisal, the approach and methods used are as follows:

1. Conduct transaction analysis.
2. Conduct qualitative analysis of the Proposed Transaction.
3. Conduct quantitative analysis of the Proposed Transaction.
4. Conduct analysis of the fairness of the transaction value.
5. Conduct analysis of other relevant factors.

f. Conclusion

The analysis result of the Transaction value is that the transaction value is lower but still within the reasonable market price, which concludes that the transaction value is **fair**.

The analysis result of the Transaction's financial impact to be carried out on the Company's interest concludes that the Transaction will increase the revenue, earnings, profitability, and solvability of the Company which can provide added value for the Company in line with the Company's interest.

The analysis result of the business considerations from management regarding the Transactions against the shareholders' interest are to increase the Company's revenue, earnings, profitability, and solvability which will increase the value of the Company's shares, therefore business considerations from management concludes that the Transaction is aligned with the shareholders' interest.

In accordance with the conclusion of analysis result above, KJPP is of the opinion that the transaction is **fair** for the Company and the Company's Shareholders.

**5. AUDITED OPENING STATEMENT OF FINANCIAL POSITION**

In relation to the commencement of the Transaction, we present as stated below the audited opening statement of financial position for period ended on September 30, 2021:

Information	Amount
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash and banks	2,440,420,772
<b>Total Current Assets</b>	<b>2,440,420,772</b>
<b>TOTAL ASSETS</b>	<b>2,440,420,772</b>
<b>EQUITY</b>	
Share capital	2,500,000,000
Retained earnings	(59,579,228)
<b>Total Equity</b>	<b>2,440,420,772</b>
<b>TOTAL EQUITY</b>	<b>2,440,420,772</b>

**6. EXPLANATION, CONSIDERATION, AND REASONING FOR THE TRANSACTION TO BE CONDUCTED AND EFFECT OF THE TRANSACTION ON THE COMPANY'S FINANCIAL CONDITION**

**Explanation, Consideration and Reasons for the Transaction (Including If The Transaction is Compared to Other Similar Transactions Which are Conducted with Unaffiliated Parties)**

The Transaction is carried out as one of the BTA's strategic measures with expectation to provide added value and economic benefit for BTA as well as the Company in the future.

Thus, provided that all of the terms and conditions in the Transaction have been fulfilled, it is expected that the Company is able to increase its profits and financial performance in the future, in which it will have a positive impact on the Company's group.

HLN has recently completed the acquisition of interests in PT J&P Indonesia (“**JPI**”) and PT Jcorps Industri Mineral (“**JIM**”) from PT JCorp Cahaya Semesta, which HLN holds 95.3% [ninety-five point three percent] interest in JPI and 99.9% [ninety-nine point nine percent] interest in JIM (collectively “**Acquisition Assets**”).

The Acquisition Assets consists of various investments of JPI and JIM. JPI holds 51% (fifty-one percent) controlling stake in PT Sulawesi Cahaya Mineral, which holds the mining permit (“**IUP**”) to one of the world's largest undeveloped nickel resource. Also, it has minority stakes in two (2) operating nickel Rotary Klin-Electric Furnace (RKEF) plants, i.e. 49% (forty-nine percent) in PT Cahaya Smelter Indonesia and 28.4% (twenty-eight point four percent) in PT Bukit Smelter Indonesia. Furthermore, JIM holds various majority interests in companies hold a Limestone IUP and Hydro power project. JIM also holds a minority shareholding (i.e. 32% [thirty-two] stake) of Indonesia Konawe Industrial Park.

This Transaction has been conducted with arm's length value in accordance with the same terms and conditions if a similar transaction is carried out with an unaffiliated party and is in accordance with general business practices.

**The Effect of Transactions on the Company's Financial Condition**

The table below presents an overview of the financial condition of the Company and its subsidiaries as of September 30, 2021 before and after the Transaction is conducted:

<b>Information</b>	<b>Before Transaction Execution</b>	<b>Adjustment</b>	<b>After Transaction Execution</b>
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash or cash equivalents	202,748,130	(56,518,698)	146,229,432
Trade receivables	1,129,449	-	1,129,449
Receivables of related party	-	5,336,655	5,336,655
Other receivables	7,715,017	2,502	7,717,519

Inventories - current portion	117,602,942	831,606	118,434,548
Claims for tax refund	20,855,191	-	20,855,191
Advances and prepayments - current portion	18,544,206	16,438,900	34,983,106
Investment in equity instrument and other securities	47,000,000	-	47,000,000
Derivative financial instrument - current portion	4,799,165	-	4,799,165
<b>Total Current Assets</b>	<b>420,394,100</b>	<b>(33,909,035)</b>	<b>386,485,065</b>
<b>Non-Current Assets</b>			
Advances and prepayments – non-current portion	13,392,813	464,463	13,857,276
Investment in shares	1,821,174	-	1,821,174
Advances investment in shares	-	24,514,266	24,514,266
Investment in associated entities	-	131,679,997	131,679,997
Loan to related party	8,340,365	60,905	8,401,270
Inventories – non-current portion	59,156,058	-	59,156,058
Prepaid taxes	9,407,399	8	9,407,407
Property, plant and equipments	282,163,311	9,162,345	291,325,656
Right-of-use assets	19,110,798	-	19,110,798
Mining properties	89,031,126	80,410	89,111,536
Exploration and evaluation assets	239,304,052	544,461,144	783,765,196
Intangible Asset	-	25,781	25,781
Deferred tax assets	19,134,550	-	19,134,550
Derivative financial instrument – non-current portion	3,478,685	-	3,478,685
Other non-current assets	5,349,115	971,295	6,320,409
<b>Total Non-Current Assets</b>	<b>749,689,446</b>	<b>711,420,614</b>	<b>1,461,110,059</b>
<b>TOTAL CURRENT ASSETS</b>	<b>1,170,083,546</b>	<b>677,511,579</b>	<b>1,847,595,125</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade payables	23,782,077	-	23,782,077
Accrued expenses	24,205,291	3,408,450	27,613,741
Unearned revenue	16,128,836	-	16,128,836
Taxes payable	4,854,312	455,973	5,310,285
Loan of related parties	-	137,751	137,751
Other loan	-	9,893,641	9,893,641
Borrowings - current portion			
Bank loans	64,770,157	-	64,770,157
Bonds payable	38,721,000	172,561,404	211,282,404
Loan of related parties	-	9,321,404	9,321,404
Lease liabilities	21,617,725	44,134	21,661,859
Provision for mining rehabilitation - current portion	56,804	-	56,804

<b>Total Current Liabilities</b>	<b>194,136,202</b>	<b>195,822,757</b>	<b>389,958,959</b>
<b>Non-Current Liabilities</b>			
Borrowings – non-current portion			
Bank loans	16,208,700	-	16,208,700
Bonds payable	127,007,900	143,228,070	270,235,970
Lease liabilities	23,867,028	1,099,842	24,966,870
Deferred tax liabilities	208,628	235,944	444,572
Post-employment benefits liability – non-current portion	17,236,164	682,201	17,918,365
Provision for mining rehabilitation – non-current portion	34,594,317	-	34,594,317
<b>Total Non-Current Liabilities</b>	<b>219,122,737</b>	<b>145,246,057</b>	<b>364,368,794</b>
<b>TOTAL LIABILITIES</b>	<b>413,258,939</b>	<b>341,068,814</b>	<b>754,327,753</b>
<b>Equity</b>			
Share capital	36,112,298	-	36,112,298
Additional paid-in capital	454,802,028	-	454,802,028
Treasury stock	(113,972)	-	(113,972)
Cash flows hedging reserve	6,555,145	-	6,555,145
Other equity components	34,767,147	-	34,767,147
Retained earnings:			
Appropriated	1,200,000	-	1,200,000
Unappropriated	208,087,242	-	208,087,242
Equity attributable to owners of the parent entity	<b>741,409,888</b>	-	<b>735,602,452</b>
Non-controlling interests	15,414,719	-	15,414,719
<b>Total Equity</b>	<b>756,824,607</b>	-	<b>756,824,607</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,170,083,546</b>	-	<b>1,170,083,546</b>

\*) US Dollar, please refer to the Consolidated Financial Statements of the Company dated September 30, 2021

## BOARD OF DIRECTORS AND THE BOARD OF COMMISSIONERS STATEMENTS

1. This Disclosure of Information is complete and in accordance with the requirements regulated in OJK Regulation 17/2020.
2. The Transaction does not contain a conflict of interest as referred to in OJK Regulation 42/2020.
3. The statement in the Disclosure of Information does not contain statements or information or facts that are not true or misleading and contains all material information or facts required for investors to make decisions in connection with the Transaction.

## ADDITIONAL INFORMATION

Shareholders who need additional information can contact the Company at the address:

**PT Merdeka Copper Gold Tbk.**

**Corporate Secretary**

The Convergence Indonesia, Lantai 20

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Initial:

