

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 provide an explanation to the public in connection with a loan agreement made by and between the Company and PT Merdeka Battery Materials Tbk which is a Controlled Company of the Company.

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.

INFORMATION AS STATED IN THIS INFORMATION DISCLOSURE IS IMPORTANT TO BE READ AND ATTENTION BY THE COMPANY'S SHAREHOLDERS.

IF YOU HAVE DIFFICULTIES TO UNDERSTAND 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 DECLARES THAT ALL INFORMATION OR MATERIAL FACTS CONTAINED IN THIS INFORMATION DISCLOSURE ARE COMPLETE AND TRUE AND NOT 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, 67-68th floor, District 8 SCBD Lot. 28
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This Information Disclosure
is issued in Jakarta on 29 Mei 2023

DEFINITIONS

“Affiliate”	: the parties referred to in Article 1 paragraph (1) UUPM, namely: <ul style="list-style-type: none">a. family relationship due to marriage to the second degree, both horizontally and vertically, namely the relationship of a person with:<ul style="list-style-type: none">1. husband or wife;2. parents of husband or wife and husband or wife of children;3. grandparents of husband or wife and husband or wife of grandchildren;4. a relative of the husband or wife and the husband or wife of the relative; or5. husband or wife of the relative of the person concerned.b. family relationship by descent up to the second degree, either horizontally or vertically, which is the relationship of a person with:<ul style="list-style-type: none">1. parents and children;2. grandparents and grandchildren; or3. the relative of the person concernedc. the relationship between the party and the employee, director or commissioner of the party;d. relationship between 2 (two) companies which is 1 (one) or more members of the same board of directors, management, board of commissioners or supervisors;e. the relationship between the company and the party, either directly or indirectly, in any way, controls or is controlled by the company or the party in determining the management and/or policies of the company or the intended party;f. relationship between 2 (two) or more controlled companies, either directly or indirectly, in any way, in determining the management and/or company policies by the same party; org. relationship between the company and the main shareholder, namely the party that directly or indirectly owns at least 20% (twenty percent) of the shares with voting rights from the company.
“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.
“MBMA”	: PT Merdeka Battery Materials Tbk, domiciled in South Jakarta, is a publicly listed limited liability company whose shares are listed on the Indonesia Stock Exchange, which is established and operated under the laws of the Republic of Indonesia.
“MOLHR”	: 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 as amended by Law No. 4 of 2023 on Development and Strengthening of the Financial Sector (“ 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 is 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.
"Independent Appraiser or KJPP"	:	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.
"Agreement"	:	Loan Agreement MDKA – MBMA, made by and between the Company with MBMA which is effective on 25 May 2023 together with any amendments, additions, and substitutes, which may be subsequently made.
"Company"	:	PT Merdeka Copper Gold Tbk, domiciled in South Jakarta, is a publicly listed limited liability company whose shares are listed on the Indonesia Stock Exchange, which is established and operated under the laws of the Republic of Indonesia.
"POJK 17/2020"	:	OJK Regulation No. 17/POJK.04/2020, enacted on 20 April 2020 regarding Material Transaction and Changes in Business Activities.
"POJK 35/2020"	:	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.
"POJK 42/2020"	:	OJK Regulation No. 42/POJK.04/2020, enacted on 1 July 2020 regarding Affiliated Transaction and Conflict of Interest Transaction.
"Rupiah or Rp"	:	Reference to Rupiah which is the legal currency of the Republic of Indonesia.
"Term SOFR"	:	Term Secured Overnight Financing Rate (" SOFR ") means the 3 (three) month-term reference rate as at the utilisation date of any loan, administered by CME Group Benchmark Administration Limited (or any other person which takes over the administration of that rate).
"Affiliated Transaction"	:	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.

“Conflict of Interest Transaction”	:	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.
“USD”	:	Reference to United States Dollars which is the legal currency of the United States.
“Capital Market Law”	:	Law No. 8 of 1995 dated 10 November 1995 on Capital Market, State Gazette of the Republic of Indonesia No. 64 Year 1995 as amended by Law Number 4 Year 2023 regarding Development and Strengthening of the Financial Sector along with all of its implementing regulations.

INTRODUCTION

In order 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 effective on 25 May 2023, the Company and MBMA have signed the Agreement with detail as described in the Transaction Summary below (“**Transaction**”).

The Transaction carried out is an Affiliated Transaction as referred to in POJK 42/2020, in which MBMA is the Controlled Company of the Company. However, this Affiliated Transaction is not a Transaction with a Conflict of Interest as set forth in POJK 42/2020.

The Affiliated Transaction carried out by the Company has complied with the procedures set forth in Article 3 of POJK 42/2020 and has been executed per 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 an Independent Appraiser in determining the fairness of the Affiliated Transaction which the fairness of the transaction needs to be announced to the public. The Company has received the fairness value for this Transaction based on Appraisal Report from KJPP Iskandar and Rekan No. 00196/2.0118-00/BS/01/0596/1/V/2023 dated 24 May 2023 on the Fairness Opinion Report on the Proposed Loan Transaction to PT Merdeka Battery Materials Tbk by PT Merdeka Copper Gold Tbk (“**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 2nd (second) business days after the date of the Transaction as referred to Article 4 of POJK 42/2020.

DESCRIPTION OF THE TRANSACTION

Information Regarding the Parties Involved

1. The Company

The Company, established under the name of PT Merdeka Serasi Jaya, pursuant to Deed of Establishment of Limited Liability Company No. 02 dated 5 September 2012, made before Ivan Gelium Lantu, S.H., M.Kn., Notary in Depok City, which has been ratified by MOLHR by virtue of

its Decree No. AHU-48205.AH.01.01.Tahun 2012 dated 11 September 2012, and has been announced in the State Gazette of the Republic of Indonesia No. 47 dated 11 June 2013, Supplement No. 73263.

The Company's Articles of Association have been amended several times as lastly amended by Deed of Statement of Meeting Resolution on Amendment to Articles of Association No. 59 dated 12 April 2023, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in Administrative City of South Jakarta, which has been approved by the MOLHR by virtue of the Decree No. AHU-0023036.AH.01.02 dated 17 April 2023 and has been notified to the MOLHR based on Receipt of Notification of the Change of Company's Data No. AHU-AH.01.09-0111358 dated 17 April 2023 ("**Deed 59/2023**").

The Company is headquartered at Treasury Tower, 67th – 68th Floor, District 8 SCBD Lot. 28, Jl. Jend. Sudirman Kav. 52-53, Senayan, Kebayoran Baru, South Jakarta 12190, DKI Jakarta, Indonesia.

According to Article 3 of the Company's Articles of Association, the purposes and objectives of the Company are to conduct business in the field of holding company activities and other management consulting activities.

To achieve the abovementioned purposes and objectives, the Company shall perform the main business activities as follows:

1. holding company activities, including ownership and/or control of their group of subsidiaries; and
2. other management consulting activities in which the main business activities (as relevant) are the provision of advisory assistance, guidance and business operations and other organizational and management 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.

To achieve the abovementioned main business activities of the Company, the Company shall perform the supporting business activities as follows:

1. provision of service as counsellors and negotiators in designing corporate mergers and acquisitions; and
2. provision of services including advisory assistance, guidance and business operations and other organizational and management issues, such as strategic and organizational planning, decisions related to finance, marketing objectives and policies, human resource planning, practices and policies, scheduling planning and control of production. The provision of these business services may include funding support, advisory assistance, guidance and operation of various management functions, management consulting for agronomists and agricultural economists in agriculture and such, design of accounting methods and procedures, cost accounting programs, budget monitoring procedures, funding support, providing advice and assistance for business and community services in planning, organizing, efficiency and supervision, management information and others, including but not limited to infrastructure investment study services.

Capital Structure and Shareholders' Composition of the Company

Pursuant to Deed of Statement of Meeting Resolution of the Amendment of Articles of Association No. 69 dated 25 September 2019 made before Liestiani Wang, S.H., M.Kn., Notary in South Jakarta

which has been notified to the MOLHR based on Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0339775 dated 2 October 2019 *juncto* Deed of Statement of Meeting Resolutions Amendment to the Articles of Association No. 9 dated 12 May 2022, made before Jose Dima Satria, S.H., M.Kn., Notary in the Administrative City of South Jakarta, which has been notified to the MOLHR based on Receipt of Notification of Amendment to the Articles of Association No. AHU-AH.01.03-0237201 dated 13 Mei 2022, the Company's capital structure and shareholding composition as of the date of this Information Disclosure is as follows:

Authorized Capital	:	IDR1,400,000,000,000
Issued Capital	:	IDR482,217,015,420
Paid-up Capital	:	IDR482,217,015,420

The Company's authorized capital is divided into 70,000,000,000 (seventy billion) shares each with a par value of Rp20 (twenty Rupiah).

According to the Shareholders Register of the Company dated 30 April 2023 issued by PT Datindo Entrycom as Share Registrar of the Company, the shareholders of the Company are as follows:

Description	Nominal Value of Rp20 per Share		
	Number of Shares	Nominal Value (Rp)	(%)
A. Authorized Capital	70,000,000,000	1,400,000,000,000	
B. Issued and Paid up Capital			
1) PT Saratoga Investama Sedaya Tbk	4,423,174,297	88,463,485,940	18.345
2) PT Mitra Daya Mustika	2,907,302,421	58,146,048,420	12.058
3) Garibaldi Thohir	1,774,021,214	35,480,424,280	7.358
4) PT Suwarna Arta Mandiri	1,347,254,738	26,945,094,760	5.588
5) Hongkong Brunn & Catl Co., Limited	1,205,542,539	24,110,850,780	5.000
6) Gavin Arnold Caudle	80,066,431	1,601,328,620	0.332
7) Hardi Wijaya Liong	69,596,728	1,391,934,560	0.289
8) Andrew Phillip Starkey	527,000	10,540,000	0.002
9) Albert Saputro	355,600	7,112,000	0.001
10) Titien Supeno	492,400	9,848,000	0.002
11) Public (respectively under 5%)	12,236,322,703	244,726,454,060	50.750
Treasury Stock	66,194,700	1,323,894,000	0.275 ⁽¹⁾
Total of Issued and Fully Paid up Shares	24,110,850,771	482,217,015,420	100.000
C. Portofolio Shares	45,889,149,229	917,782,984,580	

Note:

(1) *treasury shares cannot be utilized to cast votes in the General Meeting of Shareholders and cannot be calculated to determine the quorum to be reached in the General Meeting of Shareholders as well as not being entitled to obtain dividend distribution.*

Composition of the Board of Commissioners and Board of Directors of the Company

Based on Deed 59/2023, the composition of the Company's Board of Directors and Board of Commissioners on the issuance date of this information disclosure is as follows:

Board of Commissioners

President Commissioner	:	Edwin Soeryadjaya
Commissioner	:	Yoke Candra
Commissioner	:	Tang Honghui
Independent Commissioner	:	Budi Bowoleksono
Independent Commissioner	:	Muhamad Munir

Board of Directors

President Director	:	Albert Saputro
Vice President Director	:	Jason Laurence Greive
Director	:	Andrew Phillip Starkey
Director	:	Gavin Arnold Caudle
Director	:	Hardi Wijaya Liong
Director	:	David Thomas Fowler
Director	:	Titien Supeno
Director	:	Chrisanthus Supriyo

2. MBMA

MBMA, domiciled in South Jakarta, was initially established under the name of PT Hamparan Logistik Nusantara pursuant to the Deed of Establishment No. 66 dated 20 August 2019, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been ratified by the MOLHR by virtue of its Decree No. 0041804.AH.01.01.Tahun 2019 dated 22 August 2019.

According to Article 3 of MBMA's Articles of Association, the purposes and objectives of MBMA are to conduct business in the field of holding company activities and other management consultation activities.

To achieve the abovementioned purposes and objectives, MBMA shall perform the main business activities as follows:

1. holding company activities, including ownership and/or control of their group of subsidiaries; and
2. other management consulting activities in which the main business activities (as relevant) are the provision of advisory assistance, guidance and business operations and other organizational and management 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.

To achieve the abovementioned main business activities of MBMA, MBMA shall perform the supporting business activities as follows:

1. provision of service as counsellors and negotiators in designing corporate mergers and acquisitions; and
2. provision of services including advisory assistance, guidance and business operations and other organizational and management issues, such as strategic and organizational planning;

decisions related to finance; marketing objectives and policies, human resource planning, practices and policies; scheduling planning and control of production. The provision of these business services may include funding support, advisory assistance, guidance and operation of various management functions, management consulting for agronomists and agricultural economists in agriculture and such, design of accounting methods and procedures, cost accounting programs, budget monitoring procedures, funding support, providing advice and assistance for business and community services in planning, organizing, efficiency and supervision, management information and others, including but not limited to infrastructure investment study services.

Capital Structure and Shareholders Composition of MBMA

The Authorized Capital of MBMA is divided into 350,000,000,000 (three hundred fifty billion) shares each with a par value of IDR100 (one hundred Rupiah).

Based on the Company's Register of Shareholders on 30 April 2023 issued by PT Datindo Entrycom as MBMA's Securities Administration Bureau, MBMA's shareholders are as follows:

Keterangan	Jumlah Saham	Jumlah (Rp)	%
A. Authorized Capital	350,000,000,000	35,000,000,000,000	
B. Issued and Paid up Capital			
1) PT Merdeka Energi Nusantara (previously PT Batutua Tambang Abadi)	53,275,183,200	5,327,518,320,000	49.33
2) Garibaldi Thohir	11,967,190,000	1,196,719,000,000	11.08
3) Huayong International (Hong Kong) Limited	8,149,060,000	814,906,000,000	7.55
4) Winato Kartono	6,796,280,000	679,628,000,000	6.29
5) Masyarakat (masing-masing di bawah 5%)	27,807,706,700	2,780,770,670,000	25.75
Total of Issued and Fully Paid up Shares	107,995,419,900	10,799,541,990,000	100.00
C. Portofolio Shares	242,004,580,100	24,200,458,010,000	

Composition of the Board of Commissioners and Directors of MBMA

Based on the Deed of Statement of Shareholders' Circular Resolutions on the Amendment of Articles of Association No. 60 dated 20 February 2023, drawn up before Jose Dima Satria, S.H., M.Kn., Notary in Administrative City of South Jakarta, which has been notified to the MOLHR based on the Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0029030 and the Receipt of Notification of the Change of the Company's Data No. AHU-AH.01.09-0093759, both dated 20 February 2023, the composition of the Board of Directors and Board of Commissioners of MBMA as of the issuance date of this Information Disclosure is as follows:

Board of Commissioners

President Commissioner : Winato Kartono
 Commissioner : Michael W. P. Soeryadjaya

Independent Commissioner : Ir. Hasan Fawzi

Board of Directors

President Director : Devin Antonio Ridwan
Vice President Director : Jason Laurence Greive
Director : Titien Supeno

Transaction Value

Pursuant to the Agreement, the total value of the Transaction is USD175,000,000 (one hundred and seventy-five million United States Dollars) plus the interest amount arising as stipulated in the Agreement. Therefore, the 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 Company's equity value in accordance with the Company and its subsidiaries' Consolidated Financial Statements for the year ended on 31 December 2022 which was audited by Public Accounting Firm Tanubrata Sutanto Fahmi Bambang & Rekan.

Nature and Affiliated Relations with the Company

The natures of the affiliation relationship between MBMA with the Company are as follows:

- a. MBMA is a Controlled Company of the Company through PT Merdeka Energi Nusantara; and
- b. there are members of the Board of Directors of MBMA who also serves as members of the Board of Directors of the Company.

Summary of Agreement

Loan Agreement MDKA - MBMA effective on 25 May 2023

Parties:

1. The Company; and
2. MBMA;

hereinafter shall be collectively referred to as the "**Parties**" and each as "**Party**".

Scope of the Agreement:

Based on the Agreement, the Company as the lender agrees to provide financing fund to MBMA as the borrower, in the amount of USD175,000,000 (one hundred and seventy-five million United States Dollars) plus with: (i) Term SOFR; and (ii) margin of 4.60% (four-point six zero percent) per annum.

Thus, after the Agreement is effective, MBMA can utilize the financing fund from the Company for MBMA's general corporate purposes, including but not limited to the working capital, operational and capital expenditure of MBMA and for supporting business of MBMA's subsidiaries by way of loan and/or advance of capital provision.

Transaction Value:

The Transaction value is USD175,000,000 (one hundred and seventy-five million United States Dollars).

Applicable Law:

Law 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 the independent appraiser in accordance with the proposal letter/contract work agreement No. 074.9/IDR/DO.2/Pr-FO/IV/2023 dated 28 April 2023, 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. 00196/2.0118-00/BS/01/0596/1/V/2023 dated 24 Mei 2023 as follows:

a. Transacting Parties

The transacting parties are the Company as the lender, and MBMA as the borrower.

b. Appraisal Object

The object of the appraisal is the proposed loan Transaction to MBMA by the Company.

c. Purpose and Objective of Appraisal

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

d. Assumptions and Main Limit Conditions

1. This Appraisal report is a *non-disclaimer* opinion.
2. The appraiser reviewed the legal status of documents used in the appraisal process.
3. The data and information come from trustworthy sources.
4. 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.
5. The appraiser is responsible for the implementation of appraisal and fairness of the financial projections.
6. This appraisal report is disclosed to the public, except for confidential information, which may affect the Company's operations.
7. The appraiser is responsible for this appraisal report and the conclusion of the final score.
8. The appraiser obtained information on the legal status of the appraisal object from the assignor.
9. This opinion should be viewed as a whole and the use of any part of analysis and information without considering the entirety of the 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. conducting Transaction analysis;
2. conducting a qualitative analysis of the proposed Transaction;
3. conducting a quantitative analysis of the proposed Transaction;
4. conducting an analysis of the guarantee related to the Transaction;
5. conducting an analysis of the fairness of the transaction value; and
6. conducting an analysis of other relevant factors.

f. Conclusion

The amount of funds from the object of the Transaction in the form of a loan to MBMA by the Company can be repaid on maturity date, thus it can be concluded that the amount of funds from the object of the Transaction is **fair**.

The analysis results of the loan interest rates from the Company as the lender imposed to MBMA for working capital loans is above the range of market interest rates from banks for similar loans, therefore it can be concluded that the loan interest rates imposed by the Company to MBMA is **fair**.

The analysis results of the financial impact of the Transaction that will be carried out are that the Transaction has no effect on the proforma and the Company's financial projection on consolidated basis, however, by carrying out the Transaction, the Company will reduce the risk of cash deficiency on MBMA and MBMA obtains working capital to carry out its operational activities optimally, thus in accordance with the interests of Shareholders.

The analysis result of business considerations used by the Company's management related to the proposed Transaction which will be carried out for the interests of the Shareholders is the Company as a shareholder of MBMA is able to ensure MBMA's cash availability to guarantee MBMA's operational activities and may generate profit for the Company in accordance with the interests of the Shareholders.

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

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 31 December 2022 before and after carrying out the Affiliated Transaction:

Description	Before Transaction Execution	Adjustment	After Transaction Execution
ASSETS			
Current Assets			
Cash or cash equivalents	443,909,104	0	443,909,104
Trade receivables			
- third parties	64,943,116	0	64,943,116
- related parties	939,752	0	939,752
Other receivables - third parties	10,133,499	0	10,133,499
Inventories - current portion	250,702,600	0	250,702,600
Claims for tax refund	43,277,176	0	43,277,176
Advances and prepayments - current portion	32,859,095	0	32,859,095
Investment in equity instrument and other securities	48,915,200	0	48,915,200
Total Current Assets	895,679,542	0	895,679,542
Non-Current Assets			
Advances and prepayments - non-current portion	146,842,724	0	146,842,724
Advance of investment	3,008,506	0	3,008,506
Investment in shares and associate entity	534,614	0	534,614
Loan from third party	60,704,183	0	60,704,183
Inventories - non-current portion	57,972,211	0	57,972,211
Prepaid taxes	61,015,351	0	61,015,351
Property, plant and equipments	1,205,878,158	0	1,205,878,158
Right-of-use assets	17,480,034	0	17,480,034
Mining properties	599,514,835	0	599,514,835
Exploration and evaluation assets	460,061,621	0	460,061,621
Goodwill	324,918,804	0	324,918,804
Deferred tax assets	27,381,600	0	27,381,600
Other non-current assets	15,675,552	0	15,675,552
Total Non-Current Assets	2,980,986,193	0	2,980,986,193
TOTAL CURRENT ASSETS	3,876,665,735	0	3,876,665,735
LIABILITIES AND EQUITY			
Current Liabilities			
Trade payables			
- third parties	109,269,349	0	109,269,349
- related parties	328,086	0	328,086
Accrued expenses	66,544,575	0	66,544,575
Unearned revenue	1,624,662	0	1,624,662
Taxes payable	33,725,835	0	33,725,835
Other payables	48,733,962	0	48,733,962
Borrowings - current portion:			
Bank loans and credit facility	99,546,671	0	99,546,671
Bonds payable	211,521,262	0	211,521,262
Lease liabilities	23,200,654	0	23,200,654
Derivative financial instrument - current portion	9,977,936	0	9,977,936
Provision for mining rehabilitation - current portion	65,733	0	65,733
Total Current Liabilities	604,538,725	0	604,538,725
Non-Current Liabilities			
Borrowings - net of current portion:			
Bank loans and credit facility	310,693,668	0	310,693,668
Bonds payable	675,090,373	0	675,090,373
Lease liabilities	17,182,994	0	17,182,994
Loan from third party	74,600,500	0	74,600,500
Derivative financial instrument - non-current portion	22,212,074	0	22,212,074
Deferred tax liabilities	93,821,819	0	93,821,819
Post-employment benefits liability - non-current portion	19,204,915	0	19,204,915
Provision for mining rehabilitation - non-current portion	34,487,399	0	34,487,399
Total Non-Current Liabilities	1,247,293,742	0	1,247,293,742
TOTAL LIABILITIES	1,851,832,467	0	1,851,832,467
Equity			
Share capital:			
Authorized capital	37,792,783	0	37,792,783
Additional paid-in capital - net	690,575,911	0	690,575,911
Treasury stock	(17,859,134)	0	(17,859,134)

Cash flows hedging reserve	(93,044)	0	(93,044)
Other equity components	9,988,880	0	9,988,880
Retained earnings:			
Appropriated	1,300,000	0	1,300,000
Unappropriated	281,484,408	0	281,484,408
Non-controlling interests	1,021,643,464	0	1,021,643,464
Total Equity	2,024,833,268	0	2,024,833,268
TOTAL LIABILITIES AND EQUITY	3,876,665,735	0	3,876,665,735

(*) Expressed in US Dollar and refer to the Consolidated Financial Statements of the Company and its subsidiaries for the year ended 31 December 2022.

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

By implementing the Transaction, the Company is able to provide funding support that will be utilized by MBMA for the MBMA general corporate purposes, including but not limited to the working capital, operational and capital expenditure of MBMA and for supporting the business of the MBMA's subsidiaries by way of loan and/or advance of capital provision where the funds can be obtained by MBMA in a shorter time compare to obtaining funding from financial institutions. Thus, the Transaction will be more efficient if carried out with the Company as the holding company of MBMA. Furthermore, it is expected that the Transaction may provide a positive impact on the Company which in turn can create added value for the Company's Shareholders indirectly.

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 it is carried out by affiliated parties of the Company.

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 Company's equity value in accordance with the Company and its subsidiaries' Consolidated Financial Statements for the year ended on 31 December 2022 which was audited by Tanubrata Sutanto Fahmi Bambang & Rekan as Public Accountant Firm.

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

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ADDITIONAL INFORMATION

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

**PT Merdeka Copper Gold Tbk.
Corporate Secretary**

Treasury Tower, 67-68th floor, District 8 SCBD Lot. 28
Jl. Jend. Sudirman Kav. 52-53, Senayan, Kebayoran Baru, South Jakarta 12190, DKI Jakarta, Indonesia
Telephone: +62 21 3952 5580 Facsimile: +62 21 3952 5589
Email: corporate.secretary@merdekacoppergold.com
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Initial: 