

# **INFORMATION DISCLOSURE TO SHAREHOLDERS RELATED TO AFFILIATED TRANSACTION PT MERDEKA COPPER GOLD TBK (the “COMPANY”)**

This Information Disclosure to the shareholders (as defined below) is made to explain to the public in connection with the conditional shares subscription agreement made by and between PT Merdeka Energi Nusantara and PT Merdeka Battery Materials, which both are the Company's Controlled Companies.

The transaction is an Affiliated Transaction as stipulated in the Regulation of the Financial Services Authority of the Republic of Indonesia No. 42/POJK.04/2020 on Affiliated Transactions and Conflict of Interest Transactions.

**THIS INFORMATION DISCLOSURE IS IMPORTANT TO BE READ AND CONSIDERED BY THE SHAREHOLDERS OF THE COMPANY.**

**IF YOU HAVE DIFFICULTIES UNDERSTANDING THE INFORMATION AS SET FORTH IN THIS INFORMATION DISCLOSURE, YOU SHOULD CONSULT WITH A LEGAL COUNSEL, A PUBLIC ACCOUNTANT, A FINANCIAL ADVISOR, OR ANY OTHER PROFESSIONAL.**

**THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY, EITHER SEVERALLY OR JOINTLY, ARE FULLY RESPONSIBLE FOR THE ACCURACY AND COMPLETENESS OF THE INFORMATION AS DISCLOSED IN THIS INFORMATION DISCLOSURE. THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY REPRESENT THE COMPLETENESS OF THE INFORMATION AS DISCLOSED IN THIS INFORMATION DISCLOSURE AND, AFTER GIVING DUE AND CAREFUL EXAMINATION, EMPHASIZE THAT THE INFORMATION CONTAINED IN THIS INFORMATION DISCLOSURE IS TRUE AND THERE ARE NO IMPORTANT MATERIAL AND RELEVANT FACTS THAT HAVE NOT BEEN DISCLOSED OR REMOVED IN THIS INFORMATION DISCLOSURE CAUSING THE INFORMATION PROVIDED ON THIS INFORMATION DISCLOSURE TO BE UNTRUE AND/OR MISLEADING.**

**THE BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS OF THE COMPANY DECLARE THAT THIS AFFILIATED TRANSACTION DOES NOT CONTAIN ANY CONFLICT OF INTEREST.**



**PT MERDEKA COPPER GOLD TBK**

## **Business Activities**

Mining of gold, silver, copper, nickel, and other associated minerals, industries, and other related business activities through subsidiaries of the Company

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

## **Headquarter Office:**

Treasury Tower, 67-68<sup>th</sup> Floor, District 8 SCBD Lot. 28  
Jl. Jend. Sudirman Kav. 52-53, Senayan, Kebayoran Baru  
South Jakarta 12910, Indonesia  
Telephone: +62 21 3952 5580 Facsimile: +62 21 3952 5589  
Email: [corporate.secretary@merdekacoppergold.com](mailto:corporate.secretary@merdekacoppergold.com)  
Website: [www.merdekacoppergold.com](http://www.merdekacoppergold.com)

This Information Disclosure  
is issued in Jakarta on 12 December 2022

## DEFINITIONS

- “Affiliate”** : Affiliate means
1. family relations due to marriage and descent up to the second degree, both horizontally and vertically;
  2. relationship between a party and employees, directors, or commissioners of the party;
  3. relationship between 2 (two) companies where there is 1 (one) or more same members of the board of directors or board of commissioners;
  4. the relationship between a company and a party, both directly or indirectly, controlling or being controlled by the said company;
  5. relationship between 2 (two) companies that are controlled, both directly or indirectly, by the same party; or
  6. the relationship between a company and the principal shareholders.
- “Conflict of Interest”** : The difference between the economic interest of a public company and the personal economic interest of members of the board of directors, members of the board of commissioners, principal shareholders, or Controllers that may be harmful to the public company concerned.
- “Indonesia Stock Exchange”** : Stock exchange as defined in Article 1 point 4 Capital Market Law, in this case, held by PT Bursa Efek Indonesia, domiciled in Jakarta.
- “MBM”** : PT Merdeka Battery Materials, domiciled in South Jakarta, is a limited liability company established and operated under the laws of the Republic of Indonesia.
- “MEN”** : PT Merdeka Energi Nusantara, domiciled in South Jakarta, is a limited liability company established and operated under the laws of the Republic of Indonesia.
- “Minister”** : Minister of Law and Human Rights of the Republic of Indonesia.
- “Financial Services Authority or OJK”** : The independent institution, as referred to in Law No. 21 of 2011 on Financial Services Authority (**“OJK Law”**), whose duties and authorities include the regulation and supervision of financial service activities in the sectors of banking, capital market, insurance, pension funds, financial institution, and other financial institutions, whereby since 31 December 2012, OJK is an institution that replaces and accepts the rights and obligations to carry out regulatory and supervisory functions from the Capital Market and Financial Institutions Supervisory Agency with following the provisions of Article 55 OJK Law.
- “Shareholders”** : Parties who have the benefit of the Company's shares, both in the form of scripts and in collective custody, which are kept and administered in the securities account at Indonesia Central Securities Depository, registered in the Shareholder Register of the Company, which is

administered by the Securities Administration Bureau appointed by the Company.

<b>“Independent Appraiser or KJPP”</b>	:	Public Appraisal Office of Iskandar and Partners, independent appraisers registered with the OJK who have been appointed by the Company to conduct an assessment of the fair value and/or fairness of the Transaction.
<b>“Agreement”</b>	:	The Conditional Shares Subscription Agreement is effective as of 8 December 2022 signed by MEN and MBM together with any amendments, additions and substitutes, which may be subsequently made.
<b>“Company”</b>	:	PT Merdeka Copper Gold Tbk, domiciled in South Jakarta, is a public limited company whose shares are listed on the Indonesia Stock Exchange, which is established and operated under the laws of the Republic of Indonesia.
<b>“Controlled Company”</b>	:	Any company which is directly or indirectly controlled by the Company as defined in OJK Regulation 42/2020.
<b>“POJK 17/2020”</b>	:	OJK Regulation No. 17/POJK.04/2020, enacted on 20 April 2020 regarding Material Transaction and Changes in Business Activities.
<b>“POJK 35/2020”</b>	:	OJK Regulation No. 35/POJK.04/2020, enacted on 25 May 2020 regarding the Appraisal and Presentation of Business Appraisal Report in the Capital Market.
<b>“POJK 42/2020”</b>	:	OJK Regulation No. 42/POJK.04/2020, enacted on 1 July 2020 regarding Affiliated Transaction and Conflict of Interest Transaction.
<b>“Rupiah or Rp or IDR”</b>	:	Reference to the Rupiah, the legal currency of the Republic of Indonesia.
<b>“Affiliated Transaction”</b>	:	Any activity and/or transaction conducted by a public company or a controlled company with an Affiliate of a public company or an Affiliate of a member of the board of directors, a member of the board of commissioners, the principal shareholders, or the Controller, including any activity and/or transaction conducted by a public company or controlled company for the benefit of an Affiliate of a public company or an Affiliate of a member of the board of directors, member of the board of commissioners, principal shareholders or the Controller.
<b>“Conflict of Interest Transaction”</b>	:	Transactions that are carried out by public companies or controlled entities with any party, both with Affiliates and parties other than Affiliates that contain a Conflict of Interest.
<b>“Capital Market Law”</b>	:	Law No. 8 of 1995 dated 10 November 1995 on Capital Market, State Gazette of the Republic of Indonesia No. 64 the Year 1995.

## INTRODUCTION

To comply with the provisions of POJK 42/2020, the Board of Directors of the Company announces Information Disclosure to provide information to the Shareholders of the Company that MEN and MBM signed an Agreement which becomes effective on 8 December 2022 as furtherly elaborated in the Summary of Transaction Agreement below in order to support the development and strengthen the portfolio within the Company's group ("**Transaction**").

The Transaction carried out is an Affiliated Transaction, as referred to in POJK 42/2020, in which MEN and MBM are the Company's Controlled Companies. However, this Affiliated Transaction is not a Transaction with a Conflict of Interest as outlined in POJK 42/2020.

The Affiliated Transaction has complied with the procedures as outlined in Article 3 of POJK 42/2020 and has been executed by generally accepted business practices.

In accordance with the provisions of Article 4 paragraph 1 of POJK 42/2020, this Transaction is an Affiliated Transaction that is required to use the service of an Independent Appraiser in determining the fairness of the Affiliated Transaction in which the fairness of the Transaction needs to be announced to the public. The Company has received the fair value for this Transaction based on the Appraisal Report from the KJPP No. 00415/2.0118-00/BS/02/0596/1/XII/2022 dated 5 December 2022 on Fairness Opinion Report for Proposed Transactions on Paid-Up Capital at PT Merdeka Battery Materials by PT Energi Nusantara ("**Appraiser's Report**").

Moreover, the Company is obliged to announce Information Disclosure to the public and submit the appraisal report along with other supporting documents to OJK no later than the end of the 2<sup>nd</sup> (second) business days after the date of the Transaction as referred in Article 4 of POJK 42/2020.

## DESCRIPTION OF THE TRANSACTION

### Information Regarding the Parties Involved

#### 1. MEN

MEN, domiciled in South Jakarta, was established under the name of PT Batutua Tambang Abadi based on Deed of Establishment No. 147 dated 20 December 2019, made before Darmawan Tjoa, S.H., S.E, Notary in Jakarta, which has been approved by the Minister under Decree No. AHU-0068145.AH.01.01.TAHUN 2019, dated 21 December 2019 ("**Deed of Establishment of MEN**").

The latest amendment of the Articles of Association of MEN was stated in the Deed of Circular Resolutions in Lieu of the Extraordinary General Meeting of Shareholders No. 105 dated 31 October 2022, made before Darmawan Tjoa, S.H., S.E, Notary in Jakarta, which has been approved by the Minister under Decree No. AHU-0082404.AH.01.02.TAHUN 2022 dated 15 November 2022 and notified to the Minister based on Letter of Notification Receipt of Changes of Articles of Association No. AHU-AH.01.03- 0313140 dated 15 November 2022 ("**Deed 105/2022**").

Based on the provision of Article 3 of the Articles of Association of MEN, the purpose and objective of MEN are to engage in activities of holding companies and other management consulting activities.

To achieve the above-mentioned purpose and objective, MEN may carry out the following business activities:

a. Activities of Holding Companies (64200)

Carrying out the business activities of holding companies, namely companies that control the assets of a group of subsidiary companies, and the main activity is ownership of the group; and

b. Other Management Consulting Activities (70209)

Conducting business activities of services for advice provision, guidance and business operations, and other organizational and management matters, like organization and strategic planning, decisions related to finance; marketing purpose and policy; human resources planning, practices, and policies; schedule planning and control of production, including providing advice, guidance and operations for various management functions, management consulting of agronomist and agricultural economist in the 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*.

Capital Structure and Shareholders' Composition of MEN

Pursuant to Deed 105/2022, the capital structure and composition of shareholders of MEN are as follows:

Authorized Capital :	IDR10,000,000,000,000
Issued Capital :	IDR5,737,253,000,000
Paid up Capital :	IDR5,737,253,000,000

The Authorized Capital of MEN is divided into 40,000,000 shares, each with a par value of IDR250,000.

Thus, the shareholders' composition of MEN is as follows:

No.	Shareholders' Name	Shares Amount	Value (IDR)	%
1.	The Company	22,949,011	5,737,252,750,000	99.99
2.	PT Batutua Abadi Jaya	1	250,000	0.01
<b>Total</b>		<b>22,949,012</b>	<b>5,737,253,000,000</b>	<b>100.00</b>
<b>Shares in Portfolio</b>		<b>17,050,988</b>	<b>4,262,747,000,000</b>	

Composition of the Board of Commissioners and Board of Directors of MEN

Based on the Deed of Establishment of MEN *juncto* Deed of Statement of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 95 dated 24 February 2022 made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by the Minister under Decree No. AHU-0013782.AH.01.02.TAHUN 2022 dated 24 February 2022 and notified to the Minister based on the Receipt of Notification of the Change of Data No. AHU-AH.01.03-0123227 dated 24 February 2022, the latest composition of the Board of Directors and the Board of Commissioners of MEN is as follows:

### **Board of Directors**

President Director : Boyke Poerbaya Abidin  
Director : Cahyono Seto

### **Board of Commissioners**

Commissioner : Albert Saputro

## **2. MBM**

MBM was initially established under the name of PT Hamparan Logistik Nusantara, 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 of MBM**"), which has been approved by the Minister by virtue of its Decree No. 0041804.AH.01.01.TAHUN 2019 dated 22 August 2019.

The latest amendment of the Articles of Association of MBM was stated in the Deed of Statement of Shareholders Resolutions No. 46 dated 11 July 2022, drawn up before Humbert Lie, S.H., S.E., M.Kn, Notary in North Jakarta, which has been approved by the Minister by virtue of Decree No. AHU-0048145.AH.01.02.TAHUN 2022 dated 12 July 2022 and notified to the Minister based on the Receipt of Notification of the Change of Data No. AHU-AH.01.09-0032019 dated 12 July 2022 ("**Deed 46/2022**").

MBM is domiciled at RDTX Tower Building 16<sup>th</sup> Floor, Jl. Prof. Dr. Satrio Kav. E IV No. 06, Karet Kuningan, Setiabudi, Jakarta Selatan 12950, DKI Jakarta, Indonesia.

According to Article 3 of MBM's Articles of Association, the purposes and objectives of MBM are to engage in activities of holding companies and other management consulting activities.

To achieve the above-mentioned purpose and objective, MBM may carry out the business activities as follows:

#### **1. Holding Companies (KBLI 64200)**

Carrying out the business activities of holding companies, namely companies that control the assets of a group of subsidiary companies, and the main activity is ownership of the group; and

#### **2. Other Management Consulting Activities (KBLI 70209)**

Carrying out business activities in providing advice, guidance, and business operations and other management organizational issues, such as strategic and organizational planning; decisions related to finance; marketing objectives and policies; human resource planning, practices and policies; scheduling planning and production control. The provision of these business services may include advisory assistance, guidance, and operation of various management functions, management consulting for agronomists and agricultural economists in agriculture and the like, design of accounting methods and procedures, cost accounting programs, budget monitoring procedures, providing advice and assistance for business and community services in planning, organizing, efficiency and control, information management and others. Including infrastructure investment study services.

### **Capital Structure and Shareholders Composition of MBM**

Pursuant to the Deed of Statement of Shareholders' Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 54 dated 17 May 2022, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by the Minister by virtue of Decree No. AHU-0033209.AH.01.02.TAHUN 2022 dated 17 May 2022 and notified to the Minister by virtue of Letter of Notification Receipt of Amendment to the Articles of Association No. AHU-AH.01.03-0237960 dated 17 May 2022 and Letter of Notification Receipt of Changes of Data No. AHU-01.03-0012843 dated 17 May 2022 ("**Deed 54/2022**") *juncto* Deed of Statement of Shareholders' Circular

Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 90 dated 29 June 2022, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the Minister by virtue of the Letter of Notification Receipt of Amendment to the Articles of Association No. AHU-AH.01.03-0258408 dated 30 June 2022, MBM's capital structure and shareholding composition are as follows:

Authorized Capital : IDR20,000,000,000,000  
 Issued Capital : IDR7,918,157,000,000  
 Paid up Capital : IDR7,918,157,000,000

The Authorized Capital of MBM is divided into 20,000,000 shares, each with a par value of IDR1,000,000 each. Thus, the shareholders' composition of MBM is as follows:

No.	Shareholders' Name	Shares Amount	Value (IDR)	%
1.	PT Merdeka Energi Nusantara (previously PT Batutua Tambang Abadi)	4,375,584	4,375,584,000,000	55.3
2.	PT Prima Puncak Mulia	1,222,358	1,222,358,000,000	15.4
3.	Winato Kartono	679,628	679,628,000,000	8.6
4.	PT Prima Langit Nusantara	447,317	447,317,000,000	5.6
5.	Hardi Wijaya Liong	291,269	291,269,000,000	3.7
6.	Garibaldi Thohir	381,813	381,813,000,000	4.8
7.	Edwin Soeryadjaya	229,088	229,088,000,000	2.9
8.	Philip Suwardi Purnama	259,812	259,812,000,000	3.3
9.	Agus Superiadi	23,288	23,288,000,000	0.3
10.	Trifena	8,000	8,000,000,000	0.1
<b>Total</b>		<b>7,918,157</b>	<b>7,918,157,000,000</b>	<b>100.0</b>
<b>portfolio Shares</b>		<b>12,081,843</b>	<b>12,081,843,000,000</b>	

#### Composition of the Board of Commissioners and Board of Directors of MBM

Based on Deed 54/2022, the composition of the Board of Directors and Board of Commissioners of MBM as of the issuance date of this Information Disclosure is as follows:

##### **Board of Commissioners**

President Commissioner : Simon James Milroy  
 Commissioner : Albert Saputro  
 Commissioner : David Thomas Fowler

##### **Board of Directors**

President Director : Devin Antonio Ridwan  
 Director : Andrew Phillip Starkey  
 Director : Eko Widodo

#### **Transaction Value**

Pursuant to the Agreement, the Transaction's total value is USD180,040,000 (one hundred eighty million forty thousand United States Dollar). Therefore, this Transaction is not a material transaction as referred to POJK 17/2020, considering that the value of the Transaction does not reach 20% (twenty percent) of the total equity value by the Company's Interim Consolidated Financial Statements as of 30 June 2022 which was audited by Tanubrata Sutanto Fahmi Bambang & Rekan as Public Accountant Firm.

### **Nature and Affiliated Relations**

The nature of the affiliation relationship between MEN and MBM with the Company is as follows:

- a. MBM is a Controlled Company of the Company with shares owned indirectly by the Company in the amount of 55.26% (fifty-five point two six percent);
- b. MEN is a Controlled Company of the Company with shares owned both directly and indirectly by the Company in the amount of 99.99% (ninety-nine point nine nine percent); and
- c. there are members of the Board of Commissioners of MEN as well as the Board of Directors and Board of Commissioners of MBM who also serve as members of the Board of Directors of the Company.

### **Summary of Transaction Agreement**

#### **Conditional Shares Subscription Agreement effective as of 8 December 2022**

##### **Parties:**

1. MEN; and
2. MBM.

##### **Scope of Agreement:**

In accordance with the Agreement, MEN and MBM have agreed that in accordance with the satisfaction or waiver of the last of the conditions precedents (as stipulated in the Agreement) or on such other date as MEN and MBM may agree, MEN will subscribe to new shares to be issued by MBM in the amount which sufficient to provide MEN with shareholding ownership approximately equal to 59.88% (fifty-nine point eight eight percent) of the enlarged issued and paid-up capital of MBM.

##### **Transaction Value:**

The maximum Transaction Value or total of the shares subscription price is USD180,040,000 (one hundred eighty million forty thousand United States Dollar).

##### **Applicable Law:**

Laws of the Republic of Indonesia

##### **Dispute Resolution:**

Indonesian National Arbitration Board (BANI)

## **SUMMARY OF APPRAISER'S REPORT**

KJPP, who has been appointed by the Company's Board of Directors as an Independent Appraiser following the proposal letter/contract work agreement No. 175.2/IDR/DO.2/Pr-BFO/IX/2022 dated 28 September 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 a summary of the KJPP's fairness assessment of the Transaction as stated in its report No. 00415/2.0118-00/BS/02/0596/1/XII/2022 dated 5 December 2022 as follows:

### **1. Transaction Parties**

The transacting parties are MEN and MBM, in which MEN acts as the subscriber and MBM acts as the recipient of the capital injection.

### **2. Appraisal Object**

The appraisal object is the proposed Transaction towards MBM by MEN (Controlled Company of the Company).

### **3. Purpose and Objective of Appraisal**

The purpose of this assignment is to provide an independent assessment of the fairness opinion on the proposed transaction with the aim of carrying out the Transaction.

### **4. Assumption and Limit Condition**

- a. The Appraisal Report is a non-disclaimer opinion.
- b. The appraiser reviewed the legal status of the documents used in the appraisal process.
- c. The data and information obtained come from trustworthy sources.
- d. The financial projection used is an 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.
- e. The appraiser is responsible for the implementation of appraisal and fairness of the financial projections.
- f. The appraisal report is disclosed to the public, except for confidential information, which may affect the Company's operations.
- g. The appraiser is responsible for this Appraisal Report and the conclusion of the final score.
- h. The appraiser has obtained information on the legal status of the appraisal object from the assignor.
- i. This opinion should be viewed as a whole and 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.
- j. 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.
- k. 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 tests in detail 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 information or explanations.

- I. 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.

#### 5. Approach and Method

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

- a. conducting Transaction analysis;
- b. conducting a qualitative analysis of the proposed Transaction;
- c. conducting a quantitative analysis of the proposed Transaction;
- d. conducting an analysis of the fairness of the Transaction value; and
- e. conducting an analysis of other relevant factors.

#### 6. Fairness Opinion

The results of the analysis of the Transaction's value are lower but still within the market value range to conclude that the Transaction's value is fair.

The results of the analysis of the financial impact of the Transaction are to be carried out in the interests of the shareholders, determining that conducting the Transaction will increase the profit attributed to the Company which will provide added value towards the Company and align with the Shareholders' interest.

The results of the analysis of management's business considerations related to the Transaction on the interests of shareholders are to integrate BPI's business under MBM which will focus on nickel mining and processing therefore it is going to increase the value of the Company's shares, concluding that management's business considerations are aligned with the interests of shareholders.

In accordance with the conclusion of the analysis result above, KJPP is of the opinion that the Transaction is **fair**.

## THE EFFECT OF THE TRANSACTION ON THE COMPANY'S FINANCIAL CONDITION

### The Effect of the Transaction on the Company's Financial Condition

The table below shows an overview of the financial condition of the Company and its subsidiaries as of 30 June 2022 before and after carrying out the Affiliated Transaction.

Description	Before Transaction Execution	Adjustment	After Transaction Execution
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash or cash equivalents	410,659,966	-	410,659,966
Trade receivables	91,406,754	-	91,406,754
Other receivables	12,611,123	-	12,611,123
Inventories - current portion	230,193,274	-	230,193,274
Claims for tax refund	33,389,601	-	33,389,601
Advances and prepayments - current portion	48,786,660	-	48,786,660
Investment in equity instrument and other securities	48,279,947	-	48,279,947
Derivative financial instrument - current portion	2,629,653	-	2,629,653
<b>Total Current Assets</b>	<b>877,956,978</b>	<b>-</b>	<b>877,956,978</b>
<b>Non-Current Assets</b>			
Advances and prepayments - non-current portion	126,600,314	-	126,600,314
Advance of investment	766,958	-	766,958
Investment in shares	753,722	-	753,722
Loan to related parties - non-current portion	62,078,400	-	62,078,400
Inventories - non-current portion	52,156,551	-	52,156,551
Prepaid taxes	56,060,386	-	56,060,386
Property, plant and equipments	1,044,070,615	-	1,044,070,615
Right-of-use assets	16,160,437	-	16,160,437
Mining properties	77,086,261	-	77,086,261
Exploration and evaluation assets	957,197,913	-	957,197,913
Deferred tax assets	20,428,077	-	20,428,077
Derivative financial instrument - non-current portion	-	-	-
Other non-current assets	7,321,871	-	7,321,871
<b>Total Non-Current Assets</b>	<b>2,420,681,505</b>	<b>-</b>	<b>2,420,681,505</b>
<b>TOTAL ASSETS</b>	<b>3,298,638,483</b>	<b>-</b>	<b>3,298,638,483</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade payables	110,226,790	-	110,226,790
Accrued expenses	36,650,923	-	36,650,923
Unearned revenue	7,585,679	-	7,585,679
Taxes payable	34,379,683	-	34,379,683
Other payables	107,359,573	-	107,359,573
Borrowings - current portion			
Bank Loans and Credit Facility	111,922,732	-	111,922,732
Bonds payable	186,095,269	-	186,095,269
Lease liabilities	21,361,335	-	21,361,335
Derivative financial instrument - current portion	3,861,294	-	3,861,294
Provision for mining rehabilitation - current portion	92,120	-	92,120
<b>Total Current Liabilities</b>	<b>619,535,398</b>	<b>-</b>	<b>619,535,398</b>
<b>Non-Current Liabilities</b>			
Borrowings - non-current portion			
Bonds payable	371,131,304	-	371,131,304
Bank Loans and Credit Facility	290,000,810	-	290,000,810
Lease liabilities	17,569,633	-	17,569,633
Loan from third parties	74,600,500	-	74,600,500
Deferred tax liabilities	338,214	-	338,214
Derivative financial instrument - non-current portion	1,215,035	-	1,215,035
Post-employment benefits liability - non-current portion	20,827,934	-	20,827,934
Provision for mining rehabilitation - non-current portion	34,271,564	-	34,271,564
<b>Total Non-Current Liabilities</b>	<b>809,954,994</b>	<b>-</b>	<b>809,954,994</b>
<b>TOTAL LIABILITIES</b>	<b>1,429,490,392</b>	<b>-</b>	<b>1,429,490,392</b>
<b>Equity</b>			
Share capital	37,792,783	-	37,792,783
Additional paid-in capital	690,575,911	-	690,575,911
Treasury stock	(5,601,192)	-	(5,601,192)
Cash flows hedging reserve	(2,048,958)	-	(2,048,958)
Other equity components	(9,703,877)	-	(9,703,877)
Retained earnings	321,152,172	-	321,152,172
Non-controlling interests	836,981,252	-	836,981,252
<b>Total Equity</b>	<b>1,869,148,091</b>	<b>-</b>	<b>1,869,148,091</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>3,298,638,483</b>	<b>-</b>	<b>3,298,638,483</b>

(\*) Expressed in US Dollars and refers to the Company's Interim Consolidated Financial Statements dated 30 June 2022.

## **DESCRIPTION, CONSIDERATIONS AND REASONS FOR THE TRANSACTION COMPARED WITH OTHER SIMILAR TRANSACTIONS WHICH ARE NOT PERFORMED WITH AFFILIATED PARTIES**

By conducting the Transaction, MEN is able to provide funding that will be utilized by MBM to develop and strengthen its group portfolio, and it is expected to have a positive impact on the Company and hence, in turn, can create added value for the Company's Shareholders.

The Transaction has also been assessed by internal procedures using similar terms and conditions if the Transaction is conducted with an unaffiliated party; hence the terms and conditions of the Transaction are carried out by generally accepted business practices. Furthermore, the Transaction is also more effective and efficient if carried out by MEN and MBM.

## **STATEMENT OF THE BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS OF THE COMPANY**

The Board of Commissioners and Board of Directors of the Company, either individually or jointly, state that all material information related to the Transaction has been disclosed and the information is not misleading, and the Transaction is not considered a Conflict of Interest Transaction as referred to POJK 42/2020 and is not a material transaction as referred to POJK 17/2020 considering that the Transaction value does not reach 20% (twenty percent) of the total equity value based on Interim Consolidated Financial Statements as of 30 June 2022 which was audited by Tanubrata Sutanto Fahmi Bambang & Rekan as Public Accountant Firm.

The Company's Board of Directors stated that the Transaction was carried out following the procedures owned by the Company as required in POJK 42/2020 to ensure that Affiliated Transactions have been carried out by prevailing regulations and generally accepted business practices.

*[this page is intentionally left blank]*

## ADDITIONAL INFORMATION

For further information, you can contact the Company at the following address:

**PT Merdeka Copper Gold Tbk**

**Corporate Secretary**

Treasury Tower, 67-68<sup>th</sup> Floor, District 8 SCBD Lot. 28  
Jl. Jend. Sudirman Kav. 52-53, Senayan, Kebayoran Baru,  
South Jakarta 12910, Indonesia  
Telephone: +62 21 3952 5580  
Facsimile: +62 21 3952 5589  
E-mail: [corporate.secretary@merdekacoppergold.com](mailto:corporate.secretary@merdekacoppergold.com)  
Website: [www.merdekacoppergold.com](http://www.merdekacoppergold.com)

Initial:

