

**INFORMATION DISCLOSURE TO THE SHAREHOLDERS
ON THE AFFILIATED-PARTY TRANSACTION OF
THE SUBSIDIARIES OF PT ADARO MINERALS INDONESIA TBK
("THE COMPANY")**

This information disclosure to the shareholders on the affiliated-party transaction of the Company's subsidiaries (hereinafter referred to as "**Information Disclosure**") is compiled to present the explanation to all of the Company's shareholders regarding the capital reduction of PT Maruwai Coal ("**MC**"), PT Lahai Coal ("**LC**"), and PT Juloi Coal ("**JC**"), each of which being a limited liability company whose shares are 98.99% indirectly owned by the Company, executed by way of the withdrawal of some of the shares issued by MC, LC, and JC to Adaro International (Singapore) Pte. Ltd. ("**AIS**"), a limited liability company whose shares are 90% indirectly owned by the Company's majority shareholder.

This transaction fulfills the definition of an affiliated-party transaction as set forth by the Regulation of the Financial Services Authority of the Republic of Indonesia (FSA) number 42/POJK.04/2020 on Affiliated-Party Transactions and Conflict-of-Interest Transactions ("**POJK 42/2020**").

THE COMPANY'S BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS, EITHER SEVERALLY OR JOINTLY, ARE FULLY RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION DISCLOSURE AND THE AMENDMENT AND/OR ADDITION TO THE INFORMATION DISCLOSURE, IF ANY.

THE COMPANY'S BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS HEREBY DECLARE THAT THE INFORMATION AS DISCLOSED IN THIS INFORMATION DISCLOSURE IS COMPLETE, AND AFTER A DUE AND CAREFUL EXAMINATION, EMPHASIZE THAT THE INFORMATION STATED IN THIS INFORMATION DISCLOSURE IS TRUE, AND THAT THERE ARE NO RELEVANT AND MATERIAL FACTS OMITTED OR ELIMINATED IN SUCH A WAY THAT CAUSE THE INFORMATION PROVIDED HEREIN TO BE UNTRUE AND/OR MISLEADING.

THE COMPANY'S BOARD OF DIRECTORS AND BOARD OF COMMISSIONERS DECLARE THAT THIS AFFILIATED-PARTY TRANSACTION DOES NOT CONTAIN ANY CONFLICT OF INTEREST.



PT Adaro Minerals Indonesia Tbk

Business activities:

Conducting management consultation activities, support services for mining and other excavation activities, leasing and operating leasing for mining and energy equipment and tools, engine repairs for special purposes, and investments

Head office:

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This Information Disclosure is issued in Jakarta on January 31, 2023.

DEFINITION

AEI:	PT Adaro Energy Indonesia Tbk, a publicly-listed company duly established and organized under the law of the Republic of Indonesia and domiciled in Jakarta, Indonesia
Affiliation:	defined as set forth by article 1 of the Capital Market Law or POJK 42/2020
AIS:	Adaro International (Singapore) Pte. Ltd.
Board of Commissioners:	the Company's Board of Commissioners holding such position on the date of this Information Disclosure
Board of Directors:	the Company's Board of Directors holding such position on the date of this Information Disclosure
JC:	PT Juloi Coal
Independent Appraiser:	the Office of Appraisal Services of Desmar, Susanto, Salman, dan Rekan, an independent appraiser registered with the Indonesian FSA, which has been appointed by the Company to appraise the fair value and/or fairness of the Transaction
LC:	PT Lahai Coal
Appraisal Report:	a written report prepared by the Appraiser, which contains the Appraiser's Opinion on the object of the appraisal and presents the information on the appraisal process
MC:	PT Maruwai Coal
Capital Reduction:	the capital reduction of MC, LC, and JC through the reduction of the authorized capital and the issued and paid-up capital by way of the withdrawal of the shares issued by the three companies to AIS and return of share deposits by the three companies to AIS
Company:	PT Adaro Minerals Indonesia Tbk, a publicly-listed company duly established and organized under the law of the Republic of Indonesia and domiciled in Jakarta, Indonesia
Controlled Company:	defined as set forth by POJK 42/2020
POJK 42/2020:	FSA's Regulation number 42/POJK.04/2020 on Affiliated-Party Transactions and Conflict of Interest Transactions
Affiliated-Party Transaction:	defined as set forth by POJK 42/2020

I. INTRODUCTION

On January 29, 2023, PT Maruwai Coal (“**MC**”), PT Lahai Coal (“**LC**”), and PT Juloi Coal (“**JC**”), each of which being a limited liability company whose shares are 98.99% indirectly owned by the Company, reduced their capital by withdrawing some of the shares they (MC, LC, and JC) had issued to Adaro International (Singapore) Pte. Ltd. (“**AIS**”), a limited liability company whose shares are 90% indirectly owned by PT Adaro Energy Indonesia Tbk (“**AEI**”), the Company’s majority shareholder.

The information presented in this Information Disclosure has been compiled to fulfil the Company’s compliance with the provision regarding affiliated transactions as referred to in FSA regulation No. 42/POJK.04/2020 on Affiliated-Party Transactions and Conflict of Interest Transactions (“**POJK 42/2020**”).

The capital reduction of MC, LC, and JC executed by reducing the authorized capital and the issued and paid-up capital through the withdrawal of the shares issued by the three companies to AIS and the return of share deposits by the three companies to AIS (“**Capital Reduction**”) fulfils the the definition of an affiliated-party transaction as set forth by POJK 42/2020 because it was executed by and between MC, LC, and JC, which are the Company’s Controlled Companies, and AIS, which is the Company’s Affiliated Party. In this context, the affiliation between AIS and the Company comes from the condition that the 2 (two) companies are controlled, either directly or indirectly, by the same entity, i.e. AEI, and the 2 (two) companies share 1 (one) or more mutual member(s) of the Board of Directors or Board of Commissioners.

Pursuant to article 4 point 1 of POJK 42/2020, the Capital Reduction is an Affiliated-Party Transaction, for which an appraiser must be employed to determine the fair value and/or the fairness of the object of the Affiliated-Party Transaction and an announcement must be made to the public.

The Appraiser’s Report incorporated herein was compiled by the Office of Appraisal Services of Desmar, Susanto, Salman, dan Rekan (“**Independent Appraiser**”) number 00003/2.0142-00/BS/02/0177/1/1/2023 of January 27, 2023 on the Fairness Opinion on the Planned Transaction (“**Appraiser’s Report**”). The Appraiser is in the opinion that this transaction is **fair**.

This Affiliated-Party Transaction of MC, LC, JC and AIS complies with the procedure as set forth in article 3 of POJK 42/2020 and has been executed in accordance with the generally applicable business practices.

This Affiliated-Party Transaction is not a Conflict-of-Interest Transaction, and does not fulfil the definition of a material transaction as specified in the FSA regulation No. 17/POJK.04/2020 on Material Transactions and Changes in Business Activities (“**POJK 17/2020**”), as the total value of this transaction is less than 20% (twenty percent) of US\$408,185,961.00 (four hundred and eight million one hundred eighty five thousand and nine hundred sixty one United States dollars), which is the Company’s total equity value based on its Financial Statements of June 30, 2022, on which a limited review has been performed by Public Accountant Tanudiredja, Wibisana, Rintis & Rekan.

II. BRIEF DESCRIPTION ON THE TRANSACTION AND THE EFFECT OF THE TRANSACTION TO THE COMPANY’S FINANCIAL CONDITION

A. DESCRIPTION OF THE TRANSACTION

i. Rationale and Background of the Transaction

The background and rationale for making the Capital Reduction transaction are related with the plan of the Company’s majority shareholder to further simplify and align the business units with the business lines to have a stronger and more efficient organizational structure and provide more flexibility for the Adaro Group to formulate long-term business strategies.

ii. Risk Analysis and Benefits of the Transaction

The Capital Reduction of MC, LC, and JC will affect the Company's equity and generate positive impacts on its Return on Equity (RoE).

Furthermore, with the reduction in AIS' holding, through PT Alam Tri Daya Indonesia ("ATDI"), the Company will have bigger share ownership percentage on MC, LC, and JC, which are expected to deliver maximum contribution to the Company's revenues.

Presently, the metallurgical coal business remains the main contributor to the Company's revenues. In addition to diversifying into the mineral business, the Company will strive to increase metallurgical coal production through its existing mines, in order to generate sound returns and positive impacts on its profitability going forward.

iii. Transaction Value

The total Capital Reduction of the 3 (three) subsidiaries, i.e. MC, LC, and JC is Rp43,301,464,600.00 (forty three billion three hundred and one million four hundred sixty four thousand and six hundred rupiah), which will be returned to AIS.

The breakdown of Capital Reduction of MC, LC, and JC, respectively, is as follows:

- The Capital Reduction of MC is Rp13,698,871,200.00 (thirteen billion six hundred ninety eight million eight hundred seventy one thousand and two hundred rupiah);
- The Capital Reduction of LC is Rp21,904,703,890.00 (twenty one billion nine hundred and four million seven hundred and three thousand eight hundred ninety rupiah); and
- The Capital Reduction of JC is Rp7,697,889,510.00 (seven billion six hundred ninety seven million eight hundred eighty nine thousand five hundred and ten rupiah).

iv. Parties to the Transaction

The parties to the Transaction are:

1. The Company

Brief history

PT Adaro Minerals Indonesia Tbk (previously PT Jasapower Indonesia) was established based on the notarial deed of Dwi Yulianti, S.H. No. 9 of September 25, 2007. The Company's deed of establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree No. C-01217 HT.01.01-TH.2007 of October 25, 2007 and announced in the State Gazette of the Republic of Indonesia No. 36 of May 2, 2008.

The Company changed its name from PT Jasapower Indonesia to PT Adaro Minerals Indonesia Tbk based on the Deed No. 4 of September 1, 2021, by Notary Public Humberg Lie, S.H., M.H., M.Kn. The name change was approved by the Minister of Law and Human Rights of the Republic of Indonesia by Deed No. AHU-0047835.AH.01.02.Tahun 2021 on the Approval for the Amendment of the Limited-Liability Company Articles of Association of PT Adaro Minerals Indonesia Tbk, on September 6, 2021.

The Company's Articles of Association have been amended several times, with the latest amendment made based on the Deed of Meeting Resolution No. 81 of April 26, 2022, by Notary Public Humberg Lie, S.H., M.H., M.Kn. The amendment to the Company's Articles of Association has been approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree No. AHU-AH.01.03-0232308 of April 26, 2022.

Management and supervision

Based on the Deed of Meeting Resolution No. 81 of Notary Public Humberg Lie, S.H., M.H., M.Kn. of April 26, 2022, the compositions of the Company's Board of Commissioners and Board of Directors are as follows:

Board of Commissioners

President Commissioner:	Garibaldi Thohir
Commissioner:	M. Syah Indra Aman
Commissioner:	Chia Ah Hoo
Commissioner:	Lie Luckman
Independent Commissioner:	Mohammad Effendi
Independent Commissioner:	Budi Bowoleksono

Board of Directors

President Director:	Christian Ariano Rachmat
Vice President Director:	Iwan Dewono Budi Yuwono
Director:	Totok Azhariyanto
Director:	Hendri Tamrin
Director:	Heri Gunawan
Director:	Wito Krisnahadi

2. MC

Brief history

MC was established based on the Deed of Incorporation No. 5 of February 5, 1998 approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree No. C2-753 HT.01.01.TH.'98 of February 11, 1998.

MC has amended its Articles of Association several times, with the latest amendment based on Deed No. 42 of December 12, 2022 approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree No. AHU-0005930.AH.01.02.Tahun 2023 of January 29, 2023 on the Approval of the Amendment to the Articles of Association of PT Maruwai Coal.

Management and supervision

Based on the notarial deed number 32 of September 10, 2021 and the Deed of Meeting Resolution No. 23 of April 5, 2022, by Notary Public Humberg Lie, S.H., M.H., M.Kn., the compositions of the MC's Board of Commissioners and Board of Directors are as follows:

Board of Commissioners

President Commissioner:	Garibaldi Thohir
Commissioner:	Christian Ariano Rachmat
Commissioner:	M. Syah Indra Aman
Commissioner:	Julius Aslan
Commissioner:	Chia Ah Hoo
Commissioner:	Lie Luckman

Board of Directors

President Director:	Iwan Dewono Budi Yuwono
Vice President Director:	Hendri Tamrin
Director:	Totok Azhariyanto
Director:	Heri Gunawan

3. LC

Brief history

LC was established based on the Deed of Incorporation No. 4 of April 3, 2000 approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree No. C-9716 HT.01.01.TH.2000 of May 4, 2000.

LC has amended its Articles of Association several times, with the latest amendment based on Deed No. 41 of December 12, 2022 approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree No. AHU-0006002.AH.01.02.Tahun 2023 of January 29, 2023 on the Approval of the Amendment to the Articles of Association of PT Lahai Coal.

Management and supervision

Based on the notarial deed number 31 of September 10, 2021 and the Deed of Meeting Resolution No. 22 of April 5, 2022, by Notary Public Humberg Lie, S.H., M.H., M.Kn., the compositions of the LC's Board of Commissioners and Board of Directors are as follows:

Board of Commissioners

President Commissioner:	Garibaldi Thohir
Commissioner:	Christian Ariano Rachmat
Commissioner:	M. Syah Indra Aman
Commissioner:	Julius Aslan
Commissioner:	Chia Ah Hoo
Commissioner:	Lie Luckman

Board of Directors

President Director:	Iwan Dewono Budiuyuwono
Vice President Director:	Hendri Tamrin
Director:	Totok Azhariyanto
Director:	Heri Gunawan

4. JC

Brief history

JC was established based on the Deed of Incorporation No. 6 of April 3, 2000 approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree No. C-9676 HT.01.01.TH.2000 of May 3, 2000.

JC has amended its Articles of Association several times, with the latest amendment based on Deed No. 39 of December 12, 2022 approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree No. AHU-0006004.AH.01.02.Tahun 2023 of January 29, 2023 on the Approval of the Amendment to the Articles of Association of PT Juloi Coal.

Management and supervision

Based on the notarial deed number 29 of September 10, 2021 and the Deed of Meeting Resolution No. 20 of April 5, 2022, by Notary Public Humberg Lie, S.H., M.H., M.Kn., the compositions of the JC's Board of Commissioners and Board of Directors are as follows:

Board of Commissioners

President Commissioner:	Garibaldi Thohir
Commissioner:	Christian Ariano Rachmat
Commissioner:	M. Syah Indra Aman

Commissioner: Julius Aslan
Commissioner: Chia Ah Hoo
Commissioner: Lie Luckman

Board of Directors

President Director: Iwan Dewono Budiyuwono
Vice President Director: Hendri Tamrin
Director: Totok Azhariyanto
Director: Heri Gunawan

5. AIS

Brief history

Adaro International (Singapore) Pte. Ltd. was incorporated on September 26, 2000 and has the main business in coal trading and marketing. AIS changed its name from Coaltrade Services International Pte. Ltd. to Adaro International (Singapore) Pte. Ltd. on August 18, 2022.

Management

The composition of AIS' Board of Directors is as follows:

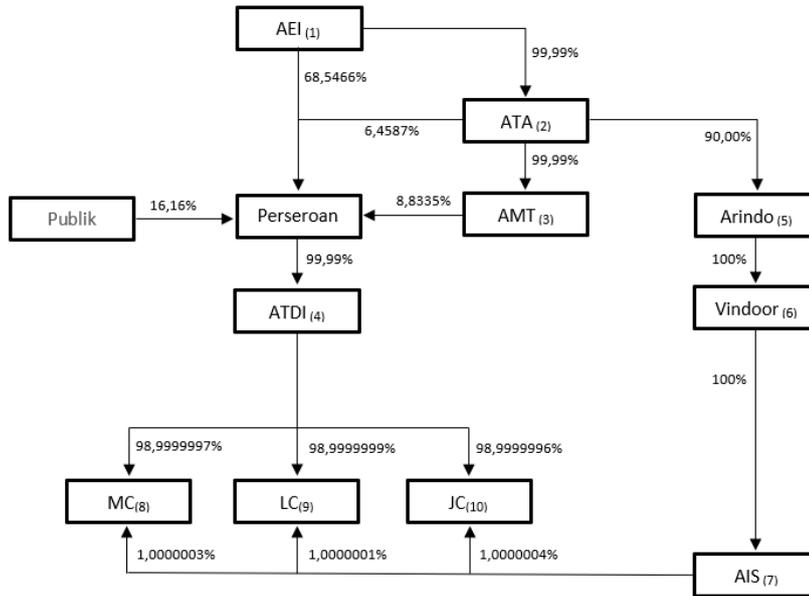
Board of Directors

Director: Susanti
Director: Low Wai Ing
Director: Christian Ariano Rachmat
Director: Pepen Handianto Danuatmadja
Director: M. Syah Indra Aman

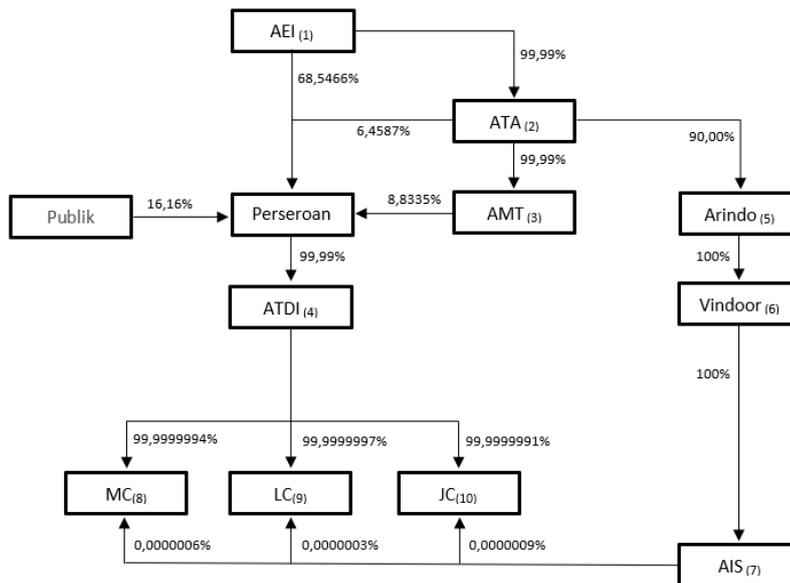
v. Nature of the Affiliation

This Transaction is categorized as an Affiliated-Party Transaction as defined by POJK 42/2020 due to the existence of affiliation relationship between 2 (two) companies being under the majority control, either directly or indirectly, of the same company, and the relationship of 2 (two) companies that share 1 (one) or more mutual member(s) of the Board of Commissioners or Board of Directors. The following chart presents the relationship structure of the share ownership of MC, LC, JC, and AIS:

Prior to the Transaction:



After the Transaction:



Notes:

- (1) AEI: PT Adaro Energy Indonesia Tbk
- (2) ATA: PT Alam Tri Abadi
- (3) AMT: PT Adaro Mining Technologies
- (4) ATDI: PT Alam Tri Daya Indonesia
- (5) Arindo: Arindo Holdings Ltd.
- (6) Vindoor: Vindoor Investments (Mauritius) Ltd.
- (7) AIS: Adaro International (Singapore) Pte. Ltd.
- (8) MC: PT Maruwai Coal

- (9) LC: PT Lahai Coal
(10) JC: PT Juloi Coal

B. EFFECTS OF THE TRANSACTION ON THE COMPANY'S FINANCIAL CONDITION (PRO FORMA)

The Company's pro forma balance sheet

(in thousand of US\$)

Balance Sheet	Reviewed June 30, 2022	Transaction	Pro forma June 30, 2022
Assets			
Current assets	501,884,638	(2,914,354)	498,970,284
Non-current assets	637,757,816	-	637,757,816
Total Assets	1,139,642,454	(2,914,354)	1,136,728,100
Liabilities			
Short-term liabilities	136,357,712	-	136,357,712
Long-term liabilities	595,098,781	-	595,098,781
Total liabilities	731,456,493	-	731,456,493
Equity	403,614,730	1,742,815	405,357,545
Non-controlling interest	4,571,231	(4,657,169)	(85,938)
Total Equity	408,185,961	(2,914,354)	405,271,607
Total Liabilities and Equity	1,139,642,454	(2,914,354)	1,136,728,100

C. EXPLANATION, CONSIDERATION AND REASON OF EXECUTING THE TRANSACTION COMPARED TO EXECUTING A SIMILAR TRANSACTION WITH A NON AFFILIATED PARTY

The Company is not of the opinion that there will be any difference if the Transaction is executed with a non-affiliated party. The documents for the execution of the Transaction have been prepared to incorporate the same terms and conditions as those incorporated in transactions made with an unaffiliated party, thus the terms and conditions of the Transaction have been made on an arm's length basis.

III. SUMMARY OF APPRAISER'S REPORT

Pursuant to article 4 of POJK 42/2020, Publicly-Listed Companies intending to execute an Affiliated-Party Transaction must use an Appraiser's service to determine the fairness of the transaction.

To ensure the fairness of the intended Transaction, the Company has appointed an Independent Appraiser, i.e. the Office of Appraisal Services of Desmar, Susanto, Salman, dan Rekan, to provide the Fairness Opinion on the Transaction, based on the Quotation number No. 0002/2.0142-00/PP-B/DSS-01/0177/1/2023 of January 18, 2023, which had been approved by the Company.

The following is the summary of the fairness opinion as presented in the Report on the Fairness Opinion on Transaction number No. 0003/2.0142-00/BS/02/0177/1/1/2023 of January 27, 2023:

i. Identity of the Parties

The Company is the assignor of this Appraisal. The parties to the Transaction consist of the Company's indirect subsidiaries (MC, LC, and JC) and AIS, a company affiliated with the Company.

ii. Object of the Appraisal

The object of the appraisal is the plan of the Company's subsidiaries (MC, LC, and JC) to reduce authorized capital, reduce issued and paid-up capital and return the share deposit in the amount totaling Rp43,301,464,600.00 (forty three billion three hundred and one million four hundred sixty four thousand and six hundred rupiah) made by AIS ("**Planned Transaction**").

iii. Purpose of the Appraisal

A report on fairness opinion is required to fulfill POJK 42/2020.

iv. Assumptions and Limiting Conditions

A number of assumptions used in compiling this fairness opinion are:

- This Fairness Opinion is a non-disclaimer opinion.
- All data, statements and information received by the Independent Appraiser from the management and the data or information available to the public, particularly the economic and industry data, are deemed valid and sourced from credible sources.
- The documents used in the process of compiling the fairness opinion have been reviewed.
- The report on fairness opinion is prepared to serve the interest of the capital market and requirement of FSA regulations and not for tax purposes or purposes other than the interest of the capital market.
- In performing the analysis, the Independent Appraiser makes assumptions and relies on the accuracy, reliability, and completeness of all financial information and other information provided by the Company or available in the public domain, which are basically true, complete and not misleading, and the Independent Appraiser is not responsible for conducting independent investigations on the said information. The Independent Appraiser also relies on the assurance made by the Company's management that they are not aware of the existence of any facts that may cause the information provided to be incomplete or misleading.
- The Independent Appraiser assumes that on the date this fairness opinion is issued until the date of the planned corporate action, there will be no changes that may materially affect the assumptions used in the compilation of this fairness opinion. The Independent Appraiser is not responsible for reaffirming or completing or updating our opinion should there be any changes in the assumptions and conditions and other events occurring after the date of this letter.
- All disputes in the form of criminal or civil cases (within or outside the court) which are associated with the appraisal object are not under the Independent Appraiser's responsibility.
- All changes made by the government or private parties which are related with the condition of the appraisal object, in this case the market condition etc., are not under the Independent Appraiser's responsibility.
- This Report of Fairness Opinion can serve as a source of information for decision making, however it shall neither be binding nor be relied on as the basis of a decision which may imply legal consequences, as it is prepared solely based on the review under the Independent Appraiser's areas of discipline and capacity.
- The values are stated in Rupiah currency and/or the equivalents on the request of the assignor.
- This Report of Fairness Opinion shall not be valid and official in the absence of the signature of a licensed appraiser and the official corporate seal of the Office of Appraisal Services of Desmar, Susanto, Salman, dan Rekan.
- This Report of Fairness Opinion is prepared and delivered only to the assignor, in accordance with the purposes and objectives as declared in the appraisal report. All of the materials contained in this report of appraisal, in its entirety or in part, including those associated with references, opinions on values, names and professional affiliations of the appraiser, shall not be publicized without a written consent from the Appraiser.

v. Approaches and Appraisal Method

In compiling this Report of Fairness Opinion on the Planned Transaction, the Independent Appraiser applied the normal approaches and appraisal methods, which consistently referred to the FSA's regulations, appraisal standards applicable in Indonesia, and the Code of Conduct of Indonesian Appraisers.

The procedure in presenting a fairness opinion comprises:

- Analysis on the Planned Transaction
- Qualitative and quantitative analyses on the Planned Transaction
- Analysis on the fairness of the Planned Transaction

vi. Fairness Opinion on the Transaction

Based on the evaluation and analysis on all related aspects to determine the positive impacts qualitatively and quantitatively of the Planned Transaction, the Appraiser is of the opinion that the Planned Transaction is **fair**.

IV. BOARD OF DIRECTORS' STATEMENT

The Company's Board of Directors hereby declares that this Capital Reduction Transaction made by AIS fulfils the definition of Affiliated Transaction set forth in the FSA regulation on Affiliated-Party Transactions and Conflict-of-Interest Transactions. The Company's Board of Directors declares that this Transaction has sufficiently fulfilled the applicable procedure and confirms that this Transaction has been executed in accordance with the generally applicable business practices, i.e. the procedure to compare the terms and conditions of a transaction equivalent to the transaction made between parties who do not have an Affiliated relationship and made by fulfilling the arm's-length principle.

V. BOARD OF COMMISSIONERS' & BOARD OF DIRECTORS' STATEMENT

The Company's Board of Commissioners and Board of Directors hereby declare that this Transaction is an Affiliated-Party Transaction which does not contain any conflict of interest as set forth in FSA regulation on Affiliated-Party Transactions and Conflict-of-Interest Transactions.

The Company's Board of Commissioners and Board of Directors hereby declare that they have carefully reviewed the information provided with regard to the Transaction as presented in this Information Disclosure, and all material information regarding this Transaction has been disclosed in this Information Disclosure and the material information is true and not misleading. Subsequently, the Company's Board of Commissioners and Board of Directors herewith declare that they hold full responsibility on the accuracy of all information provided in this Information Disclosure.

VI. ADDITIONAL INFORMATION

The Company's shareholders wishing to receive further information on the Transaction can contact:

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