

INFORMATION DISCLOSURE TO THE SHAREHOLDERS ON AN AFFILIATED-PARTY TRANSACTION OF PT ADARO MINERALS INDONESIA TBK (“THE COMPANY”)

This information disclosure on the affiliated-party transaction (hereinafter referred to as “**Information Disclosure**”) was prepared to inform the Company’s shareholders on the transaction made by the Company to acquire the new shares issued by PT Alam Tri Cakra Indonesia (“**ATCI**”), a limited-liability company whose shares are 99.99% directly and indirectly owned by PT Adaro Energy Indonesia Tbk (“**AEI**”), a public company that directly and indirectly owns 83.839% of the Company’s shares.

This transaction is an affiliated-party transaction as defined by Indonesian Financial Services Authority (FSA)’s Regulation 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:

Management consultation activities, mining and other quarrying supporting activities, leasing and leasing without an option of mining and energy machineries and equipment, repair of machineries for specific purposes, and investments

Head office:

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Email: corsec@adarominerals.id
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This information is issued in Jakarta on January 2nd, 2024.

DEFINITION

AEI:	PT Adaro Energy Indonesia Tbk
ATA:	PT Alam Tri Abadi
ATCI:	PT Alam Tri Cakra Indonesia
Affiliation:	defined as set forth by article 1 of the Capital Market Law or POJK 42/2020
Commissioner(s):	(a) member(s) of the Company's Board of Commissioners holding such position on the issuance date of this Information Disclosure
Director(s):	(a) member(s) of the Company's Board of Directors holding such position on the issuance date of this Information Disclosure
Appraiser:	the Office of Appraisal Services of Herman, Meirizki & Rekan, an independent appraiser registered with Indonesia's FSA, which has been appointed by the Company to appraise the fair value and/or fairness of the transaction as explained in this Information Disclosure
Appraiser's Report:	the written report prepared by the Appraiser to present the Appraiser's opinion on the appraisal object, i.e. the transaction as explained in this Information Disclosure, and the information on the appraisal process of the transaction.
Company:	PT Adaro Minerals Indonesia Tbk, a public company duly established and organized under the law of the Republic of Indonesia and domiciled in Jakarta, Indonesia
Controlled Company:	as defined by POJK 42/2020
POJK 42/2020:	FSA's Regulation number 42/POJK.04/2020 on Affiliated-Party Transactions and Conflict of Interest Transactions
Transaction:	as explained in the Introduction section of this Information Disclosure
Affiliated-Party Transaction:	as defined by POJK 42/2020

I. INTRODUCTION

On December 28th, 2023, ATCI increased its capital by way of issuing 376,687 (three hundred seventy-six thousand six hundred eighty-seven) new shares with the total amount of Rp376,687,000,000 (three hundred seventy-six billion six hundred eighty-seven million rupiahs) (“**New Shares**”), all of which were participated and fully paid-up by the Company (“**the Transaction**”).

Pursuant to article 4 point 1 of POJK 42/2020, the Transaction is an Affiliated-Party Transaction that requires an Appraiser to determine the fair value of the object of the Affiliated-Transaction and/or the fairness of the transaction, which has to be announced to the public. This transaction fulfills the characteristics of an affiliated-party transaction as defined by POJK 42/2020 because it was executed by and between the Company and ATCI, a company affiliated with the Company. The information as stated in this Information Disclosure is published in order to comply with the provision of POJK 42/2020.

The Appraiser’s report used as a reference is the report of the Office of Appraisal Services of Herman, Meirizki & Rekan number 00015/2.0120-04/BS/02/0627/1/XII/2023 of December 27th, 2023 on the Report of Fairness Opinion (“**Appraiser’s Report**”). The Appraiser’s Report presents the fair opinion on the Transaction.

This Affiliated-Party transaction has been through the procedure as set forth in article 3 of POJK 42/2020 and executed in accordance with the generally applicable business practices.

This Affiliated-Party Transaction is not a Conflict-of-Interest Transaction, and therefore does not require the prior approval of the Company’s General Meeting of Shareholders as set forth in POJK 42/2020 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 to Business Activities (“POJK 17/2020”), as the total value of this transaction is less than 20% (twenty percent) of the Company’s total equity value amounting to US\$758,668,477 (seven hundred fifty-eight million six hundred sixty-eight thousand and four hundred seventy-seven United States dollars) based on its Financial Statements of June 30th, 2023, 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 AFFILIATED-COMPANY TRANSACTION

i. Background, Rationale and Benefits of the Transaction

This Transaction was made as the strategy for developing the Company’s structure to support future expansion plans. By holding share ownership in ATCI, the Company may generate additional revenue contribution when business development has been implemented in ATCI.

This Transaction is associated with the Adaro Group’s strategic step to align the business units with the business lines to create stronger and more efficient organizational structure, as well as providing flexibility for the Adaro Group in formulating long-term business strategies.

ii. Brief Description on the Transaction

The Transaction was executed with the following details:

- ATCI's authorized capital was increased by Rp1,620,448,000,000 (one trillion six hundred twenty billion four hundred forty-eight million rupiahs), consisting of 1,620,448 (one million six hundred twenty thousand four hundred forty-eight) shares to Rp1,658,748,000,000 (one trillion six hundred fifty-eight billion seven hundred forty-eight million rupiahs), consisting of 1,658,748 (one million six hundred fifty-eight thousand seven hundred forty-eight) shares;
- ATCI's issued and paid-up capital was increased to Rp414,687,000,000 (four hundred fourteen billion six hundred eighty-seven million rupiahs), consisting of 414,687 (four hundred fourteen thousand six hundred eighty-seven) shares as the result of the issuance of new shares, which was fully subscribed and fully paid-up by the Company.

Upon the execution of the Transaction:

- The Company owns around 90.836% of ATCI's shares or 376,687 (three hundred seventy-six thousand six hundred eighty-seven) shares;
- AEI owns around 9.163% of ATCI's shares or 37,999 (thirty-seven thousand nine hundred ninety-nine) shares; and
- PT Alam Tri Abadi ("ATA") owns around 0.001% of ATCI's shares or 1 (one) share.

iii. Parties to the Transaction

1. The Company

Brief history

The Company (previously PT Jasapower Indonesia) was established based on the Deed of Establishment number 9 of September 25th, 2007, made before Dwi Yulianti, S.H., a Notary in Jakarta. AMI's Deed of Establishment has been verified by the Minister of Law and Human Rights of the Republic of Indonesia based on the Decree number C-01217 HT.01.01-TH.2007 of October 25th, 2007 and announced in State Gazette of the Republic of Indonesia number 36 of May 2nd, 2008.

The Company changed its name from PT Jasapower Indonesia to PT Adaro Minerals Indonesia Tbk based on Deed number 4 of September 1st, 2021 made before Humberg Lie, S.H., S.E., M.Kn., a Notary in North Jakarta. The deed of the name change has been approved by the Minister of Law and Human Rights of the Republic of Indonesia based on Decree number AHU-0047835.AH.01.02.Tahun 2021 of September 6th, 2021.

The Company's Articles of Association have been amended several times, with the last amendment based on the Deed of Meeting Resolution number 81 of April 26th, 2022 made before Humberg Lie, S.H., S.E., M.Kn., a Notary in North Jakarta. The amendment to the Articles of Association was received by the Minister of Law and Human Rights of the Republic of Indonesia by Decree number AHU-AH.01.03-0232308 of April 26th, 2022.

Management and supervision

The compositions of the Company's Board of Commissioners and Board of Directors on the date of this Information Disclosure as stated in the Deed of Meeting Resolution number 81 of April 26th, 2022 made before Humberg Lie, S.H., S.E., M.Kn., a Notary in North Jakarta, 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 Budiuyuwono
Director:	Totok Azhariyanto
Director:	Hendri Tamrin
Director:	Heri Gunawan
Director:	Wito Krisnahadi

2. ATCI

Brief history

ATCI was established based on the Deed of Establishment number 51 of April 20th, 2021, made before Humberg Lie, S.H., S.E., M.Kn., a Notary in North Jakarta. ATCI's Deed of Association has been verified by the Minister of Law and Human Rights of the Republic of Indonesia by Decree number AHU-0028421.AH.01.01.Tahun 2021 of April 26th, 2021.

ATCI's Articles of Association have been amended several times with the last amendment by Deed number 30 of March 18th, 2022 made before Humberg Lie, S.H., S.E., M.Kn., a Notary in North Jakarta, which has received the notification receipt from the Minister of Law and Human Rights of the Republic of Indonesia by the Receipt of the Notification on the Amendment to the Articles of Association number AHU-AH.01.03-0220267 of April 4th, 2022.

Management and supervision

Based on Deed number 166 of June 9th, 2022 made before Humberg Lie, S.H., S.E., M.Kn., a Notary in North Jakarta, which has been notified to the Minister of Law and Human Rights of the Republic of Indonesia as confirmed by the Receipt of the Notification on the Change in the Company's Data number AHU-AH.01.09-0020450 of June 10th, 2022, the compositions of ATCI's Board of Commissioners and Board of Directors are as follows:

Board of Commissioners

President Commissioner: M. Syah Indra Aman
Commissioner: Michael William P. Soeryadjaya

Board of Directors

President Director: Christian Ariano Rachmat
Director: Julius Aslan

3. AEI as the controlling company of the Company and ATCI

Brief history

AEI was established based on the Deed of Establishment made before Sukawaty Sumadi, S.H., a Notary in Jakarta, number 25 of July 28th, 2004. AEI's deed of incorporation was announced in the State Gazette of the Republic of Indonesia number 59 of July 25th, 2006, Supplement to State Gazette number 8036, and approved by the Minister of Law and Human Rights of the Republic of Indonesia by Decree number C-21493 HT.01.01.TH.2004 of August 26th, 2004. AEI's Articles of Association have been amended several times with the latest amendment made by a notarial deed of Mahendra Adinegara, S.H., M.Kn. number 16 of February 15th, 2022. Such amendment to the Articles of Association has been approved by the Minister of Law and Human Rights of the Republic of Indonesia by the decree number AHU-0011776.AH.01.02.TAHUN 2022 of February 16th, 2022.

Management and supervision

Based on the notarial deed number 44 of May 22nd, 2023 made before Humberg Lie, S.H., S.E., M.Kn., a Notary in North Jakarta, which has been received by the Minister of Law and Human Rights of the Republic of Indonesia as confirmed by the Receipt of the Notification on the Change in the Company's Data number AHU-AH.01.09- 0121980 of May 29th, 2023, the compositions of AEI's Board of Directors and Board of Commissioners are as follows:

Board of Commissioners

President Commissioner: Edwin Soeryadjaya
Vice President Commissioner: Theodore Permadi Rachmat
Commissioner: Arini Saraswaty Subianto
Independent Commissioner: Mohammad Effendi
Independent Commissioner: Budi Bowoleksono

Board of Directors

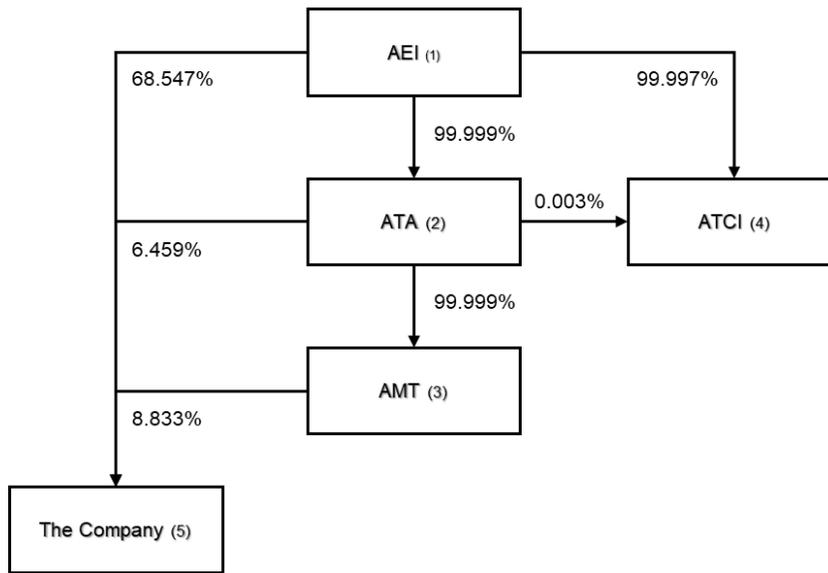
President Director: Garibaldi Thohir
Vice President Director: Christian Ariano Rachmat
Director: Michael William P. Soeryadjaya

Director: Chia Ah Hoo
 Director: M. Syah Indra Aman
 Director: Julius Aslan

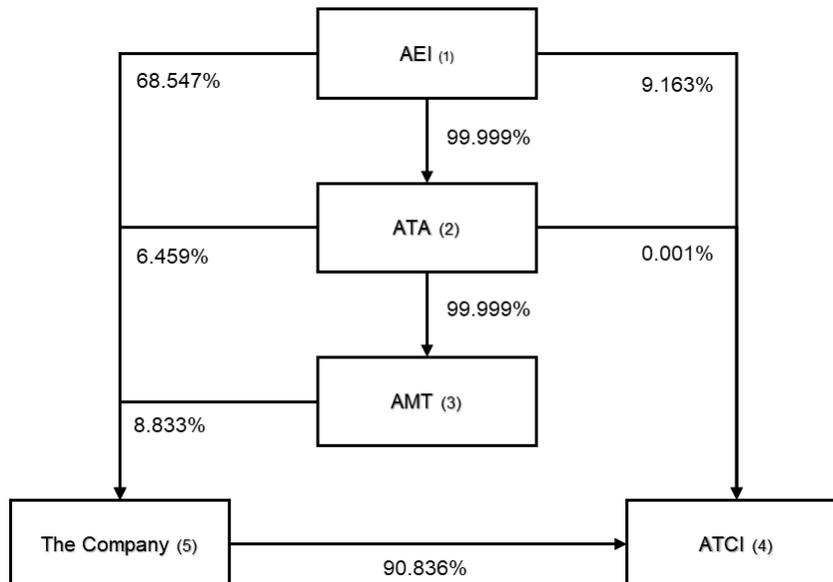
iv. Nature of the Affiliation

This Transaction is categorized as an Affiliated-Party Transaction as defined by POJK 42/2020. The following chart presents the affiliated-party relationship of the Company, ATCI and AEI:

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) ATCI: PT Alam Tri Cakra Indonesia
(5) The Company: PT Adaro Minerals Indonesia Tbk

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

The Company’s pro forma balance sheet			(in US\$)
Balance Sheet	Reviewed June 30 th , 2023	Transaction	Pro forma June 30 th , 2023
Assets			
Current assets	628,990,711	7,481,107	636,471,818
Non-current assets	708,271,812	38,495	708,310,307
Total Assets	1,337,262,523	7,519,602	1,334,782,125
Liabilities			
Short-term liabilities	204,310,985	5,013,797	209,324,782
Long-term liabilities	374,283,061	-	374,283,061
Total liabilities	578,594,046	5,013,797	583,607,843
Total Equity	758,668,477	2,505,805	761,174,282
Total Liabilities and Equity	1,337,262,523	7,519,602	1,344,782,125

C. EXPLANATION, CONSIDERATION AND RATIONALE FOR EXECUTING THE TRANSACTION IN COMPARISON WITH THE CONDITION IF A SIMILAR TRANSACTION IS EXECUTED WITH A NON-AFFILIATED PARTY

The Company is of the perspective that there will be no difference if the Transaction is executed with an unaffiliated party. The Transaction has 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 THE APPRAISER’S REPORT

Pursuant to article 4 of POJK 42/2020, public companies intending to execute an Affiliated-Party Transaction must use an Appraiser’s service to determine the fair value of the object of the Affiliated-Party Transaction and/or the fairness of the transaction.

To ensure the fairness of the planned Transaction, the Company appointed an Appraiser, i. e. the Office of Appraisal Services of Herman, Meirizki & Rekan to provide the fairness opinion on the Transaction, based on the quotation no. 074/SP/HMR-JKSL/B/XII/2023 of December 4th, 2023, which has been approved by the Company.

The statement of the appraiser's report of fairness opinion as presented in the Report on the Fairness Opinion No. 00015/2.0120-04/BS/02/0627/1/XII/2023 of December 27th, 2023 is summarized as follows:

i. Identity of the parties

The parties involved in the planned Transaction are:

1. The Company as the party acquiring the new shares to be issued by ATCI; and
2. ATCI as the party issuing new shares to be acquired by the Company.

ii. Object of the fairness analysis

The object of the fairness analysis herein is the planned capital increase by ATCI by way of issuing new shares, all of which to be subscribed and fully paid-up by the Company.

iii. Purpose of appraisal

The purpose and objective of this fairness opinion is to provide the fairness opinion on the planned Transaction. The fairness opinion is prepared to comply with the provision of POJK 42/2020.

iv. Assumptions and limiting conditions

The Appraiser's statement on several assumptions used in compiling this fairness opinion is:

- This Fairness Opinion is a non-disclaimer opinion.
- The projected financial statements are provided by the Company's management and have been adjusted to reflect its fiduciary duty.
- The Appraiser is responsible for the report of fairness opinion and the opinion in the report of fairness opinion.
- The Appraiser assumes that after the issuance date of this report of fairness opinion, there will be no changes that have material effects on the planned transaction.
- In conducting the analysis, the Appraiser relies on the data provided by the management or the assignor, which include the financial data, legality, information in the copy of the draft of Shareholders' Circular Resolutions, etc.
- The Appraiser has made the necessary review on the data received from the management for analyzing this transaction. The validity, reliability, and accuracy of such data are within the management's responsibility.
- Any change to the data and information known after the issuance date of the report of fairness opinion that may materially affect the fairness opinion is not under the Appraiser's responsibility. In the event of any other fact or information known after the issuance of the report of fairness opinion which may materially affect the fairness opinion, the Appraiser is not responsible for updating the fairness opinion in the future.
- This fairness opinion is compiled based on the market and economic condition, the general business and financial condition, and the government regulations applicable on the date of this fairness opinion.

- This fairness opinion shall be treated in its entirety. The partial use of the analysis and information, without considering the content of this fairness opinion in its entirety may lead to misleading views on the process underlying this fairness opinion.
- In analyzing the industries associated with the Company's business operations, the Appraiser has used the data obtained from external parties deemed to be credible.
- The Company's historical financial data are retrieved from the financial statements audited by an independent public accountant registered as the Financial Services Authority; therefore, the Appraiser did not make any confirmation and verification on the validity of the data presented in the financial statements.
- The Appraiser did not conduct any due diligence on the Company's taxation or its implication for the execution of the planned Transaction.
- The financial projections and the assumptions used in the calculation are obtained from the assignor, and adjustment have been made as required by to accommodate the preparation of the fairness opinion.
- This report of fairness opinion is made available to the public, except for the confidential information which may affect the Company's operations.
- The work of the Appraiser shall not be interpreted as or intended for an audit review or the implementation of particular procedures nor is it intended for disclosing the weaknesses in internal control, errors or violations in the financial statements, and/or legal violations.

v. Approaches and appraisal method

In compiling this Report of Fairness Opinion on this planned Transaction, the Appraiser used the approaches and appraisal method referring to FSA regulations, Indonesian Appraisal Standards and the Indonesian Appraisers' Code of Conduct that consist of:

- a. Analysis on the planned Transaction
- b. Qualitative and quantitative analyses on the planned Transaction
- c. Analysis on the fairness of the planned Transaction
- d. Analysis on other relevant factors

vi. Fairness Opinion on the Transaction

Based on the study and analysis conducted on all associated aspects for determining the positive impacts of this planned Transaction either qualitatively or quantitatively, the Appraiser is of the opinion that the planned Transaction is **fair**.

IV. BOARD OF DIRECTORS' STATEMENT

The Company's Board of Directors declares that this Transaction has been implemented through sufficient procedure and ensures that the Transaction is executed in accordance with the generally applicable business practices, i. e. the procedure to compare it with the terms and conditions of a 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 the Transaction is an Affiliated-Party Transaction which does not contain any conflict of interest as set forth in POJK 42/2020.

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, in addition to affirming that all material information regarding the 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 hereby 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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