

**DISCLOSURE OF INFORMATION TO SHAREHOLDERS
REGARDING AFFILIATED TRANSACTION
PT MERDEKA BATTERY MATERIALS TBK (the "COMPANY")**

This Information Disclosure to the shareholders (as defined below) is made to explain to the public in connection with a partial novation and amendment agreement on parent support facility agreement between the Company, PT Merdeka Copper Gold Tbk, which is a Controlling Company of the Company, and PT Merdeka Tsingshan Indonesia, which is an Affiliate 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.

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 ANY OTHER PROFESSIONALS.

THE COMPANY'S BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS STATE THAT ALL INFORMATION OR MATERIAL FACTS CONTAINED IN THIS INFORMATION DISCLOSURE IS COMPLETE AND TRUE AND NOT MISLEADING.

THE COMPANY'S BOARD OF COMMISSIONERS AND BOARD OF DIRECTORS STATE THAT THIS AFFILIATED TRANSACTION DOES NOT CONTAIN A CONFLICT OF INTEREST.



PT Merdeka Battery Materials Tbk

Business Activities

Holding company for a business group engaged in nickel and other mineral mining, processing and other related business activities that are vertically integrated

Domiciled in South Jakarta, DKI Jakarta, Indonesia

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This Disclosure of Information
is issued in Jakarta on 21 June 2023

DEFINITIONS

- “Affiliate”** : the parties referred to in Article 1 paragraph (1) UUPM, namely:
- a. family relationship due to marriage to the second degree, both horizontally and vertically, namely the relationship of a person with:
 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; or
 5. 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:
 1. parents and children;
 2. grandparents and grandchildren; or
 3. the relative of the person concerned
 - c. 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; or
 - g. 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 of Capital Market Law, in this case held by PT Bursa Efek Indonesia, domiciled in Jakarta.
- “The Company’s Consolidated Financial Statements”** : The Company’s Consolidated Financial Statements for the year ended 31 December 2022 which were audited by the KAP (Public Accounting Firm) Tanubrata Sutanto Fahmi Bambang and Partners with an unqualified opinion in all material respects.
- “MOLHR”** : Minister of Law and Human Rights of the Republic of Indonesia.
- “MDKA”** : 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.
- “MTI”** : PT Merdeka Tsingshan Indonesia, domiciled in South Jakarta, is a limited liability company established and operated under the laws 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 Appraiser Services Office of Edi Andesta 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”** : Partial Novation and Amendment Agreement related to the Parent Support Facility Agreement dated 23 August 2022, signed by and between the Company with MDKA and MTI which becomes effective on 19 June 2023 together with any amendments, additions, and substitutes, which may be subsequently made.
- “Company”** : 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.
- “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 “IDR”** : Reference to Rupiah or IDR which is the legal currency of the Republic of Indonesia.
- “Affiliated Transaction”** : Every activity and/or transaction carried out 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, a major shareholder, or a Controlling company, including every activity and/or transaction carried out by a public company or a Controlled Company for the benefit of Affiliates of public companies or Affiliates of members of the board of directors, members of the board of commissioners, major 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 No. 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 Company's Board of Directors announced an Information Disclosure to provide information to the Company's Shareholders that effective on 19 June 2023, the Agreement which was signed by the Company, MDKA and MTI has become effective, with details 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 MDKA is a Controlling Company of the Company and MTI is a 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 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 Edi Andesta and Partners No. 00534/2.0053-00/BS/02/0095/1/VI/2023 dated 15 June 2023 on the Novation of Liability of PT Merdeka Copper Gold Tbk ("**MDKA**") as Lender of PT Merdeka Tsingshan Indonesia ("**MTI**") to PT Merdeka Battery Materials Tbk ("**MBMA**") ("**Appraisal 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 in Article 4 of POJK 42/2020.

DESCRIPTION OF THE TRANSACTION

Information Regarding the Parties Involved

1. Company

The Company, domiciled in South Jakarta, was initially established under the name PT Hampan Logistik Nusantara based on the Deed of Establishment No. 66 dated 20 August 2019, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by the MOLHR based on Decree No. 0041804.AH.01.01.TAHUN 2019 dated 22 August 2019 ("**Company's Articles of Association**").

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 conduct main business activities as follows:

1. Holding Company Activities
Carrying out holding company activities, including ownership and/or control of its subsidiary group; and
2. Other Management Consulting Activities
Other management consulting activities where the main activity (as relevant) is providing advice, guidance, and business operational assistance and other organizational 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.

In executing the main business activities mentioned above, the Company may carry out the following business activities:

- (i) services provided as counselors and negotiators in designing corporate mergers and acquisitions; and
- (ii) providing services including advice, guidance, and business operational and other organizational 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. The provision of these services includes financial assistance, advice, guidance and operation of various management functions, consulting on the management of agronomics and economic agriculture in agriculture and the like, design of accounting methods and procedures, cost accounting programs, budget control procedures, provision of funding, advice and assistance for businesses and community services in planning, organizing, efficiency and supervision, management information and others including infrastructure investment study services.

Capital Structure and Shareholders' Composition of the Company

The Company's Authorized Capital is divided into 350,000,000,000 (three hundred fifty billion) shares with a nominal value per share of IDR 100 (one hundred Rupiah).

According to the Shareholders Register of the Company dated 31 May 2023 issued by PT Datindo Entrycom as the Securities Administration Bureau of the Company, the shareholders of the Company are as follows:

Description	Nominal Value of IDR100 per Share		
	Number of Shares	Value (IDR)	(%)
A. Authorized capital	350,000,000,000	35,000,000,000,000	
B. Issued and fully paid-up capital			
1) PT Merdeka Energi Nusantara (formerly PT Batutua Tambang Abadi)	53,681,423,100	5,368,142,310,000	49.71
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) Public (respectively under 5%)	27,401,466,800	2,740,146,680,000	25.37
Total of Issued and Fully Paid-up Shares	107,995,419,900	10,799,541,990,000	100.00
C. Portfolio Shares	242,004,580,100	24,200,458,010,000	

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

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

2. MDKA

MDKA, 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 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 activity 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 purposes and objectives and support the main business activities of the Company, the Company shall perform the supporting business activities as follows:

1. provision of service by acting 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 production control. 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 MDKA dated 30 April 2023 issued by PT Datindo Entrycom as the Securities Administration Bureau of MDKA, 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	

Description	Nominal Value of Rp20 per Share		
	Number of Shares	Nominal Value (Rp)	(%)
B. Issued and Paid up Capital			
1) PT Saratoga Investama Sedaya Tbk	4,470,841,397	89,416,827,940	18.543
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 Brunp & Catt Co., Limited	1,205,542,539	24,110,850,780	5.000
6) Gavin Arnold Caudle	80,966,431	1,619,328,620	0.336
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%)	12,187,680,603	243,753,612,060	50.549
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

3. MTI

MTI, domiciled in South Jakarta, is a limited liability company established based on Deed of Establishment No. 40 dated 18 March 2021, made before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by the MOLHR by virtue of Decree No. AHU-0019293.AH.01.01.TAHUN 2021 dated 18 March 2021

("Deed of Establishment of MTI"), whose articles of association were lastly amended based on Deed of Statement of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 33 dated 9 March 2022, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by the MOLHR by virtue of Decree No. AHU-0016812.AH.01.02.TAHUN 2022 dated 9 March 2022 and has been notified to the MOLHR as evidenced by the Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0154821 dated 9 March 2022 ("**Deed 33/2022**").

Based on the provisions of Article 3 of Articles of Association of MTI, the purpose and objective of MTI are to carry out a business in the field of other inorganic basic chemical industries; iron and steel making industry; precious base metal manufacturing industry; non-ferrous base metal manufacturing industry; and specific telecommunications operations for self-purposes.

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

- a. Other Inorganic Basic Chemical Industry (ISIC 20114);
Carrying out other basic inorganic chemical industries that produce chemical substances such as phosphorus with its derivatives, sulfur with its derivatives, nitrogen with its derivatives, and basic chemical industry that produces halogen compound and their derivatives, metals except alkali metal, oxide compounds except for pigments. Including the raw material industry for explosives, including carrying out an inorganic basic chemical industry that produces chemical substances through the construction and operation of the project (Project) which includes a sulphide roast plant, crusher factory, grinder and float (CGF) factory, chloridising roast factory, acid filter plant high pressure (HPAL) and metal extraction or screening plants (as a whole, Factories) and other necessary infrastructure;
- b. Iron and Steel Making Industry (ISIC 24101);
Carrying out the business of making iron and steel in basic forms, such as iron ore pellets, sponge iron, pig iron and the making of iron and steel in the form of coarse steel such as ingots, steel billets, bloom steel and steel slabs. This includes the manufacture of iron and alloy steel. Including furnace, steel converter, rolling mill and finishing activities; production of pig iron in basic forms such as blocks; production of iron alloy; production of iron products that are reduced directly from iron ore and other hollow iron products; production of iron from refining by electronic processes and other chemical processes; production of iron grains and iron powder; production of ingots or other basic forms; re-smelting of scrap iron or steel ingots; and semi-finished steel production.
- c. Base Metal Manufacturing Industry (ISIC 24201);
Carrying out the business of refining, smelting, alloying and casting precious metals in basic forms (ingots, billets, slabs, rods, pellets, blocks, sheets, pigs, alloys and powders) such as silver ingots, gold ingots, platinum pellets and so on.
- d. Non-Ferrous Base Metal Manufacturing Industry (ISIC 24202);
Carrying out a refining, smelting, alloying and casting business of non-ferrous metals in basic forms (ingots, billets, slabs, rods, pellets, blocks, sheets, pigs, alloys and powders) such as brass ingots, aluminum ingots, zinc ingots, copper ingots, tin ingots, brass billets, aluminum billets, brass slabs, aluminum slabs, brass rods, aluminum bars, brass pellets, aluminum pellets, bronze alloys, nickel alloys and bearing metals and rare earth metals and alloys rare earth metals (15 elements lanthanides plus elements scandium and yttrium).
- e. Specific Telecommunications Activities for Self-Purpose (ISIC 61992);
Carrying out a telecommunications operation that is specifically used for self-purpose in terms of developing hobbies and self-training.

Capital Structure and Shareholders' Composition of MTI

In accordance with Deed of Statement of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 42 dated 10 May 2021, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been approved by MOLHR by virtue of Decree No. AHU-0028507.AH.01.02.TAHUN 2021 dated 10 May 2021 and has been notified to the MOLHR as evidenced by the Receipt of Notification of the Amendment of Articles of Association No. AHU-AH.01.03-0301259 dated 10 May 2021 *juncto* Deed 33/2022, capital structure and composition of shareholders of MTI are as follows:

Authorized Capital	:	IDR1,260,000,000,000.00
Issued Capital	:	IDR1,260,000,000,000.00
Paid up Capital	:	IDR1,260,000,000,000.00

No.	Shareholders' Name	Number of Shares	Value (IDR)	%
1.	PT Batutua Pelita Investama	1,008,000	1,008,000,000,000	80.00
2.	Wealthy Source Holding Limited	252,000	252,000,000,000	20.00
Total		1,260,000	1,260,000,000,000	100.00
Portfolio Shares		-	-	

Composition of the Board of Commissioners and Board of Directors of MTI

Based on Deed of Statement of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 66 dated 20 June 2022, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the MOLHR as evidenced by the Receipt of Notification of the Change of Company's Data No. AHU-AH.01.09-0023789 dated 20 June 2022 *juncto* Deed of Circular Resolutions in Lieu of Extraordinary General Meeting of Shareholders No. 59 dated 28 April 2023, drawn up before Darmawan Tjoa, S.H., S.E., Notary in Jakarta, which has been notified to the MOLHR as evidenced by the Receipt of Notification of the Change of Company's Data No. AHU-AH.01.09-0121415 dated 27 May 2023, the composition of the Board of Directors and the Board of Commissioners of MTI is as follows:

Board of Commissioners

President Commissioner : Winato Kartono
 Commissioner : Gavin Arnold Caudle
 Commissioner : Xin Zhi
 Commissioner : Renhui Wang

Board of Directors

President Director : Albert Saputro
 Director : David Thomas Fowler
 Director : Fan Zhang
 Director : Cheng Li

Transaction Value

Pursuant to the Agreement, the total value of the Transaction is USD30,000,000.00 (thirty million United States Dollars) together with 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's Consolidated Financial Statements.

Nature of the Affiliated Relationship with the Company

The nature of the affiliated relationship between MDKA and MTI with the Company is as follows:

- a. the Company is a Controlled Company of MDKA through PT Merdeka Energi Nusantara;
- b. MTI is a Controlled Company of the Company which shares are owned by the Company indirectly through PT Batutua Pelita Investama of 80.00% (eighty percent); and
- c. there are members of the Board of Directors and/or Board of Commissioners of the Company who also serve as members of the Board of Directors and/or Board of Commissioners of MDKA and MTI.

Summary of Agreement

Partial Novation and Amendment Agreement in relation to the Parent Support Facility Agreement dated 23 August 2022 which is effective on 19 June 2023

Parties:

1. The Company;
2. MDKA; and

3. MTI,

hereinafter shall be collectively referred to as the “Parties” and each as “Party”.

Scope of the Agreement:

Based on the Agreement, the Company, MDKA and MTI agree that subject to the fulfilment of the conditions precedent (as stipulated in the Agreement), MDKA partially assigns and transfers its rights and obligations by way of novation of the financing funds that have been provided to MTI based on the Parent Support Facility Agreement, in the amount of USD30,000,000 (thirty million United States Dollars) together with the interest amount accruing therefrom since the date of the drawdown by MTI to the Company.

Thus, after the Agreement is effective, the Company will become a new lender in Parent Support Facility Agreement along with MDKA as well as the portion of the commitment of financing fund from the Company and MDKA as lenders to MTI as the borrower under the Parent Support Facility Agreement each become in the amount of USD30,000,000 (thirty million United States Dollars).

Transaction Value:

The Transaction value is USD30,000,000 (thirty million United States Dollars) together with the interest amount accruing therefrom.

Applicable Law:

Law of the Republic of Indonesia

Dispute Resolution:

Indonesian National Arbitration Board (BANI)

SUMMARY OF APPRAISAL REPORT

KJPP who has been appointed by the Company’s Board of Directors as the independent appraiser in accordance with the letter of appointment No. 172/P-Andesta/VI/2023 tanggal 2 May 2023, to provide an assessment of and provide an opinion on the fairness of the Transaction.

Report on the Fairness Opinion of the Transaction

The following is a summary of the KJPP’s fairness opinion of the Transaction as stated in its report No. 00534/2.0053-00/BS/02/0095/1/VI/2023 dated 15 June 2023 as follows:

(i) Transacting Parties

The transacting parties are the Company, MDKA and MTI, whereas the Company acts as the original lender providing the loan facility, MTI as the borrower which received the loan facility from MDKA and the Company as the new lender that will receive a partial assignment and transfer of rights and obligations arising from receivables in the amount of USD30,000,000 (thirty million United States Dollar) (together with the interest amount accruing therefrom) (hereinafter shall be referred to as the “**Transfer of Partial Funding Obligations**”) from the Company.

(ii) Valuation Object of Fairness Opinion

The object of the fairness opinion is the proposed partial novation of MDKA’s obligations as MTI’s Lender to the Company for the financing of MTI (“**Transaction Plan**”).

(iii) Purpose and Objective of the Assessment of Fairness Opinion

To provide an opinion on the fairness of the proposed partial novation of MDKA’s obligations as MTI’s lender to the Company in the amount of USD30,000,000 (thirty million United States dollars) and to fulfill the provisions of POJK 42/2020, on the Proposed Transaction.

(iv) Main Assumptions and Limitation Conditions

- a) This Fairness Opinion is a non-disclaimer opinion.
- b) KJPP has reviewed the documents used in the appraisal process, but has not conducted survey on the validity of the related documents, therefore KJPP does not guarantee their correctness or validity.
- c) KJPP uses the data and information obtained, which come from trustworthy sources.

- d) KJPP uses adjusted financial projections that reflect the fairness of financial projections made by management with their fiduciary duty.
- e) KJPP is responsible for the implementation of appraisal and fairness of the financial projections.
- f) The results of the analysis which was carried out is written in the produce a Appraisal Report which is disclosed to the public unless there is confidential information, which may affect the company's operations.
- g) KJPP is responsible for the implementation of the appraisal and the fairness of the financial projections and the final fair value conclusion.
- h) The financial projection period prepared by management is 5 years, which is from 2023 to 2027.

(v) Analysis Method of the Proposed Transaction

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

- a) Analysis of the Transaction Plan.
- b) Qualitative and quantitative analysis.
- c) Analysis of the fairness of the value of the Transaction Plan.
- d) Analysis of relevant factors.

(vi) Conclusion

Based on the fairness opinion of the Proposed Transaction or Transaction, by looking at the reasons, benefits, risks, analysis of the Proposed Transaction, qualitative and quantitative analysis, the factors relevant to the Proposed Transaction in providing a fairness opinion and analysis of the fairness of the transaction, KJPP is of the opinion that the Proposed Transaction conducted by the Company is **fair**.

THE IMPACT OF THE TRANSACTION ON THE COMPANY'S FINANCIAL CONDITION

The Impact of the Transaction on the Company's Financial Condition

The table below shows an overview of the pro forma financial condition of the Company and its subsidiaries on 31 December 2022 before and after carrying out the Transaction.

Keterangan	2022 Jan - Des USD Audited	Penyesuaian	2022 Jan - Des USD Proforma
ASET LANCAR			
Kas & Setara Kas	280.291.055	-	280.291.055
Piutang Usaha dari Pihak Ketiga	64.181.247	-	64.181.247
Piutang Lain-lain			
Pihak Berelasi	5.857	-	5.857
Pihak Ketiga	3.359.534	-	3.359.534
Persediaan	78.914.708	-	78.914.708
Uang Muka dan Biaya Dibayar Dimuka	8.929.630	-	8.929.630
Estimasi Klaim Pengembalian Pajak	13.944.061	-	13.944.061
Pajak Dibayar Dimuka	19.502.346	-	19.502.346
Total Aset Lancar	469.128.438		469.128.438
ASET TIDAK LANCAR			
Uang Muka dan Biaya Dibayar Dimuka	137.475.881	-	137.475.881
Uang Muka Investasi	3.006.506	-	3.006.506
Investasi Pada Asosiasi	255.816	-	255.816
Aset Tetap	917.881.988	-	917.881.988
Aset Hak Guna	5.962.439	-	5.962.439
Properti Pertambangan	527.347.795	-	527.347.795
Goodwill	324.918.803	-	324.918.803
Pajak Dibayar Dimuka	24.206.049	-	24.206.049
Aset Pajak Tangguhan	1.378.118	-	1.378.118
Aset Tak Berwujud	650.682	-	650.682
Aset Lain-lain	9.355.359	-	9.355.359
Total Aset Tidak Lancar	1.952.439.436		1.952.439.436
TOTAL ASET	2.421.567.874		2.421.567.874

Keterangan	2022 Jan - Des USD Audited	Penyesuaian	2022 Jan - Des USD Profoma
LIABILITAS JANGKA PENDEK			
Utang Usaha	66.058.946	-	66.058.946
Utang Lain-Lain	43.733.806	-	43.733.806
Beban Yang Masih Harus Dibayar	32.193.318	-	32.193.318
Utang Pajak	2.601.723	-	2.601.723
Pinjaman	17.898.111	-	17.898.111
Liabilitas Sewa	1.951.683	-	1.951.683
Total Liabilitas Jangka Pendek	164.437.587		164.437.587
LIABILITAS JANGKA PANJANG			
Liabilitas Jangka Panjang Setelah dikurangi Bagian Lancar			
Pinjaman	592.396.057	-	592.396.057
Liabilitas Sewa	3.067.236	-	3.067.236
Beban Yang Masih Harus Dibayar	2.083.333	-	2.083.333
Liabilitas Pajak Tanggahan	93.349.814	-	93.349.814
Liabilitas Imbalan Pasca Kerja	774.950	-	774.950
Provisi Rehabilitas, Reklamasi dan Penutupan	6.068.977	-	6.068.977
Total Liabilitas Jangka Panjang	697.740.367		697.740.367
TOTAL LIABILITAS	862.177.954		862.177.954
EKUITAS			
Modal Dasar	605.532.557	-	605.532.557
Tambahan Modal Disetor	257.192.537	-	257.192.537
Uang Muka Atas Penyertaan Modal	-	-	-
Pinjaman Konversi Yang Diklasifikasi Sebagai Ekuitas	74.797.592	-	74.797.592
Selisih Nilai Dari Transaksi Dengan Kepentingan Non-Pengendali	(365.412)	-	(365.412)
Akumulasi Rugi	20.001.190	-	20.001.190
Penghasilan/(Rugi) Komprehensif Lain	(168.666)	-	(168.666)
Kepentingan Non Pengendali	602.400.122	-	602.400.122
Total Ekuitas	1.559.389.920		1.559.389.920
TOTAL LIABILITAS DAN EKUITAS	2.421.567.874		2.421.567.874

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

By implementing the Transaction, it is expected that the Company, as the new holding company of MTI, will be able to provide financial support to MTI, as its Controlled Company, in a more strategic manner in which the Company has a better comprehension of MTI's business development and financial condition. Thus, 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 the Board of Directors of the Company, either individually and jointly, state that all material information related to the Transaction has been disclosed and the information is not misleading and the Transaction is not a Conflict of Interest Transaction as referred to in POJK 42/2020 and is not a Material Transaction as referred to in POJK 17/2020 because the Transaction value does not reach 20% (twenty percent) of the Company's equity value based on the Consolidated Financial Statements of the Company and its subsidiaries for the financial year ended 31 December 2022 which was audited by the KAP (Public Accounting Firm) Tanubrata Sutanto Fahmi Bambang and Partners.

The Company's Board of Directors stated that the Transaction has gone through the procedures owned by the Company as required in POJK 42/2020 to ensure that Affiliated Transactions have been carried out in accordance with applicable regulatory provisions and generally accepted business practices.

ADDITIONAL INFORMATION

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

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Corporate Secretary

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Initials

