

CIRCULAR DATED 8 NOVEMBER 2023

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

The purpose of this Circular is to provide information to shareholders of Metis Energy Limited (the “**Company**”) (“**Shareholders**”) in relation to, and to seek Shareholders’ approval for, the Proposed Disposal (as defined herein) to be tabled at the extraordinary general meeting of the Company (the “**EGM**”) to be held on 24 November 2023 by physical means. This Circular has been made available on SGXNet.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Circular together with the Notice of EGM and the accompanying Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements or opinions made or reports contained in this Circular.



METIS ENERGY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199006289K)

CIRCULAR TO SHAREHOLDERS

in relation to

**THE PROPOSED DISPOSAL OF SHARES IN THE CAPITAL OF PT KARIANGAU POWER
AS A MAJOR TRANSACTION AND AN INTERESTED PERSON TRANSACTION**

Independent Financial Adviser to the Independent Directors and Audit Committee in relation to the
Proposed Disposal as an Interested Person Transaction



W CAPITAL MARKETS PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201813207E)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form : 22 November 2023 at 9.30 a.m.
Date and time of the EGM : 24 November 2023 at 9.30 a.m.
Place of the EGM : The EGM will be held at MND Auditorium,
9 Maxwell Road, Annexe A, MND Complex,
Singapore 069112

CONTENTS

	PAGE
DEFINITIONS.....	2
CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS.....	8
LETTER TO SHAREHOLDERS	9
1. INTRODUCTION	9
2. THE PROPOSED DISPOSAL.....	10
3. VALUER, IFA AND AUDIT COMMITTEE STATEMENT	21
4. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTERESTS	23
5. DIRECTORS' RECOMMENDATIONS.....	24
6. ABSTENTION FROM VOTING.....	24
7. EXTRAORDINARY GENERAL MEETING	24
8. ACTIONS TO BE TAKEN BY SHAREHOLDERS	24
9. DOCUMENTS FOR INSPECTION	26
10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS.....	27
11. DIRECTORS' RESPONSIBILITY STATEMENT	27
APPENDIX A – VALUATION REPORT.....	A-1
APPENDIX B – IFA LETTER	B-1
NOTICE OF EXTRAORDINARY GENERAL MEETING	N-1
PROXY FORM	P-1

DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires:

“Announcement Date”	:	The date of the Company’s announcement of the Proposed Disposal, being 26 June 2023
“Assets Valuation Report”	:	The Valuer’s assets valuation report dated 29 August 2023 which sets out the assessed value of PT KP’s assets as of 7 August 2023
“Audit Committee”	:	The audit committee of the Company for the time being
“Bayan Group”	:	Collectively, Bayan Resources and its subsidiaries
“Bayan Resources”	:	PT Bayan Resources Tbk
“Board”	:	The board of Directors of the Company for the time being
“Business Valuation Report”	:	The Equity Valuer’s business valuation report dated 27 October 2023, which sets out, among others, the assessed value of PT KP Shares (based on the Valuer’s Assets Valuation Report) and PT KP’s unaudited financial statements as at 31 July 2023
“Buyer” or “Buyers”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 8 November 2023 in respect of the Proposed Disposal
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Company”	:	Metis Energy Limited
“Completion Date”	:	Has the meaning ascribed to it in Section 2.5(a) of this Circular
“Conditions Precedent”	:	Has the meaning ascribed to it in Section 2.5(a) of this Circular
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time

DEFINITIONS

“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
“CPF”	:	Central Provident Fund
“CPF Investors”	:	Investors who hold Shares purchased using their contributions pursuant to the CPFIS
“CPFIS”	:	Central Provident Fund Investment Scheme
“Dato’ Low”	:	Dato’ Low Tuck Kwong
“Directors”	:	The directors of the Company for the time being
“EGM”	:	The extraordinary general meeting of the Company, notice of which is set out in this Circular
“EPS”	:	Earnings per Share
“Equity Valuer”	:	An independent valuer, being KJPP Sarwono, Indriasari dan Rekan
“ERI”	:	Energy Resource Investment Pte. Ltd.
“Exchange Rate”	:	The foreign exchange rate between IDR and S\$ for the purposes of this Circular, which is based on a foreign exchange rate of IDR11,114.8160: S\$1 as at 23 June 2023 as extracted from the website of the Monetary Authority of Singapore
“FY”	:	The financial year ended 31 December
“gain on land”	:	Has the meaning ascribed to it in Section 2.8 of this Circular
“Gallant Power”	:	Gallant Power Pte. Ltd.
“Group”	:	The Company and its Subsidiaries
“HY2023”	:	The six-month financial period ended 30 June 2023

DEFINITIONS

“IFA”	:	W Capital Markets Pte. Ltd., the independent financial adviser to the Independent Directors and Audit Committee in relation to the Proposed Disposal
“IFA Letter”	:	The letter from the IFA dated 8 November 2023, as required under Chapter 9 of the Listing Manual, a copy of which is set out in Appendix B to this Circular
“Independent Directors”	:	Has the meaning ascribed to it in Section 3.2 of this Circular
“Indicative Valuation Report”	:	The Valuer’s indicative valuation report, setting out the indicative value of the PT KP Shares as at 2 May 2023
“Kaiyi”	:	Kaiyi Investment Pte. Ltd.
“Land Disposal”	:	Has the meaning ascribed to it in Section 2.8 of this Circular
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Circular, being 31 October 2023
“Listing Manual”	:	The listing manual of the SGX-ST
“market capitalisation”	:	Has the meaning ascribed to it in Section 2.8 of this Circular
“Notice of EGM”	:	The notice in respect of the EGM dated 8 November 2023 as attached to this Circular
“NTA”	:	Net tangible assets
“Ordinary Resolution”	:	The ordinary resolution set out in the Notice of EGM
“Proposed Disposal”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“PRC”	:	The People’s Republic of China
“Proxy Deadline”	:	Has the meaning ascribed to it in Section 8.1 of this Circular
“Proxy Form”	:	The proxy form in respect of the EGM as attached to this Circular
“PT DPP”	:	PT Dermaga Perkasapratama
“PT KP”	:	PT Kariangau Power

DEFINITIONS

“PT KP Shares”	:	Shares in the capital of PT KP
“Purchase Price”	:	Has the meaning ascribed to it in Section 2.5(c) of this Circular
“Questions Submission Cut-Off Date”	:	Has the meaning ascribed to it in Section 8.3 of this Circular
“Register of Members”	:	The register of members of the Company
“Renewable Energy Business”	:	Has the meaning ascribed to it in Section 2.6 of this Circular
“Sale Shares”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“Sale Shares Fair Value”	:	Has the meaning ascribed to it in Section 2.4 of this Circular
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“Seller” or “Sellers”	:	Has the meaning ascribed to it in Section 2.2 of this Circular
“SFA”	:	Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the Depositors whose Securities Accounts are credited with Shares
“Share Registrar”	:	The share registrar of the Company, B.A.C.S. Private Limited
“Shares”	:	Ordinary shares in the capital of the Company
“SLM Holding”	:	SLM Holding Pte Ltd
“SPA”	:	Has the meaning ascribed to it in Section 2.1 of this Circular
“SRS”	:	Supplementary Retirement Scheme

DEFINITIONS

“SRS Investors”	:	Investors who hold Shares purchased using their contributions pursuant to the SRS
“Subsidiaries”	:	Companies which are for the time being subsidiaries of the Company as defined by Section 5 of the Companies Act; and “Subsidiary” means each of them
“Substantial Shareholder”	:	A person (including a corporation) who holds directly or indirectly five per cent. (5%) or more of the issued share capital of the Company
“Valuer”	:	An independent valuer, being KJPP Jimmy Prasetyo & Rekan
“Valuation Report”¹	:	Consisting of: (a) the Assets Valuation Report; and (b) the Business Valuation Report

Currencies, units and others

“IDR”	:	Indonesian rupiah
“S\$” and “cents”	:	Singapore dollars and cents respectively
“%” and “per cent.”	:	Per centum or percentage

The terms **“Depositor”**, **“Depository”**, **“Depository Agent”**, **“Depository Register”** and **“Sub-Account Holder”** shall have the meanings ascribed to them, respectively, in Section 81SF of the SFA. The terms **“treasury shares”**, **“subsidiaries”** and **“subsidiary holdings”** shall have the meaning ascribed to them, respectively, in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, or the Listing Manual, or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Companies Act, the SFA, or the Listing Manual, or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

1 The Assets Valuation Report and the Business Valuation Report are to be read together. It should be noted that the independent valuation is based on various assumptions and limitations as set out in both the Assets Valuation Report and Business Valuation Report and Shareholders are advised to read the independent valuation referred to in this Circular and the IFA Letter in conjunction with the Assets Valuation Report and Business Valuation Report as set out in Appendix A to this Circular.

DEFINITIONS

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

Any reference in this Circular to “**we**”, “**our**”, “**us**” or their other grammatical variations is a reference to our Company, or our Group, or any member of our Group, as the context requires.

Any reference to a website or any website directly or indirectly linked to such websites in this Circular is not incorporated by reference into this Circular and should not be relied upon.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements other than statements of historical fact included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “**aim**”, “**seek**”, “**expect**”, “**anticipate**”, “**estimate**”, “**believe**”, “**intend**”, “**project**”, “**plan**”, “**potential**”, “**strategy**”, “**forecast**”, “**possible**”, “**probable**” and similar expressions or future or conditional verbs such as “**if**”, “**will**”, “**would**”, “**should**”, “**could**”, “**may**” or “**might**”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future results, performance, events or achievements and involve known and unknown risk and uncertainties. Accordingly, actual future results, performance, events or achievements may differ materially from those described in such forward-looking statements. Given the risks and uncertainties involved, Shareholders and investors should not place undue reliance on such forward-looking statements and information. The Company does not undertake any obligation to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

METIS ENERGY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199006289K)

Directors:

Tang Kin Fei (Executive Board Chairman and Interim CEO)
Ajaib Hari Dass (Lead Independent Director)
Tung Zhihong, Paul (Independent Director)
Lee Fook Choon (Independent Director)
Tan Tong Hai (Non-Executive Director and Non-Independent Director)

Registered Office:

133 New Bridge Road
#18-09 Chinatown Point
Singapore 059413

8 November 2023

To: The Shareholders of
Metis Energy Limited

Dear Sir/Madam

THE PROPOSED DISPOSAL OF SHARES IN THE CAPITAL OF PT KARIANGAU POWER AS A MAJOR TRANSACTION AND AN INTERESTED PERSON TRANSACTION

1. INTRODUCTION

1.1 EGM

The Directors are convening an EGM to be held on Friday, 24 November 2023 by physical means to seek Shareholders' approval by ordinary resolution for the proposed disposal of the PT KP Shares held by SLM Holding ("**Proposed Disposal**").

1.2 Circular to Shareholders

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for the Proposed Disposal to be tabled at the EGM. The Notice of EGM is set out on pages N-1 to N-2 of this Circular.

1.3 Legal Adviser

Drew & Napier LLC is the legal adviser to the Company as to Singapore law in relation to the subject matter of this Circular.

LETTER TO SHAREHOLDERS

2. THE PROPOSED DISPOSAL

2.1 Background

As announced by the Company on the Announcement Date, the Company's wholly-owned subsidiary SLM Holding has on 26 June 2023 entered into a conditional sale and purchase agreement ("**SPA**") with Bayan Resources, PT Bayan Energy, Gallant Power and Dato' Low and PT KP, pursuant to which, among others, each of SLM Holding and Dato' Low has agreed to sell, and Bayan Resources and PT Bayan Energy (each a "**Buyer**" and collectively, the "**Buyers**") have agreed to purchase, certain shares in the issued and paid-up share capital of PT KP, details of which are set out below:

Sellers	Buyers	No. of shares	As a percentage of the total issued share capital of PT KP
SLM Holding	Bayan Resources and PT Bayan Energy	397,785 (such shares, the " Sale Shares ")	86.11%
Gallant Power		30,408	6.58%
Dato' Low		33,750	7.31%
	Total:	461,943	100%

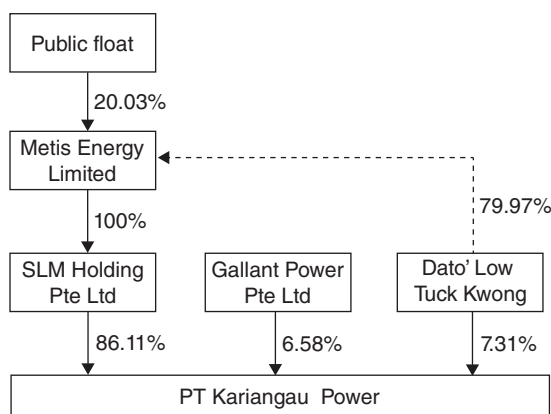
There are no differences between the terms of the proposed sales by SLM Holding of shares in PT KP vis-à-vis the proposed sales by Gallant Power and Dato' Low of shares in the issued and paid-up share capital of PT KP.

The Sale Shares amount to approximately 86.11% of the issued share capital of PT KP, and comprise the whole of the Company's indirect shareholding in the issued share capital of PT KP. PT KP will cease to be an indirect subsidiary of the Company on completion of the Proposed Disposal.

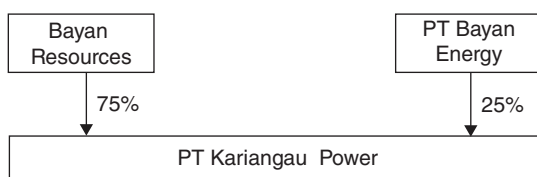
LETTER TO SHAREHOLDERS

Please refer to Section 2.10 of this Circular and the shareholding diagrams set out below for more details of the relationships of Dato' Low and his Associates before and after the Proposed Disposal:

Before the Proposed Disposal



After the Proposed Disposal



2.2 Information on PT KP

PT KP is a limited liability company duly established under the laws of Indonesia in 2007, and has an issued and paid-up share capital of IDR461,943,000,000 comprising 461,943 ordinary shares. The principal business activities of PT KP relate to the operations of a coal-fired steam power plant in the Kariangau industry area, Balikpapan, East Kalimantan, Indonesia.

As at the Latest Practicable Date, PT KP is an indirect subsidiary of the Company and the Company indirectly holds 86.11% of the issued share capital of PT KP.

Dato' Low and Gallant Power, who each holds 7.31% and 6.58% shareholding interest in PT KP respectively, have also agreed to sell his and its respective shareholding interest in PT KP to the Buyers (each of SLM Holding, Dato' Low and Gallant Power a "Seller", and collectively, the "Sellers").

2.3 Information on the Buyers

(a) Information on the Bayan Group

Bayan Resources, is a limited liability company incorporated in Indonesia and is listed on the Indonesia stock exchange. Bayan Resources and its subsidiaries (collectively, the "Bayan Group") are engaged in open cut mining of various coal quality from mines located primarily in East and South Kalimantan. As an integrated coal producer in Indonesia, the Bayan Group through its various mines, produces coal ranging from semi-soft coking coal to environmentally friendly low sulphur, sub-bituminous coal.

LETTER TO SHAREHOLDERS

The Company's controlling shareholder, Dato' Low, owns 60.98% of Bayan Resources and is also a controlling shareholder of Bayan Resources. Bayan Resources is deemed to be an "interested person" under Chapter 9 of the Listing Manual. Please see Sections 2.10(a) and 2.10(b) of this Circular for further details.

(b) Information on PT Bayan Energy

PT Bayan Energy, is a limited liability company incorporated in Indonesia and its principal business activity is investment holding.

Bayan Resources holds 99.99% shareholding interest in PT Bayan Energy. The Company's controlling shareholder, Dato' Low, is also a controlling shareholder of Bayan Resources. Accordingly, PT Bayan Energy is deemed to be an "interested person" under Chapter 9 of the Listing Manual. Please see Sections 2.10(a) and 2.10(b) of this Circular for further details.

2.4 Value of the Sale Shares and Information on the Valuer and Equity Valuer

Based on the latest consolidated audited financial statements of the Group for FY2022:

- (a) the book value of the Sale Shares is approximately IDR132,088,474,000 (which is approximately S\$11,884,000); and
- (b) the net tangible asset value attributable to the Sale Shares is approximately IDR132,088,474,000 (which is approximately S\$11,884,000).

Based on the latest announced condensed interim financial statements (unaudited) for HY2023:

- (i) the book value of the Sale Shares is approximately IDR135,456,263,000 (which is approximately S\$12,187,000); and
- (ii) the net tangible asset value attributable to the Sale Shares is approximately IDR135,456,263,000 (which is approximately S\$12,187,000).²

In connection with the Proposed Disposal, the Company had appointed (A) the Valuer, KJPP Jimmy Prasetyo & Rekan, as an independent valuer to assess the value of PT KP's assets, and (B) the Equity Valuer, KJPP Sarwono, Indriasari dan Rekan, as an independent valuer to assess the market value of the PT KP Shares, and to issue the Assets Valuation Report and the Business Valuation Report respectively, as set out in Appendix A to this Circular. The valuation on the market value of the PT KP Shares conducted by the Equity Valuer was based on market value using the asset approach with adjusted book value method and the Valuer's Assets Valuation Report. The Equity Valuer has confirmed that the Business Valuation Report has adhered to Practice Note ("Practice Note 2: Minimum Disclosure Requirements for Summary Valuation Letters") on what should be contained in summary valuation letters. Based on such Business Valuation Report of the Equity Valuer, the finalised value of the PT KP Shares as at 31 July 2023 was estimated to

2 There are no impairment losses recognised for the Company's investment in PT KP, apart from the impairment of intangible assets and the write-down of the power plant, infrastructure, and machinery and equipment for their respective recoverable amounts under the power plant's segment over the past financial years. The impairment and write-down of intangible assets, power plant, infrastructure, and machinery and equipment for the past three (3) years were S\$11,699,227 for FY2020, S\$12,628,195 for FY2021 and S\$9,092,853 for FY2022.

LETTER TO SHAREHOLDERS

be approximately IDR162,033,000,000³ (which is approximately S\$14,578,000). Consequently, based on the assessed value of the PT KP Shares as set out in such Business Valuation Report of the Equity Valuer, the valuation of the Sale Shares as at 31 July 2023 is estimated to be approximately IDR139,528,680,000 (which is approximately S\$12,553,000) (the “**Sale Shares Fair Value**”). Accordingly, the Purchase Price of IDR151,629,092,135 (which is approximately S\$13,642,000) for the Sale Shares represents a premium of approximately 8.67% of the Sale Shares Fair Value.⁴

2.5 Salient Terms of the SPA

(a) Conditions Precedent

The Proposed Disposal is conditional upon:

- (i) each of the Sellers and PT KP obtaining all approvals, consents and permits required to enter into and complete the transaction contemplated in the SPA:
 - (A) based on their deed of establishment, articles of association, articles of incorporation, or other corporate documents and any amendments or modifications to them; and
 - (B) from any government (or any political or administrative subdivision thereof), whether national, provincial, or local, and any department, ministry, agency, office, commissioner, delegate, instrumentality, board, court, central bank, or other authority thereof, including without limitation any entity directly or indirectly owned or controlled thereby or any regulatory body, including the obtainment of the approval of the shareholders of the Company to the sale of the Sale Shares by SLM Holding to the Buyers as required under the Listing Manual;
- (ii) PT KP passing a unanimous written resolution of shareholders resolving to approve:
 - (A) the sale and purchase of the PT KP Shares from the Sellers to the Buyers;
 - (B) the change of compositions of the board of directors and board of commissioners of PT KP to appoint the person nominated by the Buyers; and
 - (C) waivers of pre-emptive rights⁵ from the other shareholders of PT KP in relation with the transfer of PT KP Shares to the Buyers; and
- (iii) as required by Article 127 of the Indonesian Company Law, PT KP announcing:
 - (A) in a nationally circulated newspaper; and

3 Based on the Indicative Valuation Report, the indicative value of the PT KP Shares as at 2 May 2023 was estimated to be approximately IDR162,040,000,000 (which is approximately S\$14,579,000).

4 Each of the Valuer and Equity Valuer has taken into account any material event that might have occurred after the respective valuation dates, and in this regard, the Board, the Valuer, the Equity Valuer, and the IFA are satisfied that there are no material changes to the value of PT KP from 31 July 2023 till 7 August 2023 since no adjusting events have been noted for the period from the valuation cut-off date (being 31 July 2023) till 7 August 2023.

5 A pre-emptive right is a right that requires an existing shareholder in a company to offer to sell its shares to the other existing shareholders prior to offering to sell such shares to third parties.

LETTER TO SHAREHOLDERS

(B) to the employees of PT KP,

that the Buyers will acquire the PT KP Shares,

(collectively, the “**Conditions Precedent**”).

The Sellers and PT KP shall use reasonable endeavours to ensure the satisfaction of the Conditions Precedent as soon as reasonably practicable and, in any event, before or on the Completion Date (as defined below). Subject to the fulfilment or waiver of the Conditions Precedent in accordance with the SPA, the parties to the SPA shall proceed to completion of the Proposed Disposal on 29 September 2023 or at such other time or date as may be agreed in writing amongst the parties to the SPA (“**Completion Date**”).

In the event that:

- (A) any of the Conditions Precedent shall not have been fulfilled or validly waived before or on the Completion Date;
- (B) there is any material breach of the Sellers’ or PT KP’s material obligations under the SPA (including pre-completion obligations contained or referred to in Schedule 3 of the SPA, and the completion obligations contained or referred to in Schedule 4 of the SPA) based on the Buyers’ determination of materiality;
- (C) any fact, matter, or event (whether existing or occurring on or before the date of the SPA or arising or occurring afterwards) comes to the notice of the Buyers at the completion or any time prior to the completion which would constitute a material breach of any of the warranties based on the Buyers’ determination of materiality; or
- (D) any fact, matter or event comes to the notice of the Buyers which affects or is likely to affect in a materially adverse manner the business, financial position, or prospects of PT KP;

then:

- (I) the Buyers shall not be bound and shall have no further obligation to proceed with the purchase of the Sale Shares, and the Buyers may issue a notice of termination in writing to the Sellers and PT KP; and
- (II) upon the issuance of the termination notice referred to in Section 2.5(I) above, the SPA shall cease to be of any effect, save for those clauses which are expressed to survive its termination or expiry, or which from their nature or context it is contemplated that they are to survive termination and any provision of the SPA necessary for its interpretation or enforcement (which shall remain in force) and save in respect of claims arising out of any antecedent breach of the SPA.

LETTER TO SHAREHOLDERS

(b) Condition Subsequent

Upon completion on the Proposed Disposal, Bayan Resources and PT KP shall enter into a loan agreement for an amount of US\$3,260,996 (which is approximately S\$4,397,000⁶) which shall be advanced by Bayan Resources to PT KP solely for the purpose of repaying the outstanding loan/debt due from PT KP to the Company on or immediately after completion of the Proposed Disposal. The amount of US\$3,260,996⁷ represents the total loan outstanding due from PT KP to the Company, and that there are no other outstanding loans, debts or liabilities due from PT KP to the Company or the Group after completion of the Proposed Disposal. After completion of the Proposed Disposal and repayment of the aforementioned loan agreement, PT KP will no longer have any contract remaining with the Company or the Group.

(c) Purchase Price

On completion of the Proposed Disposal, the purchase price to be paid by the Buyers to SLM Holding for the sale of the Sale Shares under the SPA is IDR151,629,092,135 (which is approximately S\$13,642,000) (the “**Purchase Price**”).

The Purchase Price was arrived at on a willing-buyer, willing-seller basis, after taking into account prevailing market conditions, the value of the Sale Shares as disclosed in Section 2.4 of this Circular, the Indicative Valuation Report and the rationale for the Proposed Disposal as disclosed in Section 2.6 of this Circular.

2.6 Rationale for the Proposed Disposal

The Board is of the view that the Proposed Disposal is in the best interests of the Company and its Shareholders as PT KP is in the coal-fired power plant business and the Proposed Disposal is in line with the Company’s intention to diversify into the renewable energy business comprising on-grid and off-grid renewable energy business segments and selective clean energy power projects, with a focus on the Asia (primarily in Vietnam, Indonesia, the Philippines and Bangladesh) and Australia in the initial years between 2022 and 2025 (the “**Renewable Energy Business**”).

2.7 Use of Proceeds

It is intended that the net proceeds from the Proposed Disposal (which is estimated to be approximately S\$13,270,000) will be deployed as capital expenditure, development cost, and working capital for the Renewable Energy Business. If there is significant deviation from the aforementioned stated use of proceeds, the Company will announce the reasons for such deviation.

6 Based on a foreign exchange rate of US\$1: S\$1.3483 as at 23 June 2023 as extracted from the website of the Monetary Authority of Singapore.

7 Comprising the outstanding principal loan amount of US\$3,260,996 and nil outstanding accrued interest.

LETTER TO SHAREHOLDERS

2.8 Chapter 10 of the Listing Manual

The relative figures for the Proposed Disposal, computed on the bases set out in Rule 1006 of the Listing Manual and based on the Group's latest announced (a) audited financial statements for FY2022; and (b) condensed interim financial statements (unaudited) for HY2023 are set out below:

Rule 1006	Bases	Relative Figures (%) ⁽¹⁾	
		FY2022	HY2023 ⁽²⁾
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	15.8% ⁽³⁾	15.4% ⁽⁴⁾
(b)	Net loss attributable to the assets disposed of, compared with the Group's net loss	79.9% ⁽⁵⁾	32.1% ⁽⁶⁾
(c)	Aggregate value of the consideration ⁽⁷⁾ received compared with the Company's market capitalisation ⁽⁸⁾ of approximately S\$153,130,000 based on the total number of issued shares in the Company, excluding treasury shares.	9.0%	
(d)	Number of equity securities issued by the Company as consideration for the Proposed Disposal, compared with the number of equity securities previously in issue	Not applicable ⁽⁹⁾	
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable ⁽¹⁰⁾	

Notes:

- (1) Percentage figures are rounded to the nearest one (1) decimal place.
- (2) The Group's condensed interim financial statements (unaudited) for HY2023 were announced by the Company on 8 August 2023, and accordingly, the relative figures of the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual based on the Group's condensed interim financial statements (unaudited) for HY2023 have been included in this Circular.
- (3) The relative figure was derived from the net asset value of assets to be disposed of S\$14,441,000 divided by the Group's net asset value of S\$91,217,000.
- (4) The relative figure was derived from the net asset value of assets to be disposed of S\$14,583,000 divided by the Group's net asset value of S\$94,750,000.
- (5) PT KP had on 9 December 2021 entered into a conditional land sale and purchase agreement with PT DPP, a subsidiary of Bayan Resources, for the sale of two remaining vacant land parcels in East Kalimantan ("Land Disposal"). On 9 March 2022, the shareholders of the Company approved the Land Disposal at an extraordinary general meeting. The Land Disposal was completed on 15 March 2022 and the Group recognised a gain on sale of land parcels, net of tax of approximately S\$18,506,000 ("gain on land"). The gain on land has not been included in the computation of the relevant figures for the Proposed Disposal as it does not form part of the assets to be disposed of. Accordingly, the adjusted net loss attributable to the assets to be disposed and the adjusted Group's net loss as at 31 December 2022 were S\$11,181,000 and S\$13,994,000 respectively. If the gain on land was to be included in the computation of the relevant figures for the Proposed Disposal, the relevant figures would be 162.3% (being S\$7,325,000 divided by S\$4,512,000).
- (6) The relative figure was derived from the net profit attributable to the assets to be disposed of S\$198,000 divided by the Group's net profits of S\$616,000.

LETTER TO SHAREHOLDERS

- (7) The Purchase Price is approximately S\$13,642,000 based on the Exchange Rate.
- (8) “**market capitalisation**” is calculated by the number of ordinary shares in the capital of the Company (excluding treasury shares) multiplied by the volume weighted average market price of S\$0.051 per share as at 23 June 2023, being the market day immediately preceding the date of the SPA.
- (9) Not applicable, as the Company is not issuing any equity securities as consideration.
- (10) Not applicable, as the Company is not a mineral, oil and gas company.

As one of the relative figures computed based on Rule 1006(a) of the Listing Manual for the Proposed Disposal exceeds 20%, the Proposed Disposal would constitute a “major transaction” under Chapter 10 of the Listing Manual. Accordingly, the approval of Shareholders is required in respect of the Proposed Disposal.

2.9 Financial Effects of the Proposed Disposal

(a) Illustrative Nature of Financial Effects

The financial effects of the Proposed Disposal on the NTA per share and EPS of the Company have been prepared based on the Group’s audited financial statements for FY2022. The financial effects below are purely for illustrative purposes and are not intended to reflect the actual future financial performance or position of the Group after completion of the Proposed Disposal.

(b) NTA

Assuming that the Proposed Disposal had been effected on 31 December 2022 (being the end of the most recently completed financial year of the Group), the effects on the NTA per share of the Company would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$ million)	84.89 ⁽¹⁾	86.65 ⁽²⁾
Number of ordinary shares (million)	3,001	3,001
NTA per ordinary share (cents)	2.83 ⁽³⁾	2.89 ⁽⁴⁾

Notes:

- (1) The NTA of S\$84.89 million before the Proposed Disposal was derived from the equity attributable to owners of the Company of S\$91,217,000 deducted by the intangible assets of S\$6,329,000.
- (2) Derived from the equity attributable to owners of the Company of S\$92,975,000 deducted by the intangible assets of S\$6,329,000. The NTA of S\$86.65 million includes the Profit on the Proposed Disposal of S\$1,758,000 as computed in Section 2.9(d) of this Circular.
- (3) The NTA per ordinary share (cents) before the Proposed Disposal was derived by dividing the NTA of S\$84.89 million over the number of ordinary shares of 3,000,701,100 and multiplying by 100.
- (4) The NTA per ordinary share (cents) before the Proposed Disposal was derived by dividing the NTA of S\$86.65 million over the number of ordinary shares of 3,000,701,100 and multiplying by 100.

LETTER TO SHAREHOLDERS

(c) **EPS**

Assuming that the Proposed Disposal had been effected on 1 January 2022 (being the beginning of the most recently completed financial year of the Group), the effects of the Proposed Disposal on the EPS of the Company would be as follows:

	Before the Proposed Disposal	After the Proposed Disposal
Profit attributable to shareholders (S\$ million)	4.51	6.61
Weighted average no. of ordinary shares – Basic (million)	3,001	3,001
EPS (cents) – Basic	0.15	0.22

(d) **Profit on the Proposed Disposal**

FY2022

Based on the audited consolidated financial statements of the Group for FY2022, the net loss attributable to the Sale Shares for FY2022 is S\$11,181,000⁸.

The Purchase Price constitutes a gain of approximately S\$1,758,000 over the book value of the Sale Shares as at 31 December 2022.

The Proposed Disposal will result in a gain on disposal of approximately S\$1,758,000, which was derived by subtracting the book value of the Sale Shares as at 31 December 2022 (being approximately S\$11,884,000) from the Purchase Price (being approximately S\$13,642,000).

HY2023

Based on the Group's latest announced condensed interim financial statements (unaudited) for HY2023, the net profit attributable to the Sale Shares for HY2023 is S\$198,000⁹.

The Purchase Price constitutes a gain of approximately S\$1,455,000 over the book value of the Sale Shares as at 30 June 2023.

The Proposed Disposal will result in a gain on disposal of approximately S\$1,455,000, which was derived by subtracting the book value of the Sale Shares as at 30 June 2023 (being approximately S\$12,187,000) from the Purchase Price (being approximately S\$13,642,000).

8 Please refer to note (5) to the table set out in Section 2.8 above. The net loss attributable to the Sales Shares was derived from the net loss incurred by PT KP for FY2022.

9 Please refer to note (6) to the table set out in Section 2.8 above. The net profit attributable to the Sales Shares was derived from the net profit obtained by PT KP for HY2023.

LETTER TO SHAREHOLDERS

2.10 The Proposed Disposal as an Interested Person Transaction

(a) Details of the Interested Persons

(i) Dato' Low

As at the Latest Practicable Date, Dato' Low has a total interest (direct and deemed) of 79.97% of the total issued share capital of the Company, and is therefore considered a "controlling shareholder" of the Company under the Listing Manual and hence an "interested person" under Chapter 9 of the Listing Manual.

(ii) Gallant Power

As at the Latest Practicable Date, Elaine Low (who is the daughter of Dato' Low) has a total interest (direct and deemed) of 100% of the total issued share capital of Gallant Power. As a result of Elaine Low's interest in Gallant Power, Gallant Power is considered an "associate" of Dato' Low (being a controlling shareholder of the Company), and consequently, an "interested person" under Chapter 9 of the Listing Manual.

(iii) Bayan Resources

As at the Latest Practicable Date:

- (A) Dato' Low has a total interest (direct and deemed) of 79.97% of the total issued share capital of the Company;
- (B) Low Yi Ngo (who is the son of Dato' Low) a total interest (direct and deemed) of 61.84% of the total issued share capital of the Company;
- (C) Dato' Low and Low Yi Ngo own 60.98% and 0.18% of Bayan Resources respectively and are on the board of Bayan Resources; and
- (D) accordingly, Bayan Resources is considered an "associate" of Dato' Low, and consequently, an "interested person" under Chapter 9 of the Listing Manual.

(iv) PT Bayan Energy

As at the Latest Practicable Date:

- (A) Dato' Low has a total interest (direct and deemed) of 79.97% of the total issued share capital of the Company;
- (B) Low Yi Ngo (who is the son of Dato' Low) a total interest (direct and deemed) of 61.84% of the total issued share capital of the Company;
- (C) Dato' Low and Low Yi Ngo own 60.98% and 0.18% of Bayan Resources respectively and are on the board of Bayan Resources;
- (D) Bayan Resources owns 99.99% of PT Bayan Energy; and

LETTER TO SHAREHOLDERS

- (E) accordingly, PT Bayan Energy is considered an “associate” of Dato’ Low, and consequently, an “interested person” under Chapter 9 of the Listing Manual.

Please refer to Section 2.1 of this Circular for an illustrative diagram of the shareholdings of Dato’ Low and his associates before and after the Proposed Disposal.

(b) Interested Person Transaction

Accordingly, the Proposed Disposal, which is a transaction amongst Bayan Resources, PT Bayan Energy, Dato’ Low and Gallant Power (each an “interested person”) and SLM Holding (being an “entity at risk”), constitutes an “interested person transaction” under Chapter 9 of the Listing Manual.

The value of the Proposed Disposal, being the amount at risk to the Company, is the Purchase Price of IDR151,629,092,135 (which is approximately S\$13,642,000), represents approximately 16% of the Group’s latest audited NTA as at 31 December 2022. As the value of the Proposed Disposal exceeds 5% of the Group’s latest audited NTA, the Proposed Disposal is, pursuant to Rule 906 of the Listing Manual, subject to the approval of the independent Shareholders being obtained at an extraordinary general meeting of the Company to be convened.

(c) Total Value of All Interested Person Transactions for the Current Financial Year

(i) Dato’ Low

The total value of all interested person transactions entered into by the Group with Dato’ Low (excluding the Proposed Disposal) for the current financial year beginning 1 January 2023 and up to the Latest Practicable Date is nil.

(ii) Gallant Power

The total value of all interested person transactions entered into by the Group with Gallant Power (excluding the Proposed Disposal) for the current financial year beginning 1 January 2023 and up to the Latest Practicable Date is nil.

(iii) Bayan Resources

The total value of all interested person transactions entered into by the Group with Bayan Resources (including those transactions within the general mandate as had been approved by the shareholders of the Company but excluding the Proposed Disposal) for the current financial year beginning 1 January 2023 and up to the Latest Practicable Date is nil.

(iv) PT Bayan Energy

The total value of all interested person transactions entered into by the Group with PT Bayan Energy (including those transactions within the general mandate as had been approved by the shareholders of the Company but excluding the Proposed Disposal) for the current financial year beginning 1 January 2023 and up to the Latest Practicable Date is nil.

LETTER TO SHAREHOLDERS

(v) **All**

The total value of all interested person transactions entered into by the Group (including those transactions within the general mandate as had been approved by the shareholders of the Company but excluding the Proposed Disposal) for the current financial year beginning 1 January 2023 and up to the Latest Practicable Date is approximately S\$5,614,000. The renewal of the Company's shareholders' mandate for interested person transactions was approved by Shareholders on 27 April 2023.

2.11 Directors' Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person in connection with the Proposed Disposal.

3. VALUER, IFA AND AUDIT COMMITTEE STATEMENT

3.1 Independent Valuer

As mentioned in Section 2.4 of this Circular, the Company has appointed (A) the Valuer, KJPP Jimmy Prasetyo & Rekan, as an independent valuer to assess the value of PT KP's assets, and (B) the Equity Valuer, KJPP Sarwono, Indriasari dan Rekan, as an independent valuer to assess the value of the PT KP Shares, and to issue the respective valuation reports as set out in Appendix A to this Circular, whereby the valuations were performed in accordance with the provisions of Kode Etik Penilaian Indonesia (Indonesian Valuation Code Ethics) and Standar Penilaian Indonesia (Indonesian Standard of Valuation), which are the relevant recognised valuation standards in Indonesia and are recognised by the relevant Indonesian professional body or government authority.

Each of the Valuer and Equity Valuer is a member of the Professional Society of Indonesian Appraiser (MAPPI) in Indonesia, which is equivalent to the Institute of Valuers and Appraisers, Singapore. The Valuer has obtained its business license as Kantor Jasa Penilai Publik (Public Appraisal Service Firm) from Ministry of Finance No. 2.09.0031, and the partners of the Valuer obtained their respective licenses as public appraiser from the Minister of Finance of Indonesia. The Equity Valuer is an independent appraiser which obtained its valuation service license from Ministry of Finance No. 2.09.0063 dated 11 September 2009 and its latest valuation service license was obtained from Ministry of Finance No. 2.18.0156 dated 23 August 2018.

Each of the Valuer and the Equity Valuer is a public appraisal firm with more than five (5) years of experience in valuing similar assets, having the competency and the relevant experience to conduct valuation on assets such as the PT KP's assets and the PT KP Shares respectively. Please refer to page 1 of the Assets Valuation Report set out in Appendix A for further details of the Valuer's background information and relevant experience and page 5 of the Business Valuation Report set out in Appendix A for further details of the Equity Valuer's background information and relevant experience.

LETTER TO SHAREHOLDERS

3.2 Independent Financial Adviser

The Company has appointed the IFA, W Capital Markets Pte. Ltd., as an independent financial adviser pursuant to Rule 921(4) of the Listing Manual as well as to advise Directors who are independent for the purposes of the Proposed Disposal (the “**Independent Directors**”) and the Audit Committee on the Proposed Disposal as an interested person transaction.

Having regard to the considerations set out in the IFA Letter as set out in Appendix B to this Circular and the information available to the IFA as at the Latest Practicable Date, the IFA is of the opinion that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

3.3 Audit Committee Statement

The Audit Committee has considered, amongst others, the terms, rationale and benefits of the SPA, and the opinion of the IFA as set out in the IFA Letter in Appendix B, and is of the view that the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

3.4 Valuer’s Consent

The Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto and the Assets Valuation Report reproduced in Appendix A, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

3.5 Equity Valuer’s Consent

The Equity Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto and the Business Valuation Report reproduced in Appendix A, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

3.6 IFA’s Consent

The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto and the IFA Letter reproduced in Appendix B, in the form and context in which it appears in this Circular and to act in such capacity in relation to this Circular.

LETTER TO SHAREHOLDERS

4. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in issued voting Shares are as follows:

	Direct Interest		Deemed Interest		Total
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	% ⁽¹⁾
Directors					
Tang Kin Fei	25,000,000	0.83	–	–	0.83
Ajaib Hari Dass	–	–	–	–	–
Tung Zhihong, Paul	–	–	–	–	–
Lee Fook Choon	588,800	0.02	–	–	0.02
Tan Tong Hai ⁽²⁾	–	–	40,000,000	1.33	1.33
Substantial Shareholders (other than Directors)					
Dato' Dr. Low Tuck Kwong ⁽³⁾	373,637	0.01	2,400,639,590	79.96	79.97
Wong Kai Lai ⁽⁴⁾	–	–	831,736,700	27.70	27.70
Low Yi Ngo ⁽⁵⁾	5,980,200	0.20	1,849,521,700	61.60	61.80
Elaine Low ⁽⁶⁾	–	–	1,849,521,700	61.60	61.60
Energy Resource Investment Pte. Ltd.	830,046,700	27.64	–	–	27.64
Kaiyi Investment Pte Ltd	1,019,475,000	33.95	–	–	33.95

Notes:

- (1) The shareholding interest is calculated based on the total issued and paid-up share capital of the Company comprising 3,002,556,100 Shares (excluding treasury Shares) as at the Latest Practicable Date.
- (2) Mr Tan Tong Hai is deemed interested in 40,000,000 shares which are registered in the name of DBS Nominees Singapore Pte Ltd.
- (3) Dato' Dr. Low Tuck Kwong is deemed interested in 2,400,639,590 shares, of which (i) 549,427,890 shares are registered in the name of Raffles Nominees (Pte) Limited, (ii) 1,690,000 shares are held by his spouse, registered in the name of Citibank Nominees Singapore Pte Ltd, (iii) 830,046,700 shares are held by ERI through the 33.3% shareholding interest in ERI held by his spouse, and (iv) 1,019,475,000 shares are held by Kaiyi through his 10.46% shareholding interest in Kaiyi and 16.16% shareholding interest in Kaiyi held by his spouse.
- (4) Madam Wong Kai Lai is the spouse of Dato' Dr. Low Tuck Kwong. She is deemed interested in 831,736,700 shares of which (i) 1,690,000 shares are registered in the name of Citibank Nominees Singapore Pte Ltd and (ii) 830,046,700 shares are held by ERI through her 33.3% shareholding interest in ERI.
- (5) Mr Low Yi Ngo is deemed interested in (i) the 830,046,700 shares held by ERI through his 33.3% shareholding interest in ERI and (ii) the 1,019,475,000 shares are held by Kaiyi through his 34.22% shareholding interest in Kaiyi.
- (6) Ms Elaine Low is deemed interested in (i) the 830,046,700 shares through her 33% shareholding interest in ERI and (ii) the 1,019,475,000 shares through her 34.22% shareholding interest in Kaiyi.

LETTER TO SHAREHOLDERS

5. DIRECTORS' RECOMMENDATIONS

Having considered the rationale for and benefits of the Proposed Disposal, the advice and opinion of the IFA in the IFA Letter, and the statement of the Audit Committee, the Directors are of the opinion that the Proposed Disposal is in the best interests of the Company. Accordingly, the Directors recommend that the Shareholders vote in favour of the Ordinary Resolution in relation to the Proposed Disposal (set out in the Notice of EGM on pages N-1 to N-2 of this Circular) to be proposed at the EGM.

6. ABSTENTION FROM VOTING

6.1 Rule 919 of the Listing Manual

Pursuant to Rule 919 of the Listing Manual, in a meeting to obtain shareholder approval, an interested person and any associate of the interested person must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given.

6.2 Proposed Disposal

Dato' Low will abstain, and will procure that his associates (being ERI, Kaiyi, Low Yi Ngo, Elaine Low and Wong Kai Lai, who are shareholders of the Company) will abstain, from voting at the EGM in relation to the Proposed Disposal, and will not accept appointments as proxies unless the independent Shareholders appointing them as proxies give specific instructions in the relevant Proxy Form on the manner in which they wish their votes to be cast for the Ordinary Resolution relating to the Proposed Disposal. The Company will disregard any votes cast by Dato' Low and his associates on the Ordinary Resolution relating to the Proposed Disposal.

7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in this Circular, will be held at MND Auditorium, 9 Maxwell Road, Annexe A, MND Complex, Singapore 069112 on Friday, 24 November 2023 at 9.30 a.m. for the purpose of considering and, if thought fit, passing the Ordinary Resolution set out in the Notice of EGM.

In compliance with Rule 704(16)(b) of the Listing Manual, the Company will announce among others, details of parties who are required to abstain from voting on any resolution(s), including the number of Shares held and the individual resolution(s) on which they are required to abstain from voting.

8. ACTIONS TO BE TAKEN BY SHAREHOLDERS

8.1 Appointment of proxies

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon.

LETTER TO SHAREHOLDERS

In appointing a proxy or proxies, a Shareholder (whether individual or corporate and including a relevant intermediary as defined in Section 181 of the Companies Act, which includes CPFIS Investors and/or the SRS Investors) must submit the Proxy Form together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, to vote on his/her/its behalf. A Shareholder should give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the Proxy Form, failing which the proxy will vote at his/her/its own discretion.

Submission of Proxy Forms.

The Proxy Forms must be submitted in the following manner:

- (a) if submitted in hard copy and sent by post, the Proxy Forms must be lodged at the Company's registered office at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413; or
- (b) if submitted electronically, the Proxy Forms must be submitted via email to the Company at investor.relations@metisenergy.com,

in either case, at least 48 hours before the time for holding the EGM, by no later than **9.30 a.m. on 22 November 2023** (the "**Proxy Deadline**").

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including CPFIS Investors and SRS Investors) and who wish to exercise their votes by appointing a proxy or proxies should approach their respective relevant intermediaries (including their respective CPF agent banks or SRS agent banks) to submit their voting instructions by **9.30 a.m. on 14 November 2023** (being seven (7) working days before the date of EGM) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the proxy(ies), to vote on their behalf **no later than the Proxy Deadline**.

Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

A Shareholder may withdraw a Proxy Form by sending an email to the Company at investor.relations@metisenergy.com to notify the Company of the withdrawal, **no later than the Proxy Deadline**.

The completion and return of a Proxy Form by a Shareholder does not preclude him/her/it from attending and voting in person at the EGM if he/she/it finds that he/she/it is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked.

8.2 When Depositor regarded as Shareholder

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time fixed for the EGM.

LETTER TO SHAREHOLDERS

8.3 Submission of Questions

Shareholders may raise questions at the EGM or submit questions related to the resolutions to be tabled for approval at the EGM, in advance of the EGM. Shareholders who would like to submit questions in advance of the EGM may do so in the following manner:

- (a) if submitted by post, by depositing at the registered office of the Company at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413; or
- (b) if submitted by email, be received by the Company at investor.relations@metisenergy.com,

in either case, by 9.30 a.m. on 15 November 2023 (being seven (7) calendar days from the date of the Notice of EGM) (the “**Questions Submission Cut-Off Date**”).

Shareholders submitting questions are requested to state: (i) their full name; and (ii) their identification/registration number, failing which the Company shall be entitled to regard the submission as invalid.

The Company will endeavour to address all substantial and relevant questions submitted by Shareholders prior to or during the EGM.

The responses to substantial and relevant questions raised by Shareholders on or before the Questions Submission Cut-Off Date will be published on SGXNet and the Company’s website at the URL <http://www.metisenergy.com> prior to the EGM or at the EGM.

Substantial and relevant questions which are submitted after the Questions Submission Cut-Off Date will be consolidated and addressed at the EGM.

9. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the Company’s registered office at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413, during normal business hours from the date hereof up to and including the date of the EGM:

- (a) the annual report of the Company for FY2022;
- (b) the Constitution;
- (c) the SPA;
- (d) the Valuation Report as set out in Appendix A to this Circular;
- (e) the IFA Letter as set out in Appendix B to this Circular; and
- (f) the letter of consent referred to in Sections 3.4 and 3.5 of this Circular.

Shareholders should provide their name, contact number, proposed date and time of inspection to the receptionist at 6345 0777 at least three (3) working days in advance to make a prior appointment to attend at the registered office of the Company to inspect the documents.

LETTER TO SHAREHOLDERS

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this Circular, none of the Directors or the Controlling Shareholders of the Company has any interest, direct or indirect, in the subject matter of any of the Proposed Disposal, otherwise than through their respective shareholdings (if any) in the Company.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

Yours faithfully

For and on behalf of
the Board of Directors of
Metis Energy Limited

Tang Kin Fei
Board Chairman

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APPENDIX A – VALUATION REPORT



**EQUITY VALUATION REPORT
PT KARIANGAU POWER**

Prepared For:

PT KARIANGAU POWER

OCTOBER 2023

KJPP Sarwono, Indriasari Dan Rekan, Grand Panglima Polim No. 68, Jl. Panglima Polim Raya,
Kebayoran Baru, Jakarta 12160, Indonesia

APPENDIX A – VALUATION REPORT



KJPP SARWONO, INDRIASARI DAN REKAN

Property and Business Valuers, Agents and Consultants

License No. 2.18.0156

in association with
DAWA REAL ESTATE APPRAISAL CO., LTD.
大和不動産鑑定株式会社

Jakarta, 27 October 2023

No: 00331/2.0156-00/BS/05/0011/1/X/2023

Board of Directors

PT Kariangau Power

Jalan MT Haryono, Komplek Balikpapan Baru, No.Blok D4/9-10 Damai,
Balikpapan Selatan, Balikpapan, Kalimantan Timur

Up: Mr. Karthik Sundar

RE: Valuation of 100% Equity of PT Kariangau Power

Dear Sir,

Under instruction from PT Kariangau Power (hereinafter referred to as "KARIANGAU" or the "Instructing Party" or the "Company") by approving our proposal No. 010-F/P-SIR/MNJ/III/2023 dated 20 March 2023 to estimate Market Value of 100% equity of PT Kariangau Power.

The valuation is undertaken by a registered public valuer with classification as Business Valuer and Property Valuer (PB) No. PB-1.08.00011, and is assisted by valuer and reviewer from Kantor Jasa Penilai Publik Sarwono, Indriasari dan Rekan (hereinafter referred to as "KJPPSIR"). We are pleased to confirm that we have undertaken analysis according to proper valuation procedures and now would certify our opinion and submit the attached report. This Cover Letter is an integral part and cannot be read separately from the Valuation Report.

We understand that the valuation is to give an independent opinion of Market Value of 100% equity of KARIANGAU for sale and purchase purpose, therefore basis of valuation is Market Value.

Market Value

Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. (Indonesian Valuation Standard or SPI 101 3.1)

Date of Valuation

Cut-off date of valuation is 31 July 2023. The valuation is based on the unaudited Financial Statement of The Company as of 31 July 2023.

We have taken into consideration several valuation approaches including Market Approach, Asset Approach, and Income Approach, and decide to use Asset Approach with Adjusted Book Value ("ABV") Method and Income Approach – Discounted Cash Flow ("DCF") method.

To assess KARIANGAU, we use the asset approach with the consideration that the Company's historical income is considered fluctuating. KARIANGAU also has a significant amount of tangible fixed assets, thus, ABV method is appropriate to use. ABV method is carried out by making adjustments to the book value of the assets and liabilities of the Company.

We also use the income approach with the consideration that KARIANGAU is an operating company, therefore going concern basis can also be applied in the valuation. This approach will accommodate the Company's potential income in the future, which will be reflected in the equity value.

Grand Panglima Polim No. 68, Jl. Panglima Polim Raya, Kebayoran Baru, Jakarta 12160, Indonesia
Telephone: +62-21-27096637

Offices in Jakarta (PB), Sidoarjo (P), Bandung (PS/Working Coverage Jawa Barat)
Website: www.sarwono.co.id - Email: info@sarwono.co.id

APPENDIX A – VALUATION REPORT



OPINION OF VALUE

Having considered all relevant data, information, and current market conditions as well as analysis that has been carried out, we are of the opinion that Market Value of 100% Equity of KARIANGAU as of 31 July 2023 is

Rp 162.033.000.000

(One Hundred Sixty Two Billion Thirty Three Million Rupiah)

We confirm that this report is confidential to the party to whom it is addressed, for the specific purpose to which it refers and no responsibility is accepted to any third party.

The detailed description underlying the above opinion is contained in the Valuation Report attached to this cover letter.

Yours faithfully,

KJPP Sarwono, Indriasari dan Rekan
Public Valuers and Consultants



Drs. Sarwono, FRICS, MAPPI (Cert)
Managing Partner

Public Valuer License No : PB-1.08.00011
Qualification : Business Valuation
MAPPI No. : 84-S-0030
Std Bapepam-LK No. : STTD.PPB-14/PJ-1/PM.02/2023

APPENDIX A – VALUATION REPORT



STATEMENT OF VALUERS

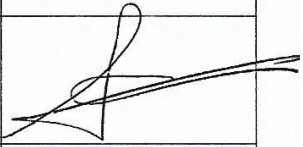


After undertaking the collection and analysis of data and information needed, we as the undersigned valuers below confirm that:

1. Factual information presented in this valuation report is correct in accordance with the best understanding of the valuers;
2. Analysis and conclusions are limited by the assumptions and qualifications stated;
3. We have neither present nor future interests on the company under valuation or value being reported, whether personal interests or partiality to other parties who have an interest in the assets being appraised;
4. Our opinion of valuation is not related with mutually agreed valuation fee;
5. Our valuation complies to the provision of Kode Etik Penilaian Indonesia (Indonesian Valuation Code Ethics) and Standar Penilaian Indonesia ("SPI" or Indonesian Standard of Valuation) VII-2018;
6. We have the professional competences and have complied with necessary professional education requirements which have been regulated by the Indonesian Society of Appraisers (MAPPI) and necessary license issued by Minister of Finance;
7. We have sufficient information and understanding of the company under valuation and its related industry;
8. The valuers have conducted Scope of Work as follows:
 - Identification of the problem
 - Data collection and interview
 - Data analysis
 - Opinion value estimation
 - Valuation report preparation
9. The valuers believes that all legal documents, information, data, and information provided by the Instructing Party both in verbal and in writing are true and reliable. If this is inaccurate and incorrect so that it affects the results of the assessment, then this is not the responsibility of the valuers but is entirely the responsibility of the Instructing Party;
10. No one, except those mentioned in this valuation report, has provided professional assistance in preparing this valuation report;
11. The analyzes, opinions, and conclusions made by the valuers, as well as the valuation report have been made in compliance with the provisions of the Indonesian Valuers' Code of Ethics (KEPI) and the applicable SPI;
12. This signed Statement of Valuers is an integral part of the Valuation Report and in this valuation, the valuer acts as an independent appraiser.

APPENDIX A – VALUATION REPORT



SARWONO, INDRIASARI
DAN REKAN

No.	Name	Qualification	MAPPI No.	Signature
1.	Drs. Sarwono, FRICS, MAPPI (Cert) Register No. : RMK-17.00016	Public Valuer	84-S-0030	
2.	Amanda Indriasari Register No. : RMK- 2017.01809	Reviewer	11-S-03015	
3.	Hendarko Dwi U Register No. : RMK - 2022.04330	Valuer staff	15-P-05813	

APPENDIX A – VALUATION REPORT



Table of Contents

COVER LETTER	1
STATEMENT OF VALUERS.....	3
1. DEFINITION AND SCOPE OF ASSIGNMENT.....	6
1.1 Status of Valuer.....	6
1.2 The Instructing Party and User of The Report.....	6
1.3 Valuation Purpose.....	6
1.4 Valuation Object Identification	6
1.5 Ownership Right Identification	6
1.6 Basis of Value.....	6
1.7 Valuation Date	7
1.8 Currency Used.....	7
1.9 Depth of Investigation Level	7
1.10 Data and Information from Reliable Sources	7
1.11 Assumptions and Specific Assumptions.....	7
1.12 Valuation Approaches and Methods	7
1.13 Concurrent Assignments	8
1.14 Confirmation that Valuation has been Undertaken According to SPI (Indonesian Valuation Standard)	8
1.15 Valuation Report Form	8
1.16 Limitations of Publication	8
1.17 Limitation or Exclusion of Responsibilities to Party(es) Other Than the Instructing Party	8
1.18 Representation Letter	8
1.19 Valuation Service Fee	8
1.20 Definitions and terms used in this Valuation	9
2. DESCRIPTION OF THE COMPANY	10
2.1 The Company at a Glance	10
2.2 Permits & Legal Documents	10
2.3 Company Shareholders.....	11
2.4 Board of Directors and Commissioners	11
2.5 Scope of Business	11
2.6 Organization Chart.....	12
2.7 Historical Financial Performance	12
2.8 The Company's Sales Performance	16
2.9 Tax Information	16
2.10 Management Discussion and Analysis	16
3. MACRO ECONOMIC AND INDUSTRIAL OVERVIEW	17
3.1 Macroeconomic Conditions	17
3.2 Development of The Indonesian Electricity Industry.....	20
4. RISK AND SWOT ANALYSIS	24
4.1 Risk Analysis	24
4.2 SWOT Analysis.....	24
5. DETERMINATION OF VALUE OPINION	26
5.1 Valuation Approach and Method	26
5.2 Discount for Lack of Marketability	26
5.3 Control Premium/(Discount for Lack of Control) (DLOC)	27
5.4 The Asset Approach Using The ABV Method	27
5.5 Income Approach with The Discounted Cash Flow ("DCF") Method	30
5.6 Reconciliation of Value	33
5.7 Opinion of Value	33
LIMITING CONDITIONS	34

APPENDIX A – VALUATION REPORT



1. DEFINITION AND SCOPE OF ASSIGNMENT

1.1 Status of Valuer

- The valuation is undertaken by Drs. Sarwono, FRICS, MAPPI (Cert) from KJPP Sarwono, Indriasari dan Rekan, a registered public valuer with classification as Business Valuer and Property Valuer (PB) No. PB-1.08.00011, and is assisted by valuer staff from KJPPSIR;
- KJPPSIR is also registered as capital market supporting professional firm at the Indonesian Capital Market and The Financial Services Authority (*Otoritas Jasa Keuangan*) - Surat Tanda Terdaftar Profesi Penunjang Pasar Modal No. STTD.PPB-14/PJ-1/PM.02/2023. KJPPSIR obtained valuation service licence from Ministry of Finance No. 2.09.0063 dated 11 September 2009 and the latest one is Ministry of Finance No. 2.18.0156 dated 23 August 2018;
- The valuer is in a position to provide objective and neutral valuation opinion;
- The valuer has no potential conflict of interest with the subject and/or object of valuation;
- The valuer has required competence to undertake valuation;
- In this assignment, we work as a team consisting of assessors and reviewers where the Public Appraiser acts as the coordinator and person in charge.

1.2 The Instructing Party and User of The Report

The Instructing Party is PT Kariangau Power ("KARIANGAU")
User of the Report is PT Kariangau Power ("KARIANGAU")

The brief information of the Instructing Party is as follows.

Company Name : PT Kariangau Power ("KARIANGAU")
Office Address : Jalan MT Haryono, Komplek Balikpapan Baru, No.Blok D4/9-10
Damai, Balikpapan Selatan, Balikpapan, Kalimantan Timur
Person in Charge : Mr. Karthik Sundar

1.2 Valuation Purpose

We understand that the valuation is to give an independent opinion of Market Value of 100% equity of KARIANGAU for the purpose of sales and purchase.

1.4 Valuation Object Identification

The object of valuation is 100% equity of KARIANGAU.

1.5 Ownership Right Identification

Ownership under valuation is 100% equity.

1.6 Basis of Value

The appropriate basis of value for the above purpose of valuation is Market Value, defined as follows:

Market Value

Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion (KEPI & SPI Edition VII-2018, SPI 101, 3.1).

APPENDIX A – VALUATION REPORT



1.7 Valuation Date

Cut-off date of valuation is 31 July 2023. The valuation is based on the unaudited Financial Statements of The Company as of 31 July 2023.

1.8 Currency Used

In accordance with the currency used in the Company's Financial Statements, the valuation opinion in this report is stated in Rupiah.

1.9 Depth of Investigation Level

This valuation is carried out with the limitations of the investigation as follows:

- a. We do not undertake due diligence to the financial statements;
- b. Some data and information are taken from reliable sources;
- c. Review, calculation and analysis can be done properly; we found no hidden information by the company.

1.10 Data and Information from Reliable Sources

We use data and information which required no verification from the following sources which are published both nationally and internationally:

- Bank Indonesia
- Bursa Efek Indonesia
- Central Bureau of Statistics
- Independent research agencies
- Reliable electronic media

1.11 Assumptions and Specific Assumptions

Assumptions in this valuation are as follows:

- The opinion of value stated in this report is only valid according to the intent and purpose of the valuation. The opinion of value used in this appraisal report may not be used for other valuation purposes which may result in errors.
- The valuers have obtained data provided by the Company and verbal data obtained during the interview; the data is assumed to be accurate and correct.
- In G20 Summit in September 2023, the Government of Indonesia confirmed that Electric Steam Power Plant (PLTU) will be gradually stopped to operate in stages from year 2030 until year 2050. However, no detailed plan has been informed to public. We assume the Company's Power Plant will not be stopped operating before end of its economic age.

Specific Assumptions in this valuation are as follows:

- Based on the Statement Letter from the Instructing Party dated 31 July 2023, Shareholder Loan of IDR 62.970.869.844,- (from Metis Energy Ltd.) will be repaid by PT Kariangau Power within the period of August 2023 until 31 December 2023.

1.12 Valuation Approaches and Methods

We have taken into consideration several valuation approaches including Market Approach, Asset Approach, and Income Approach. We choose the following approaches:

- Asset Approach – Adjusted Book Value (“ABV”) method
- Income Approach – Discounted Cash Flow (“DCF”) method

APPENDIX A – VALUATION REPORT



The asset approach with ABV Method is applied with the consideration that the Company's historical income is considered fluctuating. KARIANGAU also has a significant amount of tangible fixed assets.

We also use the income approach with the consideration that KARIANGAU is an operating company, therefore going concern basis can also be applied in the valuation. This approach will accommodate the Company's potential income in the future, which will be reflected in the equity value.

1.13 Concurrent Assignments

The Instructing Party ensures that at the same time or within 2 (two) months, the object of the valuation is not being or has been assessed by another valuer for the same or adjacent intent, purpose, report user, and date of valuation.

1.14 Confirmation that Valuation has been Undertaken According to SPI (Indonesian Valuation Standard)

This valuation is undertaken by referring to and in accordance with Indonesian Valuation Standard or Standar Penilaian Indonesia ("SPI") Edisi VII-2018 and Indonesian Valuation Code of Ethics or Kode Etik Penilai Indonesia ("KEPI").

1.15 Valuation Report Form

Based on the agreement with the Instructing Party, this Valuation Report is a Full (detailed) Report.

1.16 Limitations of Publication

The valuation report and its attachments are intended only for the instructing party and the specific use as stated in the Scope of Works. The use of the report other than those abovementioned shall have a written approval from both the Instructing Party and KJPP Sarwono, Indriasari dan Rekan.

1.17 Limitation or Exclusion of Responsibilities to Party(es) Other Than the Instructing Party

This report was prepared for a specific purpose as stated at the beginning of this report and may not be used or used as a guideline for other purposes without our approval. The valuer has no responsibility to third parties, as long as it does not deviate from applicable laws and regulations. Please pay attention to the limiting conditions which are also attached in this report.

1.18 Representation Letter

Complying with the required documents, KJPPSIR has received a Representation Letter from the Instructing Party concerning the validity, accuracy, and completeness of information provided by the Instructing Party to KJPPSIR. All material information related to this valuation has been informed and disclosed completely to KJPPSIR and there is no hidden significant data.

1.19 Valuation Service Fee

The valuation service fee is calculated by referring to the standard fee prepared by the Indonesian Society of Appraisers (MAPPI).

APPENDIX A – VALUATION REPORT



1.20 Definitions and terms used in this Valuation

KJPPSIR	Public Valuer Service Firm (Kantor Jasa Penilai Publik) Sarwono, Indriasari dan Rekan
The Company	PT Kariangau Power
KEPI	Kode Etik Penilai Indonesia
SPI 2018	Standar Penilaian Indonesia 2018
MAPPI	Masyarakat Profesi Penilai Indonesia (Indonesian Society of Appraisers)
Discount Lack of Marketability	market liquidity discount is a certain amount or percentage which is a deduction from the indication of the value of the company's equity as a reflection of the lack of liquidity of the object of valuation (SPI 2018-SPI 330-3.7)
Control Premium	an additional amount or percentage of the value of an equity as a reflection of the level of control over the Object of Appraisal (SPI 2018-SPI 330-3.23).
Discount for Lack of Control	a certain amount or percentage which is a deduction from an indication of the value of the company's equity as a reflection of the lack of control over the object of appraisal. (SPI 2018-SPI 330-3.6)
Market Value	Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. (Indonesian Valuation Standard or SPI 330 point 3.6.1)
Valuation Date (cut off date)	the specific point in time as of which the valuer's opinion of value applies

APPENDIX A – VALUATION REPORT



2. DESCRIPTION OF THE COMPANY

2.1 The Company at a Glance

The object of valuation is 100% equity of KARIANGAU. The brief description of The Company is as follows.

The Company was established in Indonesia based on Notarial Deed No. 4 dated 2 August 2007 of Yani Indrawaty Wibawa SH public notary in Jakarta. The Deed of Establishment was approved by Ministry of Justice (recently known as the Ministry of Law and Human Rights of the Republic of Indonesia) by virtue of the decree No. C-07199 HT.01.01 dated 18 December 2007.

The Company's articles of association had been amended several times, most recently is Notarial deed No. 14 dated 9 November 2018 of Yani Indrawaty Wibawa, SH., M.Kn, public notary, regarding the Company's shareholders who approve the addition of authorized and issued capital. The deed was approved by the Ministry of Law and Human Rights of the Republic of Indonesia by Decree No. AHU-AH.01.10-0023102 dated 6 April 2018.

In accordance with article 3 of the Articles of Association, the Company is engaged in Steam Electric Power Generating.

Head office address and Power Plant of the Company is located in Balikpapan, East Kalimantan. The company started its commercial operations in November 2014.

2.2 Permits & Legal Documents

In operating its business, The Company has obtained required permits and legal documents as follows:

- Mayor of Balikpapan License Number: 188.45/18/BPMP2T/IV/2013 dated 1 April 2013 concerning Electricity Supply Business License (IUPTL) with a license period valid for 15 years from the date of stipulation;
- Decree of the Minister of Energy and Mineral Resources of the Republic of Indonesia No. 327-12/20/600.3/2008 dated September 2, 2023 regarding Determination of Electricity Supply Business Areas for Public Interest of PT Kariangau Power, valid from the stipulation date;
- Decree of the Mayor of Balikpapan No. 188.45-185/2009 dated 28 May 2009 concerning Business Licenses for Electricity Operations for Public Interest (IUKU) in the Kariangau Industrial Legacy Area (KIK) was granted temporarily for a period of 2 (years from February 2009 to March 2011 and valid from the stipulation date;
- Taxable Entrepreneur Confirmation Letter No: PEM-00438/WPJ.14/KP.0503/2014 from the Balikpapan Middle Tax Service Office on January 6, 2014;
- Taxpayer Identification Number No. 02.724.106.6.725.000;
- Preliminary investment approval for Investment Registration Number: 01460/1/PPM/PMA/2010 issued by BPKM (Investment Coordinating Board) dated 22 July 2010;
- Principle License for Foreign Capital Investment Amendment (Ijin Prinsip Perubahan Penanaman Modal Asing) No. 1814/1/IP-PB/PMA/2016 dated 25 May 2016 issued by BKPM (Investment Coordinating Board);
- Foreign Investment Registration Number: 742/PI_PB/PMA/2018 issued by the BKPM (Investment Coordinating Board) on 3 April 2018.

Agreements related to the Company's operations are as follows:

- Coal Sales & Purchase Agreement between PT Bumi Nusantara Jaya (Seller) and the Company (Buyer) Number: 017/BNJ-KP/IV/2022 dated April 5, 2022;

APPENDIX A – VALUATION REPORT



- The Convertible Loan Agreement between Energy Resource Investment PTE.LTD (Lender) and the Company (Borrower) which was signed on July 1, 2015. The loan facility provided is USD 35,000,000. The loan will be used by the Company to fund Capital Expenditure, routine operational costs, and for other purposes related to the Company's operational activities;
- Supplemental Agreement between Metis Energy Limited (Lender) and the Company (Borrower) on December 4, 2022. The loan request from the Company is USD 24,595,739.87;
- Power Purchase Agreement (PPA) between the Company (Seller) and each Customer (Buyer).

2.3 Company Shareholders

Current shareholders of the Company as of 31 July 2023 is as follows:

Table 2.1 The Company Shareholders

Name of Shareholders	Number of Shares	Paid-up Capital	Percentage of Ownership
SLM Holding Pte.Ltd	397.785	397.785.000.000	86,11%
Dato' Dr. Low Tuck Kwong	33.750	33.750.000.000	7,31%
Gallant Power Pte.Ltd.	30.408	30.408.000.000	6,58%
TOTAL	461.943	461.943.000.000	100,00%

2.4 Board of Directors and Commissioners

Board of Commissioners and Directors of The Company as of 31 July 2023 is as follows:

Board of Commissioners:

President Commissioner : Mr. Dato' Dr. Low Tuck Kwong
Commissioner : Mr. Lim Chai Hock

Board of Directors:

President Director : Mr. Low Yi Ngo
Directors : Mr. Ito Suryanto
Mr. Karthik Sundar

2.5 Scope of Business

The Company currently has a coal-fired power plant with a capacity of 2 x 15 megawatt units, with an 80 percent utilization rate. The Company holds the exclusive license to supply electricity within the Kariangau Industrial Estate (KIK). KIK is an integrated zone for heavy and medium industries in Balikpapan, East Kalimantan for 15 years starting from April 1, 2013. The Company's power plants have high efficiency, low emission, and are environmentally friendly.

The Company's Vision and Mission are as follows:

Vision

To be recognized as the preferred, reliable, and efficient power plant.

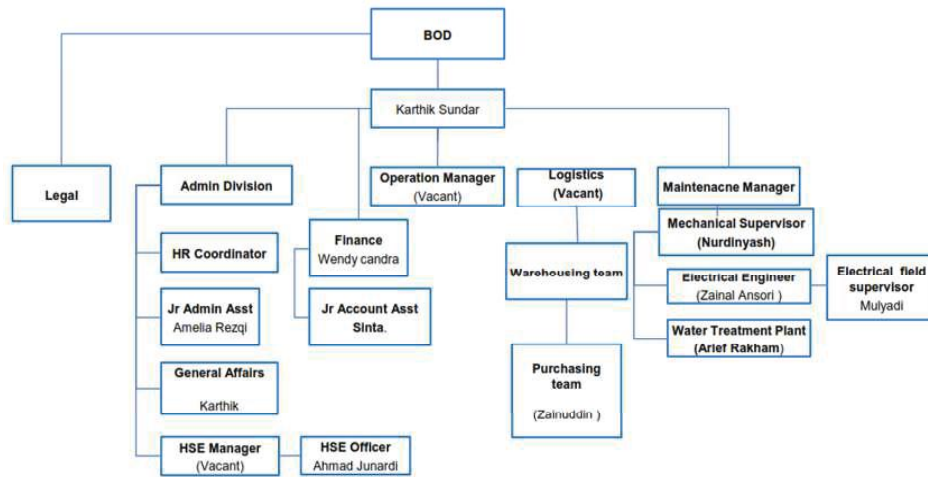
Mission

Become the preferable, strategic power plant adopting compliance for a green environment thereby creating a healthy financial return for shareholders.

APPENDIX A – VALUATION REPORT



2.6 Organization Chart



Source: The Company's Management

2.7 Historical Financial Performance

The Company's financial performance is presented based on the Financial Statements for the year ending 31 December 2018 to 31 December 2022 audited by the Public Accounting Firm Purwantono, Sungkoro & Surja and the Unaudited Financial Statements for the 7 months period ending 31 July 2023.

APPENDIX A – VALUATION REPORT



Table 2.2 Historical Balance Sheet

(in thousand of Rupiah)

Keterangan	31 Desember 2018 (Diaudit)	31 Desember 2019 (Diaudit)	31 Desember 2020 (Diaudit)	31 Desember 2021 (Diaudit)	31 Desember 2022 (Diaudit)	31 Juli 2023 (Tidak Diaudit)
ASET						
ASET LANCAR						
Kas dan setara kas	50.070.619	25.241.317	29.828.603	148.129.559	27.750.556	23.062.531
Piutang Usaha	12.988.412	15.726.004	7.472.227	7.912.308	13.499.214	19.193.933
Persediaan	889.500	528.760	3.897.031	1.632.506	6.614.501	1.759.931
Aset lancar yang dimiliki untuk dijual	-	-	-	5.727.744	-	-
Aset lancar lain-lain	18.828	24.642	149.616	306.609	346.266	1.008.784
Jumlah Aset Lancar	63.967.359	41.520.723	41.347.477	163.708.726	48.210.537	45.025.178
ASET TIDAK LANCAR						
Estimasi tagihan pengembalian pajak	4.398.088	5.532.299	6.037.779	1.931.881	933.205	-
Aset tetap - bersih	477.986.023	461.483.048	224.750.393	162.484.892	81.184.033	72.814.158
Beban tangguhan	14.408.094	13.743.105	13.078.116	12.413.127	11.748.138	11.360.228
Aset lainnya	10.000	10.000	10.000	-	-	-
Jumlah Aset Tidak Lancar	496.802.205	480.768.452	243.876.288	176.829.900	93.865.376	84.174.386
JUMLAH ASET	560.769.564	522.289.175	285.223.765	340.538.626	142.075.913	129.199.564
LIABILITAS DAN EKUITAS						
LIABILITAS JANGKA PENDEK						
Utang usaha	234.299.122	28.894.978	14.942.205	15.814.972	15.486.903	9.874.012
Beban akrual	35.730.954	21.285.658	18.322.440	6.056.455	10.703.933	4.116.517
Utang pajak	39.828	180.100	40.234	13.664.262	36.071	72.933
Utang muka	7.234.178	7.063.008	7.624.983	143.379.698	8.539.461	8.298.325
Pinjaman dari pemegang saham	-	341.566.650	342.568.839	304.269.032	66.719.767	62.970.870
Pinjaman bank jangka panjang -bagian jatuh tempo-	72.277.555	-	-	-	-	-
JUMLAH LIABILITAS JANGKA PENDEK	349.581.637	398.990.394	383.498.701	483.184.419	101.486.135	85.332.656
LIABILITAS JANGKA PANJANG						
Pinjaman bank jangka panjang -dikurangi bagian jatuh tempo-	141.466.887	-	-	-	-	-
Liabilitas imbalan kerja	605.789	890.092	1.226.624	1.471.704	1.272.084	1.272.084
Liabilitas pajak tangguhan	1.280.836	8.889.752	9.699.028	13.508.570	16.039.769	16.184.472
JUMLAH LIABILITAS JANGKA PANJANG	143.353.512	9.779.844	10.925.652	14.980.274	17.311.853	17.456.556
JUMLAH LIABILITAS	492.935.149	408.770.238	394.424.353	498.164.693	118.797.988	102.789.212
EKUITAS (DEFISIENSI MODAL)						
Modal Saham	461.943.000	461.943.000	461.943.000	461.943.000	461.943.000	461.943.000
Tambahan modal disetor	201.542	201.542	201.542	201.542	201.542	201.542
Akumulasi defisit	(394.501.521)	(348.773.996)	(571.473.360)	(620.021.522)	(439.233.042)	(436.100.616)
Penghasilan komprehensif lainnya	191.394	148.391	128.230	250.913	366.425	366.425
JUMLAH EKUITAS	67.834.415	113.518.937	(109.200.588)	(157.626.067)	23.277.925	26.410.352
JUMLAH LIABILITAS DAN EKUITAS	560.769.564	522.289.175	285.223.765	340.538.626	142.075.913	129.199.564
	-	-	-	-	-	(0)

Total current assets for the period ending 31 July 2023 decreased 6.61% to Rp. 45,025,178 thousand when compared to the year ending 31 December 2022. This decrease was related to the decrease in cash and cash equivalents and inventory accounts, although there was also an increase in trade receivables. Meanwhile, non-current assets decreased 10.32% from IDR 93,865,376 thousand to IDR 84,174,386 thousand, for the period ending 31 July 2023. This is related to the decrease in fixed assets due to depreciation of these fixed assets.

Total short-term liabilities for the period ending July 31, 2023 decreased by 15.92%. when compared to the year ending 31 December 2022. The decrease is related to the reduction in accounts payable, accrued expenses and shareholder loans.

APPENDIX A – VALUATION REPORT



Table 2.3 Operating Financial Performance

(In thousands of Rupiah)

Keterangan	Untuk Tahun/Periode Yang berakhir					
	31 Desember 2018 (Diaudit)	31 Desember 2019 (Diaudit)	31 Desember 2020 (Diaudit)	31 Desember 2021 (Diaudit)	31 Desember 2022 (Diaudit)	31 Juli 2023 (Tidak Diaudit)
PENJUALAN	138.322.924	127.439.904	89.548.849	79.427.154	98.848.620	65.252.658
HARGA POKOK PENJUALAN	(115.541.077)	(98.277.613)	(92.651.788)	(84.360.257)	(92.432.751)	(57.316.687)
LABA/(RUGI) BRUTO	22.781.847	29.162.291	(3.102.939)	(4.933.103)	6.415.869	7.935.970
Beban umum dan administrasi	(12.038.708)	(10.293.383)	(10.105.170)	(10.988.381)	(9.328.026)	(9.286.676)
Pendapatan/(rugi) operasi lainnya, neto	(4.376.018)	38.012.975	(209.150.916)	(29.107.480)	184.999.536	4.106.121
PENDAPATAN/(BEBAN) OPERASI	(16.414.726)	27.719.592	(219.256.086)	(40.095.861)	175.671.510	(5.180.555)
LABA/(RUGI) OPERASI	6.367.121	56.881.883	(222.359.025)	(45.028.964)	182.087.379	2.755.416
Beban bunga	(26.820.095)	(4.046.058)	(41.554)	(43.686)	(42.172)	(10.726)
pajak final	276.891	500.616	510.491	334.029	1.274.472	541.891
LABA/(RUGI) SEBELUM PAJAK PENGHASILAN	(20.176.083)	53.336.441	(221.890.088)	(44.738.621)	183.319.679	3.286.581
Beban pajak penghasilan	(414.050)	(7.608.916)	(809.276)	(3.809.541)	(2.531.199)	(154.282)
LABA/(RUGI) TAHUN BERJALAN	(20.590.133)	45.727.525	(222.699.364)	(48.548.162)	180.788.480	3.132.319

In the seven-month period ending July 31 2023, the Company obtained an operating net profit of Rp. 565,049 thousand and in the period ending 31 December 2022, and experienced a net operating loss of IDR 5,443,356 thousand because the Company incurred high operational expenses while the Company's gross profit did not support the general and administrative expenses. The Company's performance during the COVID 19 pandemic in the period ending 31 December 2020 and 2021 experienced a net operational loss of Rp. 14,017,385 thousand and 19,731,025 thousand respectively. In the periods ending 31 December 2018 and 2019, the Company generated a net operating profit of Rp. 10,329,089 thousand and 11,259,992 thousand respectively.

In the seven month period ending July 31, 2023, the Company earned a net profit of Rp. 3,132,319 thousand and in the period ending 31 December 2022, it earned a net profit of Rp. 180,788,480 due to the Company obtaining a profit on the sale of land fixed assets amounting to 258,764,406 thousand. The gross profit for the seven month period ending 31 July 2023 was Rp. 7,935,970 thousand, while in the period ending 31 December 2022, the Company earned a gross profit of IDR 6,415,869 thousand. The Company's performance during the COVID 19 Pandemic in the period ending December 31, 2020 and 2021 experienced a net loss of Rp. 222,719,525 thousand and 48,425,479 thousand, while in the period ending 31 December 2019, it earned a net profit of Rp. 45,684,522 thousand and in the period ending December 31, 2018, it experienced a net loss of Rp. 20,590,133 thousand due to bank loan interest expenses.

APPENDIX A – VALUATION REPORT



Table 2.4 Financial Ratios

Keterangan	31 Desember 2018 (Diaudit)	31 Desember 2019 (Diaudit)	31 Desember 2020 (Diaudit)	31 Desember 2021 (Diaudit)	31 Desember 2022 (Diaudit)	31 Juli 2023 (Tidak Diaudit)
Rasio Likuiditas (%)						
1. Current Ratio	18,30%	10,41%	10,78%	33,88%	47,50%	52,76%
2. Quick Ratio	18,04%	10,27%	9,77%	33,54%	40,99%	50,70%
Rasio Aktivitas (X)						
1. Total Assets Turn Over	0,25	0,24	0,31	0,23	0,70	0,51
2. Receivable Turn Over	10,65	8,10	11,98	10,04	7,32	3,40
3. Receivable Turn Over (days)	34	44	30	36	49	62
4. Inventory Turn Over	129,89	185,86	23,77	51,68	13,97	32,57
5. Inventory Turn Over (days)	3	2	15	7	26	6
6. Payable Turn Over	0,49	3,40	6,20	5,33	5,97	5,80
7. Payable Turn Over (days)	730	106	58	67	60	36
Rasio Solvabilitas (%)						
1. Total Debt to Equity	726,67%	360,09%	-361,19%	-316,04%	510,35%	389,20%
2. Total Debt to Total Assets	87,90%	78,27%	138,29%	146,29%	83,62%	79,56%
Rasio Rentabilitas (%)						
1. Gross Profit Margin	16,47%	22,88%	-3,47%	-6,21%	6,49%	12,16%
2. Operating Profit Margin	4,60%	44,63%	-248,31%	-56,69%	184,21%	4,22%
2. Net Profit Margin	-14,89%	35,88%	-248,69%	-61,12%	182,89%	4,80%
3. Return on Asset (ROA)	-3,67%	8,76%	-78,08%	-14,26%	127,25%	2,42%
4. Return on Equity (ROE)	-30,35%	40,28%	203,94%	30,80%	776,65%	11,86%

Liquidity Ratio

This ratio is an indicator whether a company's current assets will be sufficient to meet its short-term liabilities. Higher ratio may indicate that a company has strong liquidity. Based on historical data, The company has inadequate liquidity capabilities when it comes to fulfilling its short-term obligations, since liquidity ratios in current ratio and quick ratio have always been below 100% in the last six periods.

Activity Rasio

In terms of activity ratio, receivable turnover (days) / (days of accounts receivable turnover) and inventory turnover (days) / (inventory turnover days) in the last six periods averaged around 43 days and 10 days respectively. Meanwhile, the average payable turnover (days) in the last six periods averaged 56 days.

Profitability Rasio

The profitability ratio is the ability to generate profits from its operations. Gross profit margin, operating profit margin, and net profit margin for the period ending July 31, 2023 showed a positive trend, while in the two periods during Covid 19 Pandemic in 2020 to 2022, showed a negative trend even though gross profit margin in 2022 experienced a significant increase and was positive.

ROA and ROE ratios for the period ending July 31, 2023 show a positive trend as well; compared to the periods during Covid 19 Pandemic in 2020 to 2022 which showed a negative trend.

Solvency Rasio

The solvency ratio is a ratio that describes the comparison between the proportion of debt with the proportion of equity or total assets. Even though Debt to Equity was negative in two periods during Covid 19 Pandemic in 2020 and 2021, DER ratio showed a positive trend in the last two periods as of 31 Desember 2022 and as of 31 Juli 2023, respectively 510,35% and 389,20%. Debt to Assets in the last six periods also showed a positive trend.

APPENDIX A – VALUATION REPORT



2.8 The Company's Sales Performance

Based on the Financial Statements for the period ending 31 December 2018 to 31 December 2022 (audited) and for the seven-month period ending 31 July 2023 (unaudited), the Company recorded Sales as follows:

(In thousands of Rupiah)

Description	31 December 2018	31 December 2019	31 December 2020
Sales	138.322.924	127.439.904	89.548.849

(In thousands of Rupiah)

Description	31 December 2021	31 December 2022	31 July 2023
Sales	79.427.154	98.848.620	65.252.658

In the five-year period from 2018 to 2022, the Company's sales have fluctuated. Main sales are sales of electricity to PT Dermaga Pratama Perkasa (a related party) and PT Perusahaan Listrik Negara (Persero).

2.9 Tax Information

The Company's tax information based on audited financial reports as of December 31, 2022 is as follows:

(In thousands of Rupiah)

Description	31 December 2022	31 December 2021
Value-Added Tax (VAT)	-	13.611.488
Income Tax Article.23	36.071	52.774
Total	36.071	13.664.262

2.10 Management Discussion and Analysis

- Compensation Information for Shareholders

Up to the valuation date, it is not identified or the Company does not have information on compensation for shareholders that can affect the value.

- Gains and Losses on Business Contracts

Up to the valuation date, we did not obtain any information regarding the gains and losses on business contracts

- Off-Balance Sheet Assets and Liabilities

Up to the valuation date, it is not identified or the Company does not have off-balance sheet assets and liabilities that could affect the value

APPENDIX A – VALUATION REPORT



3. MACROECONOMIC AND INDUSTRIAL OVERVIEW

3.1 Macroeconomic Conditions

3.1.1 Global And Domestic Economy

Bank Indonesia continues to predict global economic growth in 2023 to reach 2.6%. This development was driven by the positive impact of opening up the Chinese economy after the Covid-19 pandemic, especially in the service sector so that its propagation effect on the global economy was not as fast as previously estimated. Economic growth in the United States (US) is also predicted to improve due to strong economic performance in the first quarter of 2023. Improvement in the global economy amidst tight labor markets in the US and Europe has resulted in the prospect of a slow decline in global inflation and has prompted continued monetary policy tightening in developed countries, although it is estimated that it will almost reach its peak. Meanwhile, the responses of the US and European central banks to mitigate the risk of banking cases in the US and Europe resulted in reduced uncertainty on global financial markets.

Table of World GDP Growth

Countries	2019	2020	2021	2022*	2023*
World	2.8	-3.0	6.0	3.1	2.6
Developed Countries	1.7	-4.4	5.2	2.6	1.0
United States	2.3	-3.4	5.7	2.1	0.9
Europe	1.5	-6.1	5.2	3.6	0.4
Japan	0.0	-4.6	1.7	1.1	1.3
Developing Countries	3.7	-1.9	6.6	3.6	3.7
China	6.0	2.2	8.1	3.0	5.1
India	4.8	-6.6	8.3	6.8	5.8
ASEAN-5	4.9	-3.4	3.4	6.4	5.0
Latin America	0.1	-7.0	6.9	3.5	1.2
Developing European Countries	2.5	-1.7	6.8	0.3	0.7
Middle East & Central Asia	1.3	-2.7	4.5	4.4	3.1

Source: bi.go.id / Quarterly Monetary Policy Report 1 2023

Indonesia's economic growth remains strong, supported by rising domestic demand and positive export performance. Private consumption is predicted to strengthen in line with increased mobility, improving consumer confidence, and increasing purchasing power in line with reduced inflation. Investment activity continues, especially non-construction investment. Export performance remains positive. Until March 2023, Indonesia's non-oil and gas exports grew briskly, supported, among others, by exports of coal, electric machines and motor vehicles. Based on country of destination, non-oil and gas exports to China, the US and Japan were the main contributors. Based on business sector, performance in the manufacturing, trade, and information and communication sectors is predicted to grow strongly. Spatially, increased consumption occurred in almost all regions and was followed by export performance which remained high in the Sulawesi Maluku-Papua (Sulampua) region. With these various developments, economic growth in 2023 is predicted to be biased upward in the projected range of 4.5-5.3%.

APPENDIX A – VALUATION REPORT



Table of Indonesia GDP Projection



Source: bi.go.id / Quarterly Monetary Policy Report 1 2023

Rupiah Exchange Rate

The Rupiah exchange rate strengthened in line with the stabilization policy pursued by Bank Indonesia. The Rupiah exchange rate on April 17, 2023 strengthened by 1.38% point-to-point compared to the end of March 2023, driven by strong inflows of foreign capital in portfolio investment. On a year-to-date basis, the Rupiah exchange rate on April 17, 2023 strengthened 5.26% from the end of December 2022, higher than the appreciation of the Indian Rupee of 0.93%, the Thai Baht of 0.71%, and the depreciation of the Philippine Peso by 0.22%. Going forward, Bank Indonesia predicts that the Rupiah will continue to strengthen in line with the current account surplus and continued inflows of foreign capital influenced by the prospects for high domestic economic growth, low inflation, and attractive yields on domestic financial assets. Bank Indonesia will continue to strengthen the Rupiah exchange rate stabilization policy to control imported inflation and mitigate the risk of spreading uncertainty in global financial markets against the Rupiah exchange rate. This policy is strengthened by the management of export proceeds through the implementation of a Term Deposit in foreign currency Export Proceeds in accordance with market mechanisms.

Table of Rupiah vs Regional Countries



Source: bi.go.id / Quarterly Monetary Policy Report 1 2023

Inflation

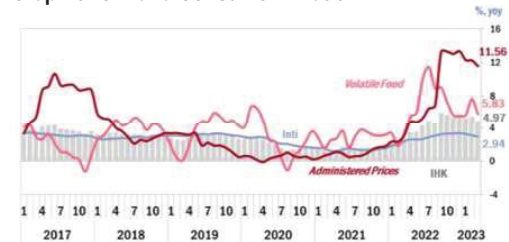
Inflationary pressure continued to decline and supported economic stability. Monthly Consumer Price Index (CPI) inflation was recorded at 0.18% (mtm) lower than the historical pattern in the early period of Ramadan, so that on an annual basis it fell from the previous month's level of 5.47% (yoy) to 4.97% (yo). The decline in inflation occurred in all groups, namely core, volatile food, and administered prices. Core inflation in March 2023 continued to slow down from 3.09% (yoy) to 2.94% (yoy) influenced by inflation expectations and reduced pressure from imported inflation as well as adequate aggregate supply in response to increased demand for goods and services. Meanwhile, volatile food inflation fell from 7.62% (yoy) in February 2023 to 5.83% (yoy). The continued decline in inflationary pressure was influenced by the positive impact of Bank Indonesia's monetary policy which was pre-emptive and forward looking as well as the close synergy in inflation

APPENDIX A – VALUATION REPORT



control between Bank Indonesia and the Government (Central and Regional) in TPIP and TPID through strengthening GNPIP in various regions. With these developments, Bank Indonesia believes that core inflation will remain under control in the range of $3.0 \pm 1\%$ in the remainder of 2023 and CPI inflation can return to the target of $3.0 \pm 1\%$ earlier than previously estimated. Bank Indonesia will continue to strengthen coordination with the Government (Central and Regional) in controlling inflation.

Graph of CPI and Consumer Inflation

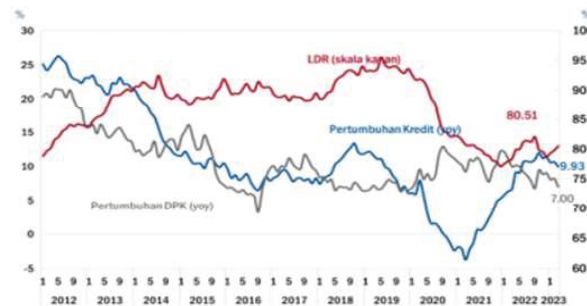


Source: bi.go.id / Quarterly Monetary Policy Report 1 2023

Banking Sector

Banking intermediation continues to be positive in maintaining the momentum of economic recovery. Bank credit growth in March 2023 remained high at 9.93% (yoy). Sharia financing has also shown positive performance, with higher growth reaching 19.43% (yoy) in March 2023. In the MSME segment, credit growth has also continued, reaching 8.63% (yoy) in March 2023, supported by the realization of the distribution of People's Business Credit (KUR) of IDR 30.31 trillion as of March 31 2023. The high credit/financing was driven by adequate banking liquidity conditions and the lax banking credit/financing standards. Credit/financing growth was also supported by increased demand for corporations and households in line with the performance of corporate and MSME businesses, as well as sustained household consumption. Bank Indonesia will continue to encourage banking intermediation, especially for priority sectors that have not yet recovered, People's Business Credit (KUR), and green credit/financing, in order to accelerate economic recovery. Taking into account developments and synergistic efforts being made, credit growth in 2023 is in line with previous estimates, namely in the range of 10-12%.

Graph of Credit Development and 3rd Party Fund



Source: bi.go.id / Quarterly Monetary Policy Report 1 2023

The resilience of the financial system, especially banking, is maintained, both in terms of capital, credit risk and liquidity. Strong banking capital with a capital adequacy ratio (CAR) of 26.02% in February 2023. Credit risk is also under control, reflected in the low non-performing loans (NPL) ratio of 2.58% (gross) and 0.75% (net) in February 2023. Banking liquidity in March 2023 was also

APPENDIX A – VALUATION REPORT



maintained supported by growth in Third Party Funds (DPK) of 7.00% (yoy). The results of Bank Indonesia's stress test also show the strong resilience of the Indonesian banking industry. Going forward, Bank Indonesia will continue to strengthen synergies with the KSSK (Financial System Stability Committee) in mitigating various domestic and global economic risks that could undermine financial system resilience.

3.2 Development of The Indonesian Electricity Industry

3.2.1 Generator Capacity Development Policy

The development of power generation capacity is directed to meet the planned load growth, and in certain areas it is prioritized to meet the shortage of electricity supply. Generating capacity development is also intended to increase the reliability of the desired supply, by prioritizing the utilization of local energy sources, especially renewable energy to meet the shortage of electricity supply.

Development of power generation capacity as far as possible is carried out optimally with the principle of the lowest cost of electricity supply (least cost), while still meeting a reasonable level of reliability in the power industry. The lowest supply cost is achieved by minimizing the net present value of all electricity supply costs consisting of investment costs, fuel costs, operation and maintenance costs, and energy not served costs. The level of reliability of the generation system is measured by the criteria of Loss of Load Probability (LOLP) and reserve margin. Leased generators and excess power are not taken into account in making long-term capacity development plans, but in the short term they are taken into account to describe PLN's efforts to overcome electricity crisis conditions.

However, in line with the Government's policy to develop and utilize more renewable energy, the development of geothermal and hydropower does not follow the least cost criteria, so that in the planning process they are treated as fixed plants. However, the planning of geothermal and hydropower plants still pays attention to the supply-demand balance and the amount of reserves that are not excessive, as well as the readiness status of its development.

In several regions which are the main sources of national primary energy and which have significant mineral potential but have long been short of electricity supply, namely Sumatra, Sulawesi and Kalimantan, PLN has a policy to allow plans for high reserve margins. This policy was taken with the consideration that the implementation of power plant projects in Kalimantan, Sulawesi and Sumatra often experienced delays, the existing power plants had experienced considerable derating and there was a belief that the availability of a large amount of electricity in Sumatra, Sulawesi and Kalimantan would trigger a much higher demand for electricity faster.

Fuel-fueled generators are no longer planned to meet peak load demands. Furthermore, PLN only plans peak load generators that operate on gas (LNG, mini LNG, CNG). If there are opportunities, PLN will prioritize hydro power plants, such as pumped storage, or hydropower peaking with a reservoir. The PLTGU (gas and steam power plant) using field gas (pipeline gas) is only planned if there is certainty of gas supply.

Given that there are still many islands supplied by PLTD (diesel power plant), replacement technology is needed in order to reduce fuel consumption. Technologies that make it possible to replace PLTD include small-scale coal-fired power plants, modular thermal generators to replace diesel (PTMPD), and hybrid energy generators with PLTD as well as alternative uses of biofuels for PLTD.

In general, the selection of power plant locations is attempted to comply with the principle of regional balance. Regional balance is a situation where the electricity needs of a region are mostly met by generators in that region and do not depend much on the transfer of power from other regions

APPENDIX A – VALUATION REPORT



through interconnection transmission lines. With this principle, the need for interconnection transmission between regions will be minimal.

Given the enormous investment needs of the electricity sector, PLN cannot independently build all of the new generator needs. Thus, some of the generator projects will be carried out by private sectors as Independent Power Producers (IPP) or non-IPP third parties with certain business models such as power wheeling, excess power cooperation, determination of separate business areas and so on.

3.2.2 Actual Capacity and Number of Generator Installed Units

The selection of the type of power plant to produce electricity during the projection period is based on the principle of the lowest cost of electricity supply or cost effective. The lowest supply cost is achieved by minimizing the net present value which consists of investment costs, fuel costs and operation and maintenance costs. The total installed capacity of power plants in Indonesia as of December 2020 is 62,449 MW consisting of 43,688.48 MW from PLN, 17,319.60 MW for the private sector and 1,441.12 MW for rent. Most of these power plants are in the form of PLTU 51%, PLTG/PLTGU/PLTMG around 29%, PLTD around 7%, PLTA/PLTM around 8%, PLTP around 5% and the rest is other EBT.

The total power generation capacity in the BaU scenario in 2050 will reach 552.5 GW with the largest portion coming from EBT generators of 258.9 GW, followed by coal and gas with 152.5 GW and 141 GW respectively and the rest from oil. The share of coal power generation capacity will decrease while the share of EBT generating capacity will increase. Power generation capacity in 2050 will increase almost 10 times compared to installed capacity in 2018. In 2025, EBT generating capacity will mainly come from hydropower (40%) and geothermal power plants (29%). PLTS generating capacity will experience faster growth with the more economical price of electricity from PLTS so that in 2050 it will reach 187 GW (72%) of the total generating capacity.

As for the actual number of generating units as of December 2020, there were 6,609 generating units in Indonesia consisting of 6,005 PLN generating units, 254 private generating units and 350 leased generating units.

3.2.3 New and Renewable Energy Development Policy

In line with the Government's policy to be more optimal in utilizing new and renewable energy (EBT) as referred to in Presidential Regulation no. 4 of 2010 which has been amended in Presidential Regulation No. 48 of 2011 concerning Government assignments to PLN to accelerate the construction of power plants using renewable energy, coal and gas as well as Regulation of the Minister of Energy and Mineral Resources No. 4 of 2020 concerning the Second Amendment to Regulation of the Minister of Energy and Mineral Resources No. 50 of 2017 on Utilization of Renewable Energy Sources for the Provision of Electricity, PLN plans the development of new and renewable energy (EBT) which includes the development of very large geothermal energy, large, medium and small scale hydro power plants, large scale wind power plants (PLTB), and small and small-scale EBT spread in the form of PLTS, biomass, biofuel, biogas and coal gasification (new energy), PLN also encourages research and development of other EBT such as thermal solar power, marine energy, OTEC (ocean thermal energy conversion), bio CNG, and fuel cell.

In order to support an increase in the portion of renewable energy that is intermittent (variable renewable energy), grid flexibility is an important requirement so that the reliability of the electric power system is maintained, thus it is necessary to encourage thermal power plants such as coal-fired power plants to become more flexible.

To support the achievement of the new energy and renewable energy mix targets, apart from encouraging the acceleration of the construction of power plants from renewable energy, the Government also encourages blending of biomass with coal as fuel for PLTUs that are already in

APPENDIX A – VALUATION REPORT



operation and encourages increased application of PLTU technology that supports the blending system intended for PLTU to be developed.

The development and use of new and renewable energy continues to be encouraged, in addition to fulfilling electricity needs, it is also in the context of reducing CO₂ emission levels by providing attractive investment schemes and more competitive selling prices for electricity. At the G20 meeting in Pittsburg, United States of America and COP 21 in Paris, Indonesia has committed to reducing greenhouse gas emissions by 29% from "business as usual" levels in 2030 or 41% with international assistance.

3.2.4 Coal as Nonrenewable Energy Sources

Until 2020, the data source for coal resources and reserves balance consists of 67 Coal Mining Concession Work Agreements/PKP2B (100% of the total number of PMA IUPs), 858 Domestic Investment Mining Business Permits/IUP PMDN Clean and Clear/CnC status (81 % of the total number of CnC PMDN IUPs), 333 non-CnC IUPs and 190 locations as a result of investigations by the Center for Coal and Geothermal Mineral Resources/PSDMBP Geological Agency. As of December 2019, there were 143.73 billion tons of resources, while Indonesia's coal reserves amounted to 38.80 billion tons. When compared to the 2019 balance sheet, there was a decrease in coal resources of 5,278.69 million tons, while coal reserves increased by 1,200.82 million tons.

Based on the BP Statistical Review of World Energy 2021 70th Edition, it shows that Indonesia's coal reserves are 3.2% of the world's coal reserves. To ensure the supply of rising domestic needs, the Government has implemented Domestic Market Obligation (DMO) policy in accordance with Minister of Energy and Mineral Resources Regulation No. 34 of 2009 concerning Prioritization of the Supply of Mineral and Coal Needs for Domestic Use which requires mineral and coal mining business entities to prioritize supply of minerals and coals for domestic interests.

Coal power plants are designed to carry the base load in line with the relatively low price of coal compared to the prices of other fossil fuels. Coal hauling distance is one of the important factors in calculating coal prices. The closer the coal mine is to the PLTU, the cheaper the cost of coal transportation. On the other hand, the farther the coal mine is from the power plant, the coal transportation costs will be more expensive.

3.2.5 Realization of Electric Power Production

Energy mix realization until December 2020 was still dominated by PLTU by 67%. PLN has succeeded in reducing fuel consumption from 23.7% in 2021 to only 2.54% until December 2020, with the operation of several coal-fired power plants and several IPP power plants. In addition, PLN's use of gas fuel decreased from 20.5% in 2011 to 16.8% in December 2020. Meanwhile, the energy mix from new and renewable energy (EBT) experienced a slight increase, namely 12.2% in 2011 to 13% in December 2020.

3.2.6 Realization of Consumption of Primary Energy Sources

PLN has succeeded in reducing fuel consumption from 11.4 million kiloliters in 2011 to 2.7 million kiloliters in December 2020, with the operation of several coal-fired power plants and several IPP power plants. With the operation of the PLTU, the use of coal increased significantly from 25.8 million tonnes in 2011 to 66.2 million tonnes in December 2020. In addition, there was also an increase in the utilization of gas/LNG fuel from 78.2 TBTU in 2011 to 357.9 TBTU in December 2020.

3.2.7 Participation of Independent Power Producer (IPP) Developers in Indonesia

APPENDIX A – VALUATION REPORT



Private electricity participation in the electricity sector is still very much needed in RUPTL for the next 10 years. Problems in the development of private electricity are the withdrawal of financial close, government guarantees, land acquisition, and so on. Therefore, in the development of private electricity, private electricity developers being really capable of carrying out projects well are needed.

Referring to the Regulation of the Minister of Energy and Mineral Resources Number 10 of 2017 concerning the principal points in the Power Purchase Agreement which has been amended by the Regulation of the Minister of Energy and Mineral Resources Number 49 of 2017 and the Regulation of the Minister of Energy and Mineral Resources Number 10 of 2018, if the IPP is late in reaching the COD, a late fee will be imposed, and if the IPP can reach COD more quickly according to PLN's request, then the IPP is entitled to an incentive.

Sources:

- Quarter 1 2023 Monetary Policy Report
- PLN (Persero) Electricity Supply Business Plan (RUPTL) 2021 – 2030
- Indonesia Energy Outlook 2019

APPENDIX A – VALUATION REPORT



4. RISK AND SWOT ANALYSIS

4.1 Risk Analysis

Risk management is very important so that the company can avoid financial losses, damage to the company's reputation, and others. Business in the power generation sector is inseparable from various business risks as follows:

1. Risk of Business Competition

There are several facilities for providing electricity using coal in East Kalimantan area. In line with the issuance of government regulations to minimize the use of fossil fuels, PLN as the only major customer (third party) carries out dispatch orders based on merit orders by prioritizing power supply/generating facilities using cheaper fuel.

2. Regulatory Risk

Regulatory risk is a risk that can arise from changes in laws and regulations that can have a material impact on part or all of the Company's business activities. The Company manages regulatory risk to ensure sustainable business continuity and create alignment of benefits for all stakeholders, including regulators. Regulatory risk mitigation efforts are reviewing and updating operational policies in accordance with all applicable laws and regulations, both regulations at the local and national levels.

3. Property-related Risks

Risk of loss to company assets due to fire, flood; risk of damage to the company's fixed assets and facilities. Mitigation is carried out by holding insurance to protect assets and facilities from loss, establishing procedures for maintenance and replacement of fixed assets and company facilities.

4. Financial-related risks

If the company uses a bank loan to increase working capital or investment, there is a possibility of default risk due to an increase in loan interest rates; risks related to purchasing/procurement contracts, and others. Mitigation is carried out, among other things, by careful and comprehensive financial management as well as budget and resource management.

4.2 SWOT Analysis

Strength

- The Indonesian government encourages the private sector to participate in meeting the electricity demand in Indonesia.

Weakness

- The Company's electricity supply/generating facilities use coal fuel (fossil energy) which is now being gradually reduced by building electricity providers that use generating facilities using renewable energy.

APPENDIX A – VALUATION REPORT



Opportunity

- The need for electricity supply in Indonesia by the private sector, especially in East Kalimantan region, is still needed to overcome the electricity crisis in the region.

Threat

- PLN as one of the main buyers prefers generators that use renewable energy (water, wind) which are environmentally friendly.

APPENDIX A – VALUATION REPORT



5. DETERMINATION OF VALUE OPINION

5.1 Valuation Approach and Method

Common Valuation Approach

For business valuation, the valuation procedure is carried out by applying generally accepted approaches and methods of business valuation in valuing companies or equity in accordance with the Indonesian Appraisal Code of Ethics (KEPI) and the Indonesian Valuation Standards (SPI) stipulated by the Indonesian Society of Appraisers (MAPPPI). The followings are business valuation approaches that are commonly used:

a. The Market Approach

The market approach compares the company being valued with comparable companies, the company's ownership interests and securities traded in the market and the relevant transactions on shares of comparable companies. Previous transactions or bidding may also be indicative of value. (SPI VII- 2018 Edition, 330 – 5.23.a)

b. The Asset Approach

The asset approach is a general way of determining a value indication of a business, business ownership interest, security, or intangible asset using one or more methods based on the value of the assets net of liabilities.

Indication of equity value or estimated Net Asset Value is obtained from the difference between the value of assets and the value of liabilities, on the basis of adjusted asset value (appraised value). (SPI VII-2018 edition, 330 - 5.32.d)

c. The Income Approach

The income approach can be used to estimate Value by anticipating and quantifying the ability of the Valuation Object to generate returns that will be received in the future (SPI VII-2018 Edition, 330 – 5.25.a)

The selection and confidence level in the appropriateness of the valuation approaches and methods depends on the judgment of the valuer and is not based on a standard formula. We have considered various valuation approaches ranging from an income, asset-based, and market approach, and have determined to use the following approaches and methods:

- Asset based approach – Adjusted Book Value (“ABV”) method
- Income Approach – Discounted Cash Flow (“DCF”) method

ABV method is carried out by making adjustments to the book value of the assets and liabilities of the Company. In DCF method, future income generated based on projections is converted with a discount factor, according to the expected level of risk. The equity value indication is the total present value of future income, on going concern basis, that is, the Company continues to operate even if the owner or management changes and continues to carry out its operational activities sustainably in the future. Values from both methods will be reconciled to generate an opinion of value.

5.2 Discount for Lack of Marketability

Discount for Lack of Marketability (“DLOM”) or market liquidity discount is a certain amount or percentage which is a deduction from the indication of the value of the company's equity as a reflection of the lack of liquidity of the object of valuation (Bapepam LK, VIII.C.3 Item 1.a.26 /2012).

DLOM is a discount that is applied to an indication of the equity value of a company due to the limited equity to be exchanged quickly into cash. DLOM reflects a reduction in the indication of the

APPENDIX A – VALUATION REPORT



company's equity value as a result of the illiquidity of the valuation object for trading, because the Company's shares are shares of a private company whose sale takes time. In the event that the object of the valuation is not a public company, the DLOM is between 20% and 40% of the indicated equity value.

Based on the consideration that the Company is a private company, we apply the DLOM amount of 30% to the indication of equity value. This steam power plant business is a capital-intensive business that is full of challenges and related provisions that must always be considered and known and also faces many of the risks previously described.

5.3 Control Premium/(Discount for Lack of Control) (DLOC)

Control premium is an additional amount or percentage of the value of an equity as a reflection of the level of control over the Object of Appraisal. Discount for Lack of Control (DLOC) is a certain amount or percentage which is a deduction from an indication of the value of the company's equity as a reflection of the lack of control over the object of appraisal. Since this valuation is 100% of the Company's equity, application of Control Premium or Discount for Lack of Control (DLOC) is not applicable.

5.4 The Asset Approach Using The ABV Method

5.4.1 Adjusted Book Value

Kariangau's equity valuation based on the ABV method and the Cut Off Date used is the unaudited financial statements as of July 31, 2023, is as follows.

APPENDIX A – VALUATION REPORT



(In full amount of Rupiah)

Description	Adjusted Balance Sheet as of 31 July 2023		
	Book Value	Adjustment	Indication of Value
ASSETS			
CURRENT ASSETS			
Cash on hand and in bank	23.062.530.626	-	23.062.530.626
Accounts Receivable	19.193.932.675	-	19.193.932.675
Inventories:			
Coal	375.372.935	755.427.065	1.130.800.000
Spare parts	29.159.222	-	29.159.222
Fuel	1.355.398.705	-	1.355.398.705
Other current assets	1.008.783.971	-	1.008.783.971
Total current assets	45.025.178.134	755.427.065	45.780.605.199
NON-CURRENT ASSETS			
Fixed assets -Net	72.814.157.629	202.937.575.371	275.751.733.000
Deferred Charges	11.360.228.014	-	11.360.228.014
Total Non-Current Assets	84.174.385.643	202.937.575.371	287.111.961.014
TOTAL ASSETS	129.199.563.777	203.693.002.436	332.892.566.213
LIABILITIES AND EQUITY			
CURRENT LIABILITIES			
Account Payable	9.874.012.102	-	9.874.012.102
Accrued expenses	4.116.516.693	-	4.116.516.693
Taxes payable	72.932.666	-	72.932.666
Deposits received	8.298.324.509	-	8.298.324.509
Loan from a shareholder	62.970.869.844	-	62.970.869.844
Total Current Liabilities	85.332.655.814	-	85.332.655.814
NON-CURRENT LIABILITIES			
Provision for employee service entitlements	1.272.084.000	-	1.272.084.000
Deferred tax liabilities	16.184.472.407	-	16.184.472.407
Total Non-Current Liabilities	17.456.556.407	-	17.456.556.407
TOTAL LIABILITIES	102.789.212.221	-	102.789.212.221
EQUITY			
Share capital	461.943.000.000	-	461.943.000.000
Additional paid in capital	201.542.095	-	201.542.095
Accumulated deficit	(436.100.615.539)	-	(436.100.615.539)
Other comprehensive income	366.425.000	-	366.425.000
Adjustment	-	(203.693.002.436)	203.693.002.436
TOTAL EQUITY	26.410.351.556	-203.693.002.436	230.103.353.992
TOTAL LIABILITIES AND EQUITY	129.199.563.777	-203.693.002.436	332.892.566.213

Explanation of Balance Sheet Accounts in Equity valuation using the Asset Approach (the ABV Method)

1. Cash and Cash Equivalents

No adjustments are made to this post because this account is considered liquid

2. Trade Receivables

No adjustments are made to this post because KARIANGAU's management believes that all trade receivables are fully collectible and no provision for uncollectible is required. Trade receivables arise from the sale of electricity to customers.

3. Inventories

The company's inventories consist of coal inventory, fuel, and spare parts. Based on the results of the valuation of coal inventories carried out by KJPP Jimmy Prasetyo & Rekan

APPENDIX A – VALUATION REPORT



(Report No: 02873/2.0031-00/PI/02/0087/1/VIII/2023 dated 29 August 2023), adjusted book value of inventories is IDR 1,130,800,000.

4. Other Current Assets

This post is advance payment to suppliers. There are no adjustments made to this post.

5. Fixed Assets

Based on the results of fixed assets valuation of Steam Power Plant with capacity of 2 x 15 MW consisting of land area of approximately 60,749 square meters including buildings, other auxiliary facilities, machinery and equipment, electricity distribution and network, heavy equipment and vehicles located in Kariangau Village, West Balikpapan District, Balikpapan - East Kalimantan which has been carried out by KJPP Jimmy Prasetyo & Rekan (Report No: 02873/2.0031-00/PI/02/0087/1/VIII/2023 dated 29 August 2023), adjusted book value of the fixed assets is Rp 275.751.733.000.

6. Deferred Expenses

This post is the cost of constructing the access road from Balikpapan Coal Terminal ("BCT") to the location of The Company's electric steam power plant. There are no adjustments made to this post.

7. Trade Payables

There are no adjustments made to this post.

8. Accrued Expenses

This post represents an account for the purchase of coal, professional services and other expenses. There are no adjustments made to this post.

9. Tax Payables

There are no adjustments made to this post.

10. Advance Payment

This post is a customer deposit account. There are no adjustments made to this post.

11. Shareholders' Loan

This is shareholder's loan from Metis Energy Ltd. There are no adjustments made to this post.

12. Employee Benefits Liability

There are no adjustments made to this post.

13. Deferred Tax Liabilities

There are no adjustments made to this post.

APPENDIX A – VALUATION REPORT



Indication of Equity Value – PAB Method

Description		Indication of Value (Rp.)
Indication of value	100,00%	230.103.353.992
-/- DLOM	30,00%	(69.031.006.198)
		161.072.347.794
+/- Control Premium/ (DLOC)	0,00%	-
Indication of value		161.072.347.794

5.5 Income Approach with The Discounted Cash Flow (“DCF”) Method

In this valuation, Net Cash Flow (NCF) that will be used as discounted economic income as an indication of business value is Free Cash Flow to Equity (FCFE). Free cash flow is the amount of cash that a company has left over after it has paid all of its expenses, including capital expenditures (what a company needs to spend annually to keep operating), as well as working capital. FCFE is calculated as follows:

Net Income + Depreciation & amortization – capital expenditure + Net borrowing – Increase (or + decrease) in change of working capital

Discount Rate of Free Cash Flow

Projected Free Cash Flow is discounted by using discount factor which reflects expected rate of return, to arrive at a present value.

We use Capital Asset Pricing Model (CAPM) model to calculate the discount rate used in DCF, with the following formula:

$$k_e = R_f + (\beta \times ERP)$$

K_e = cost of equity
 R_f = Risk free rate
 β = beta or systematic risk factor
ERP= equity risk premium

R_f (Risk free rate) is interest rate for riskless debt instruments with no chance of default. Riskfree rate used is yield rate of Indonesia government bond of 10-year tenor as of 31 July 2023, which is **6,3498%**.

ERP (Equity Risk Premium) includes country-specific risk premiums. ERP is determined by using a reference from Aswath Damodaran study as of July 2023 which predicts that Indonesia's risk premium is 7.89% and rating based default spread (RbDS) is 2.04%.

β (beta) is measurement of systematic risk relative to market risk. Assumptions of Beta in this valuation is from Aswath Damodaran study, using Beta in Power industry as of 2023 for emerging market of 0,75.

Using the CAPM formula, Cost of Equity is 10,20%.

APPENDIX A – VALUATION REPORT



Terminal Value

Terminal value is obtained through the capitalization of net cash flows in the terminal period. The growth rate in the terminal period is assumed to be 3.5% with reference to the long term prediction of GDP growth in Indonesia from PwC (PricewaterhouseCoopers) Analysis. With these assumptions, the capitalization rate for the terminal value in this income approach is 6,70%. The Terminal Value calculation uses the following formula:

$$\text{Terminal Value (TV)} = (\text{FCF} \times (1+g)) / (d-g)$$

TV = Terminal Value
FCF = Free cash flow at the final year in the projection period
g = perpetual growth rate
d = Discount Rate (use Cost of Equity)

Assumptions of Financial Projection

a) General Assumptions

- This assessment is based on the Company's unaudited financial statements as of July 31, 2023
- In this assessment, we assume that the information in the financial statements is correct and there is nothing significant that will affect the Company's finances in the future
- Projection periods are calculated for 10 years (from August 2023 to the year 2032)
- The selling price/tariff is fixed/flat during the projection periods
- The number of operational hours in 1 day is 24 hours
- The number of days in 1 operational month is 30 days
- The number of months in 1 operational year is 12 months, except in the year 2023 it will be 5 months, and in the year 2028, it will be 11 months.

This assessment is carried out referring to the Company's Financial Report for the year ending 31 December 2018 to 31 December 2022 which has been audited by Public Accounting Firms and for the seven-month period ending 31 July 2023 which has not been audited, as well as the Company's Business Plan (Financial Projection) for the year 2023 – 2032 prepared by the Company's Management

The following is explanation of the main assumptions in financial projections that are used as a basis for determining value opinion.

b) Sales Revenue

Sales revenues come from the sale of electrical power based on contract documents (Power Purchase Agreement) with several main customers consisting of:

No.	Customer	Contracted Capacity	Tariff
1	PLN	2,00 MW Per Hour	Rp. 650.000 /MWH
2	DPP For FY2023 only	3,50 MW Per Hour	Rp. 1.800.000 /MWH
3	DPP From FY2024 onwards	5,00 MW Per Hour	Rp. 1.800.000 /MWH
4	KKT & Others	0,80 MW Per Hour	Rp. 1.630.000 /MWH

Other than the sale of electric power, there is also other income in the form of income from Reactive Power from contracts with DPP assuming the amount of Reactive Power is 1,220,000 Kvarh/month, with tariff according to the contract of Rp 1,114/Kvarh.

APPENDIX A – VALUATION REPORT



c) Expenses

Assumption of expenses consist of

- The use of coal raw materials is determined at 0.9 times the amount of electricity sold, with coal purchase price tariff determined according to the contract of 32.47 USD/MT (assuming exchange rate of 1 USD = Rp. 15,092 as of 31 July 2023)
- Cost of Sales consist of Consultant and professional fees, Service and mobilization, Insurance costs, Site office costs and utilities, and Materials, spare parts and tools, which are determined based on the actual average costs in the last five years and the company's average monthly costs for the last seven-month period.
- General and Administrative Expenses consisting of salaries and allowances, services and experts, travel and transportation, office costs and other general and administrative expenses determined based on the actual average costs in the last five years and the company's average monthly costs in the last seven month period.

d) Depreciation of Fixed Assets and Capital Expenditure (Capex)

Projections of annual depreciation and amortization from the Company's management are as follows:

(In full amount of Rupiah)

Keterangan	2023	2024	2025	2026	2027
Depresiasi	2.671.974.241	6.694.483.298	7.021.696.927	6.715.550.766	6.158.532.140
Amortisasi	277.078.730	664.988.952	664.988.952	664.988.952	664.988.952
Jumlah	2.949.052.971	7.359.472.250	7.686.685.879	7.380.539.718	6.823.521.092

(In full amount of Rupiah)

Keterangan	2028	2028	2029	2030	2031	2032
Depresiasi	5.815.183.056	5.815.183.056	5.848.845.185	5.920.066.975	5.978.501.434	4.878.108.885
Amortisasi	664.988.952	664.988.952	664.988.952	664.988.952	664.988.952	664.988.952
Jumlah	6.480.172.008	6.480.172.008	6.513.834.137	6.585.055.927	6.643.490.386	5.543.097.837

e) Capital Expenditure (Capex)

Annual capital expenditure are as follows:

(In full amount of Rupiah)

Keterangan	2023	2024	2025	2026	2027
Capital Expenditure (Capex)	2.851.250.000	8.786.775.000	2.249.250.000	2.249.250.000	2.249.250.000

(In full amount of Rupiah)

Keterangan	2028	2029	2030	2031	2032
Capital Expenditure (Capex)	2.249.250.000	2.249.250.000	2.249.250.000	2.249.250.000	5.543.097.837

APPENDIX A – VALUATION REPORT



f) Operating Working Capital

Projected annual working capital are as follows:

(In full amount of Rupiah)

Uraian	31 Juli 2023	2023	2024	2025	2026	2027
Account receivables	19.193.932.675	11.654.940.000	14.570.940.000	14.570.940.000	14.570.940.000	14.570.940.000
Inventory	1.759.930.862	1.725.233.037	1.925.831.186	1.958.837.679	1.992.834.367	2.051.195.348
Account payables	(9.874.012.102)	(10.351.398.222)	(11.554.987.115)	(11.753.026.074)	(11.957.006.203)	(12.307.172.091)
J u m l a h	11.079.851.435	3.028.774.815	4.941.784.071	4.776.751.605	4.606.788.164	4.314.963.258
+/- Working Capital		(8.051.076.620)	1.913.009.256	(165.032.467)	(169.983.441)	(291.804.906)

(In full amount of Rupiah)

Uraian	2028	2029	2030	2031	2032
Account receivables	13.356.695.000	14.570.940.000	14.570.940.000	14.570.940.000	14.570.940.000
Inventory	2.018.921.387	2.131.112.199	2.131.112.199	2.131.112.199	2.131.112.199
Account payables	(12.113.528.321)	(12.786.673.197)	(12.786.673.197)	(12.786.673.197)	(12.786.673.197)
J u m l a h	3.262.088.066	3.915.379.003	3.915.379.003	3.915.379.003	3.915.379.003
+/- Working Capital	(1.052.875.192)	653.290.937	-	-	-

5.6 Reconciliation of Value

In reconciling values from the Income Approach and the Asset-based Approach, the proportions used in the reconciliation reflect the level of confidence in an approach.

Reconciliation of the Income Approach using the Discounted Cash Flow ("DCF") Method with the Asset-based Approach using the Adjusted Book Value ("ABV") Method is as follows:

(In full amount of Rupiah)

Method	Indication of Equity Value	Weight (%)	Weighted Equity Value
1. Discounted Cash Flow ("DCF") Method	164.275.034.224	30,00%	49.282.510.267
2. Adjusted Book Value ("ABV") Method	161.072.347.794	70,00%	112.750.643.456
Indication of Equity Value 100% Shares			162.033.153.723
Rounded			162.033.000.000

5.7 Opinion of Value

Based on the results of the studies and analyzes that have been carried out on all related aspects in order to determine the value of Karangau's equity, we are of the opinion that the Market Value of 100% equity or 461,943 shares of PT Kariangau Power as of July 31, 2023 is

Rp 162.033.000.000

(One Hundred Sixty Two Billion Thirty Three Million Rupiah)

APPENDIX A – VALUATION REPORT



LIMITING CONDITIONS

This valuation and valuation report have been prepared subject to the following limiting conditions:

1. Verbal information, written information, or documents that have been provided by the Instructing Party to the valuers as stated in the valuation report are considered accurate and reliable, but the valuers are not responsible if it turns out that the information provided is proven to be inaccurate or unreliable. Information stated without stating the source is the result of our review of existing data, examination of documents, or information from authorized government agencies or credible parties. The responsibility for re-checking the correctness or validity of the provided documents lies entirely with the Instructing Party.
2. Unless regulated differently by existing regulations and laws, the valuation report is confidential and is only intended for the intended Instructing Party and is presented only for the purposes and objectives as stated in the valuation report. We are not responsible to any party other than the Instructing Party.
3. The value(s) stated in this report and any other values in the Report which are part of the property being appraised are only valid in accordance with the aims, objectives, and date of the Valuation. The value(s) used in this Appraisal report may not be used for other appraisal purposes or on different dates which may result in errors.
4. This valuation is based on all existing, relevant data, information, and facts and is carried out in accordance with applicable valuation principles and procedures (stated in Indonesian Standard of Valuation VII-2018). Where it is stated in the report that information has been supplied to the valuer by the sources listed, this information is believed to be reliable, but the valuer will accept no responsibility if this should prove not to be so. All other information stated without being attributed directly to another party is obtained from our searches of records, examination of documents or enquiries with relevant government authorities;
5. All lawsuits, if any, have been ignored because the object of valuation is assumed being protected by legitimate right of ownership;
6. This Valuation and Report is confidential to the party to whom it is addressed and to their professional advisors for the specific purpose to which they refer. The valuer disclaims all responsibility and will accept no liability to any other party. Neither the whole, nor any part, nor reference thereto may be published in any document, statement or circular, nor in any communication with third parties, without our prior written consent of the form and context in which it will appear;
7. The valuer is not required to give testimony or to appear in court by reason of this report unless specific arrangement has been made therefore;
8. This valuation is limited to the valuation date and opinions regarding condition and use are based on observations on that valuation date
9. Signature of a public valuer and official company stamp of KJPPSIR is an absolute requirement for the validity of this opinion of value and the entire valuation report.



APPENDIX A – VALUATION REPORT



APPRAISAL PROPERTY

OWNED BY

PT KARIANGAU POWER

LOCATED AT

Kelurahan Kariangau, Kecamatan Balikpapan Barat

Balikpapan - Kalimantan Timur



APPENDIX A – VALUATION REPORT



Jakarta, 29 August 2023

File No. : 02873/2.0031-00/PI/02/0087/1/VIII/2023
Ref : Valuation of Property

To,
PT KARIANGAU POWER
Kompleks Balikpapan Baru Blok D4
Jalan M.T. Haryono No. 09/10
Kel. Damai, Kec. Balikpapan Kota
Balikpapan - Kalimantan Timur (76114)

Att. to : Mr. Karthik

Dengan hormat,

In compliance with your request, and pursuant to the Approved Proposal No. 23.08.443.P.355-D/JTP dated 01 August 2023, to conduct an appraisal and provide an opinion of the Market Value of a certain property owned by **PT KARIANGAU POWER**, where this appraisal is based on considerations for *sale and purchase purposes*.

We have personally inspected and valued the property in the form of a Electric Steam Power Plant with a capacity of 2 x 15 Megawatts, consisting of land with an area of 60.749 square meters, including buildings, other land improvements, machinery and equipments, electrical network and distribution, heavy equipments, vehicles, and coal stock located at Kelurahan Kariangau, Kecamatan Balikpapan Barat, Balikpapan - Kalimantan Timur.

The term “Market Value” as used in this report, is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion (SPI 101-3.1).

On the basis of the foregoing and other factors relevant to the valuation, we present hereunder our findings :

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
A. Cost Approach	
▪ Land (60.749 sq.m)	Rp 48.599.200.000,-
▪ Buildings	Rp 13.335.200.000,-
▪ Other Land Improvements	Rp 1.541.000.000,-
▪ Machinery and Equipments	Rp 191.476.000.000,-
▪ Electrical Network and Distribution	Rp 16.707.400.000,-
▪ Heavy Equipment (1 unit Excavator)	Rp 1.241.300.000,-
▪ Vehicles (3 units)	<u>Rp 1.249.600.000,-</u>
<i>Sub Total</i>	<i>Rp 274.149.700.000,-</i>
B. Income Approach	Rp 277.341.000.000,-
Reconciliation of 2 Approaches	
a. Cost Approach	
$49,8\% \times Rp\ 247.149.700.000,-$	Rp 136.526.551.000,-
b. Income Approach	
$50,2\% \times Rp\ 277.341.000.000,-$	<u>Rp 139.225.182.000,-</u>
<i>Sub Total</i>	<i>Rp 275.751.733.000,-</i>
C. Coal Stock	<u>Rp 1.130.800.000,-</u>
Total	<u>Rp 276.882.533.000,-</u>

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

Therefore, it is our considered opinion that:

Rp 276.882.533.000,-

(Rupiahs Two Hundred Seventy Six Billion Eight Hundred Eighty Two Million Five Hundred Thirty Three Thousand)

represents the Market Value of the property as of 7 August 2023,
as a going concern company.

In the valuation of the property, we have assumed that the ownership of the property is good, marketable, and free from liens and encumbrances.

Detailed information on the property, a further elaboration on the valuation approach used, market data on comparable property, our analysis of these data and our appraisal conclusion, and other relevant information are presented in the following section entitled 'VALUATION REPORT'.

We have made no investigation of and assume no responsibility for titles to or liabilities against the property valued.

WE HEREBY CERTIFY that we have neither present nor prospective interest in the property valued or in the value reported.

Yours faithfully,

KJPP JIMMY PRASETYO & REKAN



Jimmy T. Prasetyo, MSc., MAPPI (Cert.)

Managing Partner

MAPPI No. : 87-S-00047
Public Valuer License No. : P-1.09.00087
Register No. : RMK-2017.00082
Classification : Property Valuer

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

STATEMENT OF APPRAISAL

We hereby certify that to the best of our knowledge and belief as valuer, acting independently and without any conflict of interest or affiliated with the company, we confirm that:

1. **The statement of fact presented in the report are correct to the best Valuer's knowledge**
2. **The analyses and the conclusions are limited only by the reported assumptions and conditions.**
3. **The Valuer has no (or if so, a specified) interest in the subject property.**
4. **The Valuer's fee is or is not contingent upon any aspect of the report.**
5. **The appointment in the assignment was agreed with the client**
6. **The valuation was performed in accordance with an the Indonesia Code of Ethics of Valuation (KEPI) and performance the Indonesia Valuation Vtandard (Standar Penilaian Indonesia – SPI).**
7. **The Valuer has satisfied professional education requirements.**
8. **The Valuer has performed the scope of work as followers :**
 - **Identification of the problem**
 - **Data selection and collection**
 - **Data Analysis**
 - **Value Estimate**
 - **Reporting**
9. **The Valuer has experience in the location and category of the property being valued.**
10. **The Valuer has (or has not) made a personal inspection of the property.**
11. **No one, except those specified in the report, has provided professional assistance in preparing the report.**

N a m e

Signatures

1. Person In Charge :



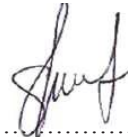

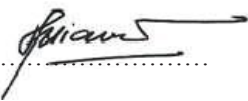
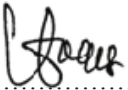
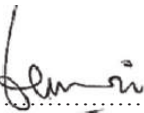
Jimmy T. Prasetyo, MSc., MAPPI (Cert.)
Managing Partner


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APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>N a m e</u>	<u>Signatures</u>
2. Real Property Valuer/ Field Inspectors : <u>Widya Indrajati, S.IP</u> MAPPI No. : 16-P-06306 Register No.: RMK-2017.01040	
<u>Ir. Ahmad Shalahuddin</u> MAPPI No. : 96-T-00855	
3. Personal Property Valuer/ Field Inspectors : <u>Ir. Prasetyo Pribadi</u> MAPPI No. : 08-P-02158 Register No.: RMK-2017.01449	
<u>Drs. Iwan Parna</u> MAPPI No. : 10-P-02730	
4. Reviewer : <u>Musa L. Siandar</u> MAPPI No. : 88-T-00097 Register No.: RMK-2017. 01654	
5. Quality Control : <u>Drs. Bagus Wiyono</u> MAPPI No. : 95-S-00563 Register No.: RMK-2017. 00077	
<u>Ir. Dewi Widowati</u> MAPPI No. : 95-T-00577 Register No.: RMK-2017. 01036	

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

ASSUMPTION AND LIMITING CONDITION

1. ALL EXISTING LIENS AND ENCUMBRANCES, IF ANY, HAVE BEEN DISREGARDED AND THE PROPERTY IS APPRAISED AS THOUGH FREE AND CLEAR UNDER RESPONSIBLE OWNERSHIP.
2. THIS VALUATION REPORT ONLY VALID FOR APPRAISAL PROPOSES AS MENTIONED IN THE ASSIGNMENT.
3. THE PROPERTY UNDER APPRAISEMENT IS ASSUMED FREE AND CLEAR AND LEGALLY COVERED BY DOCUMENTS OF OWNERSHIP, AND WE ASSUME ALSO THE DOCUMENTS RELATE TO THE PROPERTY IS GOOD AND MARKETABLE.
4. ITS DOCUMENTS ARE FREE FROM SUCH DISPUTE OR NOT, WE DO NOT MAKE ANY INVESTIGATION.
5. PROFESSIONAL SERVICES FEE IS TOTALLY NOT DEPENDS ON THE AMOUNT OF PROPERTY VALUE STATED IN THE REPORT.
6. THE APPRAISAL IS DONE BASED ON INVESTIGATION OF DATA AND FACT OF PROPERTIES BEING VALUED IN ACCORDANCE WITH APPRAISAL PROCEDURE.
7. THE NUMBER AND LOCATION OF PROPERTY UNDER APPRAISEMENT BASED ON DATA AND GUIDANCE PROVIDED BY CLIENT.
8. FOR THE PROPERTY UNDER APPRAISEMENT WE DO NOT HAVE ANY INTERESTS, WHETHER NOW OR IN THE FUTURE, AND ARE WILLING TO PRESENT THE REPORT TO THE CLIENT WHEN IT IS NECESSARY, RESPONSIBLE FOR THIS APPRAISAL REPORT AND WILLING TO PROVIDE INFORMATION TO BANKS OR OTHER RELATED PARTIES.
9. MECHANICAL AND ELECTRICAL IS APPRAISED IN-SITU AND REGISTERED AS A COMPLETE ONE UNIT OF WORK, INCLUDING THE TOOLS AND THE EQUIPMENTS FROM THE UNIT THAT TEHNICALLY IS ONE UNITY, HOWEVER WE ARE NO OBLIGATION TO INSPECT IN DETAIL ON THE CLOSED, INVISIBLE, NOR UNREACHABLE PARTS OF THE ASSET, AND NO GUARANTEE IF THERE IS RUST, DAMAGE, AND OTHERS INVISIBLE DISRUPTION.
10. THE VALUE IN THIS REPORTS ARE STATED IN RUPIAH WITH THE CONVERSION EXCHANGE OF US\$ 1 (ONE US DOLLAR) EQUAL TO RP 15.168,- (RUPIAHS FIFTEEN THOUSAND ONE HUNDRED SIXTY EIGHT).
11. CHANGES IN CONNECTION WITH THE GLOBAL ECONOMIC AND FINANCIAL CONDITIONS RECENTLY, WHICH ALSO EFFECT INDONESIA'S ECONOMIC CONDITIONS THAT LEAD TO ERRATIC MARKET CONDITIONS (UNSTABLE), WE NEED TO POINT OUT THAT THE VALUE WE PRESENT IN THIS REPORT BE HIGHLY VOLATILE.
12. THAT IMPLIMENTING THE APPRAISAL OF THIS PROPERTY, WE DO NOT CHECK THE COMPLETENESS/TERMS SHOULD BE FULFILLED FOR SALE AND PURCHASE, AND THEREFORE IF THIS REPORT IS PURPOSED AS A BASIC POLICY SALE AND PURCHASE, THEN THE RELATED PARTY ARE LIABLE TO CHECK AND ENSURE THE FULFILLMENT OF ITS TERMS INCLUDING IN THE LEGALITY ASPECT.
13. TOTAL VALUE OF PROPERTY CALCULATED IN THIS REPORT ESSENTIALLY REFLECT THE WHOLE VALUE OF THE ENTIRE PROPERTY WHICH INCLUDE IN THE APPRAISAL, BY DOING TO SEPARATE ONE OR SOME VALUE OF PROPERTY FOR THE PURPOSE AND OTHER INTERESTS, THIS REPORT WILL BE UNVALID.
14. IF THERE ARE OTHER THINGS RELATED TO THIS VALUATION, WHICH IT HAS EXPENSE CONSEQUENCIES, BORNED BY THE CLIENT
15. ANY PARTY DOES NOT HAVE THE RIGHT TO PUBLISH OR USE THIS REPORT FOR ANY PURPOSE OTHER THAN THE APPROVED PROPOSAL, WITHOUT AN APPROVAL FROM THE OWNER.
16. THIS APPRAISAL REPORT IS NOT VALID UNLESS IT IS SIGNED BY THE MANAGING PARTNER AND BEARS THE CORPORATE SEAL OF KJPP JIMMY PRASETYO & REKAN.

❖❖❖ ○ JTP ○ ❖❖❖

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

TABLE OF CONTENTS

	<i>Page</i>
<input type="checkbox"/> Letter of Transmittal.....	i
<input type="checkbox"/> Statement of Valuer	iii
<input type="checkbox"/> Assumptions and Limiting Conditions	v

VALUATION REPORT

1. INTRODUCTION.....	1
1.1. BACKGROUND	1
1.2. STATUS OF THE VALUER.....	1
1.3. THE CLIENT AND USER OF THE REPORT	1
1.4. PURPOSE OF THE VALUATION.....	1
1.5. OBJECT OF THE APPRAISAL	2
1.6. TYPE OF THE OWNERSHIP.....	2
1.7. BASIC OF VALUE	2
1.8. VALUATION DATE	2
1.9. TYPES OF CURRENCY USED	3
1.10. EXTENT OF INVESTIGATION	3
1.11. THE NATURE AND SOURCE OF RELIABLE INFORMATION.....	3
1.12. ASSUMPTIONS.....	3
1.13. VALUATION METHODOLOGY	3
1.14. APPROVAL REQUIREMENT FOR PUBLICATIONS.....	5
1.15. CONFIRMATION THAT THE VALUATION IS BASED ON SPI.....	5
2. PROVINCE OF EAST KALIMANTAN OVERVIEW	6
2.1. THE ECONOMIC GROWTH OF EAST KALIMANTAN.....	7
2.2. THE GROWTH OF ELECTRICITY IN EAST KALIMANTAN	8
3. MARCO ECONOMIC OVERVIEW	11
3.1. CONDITION OF MACRO ECONOMIC	11
3.2. PROPERTY SECTOR FUNDING DEVELOPMENT	13
3.3. COMMERCIAL PROPERTY SUPPLY	14
4. APPRAISAL OF SUMMARY.....	16
5. LAND	17
5.1. LOCATION AND ZONING	17
5.2. NEIGHBORHOOD DATA AND COMMUNITY FACILITIES.....	17
5.3. LAND DATA.....	18
5.4. DESCRIPTION OF IMPROVEMENTS.....	18
5.5. BUILDING PERMIT.....	18
5.6. HIGHEST AND BEST USED.....	18
5.7. MARKET DATA ON COMPARABLE LAND	20
5.8. MARKET OVERVIEW	21
5.9. CONCLUSION.....	21
6. BUILDINGS, OTHER LAND IMPROVEMENTS, MACHINERY AND EQUIPMENTS, ELECTRICAL NETWORK AND DISTRIBUTION, HEAVY EQUIPMENT, AND VEHICLES.....	22
6.1. TECHNICAL DESCRIPTION OF THE BUILDINGS.....	22

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

	<i>Page</i>
6.1.1. Office Building	22
6.1.2. Warehouse I	22
6.1.3. Warehouse II	23
6.1.4. Coal Warehouse	23
6.1.5. Panel House I	23
6.1.6. Panel House II	24
6.1.7. Solar Pump House	24
6.1.8. Toxic and Hazardous (B3) Waste Warehouse	25
6.1.9. Power House	25
6.1.10. Fire Pump House	25
6.1.11. Laboratory and Water Treatment Plant (WTP)	26
6.1.12. Waste Water Treatment Plant (WWTP) Building	26
6.1.13. Transformer House	27
6.1.14. Guard House I	27
6.1.15. Guard House II	27
6.2. TECHNICAL DESCRIPTION OF OTHER LAND IMPROVEMENTS	28
6.3. TECHNICAL DESCRIPTION OF MACHINERY AND EQUIPMENTS	29
6.4. TECHNICAL DESCRIPTION OF ELECTRICAL NETWORK AND DISTRIBUTION	45
6.5. TECHNICAL DESCRIPTION OF HEAVY EQUIPMENT	58
6.6. TECHNICAL DESCRIPTION OF VEHICLES	58
7. INCOME APPROACH	60
7.1 CONCLUSION	63
8. TECHNICAL DESCRIPTION OF COAL STOCK	64
8.1. CONCLUSION	65
9. CONCLUSION	66

Attachments :

- Photographs*
- Lot Plan*
- Plat Plan*
- Location Map*
- Electrical Network and Distribution Map*
- Income Approach Calculation*

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

VALUATION REPORT

1. INTRODUCTION

1.1. BACKGROUND

Based on the approved our Proposal Letter No. 23.08.443.P.355-D/JTP dated 01 August 2023, from KJPP JIMMY PRASETYO & PARTNER, we have made an investigation and valuation the property owned by **PT KARIANGAU POWER**.

1.2. STATUS OF THE VALUER

The valuation was done by KJPP JIMMY PRASETYO & PARTNER, as an Independent appraiser registered in the Indonesian Society of Appraisers (MAPPI). KJPP JIMMY PRASETYO & PARTNER holds License No. 2.09.0031 from the Ministry of Finance of the Republic of Indonesia.

KJPP JIMMY PRASETYO & PARTNER is the Office of Public Appraisal Services that has competence to conduct an appraisal of the asset, has no conflict of interest with the client and object under appraisal, objective and impartial in conducting the valuation.

1.3. THE CLIENT AND USER OF THE REPORT

- Client/ User of
The Report : PT KARIANGAU POWER
- Business Field : Electricity Provider
- Address : Kompleks Balikpapan Baru Blok D4
Jalan M.T. Haryono No. 09/10
Kel. Damai, Kec. Balikpapan Kota
Balikpapan - Kalimantan Timur (76114)

1.4. PURPOSE OF THE VALUATION

This valuation is made for the purpose is to express our opinion of the Market Value of the property for *sale and purchase purposes*.

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

1.5. OBJECT OF THE APPRAISAL

The property subject of the appraised is in the form of a Electric Steam Power Plant with a capacity of 2 x 15 Megawatts, consisting of land with an area of 60.749 square meters, including buildings, other land improvements, machinery and equipment, electrical network and distribution, heavy equipments, vehicles, and coal stock located at Kelurahan Kariangau, Kecamatan Balikpapan Barat, Balikpapan – Kalimantan Timur.

In compliance with the letter from PT Kariangau Power No.723A/KP-BPN/ADM/VIII/2023 dated 21 August 2023, which states that the company's business activity will continue even if there is a company acquisition.

1.6. TYPE OF THE OWNERSHIP

The ownership of the subject property is single proprietorship.

1.7. BASIC OF VALUE

This valuation is prepared following the Indonesian Valuation Standard (SPI) Seventh Edition-2018, SPI 300 – Real Property Appraisal and SPI 310 – Machinery and Equipment Appraisal, where the appropriate appraisal basis for the purpose of this appraisal is the Market Value, Indonesian Valuation Standard defined as follows:

The term "Market Value" is defined as the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion (SPI 101-3.1).

In this valuation, the property appraised is in the form of a Electric Steam Power Plant with a capacity of 2 x 15 Megawatts including office building, warehouse, solar pump house, WWTP building and other supporting buildings, consisting of land, buildings, other land improvements, machinery and equipments, electrical network and distribution, heavy equipments, vehicles, and coal inventory for sale and purchase purposes, in accordance with the attachment of SPI 103 on Column 1, the basis of value is Market Value and as defined in SPI 101-3.1.

We confirm that in this valuation we do not take into account the cost and taxes incurred due to the sale and purchase, in accordance with the Indonesian Valuation Standard.

1.8. VALUATION DATE

The field inspection of the properties was conducted on 02 to 04 May 2023 and 07 August 2023. The appraisal date is set on 07 August 2023.

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

1.9. TYPES OF CURRENCY USED

We valued the properties in Rupiah. We remind that the use of exchange rates other than those listed in this report does not apply.

1.10. EXTENT OF INVESTIGATION

This valuation is carried out with the following investigation limits :

- a. Investigations carry out by the data collection process and done by inspection, review, calculation and analysis.
- b. We have conducted review, calculation and analysis and assumed no hidden information or intentionally hidden.

1.11. THE NATURE AND SOURCE OF RELIABLE INFORMATION

Relevant information and data but not require verification, be approved for use as long as the data sources are published at the National and International level, the data sources include :

- a. Local government data
- b. Information from electronic mass media
- c. Information from the Suppliers
- d. Information from Invoices and purchase contracts.

1.12. ASSUMPTIONS

The above valuation depends on the following :

- a. The values specified in this report and any other values in the report that are part of the property under appraisal are only valid in accordance with the purpose of the valuation.

The value used in this valuation report should not be used for other valuation purposes that could lead to mistakes.

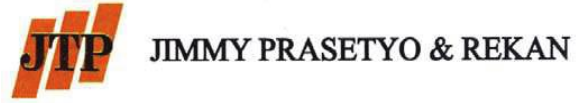
- b. In this valuation we assume that the property under appraisal is furnished with a legal land title, transferable, free from liens and encumbrances, other than those set forth in this report.

1.13. VALUATION METHODOLOGY

INCOME APPROACH

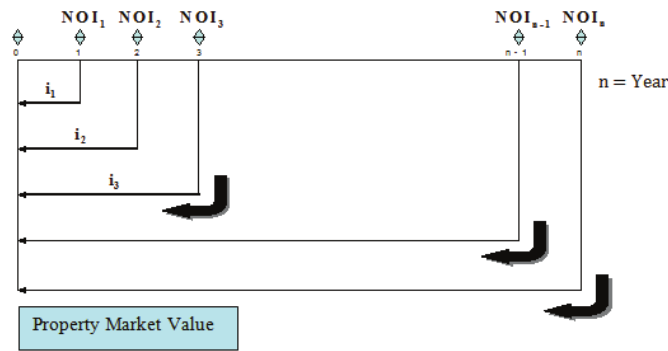
Considering that the appraised property is the income-producing property, so for that aforementioned property we use an Income Approach, defined as a value of the property is based on the projected income that the property can generate over the selling period. If the annual net income considered stable and infinite, so the generated net income can directly capitalized using the yield which generally applicable in comparable property market, and if the net income is considering

APPENDIX A – VALUATION REPORT



unstable, then Discounted Cash Flow/DCF can be used for the valuation, where in this approach, the annual gross income is made based on the current and future market selling rate of the comparable property added with other incomes. Estimates of general and administrative expenses, operating expenses, maintenance expenses, replacement costs and annual provisions for vacancies, deducted from the above projected annual gross incomes, the resulting Net Operational Income (NOI), including Terminal Value, if at the end of the projection year it is assumed that there is continuous and stable revenue. (see the diagram)

Income Approach



$$\text{Market Value} = \sum \text{NOI} \times \text{DF}$$

Note : NOI = Net Operating Income
DF = Discount Factor with Certain Rate (i)

COST APPROACH

Considering to the valuation objects and the existing market comparison data, we considered to apply the Cost Approach, i.e. provides an indication of value using the economic principle that a buyer will pay no more for an *asset* than the cost to obtain a property of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current Replacement or Reproduction Cost of a property and making deductions for physical deterioration and all other relevant forms of obsolescence (SPI 106-6.5).

- ♦ In the valuation of the land, vehicles and heavy equipment we have adopted the Market Data Comparison Method, in business valuation also known as the Guideline Transactions Method, while in property valuation known as the Direct Comparison Method, which uses information from transactions involving properties that are the same or similar to the subject property to arrive at an indication of value (SPI 106-6.2.a).
- ♦ In the valuation of the buildings, other land improvements, machinery and equipment, electrical network and distribution, we have adopted the Replacement Cost Method also known as Depreciated Replacement Cost Method (DRC Method); i.e the cost that is relevant to determining the price that a *participant* would pay as it is based on replicating the utility of the

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

property, not the exact physical properties of the property, and then is adjusted for physical deterioration and all relevant forms of obsolescence, a method that indicates value by calculating the cost of creating an asset that is similar to an equivalent utility. (SPI 106 - 6.6b).

- *Depreciation Adjustments* (SPI 106-6.8.b) are generally considered for various types of depreciation/obsolescence, which can be further separated into sub-categories when making adjustments:
 - *Physical Deterioration*
Any loss of utility due to the physical deterioration of the *asset* or its components resulting from its age and usage.
 - *Functional Obsolescence*
Any loss of utility resulting from inefficiencies in the subject *asset* compared to its replacement such as its design, specification or technology being outdated.
 - *Economics Obsolescence*
Any loss of utility caused by economic or locational factors external to the *asset*. This type of obsolescence can be temporary or permanent.
- Taking into account the extend, character, and utility of the property.

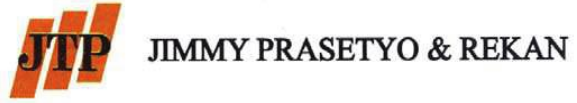
1.14. APPROVAL REQUIREMENT FOR PUBLICATIONS

The report and/or references attached are only intended to the Client and the User of this Valuation Report. Users of the report other than intended in the scope of work shall be approved by KJPP JIMMY PRASETYO & REKAN and Client.

1.15. CONFIRMATION THAT THE VALUATION IS BASED ON SPI

The analysis, opinions and conclusion made by the valuer, as well as valuation report have been made to comply with the Indonesian Valuer Code of Ethic (KEPI), SPI Seventh Edition-2018, SPI 300 – Real Property Appraisal and SPI 310 – Machinery and Equipment Appraisal and prevailing laws and regulations.

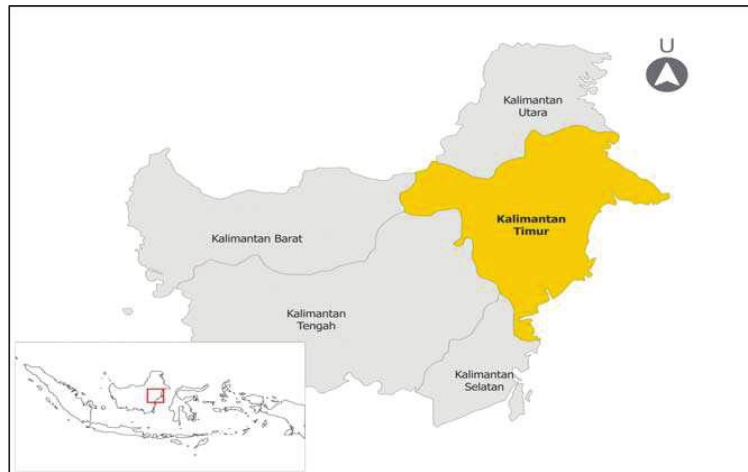
APPENDIX A – VALUATION REPORT



2. PROVINCE OF EAST KALIMANTAN OVERVIEW

The location of East Kalimantan is at the coordinates of 113 113°44' dan 119°00' East Longitudes, and between 2°33 'North Latitude and 2°25' South Latitude. Before its expanded, The Province of East Kalimantan was the second biggest province after Papua, with an area 194.489 sq.km. which almost as same as Java Iland or approximately 6,8% from the total of Indonesia areas. The boundaries of the Province of East Kalimantan as follow:

- North : boundary with Province of North Kalimantan
- South : boundary with Province of South Kalimantan
- West : boundary with Province of West Kalimantan, Province of Central Kalimantan, and Malaysia.
- East : boundary with Sulawesi Sea and The Malaca Strait.

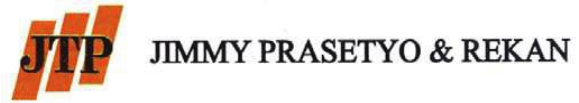


The areas of Province of East Kalimantan is 128.659,94 sq.km. The Following are the areas by the district/city in Province of East Kalimantan:

No	District/City	Areas	
		Km2	Persentase (%)
1	Paser	7.730,88	6,01
2	Kutai Barat	20.381,59	15,84
3	Kutai Kertanegara	23.601,91	18,34
4	Kutai Timur	35.747,50	27,78
5	Berau	21.240,00	16,51
6	Penajam Paser Utama	3.333,06	2,59
7	Mahakam Ulu	15.315,00	11,90
8	Balik Papan	527,00	0,41
9	Samarinda	783,00	0,61
10	Bontang	406,7	0,32
East Kalimantan		128.659,94	100

Source: BPS Province of Kalimantan Timur, 2019

APPENDIX A – VALUATION REPORT



2.1. THE ECONOMIC GROWTH OF EAST KALIMANTAN

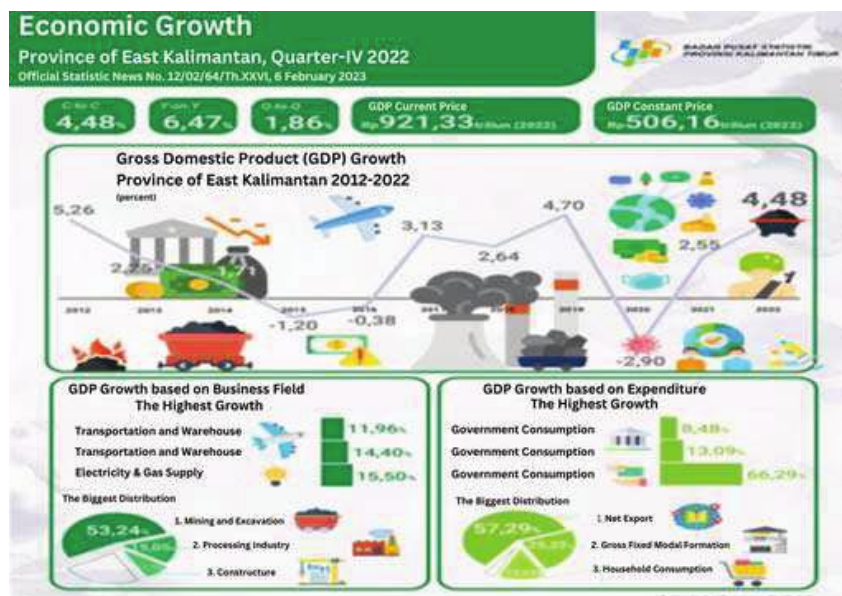
The economy of Province of East Kalimantan on 2022 is based on the Gross Regional Domestic Product over the price basis reached Rp 921,33 triliun, the Regional Domestic Product over the constan price basis reached Rp 506,16 triliun, and Rp 238,70 million per capita.

The growth of economic of Province of East Kalimantan on 2022 is 4,48%, higher than the 2021 which is 2,55%. From production side, the highest achievement is on Transportation and Warehousing Business Field which is 11,96%. Meanwhile from the highest achievement of growth expenditure side is on the Government Cosumption Expenditure Component at 8,48%.

In the fourth quarter of 2022 against the fourth quarter of 2021, the economic experienced a growth of 6,47% (y-on-y). From production side, the Transportation and Warehousing Business Field experienced the highest growth at 14,40% and from the expenditure side, Government Consumption Expenditure Compenent experienced the highest growth at 13,09%.

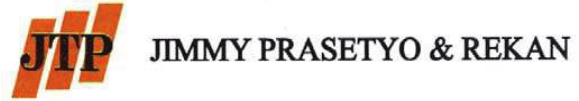
The Economic of Province of East Kalimantan in fourth quarter of 2022 againts of the previous quarter experienced a growth at 1,86% (q-to-q). In the production side, Gas and Electric Procurement Business Field experienced the high growth at 15,50%. Meanwhile from the expenditure side, Government Consumption Expenditure Compenent experienced the highest growth at 66,29%.

The economic growth of 2022 occurred in all province of Kalimantan Iland. The Province of East Kalimantan contributed the highest of the added-value contribute of Kalimantan Regional at 52,14%.



Source: BPS Province of Kalimantan Timur

APPENDIX A – VALUATION REPORT



2.2. THE GROWTH OF ELECTRICITY IN EAST KALIMANTAN

The Electric System in East Kalimantan consist of the interconnection system 150 kV and Isolated system 20 kV. On the interconnection system 150 kV, the role of oil-fueled plant start to decrease with the operation of PLTU IPP CFK expansion 50 MW, PLTG IPP Senipah 82 MW dan PLTU Teluk Balikpapan 220 MW. This has an impact on decline of main production cost. The most developed Electric Power System in East Kalimantan is Mahakam System, defined as an interconnected system with 150 kV high-voltage which serves in Balikpapan, Samarinda, Tenggarong, and Bontang.

Mahakan System supplied by some power plant such as PLTU, PLTGU, PLTG, PLTMG, and PLTD, both own by PLN and IPP as well as rental machines and excess power. These days the Mahakam System has a large enough power reserve which is approximately 120 MW so its possible to have an addition new customer who need a big power. Some of the electric power system in some district on Province of East Kalimantan, such as District of Kutai Barat (Melak), Kutai Timur (Sanggatta), and District of Mahakam Ulu (Long Bangun). These systems still served by 20 kV middle voltage network and supplied by oiled-fueled PLTD. Specifically for District of Paser (Tanah Grogot) and District of Penajam Paser Utara (Petung), the electric power has been served through the Barito System 150 kV high-voltage network (System 150 kV Kalselteng) through GI Tanjung in South Kalimantan to GI Kuaro and GI Petung.

TABLE The Conditon of East Kalimantan Eletricity System

No	System	Type	Fuel Type	Owner	Power (MW)		Peak Load (MW)
					Installed	Capacity	
1	Mahakam	PLTU/GU/G/D	Batubara/Gas/BBM/BBM	IPP/PLN	811,4	536,23	417,23
2	Petung	PLTD/MG	BBM/Gas	PLN	21,81	18,70	16,00
3	Tanah Grogot	PLTD	BBM	PLN	21,19	19,09	13,78
4	Melak	PLTD	BBM	PLN	17,20	14,30	9,55
5	Sanggatta	PLTD	BBM	PLN	18,50	18,10	15,97
6	Berau	PLTU/D	Batubara/BBM	PLN	27,51	21,00	18,66
Total					917,61	627,42	491,18

Source : PLN

Most all 20 kV electric power still be supplied by PLTD BBM. Power of these systems still experiencing limitations due to the most no addition of new capacity power plant, meanwhile the load is growing rapidly. For some isolated and a relatively small population area, still have a limited electric power system and served by 220 volt low voltage network which directly conneted with the local PLTD.

Since 2011-2017 the electric energy sales in East Kalimantan growth in average at 7,7% per year. Composition of the power sales also the amount of 2011-2016 customers and the estimate of 2017 per customer groups are shown as below:

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

TABLE The Realization of Electric Power Sales in East Kalimantan, 2011 - 2017

(GWh)

No	Customer Troops	2011	2012	2013	2014	2015	2016	2017*
1	Household	1.161,3	1.324,2	1.431,5	1.625,2	1.707,5	1.801,7	1.818,5
2	Business	494,9	539,6	578,2	633,3	698,2	757,9	775,7
3	Public	187,6	204,3	222,5	242,5	260,8	281,6	283,6
4	Industry	140,5	142,6	144,0	152,3	165,8	170,2	192,5
	Total	1.984,3	2.210,8	2.376,2	2.653,2	2.832,2	3.011,4	3.070,3
	% Growth	8,1	11,4	7,5	11,7	6,7	6,3	2,0

Source: PLN ; 2017* estimate

TABLE The Realization of the Amount of Customer in Province of East Kalimantan, 2011 – 2017

(thousand)

No	Customer Troops	2011	2012	2013	2014	2015	2016	2017*
1	Household	465,0	529,8	606,5	676,3	727,3	775,0	836,1
2	Business	30,8	33,8	38,4	41,0	43,9	46,7	50,8
3	Public	13,7	14,9	18,4	19,0	20,1	20,0	21,6
4	Industry	0,2	0,2	0,2	0,3	0,3	0,3	0,3
	Total	509,7	578,8	663,6	736,6	791,6	842,0	908,8
	% Growth	12,7	13,6	14,7	11	7,5	6,4	7,9

Source: PLN ; 2017* estimate

Until 2017, the amount of the electric power sales reached 3.073,3 GWh and the amount of customers reached 908,8 thousand with the composition of customers group such as Household 836,1 thousand, Business 50,8 thousand, Public 21,6 thousand, and Industry 0,3 thousand. The Ratio of the household customer that eletriced by PLN on 2016 for Province of East Kalimantan is 87,5%.

The existing substations and distribution systems that supply customers in East Kalimantan are as follows:

TABLE The Realization of the Capacity of Substations Transformer

No	GI Name	Voltage (kV)	Total of Trafo (Unit)	Capacity (MVA)
1	Gn Malang / Industri	150/20	3	110
2	Batakan/Manggar Sari	150/20	4	170
3	Karang Joang/Giri Rejo	150/20	3	120
4	Sei Keledang/Harapan Baru	150/20	3	10
5	Tengkawang	150/20	4	180
6	Embalut	150/20	2	60
7	Bukuan	150/20	2	90
8	Tenggarong / Bukit Biru	150/20	2	60
9	Sambutan	150/20	1	30
10	Sambora	150/20	2	60
11	Bontang	150/20	1	30
12	Kuaro / Tanah Grogot	150/20	1	20
13	Petung	150/20	1	30
14	Kariangau	150/20	1	60
15	Senipah	150/20	1	30
16	Sangatta	150/20	2	60
	Total		33	1.230

Source : PLN

APPENDIX A – VALUATION REPORT

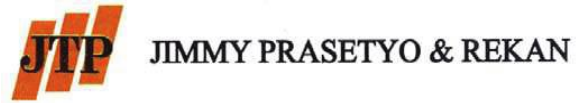
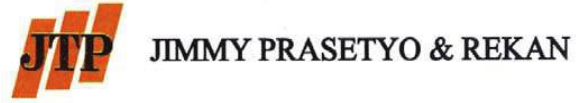


TABLE The Realization of Physical Distribution System

Kriteria	2011	2012	2013	2014	2015	2016	2017
JTM (kms)	4.602	4.859	5.507	6.426	6.615	6.910	7.209
JTR (kms)	4.607	5.738	6.194	11.942	6.341	7.133	7.284
Distribution Substation (MVA)	632	753	817	315	961	1.022	1.090

Source : PLN

APPENDIX A – VALUATION REPORT



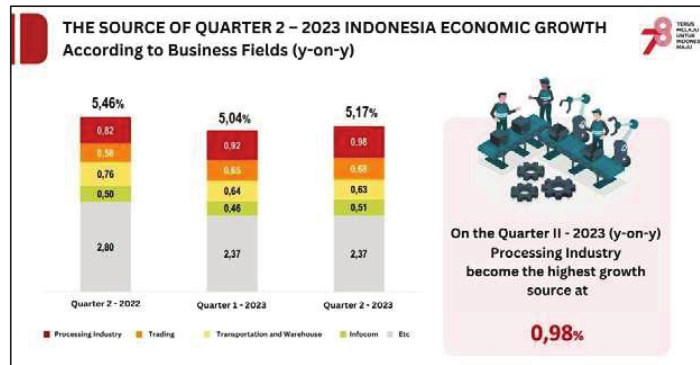
3. MARCO ECONOMIC OVERVIEW

3.1. CONDITION OF MACRO ECONOMIC

3.1.1 THE ECONOMIC GROWTH RATE

Indonesia's economy in the first quarter of 2022 against the first quarter of 2023 (yoy) grew 5.11 percent. Growth was supported by almost all components, except for the Government Consumption Expenditure Component (PK-P), which experienced a growth contraction of 7.53 percent. From the production side, the Transportation and Warehousing Business Field experienced the highest growth of 15.59 percent

Economic Growth in Quarter II-2023 Against Quarter II-2022



Source : *Badan Pusat Statistik (BPS)*

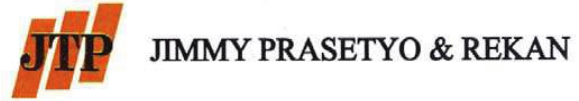
Indonesia's economy in quarter II-2023 compared to quarter II-2022 (qtq) grew by 5.17 percent. From the production side, the Transportation and Warehousing Business Field experienced the highest growth of 15.28 percent. Meanwhile, from the expenditure side, the Government Consumption Expenditure Component (PK-P) experienced the highest growth of 10.62 percent.

Economic Growth in Quarter II-2023 Against Quarter II-2022



Source : *Badan Pusat Statistik (BPS)*

APPENDIX A – VALUATION REPORT



1. Inflation

In July 2023 there was year on year (y-on-y) inflation of 3.08 percent with a Consumer Price Index (CPI) of 115.24. The highest inflation occurred in Merauke at 5.21 percent with a CPI of 116.10 and the lowest occurred in Gunungsitoli at 0.50 percent with a CPI of 116.28.

The Inflation rate Month to Month (mtm), Year to Date (yty), dan Year on Year (yoy) (Persen), July 2023



Source: Bank Indonesia (BI)

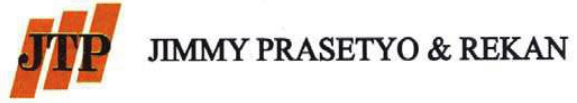
2. IDR Exchange Rate

The rupiah exchange rate (exchange rate) transacted between banks in Jakarta on Friday (25/8/2023) morning weakened 0.17 percent or 26 points to IDR 15,272 per US dollar from the previous IDR 15,246 per US dollar.

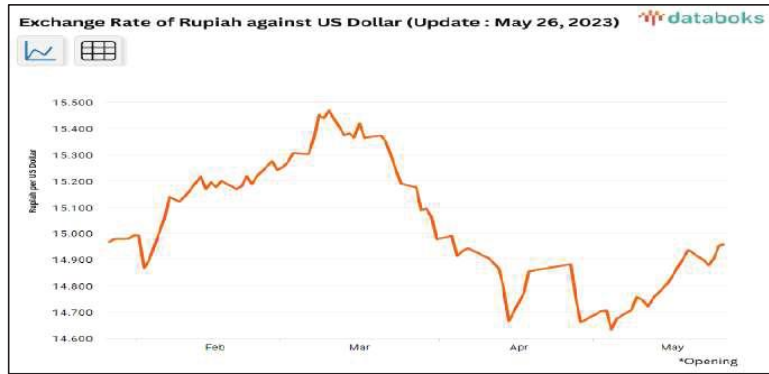
BI ensures that currently the rupiah exchange rate is maintained in line with the stabilization policy pursued by Bank Indonesia. Perry acknowledged that the increase in global financial market uncertainty caused the rupiah exchange rate in August 2023 to August 23 to weaken point-to-point by 1.41 percent compared to the end of July 2023

On a year-to-date basis, the rupiah exchange rate strengthened 1.78 percent from its final level in December 2022. "This is better than the exchange rates of other developing currencies, such as the Indian Rupee which has appreciated by 0.07 percent, as well as the Thai Baht and Philippine Peso which each experienced a depreciation of 1.31 percent and 1.77 percent.

APPENDIX A – VALUATION REPORT



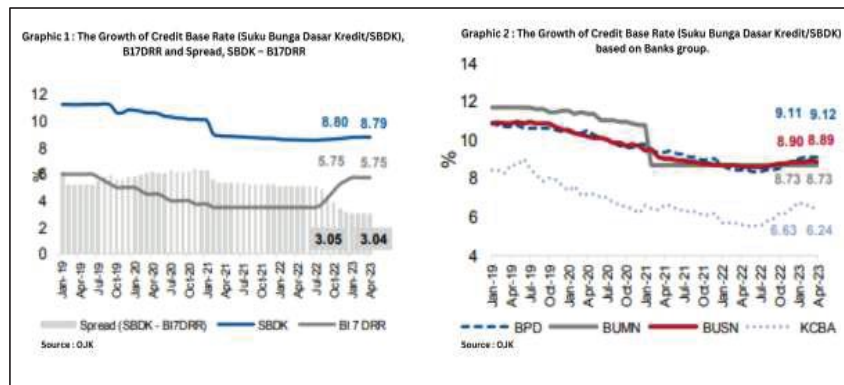
USD Transaction Exchange Rate against Rupiah



Source : databoks

3. Loan Interest Rates

The Basic Credit Interest Rate (SBDK) was relatively stable compared to the previous month. The prime lending rate in April 2023 was recorded at 8.79%, relatively stable compared to the previous month's 8.80% (Graph 1). The prime lending rate tends to be stable across all bank groups, except for KCBA, which experienced a 39 bps decline in prime lending rates from 6.63% in March 2023 to 6.24% in April 2023 (Graph 2).

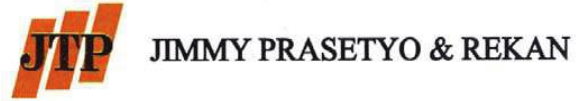


Source : OJK

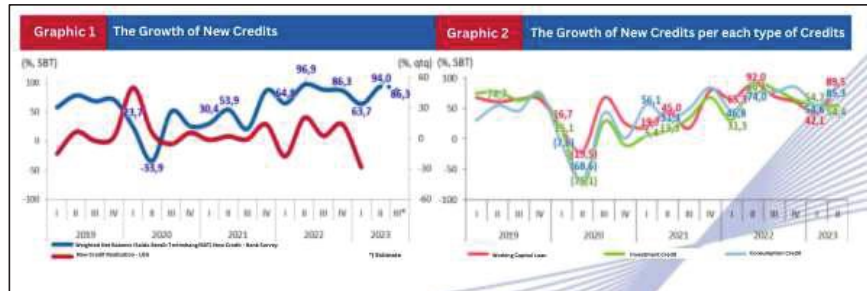
3.2. PROPERTY SECTOR FUNDING DEVELOPMENT

The Banking Survey conducted by Bank Indonesia indicated that new loan disbursements in the second quarter of 2023 would increase compared to the previous period. This is indicated by the Weighted Net Balance (WNB) value of new loan requests in the second quarter of 2023 of 94.0%, higher than 63.7% in the previous quarter (Graph 1). The increase in new loan requests in the second quarter of 2023 was relatively stable compared to the same period in 2022. Based on the type of use, growth in new loans increased for almost all types of credit. This is indicated by working capital loans (WNB 89.5%)

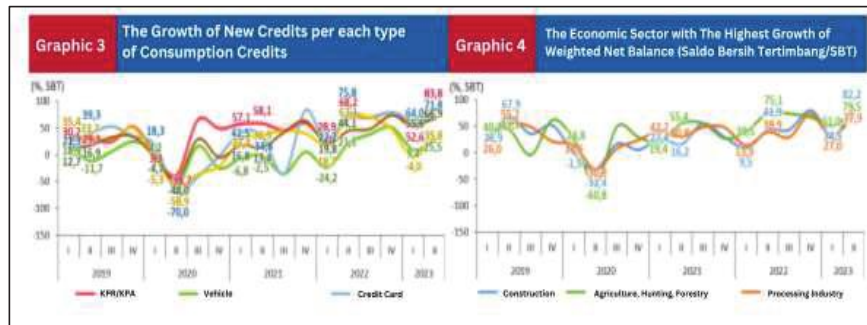
APPENDIX A – VALUATION REPORT



and consumer loans (WNB 85.3%). Meanwhile, investment credit (WNB 54.4%) indicated a slight decrease compared to the previous quarter (Graph 2). Furthermore, new credit for all types of consumer credit grew faster in the second quarter of 2023 compared to the previous quarter (Graph 3)



By sector, growth in new lending mainly occurred in the Construction sector (WNB 82.2%), followed by the Agriculture, Hunting and Forestry sectors (WNB 79.5%), and the Manufacturing Industry sector (WNB 77.9%) (Graph 4)



Source : www.bi.go.id

3.3. COMMERCIAL PROPERTY SUPPLY

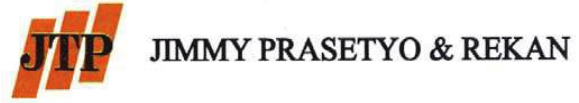
The results of a Bank Indonesia survey published on Wednesday (16/02/2022) stated that demand for commercial property in the fourth quarter (Q4) of 2021 increased on an annual basis (year-on-year/yoy). The Commercial Property Demand Index for Q4 2021 grew 1.01% yoy, higher than Q3 2021 which was 0.13% yoy and Q4 2020 which contracted -0.05% yoy.

The increase was driven by the selling category which rose 0.96% yoy, higher than 0.12% yoy in the previous quarter due to improved demand in the selling office segment and the industrial land segment in especially Bodebek.

The increase in demand for industrial land was due to the expansion of existing tenants from manufacturing companies and data centers in line with the improving business conditions in the sector.

In the rental category, demand for commercial properties in general also showed an increasing trend and grew 10.41% yoy, higher than 1.48% yoy in

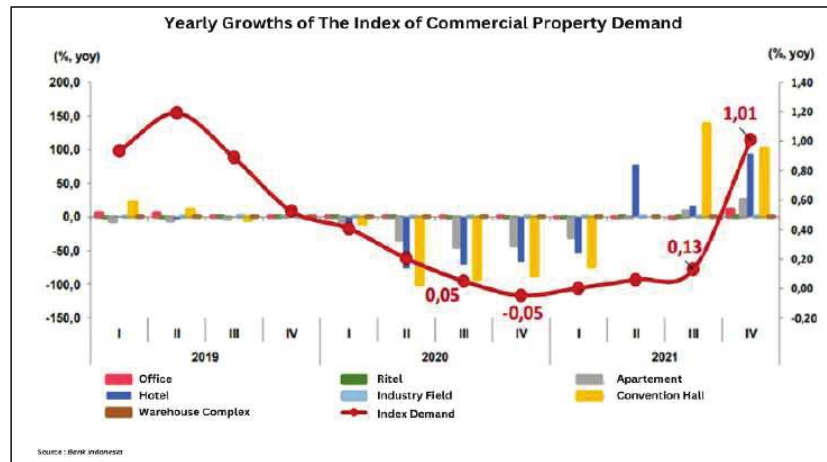
APPENDIX A – VALUATION REPORT



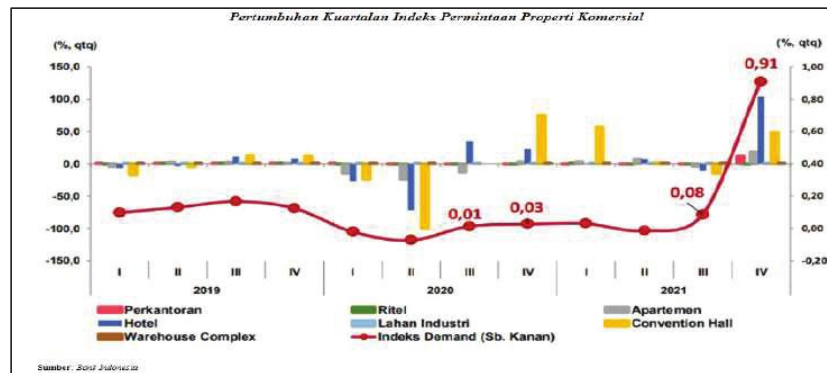
Q3 2021, influenced by increased demand for several segments including office rental, rental retail and hotels as impact of easing of restrictions due to Covid-19 in Q4 2021.

This boosted work from office (WFO) activities, the number of visits to malls or shopping centers, as well as hotel occupancy rates.

On a quarterly basis, demand for commercial property also rose. Q4 2021 commercial property demand increased 0.91% quarter-to-quarter (qtq), higher than 0.08% qtq in the previous quarter.



By segment, increased demand for the selling category was shown by the warehousing complex segment, especially from logistics companies in Jabodetabek. Meanwhile, the increase in demand for the rental category was driven by the convention hall and office rental segments.



Particularly for rental offices, there was an increase in the occupancy rate in Jakarta, which was previously less than 60%. This increase was contributed mainly by companies in the fields of e-commerce, insurance, consultants and BUMN.

Source : <http://www.bi.go.id>

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

4. APPRAISAL OF SUMMARY

<u>Description</u>	<u>Indicated Market Value</u>
A. Cost Approach	
▪ Land (60.749 sq.m)	Rp 48.599.200.000,-
▪ Buildings	
1. Office Building (619 sq.m)	Rp 1.527.990.000,-
2. Warehouse I (480 sq.m)	Rp 942.870.000,-
3. Warehouse II (128 sq.m)	Rp 244.070.000,-
4. Coal Warehouse (3.780 sq.m)	Rp 8.199.580.000,-
5. Panel House I (24 sq.m)	Rp 58.200.000,-
6. Panel House II (16 sq.m)	Rp 36.860.000,-
7. Solar Pump House (30 sq.m)	Rp 70.560.000,-
8. Toxic and Hazardous (B3) Waste Warehouse (49 sq.m)	Rp 100.700.000,-
9. Power House (324 sq.m)	Rp 747.300.000,-
10. Fire Pump House (108 sq.m)	Rp 275.070.000,-
11. Laboratory and Water Treatment Plant (WTP) (481 sq.m)	Rp 721.070.000,-
12. Waste Water Treatment Plant (WWTP) Building (42 sq.m)	Rp 80.120.000,-
13. Transformer House (100 sq.m)	Rp 213.150.000,-
14. Guard House I (27 sq.m)	Rp 62.010.000,-
15. Guard House II (25 sq.m)	Rp 55.650.000,-
<i>Sub Total</i>	<i>Rp 13.335.200.000,-</i>
▪ Other Land Improvements	Rp 1.541.000.000,-
▪ Machinery and The Equipments	Rp 85.022.000.000,-
▪ Electrical Network and Distribution	Rp 11.051.660.000,-
▪ Heavy Equipment (1 Unit Excavator)	Rp 1.241.300.000,-
▪ Vehicles (3 Units)	Rp 1.249.600.000,-
Total	Rp 274.149.700.000,-

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

5. LAND

5.1. LOCATION AND ZONING

This land is located at the end of south side of access road, within the district of Balikpapan.

Longitude (East Longitude) : 116.800776°

Latitude (South Latitude) : -1.198403°

The land is located approximately 4 kilometers Southwest from Kariangau Industry Estate (Jalan Sukarno – Hatta) junction road and about 9,5 kilometers off the Northwest downtown area of Balikpapan (Mayor Office).

The access road where the land fronts is 15 meters wide, gravel paved.

Land boundaries :

- North : Entrance Road and Vacant Land Owned by PT Dermaga
- East : Vacant Land
- West : Vacant Land
- South : Wain River

According to the information we gathered from Balikpapan Local City and Residential Planning that this land is located in an area designated as an Industrial zone, as below :

- Building Coverage Ratio (BCR) : 50%
- Floor Area Ratio (FAR) : 1,3
- Height of Building (HOB) : 1 (one) floor
- Green Base Coefficient (GBC) : 30%

5.2. NEIGHBORHOOD DATA AND COMMUNITY FACILITIES

The buildings in this area generally consist of factories buildings, office buildings and warehouse buildings, while the surrounding population consists of low to middle income brackets.

Streets in the neighbourhood are generally poorly maintenance, with road widths ranging from 10 meters to 30 meters, gravel paved and concrete.

Considered as some of important establishments in the immediate vicinity are :

- ♦ PT. KOMATSU REMANUFACTURING ASIA
- ♦ TERMINAL PETIKEMAS KARIANGAU
- ♦ PT. KUTAI CHIP MILL (KCM)
- ♦ PT. BES

Electric power is available, but telephones are not yet available in this area. Public transportation passes through the Jalan Kariangau Industry Estate (Jalan Soekarno-Hatta), which is approximately 6 kilometers away from the location.

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

5.3. LAND DATA

The land has an irregular shape, consist of a parcel a land, located at Kelurahan Kariangau, Kecamatan Balikpapan Barat, Balikpapan – Kalimantan Timur, technically described as Hak Guna Bangunan (HGB) No. 478, registered in the name of PT KARIANGAU POWER, issued on 22 August 2011, expiring on 06 September 2040, *Surat Ukur* No. 00018/Kariangau/2011, dated 22 August 2011, containing an area of 60.749 square meters.

Attached are lot and plat plans, electrical network and distribution of the property, photographs of the property, and the vicinity map showing the location of the property, for ready reference.

As shown in the lot plan of the property, this land has a frontage about 243 meters wide and an average about 250 meters long.

The terrain of the land is generally flat and slightly rolling, and the elevation approximately 1 meter lower than the entrance road surface.

5.4. DESCRIPTION OF IMPROVEMENTS

The land is presently developed as Electric Steam Power Plant with a capacity of 2 x 15 Megawatts and utilized as office building, warehouse, Solar Pump House, WWTP building and other supporting buildings consist of buildings, other land improvements, machinery and equipments, electrical network and distribution, heavy equipment and vehicles, briefly described in the point 4.

5.5. BUILDING PERMIT

These buildings are covered by Building Permit (IMB) No. No. 007/DTKP/BB/KRU, dated 27 January 2012, issued by Kepala Dinas Kota dan Perumahan

5.6. HIGHEST AND BEST USED

Highest and Best Used (HBU) is defined as the most probable use of a property which is physically possible, appropriately justified, legally permissible, financially feasible, and which results in the highest value of the property being valued (KPUP 10.1).

Here we described as follow :

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

Legal Aspect Test

No.	Aspect	Eksisting	Regulation	Information
1	Zonation	Electric Steam Power Plant with a capacity of 2 x 15 Megawatts	Industrial	As Regulated
2	BCR	10%	50%	Not Maximal
3	FAR	0,8	1,3	Not Maximal
4	HOB	1 floor	1 floor	As Regulated
5	Building Permit	0077/DTKP/BB/KRU	Available	As Regulated
6	Ownership	HGB No. 478	Available	Appropriated

Based on the legal aspect and regulations that have been determined by The Local City and Residential Planning of Balikpapan, that this area is designed for Industrial zone with BCR 50%, FAR 1,3 and HOB 1 floor, where this land has been developed as Electric Steam Power Plant with a capacity of 2 x 15 Megawatts, consisting of office building, warehouse, solar pump house, WWTP building and other supporting buildings with BCR 10% and FAR 0,8 which is not maximal yet, while HOB 1 floor as regulated.

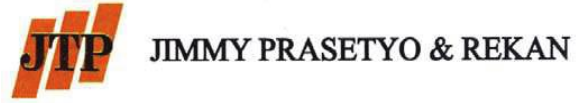
These building has a Building Permit (IMB) and the land is covered by Hak Guna Bangunan (HGB).

Considering to the condition of the environment which is designated for Industrial zone, and in this area generally consist factories buildings, office buildings and warehouse buildings, also this building already has a Building Permit (IMB) in permissions for Electric Steam Power Plant, then in our opinion this location is legally permissible.

Physical Aspect Test

No.	Aspect	Existing	Information
1	Location	Kel. Kariangau, Kec. Balikpapan Barat, Kota Balikpapan - Kalimantan Timur	Appropriated
2	Access	Access Road Available	Appropriated
3	Road Width	15 meters	Appropriated
4	Land Shape	Irregular shape	Appropriated
5	Topography	Flat and slightly rolling	Appropriated
6	Land Area	60.749 sq.m	Used as Electric Steam Power Plant with a capacity of 2 x 15 Megawatts
7	Facilities	Electricity from PLN Telephone Line from Telkom Water from PDAM end Individual well	Available

APPENDIX A – VALUATION REPORT



Taking into account the irregularly shape and condition of the lot, the land area is large enough and the topography is flat and slightly rolling, this site is still suitable to be used office building, warehouse, solar pump house, WWTP building and other supporting buildings. This is also supported by the complete infrastructures (road network), utilities (power lines, water and telephone) and public and social facilities around the location of the properties under appraisal. Accessibility from and to the location and circulation of vehicles to various centers of city activities is available, then in our opinion it is feasible as a physical asset test.

Financial Aspect Test

No.	Aspect	Information
1	Market analysis, demand and supply	Still an alternative investment choice
2	Price considerations and price trends for land	Relative fair, shop offerings ranging from Rp 500.000,- to Rp 1.000.000,- per sq.m
3	Usefulness	For middle or upper class industries
4	Desire	Normal request with a period of 6-12 months
5	Scarcity	There are several units offered on the market
6	Effective purchasing power	Economic conditions were relatively stable

The determination of financial testing involves the economic analysis of the property market of industrial building, with taking into account the growth projections of demand and supply of Electric Steam Power Plant, then that development as an industrial zone is financially feasible.

In this valuation we did not conduct a detailed Highest and Best Use analysis.

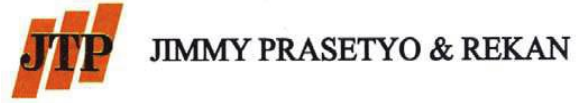
5.7. MARKET DATA ON COMPARABLE LAND

Market data on comparable lands which we used in the appraisal of the property are as follows :

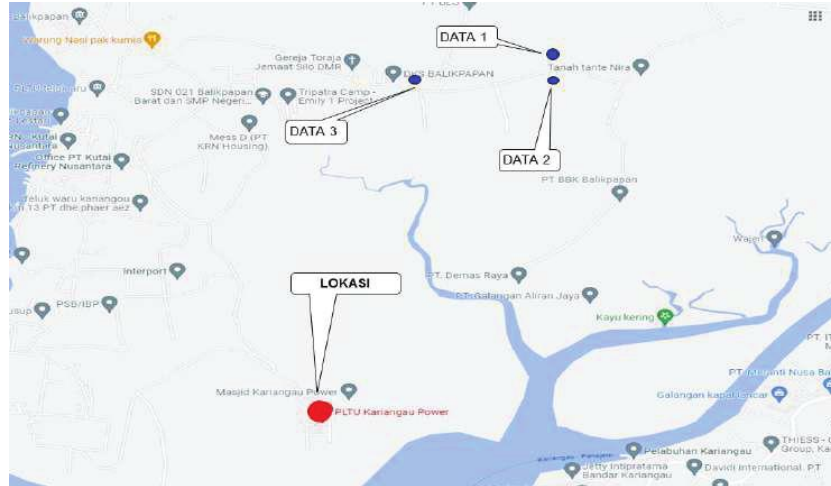
No.	D a t a		Loaction	Land		Price (Rp)	Remark
	Date			Tittle	Area (Sq.m)		
1	07-08-2023		Jalan Desa Salok Cina	HM	8.000	8.000.000.000,-	Offering
2	07-08-2023		Jalan Desa Salok Cina	HM	20.000	20.000.000.000,-	Offering
3	07-08-2023		Jalan Desa Salok Cina	HM	25.000	20.000.000.000	Offering

From the above data, we made several adjustments to factors such as offering, location, land area, accessibility and shape of land between the comparative data and the appraised object.

APPENDIX A – VALUATION REPORT



A sketch of the above comparable property is shown below :



5.8. MARKET OVERVIEW

The property being appraised is a Electric Steam Power Plant with a capacity of 2 x 15 Megawatts consist of office building, warehouse, solar pump house, WWTP building and other supporting buildings with development around the location which is considered to show relatively stable development, where the property is designated as an industrial zone.

Environmental facilities such as roads, schools and markets are adequate, while public facilities provided by the government in the form of electricity, telephone lines and water installations are readily available.

Supply of property around the site is normal.

This property has a irregularly shape, has a certificate and the topography is flat and slightly rolling with approximately 1 meter lower than the entrance road surface, while the selling price of the land around Kelurahan Kariangau, where the property being appraised is currently ranges from Rp 500.000 to Rp 1.000.000 per square meter.

5.9. CONCLUSION

Based on the main considerations and factors related to this valuation, in our opinion the amount of Rp 48.599.200.000,- (*Forty Eight Billion Five Hundred Ninety Nine Million Two Hundred Thousand Rupiahs*) is an Indicated Market Value of the land.

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

6. BUILDINGS, OTHER LAND IMPROVEMENTS, MACHINERY AND EQUIPMENTS, ELECTRICAL NETWORK AND DISTRIBUTION, HEAVY EQUIPMENT, AND VEHICLES.

6.1. TECHNICAL DESCRIPTION OF THE BUILDINGS

6.1.1. Office Building

This is a 1 (one) storey concrete framed building, technically described as under:

♦ <i>Foundation</i>	: River stone
♦ <i>Walls</i>	: Cement plastered brick
♦ <i>Roofing</i>	: Metal sheet on timber frames
♦ <i>Floor</i>	: Ceramic tile
♦ <i>Ceiling</i>	: Gypsum board
♦ <i>Partitions</i>	: Cement plastered brick and gypsum board
♦ <i>Windows</i>	: Glass panel on aluminum framed
♦ <i>Doors</i>	: Glass panel and wood panel

The building is painted, well maintained, provided with electrical lighting and plumbing facilities.

The total floor area is approximately 619 square meters.

Year Built : 2014 – *Condition* : Good

Indicated Market Value : Rp 1.527.990.000,-

6.1.2. Warehouse I

This is a lofty 6 meters 1 (one) storey steel frame building, technically described as under :

♦ <i>Foundation</i>	: River stone and foot flat concrete
♦ <i>Walls</i>	: Cement plastered brick
♦ <i>Roofing</i>	: Zinc galvalume sheet on steel frames
♦ <i>Floor</i>	: Plain cement finished concrete
♦ <i>Partitions</i>	: Cement plastered brick
♦ <i>Doors</i>	: Sliding steel plate

The building is painted, well maintained and provided with electrical lighting facility.

The total floor area is approximately 480 square meters.

Year Built : 2014 – *Condition* : Good

Indicated Market Value : Rp 942.870.000,-

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

6.1.3. Warehouse II

This is a lofty 6 meters 1 (one) storey steel frame building, technically described as under:

♦ <i>Foundation</i>	: River stone and foot flat concrete
♦ <i>Walls</i>	: Cement plastered brick
♦ <i>Roofing</i>	: Zinc galvalume sheet on steel frames
♦ <i>Floor</i>	: Plain cement finished concrete
♦ <i>Partitions</i>	: Cement plastered brick
♦ <i>Doors</i>	: Sliding steel plate

The building is painted, fairly maintained and provided with electrical lighting facility.

The total floor area is approximately 128 square meters.

Year Built : 2014 – *Condition* : Good

Indicated Market Value : Rp 244.070.000,-

6.1.4. Coal Warehouse

This is a lofty 10 meters 1 (one) storey steel frame building, technically described as under :

♦ <i>Foundation</i>	: River stone and foot flat concrete
♦ <i>Walls</i>	: Cement plastered brick
♦ <i>Roofing</i>	: Zinc galvalume sheet on steel frames
♦ <i>Floor</i>	: Plain cement finished concrete
♦ <i>Partitions</i>	: Cement plastered brick
♦ <i>Doors</i>	: Sliding steel plate

The building is painted, well maintained and provided with electrical lighting facility.

The total floor area is approximately 3.780 square meters.

Year Built : 2012 – *Condition* : Good

Indicated Market Value : Rp 8.199.580.000,-

6.1.5. Panel House I

This is a 1 (one) storey concrete framed building, technically described as under:

♦ <i>Foundation</i>	: Rver stone
♦ <i>Walls</i>	: Cement plastered brick
♦ <i>Roofing</i>	: Corrugated galvanized iron sheet on steel frames
♦ <i>Floor</i>	: Ceramic tile
♦ <i>Doors</i>	: Sliding steel plate

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

The building is painted, well maintained and provided with electrical lighting facility.

The total floor area is approximately 24 square meters.

Year Built : 2022 – *Condition* : *Very Good*

Indicated Market Value : Rp 58.200.000,-

6.1.6. Panel House II

This is a 1 (one) storey concrete framed building, technically described as under:

- ♦ *Foundation* : River stone
- ♦ *Walls* : Cement plastered brick
- ♦ *Roofing* : Corrugated galvanized iron sheet on steel frames
- ♦ *Floor* : Ceramic tile
- ♦ *Doors* : Sliding steel plate

The building is painted, well maintained and provided with electrical lighting facility.

The total floor area is approximately 16 square meters.

Year Built : 2022 – *Condition* : *Very Good*

Indicated Market Value : Rp 36.860.000,-

6.1.7. Solar Pump House

This is a 1 (one) storey concrete framed building, technically described as under:

- ♦ *Foundation* : River stone
- ♦ *Walls* : Cement plastered brick
- ♦ *Roofing* : Concrete deck
- ♦ *Floor* : Plain cement finished concrete
- ♦ *Windows* : Glass panel on aluminum framed
- ♦ *Doors* : Glass panel on aluminum framed

The building is painted, well maintained and provided with electrical lighting facility.

The total floor area is approximately 30 square meters.

Year Built : 2014 – *Condition* : *Good*

Indicated Market Value : Rp 70.560.000,-

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

6.1.8. Toxic and Hazardous (B3) Waste Warehouse

This is a 1 (one) storey concrete framed building, technically described as under:

- ♦ *Foundation* : River stone
- ♦ *Walls* : Cement plastered brick
- ♦ *Roofing* : Zinc galvalume sheed on timber frames
- ♦ *Floor* : Plain cement finished concrete
- ♦ *Windows* : Glass panel on aluminum framed
- ♦ *Doors* : Glass panel on aluminum framed

The building is painted, well maintained and provided with electrical lighting facility.

The total floor area is approximately 49 square meters.

Year Built : 2014 – *Condition* : Good

Indicated Market Value : Rp 100.700.000,-

6.1.9. Power House

This is a 1 (one) storey concrete framed building, technically described as under:

- ♦ *Foundation* : River stone
- ♦ *Walls* : Cement plastered brick
- ♦ *Roofing* : Zinc galvalume sheed on steel frames
- ♦ *Floor* : Plain cement finished concrete
- ♦ *Windows* : Glass panel on steel framed
- ♦ *Doors* : Sliding steel plate

The building is painted, well maintained and provided with electrical lighting facility.

The total floor area is approximately 324 square meters.

Year Built : Tahun 2014 – *Condition* : Good

Indicated Market Value : Rp 747.300.000,-

6.1.10. Fire Pump House

This is a 1 (one) storey concrete framed building, technically described as under:

- ♦ *Foundation* : River stone
- ♦ *Walls* : Cement plastered brick
- ♦ *Roofing* : Concrete deck
- ♦ *Floor* : Plain cement finished concrete
- ♦ *Doors* : Sliding steel plate

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

The building is painted, well maintained and provided with electrical lighting facility.

The total floor area is approximately 108 square meters.

Year Built : 2014 – *Condition* : Good

Indicated Market Value : Rp 275.070.000,-

6.1.11. Laboratory and Water Treatment Plant (WTP)

This is a 1 (one) storey concrete framed building, technically described as under:

- ♦ *Foundation* : River stone
- ♦ *Walls* : Cement plastered brick
- ♦ *Roofing* : Zinc galvalume sheet on steel frames
- ♦ *Floor* : Plain cement finished concrete and ceramic tile
- ♦ *Windows* : Glass panel on aluminum framed
- ♦ *Doors* : Glass panel on aluminum framed

The building is painted, well maintained, provided with electrical lighting and plumbing facilities.

The total floor area is approximately 481 square meters.

Year Built : 2014 – *Condition* : Good

Indicated Market Value : Rp 721.070.000,-

6.1.12. Waste Water Treatment Plant (WWTP) Building

This is a 1 (one) storey concrete framed building, technically described as under:

- ♦ *Foundation* : River stone
- ♦ *Walls* : Cement plastered brick
- ♦ *Roofing* : Zinc galvalume sheed on steel frames
- ♦ *Floor* : Plain cement finished concrete
- ♦ *Windows* : Glass panel on aluminum framed
- ♦ *Doors* : Glass panel on aluminum framed

The building is painted, well maintained and provided with electrical lighting facility.

The total floor area is approximately 42 square meters.

Year Built : 2014 – *Condition* : Good

Indicated Market Value : Rp 80.120.000,-

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

6.1.13. Transformer House

This is a lofty 6 meters 1 (one) storey steel frame building, technically described as under :

- ◆ *Foundation* : River stone and foot flat concrete
- ◆ *Walls* : Cement plastered brick
- ◆ *Roofing* : Zinc galvalume sheet on steel frames
- ◆ *Floor* : Plain cement finished concrete
- ◆ *Doors* : Corrugated galvanised sheet

The building is painted, well maintained and provided with electrical lighting facility.

The total floor area is approximately 100 square meters.

Year Built : 2014 – *Condition* : Good

Indicated Market Value : Rp 213.150.000,-

6.1.14. Guard House I

This is a 1 (one) storey concrete framed building, technically described as under:

- ◆ *Foundation* : River stone
- ◆ *Walls* : Cement plastered brick
- ◆ *Roofing* : Concrete deck
- ◆ *Partitions* : Cement plastered brick
- ◆ *Floor* : Ceramic tile
- ◆ *Windows* : Glass panel on aluminum framed
- ◆ *Doors* : Glass panel

The building is painted, well maintained, provided with electrical lighting and plumbing facilities

The total floor area is approximately 27 square meters.

Year Built : 2014 – *Condition* : Good

Indicated Market Value : Rp 62.010.000,-

6.1.15. Guard House II

This is a 1 (one) storey concrete framed building, technically described as under:

- ◆ *Foundation* : River stone
- ◆ *Walls* : Cement plastered brick
- ◆ *Roofing* : Corrugated galvanized iron sheet on timber frames
- ◆ *Partitions* : Cement plastered brick
- ◆ *Floor* : Ceramic tile
- ◆ *Windows* : Glass panel on aluminum frame
- ◆ *Doors* : Glass panel

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

The building is painted, well maintained, provided with electrical lighting and plumbing facilities.

The total floor area is approximately 25 square meters.

Year Built : 2014 – *Condition* : Good

Indicated Market Value : Rp 55.650.000,-

6.2. TECHNICAL DESCRIPTION OF OTHER LAND IMPROVEMENTS

Other land improvements consists of :

- ◆ *Fences* : Cement plastered brick and concrete precast, with approximately 2 meters in height and along approximately 80 meters, provided equipped with sliding steel plate door.
- ◆ *Driveway and Parking Area* : Paving block and plain cement finished concrete base course, covering an area of 8.000 square meters.
- ◆ *Water Intake* : Concrete construction covering an area of 340 square meters with a capacity of 500 cubic meters, and an area of 200 square meters with a capacity of 200 cubic meters.
- ◆ *Jetty* : Concrete floor area of approximately 50 square meters, with concrete bore piles foundation a depth of 20 meters.
- ◆ *Car Parking* : Steel framed corrugated galvanized iron sheet and plain cement finished concrete.

Other land improvements are well maintained.

Year Built : 2014 – *Condition* : Good

Indicated Market Value : Rp 1.541.000.000,-

APPENDIX A – VALUATION REPORT



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6.3. TECHNICAL DESCRIPTION OF MACHINERY AND EQUIPMENTS

<u>Description</u>	<u>Indicated Market Value</u>
Power Plant	
2 x 15 MW Kariangau Power Coal Fired Steam Thermal Power Plant	
Consisting of :	
2 - Steam Turbine	
Brand	: Nanjing Turbine & Electric Machinery, China
Type	: N 16.5- 4.90 - 2
Serial No.	: 201201
Rated Output	: 16,5 MW
Main Steam Press	: 4.9 Mpa
Rated Speed	: 3000 r/min
Main Steam Temperature	: 470 ° C
Cooling Water Temperature	: 30 ° C
Turbine Steam Rate	: 4,28 kg/kWH
Turbine Heat Rate	: 12045,65 kJ/kWH
Plant Heat Rate	
- Coal Firing (LHV)	: 3288,6 kCal/kWH (Gross)
- Coal Firing (LHV)	: 3737,1 kCal/kWH (Nett)
Fuel Heating Value (GCV)	: 4200 kCal/kg
Total Fuel Consumption	: 613 t/day
Plant Thermal Efficiency	: 13826,5 kJ/kWH
Net Plant Thermal Efficiency	: 15711,9 kJ/kWH
Completed with	:
a. Inlet, Stage and exhaust casing of turbine	
b. Emergency stop valve complete with Electro-hydraulic actuator, including integral strainer	
c. Turbine steam governing valves connected with Governing system	
d. Coupling	
e. Bearings - Turbine front & rear and Generator front & rear	
f. Turbine gland sealing system complete with inter connecting piping	
g. Gland steam condenser with 2x100% (1W+1S) exhaust fans with driver water jet ejector	
h. Turning device -electric driven	
i. Turbine drain system	
2 - Turbine Generator	
Brand	: Nanjing Turbine & Electric Machinery, China

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
Type	: QF W-15-2
Rated Power	: 15 MW
Net Plant Output	: 113,2 MW
Rated Voltage	: 6,3 kV
Power Factor	: 0,8
Rated Speed	: 3000 rpm
Rated HZ	: 50 HZ
No of Phase	: 3 phase
Completed with	:
a. Air Cooler	
Driven by 400 kW electric motor	
b. Lube Oil Supply System	
Consisting of :	
2- High Pressure Oil Pump	
Type : 80Y- 100A, flow 26 m ³ /hr	
Pressure 0,918 Mpa, speed 2950 rpm	
Driven by 30 kW electric motor	
2- AC Motor driven Auxiliary Oil Pump	
Type : CHY-18,flow 20,5 m ³ /hr	
Pressure 0,353,Driven by 5,5 kW electric motor	
2- DC Motor driven Auxiliary Oil Pump	
Type : CHY-18,flow 20,5 m ³ /hr	
Pressure 0,353,driven by 5,5 kW electric motor	
4- Water Filter	
2- Oil Filter	
4- Oil Cooler	
Cooling area 20 m ² , Cooling oil capacity 360 l/min	
Cooling water capacity 56 t/hr	
2- Set Oil Tank	
Volume : 3 m ³	
2- Set Oil smoke discharge Fan	
Type : CQ2-L	
1- Making Up Oil Tank	
Volume : 1,2 m ³	
1- Turbine Oil Filter	
Q = 4000 L/H	
2- HP Heater	
Heating area 80 m ² ,steam pressure 1,3 Mpa	
Water pressure 60 Mpa	
2- LP Heater	
F = 40 m ² ,steam flow 3,8 t/h, steam pressure 0,196 Mpa, Water pressure 0,588 Mpa	
1- Condensate System Accessories	
2- Surface Condenser	

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
F = 1250 m ² Cooling rate 80, Steam pressure 0,0095 Mpa Cooling Water Flow 3200 - 3800 t/h, water pressure 0,196 Mpa	
4- Condensate Pump Capacity 60 m ³ /hr, pressure 0,7 Mpa, voltage 380 V, driven by 37 kW electric motor	
2- Water Jet Ejector Capacity 144 t/hr, water pressure 0,392 Mpa, ejector air 0,0015 t/hr	
4- Water Jet Pump Capacity 185 t/hr, H = 0,429 Mpa, voltage 380 Volts, speed 2.950 rpm Driven by 37 kW electric motor	
2- Water Jet Tank Volume : 6 m ³	
2- Gland Steam Heater Heating area 20 m ² , steam consumption 36 kg/hr Steam temperature 260 - 435 ^o C	
2- Flash Tank	
2- Equalization box	
2- High Pressure Heater Steam Trap	
2- Emergency Water Drainer	
1- Crane dan Hoist Over Head Crane Main hook capacity 32 ton, Length Span 16,5 m Main hook lift 16 m, Auxiliary hook lift 20 m Driven by 8,5 kW electric motor and driven by 2,5 kW electric motor	
1- Turbine governing System WOODWARD-505 governor or equivalent, to perform speed control, load control, with respect to the variation in voltage and frequency within the design limits	
1- Turbine shaft vibration and axial displacement monitoring system, including proximity type probes, proximeters extension cables & monitors for the following Shaft vibrations at turbine front & rear bearings Shaft vibrations at Generator front & rear bearings Turbine axial displacement	
Turbine-specific buildings attached to the asset (Engineering and Construction/EPC) Unit completed with control panel and others standard	

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
accessories for normal operation	
2- Circulating Fluidized Bed Boiler (CFB)	
Brand : Wuxi Boiler Works, China	
Type : UG - 75/5.3 - M 19	
Maximum Continuous Rating : 75 ton/hr	
Super Heated Steam Temp : 485° C	
Feed Water Temperature : 150° C	
Boiler Efficiency : ≥ 88 %	
Hot Air Temperature : 290.	
Smoke Temperature : 146° C	
Fuel : Coal	
Consisting of :	
- Steam Drum	
- Furnace & Windbox	
- Natural Circulation System	
- Superheater	
- Interstage Attemperator	
- Economiser	
- Air Preheater	
- Superheater	
- Supporting Structure	
- Steel Structures/ Platform	
- Safety Valve	
- Feed Water Control Station	
- Attemperator Spray Water Control Station	
8- Set Weighing complete shut-off coal feeder	
Model : NJGC-30-500	
Rated output 20 t/hr, width of conveyor band 500 mm	
Feed coal distance L= 5300 mm, Tape speed 0,44 m/s	
with Frequence governor motor power 3 kW with Sweeping motor power 1,5 kW	
Turbine and Boiler equipped with I & C System	
Consisting of :	
- DCS I/O	
2- Mobnitoring Instrument Panel	
- Boiler System	
Completed with Pressure Transmitter, Differential Pressure, Transmitter, Thermocouple, RTD, Valve Motorized Device, Electric Motor Actuator.	
- Turbine System	
Completed with Pressure Transmitter, Differential Pressure, Transmitter, Thermocouple, RTD, Valve	

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
Motorized Device, Electric Motor Actuator.	
- Daerating and Common System Completed with Pressure Transmitter, Differential Pressure, Transmitter, Pressure Gauge, Electric Motor Actuator.	
- Cable and auxiliary material Completed with Cable, Tray, Pressure Valve, Pressure Tap, Instalation Material Boiler-specific building attached to the asset (Engineering and Construction/EPC)	
- Auxiliary Fuel System	
Consisting of :	
1- Oil Pumping unit	
Consisting of :	
- Unload Pump Flow 12 m ³ /hr, head 0,33 Mpa,voltage 380 v Rotation rate 1450 r/min	
4- Oil Feed Pump Flow 2,4 m ³ /hr, head 2,5 Mpa,voltage 380 v Rotation rate 1450 r/min,driven by 4 kW electric motor	
4- Unit Oil Tank Volume : 20 m ³	
4- Front Filter Flow 5 m ³ /hr, specification 20 mu/cm	
2- Unit Start-up Burners	
1- Lot Fuel Oil Piping	
1- Limestone Handling Equipment	
Consisting of :	
1- Limestone receiving hopper Volume : 50 m ³	
- Limestone Silo Foundation	
3- Vacuum discharge valve	
1- Dust collector Model : DMC - 36	
2- Dust collector Model : DMC - 24	
4- Aeration Pad 175 x 900	
8- Aeration Pad 175 x 300	
6- Level meter of limestone storage silo Model : FR - 8000	
1- Electric heater	
3- Roots fan	
1- Valves for fan	

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
1- Air storage tank	
2- Switching valve for pipe	
3- Pressure reducing device	
3- Control box of duct collector	
1- Control box of electric heater	
1- Control box of roots fan	
4- Switching valve box	
2- LD type pressure vessel	
2- Pneumatic inlet valve	
2- Pneumatic inlet valve	
2- Air exhaust valve of pressure vessel conveyer	
2- Air inlet device of pressure vessel conveyer	
2- Blowing device of pressure vessel conveyer	
2- Control valve pipeline of pressure vessel conveyer	
6- Manual screw valve	
6- Waveform bellows	
1- Inlet pipe of pressure vessel	
4- Pressure transmitter	
2- Level meter of pressure vessel	
4- Ejection pump	
4- Set Rotary feeder	
4- Control box of rotary feeder	
1- PLC Control system	
2- Set Local control box of pressure vessel conveyer	
1- Unit Sand Handling Equipment (Bed Material Feeding)	
1- Combustion Air System	
Consisting of :	
2- Forced Draft Fan	
Type : JLG75-12A No.16D	
P = 14488 Pa, Q =50995 m ³ /hr	
Driven by 315 kW electric motor	
2- Fan	
Type : JLG75-21BA No.13D	
P = 9848 Pa, Q =51875 m ³ /hr	
Driven by electric motor	
2- Recycled Fan	
Flow 9,78 m ³ /hr, total pressure 19,6 Kpa, speed	
1450 rpm	
Driven by 7,5 kW electric motor	
2- Induced Draft Fan	
Type : JLG75-21BA No. 13D	
Pa = 4275 Pa, Q = 182000 m ³ /hr	
Driven by 400 kW electric motor	
- ID Fan Foundation	
- SA Fan Foundation	

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
<ul style="list-style-type: none"> - FD Fan Foundation - HP Fan Foundation 2- Flue Gas System Flue Gas Duct Foundation 2- Electrostatic Precipicator (ESP) Single gas path, ESP, configured with EMIGI (Electro Magnetic Impluse Gravity Impact) type rapper system Tipe : YSC 3 x 3.5 (400) - 1 x 6.4-8 effective surface 51 m², Capacity 169713 m³/hr eliminate dust efficiency 99,3 %, resistance 300 Pa ESP Control Room 1- Lot Ducting 1- Set Chimney Concrete construction materials with a height of 60 m equipped with other standard equipment for normal operation.. 1- Sootblowing Equipment Consisting of : <ul style="list-style-type: none"> 4- Long Retractable Sootblower for superheader 4- Rotating Sootblower for Economiser 	
1- Auxiliary System	
Consisting of :	
1- Feedwater system	
Completed with :	
1- Set De -aerator Capacity 170 t/hr, pressure 0,02 Mpa, temperature 104 ⁰ C, Volume 70 m ³	
1- Boiler Feed Water Pump Capacity 85 m ³ /hr, pressure 8 Mpa, speed 2950 rpm Power 350 kW, driven by 350 kW electric motor	
1- Continuous Blowdown Tank (Dia 800) Volume 5,5 m ³ , Working pressure 0,196 Mpa, Working temperature < 133 ⁰ C	
1- Intermitted Blowdown Tank (Dia 1500) Volume 3,5 m ³ , Working pressure 0,15 Mpa, Working temperature < 127 ⁰ C	
1- Horizontal Drainage Flash Tank Volume 0,75 m ³ , Working pressure 0,2 Mpa, Working temperature < 105 ⁰ C	
1- Set Drain Water Tank Volume : 20 m ³	
1- Set Drain Water Pump	
1- Chemical dosing equipment with metering pump	

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
Two measuring pockets, three metering pumps, flow 63 l/hr, head 12,5 Mpa with phosphate solution tank volume 1 m ³	
2- Superheated Steam Sampling Cooler	
2- Service water recycle pump	
1 - Silencer	
Consisting of :	
2- Boiler Ignition Exhaust Silencer Steam Discharge Capacity 30 t/hr, Pressure 3,82 Mpa, Temperature 450 °C	
2- Silencer of Superheater safety valves	
2- Silencer of drum safety valves	
2 - Roller Slag Cooler	
Capacity 2 t/hr, maximum leaving slag temperature 95° C, Cooling water flow rate 16 m ³ Admission water temperature 25 ° C, driven by 2,2 kW electric motor	
2- Lot Refractory material	
HSD Oil Pump Shelter	
HSD Oil Storage Facilities Foundation (Fuel Oil Storage Foundation)	
- Coal Handling System	
Consisting of :	
1- Coal Hopper	
The coal feeding from storage coal yard to Boiler bunkers shall be of 2 lines as per schematic diagram	
1- Vibrating Screen	
Capacity 60 t/hr, incoming coal size < 200 mm Driven by 2 x 0,5 kW electric motor	
1- Belt Conveyor (No.1)	
Size Width 500 mm, length 36.521 m, speed 1,25 m/s Size length 500 mm, length 70.537 m, speed 1,25 m/s Q 60t/hr, driven by 11 kW electric motor	
1- Belt Conveyor (No.2)	
Size Width 500 mm, length 70.537 m, speed 1,25 m/s Q 60t/hr, driven by 11 kW electric motor	
1- Belt Conveyor (No.3)	
Size Width 500 mm, length 18,8 m, speed 1,25 m/s Size Width 500 mm, length 28,8 m, speed 1,25 m/s Q 60t/hr, driven by 3 kW electric motor	
2- Unloader with electric box	
Size Width 500 mm, driven by 0,75kW electric motor	
1- Magnetic Separator	
Hauger Height 200 mm, adaptive breadth 650 mm, Line	

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
speed < 2m/s Adaptive thickness 150 mm, driven by 3 kW electric motor	
1- Vibrating Screen	
Brand : Huiying, China	
Type : SH 1015	
Capacity : 40 s/d 70 t/hr, Feed size ≤ 200 mm, driven by 4 kW electric motor	
1- Coal Crusher	
Made in : RRC	
Type : PCH X8090	
Spindle speed 990 r/min, Rotor dia 800 mm	
Rotor diameter 800 mm, Rotor Length 900 mm	
Feed size < 300 mm, driven by 110 kW electric motor	
2- Coal Bunker	
Steel plate construction, Length 600 mm x Width 1000 mm x Height 1200 mm	
Tunnel Bunker (Coal Underground Hopper)	
Pipa Support Foundation & Underground Cables Pipes	
2- Emergency Bunker	
Steel Plate construction, completed with :	
1- Coal Screw Conveyor	
Screw diameter 25 mm x Length 6000 mm, driven by 4 Kw electric motor	
6- Coal Feeder	
Brand : Saimo	
Type : F 57	
Serial No : GL 111097, GL 111095, GL 111098, GL 111096, GL 111099	
Capacity : 20 t/hr	
- Ash and Slag Removal System	
Consisting of :	
A. Pneumatic ash removal system from ESP ash	
Consisting of :	
4- LD 1.0 type pressure vessel LD 1000-0 V=1.0 m ³	
2- LD.5 type pressure vessel LD 800-0 V=0.5 m ³	
3- Screw Air Compressor	
Brand : Wuxi, China	
Type : LGD 75/0131 B	
Capacity : 13,8 m ³ / min	

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
Speed : 2965 r /min	
Driven by 75 kW electric motor	
Consisting of :	
2- Air Dryer	
Brand : Wuxi, China	
Driven by 5 kW electric motor	
1- Cold Dryer	
1- Dust Filter	
1- Oil Separator	
1- Gas Storage Tank	
Volume = 1 m ³	
1- Gas Storage Tank	
Volume = 4 m ³	
1- Aeration Fan	
Driven by 18,5 kW electric motor	
1- Electric Heater	
Driven by 45 kW electric motor	
1- Unloader Under Silo	
1- Double Axis Mixer	
JS-60, Q = 60 t/hr	
1- Pulse Cleaner	
2- Pressure and Vacuum Relief Valve	
8- Level Meter	
8- Pressure Transmitter	
3- Manual Screw Catcher	
6- Aeration Channel	
2- Pneumatic Switching Valve	
6- Bellows	
6- Pneumatic Feeding Valve	
6- Pneumatic Outlet Valve	
6- Pneumatic Gas Exhaust Valve	
6- Air Inlet Valve Assembly	
6- Feeding pipe of pressure vessel conveyor	
1- Ash Silo	
Volume = 200 m ³	
1- Ash Unloading Terminal Box	
1- Aeration Unloader Hopper of Ash Silo	
1- Equipped Valve Instruments of Ash Silo	
1- Control Box of Ash Silo	
1- Field Box of Ash Silo	
1- Electromagnetic Valve Box of Ash Silo	
1- Valve	
B. Bottom Ash Equipment	
Consisting of :	
2- Lot Bottom Ash Chutes	

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
<ul style="list-style-type: none"> 3- Bottom Ash Conveyor Capacity 2 t/hr 1- Slag Silo Volume = 200m³ <ul style="list-style-type: none"> - Fly Ash Silo Foundation - Bottom Ash Silo Foundation - Fly Ash Disposal Area - Sand Pit Foundation 	
Water Treatment Plant	
Consisting of :	
1- Water Intake 40 m ³ /hr Capacity	
Completed with :	
3- Circulating Water Pump 20 m ³ /hr Capacity Driven by 20 kW electric motor	
2- Chemical tank	
Consisting of :	
1- Flocculant Tank Fiber glass construction, 2.000 liter capacity	
1- Coagulant Tank Fiber glass construction, 3.000 liter capacity	
4- Doozing Pump	
1- Pressure Tank Steel Plate construction, tank diameter 1.000 m, 2.000 mm height	
1- Lamela Clarifier Concrete construction, Length 12.000 mm x Width 6.000 mm x Height 3.500 mm	
1- Gravity Sand Filter Concrete construction, Length 6.000 mm x Width 6.000 mm x Height 3.500 mm	
1- Holding Tank Steel plate construction, Length 9.000 mm x Width 6.000 mm x Height 3.000 mm, completed with 2 holding pump	
1- Raw Water Tank Concrete construction, Length 7.000 mm x Width 6.000 mm x Height 3.000 mm	
1- Fresh Water Tank Concrete construction, Length 7.000 mm x Width 6.000 mm x Height 3.000 mm	
2- Industrial Pump Model : 24T80WFB-A	

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
Serial No. : 110999 Driven by 11 Kw electric motor	
1- Biocide Feed System Brand : LMI Milton Roy Flow rate 30 L/H, head 4 bar, Completed with 2 metering pump units and 1 solution tank unit.	
2- Unit Multimedia Filter Material of construction Carbon Steel with rubber lining inside. Dia 2200 mm SS 1500 mm, Backwash Auto, Piping PVC/PE.	
2- Unit Activated Carbon Filter Material of construction Carbon Steel with rubber lining inside. Dia 2200 mm SS 1500 mm, Backwash Auto, Piping PVC/PE.	
1- Unit Air blower for backwash air Flow 7 m ³ / min, pressure 0,7 bar	
1- Unit Backwash water storage Tank Material of construction Concrete /FRP/PE Unit Backwash water pumps for multimedia filter	
1- filter Material SS 316 and duplex Stainless steel, flow 100 m ³ /hr Head 2.5 bar, digerakkan motor listri 11 kW	
1- Unit Antiscalant Feed System Flow rate 3.8 L/Hr , head 7,6 bars Dilengkapi dengan 2 metering pump dan 1 solution tank	

Fire Hydrant System :

Consisting of :

- 1- Main Electric Pump Unit (MEP)
Horizontal Case type, Capacity 1.000 USGPM head 6,5
bar, driven by 75 Hp electric motor, 2.900 rpm,
completed with panel control, spring vibration mounting
and other standard equipment for normal operation.
- 1- Main Diesel Pump Unit
1000 USGPM Capacity, driven by 73 Hp. electric motor
- 1- Unit Jockey Pump
Vertical Multi Stage type, 50 USGPM Capacity, head
7,5 bar, driven by 5,5 HP. electric motor
- 1- Pressure Tank
Steel plate construction, 500 liter capacity

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
1- Solar Tank for MDP 500 liter capacity The unit is equipped with a control panel, fire protection distribution, extra over pipe work, valves and ancillaries including joint to pipe work, dan peralatan standar lainnya. Year : 2011	Condition : Fair Rp 171.002.000000,-

UTILITY

1- Water Treatment Plant & Cooling Tower

320 m³/hr & 35 m³/hr Capacity

Consisting of :

- 2- Micron Filter
 - Type : 9DC4P
 - Material : PVC
 - Capacity : 60 m³/hr
- 2- Unit High pressure Pump
 - Brand : Fedco, USA
 - Material : Duplex stainless steel
 - Capacity : 60 m³/hr
 - Head 60 bar, driven by 110 kW electric motor
- 2- Sea Water Reverse Osmosis System
 - Type : CRN 32-8
 - Membran type TFC Sea water, System recovery > 40 %.
 - Permeate flow rate 25 m³/hr, membran size dia 8" x 40" L with 42 pcs membrane.
- 1- Unit R/O Product Water Tank
 - Capacity : 600 m³

1- Demineralized Water Tank

Consisting of :

- 1- 2nd Pass Reverse Osmosis System
 - Brand of Membrane : OSMO
 - Membrane Type : TFC Brackish
 - Permeate flow rate 15 m³/hr, system recovery >86 %
 - Membrane size dia 8" x 40" L, Qty 12 pcs, temperature 25° C
- 1- Unit Pure Water Tank
 - Material of tank Carbon Steel with 2 layer epoxy lining
 - 20 m³ capacity
- 2- Unit Pure Water Transfer Pump
 - Barand : CNP
 - Flow 10 m³/hr, head 3 bars driven by 2,2 kW electric motor

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
<ul style="list-style-type: none"> 1- Set R/O Cleaning Skid Completed with : <ul style="list-style-type: none"> 1- Cleaning Pump 1- Cleaning Tank 1- Micron Filter 1- Flow Indicator 2- Mixed bed Demineralizer Material of construction steel rubber lined for face. Piping PVC,Regeneration Automatic, valve diaphragm type PVC, 10 m³/hr capacity, dia 750 mm. 1- Water Tank Material of Tank SS 304 or Steel epoxy coated 100 m³/hr capacity 2- Water Pumps Q =10 m³/hr, H = 0,7 Mpa 1- Frequency Inverter for Di Water Pumps 1- Ammonia Feed System Completed with : <ul style="list-style-type: none"> 1- Chemical Pump 1- Solution Tank 1- Air Compressore and Receiver Tank 	
<p>- Auxiliary Closed Cooling Water System for Air Cooleer. Oil Cooler and Bearing So On Consisting of :</p> <ul style="list-style-type: none"> 2- Unit Mechanically Induced Draft Counter Flow Cooling Tower 430 m³/hr capacity,driven by18,5 kW electric motor 2- Circulating Water Pump Driven by electric motor <p>Open Type Cooling Seawater System Using Seawater Consisting of :</p> <ul style="list-style-type: none"> 1- Seawater Intake Pump 1- Seawater Circulating Water Pipe and Piping Unit completed with control panel and others standard accessories for normal operation <p>Cooling Tower 4 x 2.000m³/jam capacity Consisting of :</p> <ul style="list-style-type: none"> 2- Unit Water Pump 150 t/hr capacity 1- Plumbing equipment lot pipes to raw water tanks 4- Unit Sea water FRP Cooling Tower, total flow rate 8.000 m³/hr Flow rate per cell 2.000 m³/hr, in let temperature 41° C, 	

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
<p>out let temperature 25° C, dry bulb temperature 32 ° C, Fan Ø 8.000 mm. Design air capacity 1.200.000 m³/hr, driven by 90 kW electric motor</p> <p>5- Circulating Water Pump Model : 20SH-19 Flow capacity 1.620 – 2.340 m³/hr Head 24,5 - 19,4 m, driven by 185 kW electric motor Degree of protection IP 55, Insulation Class, material casing SS 316 L. Impeler SS 316 L, Sheft Carbon Steel, Shef Seal – Gland.</p> <p>5- Driven by electric motor Watertreatment-specific building attached to the asset (Engineering and Construction/EPC) Unit completed with control panel and others standard accessories for normal operation</p>	<p>Year : 2011</p> <p>Condition : Fair</p> <p>Rp 13.869.000.000,-</p>

1- Electric Generating Set

Consisting of :

- 4- AC Generator
- Brand : Leroy Somer
- Type : LS A531 VL 75 4 P2415 kVa
(1932 kW)

Driven by :

- 4- Engine
- Brand : Baifa
- Type : BF-M2500 HV
- Serial No. : 130301A, 130301C, 130301D,
130301 B

Completed with :

- 2- HV Cabinet for Generator
Model : XGN - 10 - 62 (1 G)
- 4- HV Cabinet for Generator
Model : XGN - 10 - 62 (1 G)
- 4- Zero Squence CT
Model : LJM -1 1750A
- 200- Busbar Fitting
6,3 kV Medium Voltage Metal Clad Switch Gear
6,3 kV Copper Busbar, 25 kV for 3 sec,
Switchgear, completed with VCB circuit
breakers, consisting of :
- 2- Incoming Feeder Cabinet

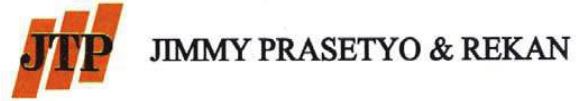
APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>	
<ul style="list-style-type: none"> 1- Bus-coupler feeder 3- Service Transformer Cabinet 15- Outgoing Feeder Cabinet 2- PT Cabinet 1- 1,4 kV Low Voltage Switchgear Consisting of : <ul style="list-style-type: none"> 2- Incoming Feeder Cabinet Model : GHK-Z2000 10- Outgoing Feeder Cabinet Model : GHK-Z2000 1- Distribution Box & Electrical Control Box Completed with distribution box, control box, electrical box for repairing, switchgear, control desk for coal handling system. 1- AC Panel 1- Emergency Lighting Panel 1- Meter and Central Single Panel 1- Plant DC System, Battery Charger, Battery 1- UPS Battery & Battery Charger 1- Lighting System 1- Protection System 3- Auxiliary Transformer Model : SCB-1000/6.3/0.4 1- Cable and Wire 		
<p>1- 20 kV Sub-Station Consisting of :</p> <ul style="list-style-type: none"> 2- Main Power Transformer Q = 20 MVA 21/6.3 kV, Yn, d11, U = 7,5% 1- 20 kV Medium Voltage Metal Clad Switch Gear 2- Incoming Feeder Cabinet 4- Outgoing Feeder Cabinet 1- PT Cabinet 1- Unit Protection System 		
<i>Year : 2011</i>	<i>Condition: Fair</i>	<u>Rp 6.605.000.000,-</u>
Total Machinery and Equipments		<u>Rp 191.476.000.000,-</u>

APPENDIX A – VALUATION REPORT



6.4. TECHNICAL DESCRIPTION OF ELECTRICAL NETWORK AND DISTRIBUTION

<u>Description</u>	<u>Indicated Market Value</u>
I. CENTRAL SUBSTATION	
A. Equipment capacity 20 kV	
Consisting of :	
Central Substation	
Size Length 10,5 m x Width 4,5 m	
1- Concrete Walls and foundations	
Year : 2013 Condition: Fair	Rp 142.250.000,-
2- Incoming	
Brand : Schneider	
Type : SM6	
Capacity : 630 A, Busbar 1.250 A	
Year : 2013 Condition: Fair	Rp 309.090.000,-
4- Outgoing 630 A	
Brand : Schneider	
Type : SM6	
Capacity : 630 A	
Year : 2013 Condition: Fair	Rp 618.190.000,-
1- Set Panel Metering	
Brand : Schneider	
Type : SM6	
Capacity : 630 A	
Year : 2013 Condition: Fair	Rp 41.550.000,-
1- Set Battery AC/DC and Fan	
Brand : APC Schneider	
Capacity : 5.000 VA	
Year : 2013 Condition: Fair	Rp 51.500.000,-
1- Lighting Installation Set	
Year : 2013 Condition: Fair	Rp 35.060.000,-
B. Extra Cubical (at the Kariangau Power Substation for KP Panel)	
Consisting of :	
2- Incoming 630 A busbar 1250 A	
Brand : Schneider	
Type : SM6	
Capacity : 630 A, Busbar 1.250 A	
Year : 2013 Condition: Fair	Rp 309.090.000,-
2- Outgoing 630 A	
Brand : Schneider	
Type : SM6	
Capacity : 630 A	
Year : 2013 Condition: Fair	Rp 309.090.000,-

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>		<u>Indicated Market Value</u>
C. Conductor, Accessories and Pole from the central substation to the customer substation (KOTR)		
Consisting of :		
3- Set double line construction type A Year : 2013 Condition: Fair	Rp	32.170.000,-
3- Set double line construction with double tension type J Year : 2013 Condition: Fair	Rp	44.850.000,-
1- Set double line construction with treckschoor type D Year : 2013 Condition: Fair	Rp	39.210.000,-
3- Set double line construction with druckschoor type G Tahun : 2013 Condition: Fair	Rp	64.460.000,-
2- Set double line construction with pole & angle construction type H Year : 2013 Condition: Fair	Rp	54.460.000,-
2- Set double line construction with double pole (HT pole) type K Year : 2013 Condition: Fair	Rp	65.650.000,-
2- Set double line construction dead end pole type L Year : 2013 Condition: Fair	Rp	34.720.000,-
2- Set double line construction with contramust type N Year : 2013 Condition: Fair	Rp	36.310.000,-
1- Conductor Sets AAAC 240 mm ² Length 5.400 m Year : 2013 Condition: Fair	Rp	78.430.000,-
1- Set Ground Steel Wire (GSW) Type : GSW 35 mm Length : 800 m Year : 2013 Condition: Fair	Rp	8.810.000,-
12- Set termination 3 x 240 mm ² Year : 2013 Condition: Fair	Rp	37.730.000,-
12- Protective Pipe Stem Year : 2013 Condition: Fair	Rp	14.000.000,-
<i>Sub Total I</i>	<u>Rp</u>	<u>2.326.630.000,-</u>
II. SUBSTATION CIRCUIT		
Consisting of :		
1- Container Garage Size 20 feet Completed with a concrete construction foundation		

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
Year : 2013 Condition: Fair	Rp 86.740.000,-
Material - Primary	
3- Set LBS Incoming Brand : Schneider Type : SM6 IA/MG Capacity : 20 kV 630A 16kA Operating mechanism motorized 110 Vdc, Busbar 630 A, Opening Coil 110 Vdc, Heater 50 Watt 220 Vdc, Voltage Indicator	
Year : 2013 Condition: Fair	Rp 172.150.000,-
1- Set LBS Metering Brand : Schneider Type : SM6 CM/MG Capacity : 20 kV 630A 16kA Busbar 630 A, Heater 50 W 220 Vac, Voltage Indicator, protection fuse 6,3 A, 3 pcs VT 20 kV : V3/100 V:V3 CL) 2 kV meter, kwh meter SSV 4 pos	
Year : 2013 Condition: Fair	Rp 61.600.000,-
3- Set Outgoing/Incoming Brand : Schneider Type : SM6 DM-1A/MG Capacity : 20 kV 630A 16kA (fixed) CT Operating mechanism motorized 220 Vac/48 Vdc, Busbar 630 A, Opening & Closing coil 48 Vdc, Heater 50 W 220 Vac, Voltage Indicator, sepam 1000 + T20, 3 pcs CT sclass 0,2 s, 3 pcs VT 20 kV: V3/100V: V3 cl0 2,kV meter, kwh meter SSV 4 pos, Internal source TVS III 100 Vac/48-125 Vdc + rear plate	
Year : 2013 Condition: Fair	Rp 682.040.000,-
1- Power Pole Concrete material with a height of 14 meter 500 daN	
Year : 2013 Condition: Fair	Rp 2.500.000,-
1- Set Panel Metering (Additional for Gardu KP) Brand : Schneider Completed with SM6 DM-1A/MG current and voltage readings	
Year : 2013 Condition: Fair	Rp 41.550.000,-
1- Set Battery AC/DC & Fan (Additional for Gardu KP)	

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
Brand : APC Schneider	
Capacity : 2.000 VA	
Year : 2013 Condition: Fair	Rp 51.510.000,-
1- Set Modify busbar of Panel KP	
Year : 2013 Condition: Fair	Rp 24.090.000,-
1- Pole Transformer (Additional for Kariangau Power Substation)	
Capacity : 50 KA	
Year : 2013 Condition: Fair	Rp 61.600.000,-
Material – Non Primary	
1- UPS	
Capacity : 500 VA- 220 Volt	
Year : 2013 Condition: Fair	Rp 1.850.000,-
4- UNP 8 x 80 U/DDK Cubical Sets	
Year : 2013 Condition: Fair	Rp 750.000,-
Box Terminal 16 mm ² - 500 V- 12	
1- terminal	
Year : 2013 Condition: Fair	Rp 80.000,-
1- Padlock Key	
Year : 2013 Condition: Fair	Rp 80.000,-
9- Complete 5,5 meter Ground Set (Additional for Kariangau Power Substation)	
Year : 2013 Condition: Fair	Rp 820.000,-
20- Cable meter NYY 4 x 4 mm ²	
Year : 2013 Condition: Fair	Rp 350.000,-
10- Cable meter NYY 4 x 2,5 mm ²	
Year : 2013 Condition: Fair	Rp 140.000,-
10- Cable meter NYY 2 x 2,5 mm ²	
Year : 2013 Condition: Fair	Rp 80.000,-
2- PVC Pipe Stem	
Size diameter 1,5 inch	
Year : 2013 Condition: Fair	Rp 90.000,-
18- SKT 10 (Cable channel Accessories)	
Year : 2013 Condition: Fair	Rp 520.000,-
1,5 inch pipe clamp set complete with	
5- bolt	
Year : 2013 Condition: Fair	Rp 20.000,-
50- SKTM Cable meter 3 x 240 mm ² -20 kV	
Year : 2013 Condition: Fair	Rp 24.420.000,-
250- Cable meter NA2XSY 1 x 300 mm ² (Additional for Kariangau Power Substation)	

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
<i>Year : 2014</i> <i>Condition: Fair</i>	Rp 101.380.000,-
2- Indoor terminating 3 x 240 mm ² -20 kV SC	
<i>Year : 2013</i> <i>Condition: Fair</i>	Rp 3.860.000,-
2- Outdoor Terminating Sets 3 x 240 mm ² -20 kV SC	
<i>Year : 2013</i> <i>Condition: Fair</i>	Rp 3.920.000,-
9- Indoor Terminating Sets 3 x 300 mm ² -20 kV SC (Additional untuk Kariangau Power Substation)	
<i>Year : 2013</i> <i>Condition: Fair</i>	Rp 33.470.000,-
9- Outdoor Terminating Sets 3 x 300 mm ² -20 kV SC (Additional untuk Kariangau Power Substation)	
<i>Year : 2013</i> <i>Condition: Fair</i>	Rp 34.760.000,-
9- Indoor Terminating Sets 1 x 300 mm ² -20 kV SC (Additional for Gardu KP)	
<i>Year : 2013</i> <i>Condition: Fair</i>	Rp 33.470.000,-
9- Outdoor Terminating Sets 1 x 300 mm ² -20 kV SC (Additional for Gardu KP)	
<i>Tahun : 2013</i> <i>Condition: Fair</i>	Rp 34.760.000,-
18- Scun Set CU 240 mm ² (Additional for Kariangau Power Substation)	
<i>Year : 2013</i> <i>Condition: Fair</i>	Rp 520.000,-
4- Checker Plate Set 3 mm thick, equipped with a frame	
<i>Year : 2013</i> <i>Condition: Fair</i>	Rp 580.000,-
1- Set of Container Padlock Locks/PLN standard master keys	
<i>Year : 2013</i> <i>Condition: Fair</i>	Rp 80.000,-
1- Split AC + Installation	
Brand : LG	
Capacity : 1 PK	
<i>Year : 2013</i> <i>Condition: Fair</i>	<u>Rp 2.600.000,-</u>
<i>Sub Total II</i>	<i>Rp 1.462.380.000,-</i>

III. 20 kV Distribution Net Work From The KP Power Plant To The Connection Substitute

Material - Primary :

112- Power Pole (To Switching Substation, Central Substation and Customer Substation KOTR)	
Iron material with a height of 14 meters - 350 daN	
<i>Tahun : 2013</i> <i>Condition: Fair</i>	Rp 842.690.000,-

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
20- Power Pole Iron material with a height of 12 meters - 200 (u/druck) Year : 2013 Condition: Fair	Rp 109.850.000,-
158- Suspension insulator 20 kV complete with 300 mm ² strain Clamp Year : 2013 Condition: Fair	Rp 86.640.000,-
819- Insulator pins 20 kV mm ² Year : 2013 Condition: Fair	Rp 120.260.000,-
30.792- Cable meter Model : AAACS 240 mm ² Year : 2013 Condition: Fair	Rp 1.156.620.000,-
Material – Non Primary :	
273- Travers UNP Set 10 x 180 cm complete Year : 2013 Condition: Fair	Rp 68.740.000,-
18- Travers set unsp 10 x 2 x 200 cm galvanized bolt Year : 2013 Condition: Fair	Rp 9.810.000,-
90- Travers set unsp 10 x 2 x 300 cm galvanized bolt Year : 2013 Condition: Fair	Rp 135.700.000,-
273- Set Arm Tie completed clamps/bolts Year : 2013 Condition: Fair	Rp 12.740.000,-
8- SKT 10 (Cable Channel Accessories) Year : 2013 Condition: Fair	Rp 170.000,-
35- Set SAA 10 T 10 (Steel Chanel Fastener Accessories) Year : 2013 Condition: Fair	Rp 370.000,-
339- TOP Ties 240 mm ² for straight bends Year : 2013 Condition: Fair	Rp 4.410.000,-
114- Side Ties 240 mm ² for corner bends Year : 2013 Condition: Fair	Rp 2.970.000,-
100- SKTM Cable meter Type : 3 X 240 mm ² - 20KV Year : 2013 Condition: Fair	Rp 66.490.000,-
9- Schor material set without poles Year : 2013 Condition: Fair	Rp 3.480.000,-
14- Complete set of material schor Year : 2013 Condition: Fair	Rp 5.710.000,-
9- Set Termination 20 kV Year : 2013 Condition: Fair	Rp 38.620.000,-
<i>Sub Total III</i>	<i>Rp 2.665.270.000,-</i>

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
IV. 20 kV Transmission Net Work to PLN Karang Juang Substation (8.8 Km Long SUTM Installation)	
Material - Primary :	
3- Power Pole Concrete material with a height of 13 meters <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 10.590.000,-
25- Power Pole Concrete material with a height of 11 meter <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 185.950.000,-
135- Suspension Isolator 20 kV complete with Strain Clamp 300 mm ² <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 38.240.000,-
677- Complete 20 kV isolator pins <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 104.580.000,-
26.703- Cable meter Type : AAACS 240 mm ² <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 852.550.000,-
Material – Non Primary :	
200- Complete set of Traves unp 10x180 cm <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 50.360.000,-
27- Travers set unp 10 x 2 x 200 cm complete with galvanized bolts <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 14.710.000,-
253- PPI armtie set complete with clamps/bolts <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 11.810.000,-
69- Set SAA 10 T 10 (Steel Chanel fastener Accessories) <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 720.000,-
417- Top Ties 240 mm ² for straight bends <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 5.430.000,-
237- Side Ties 240 mm ² for bend bends <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 6.170.000,-
25- Material druck schor set without pillars <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 9.650.000,-
29- Complete Treckschoor material set <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 11.830.000,-
4- Set for 3 meter long pole conection <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 8.190.000,-
	<i>Sub Total IV</i> Rp 1.310.780.000,-

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
V. TOWER AND INSTALLATION OF 20 kV TRANSMISSION NET WORK (From KP/Generator to Central Substation)	
V.1 Double CIRCUIT 2 x ACSR 240/40 mm²	
Conductors, Earth-Wires, Incl. All Associated Fittings and Material Tower	
Consisting of :	
24.000- Meters of Six double ACSR 240/40 mm ² Year : 2013 Condition: Fair	Rp 90.420.000,-
2- Kilometers of One + conductor GSW 55 mm ² Year : 2013 Condition: Fair	Rp 8.150.000,-
5- Sets of one GSW 55 mm ² earthwires to substation structure including all fittings Year : 2013 Condition: Fair	Rp 10.490.000,-
1- Set Material Tower type DDR2 -3 Consisting of : 99 Earthing DDR, 140 upper cross arm DDR, 140 middle cross arm 140 lower cross arm, 2436 c body, 411 Basis 3, 92anti climbing 84 stub DDR Year : 2013 Condition: Fair	Rp 158.970.000,-
1- Set Material Tower type AA2 ± 0 Consisting of : 565 Crossarm, 2373 body part, 556 body/leg + 6 m, 84 stub AA Year : 2013 Condition: Fair	Rp 107.120.000,-
1- Set Material Tower type BB2 +3 Consisting of : 566 earth, 856 top arm, 669 midarm, 643 bottom arm, head 4871 113 body, 4415 body/leg-3 m, 916 leg + 0 m, 1256 leg + 3 m, 84 stub BB Year : 2013 Condition: Fair	Rp 134.370.000,-
1- Set Material Tower type DD2 +24 Consisting of : 116 earthing DD, 163 upper cross arm DD, 163 middle cross arm DD, 163 lower cross arm DD, 3782 c body, 724 basis +12m, 713 basis +18m 780 basis +24m, 92 anti climbing, 84 stub DD Year : 2013 Condition: Fair	Rp 363.120.000,-
1- Set Material Tower type DDR2 +24 Consisting of : 116 earthing DD, 163 upper cross arm	

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

	<u>Description</u>		<u>Indicated Market Value</u>
	DD, 163 middle crom arm DD, 163 lowe cross arm DD, 3782 c body, 724 basis +12m, 713 basis +18m 780 basis +24m, 92 anti climbing, 84 stub DD		
	<i>Year : 2013</i>	<i>Condition: Fair</i>	Rp 363.120.000,-
2.000-	Meter Material Ground Stell (GSW) Type : GSW 55		
	<i>Year : 2013</i>	<i>Condition: Fair</i>	Rp 15.020.000,-
V.2	Damping System : Alternatives B : Vibration Dampers		
	Consisting of :		
	Unit Vibration dampers for single ACSR		
120-	240/40 mm ²		
	<i>Year : 2013</i>	<i>Condition: Fair</i>	Rp 8.690.000,-
20-	Unit Vibration dampers for GSW 55 mm ²		
	<i>Year : 2013</i>	<i>Condition: Fair</i>	Rp 1.400.000,-
V.3	Tower Earthing Incuding Excavation, Reinstatement, Jointing, and Connection		
	Consisting of :		
	5- Tower dari GSW-55 for Basic earthing, 4 x 25 m lengths, 750 mm depth, including clamp, jointing, and connection to tower		
	<i>Year : 2013</i>	<i>Condition: Fair</i>	Rp 10.490.000,-
V.4	Insulator String Sets and Earth Conductor Attachments, Complete with All Fitting between Tower and Conductors		
	Consisting of :		
	6- Set Suspension set single string 120 kN (arcing horn both end), complete with, fixing device, clamps and necessary accessories		
	<i>Year : 2013</i>	<i>Condition: Fair</i>	Rp 6.540.000,-
	6- Set Disc insulators for suspension set 120 kN min. 5.270 mm creepage distance		
	<i>Year : 2013</i>	<i>Condition: Fair</i>	Rp 7.920.000,-
48-	Set Tension 2 x 120 kN (arcing horn both end), complete with, fixing device, clamps and necessary accessories		
	<i>Year : 2013</i>	<i>Condition: Fair</i>	Rp 50.440.000,-
48-	Set Disc insulators for tension set 2 x 120 kN min. 5.270 mm creepage distance		
	<i>Year : 2013</i>	<i>Condition: Fair</i>	Rp 126.700.000,-
6-	Set Low duty tension inverted string set 120 kN (arcing horn both end), complete		

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
with, fixing device, clamps and necessary accessories <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 5.770.000,-
6- Set Disc insulators for inverted tension set 120 kN min. 4250 mm creepage distance <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 5.580.000,-
12- Set Pilot set 120 kN min. 3570 mm creepage distance, complete with, fixing device, clamps and necessary accessories <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 26.980.000,-
12- Set Disc insulators 120 kN min. 5270 mm creepage distance <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 11.880.000,-
1- Set Suspension set for GSW 55 mm ² , complete with, fixing device, clamps and necessary accessories <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 200.000,-
8- Set Tension set for GSW 55 mm ² , complete with, fixing device, clamps and necessary accessories <i>Year : 2013</i> <i>Condition: Fair</i>	Rp 1.130.000,-

**V.5 AA Towers and Extended Towers of Suspension Type (Tower 1)
Complete with All Fittings Tower and Anti Theft Nut System Within 10 metres Above Ground.**

Consisting of :

- | | |
|--|----------------------|
| 1- Set Type AA ± 0 Tower (Standard Height)
Galvanized Iron material with a height of 60 m- 70 m
<i>Year : 2013</i> <i>Condition: Fair</i> | Rp 74.550.000,- |
| 1- Set Stub angle and cleats (4 each tower) including stub extensions as required and stub setting template
<i>Year : 2013</i> <i>Condition: Fair</i> | Rp 1.840.000,- |

**V.6 Foundations For AA Towers (Tower 1)
Complete foundation (including stubs, cleats and setting) for standard and extended AA type towers.**

Consisting of :

- | | |
|---|--|
| 1- Tower 2AA Class 2 foundation
Backfill Sand Concrete 1:3:5, leveling (t=5cm)
Concrete K 250 rebar, moulds, concrete boundary, stakes, concrete test cube (15x15X15) cm, grounding | |
|---|--|

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

	<u>Description</u>		<u>Indicated Market Value</u>
	<i>Year : 2013</i>	<i>Condition: Fair</i>	Rp 83.670.000,-
V.7	BB Towers and Extended Towers of Suspension Type (Tower 2) Complete with All Fittings Tower and Anti Theft Nut System Within 10 metres Above Ground.		
	Consisting of :		
	1- Set Type BB + 3 Towers Galvanized Iron material with a height of ± 73 m	<i>Year : 2013</i>	<i>Condition: Fair</i> Rp 20.420.000,-
	1- Set Stub angle and cleats (4 each tower) including stub extensions as required and stub setting template	<i>Year : 2013</i>	<i>Condition: Fair</i> Rp 3.780.000,-
V.8	Foundations For BB Towers (Tower 2) Complete foundation (including stubs, cleats and setting) for standard and extended BB type towers		
	Consisting of :		
	1- Foundation of Tower 3 BB class 2 Backfill Sand concrete 1:3:5, leveling (t=5cm) Concrete K 250 rebar,moulds,concrete boundary stakes,concrete test cube (15x15X15) cm, grounding	<i>Year : 2013</i>	<i>Condition: Fair</i> Rp 84.310.000,-
	1- Class 2 Pad and Chimney Vertical Construction Steel, self supported for hights less than 60 meter Galvanized steel pipe material Total weight for Leg chimney ± 1.525,92 Kg	<i>Year : 2013</i>	<i>Condition: Fair</i> Rp 35.110.000,-
V.9	DD Towers and Extended Towers of Suspension Type (Tower 3) Complete with All Fittings Tower and Anti Theft Nut System Within 10 metres Above Ground.		
	Consisting of :		
	1- Set Type DD + 24 Tower Galvanized Iron material a height of ± 94 m	<i>Year : 2013</i>	<i>Condition: Fair</i> Rp 82.980.000,-
	1- Set Stub angle and cleats (4 each tower) including stub extensions as required and stub setting template	<i>Year : 2013</i>	<i>Condition: Fair</i> Rp 5.800.000,-

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
V.10 Foundations For DD Towers (Tower 3)	
Consisting of :	
1- Tower 1 DD Class 6 Foundation Back fill Sand concrete 1:3:5, leveling (t=5cm) Concrete K 250 rebar, moulds, concrete boundary stakes, concrete test cube (15x15X15) cm, grounding Year : 2013 Condition: Fair	Rp 340.820.000,-
1- Class 3 Pad and Chimney (special) Vertical Construction Steel, self supported for hights less than 60 meter Galvanized Iron material Total weight for Leg chimney ± 1.554,86 Kg Year : 2013 Condition: Fair	Rp 255.930.000,-
V.11 DDR Towers and Extended Towers of Tower Tension Type Complete with All Fittings Tower, and High Strength Lock Pin and Collar Fastening System Bolt & Nut	
Consisting of :	
1- Set Type DDR - 3 Tower (Tower 4) Galvanized Iron material with a height of ± 67 m Year : 2013 Condition: Fair	Rp 24.850.000,-
1- Set Type DDR + 24 Tower (Tower 5) Galvanized Iron material a height of ± 94 m Year : 2013 Condition: Fair	Rp 82.980.000,-
2- Set Stub angle and cleats (4 per tower) including stub extensions as required and stub setting template Year : 2013 Condition: Fair	Rp 11.610.000,-
V.12 Foundations For DDR Towers	
Complete foundation (including stubs, cleats and setting) for standard and extended B type towers	
Consisting of :	
1- Class 3 Pad and Chimney (spesial) Vertical Construction Steel, self supported for hights less than 60 meter Galvanized steel pipe materials Total weight for Leg chimney ± 1554,86 Kg Year : 2013 Condition: Fair	Rp <u>255.930.000,-</u>

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

<u>Description</u>	<u>Indicated Market Value</u>
<i>Sub Total V</i>	Rp 10.644.140.000,-
VI. IMPROVEMENT PROCUREMENT AND INSTALLATION/ CONSTRUCTION OF 20 kV JARDIST TO NEW CUSTOMERS	
1- Set of Completion of top Feeder SUTM Distribution Network & Provision for New Customers <i>Year : 2020 Condition: Good</i>	Rp 207.830.000,-
1- Design, Procurement and Installation of 20 kV distribution Network to PT Jaya Stream Shipyard <i>Year: 2019 Condition: Good</i>	Rp 1.282.580.000,-
1- Installation Work of The SUTM AAAC Distribution Network 3x150 mm ² : 1410 m From GH BCT to Pos 7 PTK+ PT. Pertamina Balikpapan <i>Year : 2022 Condition: Good</i>	Rp 573.660.000,-
1- Procurement work installation of Jardist SUTM and Improvement of SUTM Feeder distribution Network <i>Year : 2020 Condition: Good</i>	Rp 143.290.000,-
1- Construction of The SUTM Network (Forest Cross) <i>Year : 2020 Condition: Good</i>	Rp 32.850.000,-
1- Transformer Installation at KP Km 13 <i>Year : 2020 Condition: Good</i>	Rp 92.970.000,-
1- Installation of 50 kVA distribution Transformer, 3 Phase and JTR for quarantine and PIB centers <i>Year : 2022 Condition: Good</i>	Rp 89.950.000,-
1- Design , Procurement and Installation of 20 kV distribution Network <i>Year : 2018 Condition: Good</i>	Rp 2.667.000.000,-
1- Additional Procurement and Installation line distribution 20 kV <i>Year : 2023 Condition: Good</i>	Rp 973.140.000,-
<i>Sub Total VI</i>	<u>Rp 6.063.270.000,-</u>
Total of Electrical Networks and Distribution	<u>Rp 16.707.400.000,-</u>

APPENDIX A – VALUATION REPORT



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6.5. TECHNICAL DESCRIPTION OF HEAVY EQUIPMENT

<u>Description</u>	<u>Indicated Market Value</u>
1 - EXCAVATOR	
Brand : Komatsu	
Type : PC 210 - 10 MO	
Serial No : C01341	
Engine power : 165 Hp (121 Kw)	
Bucket Capacity : 1,2 m ³	
Registered in	
the name : PT KARIANGAU POWER	
Year : 2020 Condition : Good	<u>Rp 1.241.300.000,-</u>

6.6. TECHNICAL DESCRIPTION OF VEHICLES

<u>Description</u>	<u>Indicated Market Value</u>
1 - DOUBLE CABIN	
Brand : Ford Ranger	
Type : Ranger DC BASE 2,2 L (4 x 4) MT	
Police Number : KT 8726 LR	
Engine Number : P4AT1062001	
Chasis Number : MNBBMFF20CW153385	
Fuel : Premium	
Capacity : 2.198 CC	
Color : White	
Registered in	
The name : PT KARIANGAU POWER	
Year : 2012 Condition : Fair	Rp 162.000.000,-
1 - PASSENGER CAR	
Brand : Toyota	
Type : Kijang Innova G AT	
Police Number : KT 1953 KP	
Engine Number : 1 TR 7147897	
Chasis Number : MHFXW42GXB2195602	
Fuel : Premium	
Capacity : 1.998 CC	
Color : Metallic Black	
Registered in	
The name : PT KARIANGAU POWER	
Year : 2011 Condition : Fair	Rp 118.000.000,-

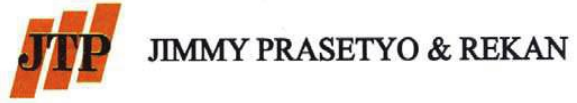
APPENDIX A – VALUATION REPORT



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<u>Description</u>	<u>Indicated Market Value</u>
3 - TIPPER TRUCK	
Brand : MAN	
Type : CLA 26.280	
Engine power : 280 Hp (206 Kw)	
Transmission : Manual	
Gearbox : 8 Speed	
Construction	
Volume : 14 m ³	
Registered in	
The name : PT KARIANGAU POWER	
Year : 2013 Condition : Fair	Rp 969.600.000,-
Note : <i>Vehicle Registration Certificate not existed since 2017</i>	
	Total <u>Rp 1.249.600.000,-</u>

APPENDIX A – VALUATION REPORT



7. INCOME APPROACH

The assumptions were made in these projection dan valuation were as follows:

a. General Assumptions

- Projections are calculated during 10 years (2 times contract term) its from 2023 until 2032.
- The projection calculation has taken into account the terminal value with a capitalization rate of 8.77%.
- Assumption of the selling price/fare is flat.
- The operating cost increase asumed at 2,88% per year.
- Total of operating hour in 1 day is 24 hours
- Total of days in 1 operating month is 30 days
- Total of months in 1 operating year is 12 months, except on 2023 is 5 months and 2028 is 11 months.

b. Assumption of Income

Assumption of income sourced from the sale of electrical power based on Power Purchase Agreement with some customers as follow:

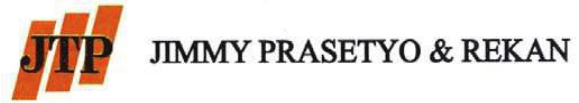
No.	Customer	Contracted Capacity	Fare
1	PLN	2,00 MW Per Hour	Rp. 650.000 /MWH
2	DPP For FY2023 only	3,50 MW Per Hour	Rp. 1.800.000 /MWH
3	DPP From FY2024 onwards	5,00 MW Per Hour	Rp. 1.800.000 /MWH
4	KKT & Others	0,80 MW Per Hour	Rp. 1.630.000 /MWH

Besides the electrical power sales, the projection also assumes that there are other incomes in the form of revenue from Reactive Power from contracts with DPP with an assumed amount of Reactive Power of 1,220,000 Kvarh / month, with tariffs according to the contract of Rp. 1,114 / Kvarh.

Based on the aforementioned, then the calculation of income projection during 10 years as follow :

Description	Unit	2023	2024	2025	2026	2027
<u>Electric Power Sales Income</u>						
PLN	MWH/Year	7.200	17.280	17.280	17.280	17.280
DPP For FY2023 only	MWH/ Year	12.600	-	-	-	-
DPP From FY2024 onwards	MWH/T Year	-	43.200	43.200	43.200	43.200
KKT & Others	MWH/ Year	2.880	6.912	6.912	6.912	6.912
<u>Other Income From Reactive Power</u>						
DPP	Kvarh/ Year	6.100.000	14.640.000	14.640.000	14.640.000	14.640.000
<u>Electric Power Sales Fare</u>						
PLN	Rp/MWH	650.000	650.000	650.000	650.000	650.000
DPP For FY2023 only	Rp/MWH	1.800.000	1.800.000	1.800.000	1.800.000	1.800.000
DPP From FY2024 onwards	Rp/MWH	1.800.000	1.800.000	1.800.000	1.800.000	1.800.000
KKT & Others	Rp/MWH	1.630.000	1.630.000	1.630.000	1.630.000	1.630.000
<u>Other Income From Reactive Power</u>						
DPP	Rp/Kvarh	1.114	1.114	1.114	1.114	1.114

APPENDIX A – VALUATION REPORT



Description	Unit	2023	2024	2025	2026	2027
Income Value of Electric Sales Income						
PLN	Rp. Million	4.680	11.232	11.232	11.232	11.232
DPP For FY2023 only	Rp. Million	22.680	-	-	-	-
DPP From FY2024 onwards	Rp. Million	-	77.760	77.760	77.760	77.760
KKT & Others	Rp. Million	4.694	11.267	11.267	11.267	11.267
Other Income From Reactive Power						
DPP	Rp. Million	6.795	16.309	16.309	16.309	16.309
Total Income Value	Rp. Million	38.850	116.568	116.568	116.568	116.568

Description	Unit	2028	2029	2030	2031	2032
Electric Power Sales Income						
PLN	MWH/ Year	15.840	17.280	17.280	17.280	17.280
DPP For FY2023 only	MWH/ Year	-	-	-	-	-
DPP From FY2024 onwards	MWH/ Year	39.600	43.200	43.200	43.200	43.200
KKT & Others	MWH/ Year	6.336	6.912	6.912	6.912	6.912
Other Income From Reactive Power						
DPP	Kvarh/ Year	13.420.000	14.640.000	14.640.000	14.640.000	14.640.000
Electric Power Sales Fare						
PLN	Rp/MWH	650.000	650.000	650.000	650.000	650.000
DPP For FY2023 only	Rp/MWH	1.800.000	1.800.000	1.800.000	1.800.000	1.800.000
DPP From FY2024 onwards	Rp/MWH	1.800.000	1.800.000	1.800.000	1.800.000	1.800.000
KKT & Others	Rp/MWH	1.630.000	1.630.000	1.630.000	1.630.000	1.630.000
Other Income From Reactive Power						
DPP	Rp/Kvarh	1.114	1.114	1.114	1.114	1.114
Income Value of Electric Sales Income						
PLN	Rp. Million	10.296	11.232	11.232	11.232	11.232
DPP For FY2023 only	Rp. Million	-	-	-	-	-
DPP From FY2024 onwards	Rp. Million	71.280	77.760	77.760	77.760	77.760
KKT & Others	Rp. Million	10.328	11.267	11.267	11.267	11.267
Other Income From Reactive Power						
DPP	Rp. Million	14.950	16.309	16.309	16.309	16.309
Total Income Value	Rp. Million	106.854	116.568	116.568	116.568	116.568

APPENDIX A – VALUATION REPORT



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c. Costs

The Cost Assumptions consists as follow:

- The use of coal material is determined at 0.9 times of the electric power sales, with the coal purchase price rate determined according to the contract which is 32,47 USD/MT (with kurs assumption 1 USD = Rp 15.179,-)
- The Cost of Sales consists of Consultang and Professional Fees, Service and Mobilization, Insurance Costs, Site Office Cost and Utilities, and Material, Spareparts and Tools is determined according to the last period of the actual monthly average cost of the company.
- The Others Operational Cost (Opex) consist of Employee Expenses, Other Operating & Office Expenses which determined according to the last period of actual monthly average cost of the company.
- The Management Fee Cost is determined at 10% of the Gross Income.
- Sinking Fund is counted according to the property replacement cost with the interest rates at 6,39% and lifetime over 20 years.

d. Discount Rate

Discount Rate assumed as the Rate of Return of the expected investment by the investor or the creditor on its decision to invest. Discount rate on this valuation is calculated by using Band of Investment Method (BOIM). Method Band of Investment defined as one of method which used to determine the capitalist rate with combining the capitalization rates over the loan capital (loan return rate) and capitalization rates over the own capital (equity return rate) with the load weight accordance with proportion of the total of loan capital and own capital which obtained based in the market data at the time when the valuation (cut of date) conducted.

The Discount Rate that applied on this valuation is at 10,10% per year acquired by the Band of Investment Method calculation, as follow:

- (1) The Structure of loan capital and own capital for plantation industry that generally applies in most bank is 65% : 35%.
- (2) Cost of Debt on the Cut off Date is 8,77%, it comes from the loan interest rate of state bank on implementing the financing function. The data source that used is the average of the Bank Persero Investment Loan Interest Rate as long as June 2022 until May 2022 which issued by Bank Indonesia.
- (3) Cost of Equity is 12,57% after taking into :
 - Risk Free Rate is determined at 6,39% according to the average of Indonesia's *Surat Utang Negara (SUN)* yield 10Y as of 7 August 2023 (source : www.ibpa.com).
 - Investment risk rate in Indonesia according to the scource that we obtain is for the total of the premium risk that issued bt Damodaran as 1 July 2023 is 7,89%.
 - According to the MAPPI's Minutes of Meeting dated 1-3 November 2023 that stated "If the source of Rpm (ERP) used is originates from

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

Damodaran, then the adjustment will be made to the CAPM in observance the Credit Default Spread from Damodaran, where the Cost of Equity will be reduced by the Credit Default Spread” set as 2,04 (Damodaran as of 1 Juli 2023).

The Formulas used in Band of Investment as follow:

<i>Band Of Investment</i>	=	$(K_e \times W_e) + (K_d \times W_d)$
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K_e = Cost of Equity (*Biaya Ekuitas*)
 K_d = Cost of Debt (*Biaya Hutang*)
 W_e = % of Equity in the capital structure
 W_d = % of Debt in the capital structure

According to the assumption and the formulas that aforementioned, the amount of the Discount Rate is 10.10%.

7.1 CONCLUSION

Based on the main considerations and factors related to this valuation, in our opinion the amount of *Rp 277.341.000.000,- (Two Hundred Seventy Seven Billion Three Hundred Forty One Million Rupiahs)* is an Indicated Market Value of the property that obtained by using the Income Approach.

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

8. TECHNICAL DESCRIPTION OF COAL STOCK

NAME OF VESSEL : BB.MBS 98 / TB. MBS 163
 DISCRIPTION OF GOODS : COAL IN BULK
 PORT OF LOADING : Senyur /Jetty PT. Bayan Resources Tbk
 PORT OF DCHARGE : Balikpapan Coal Terminal
 LOADING DATE : APRIL , 15 2023
 SHIPPER : PT. TIWA ABADI

The Sampling Results and Analysis by PT ANINDYA

Gross Calorific Value (arb) : 3818 Kcal/Kg
 Total Moisture (arb) : 39.90 %
 Total Sulphur (adb) : 0.09 %
 Ash (adb) : 5.15 %

The HBA as of July 2023 according to the Decree of Ministry of Energy and Mineral Resources Republic of Indonesia,

Commodity : Coal, dated 17 July 2023 ; 191,71USD/ton (FOB_Vessel).

HBA is obtain from the average of Indonesia Coal Index (ICI), Newcastle Export Index (NEX), Globalcoal Newcastle Index (GCNC), and Platt's 5900 on the previous month.

With the qualized quality on 6.322 kcal/kg calorie and total moisture 8% (ar).

Total Sulphur 0,8 % (ar) and Ash 15%.

*) GROSS WEIGHT (MT)	TYPICAL OF QUALITY				Coal Price Reference per Ton (FOB Vessel)	Coal Benchmark Price Approach per Ton	Coal Benchmark Price per Ton (FOB Barge)	Indicated Coal Benchmark Price (FOB Barge)
	CV (kcal/kg,GAR) Kwalita	TM (%, ar)	TS (%, adb)	Ash (%, adb)				
10.643	3,818	39.9	0.09	5.15	USD 191.60	USD 82.37	USD 80	Rp 4.541.203.926
reference price :	HBA (as received)							Indicated Market Value By Certification
USD 191.60	CV (kcal/kg,GAR)	TM (%, ar)	TS (%, ar)	Ash (%, ar)				Rp 4.541.000.000
(FOB Vessel)								Indicated Market Value_Storage PT. KP- 927.409 m3
	6322	8	0.8	15				Rp 1.130.820.771
								Rp 1.130.800.000

1 USD = Rp 15.168,-

Note :

K GAR : Gross Value of Coal GAR Condition (gross as received)
TM : Total Moisture
TS : Total Sulfur (ADB ; as dried basis)
Ash : Ash Content

APPENDIX A – VALUATION REPORT



JIMMY PRASETYO & REKAN

8.1. CONCLUSION

Based on the main considerations and factors related to this valuation, in our opinion the amount of *Rp 1.130.800.000,- (One Billion One Hundred Thirty Million Eight Hundred Rupiahs)* is an Indicated Market Value of the Coal Stock.

SOURCE :

- a. Coal Analysis Certification from PT ANINDYA WIRAPUTRA KONSULT.
- b. The Coal Price Reference/*Harga Batubara Acuan (HBA)* from the Decree of Ministry of Energy and Mineral Resources Republic of Indonesia as of 4 July 2023.
- c. The Benchmark Coal Price/*Harga Patokan Batubara (HPB)* is the HPB Maler which registered in DITJEND MINERBA.
- d. Daily Report PT KP

APPENDIX A – VALUATION REPORT



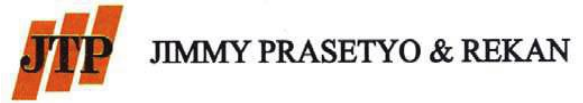
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9. CONCLUSION

Based on the analysis result and factors related to this valuation, we present hereunder our findings :

<u>Description</u>	<u>Indicated Market Value</u>
A. Cost Approach	
▪ Land (60.749 sq.m)	Rp 48.599.200.000.-
▪ Buildings	
1. Office Building (619 sq.m)	Rp 1.527.990.000.-
2. Warehouse I (480 sq.m)	Rp 942.870.000.-
3. Warehouse II (128 sq.m)	Rp 244.070.000.-
4. Coal Warehouse (3.780 sq.m)	Rp 8.199.580.000.-
5. Panel House I (24 sq.m)	Rp 58.200.000.-
6. Panel House II (16 sq.m)	Rp 36.860.000.-
7. Solar Pump House (30 sq.m)	Rp 70.560.000.-
8. Toxic and Hazardous (B3) Waste Warehouse (49 sq.m)	Rp 100.700.000.-
9. Power House (324 sq.m)	Rp 747.300.000.-
10. Fire Pump House (108 sq.m)	Rp 275.070.000.-
11. Laboratory and Water Treatment Plant (WTP) (481 sq.m)	Rp 721.070.000.-
12. Waste Water Treatment Plant (WWTP) Building (42 sq.m)	Rp 80.120.000.-
13. Transformer House (100 sq.m)	Rp 213.150.000.-
14. Guard House I (27 sq.m)	Rp 62.010.000.-
15. Guard House II (25 sq.m)	<u>Rp 55.650.000.-</u>
<i>Sub Total</i>	Rp 13.335.200.000.-
▪ Other Land Improvements	Rp 1.541.000.000.-
▪ Machinery and The Equipments	Rp 191.476.000.000.-
▪ Electrical Network and Distribution	Rp 16.707.400.000.-
▪ Heavy Equipment (1 Unit Excavator)	Rp 1.241.300.000.-
▪ Vehicles (3 Units)	<u>Rp 1.249.600.000.-</u>
Total	Rp 274.149.700.000.-
B. Income Approach	Rp 277.341.000.000.-

APPENDIX A – VALUATION REPORT



To get the result of market value of the appraised properties, we did the correlation both of the values aforementioned with the load on 50,2% obtained with Income Approach and 49,8% obtained with Cost Approach, our calculation briefly describe as follow:

a. Cost Approach	49,8% x Rp 274.149.700.000,-	Rp 136.526.551.000.-
b. Income Approach	50,2% x Rp 274.149.700.000,-	<u>Rp 139.225.182.000.-</u>
	<i>Sub Total</i>	<i>Rp 275.751.733.000.-</i>
C. Coal Stock		<u>Rp 1.130.800.000.-</u>
	<i>Total</i>	<u>Rp 276.882.533.000.-</u>

APPENDIX A – VALUATION REPORT

PT Kariangau Power

Income Approach Calculation
PLTBB

No	Description	Unit	1 2023	2 2024	3 2025	4 2026	5 2027	6 2028	7 2029	8 2030	9 2031	10 2032
I	OPERATING INCOME											
>	PLN	Rp. 000	4.680.000	11.232.000	11.232.000	11.232.000	11.232.000	10.296.000	11.232.000	11.232.000	11.232.000	11.232.000
>	DPP For FY2023 only	Rp. 000	22.680.000	-	-	-	-	-	-	-	-	-
>	DPP From FY2024 onwards	Rp. 000	-	77.760.000	77.760.000	77.760.000	77.760.000	71.280.000	77.760.000	77.760.000	77.760.000	77.760.000
>	KKT & Others	Rp. 000	4.694.400	11.266.560	11.266.560	11.266.560	11.266.560	10.327.680	11.266.560	11.266.560	11.266.560	11.266.560
>	Other Income From DPP (For Reactive Power)	Rp. 000	6.795.400	16.308.960	16.308.960	16.308.960	16.308.960	14.949.880	16.308.960	16.308.960	16.308.960	16.308.960
	TOTAL OPERATING INCOME	Rp. 000	38.849.800	116.567.520	116.567.520	116.567.520	116.567.520	106.853.560	116.567.520	116.567.520	116.567.520	116.567.520
II	OPERATING COST											
▶	Cofc Of Coal	Rp. 000	10.059.639	29.891.499	29.891.499	29.891.499	29.891.499	27.400.541	29.891.499	29.891.499	29.891.499	29.891.499
▶	Consultant and professional fees	Rp. 000	8.996.550	22.213.562	22.853.312	23.511.487	24.188.618	24.188.618	24.188.618	24.188.618	24.188.618	24.188.618
▶	Service and mobilization	Rp. 000	3.858.531	8.661.069	8.910.507	9.167.130	9.431.143	9.431.143	9.431.143	9.431.143	9.431.143	9.431.143
▶	Insurance costs	Rp. 000	1.765.000	4.357.997	4.483.507	4.612.632	4.745.476	4.745.476	4.745.476	4.745.476	4.745.476	4.745.476
▶	Site office cost and utilities	Rp. 000	1.324.574	3.270.531	3.364.723	3.461.627	3.561.322	3.561.322	3.561.322	3.561.322	3.561.322	3.561.322
▶	Material, spare parts and tools	Rp. 000	390.400	963.945	991.707	1.020.268	1.049.652	1.049.652	1.049.652	1.049.652	1.049.652	1.049.652
	TOTAL OPERATING COST		26.394.694	69.358.603	70.495.255	71.664.643	72.867.710	70.376.752	72.867.710	72.867.710	72.867.710	72.867.710
	GROSS INCOME		12.455.106	47.208.917	46.072.265	44.902.877	43.699.810	36.476.808	43.699.810	43.699.810	43.699.810	43.699.810
III	OPERATING EXPENSE											
▶	Employee expenses	Rp. 000	3.217.500	7.722.000	7.944.394	8.173.192	8.408.580	8.408.580	8.408.580	8.408.580	8.408.580	8.408.580
▶	Other operating & office expenses	Rp. 000	750.000	1.800.000	1.851.840	1.905.173	1.960.042	1.960.042	1.960.042	1.960.042	1.960.042	1.960.042
▶	Other Expense (Mg. Fee)	Rp. 000	1.245.511	4.720.892	4.607.226	4.490.288	4.369.981	3.647.681	4.369.981	4.369.981	4.369.981	4.369.981
▶	Sinking Fund	Rp.000	2.249.250	2.249.250	2.249.250	2.249.250	2.249.250	2.249.250	2.249.250	2.249.250	2.249.250	2.249.250
	TOTAL OPERATING EXPENSE		7.462.261	16.492.142	16.652.710	16.817.903	16.987.853	16.265.553	16.987.853	16.987.853	16.987.853	16.987.853
	NET OPERATING INCOME	Rp. 000	4.992.846	30.716.776	29.419.555	28.084.974	26.711.957	20.211.256	26.711.957	26.711.957	26.711.957	26.711.957
	(I - II - III)											
	Capitalization Rate											
	Terminal Value											304.670.169
	NET CASH FLOW		4.992.846	30.716.776	29.419.555	28.084.974	26.711.957	20.211.256	26.711.957	26.711.957	331.382.126	
	Rate Discount	%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%	10.10%
	Factor Discount		0.9530	0.8656	0.7862	0.7141	0.6486	0.5892	0.5351	0.4860	0.4415	
	Present Value/ PV	Rp. 000	4.758.387	26.589.524	23.130.995	20.056.518	17.326.487	11.907.522	14.294.109	12.983.159	146.294.175	
	TOTAL VALUE	Rp. 000	277.340.875									
	Rounded		277.341.000									

APPENDIX A – VALUATION REPORT



View Looking Along South Location Entrance
(Property on the Right Side)



Front View

APPENDIX A – VALUATION REPORT



Office



Office : Inside View

APPENDIX A – VALUATION REPORT



Warehouse I



Warehouse I : Inside View

APPENDIX A – VALUATION REPORT



Coal Warehouse



Coal Warehouse : Inside View

APPENDIX A – VALUATION REPORT



Panel House I



Panel House II

APPENDIX A – VALUATION REPORT



Warehouse II



Solar Pump House

APPENDIX A – VALUATION REPORT



Toxic and Hazardous (B3) Waste Warehouse



Toxic and Hazardous (B3) Waste Warehouse : Inside View

APPENDIX A – VALUATION REPORT



Power House



Fire Pump House

APPENDIX A – VALUATION REPORT



Laboratorium and WTP



Laboratory and WTP : Inside View

APPENDIX A – VALUATION REPORT



WWTP Building



Guard House I

APPENDIX A – VALUATION REPORT



Guard House II



Transformer House

APPENDIX A – VALUATION REPORT



Geotagging



Location Companion and Appraiser

APPENDIX A – VALUATION REPORT



River Water Intake



Water Intake Housings and Machines

APPENDIX A – VALUATION REPORT



Water Treatment Building



Water Treatment Plant

APPENDIX A – VALUATION REPORT



Cooling Tower System



Cooling Tower PLC Panel

APPENDIX A – VALUATION REPORT



Circulating Fluidized Boiler 2



IDF

APPENDIX A – VALUATION REPORT



Drain Tank



Conveyor No 1

APPENDIX A – VALUATION REPORT



Conveyor No 2



Conveyor No 3

APPENDIX A – VALUATION REPORT



Boiler Feed Pump



Slag Removal

APPENDIX A – VALUATION REPORT



Engine Steam Turbine Generator 1 (2nd Floor)



Engine Steam Turbine Generator 2 (2nd Floor)

APPENDIX A – VALUATION REPORT



Oil Cooler



Condenser

APPENDIX A – VALUATION REPORT



Over Head Traveling Crane



Room Control Panel

APPENDIX A – VALUATION REPORT



Coal Crusher Building



Coal Trestle (conveyor Galery)

APPENDIX A – VALUATION REPORT



ESP Foundation



Flue Gas Duct Foundation

APPENDIX A – VALUATION REPORT



SA FAN Foundation



Air Compressor Room

APPENDIX A – VALUATION REPORT



Hydrant Equipment



Diesel Power Plant

APPENDIX A – VALUATION REPORT



Screw Compressor



Electrostatic Precipitator (ESP)

APPENDIX A – VALUATION REPORT



Tipper Truck MAN CLA 26-280 (03)



Tipper Truck MAN CLA 26-280 (01)

APPENDIX A – VALUATION REPORT



Tipper Truck MAN CLA 26-280 (02)



Double Cabin Ford Ranger (4 X 4) MT KT 8726

APPENDIX A – VALUATION REPORT



Minibus Toyota Kijang Innova G AT KT 1953 KP

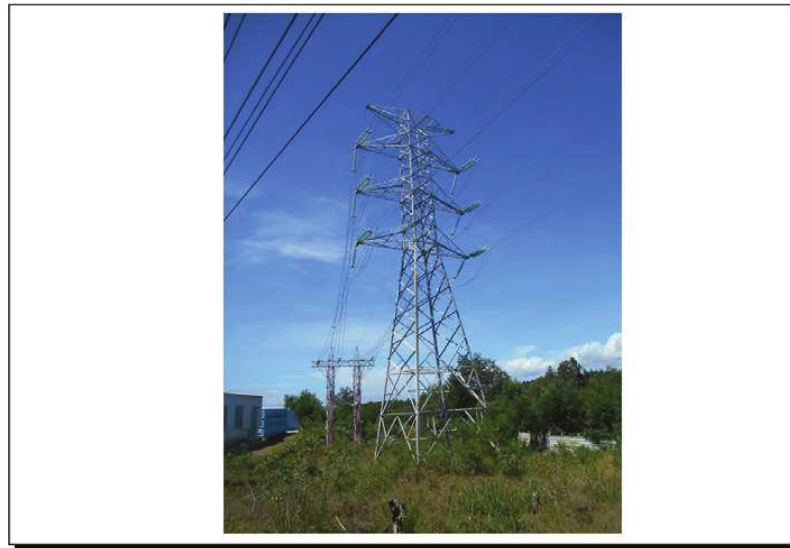


Excavator Komatsu PC 210-10 MO

APPENDIX A – VALUATION REPORT



Entrance to Kariangau Power



Tower 1, Type AA \pm 0 / Standard Height
(Transmisi Lines 20 kV)

APPENDIX A – VALUATION REPORT



Distribusi Line 20 kV Concrete Pole
(From Substation to new customer)



Distribusi Line 20 kV Concrete Poles & Transformers
(From Substation to New Customer)

APPENDIX A – VALUATION REPORT



Coal Warehouse PT. Kariangau Power



Coal Stock in Coal Storage _PT. Kariangau Power
(927.409 mt)

APPENDIX A – VALUATION REPORT

NO. FILE : 02873/2.0031-00/PI/02/0087/1/VIII/2023

VICINITY MAP



JALAN KOMPLEKS MILIK PT KARIANGAU POWER

LAND OWNED TO PT KARIANGAU
POWER ASSESSED BY KJPP JIMMY
PRASETYO AND PARTNERS WITH
FILE NO 15 - 00 - A 001 / 018.01



HGB NO. 478
AREA = 60.749 Sq.M

LOT PLAN

SCALE 1 : 2.500

APPENDIX A – VALUATION REPORT

NO. FILE : 02873/2.0031-00/PI/02/0087/1/VIII/2023

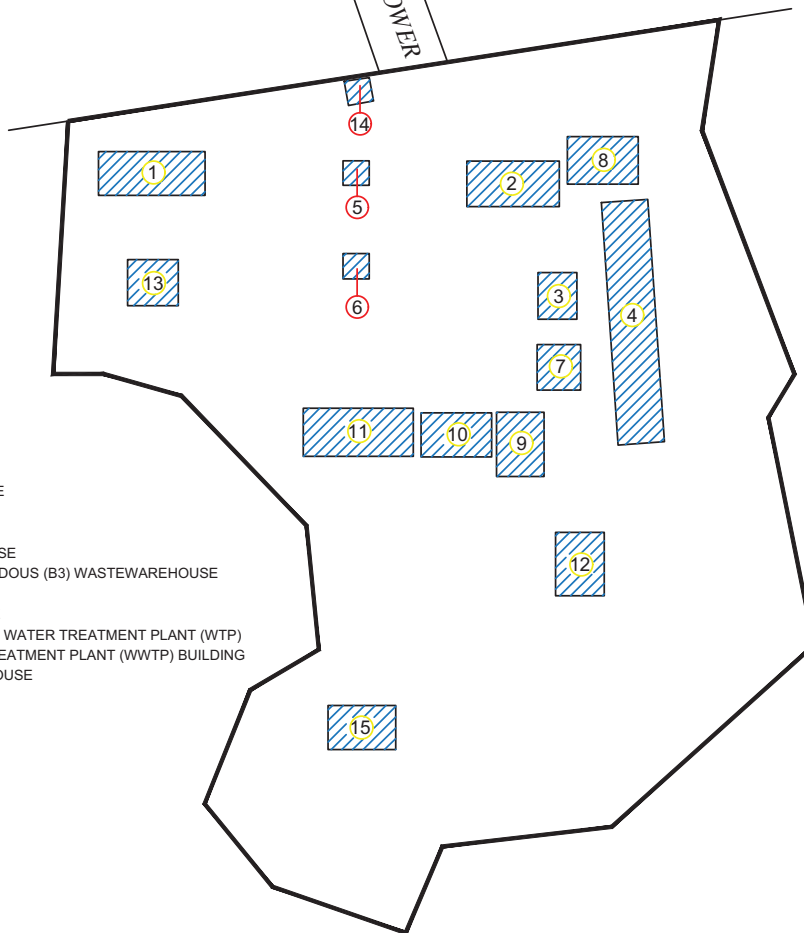


JALAN KOMPLEKS MILIK PT KARIANGAU POWER

LAND OWNED TO PT KARIANGAU
POWER ASSESSED BY KJPP JIMMY
PRASETYO AND PARTNERS WITH
FILE NO 15 - 00 - A 001 / 018.01

KETERANGAN :

1. OFFICE BUILDING
2. WAREHOUSE I
3. WAREHOUSE II
4. COAL WAREHOUSE
5. PANEL HOUSE I
6. PANEL HOUSE II
7. SOLAR PUMP HOUSE
8. TOXIC AND HAZARDOUS (B3) WASTEWAREHOUSE
9. POWER HOUSE
10. FIRE PUMP HOUSE
11. LABORATORY AND WATER TREATMENT PLANT (WTP)
12. WASTE WATER TREATMENT PLANT (WWTP) BUILDING
13. TRANSFORMER HOUSE
14. GUARD HOUSE I
15. GUARD HOUSE II



PLAT PLAN

SCALE 1 : 2.500

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APPENDIX B – IFA LETTER



W CAPITAL MARKETS PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201813207E)
65 Chulia Street, #43-01 OCBC Centre
Singapore 049513

8 November 2023

The Directors of Metis Energy Limited (the “**Company**”) who are considered independent in relation to the Proposed Disposal (the “**Recommending Directors**”) and the Audit Committee

Dear Sirs,

THE PROPOSED DISPOSAL OF SHARES IN THE CAPITAL OF PT KARIANGAU POWER AS A MAJOR TRANSACTION AND AN INTERESTED PERSON TRANSACTION

*Unless otherwise defined or the context otherwise requires, all terms used herein shall have the same meaning as defined in the circular to shareholders of the Company dated 8 November 2023 (the “**Circular**”).*

1. INTRODUCTION

On 26 June 2023 (“**Announcement Date**”), the Company announced that its wholly-owned subsidiary SLM Holding Pte Ltd (“**SLM Holding**”) had entered into a conditional sale and purchase agreement (“**SPA**”) with PT Bayan Resources Tbk (“**Bayan Resources**”), PT Bayan Energy, Gallant Power Pte. Ltd. (“**Gallant Power**”) and Dato’ Dr. Low Tuck Kwong (“**Dato’ Low**”) and PT Kariangau Power (“**PT KP**”), pursuant to which the Company will be selling its entire indirect shareholding interest in PT KP, being 397,785 shares (“**Sale Shares**”) representing approximately 86.11% of the issued share capital of PT KP (“**Proposed Disposal**”).

Bayan Resources and PT Bayan Energy (each a “**Buyer**” and collectively, the “**Buyers**”) have agreed to purchase, certain shares in the issued and paid-up share capital of PT KP, details of which are set out below:

Sellers	Buyers	No. of shares	As a percentage of the total issued share capital of PT KP
SLM Holding	Bayan Resources and PT Bayan Energy	397,785	86.11%
Gallant Power		30,408	6.58%
Dato’ Low		33,750	7.31%

PT KP will cease to be an indirect subsidiary of the Company upon completion of the Proposed Disposal.

APPENDIX B – IFA LETTER

As at the Latest Practicable Date:

- (i) Dato' Low has a total interest (direct and deemed) of 79.97% of the total issued share capital of the Company. Dato' Low also owns 60.98% of the total issued share capital of Bayan Resources, and Low Yi Ngo (who is the son of Dato' Low) owns 0.18% of the total issued share capital of Bayan Resources. In addition, both Dato' Low and Low Yi Ngo are also on the board of directors of Bayan Resources. Accordingly, Dato' Low and Bayan Resources is each deemed to be an "interested person" under Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**Listing Manual**");
- (ii) Bayan Resources holds 99.99% shareholding interest in PT Bayan Energy. Accordingly, PT Bayan Energy is also deemed to be an "interested person" under Chapter 9 of the Listing Manual; and
- (iii) Gallant Power is wholly owned by Elaine Low (who is the daughter of Dato' Low) and is therefore deemed to be an associate of Dato' Low and hence an "interested person" under Chapter 9 of the Listing Manual.

Accordingly, the Proposed Disposal constitutes as an "interested person transaction" under Chapter 9 of the Listing Manual. Pursuant to Rule 921(4)(a) of the Listing Manual, the Company has appointed W Capital Markets Pte. Ltd. ("**W Capital**") as the independent financial adviser ("**IFA**") to express an opinion on whether the Proposed Disposal, being interested person transactions ("**IPT**"), is on normal commercial terms and whether the Proposed Disposal will be prejudicial to the interests of the Company and its minority Shareholders, as well as advise the Recommending Directors and the Audit Committee for the purposes of making recommendations to the minority Shareholders in respect of the Proposed Disposal. This letter ("**IFA Letter**") sets out, *inter alia*, our evaluation and opinion on the Proposed Disposal and forms part of the Circular issued by the Company to its Shareholders in connection with the Proposed Disposal.

2. TERMS OF REFERENCE

W Capital has been appointed as the IFA pursuant to Rule 921(4)(a) of the Listing Manual as well as to the Recommending Directors in respect of the Proposed Disposal as an IPT. We were not involved in or responsible for the discussions in relation to the Proposed Disposal, nor were we involved in the deliberation leading up to the decision on the part of the directors of the Company ("**Directors**") to enter into the Proposed Disposal. Further, we do not warrant the merits of the Proposed Disposal, other than to express an opinion on whether the Proposed Disposal as IPT is on normal commercial terms and whether the Proposed Disposal will be prejudicial to the interests of the Company and its minority Shareholders, and our terms of reference do not require us to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks (if any) of the Proposed Disposal.

In the course of our evaluation, we have held discussions with the management of the Company ("**Management**") and have examined and relied to a considerable extent on publicly available information collated by us, as well as information provided and representations made to us, both written and verbal, by the Directors and/or the Management, including information contained in the Circular. We have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of,

APPENDIX B – IFA LETTER

and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. Whilst care has been exercised in reviewing the information on which we have relied on, we have not independently verified the information but nevertheless have made such reasonable enquiries and exercised our judgment on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of the information. In this regard, we noted that the Directors have collectively and individually accepted full responsibility for the accuracy of the information given in the Circular as set out in the “Directors’ Responsibility Statement” in Section 11 of the Circular.

For the purpose of assessing the terms of the Proposed Disposal as an IPT, we have not relied upon any financial projections in respect of the Company and/or the Group and we have not conducted a comprehensive review of the business, operations and financial condition of the Group. We have not made any independent appraisal of the assets, liabilities and/or profitability of the Company and its subsidiaries (the “**Group**”) and we do not express a view on the financial position, future growth prospects and earning potential of the Group after the completion of the Proposed Disposal in accordance with the terms of the SPA. As such, we have relied on the disclosures and representations made by the Company on the value of the assets and liabilities and/or profitability of PT KP or the Group, as the case may be. In this respect, we have been furnished with, *inter alia*, (A) a valuation report dated 29 August 2023 (“**Assets Valuation Report**”) prepared by KJPP Jimmy Prasetyo & Rekan (the “**Independent Valuer**”), a licensed appraisal company in Indonesia who has been commissioned by PT KP to carry out an independent valuation of the market value of the key assets (“**Appraised Assets**”) of PT KP, comprising land with an area of 60,749 square meters, including buildings, other supporting facilities, machinery and equipment, electricity network and distribution, heavy equipment and vehicles and coal stock, as at a valuation date of 7 August 2023, and (B) a business valuation report dated 27 October 2023 prepared by KJPP Sarwono, Indriasari dan Rekan (“**Equity Valuer**”), a licensed appraisal company in Indonesia, in relation to the assessment on the market value of 100% equity interest of PT KP as at a valuation date of 31 July 2023 (“**Business Valuation Report**”). As we are not experts in the evaluation or appraisal of the assets as set out in the Assets Valuation Report and Business Valuation Report, we have placed sole reliance on the appraisal in relation to the market value of the Appraised Assets as assessed by the Independent Valuer and the 100% equity interest of PT KP as assessed by the Equity Valuer and as set out in the Assets Valuation Report and Business Valuation Report respectively.

Our opinion as set out in this IFA Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as of 31 October 2023 (“**Latest Practicable Date**”) and the information and representations provided to us as of the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement relevant to the Proposed Disposal, which may be released by the Company after the Latest Practicable Date.

In rendering our opinion and advice in relation to the Proposed Disposal, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any individual Shareholder or any specific group of Shareholders. Accordingly, any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

APPENDIX B – IFA LETTER

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement, and do not provide any advice (financial or otherwise), in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, whether express or implied, on the contents of the Circular (other than this IFA Letter).

Our opinion in relation to the Proposed Disposal should be considered in the context of the entirety of this IFA Letter and the Circular.

3. DETAILS OF THE PROPOSED DISPOSAL

3.1 Background and information on PT KP

PT KP is a limited liability company duly established under the laws of Indonesia in 2007, and has an issued and paid-up share capital of IDR461,943,000,000 comprising 461,943 ordinary shares. The principal business activities of PT KP relate to the operations of a coal-fired steam power plant in the Kariangau industry area, Balikpapan, East Kalimantan, Indonesia.

As at the Latest Practicable Date, PT KP is an indirect subsidiary of the Company and the Company indirectly holds approximately 86.11% of the issued share capital of PT KP through SLM Holding.

Dato' Low and Gallant Power, who each holds 7.31% and 6.58% shareholding interest in PT KP respectively, have also agreed to sell his and its respective shareholding interest in PT KP to the Buyers (each of SLM Holding, Dato' Low and Gallant Power a "Seller", and collectively, the "Sellers").

Sellers	Buyers	No. of shares	As a percentage of the total issued share capital of PT KP
SLM Holding	Bayan Resources and PT Bayan Energy	397,785 (such shares, the "Sale Shares")	86.11%
Gallant Power		30,408	6.58%
Dato' Low		33,750	7.31%

APPENDIX B – IFA LETTER

3.2 Salient terms of the SPA

The detailed salient terms of the SPA can be found in Section 2.5 of the Circular and we recommend that Shareholders read those pages of the Circular carefully.

(i) Conditions Precedent

The Proposed Disposal is conditional upon:

- (a) each of the Sellers and PT KP obtaining all approvals, consents and permits required to enter into and complete the transaction contemplated in the SPA:
 - (A) based on their deed of establishment, articles of association, articles of incorporation, or other corporate documents and any amendments or modifications to them; and
 - (B) from any government (or any political or administrative subdivision thereof), whether national, provincial, or local, and any department, ministry, agency, office, commissioner, delegate, instrumentality, board, court, central bank, or other authority thereof, including without limitation any entity directly or indirectly owned or controlled thereby or any regulatory body, including the obtainment of the approval of the shareholders of the Company to the sale of the Sale Shares by SLM Holding to the Buyers as required under the Listing Manual;
- (b) PT KP passing a unanimous written resolution of shareholders resolving to approve:
 - (A) the sale and purchase of the PT KP Shares from the Sellers to the Buyers;
 - (B) the change of compositions of the board of directors and board of commissioners of PT KP to appoint the person nominated by the Buyers; and
 - (C) waivers of pre-emptive rights from the other shareholders of PT KP in relation with the transfer of PT KP Shares to the Buyers; and
- (c) as required by Article 127 of the Indonesian Company Law, PT KP announcing:
 - (A) in a nationally circulated newspaper; and
 - (B) to the employees of PT KP,that the Buyers will acquire the PT KP Shares,
(collectively, the “**Conditions Precedent**”).

APPENDIX B – IFA LETTER

(ii) **Condition Subsequent**

Upon completion on the Proposed Disposal, Bayan Resources and PT KP shall enter into a loan agreement for an amount of US\$3,260,996 (which is approximately S\$4,397,000 based on a foreign exchange rate as at 23 June 2023 of US\$1.00: S\$1.3483) which shall be advanced by Bayan Resources to PT KP solely for the purpose of repaying the outstanding loan/debt due from PT KP to the Company on or immediately after completion of the Proposed Disposal. The amount of US\$3,260,996 represents the total loan outstanding due from PT KP to the Company, and that there are no other outstanding loans, debts or liabilities due from PT KP to the Company or the Group after completion of the Proposed Disposal. After completion of the Proposed Disposal and repayment of the aforementioned loan agreement, PT KP will no longer have any contract remaining with the Company or the Group.

(iii) **Purchase Price**

On completion of the Proposed Disposal, the purchase price to be paid by the Buyers to SLM Holding for the sale of the Sale Shares under the SPA is IDR151,629,092,135 (which is approximately S\$13,642,000 based on a foreign exchange rate of S\$1.00: IDR11,114.816 (“**Exchange Rate**”)) (the “**Purchase Price**”).

The Purchase Price was arrived at on a willing-buyer, willing-seller basis, after taking into account prevailing market conditions, the value of the Sale Shares as disclosed in Section 2.4 of the Circular and the rationale for the Proposed Disposal as disclosed in Section 2.6 of the Circular.

4. **EVALUATION OF THE PROPOSED DISPOSAL**

In arriving at our opinion on whether the Proposed Disposal is on normal commercial terms and whether the Proposed Disposal will be prejudicial to the interests of the Company and its minority Shareholders, we have given due consideration to, inter alia, the following:

- (i) Rationale for the Proposed Disposal and Use of Proceeds;
- (ii) Historical financial performance and financial position of PT KP;
- (iii) Assessment on the basis and justification of the Purchase Price;
- (iv) Revalued Net Asset Value of PT KP;
- (v) Financial effects of the Proposed Disposal; and
- (vi) Other relevant considerations in relation to the Proposed Disposal.

APPENDIX B – IFA LETTER

4.1 Rationale for the Proposed Disposal and Use of Proceeds

We have considered the rationale by the Company for the Proposed Disposal and intended use of proceeds which can be found in Sections 2.6 and 2.7 of the Circular respectively and have been extracted and set out in italics below:

“Rationale for the Proposed Disposal

The Board is of the view that the Proposed Disposal is in the best interests of the Company and its Shareholders as PT KP is in the coal-fired power plant business and the Proposed Disposal is in line with the Company’s intention to diversify into the renewable energy business comprising on-grid and off-grid renewable energy business segments and selective clean energy power projects, with a focus on the Asia (primarily in Vietnam, Indonesia, the Philippines and Bangladesh) and Australia in the initial years between 2022 and 2025 (the “Renewable Energy Business”).”

“Use of Proceeds

It is intended that the proceeds from the Proposed Disposal (which is estimated to be approximately S\$13,270,000) will be deployed as capital expenditure, development cost, and working capital for the “Renewable Energy Business. If there is significant deviation from the aforementioned stated use of proceeds, the Company will announce the reasons for such deviation.”

4.2 Historical financial performance and financial position of PT KP

A summary of the audited income statement of PT KP for the last three (3) financial years (“FY”) ended 31 December 2020, 2021 and 2022 and the unaudited statement of financial position of PT KP as at 31 July 2023 are set out below.

PT KP’s Income Statement

(IDR’000)	FY2020 Audited	FY2021 Audited	FY2022 Audited
Sales	89,548,849	79,427,154	98,848,620
Cost of sales	(92,651,788)	(84,360,257)	(92,432,751)
Gross profit/(loss)	(3,102,939)	(4,933,103)	6,415,869
General and administrative expenses	(10,105,170)	(10,988,381)	(9,328,026)
Other operating income/(expense), net	(209,150,916)	(29,107,480)	184,999,536
Operating profit/(loss)	(222,359,025)	(45,028,964)	182,087,379
Interest expense	(41,554)	(43,686)	(42,172)
Interest income, net of final tax	510,491	334,029	1,274,472
Profit/(Loss) before tax	(221,890,088)	(44,738,621)	183,319,679
Income tax expense	(809,276)	(3,809,541)	(2,531,199)
Net profit/(loss) for the year	(222,699,364)	(48,548,162)	180,788,480

APPENDIX B – IFA LETTER

(IDR'000)	FY2020 Audited	FY2021 Audited	FY2022 Audited
<u>Other comprehensive income</u>			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurement gain/(loss) of defined benefit plans	(20,161)	122,683	115,512
Other comprehensive income/(loss), net of tax	(20,161)	122,683	115,512
Total comprehensive income/(loss) for the year	(222,719,525)	(48,425,479)	180,903,992

Source: The Company

Review of operating results

FY2020 vs FY2021

PT KP recorded a decrease in revenue by approximately IDR10.1 billion or 11.3% from approximately IDR89.5 billion in FY2020 to approximately IDR79.4 billion in FY2021. This was mainly due to lower sales volume of electricity in FY2021. The local authority had imposed restrictions such as curfews, shutting down of schools and business premises to curb the spread of COVID-19 which resulted in lower electricity demand.

Cost of sales in FY2020 decreased by approximately IDR8.3 billion or 8.9% from approximately IDR92.7 billion in FY2020 to approximately IDR84.4 billion in FY2021, resulting in the gross loss to increase by 59.0% from approximately IDR3.1 billion in FY2020 to approximately IDR4.9 billion in FY2021.

PT KP incurred an operating loss in FY2020 of approximately IDR222.4 billion which is mainly due to impairment loss on fixed assets amounting to approximately IDR216.9 billion. In FY2021, PT KP recorded a lower operating loss of approximately IDR45.0 billion which is mainly due to impairment loss on fixed assets amounting to approximately IDR33.9 billion and exchange differences of approximately IDR5.6 billion and is partially offset by reversal of accruals of approximately IDR9.3 billion.

Interest expenses increased by approximately IDR2.1 million or 5.1% from IDR41.6 million in FY2020 to IDR43.7 million in FY2021. Whereas, interest income (net of final tax) decreased by approximately IDR176.5 million or 34.6% from approximately IDR510.5 million in FY2020 to approximately IDR334.0 million in FY2021.

Overall, PT KP recorded a lower net loss before tax of approximately IDR44.7 billion in FY2021 as compared to the net loss before tax of approximately IDR221.9 billion in FY2020. Despite the lower loss before tax in FY2020, PT KP incurred higher income tax expense of approximately IDR3.8 billion in FY2021, representing an increase of 370.7% from the income tax expense of approximately IDR809.3 million recognised in FY2020. The increase is mainly due to higher non-tax deductible expenses incurred during the year.

As a result of the above, the net loss for the year reduced by approximately IDR174.2 billion or 78.2% from approximately IDR222.7 billion in FY2020 to approximately IDR48.5 billion in FY2021.

APPENDIX B – IFA LETTER

FY2021 vs FY2022

PT KP recorded an increase in revenue by approximately IDR19.4 billion or 24.5% from approximately IDR79.4 billion in FY2021 to approximately IDR98.8 billion in FY2022. This was mainly due to overall increase in sales volume of electricity in FY2022 when the COVID-19 restrictions were lifted.

In line with the increase in sales, the cost of sales in FY2022 has increased by approximately IDR8.1 billion or 9.6% from approximately IDR84.4 billion in FY2021 to approximately IDR92.4 billion in FY2022, resulting in a reversal of gross loss in FY2021 to a gross profit of approximately IDR6.4 billion in FY2022. After deducting general and administration expenses, PT KP was still operating at a loss of approximately IDR2.9 billion in FY2022.

During FY2022, PT KP disposed two parcels of land in East Kalimantan and recorded a one-off net gain of approximately IDR258.8 billion. As a result of the aforesaid one-off net gain arising from the land disposal and after taking into account the impairment loss of IDR61.8 billion, exchange differences of IDR15.2 billion, other income of IDR3.2 billion and general and administration expenses incurred during the year, PT KP recorded an operating profit of approximately IDR182.1 billion.

Interest expenses decreased by approximately IDR1.5 million or 3.5% from IDR43.7 million in FY2021 to approximately IDR42.2 million in FY2022. Whereas, interest income (net of final tax) increased by approximately IDR940.4 million or 281.5% from approximately IDR334.0 million in FY2021 to approximately IDR1.3 billion in FY2022.

Overall, PT KP recorded a net profit before tax of approximately IDR183.3 billion in FY2022 as compared to the net loss before tax of approximately IDR44.7 billion in FY2021. PT KP incurred a current income tax expense of approximately IDR2.5 billion during the year.

As a result of the above, PT KP recorded a net profit after tax for the year of approximately IDR180.8 billion in FY2022.

PT KP's Statement of Financial Position

(IDR'000)	As at 31 July 2023 Unaudited
Non-current assets ⁽¹⁾	84,174,386
Current assets	45,025,178
Total assets	129,199,564
Non-current liabilities ⁽²⁾	17,456,556
Current liabilities ⁽³⁾	85,332,656
Total liabilities	102,789,212
Total equity	26,410,352
Total equity and liabilities	129,199,564

Source: The Company

APPENDIX B – IFA LETTER

Notes:

- (1) The non-current assets are recorded at cost less accumulated depreciation and accumulated impairment losses in the books of PT KP and excludes any fair value adjustments recorded in the Group consolidated accounts when PT KP was acquired by the Group.
- (2) Mainly consists of deferred tax liabilities of approximately IDR16.2 billion. In the Group's consolidated accounts, such deferred tax liabilities are largely eliminated as a result of the impairment losses recognised since PT KP was acquired by the Group.
- (3) Includes intercompany amount of approximately IDR63.0 billion owing by PT KP to the Company, which is eliminated at the Group level upon consolidation of accounts.

As at 31 July 2023:

- (a) The total assets of PT KP amounted to IDR129.2 billion comprising non-current assets of approximately IDR84.2 billion and current assets of approximately IDR45.0 billion, representing 65.2% and 34.8% of total assets respectively. Non-current assets as at 31 July 2023 comprised mainly (i) fixed assets of approximately IDR72.8 billion and (ii) deferred charges of approximately IDR11.4 billion, representing 56.4%, and 8.8% of total assets respectively. Current assets as at 31 July 2023 comprised of (i) cash and cash equivalents of approximately IDR23.1 billion, (ii) trade and other receivables of approximately IDR19.2 billion, (iii) inventories of approximately IDR1.8 billion, and (iv) other current assets of approximately IDR1.0 billion, representing 17.9%, 14.9%, 1.4% and 0.8% of total assets respectively.
- (b) The total liabilities of PT KP amounted to approximately IDR102.8 billion comprising current liabilities of approximately IDR85.3 billion and non-current liabilities of approximately IDR17.5 billion, representing 83.0% and 17.0% of total liabilities respectively. Current liabilities as at 31 July 2023 mainly comprised of (i) loan from a shareholder of approximately IDR63.0 billion, (ii) account payable of approximately IDR9.9 billion, (iii) customer deposits of approximately IDR8.3 billion, and (iv) accruals of approximately IDR4.1 billion representing 61.3%, 9.6%, 8.1% and 4.0% of total liabilities respectively. Non-current liabilities as at 31 July 2023 comprised mainly (i) deferred tax of approximately IDR16.2 billion, and (ii) provision for employee service entitlements of approximately IDR1.3 billion, representing 15.7% and 1.2% of total liabilities respectively.
- (c) The equity of PT KP amounted to approximately IDR26.4 billion comprised of (i) share capital of approximately IDR461.9 billion, (ii) additional paid-in capital of approximately IDR201.5 million, (iii) other comprehensive income of approximately IDR366.4 million and (iv) retained losses of approximately IDR436.1 billion.
- (d) As at 31 July 2023, PT KP's unaudited net asset value ("**NAV**") was approximately IDR26.4 billion and the proportionate NAV of PT KP attributable to Group's effective interest held through SLM Holding of 86.11% as at the Latest Practicable Date would be approximately IDR22.7 billion.

APPENDIX B – IFA LETTER

4.3 Assessment on the basis and justification of the Purchase Price

The basis and justification of arriving at the Purchase Price are set out in Section 2.5(c) of the Circular.

We note that the Purchase Price of IDR151,629,092,135 (which is approximately S\$13,642,000 based on the Exchange Rate) was arrived at on a willing-buyer and willing seller basis after taking into account, amongst other things, the prevailing market conditions, the value of the Sale Shares as set out in Section 2.4 of the Circular and the rationale for the Proposed Disposal as set out in Section 2.6 of the Circular.

Market Valuation of the Appraised Assets of PT KP

In connection with the Proposed Disposal, the Independent Valuer has assessed and opined on the market value of the Appraised Assets of PT KP as at the valuation date of 7 August 2023. The Appraised Assets relates to the electric steam power plant of PT KP, with a capacity of 2 x 15 Megawatts which consists of a land area of 60,749 square meters along with buildings, other supporting facilities, machinery and equipment, electricity network and distribution, heavy equipments, and vehicles, located in the Kariangau Village, West Balikpapan District, Balikpapan – East Kalimantan and the value of its coal stock.

The Assets Valuation Report and Business Valuation Report was prepared in accordance with Indonesian Valuation Standards (SPI) Seventh Edition-2018, where the basis of valuation adopted by the Independent Valuer is the “market value”, which is defined as:

“the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion (SPI 101-3.1).”

We note that the Independent Valuer has adopted both the Cost Approach and Income Approach in arriving at the market value of the Appraised Assets. In the valuation of the land, vehicles and heavy equipment of the Appraised Assets, the Independent Valuer has applied the Market Data Comparison Method or also known as the Direct Comparison Method, which uses information from transactions involving properties that are the same or similar to arrive at an indication of value. As for the valuation of the buildings, other land improvements, machinery and equipment, electrical network and distribution of the Appraised Assets, the Independent Valuer has applied the Replacement Cost Method or also known as Depreciated Replacement Cost Method (“**DRC Method**”). The DRC Method is a method that indicates value by calculating the cost of creating an asset that is similar to an equivalent utility which is then adjusted for physical deterioration and all relevant forms of obsolescence.

Based on the Independent Valuer’s investigation and assessment, the Independent Valuer is of the opinion that the market value of the Appraised Assets as at the valuation date of 7 August 2023 is IDR276,882,533,000. The market value of the Appraised Assets (excluding coal stock) as at the valuation date of 7 August 2023 is IDR275,751,733,000.

Accordingly, the proportionate market value of the Appraised Assets (including coal stock) attributable to Group’s effective interest held through SLM Holding of approximately 86.11% as at the Latest Practicable Date would be approximately IDR238,427,075,179 (which is approximately S\$21,451,284 based on the Exchange Rate).

APPENDIX B – IFA LETTER

Market valuation of 100% equity of PT KP

In regards to the assessment on the market value of 100% equity of PT KP, the Equity Valuer has considered the following valuation approaches in accordance with the Indonesian Appraisal Code of Ethics (KEPI) and the Indonesian Valuation Standards (SPI) established by the Indonesian Appraiser Profession Society (MAPPI):

(i) Market Approach

The market approach compares the company being valued with comparable companies, the company's ownership interests and securities traded in the market as well as relevant transactions in shares of comparable companies. Previous transactions or bidding on company components may also be indicative of value. (SPI VII-2018 Edition, 330 – 5.23.a)

(ii) Asset Approach

The asset approach is a general way of determining a value indication of a business, business ownership interest, security, or intangible asset using one or more methods based on the value of the assets net of liabilities.

Indication of equity value or estimated Net Asset Value is obtained from the difference between the value of assets and the value of liabilities, on the basis of adjusted asset value (appraised value). (SPI VII-2018 Edition, 330 – 5.32.d)

(iii) Income Approach

The income approach can be used to estimate Value by anticipating and quantifying the ability of the Appraisal Object to generate returns that will be received in the future (SPI VII-2018 Edition, 330 – 5.25.a)

We note that the Equity Valuer has adopted the Asset Approach – Adjusted Book Value method and the Income Approach – Discounted Cash Flow method in its assessment on the market value of 100% equity of PT KP. We also note that the Equity Valuer has taken into consideration the Assets Valuation Report for its assessment in respect of the market value of the Appraised Assets and has also included a discount for lack of marketability (“**DLOM**”) of 30% to the indicated value of equity after considering that PT KP is a privately held company and the steam power plant business is a capital-intensive business that is full of challenges and heavily influenced by related regulations. In addition, the Equity Valuer has taken the view that a control premium (“**CP**”) or discount for lack of control (“**DLOC**”) is not applicable since the object of valuation is 100% equity of PT KP and therefore CP or DLOC has not been applied in the valuation.

Based on the Equity Valuer's investigation and assessment, the Equity Valuer is of the opinion that the market value 100% equity of PT KP as at the valuation date of 31 July 2023 is IDR162,033,000,000.

Accordingly, the proportionate market value of PT KP attributable to Group's effective interest in SLM Holding of 86.11% as at the Latest Practicable Date would be approximately IDR139,528,680,000 (which is approximately S\$12,553,000 based on the Exchange Rate).

APPENDIX B – IFA LETTER

The Assets Valuation Report and the Business Valuation Report are to be read together. It should be noted that the independent valuation is based on various assumptions and limitations as set out in both Assets Valuation Report and Business Valuation Report and shareholders are advised to read the above in conjunction with the Assets Valuation Report and Business Valuation Report as set out in Appendix A of the Circular.

4.4 Revalued Net Asset Value (“RNAV”) of PT KP

We have considered the value of PT KP shares using the NAV-based valuation approach (taking into account the independent valuation of the Appraised Assets) in our assessment on the Purchase Price. The market approach using earnings-based comparisons such as P/E ratio and EV/EBITDA multiple, which is commonly used for the valuation of a profitable company will not be meaningful as PT KP recorded an operational loss after excluding the one-off net gain arising from the land disposal and impairment loss for its latest financial year ended for FY2022.

Based on the book value of the Appraised Assets as at 31 July 2023 and the market value of the Appraised Assets appraised by the Independent Valuer as discussed in Section 4.3 of this IFA Letter, we have computed the revaluation surplus attributable to the Appraised Assets as set out below:

	Book value as at 31 July 2023 (IDR'000)	Market valuation (IDR'000)	Revaluation adjustment (IDR'000)
Appraised Assets ⁽¹⁾	73,189,531	276,882,533	203,693,002

Source: Assets Valuation Report and Management

Note:

(1) Includes fixed assets and coal inventory.

In view of the market valuation of the Appraised Assets, we have assessed the RNAV of PT KP by adjusting the net asset value of PT KP as at 31 July 2023 by the revaluation surplus attributable to the Appraised Assets, for the purpose of evaluation of the Purchase Price. We have also considered whether there are any adjustments or post-balance sheet events after 31 July 2023 that are likely to impact the net asset value or net tangible asset value of PT KP. In this regard, the Management have confirmed to us that, as at the Latest Practicable Date and save for the revaluation adjustment above, there are no subsequent adjustments or events that may materially impact the net asset value of PT KP as at or since 31 July 2023. We have also enquired Management on the potential tax liability (if any) which would arise if the Appraised Assets were to be sold at the revalued amounts in a hypothetical scenario and Management has confirmed that no potential tax liabilities are expected to be incurred by PT KP on the hypothetical disposal of the Appraised Assets.

APPENDIX B – IFA LETTER

The adjustments which are made to the net asset value of PT KP as at 31 July 2023 to determine the RNAV of PT KP as at 31 July 2023 are set out below.

	(IDR'000)
Net asset value of PT KP as at 31 July 2023⁽¹⁾	26,410,352
Revaluation surplus	203,693,002
RNAV of PT KP	230,103,354

Source: Business Valuation Report and Management

Note:

- (1) The net asset value of PT KP as at 31 July 2023 excludes any adjustments on deferred tax in connection with the past assets impairments, which is in line with the Group's accounting policy.

Based on the table above and the information set out in Section 4.3 of this IFA Letter, we note the following:

- (i) the proportionate RNAV of PT KP attributable to the Group's effective interest held through SLM Holding of approximately 86.11% as at the Latest Practicable Date would be approximately IDR198.1 billion and the Purchase Price of IDR151,629,092,135 for the Sale Shares represents a discount of approximately IDR46.5 billion (approximately S\$4.2 million) (or approximately 0.77 times or 23.5%) to the RNAV attributable to the Sale Shares; and
- (ii) the proportionate market value of the equity of PT KP (as assessed by the Equity Valuer) attributable to the Group's effective interest held through SLM Holding of approximately 86.11% as at the Latest Practicable Date would be approximately IDR139.5 billion ("**Sale Shares Fair Value**"), taking into account a discount for lack of marketability ("**DLOM**") of 30% to the indicated value of equity after considering that PT KP is a privately held company and the steam power plant business is a capital-intensive business that is full of challenges and heavily influenced by related regulations. In this regard, the Purchase Price of IDR151,629,092,135 for the Sale Shares represents a premium of approximately IDR12.1 billion (or approximately 1.09 times or 8.7%) over the Sale Shares Fair Value.

4.5 Financial effects of the Proposed Disposal

The financial effects of the Proposed Disposal on the Group's NTA per Share and earnings per Share ("**EPS**") of the Group are set out in Section 2.9 of the Circular and have been prepared based on the Group's audited financial statements for the financial year ended 31 December 2022 ("**FY2022**"). The financial effects are for illustrative purposes only and are not intended to reflect the actual future financial performance of position of the Group after the completion of the Proposed Disposal.

In summary, we note the following financial effects of the Proposed Disposal:

- (i) the Group's NTA per Share as at 31 December 2022 would increase from 2.83 Singapore cents before the Proposed Disposal to 2.89 Singapore cents after the Proposed Disposal;

APPENDIX B – IFA LETTER

- (ii) the Group's net profit for the FY2022 of S\$4.51 million before the Proposed Disposal would have increased to S\$6.61 million after the Proposed Disposal as a result of the recognition of the gain on disposal from the Proposed Disposal; and
- (iii) accordingly, the Group would have recognised an EPS of 0.22 Singapore cents after the Proposed Disposal from the Group's EPS of 0.15 Singapore cents before the Proposed Disposal.

4.6 Other relevant considerations in relation to the Proposed Disposal

- (i) Gain arising from the Proposed Disposal and use of proceeds

The net book value of the Sale Shares as stated in the audited consolidated financial statements of the Group as at 31 December 2022 is approximately IDR132,088,474,000 (which is approximately S\$11,884,000). The Purchase Price constitutes a gain of approximately S\$1,758,000 over the book value of the Sale Shares as recorded in the Group's consolidated accounts as at 31 December 2022.

Based on the Group's latest announced unaudited condensed interim financial statements as at 30 June 2023, the net book value of the Sale Shares is approximately IDR135,456,263,000 (which is approximately S\$12,187,000). The Purchase Price constitutes a gain of approximately S\$1,455,000 over the book value of the Sale Shares as recorded in the Group's unaudited condensed interim financial statements as at 30 June 2023. Accordingly, the Proposed Disposal will result in a gain on disposal of S\$1,455,000.

The proceeds from the Proposed Disposal will be deployed as capital expenditure, development cost, and working capital for the Renewable Energy Business which were discussed in Section 4.1 of the IFA Letter.

In addition, as stated in Section 2.5(b) of the Circular, it is a condition subsequent to the SPA that Bayan Resources shall extend a loan amount of US\$3,260,996 to PT KP upon completion of the Proposed Disposal solely for the purpose of repaying the outstanding loan/debt due from PT KP to the Company on or immediately after completion of the Proposed Disposal. As at the Latest Practicable Date, there is an amount owing by PT KP to the Company of US\$3,260,996 of which PT KP will repay the loan amount in IDR of approximately IDR48.9 billion (based on an agreed exchange rate of US\$1: IDR15,000) to the Company immediately after completion of the Proposed Disposal.

- (ii) No alternative offers from third parties

As at the Latest Practicable Date, the Directors have confirmed that they are not aware of any other formal offer or proposal from any third party to acquire the Sale Shares from the Company.

APPENDIX B – IFA LETTER

(iii) Abstention from voting

As set out in Section 6.2 of the Circular, Dato' Low will abstain, and will procure that his associates (being Energy Resource Investment Pte. Ltd., Kaiyi, Low Yi Ngo, Elaine Low and Wong Kai Lai, who are shareholders of the Company) will abstain, from voting at the EGM in relation to the Proposed Disposal, and will not accept appointments as proxies unless the independent Shareholders appointing them as proxies give specific instructions in the relevant Proxy Form on the manner in which they wish their votes to be cast for the Ordinary Resolution relating to the Proposed Disposal. The Company will disregard any votes cast by Dato' Low and his associates on the Ordinary Resolution relating to the Proposed Disposal.

5. OUR OPINION

In arriving at our opinion in relation to the Proposed Disposal, we have considered and evaluated factors which we deem to have significant relevance to our assessment, particularly the key factors which are described in more details in Section 4 of this IFA Letter (which should be read in conjunction with, and in the full context of, the Circular and this IFA Letter), including, *inter alia*, the following:

- (i) The rationale for the Proposed Disposal and Use of Proceeds, details of which are set out in Section 4.1 of this IFA Letter;
- (ii) Historical financial performance and financial position of PT KP, details of which are set out in Section 4.2 of this IFA Letter;
- (iii) Assessment on the basis and justification of the Purchase Price, details of which are set out in Section 4.3 of this IFA Letter;
- (iv) Revalued Net Asset Value of PT KP, details of which are set out in Section 4.4 of this IFA Letter;
- (v) Financial effects of the Proposed Disposal, details of which are set out in Section 4.5 of this IFA Letter; and
- (vi) Other relevant considerations in relation to the Proposed Disposal, details of which are set out in Section 4.6 of this IFA Letter.

Having regard to the foregoing considerations set out in this IFA Letter and information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Disposal is on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Our opinion is prepared as required under Chapter 9 of the Listing Manual as well as addressed to the Recommending Directors for their benefit and for the purpose of their consideration of the Proposed Disposal. The recommendation to be made by the Recommending Directors to the Shareholders shall remain the responsibility of the Recommending Directors.

APPENDIX B – IFA LETTER

Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose at any time and in any manner without our prior written consent in each specific case, except for the purposes of any matter relating to the Proposed Disposal.

This IFA Letter is governed by and construed in accordance with the laws of Singapore and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours Sincerely
For and on behalf of
W Capital Markets Pte. Ltd.

Foo Say Nam
Partner
Head of Advisory

Alicia Chang
Vice President
Corporate Finance

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NOTICE OF EXTRAORDINARY GENERAL MEETING

METIS ENERGY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199006289K)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of Metis Energy Limited (“**Company**”) will be held at MND Auditorium, 9 Maxwell Road, Annexe A, MND Complex, Singapore 069112 on Friday, 24 November 2023 at 9.30 a.m. for the purpose of considering and, if thought fit, passing with or without modification(s), the following resolution as an Ordinary Resolution.

*All capitalised terms used in this Notice of EGM which are not defined herein shall have the same meanings ascribed to them in the circular to the shareholders of the Company dated 8 November 2023 (the “**Circular**”).*

ORDINARY RESOLUTION

THE PROPOSED DISPOSAL AS A MAJOR TRANSACTION AND AN INTERESTED PERSON TRANSACTION

That:

- (a) the execution of the conditional sale and purchase agreement dated 26 June 2023 (“**SPA**”) amongst the Company’s wholly-owned subsidiary SLM Holding Pte. Ltd, Gallant Power Pte. Ltd. and Dato’ Low Tuck Kwong, as sellers, and PT Bayan Resources Tbk and PT Bayan Energy, as buyers, in relation to the sale of all of the Company’s shareholding interest in PT Kariangau Power be and is hereby approved, confirmed and ratified;
- (b) the transactions contemplated under the SPA be and are hereby approved, confirmed and ratified; and
- (c) the Directors and each of them be and are hereby authorised to take all such steps, complete and do all such acts, matters and things as they may consider necessary or expedient for the purposes of or in connection with the SPA (including but not limited to amending, finalising, approving and executing all such documents as may be required in connection with the SPA) and exercise such discretion as the Directors or any of them may in their absolute discretion deem fit, advisable or necessary in connection with all or any of the above matters.

By Order of
the Board of Directors of
Metis Energy Limited

Tang Kin Fei
Board Chairman

8 November 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) A member of the Company entitled to attend and vote at the EGM (other than a member who is a relevant intermediary) is entitled to appoint not more than two (2) proxies to attend and vote in his/her/its stead. A proxy need not be a member of the Company.
- (2) Pursuant to Section 181 of the Companies Act 1967 of Singapore, a member of the Company who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the EGM instead of such member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

“relevant intermediary” means:

- (a) a banking corporation licenced under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- (3) In appointing a proxy or proxies, a member (whether individual or corporate and including a relevant intermediary as defined in Section 181 of the Companies Act, which includes CPFIS Investors and/or the SRS Investors) must submit his/her/its instrument appointing the proxy(ies) (i.e. the “Proxy Form”) together with the power of attorney or other authority under which it is signed (if applicable) or a duly certified copy thereof, to vote on his/her/its behalf. A member should give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the proxy will vote at his/her/its own discretion.
 - (4) The Proxy Forms must be submitted to the Company in the following manner:
 - (a) if submitted in hard copy and sent by post, the Proxy Forms must be lodged at the Company’s registered office at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413; or
 - (b) if submitted electronically, the Proxy Forms must be submitted via email to the Company at investor.relations@metisenergy.com,

in either case, at least 48 hours before the time for holding the EGM, by no later than **9.30 a.m. on 22 November 2023** (the “Proxy Deadline”).

- (5) Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including CPFIS Investors and SRS Investors) and who wish to exercise their votes by appointing a proxy or proxies should approach their respective relevant intermediaries (including their respective CPF agent banks or SRS agent banks) to submit their voting instructions by 9.30 a.m. on 14 November 2023 (being seven (7) working days before the date of EGM) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the proxy(ies), to vote on their behalf **no later than the Proxy Deadline**.
- (6) A Depositor’s name must appear on the Depository Register maintained by The Central Depository (Pte) Limited 72 hours before the time appointed for the EGM in order for the Depositor to be entitled to attend and vote at the EGM.
- (7) Members may raise questions at the EGM or submit questions related to the resolutions to be tabled for approval at the EGM, in advance of the EGM. Members who would like to submit questions in advance of the EGM may do so in the following manner:
 - (a) if submitted by post, by depositing at the registered office of the Company at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413; or
 - (b) if submitted by email, be received by the Company at investor.relations@metisenergy.com,

in either case, by 9.30 a.m. on 15 November 2023 (being seven (7) calendar days from the date of the Notice of EGM) (the “Questions Submission Cut-Off Date”).

Members submitting questions are requested to state: (i) their full name; and (ii) their identification/registration number, failing which the Company shall be entitled to regard the submission as invalid.

The Company will endeavour to address all substantial and relevant questions submitted by members prior to or during the EGM.

The responses to substantial and relevant questions raised by members on or before the Questions Submission Cut-Off Date will be published on SGXNet and the Company’s website at the URL <http://www.metisenergy.com> prior to the EGM or at the EGM.

Substantial and relevant questions which are submitted after the Questions Submission Cut-Off Date will be consolidated and addressed at the EGM.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

PROXY FORM

METIS ENERGY LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199006289K)

PROXY FORM EXTRAORDINARY GENERAL MEETING

This form of proxy has been made available on SGXNet and the Company's website and may be accessed at <http://www.metisenergy.com>

IMPORTANT

1. A relevant intermediary may appoint more than two (2) proxies to attend the EGM and vote (please see Note 4 for the definition of "relevant intermediary").
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purpose if used or purported to be used by them.
3. **Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairman of the EGM or such other person(s) as a member's proxy(ies) to vote on your behalf at the EGM.**

I/We _____

(NRIC/Passport No./Company Registration No.) _____

of _____ (Address)

being a member/members of Metis Energy Limited ("**Company**"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)	
			No. of Shares	%

and/or*

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)	
			No. of Shares	%

or failing him/her, the Chairman of the extraordinary general meeting (the "**EGM**"), as my/our proxy/proxies to vote for me/us on my/our behalf at the EGM of the Company to be convened and held at MND Auditorium, 9 Maxwell Road, Annexe A, MND Complex, Singapore 069112 on Friday, 24 November 2023 at 9.30 a.m. and any adjournment thereof. *I/We direct my/our proxy/proxies to vote on the Ordinary Resolution to be proposed at the EGM as indicated hereunder.

(Voting will be conducted by poll. Please indicate with a "√" in the space provided within the relevant box to vote for or against or abstain from voting, in respect of the resolution to be proposed at the EGM as indicated hereunder. Alternatively, please indicate the number of shares that your proxy is directed to vote "For" or "Against" or to abstain from voting. **In the absence of specific directions in respect of a resolution, the proxy will vote at his/her/its own discretion.**)

No.	Resolutions relating to:	Number of Votes For	Number of Votes Against	Number of Votes Abstain
1	Ordinary Resolution: The Proposed Disposal			

Dated this _____ day of _____ 2023

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

PROXY FORM

Notes:

1. A member should insert the total number of ordinary shares in the capital of the Company (“Shares”) held. If the member has Shares entered against his/her/its name in the Depository Register, he/she/it should insert that number of Shares. If the member has Shares registered in his/her/its name in the Register of Members, he/she/it should insert that number of Shares. If a member has Shares entered against his/her/its name in the Depository Register and Shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of Shares entered against his/her/its name in the Depository Register and registered in his/her/its name in the Register of Members. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all Shares held by the member.
2. A member of the Company entitled to attend and vote at a meeting of the Company (other than a member who is a relevant intermediary) is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member of the Company (other than a member who is a relevant intermediary) appoints more than one proxy, he/she/it shall specify the proportion of his/her/its shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no such percentage is specified, the first named proxy shall be treated as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
4. Pursuant to Section 181 of the Companies Act 1967 of Singapore, a member of the Company who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend and vote at the EGM instead of such member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

“relevant intermediary” means:

- (a) a banking corporation licenced under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore, and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. The Proxy Forms must be submitted to the Company in the following manner:
 - (a) if submitted in hard copy and sent by post, the Proxy Forms must be lodged at the Company’s registered office at 133 New Bridge Road, #18-09 Chinatown Point, Singapore 059413; or
 - (b) if submitted electronically, the Proxy Forms must be submitted via email to the Company at investor.relations@metisenergy.com, in either case, at least 48 hours before the time for holding the EGM, by no later than **9.30 a.m. on 22 November 2023** (the “**Proxy Deadline**”).

Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email.

6. Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including CPFIS Investors and SRS Investors) and who wish to exercise their votes by appointing a proxy or proxies should approach their respective relevant intermediaries (including their respective CPF agent banks or SRS agent banks) to submit their voting instructions by 9.30 a.m. on 14 November 2023 (being seven (7) working days before the date of EGM) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the proxy(ies), to vote on their behalf **no later than the Proxy Deadline**.
7. Completion and return of a Proxy Form shall not preclude a member of the Company from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member of the Company attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
8. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
9. A corporation which is a member of the Company may, in accordance with Section 179 of the Companies Act 1967 of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM.
10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
11. In the case of members of the Company whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member of the Company, being the appointor, is not shown to have Shares entered against his/her names in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

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