

**THE DISCLOSURE OF INFORMATION TO THE SHAREHOLDERS OF  
PT MERDEKA COPPER GOLD TBK  
IN RELATION TO THE INCREASE OF CAPITAL WITHOUT PRE-EMPTIVE RIGHTS.**

This information is made and addressed to the shareholders of the Company in compliance with the Financial Services Authority (**Otoritas Jasa Keuangan** or “**OJK**”) Regulation No. 38/POJK.04/2014 on the Increase of Capital for Public Companies Without Pre-emptive Rights. (“**POJK 38**”).



**PT Merdeka Copper Gold Tbk  
(the “Company”)**

**Business Activities:**

Engages in the business of mining, mining services, data processing,  
trading, construction, transportation and services

Domiciled in South Jakarta, Jakarta, Indonesia.

**Head Office:**

The Convergence Indonesia, Lantai 20  
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The information contained in this Disclosure of Information is important to be read and understood by the Shareholders of the Company to reach a decision on the Company’s plan to conduct capital increase without Pre-Emptive Rights.

If you are having difficulty in understanding the information contained in this Disclosure of Information or are in doubt in making a decision, it is advisable to consult with your securities broker dealer, investment manager, legal counsel, public accountant, or other professional advisors.

The Board of Commissioners and the Board of Directors of the Company both individually and jointly, are fully responsible for the completeness and accuracy of all of the material information or facts contained herein and emphasize that the information disclosed in this Disclosure of Information are true and there is omission of material facts which may cause the material information in this Disclosure of Information to be inaccurate and/or misleading.

**This Disclosure of Information is published on 31 January 2019**

## IMPORTANT DATES AND INDICATIVE TIMETABLE

The estimated important dates in respect to the Capital Increase without Pre-Emptive Rights ("PMTHMETD") are stipulated as follows:

- |     |   |                  |
|-----|---|------------------|
| 1.  | Notification of the Plan to Convene an Extraordinary General Meeting of Shareholders ("EGMS") to the OJK  | 17 January 2019  |
| 2.  | Notification on the Addition of Meeting Agenda in the EGMS to OJK.  | 30 January 2019  |
| 3.  | Announcement of the Disclosure of Information in respect to the PMTHMETD in the Indonesian Stock Exchange ("IDX") website and the Company's website | 31 January 2019  |
| 4.  | Announcement of the Proposed EGMS in 1 (one) daily newspaper with national circulation, the IDX website, and the Company's website                  | 31 January 2019  |
| 5.  | End of registration ( <i>recording date</i> ) for shareholders entitled to attend in the EGMS   | 14 February 2019 |
| 6.  | EGMS invitation in 1 (one) daily newspaper, the IDX website and the Company's website   | 15 February 2019 |
| 7.  | Provide Additional Information on the Disclosure of Information (if any)  | 5 March 2019     |
| 8.  | Convening the EGMS  | 11 March 2019    |
| 9.  | Announcement of the EGMS results summary in 1 (one) daily newspaper, the IDX website and the Company's website                                      | 13 March 2019    |
| 10. | Submission of the proof of announcement of the summary of EGMS results to OJK and IDX   | 15 March 2019    |

## I. GENERAL

### A. General Description of the Company

The Company, previously established with the name of PT Merdeka Serasi Jaya, is a limited liability company duly established under and subject to the laws of the Republic of Indonesia pursuant to the Deed of Establishment No. 2 dated 5 September 2012, drawn before Ivan Gelium Lantu, S.H., M.Kn., Notary in Depok, which has been approved by the Minister of Law and Human Rights of the Republic of Indonesia (“**MOLHR**”) by virtue of its Decree No. AHU-48205.AH.01.01.Tahun 2012 dated 11 September 2012, registered in the Company Register of the Ministry of Law and Human Rights of the Republic of Indonesia (“**Ministry**”) under No. AHU-0081346.AH.01.09.Tahun 2012 dated 11 September 2012, and has been published in the State Gazette of the Republic of Indonesia No. 47 dated 11 June 2013, Supplement No. 73263.

After the Company completed its Limited Public Offering I for the Capital Increase By The Issuance Of Pre-Emptive Rights (“**Rights Issue I**”), the Company’s Articles of Association has been severally amended, as recently amended by Deed of Statement of Extraordinary General Meeting of Shareholders No. 22 dated 12 September 2018, drawn before Mala Mukti, S.H., LL.M., Notary in Jakarta, which has been notified to the MOLHR pursuant to the Letter of Notice Receipt on Amendment of Articles of Association No. AHU-AH.01.03-0241968 dated 13 September 2018, and registered in the Company Register of the Ministry under No. AHU-0120507.AH.01.11.Tahun 2018 dated 13 September 2018 (“**Deed No. 22/2018**”). Pursuant to Deed 22/2018, the shareholders of the Company have approved to increase the Company’s issued and paid-up capital as a result of the issuance of new shares of the Company in relation to the Rights Issue I, from Rp. 356,958,714,000 (three hundred fifty six billion nine hundred fifty eight million and seven hundred fourteen thousand Rupiah) divided into 3,569,587,140 (three billion five hundred sixty nine million five hundred eighty seven thousand and one hundred forty) shares each with the par value of Rp. 100, to Rp. 416,451,833,000 (four hundred sixteen billion four hundred fifty one million and eight hundred thirty three thousand Rupiah) divided into 4,164,518,330 (four billion one hundred forty six million five hundred eighteen thousand three hundred and thirty) shares each with the par value of Rp. 100, and therefore amending the provision under Article 4 paragraph 2 of the Articles of Association of the Company.

The Company is domiciled at The Convergence Indonesia, Lantai 20, Rasuna Epicentrum Boulevard, Jl. HR Rasuna Said, Karet Kuningan, Setiabudi, Jakarta 12940, Indonesia.

Pursuant to Article 3 of the Articles of Association of the Company, the Company engages in the business of mining, mining services, data processing, trading, construction, transportation and services.

### B. Capital Structure and Shares Ownership of the Company

Pursuant to: (i) Deed of Statement of Extraordinary General Meeting of Shareholders No. 37 dated 8 June 2018, drawn before Mala Mukti, S.H., LL.M., Notary in Jakarta, which has been approved by the MOLHR pursuant to Decision Letter No. AHU-0013157.AH.01.02.Tahun 2018 dated 28 June 2018, and registered in the Company Register of the Ministry under No. AHU-0083164.01.11.Tahun 2018 dated 28 June 2018 (“**Deed No. 37/2018**”); and (ii) Deed No. 22/2018, the capital structure of the Company is as follows:

Authorized Capital	:	Rp. 1,400,000,000,000
Issued Capital	:	Rp. 416,451,833,000
Paid-up Capital	:	Rp. 416,451,833,000

The authorized capital of the Company is divided into 14,000,000,000 shares, each with the par value of Rp. 100.

Pursuant to the Shareholders Register of the Company dated 31 December 2018, issued by PT Datindo Entrycom as the Shareholders Registrar of the Company, the shareholders of the Company are as follows:

DESCRIPTION	PAR VALUE OF RP100 PER SHARES		
	NUMBER OF SHARES	NOMINAL VALUE (Rp)	(%)
A. Authorized Capital	14,000,000,000	1,400,000,000,000	
B. Issued and Paid-up Capital			
1. PT Saratoga Investama Sedaya Tbk.	864,375,175	86,437,517,500	20.76
2. PT Mitra Daya Mustika	589,766,719	58,976,671,900	14.16
3. Garibaldi Thohir	364,813,023	36,481,302,300	8.76
4. PT Suwarna Arta Mandiri	293,294,900	29,329,490,000	7.04
5. Penda Kabupaten Banyuwangi	229,000,000	22,900,000,000	5.50
6. Public (each with ownership of less than 5%)	1,823,268,513	182,326,851,300	43.78
Total Issued and Paid-up Capital	4,164,518,330	416,451,833,000	100.00
C. Portfolio Shares	9,835,481,670	983,548,167,000	

### C. Composition of the Board of Commissioners and Board of Directors of the Company

Pursuant to Deed of Statement of Extraordinary General Meeting of Shareholders No. 62 dated 21 September 2018, drawn before Mala Mukti, S.H., LL.M., Notary in Jakarta, which has been notified to the MOLHR pursuant to the MOLHR Notice Receipt Letter on the Change of the Company's Data No. AHU-AH.01.03-0247254 dated 28 September 2018, and registered in the Company Register of the Ministry under No. AHU-0128096.AH.01.11.Tahun 2018 dated 28 September 2018 ("**Akta No. 62/2018**"), the composition of the Company's Board of Directors and Board of Commissioners until the date of this Disclosure of Information are as follows:

#### **Board of Commissioners**

President Commissioner	: Edwin Soeryadjaya
Commissioner	: Garibaldi Thohir
Commissioner	: Heri Sunaryadi
Commissioner	: Sakti Wahyu Trenggono
Independent Commissioner	: Mahendra Siregar
Independent Commissioner	: Dhohir Farizi

#### **Board of Directors**

President Director	: Tri Boewono
Vice President Director	: Richard Bruce Ness
Director	: Gavin Arnold Caudle
Director	: Hardi Wijaya Liong
Director	: Michael William P. Soeryadjaya
Director	: David Thomas Fowler
Director	: Colin Francis Moorhead
Independent Director	: Chrisanthus Supriyo

## **II. INFORMATION RELATING TO THE PROPOSED CAPITAL INCREASE WITHOUT PRE-EMPTIVE RIGHTS**

### **Purpose and Objectives of the PMTHMETD**

In order to carry out the business activities of the Company and its subsidiaries, the Company's management considers that it is essential to strengthen the Company's capital structure. In this instance, the Company intends to issue a maximum amount of 416,451,833 (four hundred sixteen million four hundred fifty one thousand eight hundred thirty three) shares or a maximum of 10% (ten percent) of the total issued and paid-up capital in the Company on the date of this Disclosure of Information ("**New Shares**") through the implementation of PMTHMETD conducted based on the approval of the Shareholders at the EGMS. Through the implementation of the PMTHMETD, the Company is expected to obtain an alternative source funding for the benefit of the Company and its subsidiaries.

### **New Shares and Price of New Shares**

In accordance with the POJK No. 38, the PMTHMETD shall only be carried out by the Company upon obtaining approval from the shareholders via the EGMS. The EGMS of the Company will be held with due observance of the procedures as regulated under the Financial Services Authority Regulation No. 32/POJK.04/2014 concerning The Plan and Implementation of a General Meeting of Shareholders for a Public Company as amended by Financial Services Authority Regulation No. 10/POJK.04/2017 regarding the Amendment to Financial Services Authority Regulation No. 32/POJK.04/2014 concerning The Plan and Implementation of a General Meeting of Shareholders for a Public Company. The PMTHMETD must be completed in 2 (two) years' time as from the date of the EGMS's approval of the PMTHMETD. Furthermore, the Company shall only increase a maximum of 10% (ten-percent) of the total issued and paid-up capital of the Company as of the date of this Disclosure of Information.

The exercise price on the issuance of the New Shares in relation to the implementation of the PMTHMETD shall refer to IDX Regulation No. I-A. concerning The Listing of Shares (Stock) and Equity-Type Securities Other Than Stock Issued by the Listed Company, as amended by the Decision of the Director of the Indonesian Stock Exchange No. Kep-Kep-00183/BEI/12-2018 dated 26 December 2018. The exercise price of the mentioned issuance of the Company's shares shall at least amount to 90% (ninety percent) of the average closing price of the Company's shares in the 25 (twenty-five) consecutive Trading Dates in the regular market before the date of the listing application of the New Shares resulting from the PMTHMETD to the IDX.

### **Capital and Shareholding Structures Before and After the Planned PMTHMETD**

In connection with the PMTHMETD, the Company may issue up to a maximum of 416,451,833 (four hundred sixteen million four hundred fifty one thousand eight hundred thirty three) shares or representing a maximum amount of 10% (ten percent) of the total issued and paid-up capital of the Company as at the date of this Disclosure of Information, amounting to a total of 4,164,518,330 (four billion one hundred sixty four million five hundred eighteen thousand three hundred thirty) shares, which shall be issued from the Company's unissued authorized capital with a nominal value of Rp. 100 (one hundred Rupiahs) per share.

The capital structure and shares ownership of the Company before and after the implementation of the PMTHMETD on a pro-forma basis is as follows:

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No.	SHAREHOLDERS	BEFORE PMTHMETD			AFTER PMTHMETD		
		NUMBER OF SHARES	NOMINAL VALUE (Rp)	%	NUMBER OF SHARES	NOMINAL VALUE (Rp)	%
<b>Authorized Capital</b>		14,000,000,000	1,400,000,000,000		14,000,000,000	1,400,000,000,000	
1.	PT Saratoga Investama Sedaya Tbk.	864,375,175	86,437,517,500	20.76	864,375,175	86,437,517,500	18.87
2.	PT Mitra Daya Mustika	589,766,719	58,976,671,900	14.16	589.766.719	58.976.671.900	12.87
3.	Garibaldi Thohir	364,813,023	36,481,302,300	8.76	364,813,023	36,481,302,300	7.97
4.	PT Suwarna Arta Mandiri	293,294,900	29,329,490,000	7.04	293,294,900	29,329,490,000	6.40
5.	Pemda Kabupaten Banyuwangi	229,000,000	22,900,000,000	5.50	229,000,000	22,900,000,000	5.00
6.	Public (each with ownership of less than 5%)	1,823,268,513	182,326,851,300	43.78	1,823,268,513	182,326,851,300	39.80
		-	-	-	416,451,833	41,645,183,300	9.09
<b>Total Issued and Paid-up Capital</b>		<b>4,164,518,330</b>	<b>416,451,833,000</b>	<b>100.00</b>	<b>4,580,970,163</b>	<b>458,097,016,300</b>	<b>100.00</b>
<b>Portfolio Shares</b>		<b>9,835,481,670</b>	<b>983,548,167,000</b>		<b>9,419,029,837</b>	<b>941,902,983,700</b>	

Furthermore, in line with POJK No. 38, the implementation of the issuance of the New Shares through the PMTHMETD must be completed within 2 (two) years as of the date of EGMS approving the PMTHMETD. The Company shall also publicly announce this plan and notify OJK with regard to the implementation of the PMTHMETD by the latest 5 (five) Working Days prior to the implementation of the PMTHMETD through (i) 1 (one) Indonesian daily newspaper with national circulation or the IDX website; and (ii) the Company's website.

#### **Use of Proceeds of the PMTHMETD**

The Company intends to use all of the net proceeds raised from the PMTHMETD for the requirement of the Company and/or its subsidiaries among others capital expenses, full/partial repayment of the financial obligations, working capital, and/or the funding of investment plan by the Company and/or its subsidiaries.

#### **The Impact of the PMTHMETD**

The issuance of the New Shares in the context of PMTHMETD will increase the amount of issued shares of the Company, which is expected to increase the liquidity of the traded Company shares. The implementation of PMTHMETD will also provide additional proceeds for the Company in order to support the Company's and its subsidiaries activities and strengthen the Company's capital structure. The mentioned benefits will indirectly increase the value of the company and add value to the Company's shareholders including public shareholders.

After the implementation of PMTHMETD becomes effective, the share ownership of the existing shareholders of the Company will be diluted to 9.09% (nine-point zero nine percent), however, the amount of shares owned by the existing shareholders of the Company will not be affected by the implementation of PMTHMETD.

#### **Analysis and Discussion on the Company's Financial Condition before and after the PMTHMETD**

In general, the implementation of the PMTHMETD will have a direct impact to the capital structure and liquidity of the Company's shares.

The consolidated financial proforma of the Company and its subsidiaries as described below, is prepared by the Company's management based on the consolidated financial position statement of the Company and its subsidiaries as of 30 September 2018, which was taken from the consolidated interim financial statement of the Company and its subsidiaries as of 30 September 2018 and the 9 (nine) months period which had ended in respect to the mentioned date. In preparing the mentioned proforma, the Company underlined the following assumptions:

- The closing price of the Company's shares per 30 January 2019 is Rp. 3,390;
- The Bank Indonesia Foreign Exchange middle rate as of 30 January 2019 is Rp14,112/1 USD; and
- The total amount of the Company's New Shares is assumed to be in the amount of 416,451,833 (four hundred sixteen million four hundred fifty-one thousand eight hundred thirty-three) shares.

The Company's and its subsidiaries consolidated financial proforma before and after the implementation of PMTHMETD is as follows:

REMARKS	PROFORMA BASED ON CONSOLIDATED FINANCIAL STATEMENT ON 30 SEPTEMBER 2018	
	BEFORE PMTHMETD (IN USD)	AFTER PMTHMETD (IN USD)
Cash and cash equivalents	48,295,107	148,335,620
Total Asset	695,388,372	795,428,885
Total Liabilities	284,811,025	284,811,025
Total Equity	410,577,347	510,617,860

Following the implementation of the PMTHMETD, the Company's and its subsidiaries total asset and total equity will increase each amounting to 14.39% dan 24.37%, originating from the proceeds obtained from the implementation of PMTHMETD. The liabilities to assets total ratio as of 30 September 2018 shall improve from 0.69x before PMTHMETD to 0.56x following the implementation of the PMTHMETD.

### III. STATEMENT AND RECOMMENDATION OF THE BOARD OF DIRECTORS AND THE BOARD OF DIRECTORS

- The information described in this Disclosure of Information have been approved by the Board of Commissioners and Board of Directors, who are responsible for the validity of the information, either severally and jointly. The Board of Commissioners and Board of Directors declare that all material information and opinions expressed in this Disclosure of Information is true and can be accounted for and there is no other information that has not been disclosed that can cause the material information in this Disclosure of Information to be incorrect or misleading.
- The Board of Commissioners and Directors of the Company have reviewed the PMTHMETD, including assessing the risks and benefits of the plan for the Company and all shareholders, and accordingly believe that the PMTHMETD is the best option for the Company and all shareholders. Therefore, based on the trust and confidence that the PMTHMETD is indeed the best option to achieve the benefits mentioned above, the Board of Directors and Board of Commissioners of the Company hereby recommend to the shareholders to approve the PMTHMETD as described in this Disclosure of Information.

### IV. ADDITIONAL INFORMATION

For more information on the above matters, please contact the Company during office hours at:

**PT Merdeka Copper Gold Tbk**

**Head Office:**

The Convergence Indonesia, Lantai 20  
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