IMPORTANT NOTICE

You must read the following disclaimer before continuing. The following disclaimer applies to the attached offering memorandum (the "Offering Memorandum"). You are therefore advised to read this disclaimer carefully before reading, accessing or making any other use of the attached. In accessing the attached, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ANY APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Restrictions: The attached Offering Memorandum is being furnished in connection with an offering exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the securities described in the Offering Memorandum. The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of either the Issuer of the securities or the Joint Global Coordinators and Joint Bookrunners, the Trustee, the Common Security Agent or the Paying Agent, Transfer Agent and Registrar to subscribe for or purchase any of the securities described therein, and access has been limited so that it shall not constitute a general advertisement or general solicitation (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act) in the United States or elsewhere. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

You are reminded that you have accessed the attached Offering Memorandum on the basis that you are a person into whose possession this Offering Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorized to deliver or forward this document, electronically or otherwise, to any other person. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

If you receive this document by e-mail, you should not reply by e-mail to this announcement, and you may not purchase any securities by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

THE ATTACHED OFFERING MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED.

The attached document has been made available to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of transmission and consequently neither the Issuer of the securities, the Joint Global Coordinators and Joint Bookrunners, the Trustee, the Common Security Agent or the Paying Agent, Transfer Agent and Registrar nor any of their employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version.

Confirmation of Your Representation: You have accessed the attached document on the basis that you have confirmed your representation that (1) you and any customers you represent are (i) qualified institutional buyers (as defined under Rule 144A under the Securities Act) that are qualified purchasers (as defined in Section 2(a)(5l) of the United States Investment Company Act of 1940 (the "Investment Company Act") and the rules and regulations thereunder), or (ii) outside the United States (as defined under Regulation S under the Securities Act) and not a U.S. person (as defined in Regulation S, but for purposes of the definition of "U.S. person" herein shall include any person that is not a U.S. person solely by reason of Rule 902(k)(1)(viii)(B) or 902(k)(2)(i) in Regulation S under the Securities Act) and, in each case, not a "benefit plan investor" as defined for purposes of the U.S. Employee Retirement Income Security Act of 1974, as amended, and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States, (2) you consent to delivery of the attached Offering Memorandum and any amendments or supplements thereto by electronic transmission and (3) you agree to the foregoing terms and conditions.

Notice to Prospective Investors in the United Kingdom — The communications in the attached document and any other document or materials relating to the issue of the securities offered thereby is not being made, and such documents and/or materials have not been approved, by an authorized person for the purposes of section 21 of the United Kingdom's Financial Services and Markets Act 2000, as amended (the "FSMA"). Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom. The communication of such documents and/or materials as a financial promotion is only being made to those persons in the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Financial Promotion Order")), or within Article 43(2) of the Financial Promotion Order, or who are any other persons to whom it may otherwise lawfully be made under the Financial Promotion Order (all such persons together being referred to as "relevant persons"). In the United Kingdom, the securities offered thereby are only available to, and any investment or investment activity to which the attached document relates will be engaged in only with, relevant persons. Any person in the United Kingdom that is not a relevant person should not act or rely on the attached document or any of its contents.

Notice to Prospective Investors in the European Economic Area — The attached document is not a prospectus for the purposes of the Prospectus Regulation (as defined below). The attached document has been prepared on the basis that any offer of the Securities in any Member State of the European Economic Area (the "EEA") will only be made to a legal entity which is a qualified investor under the Prospectus Regulation ("Qualified Investors"). Accordingly any person making or intending to make an offer in that Member State of Securities which are the subject of the offering contemplated in the attached document may only do so with respect to Qualified Investors. Neither the Issuer nor the Initial Purchasers has authorized, nor do they authorize, the making of any offer of Securities other than to Qualified Investors. The expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Prohibition of Sales to EEA Retail Investors — The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Prohibition of Sales to UK Retail Investors — The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 ("EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("FSMA") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law of the United Kingdom by virtue of the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Securities or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

Notification under section 309B of the Securities and Futures Act 2001 of Singapore — The Securities are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

OFFERING MEMORANDUM **STRICTLY CONFIDENTIAL**

PT INDIKA ENERGY TBK

(incorporated in the Republic of Indonesia with limited liability)

US$350,000,000

8.75% Senior Notes due 2029

The US$350,000,000 8.75% Senior Notes due 2029 (the "Notes") to be issued by PT Indika Energy Tbk (the "Issuer") will bear interest from and including May 7, 2024 at the rate of 8.75% per annum, payable semi-annually in arrears on May 7 and November 7 of each year, commencing on November 7, 2024 and will mature on May 7, 2029. The Notes will be senior obligations of the Issuer and will be unconditionally and irrevocably guaranteed on a senior basis (the "Subsidiary Guarantees") by PT Indika Inti Corpindo ("IIC"), PT Tripatra Multi Energi ("TIME") and the Tripatra Entities (as defined herein) (the Tripatra Entities together with IIC and TIME, the "Subsidiary Guarantors"). The Issuer will use the proceeds of the offering of the Notes as described under "Use of Proceeds."

At any time on or after May 7, 2026, the Issuer may redeem the Notes, in whole or in part, at the redemption prices set forth under "Description of the Notes — Optional Redemption," plus accrued and unpaid interest, if any, to the redemption date. At any time prior to May 7, 2026, the Issuer may redeem the Notes, in whole or in part, at a redemption price equal to 100.0% of their principal amount plus the Applicable Premium and accrued and unpaid interest, if any, to (but not including) the redemption date. In addition, at any time, and from time to time, prior to May 7, 2026, the Issuer may redeem up to 35.0% of the aggregate principal amount of the Notes using proceeds from certain equity offerings at a redemption price of 108.75% of the principal amount of the Notes plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65.0% of the aggregate principal amount of the Notes originally issued on the Original Issue Date remains outstanding after such redemption.

The Notes will be secured by the Common Security described herein and will otherwise rank *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Issuer, including the guarantees of the Existing Pari Passu Secured Indebtedness (as defined herein). The Subsidiary Guarantees are general obligations of the Subsidiary Guarantors, secured by the Common Security described herein, and will otherwise rank *pari passu* in right of payment with all other unsecured, unsubordinated indebtedness of the Subsidiary Guarantors. See "Risk Factors — Risks Relating to the Offering, the Notes, the Subsidiary Guarantees and the Common Security." A part of the Common Security will be shared *pari passu* in right and priority of payment with certain other creditors, including the Existing Pari Passu Secured Indebtedness, in respect of certain obligations of the Subsidiary Guarantors, in accordance with the Intercreditor Agreement (as defined herein).

Investing in the Notes involves significant risks. See "Risk Factors" beginning on page 32.

The Notes are expected to be rated "Ba3" by Moody's Investors Service, Inc. ("Moody's") and "BB-" by Fitch Ratings Ltd. ("Fitch"). The Issuer is expected to be rated "Ba3" (stable) by Moody's and "BB-" (stable) by Fitch. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Issue Price: 100%

The Notes and the Subsidiary Guarantees have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any other jurisdiction and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes and Subsidiary Guarantees are being offered and sold (A) in the United States, or to, or for the account or benefit of, U.S. persons in minimum amounts of US$250,000 only to persons who are both "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("Rule 144A")) and "qualified purchasers" as defined in the United States Investment Company Act of 1940 (the "Investment Company Act") in accordance with Rule 144A, and (B) outside the United States to investors that are not "U.S. Persons" (as defined in Regulation S, but for purposes of the definition of "U.S. person" herein shall include also any person that is not a U.S. person solely by reason of Rule 902(k)(1)(viii)(B) or 902(k)(2)(i) in Regulation S under the Securities Act), and not persons acquiring for the account or benefit of U.S. Persons, in offshore transactions pursuant to Regulation S under the Securities Act ("Regulation S") and, in each case not a "benefit plan investor" as defined for purposes of the U.S. Employee Retirement Income Security Act of 1974, as amended, and which are deemed to have made the representations set forth in the section entitled "Transfer Restrictions." For a description of these and other restrictions on offers, resales and transfers of the Notes, see "Plan of Distribution" and "Transfer Restrictions." The offering of the Notes does not constitute a public offering or private placement in Indonesia under Law No. 8 of 1995 on Capital Market, as amended by Law No. 4 of 2023 on Development and Strengthening of Financial Sectors (the "Indonesian Capital Markets Law") and OJK Rule No. 30 of 2019 on the Issuance of Debt-Linked Securities and/or Sukuk issued by ways of Private Placement ("OJK Rule No. 30"). This Offering Memorandum may not be distributed in Indonesia and the Notes and the Subsidiary Guarantees may not be offered or sold in Indonesia, to Indonesian citizens (whether domiciled in Indonesia or elsewhere) or to Indonesian residents, in a manner which constitutes a public offering or private placement under the laws and regulations in Indonesia, including OJK Rule No. 30.

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this offering memorandum (this "Offering Memorandum"). Approval in-principle from, admission to the Official List of, and listing and quotation of the Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuer, the Subsidiary Guarantors, their respective subsidiaries and associated companies (if any), the Subsidiary Guarantees or the Notes.

It is expected that the Notes will be ready for delivery in book-entry form only through The Depository Trust Company, and its participants, on or about May 7, 2024. See "Plan of Distribution."

Joint Global Coordinators and Joint Bookrunners

Deutsche Bank **Standard Chartered Bank** **Mandiri Securities** **BNI Securities**

The date of this Offering Memorandum is April 24, 2024

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NOTICE TO INVESTORS

This Offering Memorandum is being furnished by us on a confidential basis in connection with an offering exempt from the registration requirements under the Securities Act, solely for the purpose of enabling a prospective investor to consider the purchase of the Notes and the Subsidiary Guarantees (the "Securities"). The offering is being made in reliance upon the exemptions from registration under the Securities Act. Prospective investors are hereby notified that sellers of the Securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. Each purchaser of the Securities will be deemed to have made certain acknowledgments, representations and agreements regarding the Securities and the offer, sale, reoffer, pledge or other transfer of the Securities. See "Transfer Restrictions."

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the offering of the Securities, including the merits and risks involved. Prospective investors should not construe anything in this offering memorandum as legal, business or tax advice. Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the securities under applicable legal investment or similar laws or regulations.

We have furnished the information in this Offering Memorandum. You acknowledge and agree that Deutsche Bank AG, Singapore Branch ("Deutsche Bank"), Standard Chartered Bank (Singapore) Limited ("Standard Chartered Bank"), Mandiri Securities Pte. Ltd. ("Mandiri Securities") and BNI Securities Pte. Ltd. ("BNI Securities") (collectively, the "Joint Global Coordinators and Joint Bookrunners"), make no representation or warranty, express or implied, as to the accuracy or completeness of such information, and nothing contained in this Offering Memorandum is, or shall be relied upon as, a promise or representation by each Joint Global Coordinator and Joint Bookrunner. To the fullest extent permitted by law, none of the Joint Global Coordinators and Joint Bookrunners, the Trustee, the Common Security Agent or the Paying Agent, Transfer Agent and Registrar (each as defined herein) accept any responsibility for the contents of this Offering Memorandum or for any statement made or purported to be made by the Joint Global Coordinators and Joint Bookrunners, the Trustee, the Common Security Agent or the Paying Agent, Transfer Agent and Registrar or on their behalf in connection with the Issuer or the issue and offering of the Securities. The Joint Global Coordinators and Joint Bookrunners accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Offering Memorandum or any such statement. This Offering Memorandum contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All such summaries are qualified in their entirety by such reference.

Distribution of this Offering Memorandum to any other person other than the prospective investor and any person retained to advise such prospective investor with respect to its purchase is unauthorized, and any disclosure of any of its contents, without our prior written consent, is prohibited. Each prospective investor, by accepting delivery of this Offering Memorandum, agrees to the foregoing and to make no photocopies of this Offering Memorandum or any part hereof.

This Offering Memorandum does not constitute an offer to, and may not be used for the purpose of an offer to or a solicitation by, anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorized or is unlawful. No action has been or will be taken to permit a public offering of the Securities in any jurisdiction where action would be required for that purpose. The Securities may not be offered or sold, directly or indirectly, and this Offering Memorandum may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

No representation is made by us or any of the Joint Global Coordinators and Joint Bookrunners that this Offering Memorandum may be lawfully distributed or that the Securities may be lawfully offered in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, and none of them assumes responsibility for facilitating any such distribution or offering or for a purchaser's failure to comply with applicable laws and regulations. We and the Joint Global Coordinators and Joint Bookrunners require persons into whose possession this Offering Memorandum comes to inform themselves about and to observe any such restrictions. No one has taken any action that would permit a public

offering to occur in any jurisdiction. For a description of certain restrictions on offers and sales of the Securities, and distribution of this Offering Memorandum, see "Transfer Restrictions" and "Plan of Distribution."

We and each of the Joint Global Coordinators and Joint Bookrunners reserve the right to reject any offer to purchase any Securities, in whole or in part, for any reason, or to sell less than the aggregate principal amount of Securities offered by this Offering Memorandum.

No person has been authorized to give any information or to make any representation other than those contained in this Offering Memorandum in connection with the offering of the Securities, and any information or representation not contained in this Offering Memorandum must not be relied upon as having been authorized by us or by the Joint Global Coordinators and Joint Bookrunners. Neither the delivery of this Offering Memorandum nor any sale of the Securities pursuant to this offering shall, under any circumstances, constitute a representation or create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the affairs of any party mentioned herein since that date. You should assume that the information appearing in this Offering Memorandum is accurate only as of the date on the front cover of this Offering Memorandum. Our business, financial condition, results of operations and prospects may have changed since that date.

No representation, warranty or undertaking, express or implied, is made by any of the Joint Global Coordinators and Joint Bookrunners, the Trustee, the Common Security Agent or the Paying Agent, Transfer Agent and Registrar, and no responsibility or liability is accepted by any thereof to the accuracy, adequacy, reasonableness or completeness of the information contained in this Offering Memorandum or any other information provided by us in connection with the Securities, their distribution or their future performance.

Neither this Offering Memorandum nor any other information supplied in connection with the Securities should be considered as a recommendation by us, the Joint Global Coordinators and Joint Bookrunners, the Trustee, the Common Security Agent or the Paying Agent, Transfer Agent and Registrar that any recipient of this Offering Memorandum should purchase any of the Securities. Each investor contemplating purchasing any Securities should make its own independent investigation of our business, results of operations, financial condition and affairs and its own appraisal of our creditworthiness.

Each person receiving this Offering Memorandum acknowledges that: (i) such person has been afforded an opportunity to request from us and to review, and has received, all additional information considered by it to be necessary to verify the accuracy of, or to supplement, the information contained herein; (ii) such person has not relied on the Joint Global Coordinators and Joint Bookrunners, the Trustee, the Common Security Agent or the Paying Agent, Transfer Agent and Registrar or any person affiliated with the Joint Global Coordinators and Joint Bookrunners, the Trustee, the Common Security Agent or the Paying Agent, Transfer Agent and Registrar in connection with any investigation of the accuracy of such information or its investment decision; and (iii) no person has been authorized to give any information or to make any representation concerning us or the Securities (other than as contained herein and information given by our duly authorized officers and employees in connection with investors' examination of us and the terms of the offering of the Securities) and, if given or made, any such other information or representation should not be relied upon as having been authorized by us, the Joint Global Coordinators and Joint Bookrunners, the Trustee, the Common Security Agent or the Paying Agent, Transfer Agent and Registrar.

The Securities have not been approved or disapproved by the United States Securities and Exchange Commission ("SEC"), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Securities or the accuracy or adequacy of this Offering Memorandum. Any representation to the contrary is a criminal offense in the United States.

Notification under section 309B of the Securities and Futures Act 2001 of Singapore — The Securities are prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

In connection with the issue and distribution of the Securities, the Joint Global Coordinators and Joint Bookrunners or any person acting for them may, subject to applicable laws and regulations, over-allot or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail for a limited period of time. However, the Joint Global Coordinators and Joint Bookrunners or any person acting for them are under no obligation to do so. Furthermore, such stabilization, if commenced, may be discontinued at any time and must be brought to an end after a limited period.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any of the Joint Global Coordinators and Joint Bookrunners, or any affiliate of the Joint Global Coordinators and Joint Bookrunners, is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Joint Global Coordinator and Joint Bookrunner, or its affiliate on our behalf in such jurisdiction.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Securities have not been and will not be registered under the Securities Act or any state securities laws in the United States. None of the Issuer and the Subsidiary Guarantors are registered, nor will they register, under the Investment Company Act and investors will not be entitled to the benefits of the Investment Company Act. Subject to certain exceptions, Securities may not be offered or sold within the United States or to any national, resident or citizen of the United States. Pursuant to this offering, the Securities may not be offered or sold in the United States, or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act except that the Securities may be offered or sold to (a) persons who are both "qualified institutional buyers," as defined in Rule 144A and "qualified purchasers," as defined in the Investment Company Act and the rules thereunder, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, and (b) non-U.S. persons in offshore transactions in reliance on Regulation S. Any purported sale or transfer of a Note (or beneficial interest therein) which is not made in compliance with the restrictions set forth herein shall be void and will not be honored by the Issuer. See "Transfer Restrictions." The Issuer shall be entitled to require any holder of Securities (or beneficial interest therein) who is a U.S. person or in the United States that is determined not to have been both a "qualified institutional buyer" and a "qualified purchaser" and to have met the other requirements set forth under "Transfer Restrictions" herein at the time of acquisition of such securities (or such beneficial interest) to sell such Note (or such beneficial interest therein) (within 30 days after notice of the sale requirement is given) to either (a) a person that is both a "qualified institutional buyer" and a "qualified purchaser" (and meets the requirements set forth under "Transfer Restrictions") in a transaction meeting the requirements of Rule 144A, or (b) a person that is a non-U.S. person (and meets the other requirements set forth under "Transfer Restrictions") in an offshore transaction meeting the requirements of Regulation S. Alternatively, the Issuer shall be entitled to redeem such securities (upon 30 days' notice to the holder thereof) in an amount equal to the outstanding principal amount of such securities plus accrued interest.

Neither the SEC nor any state securities commission has approved or disapproved of the Notes or the Subsidiary Guarantees or determined if this Offering Memorandum is truthful or complete. Any representation to the contrary is a criminal offense in the United States. Prospective purchasers are hereby notified that the sellers of the Securities may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

The Securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. See "Plan of Distribution" and "Transfer Restrictions." By purchasing the Securities, you will be deemed to have made the acknowledgments, representations, warranties and agreements described under the heading "Transfer Restrictions" in this Offering Memorandum.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended by the European Union (Withdrawal Agreement) Act 2020 ("EUWA") and the regulations made under the EUWA; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA and the regulations made under the EUWA. Consequently, no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA and the regulations made under the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

NOTICE TO PROSPECTIVE INVESTORS IN THE EUROPEAN ECONOMIC AREA

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or both) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended or superseded, "MiFID II"); or (ii) a customer within the meaning of Directive 2016/97/EU (the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended or superseded, the "EU PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the EU PRIIPs Regulation.

NOTICE TO PROSPECTIVE INVESTORS IN INDONESIA

The offering of the Securities does not constitute a public offering or private placement in Indonesia under the Indonesian Capital Markets Law and OJK Rule No. 30. This Offering Memorandum may not be distributed in Indonesia and the Securities may not be offered or sold in Indonesia, to Indonesian citizens (whether domiciled in Indonesia or elsewhere) or to Indonesian residents, in a manner which constitutes a public offering or private placement under the laws and regulations in Indonesia, including OJK Rule No. 30. The Indonesian Financial Services Authority (*Otoritas Jasa Keuangan* or "OJK") does not review or declare its approval or disapproval of the issue of the Securities, nor does it make any determination as to the accuracy or adequacy of this Offering Memorandum. Any statement to the contrary is a violation of Indonesian law.

NOTICE TO CAPITAL MARKET INTERMEDIARIES AND PROSPECTIVE INVESTORS PURSUANT TO PARAGRAPH 21 OF THE HONG KONG SFC CODE OF CONDUCT— IMPORTANT NOTICE TO PROSPECTIVE INVESTORS

Prospective investors should be aware that certain intermediaries in the context of this offering of the Notes, including certain Joint Global Coordinators and Joint Bookrunners, are "capital market intermediaries" ("CMIs") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "Code"). This notice to prospective investors is a summary of certain obligations the Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("OCs") for this offering and are subject to additional requirements under the Code.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the Code as having an association ("Association") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering.

Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with any Joint Global Coordinator and Joint Bookrunner, such prospective investor should indicate when placing an order if it is for a fund or portfolio where the Joint Global Coordinator and Joint Bookrunner or its group company has more than 50% interest, in which case it will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the Code and should disclose, at the same time, if such "proprietary order" may negatively impact the price discovery process in relation to this offering.

Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a "proprietary order". If a prospective investor is otherwise affiliated with any Joint Global Coordinator and Joint Bookrunner, such that its order may be considered to be a "proprietary order" (pursuant to the Code), such prospective investor should indicate to the relevant Joint Global Coordinator and Joint Bookrunner when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a "proprietary order". Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Joint Global Coordinators and Joint Bookrunners and/or any other third parties as may be required by the Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the Code, it being understood and agreed that such information shall only be used for the purpose of complying with the Code, during the bookbuilding process for this offering. Failure to provide such information may result in that order being rejected.

ENFORCEABILITY OF FOREIGN JUDGMENTS

The Notes and the Indenture entered into with respect to the issue of the Notes are governed by the laws of the State of New York.

The Issuer and each of IIC, TIME, TPE and TPEC (together the "Indonesian Subsidiary Guarantors") are established and existing in Indonesia. Most of the Issuer's and the Indonesian Subsidiary Guarantors' respective commissioners and directors reside in Indonesia, and substantially all of the respective assets of the Issuer and the Indonesian Subsidiary Guarantors are located in Indonesia. As a result, it may not be possible for investors to effect service of process outside of Indonesia upon the Issuer and the Indonesian Subsidiary Guarantors or such persons or to enforce against the Issuer and the Indonesian Subsidiary Guarantors, or such persons outside of Indonesia in an Indonesian court, judgments obtained in courts outside of Indonesia, including judgments based upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state or territory within the United States.

The Issuer and the Indonesian Subsidiary Guarantors have been advised by their Indonesian legal advisor, Assegaf Hamzah & Partners, that judgments of non-Indonesian courts, including any judgments on original actions brought in Indonesian courts based solely upon the civil liability provisions of the federal securities laws of the United States or the securities laws of any state or territory within the United States, are not enforceable in Indonesian courts. A claimant may be required to pursue claims in Indonesian courts on the basis of Indonesian law. The judgment of a foreign court could be offered and accepted as evidence in proceedings of the underlying claim in an Indonesian court and may be given such evidentiary weight as the Indonesian court may deem appropriate, in its sole discretion. Re-examination of the underlying claim de novo would be required before the Indonesian court. We cannot assure you that the claims or remedies available under Indonesian laws will be the same, or as extensive, as those available in other jurisdictions.

Further, TRIS, one of the Subsidiary Guarantors, is incorporated in Singapore. Indonesia and the United States do not currently have ratified treaties with Singapore providing for reciprocal recognition and enforcement of judgments in civil and commercial matters pursuant to the Reciprocal Enforcement of Foreign Judgments Act 1959 ("REFJA") or the Choice of Court Agreements Act 2016 ("CCAA"). In this regard, neither Indonesia nor the United States is currently a foreign country to which the REFJC applies. Further, Indonesia is not a party to the Hague Convention on Choice of Court Agreements, and the United States (while a party) has not ratified the said Hague Convention, and therefore the CCAA does not apply to either foreign country.

However, a final and conclusive judgment on the merits for a fixed sum of money payable by a Subsidiary Guarantor that has been properly obtained and enforceable against the Subsidiary Guarantor in a competent court of Indonesia or the United States may be sued on in Singapore as a debt due from the Subsidiary Guarantor if: (i) it was not procured by fraud, (ii) its enforcement would not be contrary to public policy of Singapore, (iii) the proceedings in which it was obtained were not contrary to natural justice, (iv) it did not include payment of taxes, fines or penalties, and (v) it did not amount to a judgment on the same matter as previously decided by the Singapore courts or conflict with such Singapore court judgment.

A judgment rendered by a court in the United States or any state thereof based upon the civil liability provisions of the securities laws of the United States or any state thereof may not be enforceable in Singapore courts and Singapore courts may not enter judgments in original actions brought in Singapore courts based solely upon the civil liability provisions of the securities laws of the United States or any state thereof.

ENFORCEABILITY OF THE GUARANTEES

Under the Indonesian Civil Code, a guarantor is entitled to waive its rights to require the obligee to exhaust its legal remedies against the obligor's assets on a guaranteed obligation prior to the obligee exercising its right under the related guarantee. The Subsidiary Guarantees contain a waiver of this right. The Indonesian Subsidiary Guarantors have been advised by their Indonesian legal advisor that they may successfully argue that, even though a guarantee contains such waivers, the Indonesian Subsidiary Guarantors may nevertheless require that the obligee must first prove that all available legal remedies against the obligor have in fact, been exhausted. Accordingly, if such request is granted, the Indonesian Subsidiary Guarantors may not be required to comply with their obligations under the Subsidiary Guarantees provided in respect of the Notes until all remedies against the Issuer have been exhausted. Paragraph 1 of Article 1832 of the Indonesian Civil Code stipulates that once a guarantor has waived its rights to require a lender to exhaust its legal remedy against the obligor, such guarantor may no longer claim otherwise. However, the outcome of specific cases in the Indonesian legal system is subject to considerable discretion and uncertainty. See "Risk Factors — Risks Relating to the Offering, the Notes, the Subsidiary Guarantees and the Common Security — Through the purchase of the Notes, the holders of the Notes may be exposed to a legal system subject to considerable discretion and uncertainty, and it may be difficult or impossible for the holders of the Notes to pursue claims under the Notes or the Subsidiary Guarantees."

In several court cases in Indonesia, Indonesian companies that had defaulted on debt incurred through offshore financing entities (using structures involving a guarantee issued by an Indonesian company) have successfully sued their creditors to, among other things, invalidate their debt obligations and have sought damages from creditors exceeding the original proceeds of the debt issued. In one such case, which was

subsequently settled, an Indonesian court annulled the transaction documents in a structure involving a guarantee issued by an Indonesian company for debt of an offshore subsidiary. In another case, an Indonesian court declared a loan agreement between an offshore entity and its creditors null and awarding damages to the defaulting borrower. The courts' reports of these decisions do not provide a clear factual basis or legal rationale for the judgments.

In a June 2006 decision (the "June 2006 Decision"), the Indonesian Supreme Court affirmed a lower court judgment that invalidated notes issued in a financing structure involving a guarantee given by an Indonesian company. This case involved PT Indah Kiat Pulp & Paper Tbk ("Indah Kiat") as plaintiff whose Dutch subsidiary issued US$500 million notes guaranteed by Indah Kiat. The Indonesian Supreme Court upheld the decisions of the Indonesia District Court and High Court in favor of Indah Kiat, which ruled that the defendants (including the trustee, underwriter and security agent for the issuance of the notes) committed an unlawful act (*perbuatan melawan hukum*), and therefore, the issuance of the notes was declared null and void. However, the June 2006 Decision was annulled by the Indonesian Supreme Court on a civil review (*peninjauan kembali*) under its decision issued on August 19, 2008 (the "August 2008 Decision") under which the Indonesian Supreme Court stated that the claim should have been brought in the courts of New York and not a District Court of Indonesia, as the agreements were governed by New York law. However, the Indonesian Supreme Court has further taken a contrary view with respect to a case involving PT Lontar Papyrus Pulp & Paper Industry ("Lontar Papyrus"). In its March 2009 decision (the "March 2009 Decision"), the Indonesian Supreme Court refused a civil review (*peninjauan kembali*) of a judgment by the District Court of Kuala Tungkal, which invalidated US$550 million of notes issued by APP International Finance Company B.V. ("APPC") and guaranteed by Lontar Papyrus on reasons that the loan agreement between APPC and Lontar Papyrus and the indenture with regards to the issuance of notes required amendment to observe the prevailing laws and regulations in Indonesia.

See "Risk Factors — Risks Relating to the Offering, the Notes, the Subsidiary Guarantees and the Common Security — Indonesian companies have filed suits in Indonesian courts to invalidate transactions with structures similar to the Notes and the Subsidiary Guarantees and have successfully brought legal action against lenders and other transaction participants. Such legal action has resulted in judgments invalidating all obligations under the applicable debt instruments and allowing affirmative recoveries from the lenders in excess of the amounts borrowed."

There were also instances in a court-supervised debt restructuring, known as a suspension of payment proceedings (*Penundaan Kewajiban Pembayaran Utang* or "PKPU") whereby PKPU administrators and the Supervisory Judge at the Commercial Court failed to acknowledge noteholders and/or trustee as creditors of the parent guarantor under a guarantee arrangement similar to that of the Notes. In the case of PT Bakrie Telecom Tbk ("BTEL")'s PKPU in late 2014 (the "BTEL PKPU"), the Supervisory Judge determined that the relevant creditor of BTEL in respect of the US$380 million notes was BTEL's special purpose vehicle ("SPV") issuer under an intercompany loan arrangement, rather than the noteholders or the trustee, and gave no effect to the guarantee. As a result, only the SPV issuer had standing as a BTEL's creditor to vote in the BTEL PKPU proceedings, which substantially altered the terms of the U.S. dollar bonds and the guarantee. Similarly, in the PKPU of PT Trikomsel Oke Tbk ("Trikomsel") in early 2016 (the "Trikomsel PKPU"), the PKPU administrators of the Trikomsel PKPU rejected claims that arose from their two Singaporean Dollar bonds and have taken the stance that the trustees do not have any standing to make claims on behalf of the bondholders. Further, they asserted that only individual noteholders that had filed claims on their own would be able to participate in the PKPU proceedings and to vote on the restructuring plan. This stance was further affirmed by the Commercial Court and the Trikomsel PKPU was settled on September 28, 2016, through the ratification of a composition plan (*rencana perdamaian*) which was approved by certain bondholders, and then ratified by the Jakarta Commercial Court. See "Risk Factors — Risks Relating to the Offering, the Notes, the Subsidiary Guarantees and the Common Security — An Indonesian court has limited certain rights of the trustee, acting on behalf of the holders of U.S. dollar bonds, in relation to the parent guarantor, in a decision that affected the holders' rights and the terms of the bonds in connection with a debt restructuring of the parent guarantor."

The Indonesian legal system does not recognize the doctrine of stare decisis (i.e. the doctrine that precedent decisions by a court will subsequently bind later courts) as would be the case in common law jurisdictions such

as the United States and the United Kingdom. This means that while lower courts are not bound by the Indonesian Supreme Court decisions, such decisions have persuasive force. Therefore, we cannot assure you that in the future a court will not issue a similar decision to the June 2006 Decision or the March 2009 Decision or decision on PKPU proceedings such as the BTEL PKPU or Trikomsel PKPU in relation to the validity and enforceability of the Notes and the Subsidiary Guarantees or grant additional relief to the detriment of the holders of the Notes, if we were to contest the enforcement by the holders of the Notes of our obligations.

For a description of potential limitations on enforcement against the Subsidiary Guarantors and the rights of the holders of the Notes, see "Risk Factors — Risks Relating to the Offering, the Notes, the Subsidiary Guarantees and the Common Security — Indonesian companies have filed suits in Indonesian courts to invalidate transactions with structures similar to the Notes and the Subsidiary Guarantees and have successfully brought legal action against lenders and other transaction participants. Such legal action has resulted in judgments invalidating all obligations under the applicable debt instruments and allowing affirmative recoveries from the lenders in excess of the amounts borrowed" and "Risk Factors — Risks Relating to the Offering, the Notes, the Subsidiary Guarantees and the Common Security — Through the purchase of the Notes, the holders of the Notes may be exposed to a legal system subject to considerable discretion and uncertainty, and it may be difficult or impossible for the holders of the Notes to pursue claims under the Notes or the Subsidiary Guarantees."

INDONESIAN REGULATION OF OFFSHORE BORROWINGS

Under Presidential Decree No. 59 of 1972 dated October 12, 1972 ("PD 59/1972") and Presidential Regulation No. 86 of 2006 dated October 18, 2006, as amended by Presidential Regulation No. 91 of 2007 dated September 19, 2007, the Issuer and each of the Indonesian Subsidiary Guarantors are required to report the particulars of offshore borrowings to the Minister of Finance of Indonesia and Bank Indonesia on the acceptance, implementation, and repayment of principal and interest. The Ministry of Finance Decree No. KEP-261/MK/IV/5/73 dated May 3, 1973, as amended by the Ministry of Finance Decree No. 417/KMK.013/1989 dated May 1, 1989 and the Ministry of Finance Decree No. 279/KMK.01/1991 dated March 18, 1991, which implemented PD 59/1972, sets forth the requirement to submit periodic reports to the Minister of Finance of Indonesia and Bank Indonesia on the effective date of the offshore borrowing contract and each subsequent three-month period.

On December 29, 2014, Bank Indonesia issued Bank Indonesia Regulation No. 16/21/PBI/2014 on Application of Prudential Principles in Management of Offshore Loan of Non-Bank Corporations ("PBI 16/21/2014"), as lastly amended by Bank Indonesia Regulation No. 18/4/PBI/2016. PBI 16/21/2014 applies to non-bank corporations that obtain offshore loans in foreign currencies. Further to PBI 16/21/2014, Bank Indonesia also issued Circular Letter No. 16/24/DKEM dated December 30, 2014 as amended by Circular Letter No. 17/18/DKEM dated June 30, 2015 and Circular Letter No. 18/6/DKEM dated April 22, 2016 (the "SEBI 16/24/DKEM"). PBI 16/21/2014 requires non-bank corporations that have offshore loans in foreign currencies to fulfill the following prudential ratios:

(i) *Minimum hedging ratio.* The minimum hedging ratio for non-bank corporations that have offshore loans in foreign currencies is set at 25.0% of the "negative difference" between (a) the foreign exchange assets and the foreign exchange liabilities that will become due within three months from the end of the relevant quarter and (b) the foreign exchange assets and the foreign exchange liabilities that will become due in the period between three and six months after the end of the relevant quarter. Pursuant to SEBI 16/24/DKEM, only corporations that have "negative difference" of more than US$100,000 are required to fulfill the minimum hedging ratio. In addition, effective January 1, 2017, PBI 16/21/2014 requires that such hedging transactions can only be conducted with banks in Indonesia.

(ii) *Minimum liquidity ratio*. Non-bank corporations that have offshore loans in foreign currencies are also required to comply with a minimum liquidity ratio of at least 70.0% liquidity by providing sufficient foreign exchange assets against foreign exchange liabilities that will become due within three months from the end of the relevant quarter.

(iii) *Minimum credit rating*. Non-bank corporations that obtain offshore loans signed or issued after January 1, 2016 in a foreign currency must have a minimum credit rating of "BB-" (or equivalent) for offshore borrowings issued by a rating agency recognized by Bank Indonesia, which includes PT Pemeringkat Efek Indonesia ("BB-" equivalent rating is "BB-(id)"), Fitch Ratings Indonesia ("BB-" equivalent rating is "(Idn)BB-"), Moody's Investors Service ("BB-" equivalent rating is "Ba3"), Standard & Poor's, Fitch Ratings, Japan Credit Rating Agency and Rating and Investment Information Inc. Such credit rating will be in the form of a rating over the relevant corporation and/or bonds. In addition, PBI 16/21/2014 provides that a corporation may use its parent company's credit rating if (i) such corporation enters into an offshore debt in a foreign currency with its parent company or the offshore debt is guaranteed by its parent company, or (ii) such corporation is a newly established corporation that began commercial operations within the prior three years. The obligation to have a minimum credit rating does not apply to offshore loans in foreign currencies that are in the form of trade credit, which refers to debt arising from credit that is granted by offshore suppliers over transactions relating to goods and/or services. Exemptions from the requirement to satisfy the minimum credit rating are available for foreign currency offshore loans that are (i) for the purpose of refinancing to the extent that the new foreign currency offshore loans will not add to the amount of debt outstanding, or the new foreign currency offshore loan does not exceed US$2.0 million or 5.0% of the facility amount to be refinanced if such 5.0% is above the equivalent of US$2.0 million; (ii) for the purpose of financing infrastructure projects that are (a) wholly funded by international (bilateral/multilateral) institutions or (b) syndicated loans with contributions from the international (bilateral/multilateral) institutions exceeding 50.0%; (iii) for the purpose of funding government (central and regional) infrastructure projects; (iv) guaranteed by international (bilateral/multilateral) institutions; (v) in the form of trade credit; (vi) in the form of other loans; (vii) by financing companies who are deemed "healthy" by OJK and fulfill the maximum gearing ratio as regulated by OJK; and (viii) by the Indonesian Export Financing Institution *(Lembaga Pembiayaan Ekspor Indonesia* or "LPEI").

On December 31, 2014, Bank Indonesia issued Bank Indonesia Regulation No. 16/22/PBI/2014 regarding the Reporting on Foreign Exchange Activities and Reporting on the Implementation of Prudential Principles in the Management of Non-Bank Corporation's Offshore Debt ("PBI 16/22"). PBI 16/22 requires any non-bank entity which applies prudential principles to submit reports which cover (i) the implementation of prudential principles which has complied with an attestation procedure; (ii) notification of compliance of credit ratings; (iii) financial statements; and (iv) a report on the implementation of prudential principles (the "Implementation of Prudential Principle Report"). The Implementation of Prudential Principle Report is required to be submitted quarterly or on any other submission deadline as elaborated under PBI 16/22. However, on January 9, 2019, Bank Indonesia issued Bank Indonesia Regulation No. 21/2/PBI/2019 on Reporting of Foreign Exchange Activity ("PBI 21/2") which came into effect on March 1, 2019. PBI 21/2 revokes all provisions on the reporting of foreign exchange activities under PBI 16/22. Pursuant to PBI 21/2, PBI 16/22 remains valid only in relation to the regulation of reports on the implementation of prudential principles.

PBI 21/2, and its implementing regulations, requires any entity engaged in activities that cause a movement of (i) financial assets and/or liabilities and/or risk participation transaction between an Indonesian resident and a non-Indonesian resident or (ii) offshore financial assets and/or liabilities and/or risk participation transaction between Indonesian residents, to submit a report on such foreign exchange activities to Bank Indonesia. PBI 21/2 applies to bank and non-bank financial entities, non-financial entities, individuals and entities other than enterprises, whether in the form of legal entities or non-legal entities established by government or public. The report must include, among other things, information relating to (i) trade activities in goods, services or other transactions between an Indonesian resident and a non-Indonesian resident; (ii) principal data of risk participation transaction and/or offshore loan; (iii) any plans to draw on and/or repay the offshore loan and/or risk participation transactions; (iv) realization from drawing and/or repaying the offshore loan and/or risk participation transactions; (v) the position and changes of offshore financial assets, offshore financial liabilities and/or risk participation transactions; and/or (vi) any plans to incur new offshore loans and/or amendments to such plans. Bank Indonesia has issued implementing regulations for PBI 21/2, namely (i) the Members of the Board of Governor of Bank Indonesia Regulation No. 21/3/PADG/2019 dated February 15, 2019 on Offshore

Debt of Bank and Other Bank's Liabilities in Foreign Exchange ("PADG 21/3"); and (ii) the Members of the Board of Governor of Bank Indonesia Regulation No. 21/4/PADG/2019 dated February 28, 2019 on the Reporting of Foreign Exchange Activities in the form of Offshore Debt and Risk Participation Transactions as amended by Bank Indonesia Regulation No. 23/28/PADG/2021 dated December 28, 2021 ("PADG 21/4"). Both implementing regulations came into effect on March 1, 2019. The report on foreign exchange activities must be submitted using an online system in accordance with the implementing regulations of PBI 21/2 as applicable, namely PADG 21/4.

According to PADG 21/4, any individual or entity that obtains offshore debt in a foreign currency and/or Rupiah and conducts risk participation transactions pursuant to loan agreements, debt securities, trade credits or other loans, such as dividend loans and royalty loans, must report such activities to Bank Indonesia. There is no minimum loan amount threshold to trigger the reporting obligation with regard to offshore debt obtained by an entity (whether a financial or non-financial institution). In contrast, an individual's offshore debt is only required to be reported if such debt exceeds an amount of US$200,000 or its equivalent in any other currency. The reports consist of the main data report and/or amendments, the monthly recapitulation data report and the offshore debt plan data report. The main data report must be submitted to Bank Indonesia by no later than the 15th day of the following month between 07:10 and 16:15 Western Indonesia time after the signing of the loan agreement or the issuance of the debt securities and/or the debt acknowledgment over the trade credits and/or other loans, and a monthly recapitulation data report must be submitted to Bank Indonesia by no later than the 15th day of the following month at 24:00 Western Indonesia time, until the offshore debt has been repaid in full. In addition, data reports for new offshore debt plans must be submitted to Bank Indonesia by no later than the March 15th of the respective year, and any changes to an existing offshore debt plan must be submitted by June 15th of the respective year.

On April 12, 2019, Members of the Board of Governor of Bank Indonesia issued another implementing regulation of PBI 21/2, namely Members of the Board of Governor of Bank Indonesia Regulation No. 21/7/PADG/2019 dated April 12, 2019 on the Reporting of Foreign Exchange Activities for Non-Bank Corporations ("PADG 21/7"). PADG 21/7 replaced Bank Indonesia Circular No. 17/26/DSta dated October 15, 2015 on the Reporting of Foreign Exchange Activities Other than Offshore Loan. PADG 21/7 regulates the reporting mechanism of non-bank entities' foreign exchange activities including, among others, media announcements (online submission), submission deadlines and Bank Indonesia's supervisory roles with respect to such reporting.

In addition to reporting on foreign exchange activities, for the purpose of PBI 16/21 (as defined below), PBI 16/22 also requires reporting on the implementation of the prudential principles. Under the implementing regulation of PBI 16/22, namely Bank Indonesia Circular No. 17/3/DSta dated March 6, 2015 on the Reporting of the Implementation of Prudential Principles in the Offshore Loan Management for Non-Bank Corporations, as lastly amended by Bank Indonesia Circular No. 17/24/DSta dated October 12, 2015 ("SEBI 17/3/DSta"), non-bank corporations must submit:

(1) the prudential principle implementation activity report ("KPPK report") including (i) a non-attested KPPK Report, which is to be submitted on quarterly basis, no later than the end of the third month after the end of the relevant quarter; and (ii) an attested KPPK report (attested by a public accountant), which is to be submitted no later than the end of June of the following year;

(2) information on the fulfillment of credit ratings, which is to be submitted at the latest at the end of the month following the execution or issuance of the offshore debt; and

(3) the financial statements of the company, consisting of: (i) unaudited financial statements, to be submitted on a quarterly basis, by no later than the end of the third month after the end of the relevant quarter; and (ii) annual audited financial statements, which must be submitted by no later than end of June of the following year.

Bank Indonesia examines the accuracy of the foreign exchange activities report and the prudential principle implementation activity report. It can also request clarifications, evidence, records or other supporting documents from the relevant party or institutions, including direct inspection to the company or appoint a third party to do so.

As of January 1, 2016, submissions of and corrections to the prudential principle implementation activity report shall be made online. The requirement to submit credit ratings fulfillment only applies to offshore debt executed or issued as of January 1, 2016.

On May 14, 2014, Bank Indonesia issued Bank Indonesia Regulation No. 16/10/PBI/2014 on The Receipt of Foreign Exchange Proceeds from Export and Withdrawal of Foreign Exchange Offshore Loan ("PBI 16/10/2014"), as amended by Bank Indonesia Regulation No. 17/23/PBI/2015 dated December 28, 2015, partly revoked by Bank Indonesia Regulation No. 21/14/PBI/2019 on Foreign Exchange Export Proceeds and Foreign Exchange Import Payments and implemented by Bank Indonesia Circular No. 18/5/DSta dated April 6, 2016 on Withdrawal of Foreign Exchange Offshore Loan. Based on PBI 16/10/2014, every Indonesian debtor of an offshore loan must withdraw revenue from the loan through an Indonesian foreign exchange bank. This obligation applies to every loan that is derived from (i) a non-revolving loan agreement (ii) debt securities or (iii) the margin between the new foreign loan for refinancing purposes and the initial foreign loan.

The accumulated amount of foreign exchange received from an offshore loan should be equal to the total commitment. If the accumulated amount of foreign exchange received from an offshore loan is less than the committed amount under the offshore loan by more than the equivalent of Rp.50,000,000, the debtor must submit a written explanation and supporting documents to Bank Indonesia prior to the expiry of the loan term. An Indonesian debtor must report the withdrawal of revenue from the offshore loan to Bank Indonesia on a monthly basis using the recapitulation data report as regulated under PBI 16/10/2014 and Bank Indonesia Circular No. 18/5/DSta dated April 6, 2016 on Withdrawal of Foreign Exchange Offshore Loan. Every submission of a report must be supported with documentation evidencing that the relevant offshore loan was withdrawn through an Indonesian foreign exchange bank. Any Indonesian debtor that fails to comply with the obligation may be imposed with an administrative sanction in the form of fine equal to 0.25% of the amount of every withdrawal that is not withdrawn through an Indonesian foreign exchange bank, up to a maximum fine of Rp.50,000,000. PBI 16/10/2014 does not specifically require the foreign currency brought into Indonesia to be converted into Rupiah or kept in Indonesia for a specified period of time.

LANGUAGE OF TRANSACTION DOCUMENTS

Pursuant to Law No. 24 of 2009, regarding Flag, Language, Coat of Arms and National Anthem enacted on July 9, 2009 ("Law No. 24"), agreements to which Indonesian entities are a party are required to be executed in Bahasa Indonesia, although dual language documents are permitted when a foreign entity is a party. On September 30, 2019, the Government issued Presidential Regulation No. 63 of 2019 on Use of Indonesian Language as the implementing regulation of Law No. 24/2009 ("Regulation No. 63/2019"). Regulation No. 63/2019 stipulates that if an agreement is made in both Bahasa Indonesia language and a foreign language, parties to the agreement may choose either the Bahasa Indonesia language version or the foreign language version as the controlling language of such agreement.

In addition, Law No. 2 of 2014 on Amendment to the Law No. 30 of 2004 on Notary Profession provides that a notarial deed made after January 15, 2014 must be drawn up in Bahasa Indonesia. If the parties require, the notarial deed can be made in foreign language and in such event the notary must translate the deed into Bahasa Indonesia. In the event of different interpretation as to the contents of the foreign language deed, the Bahasa Indonesia version of the deed shall prevail.

On December 29, 2023, the Indonesian Supreme Court issued Circular Letter No. 3 of 2023 on the Enforcement of 2023 Supreme Court Chamber Plenary Meeting Result Formulations as Guidelines for the Implementation of the Duties of the Court ("Supreme Court Circular No. 3 of 2023") which is a binding guideline for Indonesian courts. Supreme Court Circular No. 3 of 2023 states that the absence of a Bahasa

Indonesia translation of an agreement involving a foreign party cannot be used as a basis to invalidate an agreement, unless the disputing parties can prove that the absence of such Bahasa Indonesia translation is due to bad faith.

We will execute dual English and Bahasa Indonesia versions of all transaction agreements to which the Issuer or any Indonesian Subsidiary Guarantor is a party. All of these documents will provide that in the event of a discrepancy or inconsistency, the parties intend that the English version would prevail. However, some concepts in the English language may not have corresponding terms in the Bahasa Indonesia language and the exact meaning of the English text may not be fully captured by or accurately translated into such Bahasa Indonesia language version. In the event that the Bahasa Indonesia language version of a transaction document must be submitted to Indonesian courts, we cannot assure you that such transaction document will be interpreted and enforced by the Indonesian courts in accordance with the parties' intention under the English version.

See "Risk Factors — Risks Relating to the Offering, the Notes, the Subsidiary Guarantees and the Common Security — An Indonesian law requiring agreements involving Indonesian parties to be written in the Indonesian language and the fact that the Indenture and certain documents entered into in connection with the issuance of the Notes will be made and prepared in the Indonesian language as required under the law may raise issues as to the enforceability of agreements entered into in connection with the offer and sale of the Notes and the Subsidiary Guarantees."

CERTAIN DEFINED TERMS AND CONVENTIONS

In this Offering Memorandum, unless the context otherwise requires, references to "Company," "Issuer" and "Indika" are to PT Indika Energy Tbk (formerly known as PT Indika Inti Energi) and references to "we," us," "our" and "our Group" are to Indika and its consolidated subsidiaries and associate companies, taken as a whole as of the date of this Offering Memorandum. In addition, as used in this Offering Memorandum:

- "BID" refers to PT Bioneer Indika Diagnostik;
- "BIG" refers to PT Bioneer Indika Group;
- "CEP" refers to PT Cirebon Electric Power;
- "CEPR" refers to PT Cirebon Energi Prasarana;
- "Cotrans" refers to PT Cotrans Asia;
- "EDI" refers to PT Electra Distribusi Indonesia;
- "EMB" refers to PT Energi Makmur Buana;
- "EMI" refers to PT Electra Mobilitas Indonesia;
- "EMIC" refers to PT Empat Mitra Indika Cahaya;
- "EMIM" refers to PT Empat Mitra Indika Mentari;
- "EMITS" refers to PT Empat Mitra Indika Tenaga Surya;
- "FIM" refers to PT Foxconn Indika Motor;
- "IBN" refers to PT Industri Baterai Nusantara;
- "ICI" refers to Indika Capital Investments Pte Ltd.;
- "ICPL" refers to Indika Capital Pte. Ltd.;
- "IECPL" refers to Indika Energy Capital Pte. Ltd.;
- "IEMS" refers to PT Indika Empat Mitra Surya;
- "IETPL" refers to Indika Energy Trading Pte. Ltd.;
- "IIC" refers to PT Indika Inti Corpindo;

- "III" refers to PT Indika Infrastruktur Investindo;
- "IIR" refers to PT Indika Indonesia Resources;
- "ILSS" refers to PT Indika Logistic & Support Services;
- "IMAN" refers to PT Indika Medika Nusantara;
- "IMG" refers to PT Ilectra Motor Group;
- "IMI" refers to PT Indika Mineral Investindo;
- "IMP" refers to PT Indika Multi Properti;
- "Indika Energy Capital" refers to Indika Energy Capital Pte. Ltd.;
- "Indonesian Subsidiary Guarantors" refers to IIC, TIME, TPE and TPEC;
- "Interport" refers to PT Interport Mandiri Utama;
- "IPI" refers to Indika Power Investments Pte. Ltd.;
- "ITB" refers to PT Indika Tenaga Baru;
- "KGTE" refers to PT Kariangau Gapura Terminal Energi;
- "Kideco" refers to PT Kideco Jaya Agung;
- "KNA" refers to PT Kalista Nusa Armada;
- "Masmindo" refers to PT Masmindo Dwi Area;
- "MBSS" refers to PT Mitrabahtera Segara Sejati Tbk;
- "MEA" refers to PT Mitra Energi Agung;
- "MMG" refers to PT Mitra Motor Group;
- "MMM" refers to PT Mekko Metal Mining;
- "MUTU" refers to PT Multi Tambangjaya Utama;
- "NAN" refers to PT Natura Aromatik Nusantara;
- "NUS" refers to Nusantara Resources Limited;
- "PAI" refers to PT Perkasa Alumina Indonesia;
- "PEC" refers to PT Prasarana Energi Cirebon;
- "PEI" refers to PT Prasarana Energi Indonesia;
- "Petrosea" refers to PT Petrosea Tbk;
- "PIM" refers to PT Perkasa Investama Mineral;
- "PPI" refers to PT Pelabuhan Patimban Internasional;
- "PSB" refers to PT Pusat Sarana Baruna;
- "REN" refers to PT Rockgeo Energi Nusantara;
- "SBS" refers to PT Sea Bridge Shipping;
- "Subsidiary Guarantors" refers to IIC, TIME and the Tripatra Entities, collectively;
- "TIME" refers to PT Tripatra Multi Energi;
- "TPE" refers to PT Tripatra Engineering;
- "TPEC" refers to PT Tripatra Engineers and Constructors;

- "TRIL" refers to Tripatra Investments Limited;
- "Tripatra" refers to TPE and TPEC;
- "Tripatra Entities" refers to TPE, TPEC and TRIS, collectively;
- "TRIS" refers to Tripatra (Singapore) Pte. Ltd.;
- "Xapiens" refers to PT Xapiens Teknologi Indonesia; and
- "ZebraX" refers to PT Zebra Cross Teknologi.

References to "US$," "$" and "U.S. dollars" herein are to United States dollars, the legal currency of the United States, references to "Rupiah" and "Rp." herein are to Indonesian Rupiah, the legal currency of Indonesia, and references to "S$" herein are to Singapore dollars, the legal currency of Singapore. Unless otherwise specified or the context otherwise requires, all references to "Indonesia" herein are references to the Republic of Indonesia, all references to the "Government" herein are references to the Government of the Republic of Indonesia and all references to "United States" or "U.S." herein are references to the United States of America. Certain terms used herein are defined in the "Glossary" contained elsewhere in this Offering Memorandum.

References to "Noteholders" and "Holders" are to the holders of the Notes.

INDUSTRY AND MARKET DATA

This Offering Memorandum includes certain industry and market data (including forecasts and other forward-looking information) obtained from reports of governmental agencies, industry publications and surveys, including a report entitled "Indonesian Coal Industry Summary Report" dated April 11, 2024 and a report entitled "Gold Market Study" dated April 11, 2024 that we had commissioned Wood Mackenzie to prepare, and internal company surveys. Such industry publications and surveys and forecasts generally state that the data contained therein has been obtained from sources believed to be reliable, but except for any data we have provided to Wood Mackenzie, we cannot assure you that such data is complete or accurate. Such data has not been independently verified, and neither we, except with respect to any data we have provided to Wood Mackenzie, nor the Joint Global Coordinators and Joint Bookrunners, make any representation as to the accuracy or completeness of such data or any assumptions relied upon therein.

Financial data with respect to Indonesia provided in this Offering Memorandum may be subsequently revised in accordance with Indonesia's ongoing maintenance of its economic data, and such revised data will not be distributed by us to any holder of the Notes.

PRESENTATION OF FINANCIAL INFORMATION AND OTHER DATA

Presentation of Our Financial Information

This Offering Memorandum contains our audited consolidated financial statements as of and for the years ended December 31, 2023, 2022 and 2021 (our "Consolidated Financial Statements"). Our Consolidated Financial Statements have been prepared in accordance with Indonesian Financial Accounting Standards ("IFAS") and presented in U.S. dollars, which is our functional currency.

Our Consolidated Financial Statements have been audited by Imelda & Rekan (an affiliate of Deloitte Southeast Asia Ltd, a member of Deloitte Asia Pacific Limited and of the Deloitte Network), independent public accountants, in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants ("IICPA"), as stated in their audit report dated April 12, 2024, appearing elsewhere in this Offering Memorandum.

Our Consolidated Financial Statements and, unless otherwise indicated, our financial information included in this Offering Memorandum, have been prepared in accordance with IFAS, which differ in certain respects from generally accepted accounting principles in the United States ("U.S. GAAP"), see "Summary of Certain Differences Between IFAS and U.S. GAAP." Except as otherwise indicated or the context otherwise requires, our financial information included in this Offering Memorandum is presented on a consolidated basis.

Exchange Rate Information

We publish our consolidated financial statements in U.S. dollars. Solely for convenience, this Offering Memorandum contains translations of certain Rupiah amounts into U.S. dollars at the exchange rate of Rp.15,416.0 = US$1.00 which was the middle exchange rate announced by Bank Indonesia as of December 29, 2023. These translations should not be construed as representations that the Rupiah amounts represent such U.S. dollar amounts or could be, or could have been, converted into U.S. dollars at the rates indicated or at all.

Rounding

Rounding adjustments have been made in calculating some of the financial information included in this Offering Memorandum. As a result, numerical figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Backlog and Capacity Statements

The backlog information of Tripatra contained in this Offering Memorandum represents the revenue expected to be realized in the future as a result of performing work under existing contracts. Such contracts include contracts entered into with other Group members, namely between Tripatra and Kideco, for improvement works at the fuel terminal located at our Tanah Merah Coal Terminal, see "Business — Energy Services Business — EPC, O&M and related services — Customers and ongoing projects."

Backlog is not a measure defined by, required by or presented in accordance with IFAS or U.S. GAAP, is not a measurement of financial performance under IFAS or U.S. GAAP and should not be considered as alternatives to revenues, profit for the period or any other performance measures derived in accordance with IFAS or U.S. GAAP or as alternatives to cash flow from operating activities as a measure of liquidity, and the methodology and estimates used for determining backlog of Tripatra may not be comparable to the methodology or estimates used by comparable companies in determining their backlog. Not all of the relevant company's revenue is recorded in backlog for a variety of reasons, including that some projects begin and end within a short time period. In addition, many contracts do not provide for a fixed amount of work to be performed and are subject to modification or termination by the customer. The termination or modification of any sizeable contract or the addition of other contracts may have a substantial and immediate effect on backlog. For long-term contracts with a term of over five years the contract value included in backlog is limited to five years. In many instances, arrangements included in backlog are complex and non-repetitive in nature, and may fluctuate depending on expected revenue and timing. Where contract duration is indefinite, projects included in backlog are limited to the estimated amount of expected revenue within a specified period. Additionally, certain contracts provide maximum dollar limits, with authorization to perform additional work being agreed on a periodic basis with the customer. For risks related to our backlog information, see "Risk Factors — Risks Common to All Our Businesses — The backlog information included in this Offering Memorandum may not be indicative of future operating results."

In this Offering Memorandum, the calculation of "production capacity" for annual coal production capacity is based on several internal assumptions and estimates, technical assessments of operating equipment and implementation of the mine plan, and should not be relied upon as a precise measure of the actual coal production during any historical period or as an accurate predictor of the actual coal production that will be provided in any future period. Actual annual coal production volumes may differ from stated coal production capacity and may be affected by certain factors, many of which are outside of our control, including coal price and market conditions, strategic management decisions regarding optimal coal production volumes during a particular period and weather and general operating conditions.

Non-GAAP Financial Measures

This Offering Memorandum includes certain non-GAAP financial measures for the Issuer, including adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") and ratios

calculated using Adjusted EBITDA. We define Adjusted EBITDA, for the purposes of this Offering Memorandum, as profit attributable to owners of the Company (i) plus income taxes, depreciation, finance costs, unrealized loss on foreign exchange – net, dividends received from associates, amortization of intangible assets and mining properties, profit attributable to non-controlling interest, provision for inventory obsolescence, fair value changes (increase) on contingent consideration obligation and others – net, and (ii) less unrealized gain on short-term investment, equity in net profit of associates, fair value changes (decrease) on contingent consideration obligation, fair value changes on embedded derivative of convertible loan and others – net for the years presented, which may be different from the way we define Adjusted EBITDA for other purposes. Adjusted EBITDA, as well as the related ratios presented in this Offering Memorandum, is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, IFAS or U.S. GAAP. Adjusted EBITDA is not a measurement of financial performance or liquidity under IFAS or U.S. GAAP and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with IFAS or U.S. GAAP or as an alternative to cash flow from operating activities or as measures of liquidity. In addition, Adjusted EBITDA is not a standardized term, hence a direct comparison between companies using such terms may not be possible.

We believe that Adjusted EBITDA serves as a useful indicator of our operating performance and are measures commonly used by analysts, investors and peers in our industry. Accordingly, we have disclosed this information to permit a more complete analysis of our operating performance. Adjusted EBITDA, as calculated by us, may not be comparable to similarly titled measures reported by other companies. See "Summary Consolidated Financial Information and Other Data" and "Selected Consolidated Financial Information and Other Data" for a reconciliation of our profit attributable to owners of the Company under IFAS to our definition of Adjusted EBITDA.

RESERVES AND RESOURCES STATEMENTS

We report Kideco's coal reserves and resources and Masmindo's gold reserves and resources in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (the "2012 JORC Code"), prepared by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

Under the 2012 JORC Code, the term "mineral resource" is defined as a concentration or occurrence of solid material of economic interest in or on the earth's crust in such form, grade (or quality) and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade (or quality), continuity and other geological characteristics of a mineral resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling. Mineral resources are subdivided, in order of increasing geological confidence, into "inferred," "indicated" and "measured" categories.

Under the 2012 JORC Code, the term "ore reserve" is defined as the economically mineable part of a measured and/or indicated mineral resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted. Appropriate assessments, which may include feasibility studies, have been carried out and include consideration of and modification by realistically assumed mining, metallurgical, economic, marketing, legal, environmental, social and governmental factors. These assessments demonstrate that, at the time of reporting, extraction could reasonably be justified. Ore reserves are subdivided in order of increasing confidence into "probable ore reserves" and "proved ore reserves." The choice of the appropriate category of ore reserve is determined primarily by the relevant level of confidence in the mineral resource and, after considering any uncertainties in the modifying factors, pursuant to the 2012 JORC Code, must be made by the "competent person" or "competent persons" preparing the reserves statement.

Under the 2012 JORC Code, the term "ore reserves" represents the combination of proved and probable ore reserves. References to proved and probable mineral reserves of our coal and gold mining concessions in this Offering Memorandum are to economically mineable ore reserves. The term "economically mineable" implies that extraction of the ore reserves has been demonstrated to be viable under reasonable financial assumptions. This will vary with the type of deposit, the level of study that has been carried out and the financial criteria of the individual company. For this reason, there is no fixed definition for the term "economically mineable."

Reserves/Resources Statements

In this Offering Memorandum, we have derived the information relating to our estimates of reserves and resources from:

- for the coal deposits located in Kideco's coal mining concession area in East Kalimantan, Indonesia (our "Kideco Mines"), the Statement of Open Cut Coal Resources and Reserves as at December 31, 2023 dated April 3, 2024 (the "Kideco Resources and Reserves Statement"), attached as Appendix A to this Offering Memorandum. The Kideco Resources and Reserves Statement has been prepared by PT. RungePincockMinarco ("RPM"), an independent mining consultant, in accordance with the 2012 JORC Code;
- for the gold deposits located in Masmindo's gold mining concession in South Sulawesi, Indonesia (the "Awak Mas Gold Project"):
  - (i) the Report on Awak Mas Ore Reserve dated September 16, 2022 (the "Awak Mas Ore Reserve Statement") prepared by AMC Consultants Pty Ltd ("AMC"), an independent mining consultant, in accordance with the 2012 JORC Code, attached as Appendix B to this Offering Memorandum;
  - (ii) the Independent Technical Report on the 2021 Mineral Resource Estimate — Awak Mas Gold Project dated July 5, 2021 (the "Awak Mas 2021 Mineral Resource Statement") prepared by Cube Consulting Pty Ltd ("Cube"), an independent geological consultant, in accordance with the 2012 JORC Code, attached as Appendix C to this Offering Memorandum; and
  - (iii) the December 2023 Salu Bulo Gold Project Mineral Resource Estimation Report dated December 31, 2023 (the "Awak Mas 2023 Mineral Resource Statement") prepared by PT Geo Fix Indonesia ("Geo Fix"), an independent geological consultant, in accordance with the 2012 JORC Code, attached as Appendix D to this Offering Memorandum;
- for the coal deposits located in MUTU's coal mining concession in Central Kalimantan, Indonesia (the "MUTU Mines") and the coal deposits located in MEA's coal mining concession, our management's internal estimates; and
- for the bauxite deposits located in MMM's bauxite mining concession in West Kalimantan, Indonesia, the Update Report on Estimation of Bauxite Mineral Resources and Reserves 2017 KCMI Code (*Laporan Pembaruan Estimasi Sumberdaya Mineral Dan Cadangan Mineral Bauksit Mengacu Kode KCMI 2017*) dated October 1, 2023 (the "MMM Reserves Statement"). The MMM Reserves Statement has been prepared by PT Rakit Mandala Dwipantara, an independent mining consultant, in accordance with Kode – KCMI 2017 (the "2017 KCMI Code") prepared by the Indonesian Joint Committee for Mineral Reserves (*Komite Cadangan Mineral Indonesia*).

Our aggregated coal reserves and resources data as of December 31, 2023 presented in this Offering Memorandum includes contribution from Kideco, MUTU and MEA. We completed the sale of our entire 100.0% equity interest in MUTU in February 2024, see "Summary — Recent Developments — Sale of MUTU," and we are in the process of divesting our entire 60.0% equity interest in MEA, see "Summary — Recent Developments — Proposed Sale of MEA."

Estimates of mineral reserves, resources, recoveries and operating costs are largely dependent on the interpretation of geological data obtained from drill holes and other sampling techniques, and feasibility studies which derive estimates of operating costs based on anticipated tonnage, expected recovery rates, equipment operating costs and other factors. We cannot assure you that the reserves and resources presented in this Offering Memorandum will be recovered at the quality or yield presented. In addition, investors should not assume that the resource estimates are capable of being directly reclassified as reserves under the 2012 JORC Code. The inclusion of resource estimates should not be regarded as a representation that these amounts can be economically exploited, particularly, inferred resources, and you are cautioned not to place undue reliance on those estimates.

Our and our mining services providers' ability to achieve forward-looking production and economic targets is dependent on numerous factors that are beyond the control of and cannot be fully anticipated by our management. These factors include the site-specific mining and geological conditions, the capabilities of management and employees, availability of funding to properly operate and capitalize the operation, variations in cost elements and market conditions, development and operation of the mine in an efficient manner and others. Any unforeseen changes in the legislation and new industry developments could also substantially alter the performance of any mining operation.

Assumptions Underlying Mineral Reserves Estimates

We estimate our mineral reserves using various assumptions regarding our mining costs and the price of the relevant commodity. Actual factors may vary considerably from the assumptions used by us in estimating mineral reserves. Moreover, determinations of mineral reserves or resources that appear valid when made may change significantly in the future when new information becomes available. For more information regarding the factors used to estimate the coal and gold ore reserves presented in this Offering Memorandum, see the Kideco Resources and Reserves Statement and the Awak Mas Ore Reserve Statement attached as Appendix A and Appendix B, respectively, to this Offering Memorandum.

See "Risk Factors — Risks Relating to Our Energy Resources Business — Estimates of coal reserves and resources are expressions of judgment based on knowledge, experience and industry practice, and any adjustments to such estimates could adversely affect our development and mining plans" and "Risk Factors — Risks Common to All Our Businesses — Our estimates of reserves and resources may be inaccurate and materially different from mineral quantities we actually recover."

Cautionary Note to United States Investors

There are differences between the reporting regimes for ore reserve estimates in Australia under the 2012 JORC Code and in the United States under the requirements as adopted by the SEC in Regulation S-K (Subpart 1300) under the Securities Act ("S-K 1300"). This Offering Memorandum, including Appendix A, Appendix B, Appendix C and Appendix D, uses the terms "measured," "indicated" and "inferred" resources. "Inferred resources" have a great amount of uncertainty as to their existence and great uncertainty as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred resource will ever be upgraded to a higher category. Under SEC rules, estimates of inferred mineral resources may not be used as a basis to determine mineral reserves. **You should not assume that all or any part of measured or indicated resources will ever be converted into reserves. You are also cautioned not to assume that all or any part of an inferred resource exists or is economically or legally mineable.**

AVAILABLE INFORMATION

While any Notes remains outstanding and is "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act, we shall, during any period in which we are not subject to Section 13 or 15(d) of the Exchange Act, or exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, make available to any qualified institutional buyer (as defined in Rule 144A) who is a holder and any prospective purchaser of a Note who is a qualified institutional buyer (as so defined) designated by such holder, upon the request of such holder or prospective purchasers, the information concerning us required to be provided to such holder or prospective purchaser by Rule 144A(d)(4) under the Securities Act.

FORWARD-LOOKING STATEMENTS

This Offering Memorandum contains "forward-looking" statements that relate to future events, which are, by their nature, subject to significant risks and uncertainties. All statements, other than statements of historical fact contained in this Offering Memorandum including, without limitation, those regarding our future financial position and results of operations, strategy, plans, objectives, goals and targets, future developments in the

markets where we participate or are seeking to participate, and any statements preceded by, followed by or that include the words "believe," "expect," "aim," "intend," "plan," "will," "may," "project," "estimate," "anticipate," "predict," "seek," "should" or similar words or expressions, are forward-looking statements.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors, some of which are beyond our control, which may cause the actual results, performance or achievements, or industry results to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future and are not a guarantee of future performance. Important factors that could cause the actual results, performance or achievements to differ materially from those in the forward-looking statements include, among other things, the following:

- in respect of our energy resources business:
  - any change in economic growth of Asian economies and their respective demand for coal;
  - the general economic and political environment and changes in laws and regulations that apply to the Indonesian, regional or global mining and mining services industry, or power generation industries, including with respect to export controls, competition, foreign investment customs duties, excise duties or environmental regulations;
  - the loss or closure of our coal mines (or an impairment of coal reserves or the ability to extract, produce or deliver coal), or the loss of a coal mining concession area, including, but not limited to, as a result of governmental or regulatory action, accidents, civil unrest, terrorism or environmental hazards;
  - the price of coal, including factors influencing the price of coal, such as regional and global supply and demand;
  - the ability to maintain or increase market share for coal products while controlling expenses;
  - our customers' ability to maintain coal reserves despite changes in the economics of mines;
  - any increase in fuel costs impacting our coal production costs;
  - reductions of coal purchases by major customers, or the termination or expiration of contracts or the loss of customers;
  - technological changes that affect the extraction, preparation, processing, shipping or combustion of coal; and
  - the replacement of coal reserves and any unforeseen geological factors;
- in respect of our energy services businesses:
  - oil and gas prices and industry expectations regarding future prices;
  - demand for our energy services including factors influencing demand such as the financial health of our customers globally and in their home markets; and
  - our ability to enter into, and the terms of future, services contracts;
- other important factors affecting our businesses:
  - global and regional recession, reduced economic activity or market disruption due to world and regional events;
  - the effects of competition in the geographic and business areas in which we conduct operations;
  - the effects of changes in laws, regulations, taxation or accounting standards or practices;
  - the ability to manage the integration of any businesses that we may acquire or have recently acquired;

- the availability of skilled personnel at a competitive cost or at all;
- operating hazards, war, terrorism and cancelation or unavailability of insurance coverage;
- acquisitions, divestitures and various business opportunities that we may pursue;
- changes or volatility in inflation, interest rates and foreign exchange rates;
- the availability of capital and financing;
- changes to our capital expenditure requirements;
- changes to our relationships with major customers;
- changes to our relationships with joint venture partners;
- the effects of international and domestic political events on our businesses;
- accidents, natural disasters or outbreaks of infectious diseases in our markets;
- the unpredictable weather conditions;
- the ability of third parties to perform in accordance with contractual terms and specifications;
- labor unrest or other similar situations;
- our relationships with the Government and the local community;
- the outcome of any remedial action taken under Indonesian environmental regulations and/or Indonesian health and safety regulations;
- the outcome of pending or threatened litigation; and
- our success at managing the risks of the above factors.

This list of important factors is not exhaustive. Additional factors that could cause the actual results, performance or achievements to differ materially include, but are not limited to, those discussed under "Risk Factors." When considering the forward-looking statements, you should carefully consider the foregoing factors and other uncertainties and events, especially in light of the political, economic, social and legal environment in which we operate. Such forward-looking statements speak only as of the date on which they are made.

Although we believe that the expectations of our management as reflected by such forward-looking statements are reasonable based on information currently available to us, no assurances can be given that such expectations will prove to be correct. Accordingly, we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise. We make no representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario.

Should one or more of these uncertainties or risks, among others, materialize, our actual results may vary materially from those estimated, anticipated or projected. Specifically, but without limitation, capital costs could increase, expansion projects could be delayed, and anticipated improvements in capacity or performance might not be fully realized or realized at all. Accordingly, prospective purchasers are cautioned not to place undue reliance on forward-looking statements. In any event, these statements speak only as of their dates, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

SUMMARY

This summary highlights information contained elsewhere in this Offering Memorandum. This summary is qualified by, and must be read in conjunction with, the more detailed information and the consolidated financial statements appearing elsewhere in this Offering Memorandum. Prospective investors should read this entire Offering Memorandum carefully, including the information set forth in the section entitled "Risk Factors" and our Consolidated Financial Statements and the related notes thereto included elsewhere in this Offering Memorandum.

Overview

We are a leading diversified Indonesian company with a portfolio of businesses spanning the energy value chain and a variety of other sectors, with a strong focus and commitment to long-term sustainability across our investments and operations. We believe our portfolio, combined with our local knowledge and strong industry reputation, enables us to provide complementary products and services across the Indonesian energy sector to both domestic and international customers, thereby positioning us to capture domestic economic growth and global economic recovery opportunities.

Our business operations are divided into eight segments, namely (i) energy resources, (ii) energy services, (iii) energy infrastructure, (iv) logistics and infrastructure, (v) minerals, (vi) green business, (vii) digital ventures, and (viii) others. For the years ended December 31, 2021, 2022 and 2023, our total revenue (after eliminating for inter-segment sales within our Group) was US$3,069.2 million, US$4,334.9 million and US$3,026.8 million, respectively, our gross profit was US$918.1 million, US$1,450.8 million and US$552.0 million, respectively, and our Adjusted EBITDA was US$691.6 million, US$1,299.2 million and US$395.1 million, respectively.

- ***Energy resources.*** Our energy resources business segment is focused on the exploration, production and sale of coal, which we primarily carry out through Kideco. We also engage in commodity trading through IIR's subsidiaries, ICI and IETPL. For the years ended December 31, 2021, 2022 and 2023, revenue from our energy resources business was US$2,688.3 million, US$3,784.5 million and US$2,662.2 million, respectively, representing 87.6%, 87.3% and 88.0%, respectively, of our total revenue (after eliminating for inter-segment sales within our Group). For the years ended December 31, 2022 and 2023, inter-segment sales within our Group involving our energy resources segment amounted to US$77.0 million and US$0.5 million, respectively. For the year ended December 31, 2021, we did not have any inter-segment sales within our Group involving our energy resources segment.

  - *Coal mining.* Through Kideco's IUPK, which spans a total concession area of approximately 33,887 hectares, we own and operate the Kideco Mines located in East Kalimantan. As of December 31, 2023, Kideco had total coal reserves and resources of approximately 468.2 million tonnes and 1,449.0 million tonnes, respectively. We also previously engaged in the exploration, production and sale of coal through our former subsidiary, MUTU. As of December 31, 2023, MUTU had total coal reserves and resources of approximately 26.5 million tonnes and 69.0 million tonnes, respectively. However, in February 2024, we completed the sale of our entire 100.0% equity interest in MUTU, see "— Recent Developments — Sale of MUTU." We also hold an IUP through MEA, which spans a total concession area of approximately 3,650 hectares, where we do not currently have active operations, and we are in the process of divesting our entire 60.0% equity interest in MEA, see "— Recent Developments — Proposed Sale of MEA." At our Kideco Mines, we produce a range of sub-bituminous coal which benefits from some of the lowest levels of ash, sulfur and other trace materials of any coal traded in the global markets. Our customers for our sub-bituminous coal, which produces relatively low levels of nitrogen during combustion and makes it attractive for use in coal-fired power plants, primarily comprise power plant operators. We supply our coal products to a geographically diverse customer base in Indonesia and globally

and, during the year ended December 31, 2023, we supplied coal to over 50 customers located in more than 10 countries. For the years ended December 31, 2021, 2022 and 2023, we produced 37.4 million tonnes, 36.6 million tonnes and 31.6 million tonnes of coal, respectively, and sold 37.4 million tonnes, 36.4 million tonnes and 32.3 million tonnes of coal, respectively. For all such years, Kideco contributed to approximately 95.0% of our total coal production volumes and total coal sales volumes.

- *Commodity trading*. We source and supply a variety of local and seaborne coal products to industries such as power generation and manufacturing. Our coal trading activities benefit from our existing network and experience in the coal mining and services industries. By leveraging access to our own coal as well as coal from other leading coal producers that we support through our energy services and infrastructure businesses, we are able to reliably supply coal with consistent quality to our coal trading customers. For the years ended December 31, 2021, 2022 and 2023, we traded 5.8 million tonnes, 7.0 million tonnes and 3.2 million tonnes of coal, respectively. Further, in January 2023, we began trading palm kernel shells, a byproduct of palm oil production, which is used as a fuel in biomass power plants. For the year ended December 31, 2023, we traded 26.9 kilo tonnes of palm kernel shells.

- ***Energy services.*** Our energy services business segment is focused on providing EPC, O&M and related services for the Indonesian oil and gas sector, which we provide through Tripatra. We have played a significant role in many of the largest, most complex and innovative energy projects in Indonesia for both well-known international and domestic customers across various industries, including oil and gas, petrochemical and power generation, such as BP, Chevron, ConocoPhillips, Eni, PT ExxonMobil Lubricants Indonesia ("ExxonMobil") and PT Pertamina ("Pertamina"). We estimate that the total backlog from our EPC, O&M and related services projects in continuing operations as of December 31, 2023 was approximately US$212.8 million. For the years ended December 31, 2021, 2022 and 2023, revenue from our energy services business was US$224.5 million, US$284.1 million and US$220.6 million, respectively, representing 7.3%, 6.6% and 7.3%, respectively, of our total revenue (after eliminating for inter-segment sales within our Group). For the same years, inter-segment sales within our Group involving our energy services segment amounted to US$7.1 million, US$22.5 million and US$2.3 million, respectively.

- ***Energy infrastructure.*** Our energy infrastructure business segment is focused on power generation. As of December 31, 2023, we held a 20.0% indirect equity interest in CEP, which operates the CEP Power Plant, a single-unit 660 MW coal-fired power plant in Cirebon, West Java, as well as a 6.25% economic interest in CEPR, which operates the CEPR Power Plant, a single-unit 1,000 MW power plant in Cirebon. Both the CEP Power Plant and the CEPR Power Plant are partially fueled by sub-bituminous coal from our Kideco Mines. PT Perusahaan Listrik Negara (Persero) ("PLN"), Indonesia's state-owned electricity generation and distribution company, is the offtaker of the electricity generated by the CEP Power Plant and the CEPR Power Plant. For the years ended December 31, 2021, 2022 and 2023, equity in net profit of associates attributable to our energy infrastructure business was US$20.4 million, US$23.0 million and US$17.6 million, respectively.

- ***Logistics and infrastructure.*** Our logistics and infrastructure business segment offers port operator and multi-purpose terminal services, as well as an assortment of other logistics services, which we primarily carry out through Interport and its subsidiaries. For the years ended December 31, 2021, 2022 and 2023, revenue from our logistics and infrastructure business was US$27.5 million, US$33.7 million and US$38.9 million, respectively, representing 0.9%, 0.8% and 1.3%, respectively, of our total revenue for such years (after eliminating for inter-segment sales within our Group). For the same years, inter-segment sales within our Group involving our logistics and infrastructure segment amounted to US$37.3 million, US$1.0 million and US$75.7 million, respectively.

- *Port operator and multi-purpose terminal services.* We hold a license as a Port Business Entity through Interport's subsidiary, ILSS, which enables us to provide comprehensive port operator and related services at all major and intermediary ports in Indonesia, including stevedoring, warehousing, pilotage, bunkering and other ancillary services. ILSS also owns and operates the Kariangau Interport Terminal, a strategically located multi-user, multi-functional and integrated deepwater logistics base. In addition, we provide port management services through Interport's subsidiary, PSB, including stevedoring, storage and transportation services. Further, through Interport's subsidiary, KGTE, we operate a fuel storage terminal that has a total storage capacity of 96 million liters, as of December 31, 2023, which is exclusively utilized by ExxonMobil. As of December 31, 2023, we also held a 29.0% indirect equity interest in PPI, an associate company, which operates the Patimban Port in Subang, West Java.
- *Other logistics services.* In addition to port management services, PSB also provides fuel inventory management and transportation services to ExxonMobil. Further, through Interport's subsidiary, Cotrans, we provide coal transportation and transshipment services. As of December 31, 2023, we also held a 46.0% indirect equity interest in SBS, an associate company, which provides coal shipping services, including tugboat, barge and gear and gearless floating crane services and transshipment services.

- ***Minerals.*** Our minerals business segment engages in the nickel trading, bauxite mining and gold mining businesses, which we carry out through various subsidiaries. We began construction activities at the Awak Mas Gold Project in November 2023, and expect first gold production in 2026. For the years ended December 31, 2021, 2022 and 2023, revenue from our minerals business was US$1.0 million, US$8.5 million and US$6.1 million, respectively, representing less than 0.5% of our total revenue for such years (after eliminating for inter-segment sales within our Group). For the same years, we did not have any inter-segment sales within our Group involving our minerals business segment.
- ***Green business***. Our green business segment engages in the assembly, manufacturing and distribution of electric vehicles ("EV") and EV components, the generation and sale of renewable energy, including solar power, and the provision of nature-based solutions, including through biomass wood pellet production, carbon offsetting, agroforestry and natural aroma chemicals production, which we carry out through various subsidiaries and joint ventures. We began generating revenues from this business segment in 2022, and for the years ended December 31, 2022 and 2023, revenue from our green business was US$9.8 million and US$11.1 million, respectively, representing less than 0.5% of our total revenue for such years (after eliminating for inter-segment sales within our Group). For the same years, inter-segment sales within our Group involving our green business segment amounted to US$3.4 million and US$1.9 million, respectively.
- ***Digital ventures***. Our digital ventures business segment is focused on providing digital technology services, which we carry out through Xapiens and ZebraX. We offer a wide range of digital solutions and services including cybersecurity, cloud services, digital applications, system integration and industry-specific solutions that utilize technologies such as the Internet of Things ("IoT"), artificial intelligence ("AI") and analytics. Our customers for our digital ventures business include companies in the mining, construction, EV, public sector, property management and consumer goods industries. For the years ended December 31, 2021, 2022 and 2023, revenue from our digital ventures business was US$7.4 million, US$6.8 million and US$8.4 million, respectively, representing less than 0.5% of our total revenue for such years (after eliminating for inter-segment sales within our Group). For the same years, inter-segment sales within our Group involving our digital ventures business segment amounted to US$7.5 million, US$8.6 million and US$8.5 million, respectively.
- ***Others***. We also engage in steel trading through our subsidiary, ICPL, and office rentals through our subsidiary, IPY. In addition, we are in the process of developing our healthcare business through our

subsidiary, IMAN. In January 2023, IMAN established BIG as a joint venture with Bioneer Corporation. Through BIG's wholly-owned subsidiary, BID, we plan to engage in the distribution of medical equipment in Indonesia. For the years ended December 31, 2021, 2022 and 2023, revenue from our others business segment was US$120.4 million, US$207.5 million and US$79.6 million, respectively, representing 3.9%, 4.8% and 2.6%, respectively, of our total revenue for such years (after eliminating for inter-segment sales within our Group). For the same years, inter-segment sales within our Group involving our others business segment amounted to US$3.6 million, US$2.5 million and US$2.7 million, respectively.

Our Competitive Strengths

Our competitive strengths include:

Leading provider of energy, logistics and infrastructure services

We offer engineering and construction, logistics and other energy-related services across the energy value chain.

- *Provider of multi-disciplinary engineering solutions.* We provide EPC, O&M and related services in Indonesia, and generate strong cash flows from long-term operating agreements with an average contract length of two years. We have built one of the longest service histories among EPC and O&M companies in Indonesia with over 40 years of industry experience and have long-term relationships with our customers. For example, since 1990, we have been performing O&M services for Chevron and have provided EPC services to ExxonMobil, Eni, BP and Hess in connection with several major projects in Indonesia. We believe our extensive experience provides us with unique knowledge of the Indonesian energy market and has facilitated the development of multi-disciplinary engineering capabilities, technical qualifications and technological capabilities.
- *Provider of logistics and infrastructure services*. We provide logistics and infrastructure services that span the energy sector spectrum effectively and efficiently. We own and operate ports, terminals and barges that transport raw materials to end users. Our facilities and infrastructure, coupled with our expertise and experience, enable us to provide integrated logistics solutions to support electricity generation in Indonesia. Since 2016, we have been providing coal handling management services for a power plant operated by PT Cikarang Listrindo Tbk ("Cilin"), a company primarily engaged in electricity generation and distribution in Indonesia. We also operate a fuel storage terminal, for which we have entered into a 20-year agreement with ExxonMobil for its exclusive use of the entire storage capacity of the terminal. We believe that our reputation for reliable and efficient services has enabled us to establish strong long-term relationships with key customers, providing us stable and consistent cash flows from our logistics and infrastructure services.

Well-established mining operations through Kideco

We have been engaged in the exploration, production and sale of coal since 2004. According to Wood Mackenzie, our coal products are expected to remain competitive and in significant demand in the seaborne thermal coal market.

- *Contracted supply with a high-quality, long-term and diversified customer base.* We believe we have earned a reputation as one of the most reliable coal suppliers in Indonesia primarily as a result of our strong track record in meeting our coal delivery obligations to our customers. We benefit from long-standing relationships with high-quality customers, including reputable power companies across Southeast Asia and in China. We limit our exposure to short-term coal price volatility by entering into commitments for more than 85.0% of our projected annual coal production volume for each following

year. We also benefit from a geographically diverse customer base, and served over 50 customers located in more than 10 countries during the year ended December 31, 2023. See "Business — Energy Resources Business — Customers."

- *Well-developed mining infrastructure.* Our coal mining subsidiaries own and operate their key operational infrastructure, including coal crushing plants, haul roads and processing and loading terminals. Our established coal mining infrastructure provides us with operational and financial flexibility, efficiency, reliability and control, allowing for incremental expansion of coal production with relatively low capital expenditures. Our high-quality and dedicated sealed hauling road enables us to deliver an uninterrupted supply of coal to our customers throughout the year. The proximity of our mining infrastructure to our mines also minimizes ground transportation, haulage and barging costs. In addition, our significant stockpiling capacity of over 1.5 million tonnes facilitates regular shipments of coal even during the rainy season when coal extraction levels may significantly decline. See "Business — Energy Resources Business — Mine operations and logistics."
- *Selected mining services contractors*. We strategically use a select group of mining services providers for a substantial portion of our mining, transportation and barging operations under multi-year contracts. We believe that our use of professional mining services providers has allowed us to manage our capital expenditures and working capital requirements, and to focus on exploration, mine planning, supervision and sales and marketing. See "Business — Energy Resources Business — Mining services providers."

Well placed to benefit from diversified revenue streams and robust market outlook

We believe we are well-positioned to participate in the expected growth in demand for energy resources and energy-related services from the Asia-Pacific region and domestically in Indonesia. We produce a range of sub-bituminous coal containing what we believe to be some of the lowest levels of ash, sulfur and other trace materials of any coal traded in the global markets, which we believe makes us competitively positioned as compared to other leading Indonesian and global coal brands. According to Wood Mackenzie, demand for sub-bituminous quality coal, such as the coal we produce at our Kideco Mines, will continue to be high from the Asia-Pacific region, namely India, China and Southeast Asian nations. Our coal production capacity and current production volumes are expected to remain relatively stable for the next few years.

In addition, fuel consumption in Indonesia has also experienced robust growth in recent years, and we expect to benefit from consistent demand for EPC, O&M and related services from operators in the oil and gas sector. The Government has been actively taking measures to increase oil production, including by setting a production target of over one million barrels of petroleum per day by 2030. To reach this target, Indonesia will need to establish new oil and gas fields, which we believe will lead to significant project opportunities for us. In addition to such upstream opportunities, we believe we are also well-placed to benefit from the growth in the downstream oil and gas sector, as there are several new upcoming petrochemical projects in Indonesia.

In recent years, our commercial strategy has been focused on the diversification of our business through the expansion of our non-coal related businesses, see "— Our Strategies — Continue to diversify cash flows and increase revenue contribution from non-coal related businesses." In this regard, we have established new business segments, namely our (i) minerals business, where we engage in the nickel trading, bauxite mining and gold mining businesses, (ii) green business, where we engage in the assembly, manufacturing and distribution of EVs and EV components, the generation and sale of renewable energy, including solar power, and the provision of nature-based solutions, including through biomass wood pellet production, carbon offsetting, agroforestry and natural aroma chemicals production, and (iii) digital ventures business, where we focus on providing digital technology services. We expect to benefit from our expansion into these sectors, which we believe will continue to experience strong market growth and demand domestically in Indonesia. We also plan to continue to actively

explore investment opportunities in other non-coal mining sectors and develop other non-coal businesses. We believe that our revenue diversification initiatives have helped and will continue to support our growth as well as resilience against sector-specific market risks.

Strong reputation and network providing access to partnerships and projects

We have a long and established presence in Indonesia, where we have built a strong brand and reputation that, together with our strong network and connections to a variety of stakeholders and potential partners, we believe will continue to provide us with opportunities to grow and diversify our business.

We believe we have positioned ourselves as one of the preferred partners for foreign companies looking to enter the Indonesian markets due to our track record of successful partnerships, commitment to protecting the interest of such companies, and our strong execution capabilities stemming from our deep understanding of local markets across Indonesia. We generally collaborate with foreign partners that offer significant expertise or technology in a particular sector, but require help with navigating the local regulatory framework and understanding the local culture and market. As the local partner, we add value by, among other things, assisting in efficiently obtaining necessary licenses and other approvals, working constructively with the Government and regional governments, attracting and sourcing the required skilled labor and local vendors, seeking funding from local financial institutions, and engaging with local communities. This business model has enabled us to successfully enter new markets.

For example, in line with our sustainability initiatives, we have recently made several investments to grow our presence in environmentally friendly industries, including renewable energy and EVs. In 2021, we established EMITS as a joint venture with Fourth Partner Energy Singapore Pte. Ltd. ("FPES"), a subsidiary of Fourth Partner Energy Limited ("4PEL"), a leading solar energy company in India. We plan to develop EMITS into a one-stop-shop provider of renewable energy solutions for Indonesia's commercial and industrial sectors. Further, in 2022, we established (i) FIM, a joint venture with Foxteq Singapore Pte Ltd, to manufacture electric buses and electric batteries, and (ii) IMG, which is backed by venture capital investors, including Alpha JWC Ventures, Horizons Ventures and others, to develop our two-wheel EV manufacturing and distribution businesses. In addition, in 2023, we established BIG as a joint venture with Bioneer Corporation, and through BIG's wholly-owned subsidiary, BID, we plan to engage in the distribution of medical equipment in Indonesia.

We are able to, and continue to, leverage our track record of operational excellence and credibility in the Indonesian energy markets to engage with relevant Government authorities and other Indonesian companies, through which we can gain early insight on new sector and project opportunities. For example, we are part of a consortium of Indonesian companies appointed by the Ministry of Transportation of Indonesia in December 2020 to develop and operate the Patimban Port in Subang, West Java under a Public-Private Partnership scheme. We believe that our strong commitment and track record in environmental, social and corporate governance ("ESG") have also contributed to our reputation as a competitive and attractive business partner. Among other large Indonesian companies with significant coal operations, we were one of the first to announce our dedication to environmental sustainability with clear targets to significantly diversify our business operations into non-coal markets and to eventually achieve net-zero emissions. See also "— Our Strategies — Continue to diversify cash flows and increase revenue contribution from non-coal related businesses" and "— Our Strategies — Maintain strong focus and commitment to good environmental, social and corporate governance practices in all aspects of our operations and management."

Management excellence with a proven track record for operating and growing the business

We have an experienced management team with extensive expertise in the domestic energy, mining, logistics and infrastructure and clean energy sectors, as well as in finance and business management. We believe our management team has enabled us to manage our operations efficiently and maintain profitability through challenging price environments, as well as greatly contributed to performance improvements following acquisitions and integration of new assets and businesses. We believe our management team's consistent efforts

to integrate our investments and cross-sell complementary services internally has been instrumental to our ability to harness synergies and enjoy greater cost efficiency. We also believe that our management team has significantly contributed to the strategic expansion of our energy businesses into non-coal markets and the diversification of our Group into non-coal related businesses.

In addition, our management team actively monitors, evaluates and refines our Group's corporate governance practices. Stemming from our high standards in corporate governance, we were granted the Strongest Adherence to Corporate Governance award in 2021 and the Best Senior Management Investor Relations award in 2022 by Alpha Southeast Asia, a leading institutional investment publisher.

Our Strategies

The main elements of our business strategy include the following:

Continue to diversify cash flows and increase revenue contribution from non-coal related businesses

We intend to pursue both organic and inorganic growth strategies to diversify and develop new sources of cash flows through the expansion of our non-coal related businesses. We believe that the addition of non-coal related businesses will significantly help us manage and mitigate industry pressures and risks relating to our coal-related business segments, and allow us to achieve our environmental sustainability targets. In 2020, we set a target to increase the contribution of revenue from our non-coal related businesses to approximately 50.0% of our total revenue by 2025. While FOB Indonesia EcoCoal 4,200 kcal/kg coal prices increased from an average of US$33/tonne in 2020 to an average of US$64/tonne in 2023, we continue to make progress relative to our previous non-coal related revenue targets based on 2020 average coal prices.

We plan to continue our efforts to increase the contribution of revenue from our non-coal related businesses, with a target of 50.0% contribution to total revenue by 2028, primarily through:

- *Divesting from our coal-related businesses.* We plan to continue to evaluate and pursue strategic divestments of our coal-related businesses and assets to raise funds for exploring opportunities in, and further developing, other non-coal related businesses. In recent years, we have divested our shareholdings in Petrosea and MBSS, subsidiaries through which we previously provided contract mining services and coal transportation services, as well as our shareholding in MUTU, one of our former coal mining subsidiaries. We are also exploring plans to divest our existing investments in coal-fired power plants, in line with our commitment to supporting the Government's plans to retire coal-fired power plants throughout Indonesia as part of its participation in the Energy Transmission Mechanism ("ETM"). ETM is a program initiated by the Asian Development Bank, a collaborative initiative developed in partnership with member countries that seeks to leverage a market-based approach to accelerate the transition from fossil fuels to clean energy. In addition to such divestments, we also seek to deploy the cash flows generated from our coal mining business towards further investments in clean energy.
- *Developing assets in non-coal mineral sectors.* We believe that our wide range of energy-related capabilities can be flexibly adapted and deployed in other non-coal mineral sectors, and that increasing our exposure to several commodities will also allow us to mitigate the risk of cash flows volatility from any single commodity market. In recent years, we have acquired companies engaged in nickel trading, bauxite mining and gold mining, which make up our new minerals business segment. We began construction activities at the Awak Mas Gold Project in November 2023, and expect first gold production in 2026. Further, in January 2023, we diversified our trading activities, where our coal trading subsidiaries commenced trading palm kernel shells, a biomass fuel. We plan to leverage our experience and expertise in the coal industry to successfully develop our businesses in these new mineral sectors, and to also continue evaluating opportunities to enter other non-coal mineral sectors in Indonesia.
- *Developing other non-coal businesses*. We intend to reduce our reliance on the coal industry by continuing to develop our other businesses, with a focus on entering businesses in counter-cyclical or

defensive industries that provide recurring cash flows. In particular, we have been focused on developing our green business segment, where we engage in EV manufacturing, renewable energy solutions including solar power projects, and nature-based solutions including biomass wood pellet production, carbon offsetting and agroforestry. We are focused on growing and establishing the market presence of our new businesses in these sectors, while also actively exploring potential investments in related clean energy products and services. We have also been exploring opportunities in the healthcare sector, and plan to develop our subsidiaries, BID and BIG, into companies engaged in the manufacturing and distribution of medical diagnostic and laboratory equipment. Further, in our digital ventures business, we have transformed our digital technology subsidiaries, Xapiens and ZebraX, into service providers that offer a range of technology solutions and services to companies across various industries. We are committed to continuously enhancing our technology capabilities and to establishing new partnerships with leading technology providers to further expand our digital ventures business. We also plan to continue to expand our logistics and infrastructure business through the acquisition and operation of additional logistics infrastructure, such as ports and terminals.

For further details on the divestments of our coal-related businesses and investments in our non-coal related businesses in recent years, see "— Summary of Our ESG Track Record and Initiatives."

Maintain strong focus and commitment to good environmental, social and corporate governance practices in all aspects of our operations and management

We are committed to adopting responsible and sustainable business practices and have implemented a wide range of ESG policies and initiatives. Since 2020, we have been executing our business plan to reduce the carbon footprint of our operations and diversify our asset base away from fossil fuels. As part of this business plan, which is reviewed and re-approved by our Board of Directors and Board of Commissioners every year, we established our goal of becoming a net-zero emissions company by 2050. We also set several mid-term ESG targets that we aimed to achieve by 2025, which included reducing our Scope 1 greenhouse gas emissions intensity by 10.0% and expanding our land reclamation area by 20.0% (in each case, between 2020 and 2025), as well as other mid-term targets for ESG metrics relating to waste management, water management, energy management, renewable energy, health and safety and gender equality (diversity and inclusion). We also set a target to achieve zero work-related fatalities across all our operations. In 2023, we reassessed our ESG targets based on our progress so far, and have revised certain key targets to be more ambitious. For further details on our ESG track record and initiatives, see "— Summary of Our ESG Track Record and Initiatives" and "Business — Environmental, Social and Corporate Governance."

We aim to consolidate our existing and planned ESG-related initiatives into a comprehensive transition plan (the "Transition Plan") that will continue to guide our diversification-based strategy and our commitment to help create a sustainable future for Indonesia. We plan to include established baselines and targets for key metrics underpinning our ESG goals under this Transition Plan, including our goals to increase the contribution of revenue from our non-coal related businesses and to achieve net zero emissions by 2050. We also envisage this Transition Plan to include a reporting framework to track our progress in achieving such targets. Our aim is to have the Transition Plan approved by our Board of Directors and Board of Commissioners, and be operational by the end of 2025.

We believe that the Transition Plan will continue to reinforce our commitment to operate all aspects of our business in line with our dedication to contribute to the sustainable improvement of our environment, our workforce and the welfare of our communities. We aim to continuously lower our carbon footprint through optimization of carbon emission reductions in our coal-related business including by reducing fuel consumption and replacing our mining equipment with low carbon machinery. We will also continue to seek opportunities to enter non-coal sectors and expand our presence in markets that have a positive impact on the environment and contribute to carbon offsetting. Further, we are involved in various corporate social responsibility programs, with a focus on supporting long-term economic growth and improving the quality of life in the regions where we

operate and will continue to act as a leader in social responsibility through education, health, safety and community empowerment initiatives. We aim to give back to the communities in which we operate by allocating 1.0% of our annual earnings before interest and taxes ("EBIT") towards community development initiatives.

In 2022, we established a Sustainability Committee at our Company, see "Management — Sustainability Committee," and plan to establish sustainability committees at each of our key operating subsidiaries by 2025. Our Sustainability Committee is responsible for overseeing ESG-related policies and strategies on all material topics, defining sustainability goals and targets, periodically reviewing our performance, and providing recommendations to continuously improve the operationalization of ESG-linked roadmaps. We set ESG-linked key performance indicators ("KPIs") annually at our Group level during our planning cycles, and updates on ESG-linked KPIs are reported to our Chief Executive Officer ("CEO") on a quarterly basis. Further, the performance of our Board of Directors is linked to our ESG progress, and is evaluated with reference to achievements made toward our stated ESG targets, such as for reduction in emissions intensity and zero work-related fatalities, among other metrics. We have set a target to have 30.0% (by weight) of Board and senior management KPIs tied to ESG metrics by 2025. We intend to continue to maintain a robust corporate governance framework and ensure compliance with all prevailing laws and regulations.

We measure our sustainability performance with the same stringency as our financial performance as we believe we have a responsibility to deliver meaningful and measurable value to our stakeholders. The progress we have made in our sustainability journey is reflected in our ESG ratings, where we have been rated "BBB" by MSCI ESG Ratings and "34.9 (High Risk)" by Sustainalytics, which places us in the 5th best ranking among global companies in the coal sector. We have also been given "C" scores for both climate change and water security by the Carbon Disclosure Project.

Continue to exercise prudent financial management with a focus on maintaining healthy operating cash flows

We intend to continue to prioritize financial management and focus on maintaining healthy operating cash flows to allow us to continue financing our diversification and expansion plans and achieve long-term sustainable growth. We plan to actively engage in prudent balance sheet and capital structure management by, among other things, using internally-generated cash ahead of external financing and maintaining a target total debt to EBITDA ratio. We intend to continue our disciplined approach to acquisitions and only invest in projects, including diversification initiatives, that meet or exceed our hurdle rate. We expect that our ongoing focus to delever and control costs and capital expenditure may allow us to take advantage of very selective future potential acquisition and development opportunities. We also expect that we will be able to make use of operational efficiencies from completed acquisitions, such as integration and synergies of newly acquired assets through shared services.

We also plan to continue to adopt a proactive approach in preserving financial flexibility by ensuring that we have sufficient cash flows from operations and diversifying our access to available capital sources. As of December 31, 2023, we had cash and cash equivalents and other financial assets (current and non-current) amounting to US$696.3 million. We also benefit from support from credible financial institutions such as PT Bank Negara Indonesia (Persero) Tbk ("BNI"), PT Bank Mandiri (Persero) Tbk ("Bank Mandiri"), Standard Chartered Bank, Citibank, N.A. ("Citibank"), PT Bank DBS Indonesia ("DBS"), PT Bank KB Bukopin Tbk ("KB Bukopin") and PT Bank UOB Indonesia ("UOB"), which has increased our ability to respond quickly and competitively to business opportunities and fund growth and expansion. In addition, we maintain a conservative dividend policy, and generally consider our future operations and earnings, development plans, and capital requirements, before making any dividend payments. We generally distribute dividends amounting to less than 50.0% of our annual distributable profits.

Continue to extract operational efficiencies and harness synergies

We believe our position as a low cost coal producer in Indonesia, as well as our consistent focus on cost controls across our Group, makes us well-positioned to succeed even in a low coal price market environment. Significant early investments in mining and supporting infrastructure together with steady and controlled coal

production growth, technically advanced logistics management systems and extensive operating and planning experience have resulted in reduced operating costs and higher operational efficiency. We plan to maintain coal production through accessing existing coal reserves and resources, and to continue implementing a broad range of cost-saving initiatives and mine planning designed to maintain steady production with a relatively consistent strip ratio over the life of our mines. In addition, we plan to continue to maintain favorable relationships with our suppliers in order to facilitate our ability to renegotiate the terms of our supply agreements where required to offset the negative economic impacts related to reduced global and regional demand for coal.

Further, we aim to continue to strengthen and enhance synergies across our enlarged portfolio by continuing to leverage our intra-Group cross-selling opportunities. For example, through our logistics and infrastructure subsidiary, Interport, we have developed our first fuel storage terminal, the engineering and construction of which was carried out by Tripatra, our energy services subsidiary. Interport's subsidiary, Cotrans, also provides coal transportation and transshipment services for coal produced at our Kideco Mines. Tripatra is also providing EPC services to Kideco for improvement works at the fuel terminal located at our Tanah Merah Coal Terminal. In addition, our digital technology subsidiary, Xapiens, provides common technology services to our various subsidiaries, including overseeing our data centers, securing corporate data and integrating business solutions, enabling us to leverage information and increase collaboration and efficiency in problem solving across our Group. Xapiens also provides the technology used in the mobile applications for our two-wheel EVs that we manufacture through IMG. Further, we are able to leverage the strong knowledge and experience, including human resources and talent, that we have gained from our coal mining business as we develop our minerals business segment, where we have made investments in the gold and bauxite mining sectors. Additionally, EMITS, our joint venture engaged in the provision of renewable energy solutions, has installed solar photovoltaic ("PV") panels at the operational sites of certain of our key subsidiaries, including Kideco and Interport, as well as at our offices at the INDY Bintaro Office Park in Banten, Indonesia. We also plan to continue to promote cohesiveness within our Group and discover further methods of integrating our various business segments.

In addition to synergies across our various business segments, we also aim to achieve horizontal integration within specific business segments. For example, within our green business segment, we have holdings in several entities that aim to serve the EV ecosystem in Indonesia through a variety of related products and services, including (i) IMG, which we established in March 2022 as a sub-holding company for our businesses engaged in the assembly, manufacturing and distribution of two-wheel EVs, (ii) MMG, which we established in June 2022 as a sub-holding company for our businesses engaged in the manufacturing and distribution of electric buses, EV charging stations and electric batteries, (iii) KNA, a subsidiary that we established in May 2023 to develop our EV and EV charging unit rentals business, and (iv) IBN, a subsidiary that we established in September 2023 to manufacture electric batteries for two-wheel EV brands. Through these holdings, we are aiming to develop an integrated and comprehensive EV business that will enable us to quickly enhance our position in the EV market and achieve greater economies of scale. We believe that our continued integration of capabilities across our various businesses will further strengthen our ability to control costs and reliably deliver higher quality products and services to our customers, and increase our profitability.

Continue to pursue strategic partnerships and joint ventures

We seek to strategically collaborate with well-established companies, including through joint ventures, to access new markets and opportunities where we have limited expertise. In recent years, we have been growing our renewable energy and EV businesses through partnerships with foreign companies that have significant or meaningful experience in these sectors. We aim to continue to position ourselves as one of the preferred partners for foreign companies looking to enter the Indonesian markets. We believe that our joint ventures have allowed us and our partners to beneficially leverage each other's resources, including in terms of knowledge and capital sharing, thereby achieving synergies in developing new products and services. Strategic alliances have also allowed us to secure customers. For example, we operate a fuel storage terminal for which we have entered into a 20-year agreement with ExxonMobil for its exclusive use of the entire storage capacity of the terminal. We plan to continue to enter into joint ventures and other strategic partnerships to diversify and strengthen our portfolio of businesses.

Summary of Our ESG Track Record and Initiatives

The following is a summary of our ESG track record and initiatives. For further details on our ESG-related strategies, see "— Our Strategies — Continue to diversify cash flows and increase revenue contribution from non-coal related businesses" and "— Our Strategies — Maintain strong focus and commitment to good environmental, social and corporate governance practices in all aspects of our operations and management" above, and for further details on our ESG activities and policies, see "Business — Environmental, Social and Corporate Governance."

- We divested our equity interests in several of our coal-related businesses in recent years, as summarized in the table below:

Company	Description of divestment
MBSS	• In October 2021, we completed the sale of our entire 51.0% equity interest in MBSS, through which we previously provided river and sea transportation solutions for bulk materials, including coal transportation services, for a total consideration of US$41.2 million.
Petrosea	• In July 2022, we completed the sale of our entire 69.8% equity interest in Petrosea, through which we previously provided contract mining services and complementary E&C services for the Indonesian mining sector, including coal mining companies, for a total consideration of US$146.6 million.
MUTU	• In February 2024, we completed the sale of our entire 100.0% equity interest in MUTU, one of our coal mining assets, for a total consideration of US$218.0 million. As part of this transaction, we also transferred our marketing rights related to MUTU's coal in March 2024. • In 2023, MUTU contributed to 108.4 in kilotons of CO2 equivalent (representing 10.6%) of our total Scope 1 greenhouse gas emissions in that year.

- As of December 31, 2023, we had invested over US$500.0 million in our non-coal businesses, as summarized in the table below:

	Total amount invested as of December 31, 2023 (US$ in millions)
Logistics and infrastructure business	156.0
Minerals business	234.9
Green business:	
Electric vehicles	82.5
Renewable energy (EMITS)	14.8
Nature-based solutions (IMP)	71.1
Digital ventures business	24.5
Others business:	
Healthcare	2.2
Total	**586.0**

Note: The above investments in non-coal businesses include acquisitions of shares, procurement of fixed assets and capital expenditures, and other non-coal related operational costs, which were funded by cash, equity contributions, intercompany loans and/or external debt.

The following table sets forth further details on certain of our key investments made in recent years to diversify our cash flows in favor of non-coal related businesses:

Company/Project	Sector	Description of investment
Awak Mas Gold Project	Gold mining	• We initially acquired a 19.9% stake in December 2018, which we increased to a 100.0% stake in October 2021. • Awak Mas Gold Project is a gold concession area covering 14,390 hectares in South Sulawesi, Indonesia, with estimated total contained gold ore reserves of 1.51 million oz, according to the Awak Mas Ore Reserve Statement. • We began construction activities in November 2023, and expect first gold production in 2026.
EMITS	Renewable energy	• Established in March 2021 as a joint venture between our subsidiary, ITB, and FPES, a subsidiary of 4PEL, a leading solar energy company in India. • As of December 31, 2023, EMITS had entered into contracts with customers for a total of 55.8 MWp of solar panel capacity. • In December 2023, EMITS won the bid to design, construct, develop, operate and maintain a number of utility-scale solar power projects, which are expected to have an aggregate installed capacity of approximately 102 MW and to be located in Sulawesi, Maluku and Nusa Tenggara in Indonesia, in connection with PLN's de-dieselization project. • Targeting to install 500 MW of solar power over 5 years.
IMP	Renewable energy	• Established in June 2019 as our sustainable business arm engaged in biomass wood pellet production, carbon offsetting and agroforestry. • IMP holds 99.0% equity interest in PT Jaya Bumi Paser, 96.0% equity interest in PT Telaga Mas Kalimantan, 75.0% equity interest in PT Diva Perdana Pesona and 80.0% equity interest in PT Trisetia Citagraha. Through these four subsidiaries, IMP holds concession rights under four IUPHHKs to develop over 160,000 hectares of industrial forest area in East Kalimantan and Central Kalimantan, Indonesia. • Targeting to plant 7,500 hectares of Calliandra trees across the forest concession areas allocated to wood pellet production, and to produce 110 kilo tons of wood pellets, during 2024. • Based on a third-party feasibility study conducted, our forest concession area for our carbon offset projects is estimated to be able to produce approximately 797,000 verified carbon units ("VCUs") of carbon credits per year.

Company/Project	Sector	Description of investment
IMG	Electric vehicles	• Established in March 2022 as a sub-holding company for our businesses engaged in the assembly, manufacturing and distribution of two-wheel EVs. • IMG raised a total of US$65.0 million through Series A and Series B fundings in 2022 and 2023, respectively. IMG is backed by venture capital investors, including Alpha JWC Ventures, Horizons Ventures and others. • Operates an EV production facility in Cikarang, West Java, which began production in November 2022 and has a production capacity of 100,000 units per year. • Launched three electric motorcycles, including the ALVA One in August 2022, the ALVA Cervo in May 2023 and the ALVA One XP in February 2024. • For the years ended December 31, 2022 and 2023, IMG sold 316 units and 3,275 units of two-wheel EVs, respectively.
MMG	Electric vehicles	• Established in June 2022 as a sub-holding company for our businesses engaged in the manufacturing and distribution of electric buses, EV charging stations and electric batteries. • In October 2022, MMG acquired 51.0% equity interest in EMB, a company engaged in the distribution of electric buses for the KG Mobility (previously Edison Motors), Hyundai, Higer and Foxtron brands, as well as electric charging stations and other supporting parts such as air conditioning units for electric buses. In August 2023, EMB and Daeyoung Chaevi Co., Ltd., a South Korean company specializing in EV chargers, together launched INVI, a brand of EV charging stations in Indonesia. • In September 2022, FIM was established as a joint venture between MMG, which owns a 60.0% equity interest, and Foxteq Singapore Pte Ltd, a subsidiary of the Foxconn group, which owns the remaining 40.0% equity interest. We plan to develop FIM into a company engaged in the manufacturing of electric buses and electric batteries.
KNA	Electric vehicles	• Established in May 2023. We plan to develop KNA into an EV and EV charging unit rentals company, with a focus on collaborating with local governments to transition to the use of EVs for public transportation.

- We are exploring plans to divest our existing investments in coal-fired power plants, in line with our commitment to supporting the Government's plans to retire coal-fired power plants throughout Indonesia as part of its participation in the ETM. ETM is a program initiated by the Asian Development Bank, a collaborative initiative developed in partnership with member countries that seeks to leverage a market-based approach to accelerate the transition from fossil fuels to clean energy. A non-binding framework agreement has been signed between the Asia Development Bank, the Indonesia Investment Authority and PLN, pursuant to which they have conditionally agreed to shorten the power purchase agreement for the CEP Power Plant and thereby retire the plant almost seven years earlier (in December 2035 instead of the original July 2042).

  Our efforts to reduce our carbon footprint by supporting retirement of coal-fired power plants and reducing emissions in operations under the ETM also support Indonesia's Just Energy Transition Partnership (the "JETP"). The JETP was launched in November 2022 with the support of the United States, Japan, the United Kingdom, Germany, France, the European Union, Canada, Italy, Norway and Denmark. Indonesia was the second country added to the JETP. JETP offers public and private capital to selected countries with the goal of promoting a green economy and addressing the economic and social needs of communities that are vulnerable to the effects of energy transitions. The Government of Indonesia has established a Secretariat to implement Indonesia's JETP and launched its Comprehensive Investment and Policy Plan ("CIPP"), which sets out an energy transition pathway for the power sector, including financing needs and requirements as well as policy reform recommendations. The Government of Indonesia's energy transition plans and pathways and its flagship JETP envisions a well-managed transition of Indonesian energy companies away from fossil fuels and diversification of their asset base towards renewable energy and non-fossil fuel related assets.

- We reduced our Scope 1 greenhouse gas emissions (after adjustments to reflect our divestments and investments highlighted above) by approximately 14.8% from 1,201.4 in kilotons of CO2 equivalent in 2020 to 1,023.4 in kilotons of CO2 equivalent in 2023. While our Scope 2 greenhouse gas emissions (after adjustments to reflect our divestments and investments highlighted above) increased from 1.9 in kilotons of CO2 equivalent in 2020 to 6.6 in kilotons of CO2 equivalent in 2023, this was primarily attributable to the expansion of our new business operations, particularly in our EV business.

  We reduced our Scope 1 greenhouse gas emissions intensity (after adjustments to reflect our divestments and investments highlighted above) by approximately 26.6% from 0.031 in tons of CO2 equivalent per ton of coal production in 2020 to 0.023 in tons of CO2 equivalent per ton of coal production in 2023 (excluding fugitive emissions). Such reduction exceeded our initial targets to reduce our Scope 1 greenhouse gas emissions intensity per ton of coal production by 10.0% between 2020 and 2025 and by 25.0% between 2020 and 2030.

  In 2023, we reassessed our ESG targets based on our progress so far, and have set the following revised targets:

Metric	Between 2020 and 2025	Between 2020 and 2030
Reduce Scope 1 and Scope 2 emissions	By 25.0%	By 33.0%
Reduce Scope 1 and Scope 2 emissions intensity per revenue	By 50.0%	By 55.0%
Increase renewable energy share in energy consumption mix	By 30.0%	By 35.0%
Reduce water withdrawal intensity per revenue	By 30.0%	By 32.0%
Total waste diverted from landfill	40.0%	45.0%

  Further, in 2023, we initiated our first exercise for the calculation of our baseline Scope 3 emissions footprint, and are in the process of developing the related methodology and established boundaries.

- We expanded our total land reclamation area by approximately 29.7% from 4,532 hectares as of December 31, 2020 to 5,879 hectares as of December 31, 2023. After adjusting to reflect our divestment in MUTU in February 2024, our total land reclamation would be 5,136 hectares as of December 31, 2023. Our target is to expand our land reclamation area by 20.0% between 2020 and 2025.
- As part of our decarbonization efforts, we have (i) increased the use of biofuels at our operation sites, including shifting to cleaner blends of biodiesel, (ii) increased the use of solar power through the installation of solar PV panels at the operational sites of certain of our key subsidiaries, including Kideco and Interport, as well as at our offices at the INDY Bintaro Office Park in Banten, Indonesia, (iii) continued the use of electric buses for employee transportation at Kideco, thereby cutting our diesel use, and (iv) undertaken various other energy efficiency initiatives in our mining activities, including mine road grade management, as well as installation of sound reduction in heavy duty units, a mini tower LED program and slurry pumps in our excavators for mud handling, among others.
- We have not recorded any employee fatalities (excluding employees of third-party services providers) since 2020, in line with our target to achieve zero work-related fatalities across all our operations.
- In 2023, we spent 1.4% of our EBIT on community development initiatives, in line with our target to allocate 1.0% of our annual EBIT towards such investments.
- In 2022, we established a Sustainability Committee at our Company to assist with enhancing sustainability and implementing our ESG initiatives across our business operations. Our Sustainability Committee aims to promote openness and objectivity and, in turn, improve the quality of decisions made by our management, in addressing issues relating to sustainability. The chairman of our Sustainability Committee is Farid Harianto. The other members of our Sustainability Committee are Indracahya Basuki and Eko Putro Sandjojo. We have also established sustainability committees at Kideco, IIR, Tripatra and Interport, in line with our target to establish sustainability committees at each of our key operating subsidiaries by 2025.
- We have increased the percentage of women in our workforce from 9.3% in 2021 to 18.8% in 2023, in line with our targets to increase the percentage of women in our workforce to 20.0% by 2025 and to 25.0% by 2030.

  We have also set targets to: (i) increase the percentage of female representation in senior management positions to 15.0% by 2025 and to 20.0% by 2030, (ii) increase the percentage of employees attending code of business conduct training to 80.0% by 2025 and to 100.0% by 2030, and (iii) increase the percentage of Board members attending code of business conduct training to 100.0% by 2025.
- The progress we have made in our sustainability journey is reflected in our ESG ratings, where we have been rated "BBB" by MSCI ESG Ratings and "34.9 (High Risk)" by Sustainalytics, which places us in the 5th best ranking among global companies in the coal sector. We have also been given "C" scores for both climate change and water security by the Carbon Disclosure Project.

Recent Developments

Sale of MUTU

In February 2024, we completed the sale of our entire 100.0% equity interest in MUTU to PT Petrindo Jaya Kreasi Tbk for a total consideration of US$218.0 million. As part of this transaction, we also transferred our marketing rights related to MUTU's coal in March 2024. As a result, revenue from our energy resources business segment is now derived only from our Kideco Mines, as well as from our commodity trading business.

Unless otherwise indicated or the context otherwise requires, our consolidated financial, operating and other data (including coal reserves and resources as well as coal production and sales volumes) as of and for the years ended December 31, 2021, 2022 and 2023 presented in this Offering Memorandum includes contribution from MUTU. As of December 31, 2023, MUTU had total coal reserves and resources of approximately 26.5 million tonnes and 69.0 million tonnes, respectively. For the years ended December 31, 2021, 2022 and 2023, we produced 1.6 million tonnes, 1.8 million tonnes and 1.5 million tonnes of coal, respectively, at the MUTU Mines, representing 4.3%, 4.9% and 4.6%, respectively, of our total coal production for such years. For the years ended December 31, 2021, 2022 and 2023, revenues from MUTU's coal sales amounted to US$144.9 million, US$323.0 million and US$231.2 million, respectively, representing 5.4%, 8.5% and 8.7%, respectively, of our total revenue from our energy resources business (after eliminating for inter-segment sales within our Group).

Proposed Sale of MEA

In March 2024, we and the other shareholders of MEA entered into a conditional sales and purchase agreement for the sale of the entire 100.0% (of which we hold 60.0%) equity interest in MEA to PT Niaga Gilang Persada, at a valuation of Rp.25.0 billion (approximately US$1.6 million). The completion of the sale is subject to customary closing conditions.

Unless otherwise indicated or the context otherwise requires, our consolidated coal reserves and resources data as of December 31, 2023 presented in this Offering Memorandum includes contribution from MEA. As of December 31, 2023, MEA had total coal reserves and resources of approximately 15.0 million tonnes and 79.0 million tonnes, respectively. We do not have active production operations at the MEA coal mining concession and have suspended exploration activities at the concession since 2014.

Redemption of the 2024 Notes

On April 2, 2024, we provided notice to the holders of the 5.875% Senior Notes due 2024 issued by Indika Energy Capital III Pte. Ltd. and guaranteed by our Company and certain of our subsidiaries (the "2024 Notes"), that all outstanding 2024 Notes will be redeemed in full on May 3, 2024. The 2024 Notes will be redeemed at a redemption price equal to 100.0% of the principal amount thereof plus accrued and unpaid interest to (but not including) the redemption date. We had previously repurchased a portion of the 2024 Notes through a tender offer and open market repurchases and, as of December 31, 2023, the aggregate principal amount of 2024 Notes outstanding was US$293.6 million.

The redemption of the 2024 Notes will be funded using the proceeds from the Syndicated Facility III, a US$300.0 million loan facility that we obtained on December 28, 2023. We plan to draw down US$300.0 million under the Syndicated Facility III for the purpose of funding the redemption of the 2024 Notes.

See "Description of Material Indebtedness — Material Indebtedness of Indika — Guaranteed Senior Notes due 2024" and "Description of Material Indebtedness — Material Indebtedness of Indika — Syndicated Facility III."

Concurrent Tender Offer

Concurrently with the offering of the Notes, we are also making a separate offer to purchase for cash (the "Tender Offer") up to a maximum aggregate principal amount of the outstanding 8.25% Senior Notes due 2025 issued by Indika Energy Capital IV Pte. Ltd. and guaranteed by our Company and certain of our subsidiaries (the "2025 Notes") that would not exceed the aggregate principal amount of the Notes to be issued pursuant to this offering. We also intend to utilize any remaining net proceeds of the offering of the Notes to repurchase and/or redeem any remaining 2025 Notes.

The Tender Offer is being made on the terms and conditions set forth in the tender offer memorandum dated April 17, 2024 (the "Tender Offer Memorandum"). The Tender Offer will expire at 5:00 p.m. New York time on May 16, 2024, unless extended by us. We will cancel the 2025 Notes that we accept for purchase pursuant to the Tender Offer, and those notes will cease to be outstanding.

See "Description of Material Indebtedness — Material Indebtedness of Indika — Guaranteed Senior Notes due 2025" and "Use of Proceeds."

SUMMARY OF THE OFFERING

The following is a brief summary of the terms of the offering and is qualified in its entirety by the remainder of this Offering Memorandum. It is not intended to be complete and is subject to important limitations and exceptions. For a more complete description of the terms of the Notes, see "Description of the Notes" included elsewhere in this Offering Memorandum. Terms used in this summary and not otherwise defined shall have the meanings given to them in "Description of the Notes."

Issuer	PT Indika Energy Tbk
Notes Offered	US$350,000,000 aggregate principal amount of 8.75% Senior Notes due 2029.
Format of the Offering	The Notes are being offered either: (A) in the United States, or to, or for the account or benefit of, U.S. persons in minimum amounts of US$250,000, only to persons who are both "qualified institutional buyers" as defined in Rule 144A and "qualified purchasers" as defined in the Investment Company Act and which are deemed to have made the representations set forth in "Transfer Restrictions," in transactions meeting the requirements of Rule 144A; or (B) outside of the United States to investors that are not U.S. persons (as defined in Regulation S, but for purposes of the definition of "U.S. person" herein shall include also any person that is not a U.S. person solely by reason of Rule 902(k)(1)(viii)(B) or 902(k)(2)(i) in Regulation S under the Securities Act), and not persons acquiring for the account or benefit of U.S. persons, and which are deemed to have made the representations set forth in "Transfer Restrictions," in offshore transactions pursuant to Regulation S.
Issue Price	100% of the principal amount of the Notes.
Maturity Date	May 7, 2029.
Interest	The Notes will bear interest from and including May 7, 2024 at the rate of 8.75% per annum, payable semi-annually in arrears.
Interest Payment Dates	May 7 and November 7 of each year, commencing November 7, 2024.
Ranking of the Notes	The Notes: • will be general obligations of the Issuer; • will be senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes; • will rank at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of the Issuer (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law); • are guaranteed by the Subsidiary Guarantors (as defined below) on a senior basis, subject to the limitations described in "Risk Factors

	— Risks Relating to the Offering, the Notes, the Subsidiary Guarantees and the Common Security;" and • rank effectively senior in right of payment to unsecured obligations of the Issuer and the Subsidiary Guarantor Pledgors (as defined below) with respect to the value of the Common Security pledged by the Issuer and the Subsidiary Guarantor Pledgors, as the case may be, securing the Notes (subject to any priority rights of such unsecured obligations pursuant to applicable law). In addition, on the Original Issue Date, subject to the limitations described in "Risk Factors — Risks Relating to the Offering, the Notes, the Subsidiary Guarantees and the Common Security," the Notes will be secured on an equal and ratable basis with all obligations of the Subsidiary Guarantors (and any other obligors) under all other existing and future Permitted Pari Passu Secured Indebtedness (including the guarantees of the Existing Notes) by first-priority liens (subject to Permitted Liens) on the Common Security (as defined below).
Subsidiary Guarantees	The Subsidiary Guarantors will be IIC, TIME and the Tripatra Entities. Each of the Subsidiary Guarantors will, jointly and severally, guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes. The Subsidiary Guarantees may be released in certain circumstances. See "Description of the Notes — The Subsidiary Guarantees — Release of the Subsidiary Guarantees."
Ranking of Subsidiary Guarantees	The Subsidiary Guarantee of each Subsidiary Guarantor will: • be a general obligation of such Subsidiary Guarantor; • be effectively subordinated to secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor (other than the Common Security); • be senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee; and • rank at least *pari passu* with all other unsecured, unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law).
Security to be Granted	The Issuer and certain of the Subsidiary Guarantors, namely IIC, TIME and TPEC (the "Subsidiary Guarantor Pledgors") have agreed, for the benefit of the holders of the Notes, to pledge the Capital Stock held by them in IIC, Kideco, TPE, TPEC and TRIS (as applicable) (the "Common Security") in order to secure the obligations of the Issuer under the Notes and the Indenture and of the Subsidiary Guarantors under the Subsidiary Guarantees.

	The Common Security securing the Notes and the Subsidiary Guarantees may be released or reduced in the event of certain asset sales and certain other circumstances. See "Description of the Notes — Security — Release of Security" and "Risk Factors — Risks Relating to the Offering, the Notes, the Subsidiary Guarantees and the Common Security — There are circumstances other than repayment or discharge of the Notes under which the liens on the Common Security securing the Notes and the Subsidiary Guarantees may be released, without your consent or the consent of the Trustee."
Intercreditor Agreement	The Common Security will be shared *pari passu* in right and priority of payment with the Existing Pari Passu Secured Indebtedness and any future Permitted Pari Passu Secured Indebtedness (each as defined in "Description of the Notes — Security — Intercreditor Agreement") in respect of certain obligations of the Subsidiary Guarantors in accordance with the amended and restated intercreditor agreement dated January 8, 2013, as amended by an amendment dated April 17, 2024, and as amended and supplemented from time to time (the "Intercreditor Agreement"), to which the Trustee for the Notes will accede on the date of the Indenture. The Intercreditor Agreement provides, among other things, (a) that the parties thereto shall share equal priority and pro rata entitlement in and to the Common Security, (b) the conditions under which the parties thereto will consent to the release of or granting of any Lien on such Common Security, (c) the procedures under which holders of additional Permitted Pari Passu Secured Indebtedness Incurred after the date of the Indenture (or their representatives) may accede to, or terminate their rights under, the Intercreditor Agreement and (d) the conditions under which the parties thereto will enforce their rights with respect to such Common Security and the Indebtedness secured thereby.
Use of Proceeds	The net proceeds of the offering of the Notes, after deduction of fees and commissions and estimated expenses in connection with the offering of the Notes, are expected to be approximately US$342.6 million. We intend to use the net proceeds of the offering of the Notes as follows: first, pursuant to the Tender Offer that we are concurrently conducting with the offering of the Notes, to repurchase the maximum aggregate principal amount of outstanding 2025 Notes that would not exceed the aggregate principal amount of Notes to be issued pursuant to this offering, see "Summary — Recent Developments — Concurrent Tender Offer;" second, to repurchase and/or redeem any remaining outstanding 2025 Notes through open-market repurchases, tender offers and/or redemptions as permitted under the indenture governing the 2025 Notes; and, third, to use any remaining proceeds to fund our capital expenditures in connection with the development and expansion of our non-coal related businesses, particularly our EV and renewable energy businesses, see "Business — Our Strategies — Continue to diversify cash flows and increase revenue contribution from non-coal related businesses." We

	do not intend to use any of the proceeds of the offering of the Notes to directly or indirectly fund any coal-related capital expenditures. See "Use of Proceeds."
Optional Redemption	At any time on or after May 7, 2026, the Issuer may redeem the Notes, in whole or in part, at the redemption prices set forth under "Description of the Notes — Optional Redemption," plus accrued and unpaid interest, if any, to the redemption date. At any time prior to May 7, 2026, the Issuer may redeem the Notes, in whole or in part, at a redemption price equal to 100.0% of their principal amount plus the Applicable Premium and accrued and unpaid interest, if any, to (but not including) the redemption date. In addition, at any time, and from time to time, prior to May 7, 2026, the Issuer may redeem up to 35.0% of the aggregate principal amount of the Notes using proceeds from certain equity offerings at a redemption price of 108.75% of the principal amount of the Notes plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65.0% of the aggregate principal amount of the Notes originally issued on the Original Issue Date remains outstanding after such redemption and any such redemption takes place within 60 days after the closing of such equity offering.
Repurchase of Notes upon a Change of Control	Upon the occurrence of a Change of Control, the Issuer will make an offer to repurchase all outstanding Notes at a purchase price equal to 101.0% of their principal amount plus accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date.
Required Sale or Redemption upon Certain Circumstances	Any purported sale or transfer of a Note (or beneficial interest therein) which is not made in compliance with the restrictions set forth herein shall be void and will not be honored by the Issuer. The Issuer shall be entitled to require any holder of a Note (or beneficial interest therein) who is a U.S. person or in the United States that is determined not to have been both a "qualified institutional buyer" and a "qualified purchaser" and to have met the other requirements set forth under "Transfer Restrictions" herein at the time of acquisition of such Note (or such beneficial interest) to sell such Note (or such beneficial interest therein) (within 30 days after notice of the sale requirement is given) to either (a) a person that is both a "qualified institutional buyer" and a "qualified purchaser" (and meets the requirements set forth under "Transfer Restrictions") in a transaction meeting the requirements of Rule 144A, or (b) a person that is not a U.S. person (and meets the other requirements set forth under "Transfer Restrictions") in an offshore transaction meeting the requirements of Regulation S. Alternatively, the Issuer shall be entitled to redeem such Note (upon 30 days' notice to the holder thereof) in an amount equal to the outstanding principal amount of such Note plus accrued interest.
Redemption for Taxation Reason	Subject to certain exceptions and as more fully described herein, the Issuer may redeem the Notes, in whole but not in part, at a

	redemption price equal to 100.0% of the principal amount thereof, together with accrued and unpaid interest, if any, to the date fixed by the Issuer for redemption, if, as a result of certain changes in the tax laws, regulations or rulings (or the application or interpretation thereof) of Indonesia or Singapore, the Issuer or the Subsidiary Guarantors (as the case may be) would be required to pay certain additional amounts; provided that where the additional amounts are due as a result of such changes affecting Indonesian taxes, the Notes may be redeemed only in the event that the withholding rate required under Indonesian law is in excess of 20.0%.
Covenants	The Notes, the Indenture and the Subsidiary Guarantees will limit the Issuer's ability and the ability of the Restricted Subsidiaries to, among other things: • incur additional Indebtedness and issue preferred stock; • declare dividends on Capital Stock or purchase or redeem Capital Stock; • make investments or other specified Restricted Payments; • issue or sell Capital Stock of Restricted Subsidiaries; • guarantee Indebtedness; • sell assets; • create any Lien; • enter into Sale and Leaseback Transactions; • enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends and transfer assets or make intercompany loans; • enter into transactions with equity holders or affiliates; • effect a consolidation or merger; or • engage in different business activities. These covenants are subject to a number of important qualifications and exceptions described in "Description of Notes — Certain Covenants."
Selling and Transfer Restrictions	The Notes or beneficial interests therein may only be sold or transferred in accordance with the "Transfer Restrictions" as set out herein and in the Indenture. Without limiting the foregoing, Rule 144A Notes (or beneficial interests therein) may be sold only to purchasers that are both "qualified institutional buyers" and "qualified purchasers," in transactions effected through the Registrar on its books and records, as the sole direct participant entitled to hold the Rule 144A Notes in DTC, and Regulation S Notes (or beneficial interests therein) may be sold only to non-U.S. persons in offshore transactions meeting the requirements of Regulation S. Any sale, resale or other transfer not made in compliance with the restrictions

	on transfer described herein shall be null and void ab initio and will not be honored by the Issuer. See "Transfer Restrictions."
Form, Denomination and Registration . .	The Notes will be issued only in fully registered form, without coupons, in denominations of US$250,000 and integral multiples of US$1,000 in excess thereof and will be initially represented by one or more Global Note registered in the name of a nominee of DTC. Beneficial interests in the Global Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC. Except as discussed herein, certificates for the Notes will not be issued in exchange for beneficial interests in the Global Notes.
Book-Entry Only	The Notes will be issued in book-entry form through the facilities of DTC for the accounts of its participants, including Euroclear and Clearstream. For a description of certain factors relating to clearance and settlement, see "Description of the Notes — Book-Entry; Delivery and Form."
Delivery of the Notes	The Issuer expects to make delivery of the Notes, against payment in same-day funds, on or about May 7, 2024, which the Issuer expects will be the seventh business day following the date of this Offering Memorandum, referred to as "T+7." You should note that initial trading of the Notes may be affected by the T+7 settlement. See "Plan of Distribution."
Trustee	The Bank of New York Mellon
Paying Agent, Transfer Agent and Registrar	The Bank of New York Mellon
Common Security Agent	PT Bank CIMB Niaga, Tbk.
Rule 144A Global Note	CUSIP Number: 69369KAA3
	ISIN Number: US69369KAA34
	Common Code: 280342254
Regulation S Global Note	CUSIP Number: Y71247AA1
	ISIN Number: USY71247AA15
	Common Code: 280342360
Listing	Application has been made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. Subject to the approval of the SGX-ST, the Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) as long as the Notes are listed on the SGX-ST.
Governing Law	The Notes, the Indenture and the Intercreditor Agreement will be governed by and will be construed in accordance with the laws of the State of New York. The Security Documents (as defined in "Description of the Notes") will be governed by and will be construed in accordance with the laws of Indonesia and Singapore, as applicable.

Risk Factors	For a discussion of certain factors that should be considered in evaluating an investment in the Notes, see "Risk Factors."
Issuer Legal Entity Identifier	254900YVKE6BJ1I4V036

SUMMARY CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

The summary consolidated financial information as of and for the years ended December 31, 2021, 2022 and 2023, presented below, has been derived from our Consolidated Financial Statements included elsewhere in this Offering Memorandum. Our Consolidated Financial Statements have been audited by Imelda & Rekan (an affiliate of Deloitte Southeast Asia Ltd, a member of Deloitte Asia Pacific Limited and of the Deloitte Network), independent public accountants, in accordance with Standards on Auditing established by the IICPA, as stated in their audit report, appearing elsewhere in this Offering Memorandum.

Our Consolidated Financial Statements, which are prepared in accordance with IFAS and presented in U.S. dollars, are not intended to present our consolidated financial position, financial performance, or cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. IFAS differ in certain respects from U.S. GAAP. In making an investment decision, you should rely upon your own examination of the terms of this offering of the Notes and the financial information contained in this Offering Memorandum. You should consult your own professional advisors for an understanding of the differences between IFAS and U.S. GAAP, and how those differences could affect the financial information contained in this Offering Memorandum. See "Summary of Certain Differences between IFAS and U.S. GAAP" included elsewhere in this Offering Memorandum for a description of certain differences between IFAS and U.S. GAAP.

The following information should be read in conjunction with our Consolidated Financial Statements and the related notes thereto, and the sections entitled "Presentation of Financial Information and Other Data," "Selected Consolidated Financial and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" included elsewhere in this Offering Memorandum.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

	For the year ended December 31,		
	2021	2022	2023
	(US$ in millions)		
Revenues	3,069.2	4,334.9	3,026.8
Cost of contracts and goods sold	(2,151.0)	(2,884.1)	(2,474.9)
Gross profit	**918.1**	**1,450.8**	**552.0**
Equity in net profit of associates	27.9	31.2	22.9
Amortization of intangible assets	(135.9)	(136.1)	(37.6)
Selling, general and administrative expenses	(145.4)	(240.7)	(239.8)
Investment income	4.3	9.3	20.2
Finance costs	(104.9)	(103.5)	(85.6)
Final tax	(6.8)	(8.9)	(7.6)
Fair value changes on embedded derivative of convertible loan	—	—	1.3
Fair value changes on contingent consideration obligation	(41.8)	46.3	—
Others – net	(13.4)	(38.0)	12.6
Profit before tax	**502.1**	**1,010.3**	**238.4**
Income tax expense	(294.7)	(499.6)	(87.4)
Profit for the year from continuing operation	**207.4**	**510.8**	**151.0**
Discontinued operation:			
Loss for the year from discontinued operation	(144.1)	—	—
Profit for the year	**63.3**	**510.8**	**151.0**

	For the year ended December 31,		
	2021	2022	2023
	(US$ in millions)		
Other comprehensive income (loss):			
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefits obligation, net of tax	2.2	0.6	(0.9)
Items that may be reclassified subsequently to profit or loss:			
Cumulative translation adjustments	1.1	(2.1)	1.2
Unrealized (loss) gain on derivative financial instrument (hedging reserve)	13.9	55.7	(3.9)
Unrealized (loss) gain on investment stated at fair value through other comprehensive income	9.7	(0.8)	(0.4)
Total other comprehensive income for the year, net of tax from continuing operations	**26.9**	**53.3**	**(4.1)**
Total comprehensive income for the year	**90.2**	**564.1**	**147.0**
Profit for the year attributable to:			
Owners of the company	57.7	452.7	119.7
Non-controlling interests	5.6	58.1	31.4
Total	**63.3**	**510.8**	**151.0**
Total comprehensive income for the year attributable to:			
Owners of the Company	77.8	468.3	116.8
Non-controlling interests	12.4	95.8	30.2
Total	**90.2**	**564.1**	**147.0**

Consolidated Statements of Financial Position Data

	As of December 31,		
	2021	2022	2023
	(US$ in millions)		
Assets:			
Current assets:			
Cash and cash equivalents	867.4	1,155.5	449.2
Other financial assets — current maturities	55.1	25.4	133.7
Trade accounts receivable:			
Related parties — net	74.6	71.9	80.6
Third parties — net	411.2	462.5	263.0
Contract asset	1.8	4.9	19.5
Current maturities of other accounts receivable:			
Related parties	—	2.6	—
Third parties — net	31.3	26.4	32.4
Inventories — net	43.7	60.6	51.3
Prepaid taxes	20.8	23.6	72.7
Biological assets	—	—	0.4
Derivative assets	—	—	0.7
Other current assets	137.7	169.5	116.6
Total	**1,643.7**	**2,002.8**	**1,220.1**
Non-current assets held for sale	448.2	—	264.0
Total current assets	**2,092.0**	**2,002.8**	**1,484.1**

	As of December 31,		
	2021	2022	2023
	(US$ in millions)		
Non-current assets:			
Other financial assets — net of current maturities	64.0	76.5	113.5
Other accounts receivable — net of current maturities:			
Related parties — net	10.2	20.6	20.4
Third parties	8.8	20.7	5.1
Advances and other non-current assets	43.2	49.6	46.3
Investments in associates	138.2	241.6	264.6
Claims for tax refund — net	66.8	25.6	23.5
Exploration and evaluation assets — net	90.7	104.7	102.1
Mining properties — net	11.3	29.9	5.7
Stripping activity assets	7.0	2.9	—
Property, plant and equipment — net	239.3	220.7	307.1
Right-of-use assets — net	3.8	3.8	17.0
Intangible assets — net	239.4	110.3	36.8
Goodwill — net	648.0	649.2	649.2
Refundable deposits	1.8	2.4	2.5
Deferred tax assets	26.8	29.1	25.6
Derivative assets	—	2.9	—
Bearer plants	0.3	0.6	9.8
Total non-current assets	**1,599.5**	**1,591.0**	**1,629.0**
Total assets	**3,691.5**	**3,593.9**	**3,113.1**
Liabilities and equity:			
Current liabilities:			
Short-term loans	58.1	50.5	58.4
Trade accounts payable:			
Related parties	5.7	5.8	4.1
Third parties	291.9	336.7	273.9
Contract liabilities	11.3	16.6	10.6
Taxes payable	304.3	544.1	15.5
Other accounts payable:			
Third parties	13.5	16.0	53.0
Accrued expenses	93.7	135.6	133.5
Advances from third-party customers	5.8	7.2	15.6
Dividends payable	0.0	0.0	0.0
Current maturities of long-term liabilities:			
Long-term loans	67.5	50.2	58.3
Lease liabilities	1.0	4.4	7.9
Bonds payable — net	15.6	11.7	304.4
Total	**868.4**	**1,178.9**	**935.1**
Liabilities directly related to non-current assets held for sale	267.4	—	47.4
Total current liabilities	**1,135.8**	**1,178.9**	**982.5**

	As of December 31,		
	2021	2022	2023
	(US$ in millions)		
***Non-current liabilities*:**			
Long-term liabilities — net of current maturities:			
Long-term loans:			
Related parties	—	—	1.3
Third parties	81.6	91.2	104.3
Convertible loan	—	7.5	20.1
Lease liabilities	2.7	1.4	8.5
Bonds payable — net	1,229.6	880.0	528.9
Other long-term liability — third party	—	8.2	0.4
Provision for mine rehabilitation, mine closure and decommissioning	35.2	38.7	43.3
Deferred tax liabilities	88.6	25.1	12.3
Derivative liabilities	1.6	—	8.1
Contingent consideration obligation	206.3	—	—
Employment benefits	26.4	22.6	26.4
Total non-current liabilities	**1,672.0**	**1,074.8**	**753.5**
Total liabilities	**2,807.8**	**2,253.7**	**1,736.0**
***Equity*:**			
Capital stock	56.9	56.9	56.9
Additional paid-in capital	253.8	253.8	253.8
Other components of equity	34.7	(9.2)	(12.1)
Treasury shares	(0.4)	(0.4)	(0.4)
Retained earnings:			
Appropriated	5.3	5.3	11.4
Unappropriated	413.0	882.8	923.2
Total equity attributable to owners of the company	763.4	1,189.3	1,232.8
Non-controlling interests	120.3	150.9	144.3
Total equity	**883.7**	**1,340.2**	**1,377.1**
Total liabilities and equity	**3,691.5**	**3,593.9**	**3,113.1**

Statements of Cash Flows

	For the year ended December 31,		
	2021	2022	2023
	(US$ in millions)		
Net cash provided by/(used in) operating activities	485.1	926.1	(199.1)
Net cash provided by/(used in) investing activities	(47.8)	32.8	(283.4)
Net cash used in financing activities	(130.2)	(665.3)	(124.7)
Net increase/(decrease) in cash and cash equivalents	**307.0**	**293.6**	**(607.2)**
Cash and cash equivalents at the beginning of the year	651.2	867.4	1,155.5
Effects of changes in foreign exchange rate	(1.5)	(5.5)	1.1
Cash and cash equivalents at the end of the year	**956.7**	**1,155.5**	**549.4**

Non-GAAP Measures and Other Financial Data

	As of and for the year ended December 31,		
	2021	2022	2023
		(US$ in millions)	
Revenue (before eliminating for inter-segment sales within our Group)	3,124.7	4,450.0	3,118.4
Revenue from coal related businesses[1]	2,688.3	3,861.5	2,738.1
Revenue from non-coal related businesses[2]	436.3	588.4	380.3
Adjusted EBITDA[3]	**691.6**	**1,299.2**	**395.1**
Adjusted EBITDA margin[4]	**22.5%**	**30.0%**	**13.1%**
Dividends received from associates[5]	21.9	26.0	11.6
Capital expenditures[6]	73.4	71.7	116.8
Finance costs	104.9	103.5	85.6
Total cash and cash equivalents and other financial assets[7]	986.5	1,257.4	696.3
Total debt[8]	1,456.0	1,097.0	1,091.9
Net debt (cash)[9]	469.5	(160.4)	395.6
Adjusted EBITDA/Finance costs	6.6	12.5	4.6
Total debt/Adjusted EBITDA	2.1	0.8	2.8
Net debt/Adjusted EBITDA	0.7	(0.1)	1.0

Notes:

(1) Revenue from coal related businesses comprises revenue (before eliminating for inter-segment sales within our Group) from coal sales from our coal mining and coal trading activities under our energy resources business segment, see "Business — Energy Resources Business." Revenue from coal related businesses for the years presented includes revenue contribution from MUTU. In February 2024, we completed the sale of our entire 100.0% equity interest in MUTU, see "Summary — Recent Developments — Sale of MUTU." For the year ended December 31, 2023, revenue from coal related businesses also includes revenue from the coal transportation and transshipment services we provide under our logistics and infrastructure business segment through Cotrans, as we began consolidating Cotrans in February 2023, see "Business — Logistics and Infrastructure Business — Other logistics services — Cotrans."

(2) Revenue from non-coal related businesses comprises revenue (before eliminating for inter-segment sales within our Group) from (i) our energy services business segment, see "Business — Energy Services Business," (ii) our logistics and infrastructure business segment (excluding the revenue from the coal transportation and transshipment services we provide through Cotrans), see "Business — Logistics and Infrastructure Business," (iii) our minerals business segment, see "Business — Minerals Business," (iv) our green business segment, see "Business — Green Business," and (v) our digital ventures business segment, see "Business — Digital Ventures Business."

(3) We define Adjusted EBITDA, for the purposes of this Offering Memorandum, as profit attributable to owners of the Company (i) plus income taxes, depreciation, finance costs, unrealized loss on foreign exchange – net, dividends received from associates, amortization of intangible assets and mining properties, profit attributable to non-controlling interest, provision for inventory obsolescence, fair value changes (increase) on contingent consideration obligation and others – net, and (ii) less unrealized gain on short-term investment, equity in net profit of associates, fair value changes (decrease) on contingent consideration obligation, fair value changes on embedded derivative of convertible loan and others – net for the years presented, which may be different from the way we define Adjusted EBITDA for other purposes. Adjusted EBITDA is presented because we believe it provides investors with important additional information to evaluate our performance. Moreover, we believe that investors, analysts and rating agencies will consider Adjusted EBITDA useful in measuring our ability to meet our debt service obligations. However, Adjusted EBITDA is not a recognized measurement under IFAS or U.S. GAAP and when analyzing our performance, investors should use Adjusted EBITDA in addition to, and not as an alternative to, profit/(loss) attributable to owners of the company or other performance measures derived in accordance with IFAS or U.S. GAAP. Set forth below is a reconciliation of our profit attributable to owners of the Company to Adjusted EBITDA.

	For the year ended December 31,		
	2021	2022	2023
	(US$ in millions)		
Profit attributable to owners of the Company	57.7	452.7	119.7
Add (less):			
Income taxes[(a)]	308.2	515.1	100.5
Depreciation	35.8	61.3	27.8
Finance costs	104.9	103.5	85.6
Unrealized loss on foreign exchange — net	4.5	16.0	1.3
Dividends received from associates	21.9	26.0	11.6
Amortization of intangible assets and mining properties	138.9	143.8	42.1
Unrealized gain on short-term investment	—	—	(0.4)
Profit attributable to non-controlling interest	5.6	58.1	31.4
Equity in net profit of associates	(27.9)	(31.2)	(22.9)
Provision for inventory obsolescence	0.2	0.2	0.1
Fair value changes on contingent consideration obligation	41.8	(46.3)	—
Fair value changes on embedded derivative of convertible loan	—	—	(1.3)
Others — net[(b)]	0.0	0.0	(0.4)
Adjusted EBITDA	**691.6**	**1,299.2**	**395.1**

Notes:

(a) Income taxes consist of final tax, foreign withholding tax and income tax expense.

(b) Others — net consists of unrealized gain on fair value changes in biological assets and loss (profit) from unrestricted subsidiaries.

(4) We calculate Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of total revenues (after eliminating for inter-segment sales within our Group) for a given period.

(5) Dividends received from associates represents actual cash received by us from our share of dividends paid by our associates converted, when necessary, using the foreign exchange rate in effect at the time that the cash was received.

(6) Capital expenditures consist of cash transactions related to acquisitions of property, plant and equipment, exploration and evaluation assets and mining property.

(7) Total cash and cash equivalents and other financial assets consists of cash and cash equivalents, other financial assets — current maturities and other financial assets — net of current maturities.

(8) Total debt consists of short-term loans, long-term loans, convertible loan, lease liabilities and bonds payable — net.

(9) Net debt is calculated by deducting total cash and cash equivalents and other financial assets from total debt.

Selected Production, Sales and Operating Data

The following table sets forth certain production, sales and operating data relating to our businesses, for the years indicated.

	For the year ended December 31,		
	2021	2022	2023
Energy Resources			
Kideco Mines			
Coal production volume (tonnes in millions)	35.8	34.8	30.1
Coal sales volume (tonnes in millions)	35.8	34.8	30.5
Average selling price (US$ per tonne)[1]	61.4	86.5	72.9
Average strip ratio	5.0	5.1	5.6
Cash cost (US$ per tonne)[2]	28.7	34.7	37.6
MUTU Mines[3]			
Coal production volume (tonnes in millions)	1.6	1.8	1.5
Coal sales volume (tonnes in millions)	1.6	1.7	1.8
Average selling price (US$ per tonne)[1]	93.0	192.9	129.7
Average strip ratio	14.4	15.3	14.2
Cash cost (US$ per tonne)[2]	57.3	87.9	75.8
Commodity trading			
Coal trading volume (tonnes in millions)	5.8	7.0	3.2
Palm kernel shells trading volume (tonnes in thousands)	—	—	26.9
Logistics and Infrastructure			
KGTE			
Fuel storage volume (kilo barrels per day)	14.6	18.2	21.6
Cotrans			
Coal transportation volumes (tonnes in millions)	29.5	30.7	26.5
Minerals			
Nickel trading			
Nickel trading volume (wmt in thousands)	23.5	158.9	58.2
Bauxite mining			
Bauxite production volume (dmt in thousands)	—	239.8	285.2
Bauxite sales volume (dmt in thousands)	—	7.1	158.1
Green business			
Electric vehicles			
Two-wheel EV sales volumes (units)	—	316	3,275

Notes:

(1) Average selling price is calculated as sales divided by sales volume.

(2) Cash cost is calculated as (a) the sum of mining costs, transportation, freight and handling costs, coal processing and other cash production costs, restoration costs and increases or decreases in coal inventories, divided by (b) coal sales volumes. Cash costs do not include royalties paid to the Government.

(3) In February 2024, we completed the sale of our entire 100.0% equity interest in MUTU, see "Summary — Recent Developments — Sale of MUTU."

RISK FACTORS

An investment in the Notes is subject to significant risks. You should carefully consider all of the information in this Offering Memorandum and, in particular, the risks described below before deciding to invest in the Notes. The following describes some of the significant risks that could affect us and the value of the Notes as well as our ability to pay interest on, and repay the principal of, the Notes. Additionally, some risks may be unknown to us and other risks, currently believed to be immaterial, could turn out to be material. All of these may materially and adversely affect our business, financial condition and results of operations. The market price of the Notes could decline due to any of these risks and you may lose all or part of your investment. This Offering Memorandum also contains forward-looking statements that involve risks and uncertainties including those described under "Forward-Looking Statements" elsewhere in this Offering Memorandum. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks faced by us described below and elsewhere in this Offering Memorandum.

Risks Relating to Our Energy Resources Business

Coal prices are cyclical and subject to significant fluctuations

Our results of operations are highly dependent upon the prices we receive for our coal, which are affected by numerous factors beyond our control. These factors include, but are not limited to, forward selling by producers, production cost levels in major mining regions, weather conditions, distribution problems, labor disputes, the price and availability of alternatives, actions taken by governments and international organizations, government policies and regulations such as those relating to taxation, royalties, allowable production, import and export restrictions and environmental protection, major public health issues and geopolitical events such as the Russia-Ukraine war. The price of coal is also affected by macro-economic factors such as expectations regarding inflation, interest rates, global and regional supply and demand dynamics as well as economic conflicts, such as trade wars and economic sanctions, and general global economic and political conditions. The price of our coal is also affected by the value that the market places on low-ash, low-sulfur coal and other economic benefits of their coal. Discoveries of coal resources of low-ash, low-sulfur coal in closer proximity to our customers could create price competition for us and result in downward pricing pressures or the loss of customers. In addition, improved distribution of Australian, South African or U.S. coal, lower ocean freight rates that improve the overall price competitiveness of U.S. coal, or an economic downturn in China, India or Asia in general could further reduce world coal prices and thus adversely affect our business, financial condition and results of operations. See also "— Risks Relating to Indonesia — Domestic, regional or global economic changes may adversely affect the Indonesian economy and our businesses."

Thermal coal prices have experienced significant fluctuations in recent years. According to Wood Mackenzie, in the second quarter of 2020, amidst lockdowns across the globe imposed in response to the COVID-19 pandemic, as well as extended coal-to-gas switching risk and protectionist measures, coal prices hit historical lows with prices for FOB Newcastle coal falling below US$50/tonne in August 2020 for the first time since late 2015. Subsequently, in 2021, post-COVID-19 recovery in coal demand outpaced a slow response in coal supply, leading to significant increases in thermal coal prices. In early 2022, Indonesia placed a one-month ban on exports of certain types of thermal coal due to a lack of domestic supply. This, coupled with Russia's invasion of Ukraine in February 2022, contributed to another surge in international thermal coal prices. In addition, market perception regarding the risk of physical energy shortages during winter in the Northern hemispheres, coupled with high rainfall in Australia limiting coal production and transportation, pushed coal prices higher. By September 2022, thermal coal benchmark prices had reached a record high of US$450/tonne for FOB Newcastle coal. Towards the end of 2022 and during 2023, thermal coal supply continued to improve, overcoming the geopolitical, weather and infrastructure-related disruptions from the prior years, leading to a decline in the price for FOB Newcastle coal to below US$200/tonne. Coal prices have continued to decline during the first quarter of 2024. Significant fluctuations in thermal coal prices in the future may adversely affect our business, financial condition and results of operations.

An increasing number of our coal supply agreements are index linked and therefore coal price fluctuations have an immediate effect on our results of operations. An extended or substantial decline in global and domestic

prices of coal and, in turn, the prices we receive for our coal, may adversely affect our business, financial condition and results of operations. Further, changes in the supply and demand for our coal may adversely affect our sales volume and revenues. Our revenues depend on the volume of the products we sell, which in turn depends on the level of demand for these products. Demand for coal is mostly driven by its use as fuel in power and electricity generation, which in turn depends on the prices of alternative energy sources, including nuclear energy, gas, oil and renewable energy sources, such as solar and hydroelectric power. The coal consumption patterns of the electricity generation and other industries for which coal is the principal fuel are affected by the demand for their products, local environmental and other governmental regulations, technological developments and the price and availability of competing coal and alternative fuel supplies. In addition, an increase in the global supply and/or a decrease in world consumption levels of any of the products we sell may result in an oversupply of and downward selling pressure on such products.

The mining industry is subject to extensive Government regulation

The Indonesian mining industry is subject to extensive regulation within Indonesia, and there have been major developments in laws and regulations applicable to coal concession holders and mining services operators. The Government regulates coal mining activity primarily through the Ministry of Energy and Mineral Resources ("MEMR") as well as the Ministry of Environment and Forestry and the Ministry of Investment. In addition, the regional governments where our concession areas are located can also implement regulations affecting us. Over the last 20 years, the Government has promulgated many new laws and regulations affecting the Indonesian mining industry. In particular, the Law No. 4 of 2009 on Mineral and Coal Mining ("Law 4/2009"), which came into effect in 2009 and was lastly amended by the Job Creation Law (as defined below) (the "Mining Law (as amended)"), replaced the previous mining regulatory framework. The Mining Law (as amended), which sets out the regulatory framework for the mining industry in Indonesia, only contains substantive principles and leaves many specific issues to be addressed in implementing regulations. The Mining Law (as amended) provides for implementing regulations to be issued at a later date with respect to these provisions. Key laws and regulations that have been issued pursuant to the Mining Law (as amended) and its implementing regulations applicable to our energy resources business include, among others, laws and regulations on coal benchmark prices, domestic market obligation, export taxes and foreign ownership restrictions. If we fail to comply with the Mining Law (as amended) and its implementing regulations, we and our third-party mining services providers may be subject to administrative sanctions in the form of written warnings, temporary suspensions or the revocation of our mining licenses. A court or an administrative or regulatory body may in the future render interpretations of these laws and regulations, or issue new or modified regulations, that differ from our interpretation, which could materially and adversely affect our business, financial condition and results of operations. For more information regarding the Mining Law (as amended) and other applicable regulations, see "Regulatory Overview."

On November 2, 2020, the Government enacted Law No. 11 of 2020 on Job Creation (the "Old Job Creation Law"). The Old Job Creation Law aimed to attract investments, create jobs and stimulate the economy by, among others, simplifying the licensing process, harmonizing various laws and regulations, and easing the process of making policy decisions for the central Government of Indonesia. On November 25, 2021, the Indonesian Constitutional Court issued Decision 91 declaring that the Old Job Creation Law was conditionally unconstitutional. The decision required the Government to amend the Old Job Creation Law within two years. If it failed to do so, the Old Job Creation Law would have been permanently deemed unconstitutional and would no longer be binding. On December 30, 2022, the Government enacted Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation into Law, which was further promulgated under Law No. 6 of 2023 on the Stipulation of the Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation into Law (the "Job Creation Law"). The Job Creation Law revoked and replaced the Old Job Creation Law. Any future implementing regulations issued in relation to the Job Creation Law may influence the existing laws and regulations governing our energy resources business or any of our other business segments and, in turn, negatively affect our business, financial condition and results of operations.

On August 1, 2023, Government Regulation No. 36 of 2023 on Export Earning from Business Management and/or Processing Activities Relating to Natural Resources ("Government Regulation No. 36 of 2023") and Bank

Indonesia Regulation No. 7 of 2023 on Export Proceeds and Import Payment Proceeds ("BI Regulation No. 7 of 2023") were enacted. Both Government Regulation No. 36 of 2023 and BI Regulation No. 7 of 2023 mandate that an amount equaling at least 30.0% of any foreign exchange export proceeds from the export of natural resource goods (*Devisa Hasil Ekspor dari Barang Ekspor Sumber Daya Alam* or "DHE SDA") must be placed within the Indonesian financial system through a designated account (referred to as a special DHE SDA account in the regulations). The exporter must maintain the 30.0% DHE SDA in the account for a minimum of three months from the relevant deposit. Prior to the enactment of these regulations, exporters were permitted to hold such DHE SDA in offshore accounts. If we fail to comply with this new requirement, we may be subject to administrative sanctions, including in the form of suspension of our coal export activities. Further, the Government has announced plans to issue a new regulation to establish a Coal Fund Agency (Mitra Instansi Pengelola) that will manage funds distributed by coal producers who supply coal to PLN, which may require us to pay service fees to, and deposit cash reserves, with the operators of the Coal Fund Agency. The implementation of this regulation could result in an increase in our costs and affect our profitability.

In addition, other countries or territories, including those where our customers, suppliers, contractors and other entities that we conduct business with are located, may implement laws and regulations that may affect our business. These may relate to, among others, taxation, royalties, import and export restrictions, travel restrictions and environmental protection. For example, since 2017, the Chinese government has intensified administrative measures to control coal imports into China, including imposing coal import quotas and halting the berthing of vessels with coal cargoes, in order to support the Chinese domestic coal sector and encourage the use of cleaner fuels and renewable energy. Such import restrictions by China, one of the world's largest consumers of thermal coal and previously one of our largest markets for our coal business, have in the past affected our coal business in and revenues from China and required us to shift our target markets to other countries or territories, such as India and Southeast Asia. In addition, a decrease in China's demand for thermal coal may create downward pressure on global coal prices and the prices we receive for the sale of our coal, which may adversely affect our business, financial condition and results of operations.

We cannot assure you that Indonesia, China, or other countries or territories where our customers, suppliers, contractors and other entities that we conduct business with are located, will not impose or continue to impose laws and regulations which may adversely affect our business, financial condition, results of operations and prospects, including additional compliance costs to adhere to new regulations, taxation and import and export restrictions that may reduce demand for our products or create downward pressure on global commodity prices.

Our coal mining operations depend on our ability to obtain, maintain and renew necessary permits and approvals from the Government

We are required to obtain, maintain and renew various permits and approvals from the Government for our coal mining operations, including our coal mining concessions. The licenses from the Government or regional governments required for operations of a coal mining business include general corporate, mining, capital investment, labor, environmental, land utilization and other licenses. Most of these permits have various expiration dates ranging from one to 10 years from the date of issue. We must renew all of our permits and approvals as they expire, as well as obtain new permits and approvals when required. We cannot assure you that the relevant government authorities (whether at the central Government or regional government level) will not revoke or refuse to issue or renew the permits, will not issue competing permits for the approvals which we require to operate our business and implement any expansion programs or that they will not impose unfavorable terms and conditions in connection with an issuance or renewal of such permits or approvals. This uncertainty partly arises as a result of the regulatory regime within which we operate. See "— Risks Relating to Indonesia — The interpretation and implementation of legislation on regional governance in Indonesia is uncertain." A loss of, or failure to obtain or renew, any permits, agreements and approvals necessary for coal mining business operations could materially and adversely affect our business, financial condition and results of operations, and our ability to implement expansion projects, if any.

Our IUPK may be terminated or restricted by the Government under certain circumstances and are subject to amendments under the Mining Law (as amended)

We hold rights to mine coal at our Kideco Mines through the IUPK which we hold through Kideco, which is valid until March 2033 and can be extended one additional time (for a period of 10 years, i.e., until 2043) in accordance with the prevailing regulations. Our IUPK may be terminated earlier than its specified expiry date by the MEMR if we fail to satisfy our obligations or meet the requirements specified under the IUPK, including the payment of royalties and taxes to the Government and the satisfaction of certain mining, environmental, health and safety requirements or the failure to submit any report, as required under the IUPK. Under our IUPK, if we are found to be non-compliant with our obligations, the Government may serve written notice stipulating that such non-compliance must be remedied within a specified period otherwise the Government may terminate the IUPK. Further, we conduct a significant portion of our mining operations through mining services providers, see "— We depend on mining services providers to conduct a significant portion of our mining operations." If these contractors fail to perform under their operating agreements, such failure may cause us to be unable to satisfy our obligations and requirements under our IUPK.

The interpretation and implementation of legislation on regional governance in Indonesia is uncertain. We cannot assure you that Government officials or others will not challenge our IUPK for political reasons or otherwise, that the Government will extend or will not terminate such IUPK or that the Government will not amend or issue new regulations affecting the terms of our IUPK. In particular, the MEMR may issue new ministerial decrees impacting our domestic market obligations, or the method for calculation of royalties, income taxes and/or non-tax state revenue payable to the Government under our IUPK, which could result in a significant increase in our costs. If our IUPK is terminated for any reason, we will not be able to mine coal within our coal mining concession area and our business, financial condition, results of operations and prospects would be materially and adversely affected. See "— Our coal mining operations depend on our ability to obtain, maintain and renew necessary permits and approvals from the Government."

We depend on mining services providers to conduct a significant portion of our mining operations

We engage mining services providers, including third-party mining services providers to conduct a significant portion of our mining operations under operating agreements. Under these operating agreements, the contractors are responsible for providing the equipment, facilities, services, materials, supplies, labor and management required for the operation and maintenance of the designated mining pits according to our mining plans. Our mining services providers employ substantially all of the employees who operate in the mining areas under their operational control.

Our mining services providers may be constrained by labor disputes or face operational difficulties, which may result in the loss of or significant reduction in their services or termination or modification of their related operating agreements. Any significant failure by any of our third-party mining services providers to perform their obligations under their operating agreements, whether as a result of financial or operational difficulties or otherwise, may materially and adversely affect our business, financial condition and results of operations. In addition, any delay or failure by our third-party mining services providers to perform under our operating agreements for any reason, including factors beyond our control, may result in delays in delivery to customers and/or shortfalls in planned production. We have in the past experienced delays by our third-party mining services providers in performing under our operating agreements as a result of onsite accidents. While such operational disruptions did not result in significant costs, any future delays or additional costs may be substantial, and we may not be able to recover these costs from our customers, and may have to purchase products from the market to meet our delivery obligations to our customers or be contractually required to compensate our customers for these delays. In such event, we may not be able to recover these penalties or additional costs from the relevant third-party mining services provider.

Further, if a third-party mining services provider is unable to deliver its services according to the negotiated terms and timetable for any reason, including the deterioration of its financial condition, we may be delayed in carrying out our coal mining operations, which may materially and adversely affect our business, financial

condition and results of operations. Any failure by our third-party mining services providers to carry out their contracted services may affect our ability to make deliveries of coal to our customers and result in financial penalties that we may not able to pass on to our mining services providers. In addition, should any operating agreements with our third-party mining services providers be terminated, mining operations at the affected mine will be disrupted for a substantial period to allow the terminated contractor to remove its equipment and the new contractor to install its equipment. Further, in the event that a third-party mining services provider ceases to perform its services or terminates its contract with us, we cannot assure you that a suitable replacement mining services provider will be found on commercially reasonable terms, within a reasonable period of time, or at all. To the extent we cannot engage third-party mining services providers, our ability to complete our coal supply contracts in a timely fashion or at a profit may be impaired. Any failure or delay by any of the third-party mining services providers we engage to perform as expected or pursuant to its respective operating agreement may materially and adversely affect our business, financial condition and results of operations.

We depend on a small number of mine deposits for a substantial portion of our production volume

Substantially all our coal is produced at two deposits at our Kideco Mines, in particular the Samurangau and Roto deposits which together accounted for over 95.0% of our total coal production for the year ended December 31, 2023, see "Business — Energy Resources Business — Coal mining concessions — Kideco Mines." These deposits are subject to the typical hazards of operating mining facilities, including accidents and natural disasters, see "— Risks Common to All Our Businesses — We may experience unexpected disruptions to our operations as a result of operational and infrastructure risks, inclement weather and natural disasters." We expect that these deposits will continue to provide a substantial portion of our operating revenues and cash flows from our energy resources business in at least the short to medium-term. Consequently, to the extent that our operations at these deposits are subject to a temporary or prolonged disruption as a result of, among other things, suspension or termination of mining licenses, major equipment failure, failure to receive required supplies in a timely manner or at all, or the occurrence of catastrophic events such as fires, floods or adverse weather conditions, our business, results of operations and financial condition may be adversely affected. In addition, if we were to experience production difficulties at our Samurangau and Roto deposits, we may encounter difficulties in meeting our commitments to our customers in a sufficient or timely manner, or at all. In such event, we may be contractually required to compensate or pay other penalties to our customers. As a result, our customers may terminate or suspend their respective agreements with us, which may adversely affect our business, financial condition and results of operations.

We derive a significant portion of our coal revenue from sales to a limited number of customers

We depend on a small number of end-user customers for a substantial portion of our total coal sales. For the years ended December 31, 2021, 2022 and 2023, our five largest customers for our energy resources business accounted for 29.9%, 27.8% and 27.5%, respectively, of our total coal sales volume. For the year ended December 31, 2023, three of our energy resources customers, namely TNB Fuel Services Sdn. Bhd., Dongguan City Mingsheng Energy Co. Ltd. and PT Jawa Power, each accounted for more than 5.0% of our total coal sales volume. See "Business — Energy Resources Business — Customers." Our coal supply agreements with our five largest customers expire at various times between 2024 and 2030. Although we intend to extend our existing coal supply agreements or execute new agreements with our largest customers, negotiations may not be successful and our customers may not continue to purchase coal from us under medium or long-term coal supply agreements, or at all. If any of such customers significantly reduce their purchases of coal from us, or if we are unable to sell coal to them on favorable terms, our business, financial condition and results of operations would be materially and adversely affected.

In addition, our coal supply agreements generally contain provisions that allow our customers to suspend or terminate the agreement if we are unable to deliver the quantity and quality of coal specified, become insolvent or are liquidated, or are affected by events beyond our reasonable control, including strikes, riots, machinery breakdowns and changes in governmental regulations. Most of our coal supply agreements provide that we are obligated to supply coal in the quantities specified by the customer up to the maximum contractual commitment.

We may not be able to produce sufficient quantities of coal to fulfill our customers' requirements or our contractual obligations. These agreements also contain provisions requiring us to deliver coal meeting quality thresholds for certain characteristics, including calorific value, moisture content, sulfur content and ash content. Our failure to meet these specifications could result in economic penalties, including price adjustments, rejection of deliveries or termination of the contracts. In such event our business, financial condition and results of operations may be materially and adversely affected.

The loss of any of our major customers, reduced demand from them, a material adverse change in their financial condition, or failure of or delay in payment, could, in turn, have a material adverse effect on our business, financial condition and results of operations. In addition, our future inability to perform under our coal supply agreements or our election to terminate our coal supply agreements when our production costs exceeds the prevailing market price may result in the loss of our limited number of customers or our customers choosing to decrease their proportion of coal needs purchased from us, which could have a material and adverse effect on our business, financial condition and results of operations.

Fluctuations in transportation costs and disruptions in transportation generally could adversely affect demand for our coal and increase competition from coal producers in other parts of Asia and elsewhere in the world

Transportation costs are a critical factor in the purchasing decisions of our customers. Under the terms of a majority of our coal supply agreements, our customers are responsible for paying transportation costs. As competition among coal producers is significantly influenced by price, increases in transportation costs may make our coal less competitive in markets outside of Southeast Asia, relative to coal producers that are in closer geographic proximity to such markets. On the other hand, significant decreases in transportation costs, or the absence of disruptions in coal transportation systems, could result in increased competition in Southeast Asia from coal producers in other parts of Asia, Australia, South Africa and Russia. Decreases in freight rates and the availability of coal transported from other parts of Asia, Australia, South Africa, Russia, North America and other parts of the world may give our global competitors a pricing advantage over us.

We depend upon ships to deliver coal to our customers. While our customers typically arrange and pay for the transportation of coal from our coal terminals or their respective transshipment points, disruption of these transportation services due to weather-related problems, distribution problems, labor disputes or other events could temporarily restrict our ability to supply coal to our customers or could result in demurrage claims by ship owners for loading delays. We cannot assure you that such transportation services will not be disrupted or that transportation costs will not increase in the future. Any prolonged or significant disruption in, or increase in the costs of, the transportation services that we rely on may materially and adversely affect our business, financial condition and results of operations.

Coal markets are highly competitive and are affected by factors beyond our control

We compete with both domestic Indonesian coal producers and foreign coal producers in the world coal markets primarily on the basis of coal quality, price, transportation cost and reliability of supply. Demand for our coal from our principal customers is also affected by prices of alternative energy sources, including nuclear energy, gas, oil and renewable energy sources, such as hydroelectric power. Generally, the competitiveness of our coal compared to the coal products of our competitors and alternative fuel supplies is evaluated on a delivered cost per calorific value unit basis. Factors that directly influence production costs of coal producers include geological characteristics of their coal, including seam thickness, strip ratios, transportation costs and labor availability and cost. Our inability to maintain our competitive position as a result of these or other factors may materially and adversely affect our business, financial condition and results of operations.

International trade and demand from certain countries and regions for sub-bituminous and low-rank coal may not be sustainable and may decline

We have significant reserves of sub-bituminous and low-rank thermal coal. These types of coal are abundant in Indonesia and have become an important fuel supply for emerging markets like China, India, Africa and

Southeast Asia. In the past, demand from such countries and regions has declined, in some cases substantially. For example, economic activity in several countries around the world and, in turn, international trade and demand for coal, was significantly impacted during the onset of the COVID-19 pandemic. As a result of lockdowns and other measures implemented by governments in response to COVID-19, there was a significant decline in demand from key export markets for Indonesian coal in general, including China, India, Malaysia, the Philippines and Thailand. While the impact of the COVID-19 pandemic on international trade and demand for coal has subsided, we cannot assure you that there will not be any other similar major public health issues or other factors that may cause such countries and regions to decrease their demand for coal and significantly reduce their purchases of coal from Indonesia. In such event, our business, financial condition and results of operations would be adversely affected.

Our mining operations are subject to environmental laws and regulations which may cause us to incur significant costs or liabilities, or interrupt or cease mining operations

Several aspects of our mining operations could adversely affect the environment and entail significant compliance costs, including but not limited to, disposal of overburden, creation of run-off from our mining pits, coal stockpiles, overburden and topsoil storage piles and emissions discharge from our coal crushing and screening plants. We are subject to Indonesian national and regional environmental, health and safety laws, regulations, forestry laws and regulations and other legal requirements. See "Regulatory Overview — Regulation of the Indonesian Mining Industry — Environmental regulation." These laws govern operational activities such as exploration, development, production, health and safety, the discharge of substances into the air and water, the management and disposal of hazardous substances and wastes, site clean-up, groundwater quality and availability, plant and wildlife protection, reclamation and restoration of mining properties after mining has been completed, the restriction of open-pit mining activities in protected forest areas and other related matters. These laws and regulations require various governmental permits and licenses to be granted to us prior to the commencement of mining operations on a particular site. While appeals are available should the Government or local government deny a certain level of production, we cannot assure you that such appeal will be successful or that we will be able to mine at our desired levels or amounts that meets the minimums stated in our sales agreements. Our third-party contractors are required to review and comply with our environmental and health and safety standards and under the terms of our concession licenses, and we are responsible for ensuring compliance with applicable Indonesian laws and regulations and applying for such certifications, permits and licenses.

The costs associated with complying with these laws have had, and will continue to have, an impact on our operating costs and competitive position. Further, the impact of our mining operations on the environment may be materially greater than anticipated. We may be required to bear substantial costs as a result of violations of, liabilities under or changes in environmental, health and safety laws. Furthermore, our permits to conduct our mining operations may be suspended if there is evidence of serious failure to meet environmental standards, or withdrawn permanently in the event of extreme failures. In addition, the requirements for environmental compliance and remediation may be materially increased by new laws or regulations or changes in the interpretation or implementation of existing laws and regulations. We cannot assure you that we will not experience difficulties in complying with any new environmental requirements related to our operations. Any material increase in the cost of environmental compliance and remediation, or the occurrence of a major environmental accident at our mines, may materially and adversely affect our business, financial condition and results of operations.

In addition, compliance with environmental standards related to coal combustion may cause our customers to switch to alternative fuels in the long-run. Coal contains impurities, including sulfur, mercury, chlorine, nitrogen oxide and other elements and compounds, many of which are released into the air when coal is burned. Stricter environmental regulation of emissions from coal-fired power plants and other industrial plants that burn coal could increase the costs of using coal, thereby reducing demand for coal as a fuel source and adversely affecting our coal sales and coal prices, which may materially and adversely affect our business, financial condition and results of operations.

We have ongoing mine reclamation and rehabilitation obligations

The Government establishes operational and reclamation standards for all aspects of open-pit coal mining. We have developed mine reclamation and rehabilitation strategies based on the geological characteristics of our coal mines. The long, narrow coal deposits of our open-pit coal mines permit us to use topsoil from land clearing operations to rehabilitate previously mined blocks promptly. See "Business — Energy Resources Business — Reclamation." As we undertake mining activities in new areas, we record an expense for the estimated cost of these reclamation and rehabilitation activities and record a liability for the estimated future cash outlays for reclamation and rehabilitation. These expenses will increase as we undertake mining activities in additional areas to maintain or increase coal production. For further information regarding environmental protection in Indonesia, see "Regulatory Overview — Regulation of the Indonesian Mining Industry — Environmental regulation."

Under the terms of our operating agreements with our third-party mining services providers, they are responsible to us for the reclamation and rehabilitation of mining areas under their control. However, under our IUPK, we are responsible to the Government for the reclamation and rehabilitation of all areas being mined within our concession areas and are required to make reclamation guarantees to the Government through placing time deposit funds in state-owned banks which we are restricted from using until our relevant reclamation and rehabilitation obligations have been discharged. Our mine reclamation and rehabilitation liabilities can change significantly if their actual costs vary from their assumptions, if Governmental regulations change or if our third-party mining services providers fail to satisfy their obligations for reclamation and rehabilitation. Any significant unanticipated increase in our reclamation and rehabilitation costs may materially and adversely affect our business, financial condition and results of operations.

Climate change may adversely affect our business, prospects and access to capital

Policy and regulatory changes, technological developments and market and economic responses relating to climate change may affect our business and the markets in which we operate. A number of governmental bodies have introduced or are contemplating regulatory changes in response to the potential impacts of climate change. For example, Indonesia and nearly 200 other nations are signatories to the 1992 United Nations Framework Convention on Global Climate Change, which is intended to limit or capture emissions of greenhouse gases, such as carbon dioxide. In 1997, in Kyoto, Japan, the signatories to the convention established country-specific targets for cutting greenhouse gas emissions for developed nations. In December 2007, the signatories to the convention also participated in the United Nations Climate Change Conference held in Bali, Indonesia, where participants agreed to the adoption of the "Bali Roadmap," which sets forth a new negotiating process leading to an international agreement on climate change by 2012 or thereafter. Other efforts to reduce greenhouse gas emissions and initiatives in various countries to use cleaner alternatives to coal such as gas may also affect the use of coal as an energy source. Following the 2015 United Nations Climate Change Conference, the Paris Agreement within the United Nations Framework Convention on Climate Change, Indonesia and 195 other members states have signed the agreement. The agreement, which aims to hold back the increase in global temperatures, increase the ability to adapt to the adverse impacts of climate change and provide channels to finance project that lead towards reducing greenhouse gas emissions and a climate-resilient development strategy, entered into force globally on November 4, 2016 and was specifically ratified in Indonesia on October 25, 2016. China has also limited its manufacturing activity to address its severe air pollution and adopted a policy to lower carbon emissions by reducing coal usage for its power plants, all of which has had a significant effect on coal demand. At the United Nations General Assembly on September 22, 2020, China's President Xi Jinping announced a pledge to make China carbon neutral by 2060. Further, on August 16, 2022, The United States of America's President Joe Biden signed into law the Inflation Reduction Act, which was widely considered as the first major federal climate legislation in the history of The United States of America, that pledged, among others, to set the country on its path to cutting carbon emissions in half by 2030.

The enactment of comprehensive legislation focusing on greenhouse gas emissions could have the effect of restricting the use of coal in primary markets we service. Further, our compliance with any new environmental laws or regulations, particularly relating to greenhouse gas emissions, may require significant capital expenditure or result in the incurrence of fees and other penalties in the event of non-compliance. We cannot assure you that

future legislative, regulatory, international law, industry, trade or other developments will not negatively impact our coal mining operations and the demand for our coal. In addition, we may be subject to activism from environmental groups and organizations campaigning against our coal mining activities, which could affect our reputation and disrupt our operations, as well as restrict our access to capital. For example, activism against the coal industry has pressured several banks and other financial institutions to implement policies against financing companies engaged in coal mining or coal-fired power generation including, in some cases, worldwide bans on providing lending, underwriting and advisory services for transactions associated with coal mining and coal-fired power projects. As more banks and financial institutions cease to provide key financial services to companies operating in the coal industry, including us, as well as coal-fired power plant operators and other end-users of coal, our access to additional funding may be restricted and the demand for our coal products may significantly decline.

In addition, technological developments may increase the competitiveness of alternative energy sources, such as renewable energy, which may decrease demand for coal. Other efforts to reduce emissions of greenhouse gases and initiatives in various countries to encourage the use of gas or renewable energy may also discourage the use of coal as an energy source and may materially and adversely affect our business, financial condition and results of operations. Furthermore, there is a potential gap between the current valuation of coal reserves and the reduced value that could result if a significant proportion of our coal reserves were rendered incapable of extraction in an economically viable fashion due to technology, regulatory or market responses to climate change. In such an event, our inability to utilize our coal reserves may adversely affect our financial condition and results of operations. Further, the physical effects of climate change, such as changes in rainfall, water shortages, rising sea levels, increased storm intensities and higher temperatures, may also disrupt our operations and, in turn, materially and adversely affect our business, financial condition and results of operations.

Estimates of coal reserves and resources are expressions of judgment based on knowledge, experience and industry practice, and any adjustments to such estimates could adversely affect our development and mining plans

Estimates of reserves and resources contained in this Offering Memorandum are expressions of judgment based on knowledge, experience and industry practice. In determining the feasibility of developing and operating our mines, estimates of coal reserves and resources are made by our internal personnel and, in the case of our Kideco Mines, reviewed and confirmed by an independent mining consultant. Numerous uncertainties inherent in estimating the quantities and value of recoverable and marketable coal reserves exist, including many factors beyond our control. As a result, estimates of coal reserves and resources are, by their nature, uncertain. When estimating coal reserves and resources, we make assumptions regarding geological conditions, historical production from the mining area compared with production from other producing areas, the effects of regulations, including safety and environmental regulations, and taxes by governmental agencies, future coal prices and future operating costs, including increased reliance on mining services providers. The estimated coal reserves and resources included in this Offering Memorandum have been determined using knowledge, experience and industry practice and may require revision based upon actual production, operating costs, global coal prices and other factors.

Determinations of coal reserves or resources that appear valid when made may change significantly in the future when new information becomes available. Actual factors may vary considerably from the assumptions used by us in estimating coal reserves and resources. For these reasons, actual coal and marketable reserves and actual production, costs, sales and expenditures related to coal reserves may vary materially from our estimates. Our estimates may not accurately reflect our actual coal reserves and resources or be indicative of future production, costs, sales or expenditures. For example, future material declines in global coal prices could reduce our reserve estimates due to operational costs associated with exploiting some concessions.

The coal reserves and resources estimates contained in this Offering Memorandum for the MUTU Mines and our MEA coal mining concession have not been reviewed or confirmed by an independent mining consultant and are subject to greater uncertainty and might be materially different from the results obtained by an independent mining consultant reporting according to the JORC standard. Moreover, JORC-compliant reports for

our Kideco Mines included in this Offering Memorandum are not directly comparable with the coal reserves and resource estimates based on management estimates for the MUTU Mines and our MEA coal mining concession.

The conclusions and opinions contained in the JORC-compliant report prepared by RPM for our Kideco Mines apply only as of the date of the report. Events (including changes to any of the data, information and assumptions, including assumptions on coal prices, that RPM used in preparing the report) may have occurred since the date of the report, impacting the conclusions and opinions of RPM contained in the report, making it unreliable and causing actual results to materially and adversely vary from estimates. In addition, our coal reserves and resources as of the date of this Offering Memorandum would differ from the Kideco Resources and Reserves Statement or our internal estimates due to our continuous coal production at our mines since the date of those reports.

Our recovery rates will vary, which will result in variations in the volumes of coal that we can sell from period to period. Should we encounter coal seams or formations different from those predicted by past drilling, sampling and similar examinations and exploration activities, our reserve amounts may have to be adjusted. The value of our reserves have been determined based on assumed coal prices and historical and assumed operating costs. Some of our coal reserves may become or may be determined to be unprofitable or uneconomical to develop if there are unfavorable long-term market price fluctuations for coal, or if there are significant increases in operating costs and capital expenditure requirements. Our exploration activities may not result in the discovery of additional coal deposits that can be mined profitably. Our coal products may not meet the quality specifications in our coal supply agreements. Adjustments to our proved and probable coal reserves or to our measured, indicated and inferred resources could affect our development and mining plans, and any significant reduction in the estimated volumes and grades of the coal reserves we recover may materially and adversely affect our business, financial condition and results of operations.

We may be unable to locate additional coal reserves in our concession areas that are economically recoverable or secure new concessions with reserves that are economically recoverable

Our coal reserves will decline as mining continues and we depend on our ability to replenish our reserves and resources for our long-term viability. Future growth and medium to long-term success will depend heavily on our ability to locate additional coal resources that are economically recoverable within our concession areas or in such other areas where we have permission to carry out exploration activities. This, in turn, depends on our ability to acquire additional mining concessions and/or locate additional resources that are economically recoverable within our concession areas or in such other areas where we have permission to carry out exploration activities. See "— Our coal mining operations depend on our ability to obtain, maintain and renew necessary permits and approvals from the Government."

Mining exploration is highly speculative in nature, involves many risks, including the risk that we will encounter no commercially mineable reserves, and is frequently unsuccessful. Moreover, once mineable reserves are discovered, it may take a number of years from the initial phases of drilling before production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish reserves and resources through drilling, to determine processes to extract the coal and, if required, to construct mining and processing facilities and obtain the rights on the land and resources required to develop the mining activities. Although exploration programs by us are contemplated, we cannot assure you that new coal reserves will be found or that such coal reserves will be economically recoverable. In addition, whether a project is economically viable will depend in part on the price of coal, which is volatile. Our inability to acquire additional mining concessions or locate economically viable reserves could lead to a decrease in our production levels, which may adversely affect our business, financial condition and results of operations.

In addition, as reserves are gradually depleted in the ordinary course of a given mining operation, the average mining depth and operating distance from processing infrastructure increases. As our more easily accessible reserves are depleted, we will need to mine deeper and implement more complex and labor intensive extraction procedures. These rising extraction costs affect the estimated life of the mine, which is determined on the basis of the feasibility of continued extraction in the context of rising costs, and may adversely affect our business, financial condition and results of operation.

Our operations may be disrupted by opposition from local communities

We face the risk that our mining operations may be disrupted by local community opposition or unrest. Due to the adverse environmental impact associated with mining activities, local communities surrounding the areas in which we conduct mining operations may oppose, at times violently, the carrying out of further mining activities. Local communities may also cause disruptions arising out of, but not limited to, disputes relating to compensation claims for land acquisitions and land use rights, and contractor or employee death or serious injury. For example, local communities may organize protests or sabotage our mining equipment and infrastructure or threaten their employees. We cannot assure you that we will be able to successfully resolve or overcome opposition from local communities that we may encounter in the future. In the event that our mining operations are disrupted by local community opposition or unrest and we are unable to resolve such disruption in an amicable or timely manner or at all, we may not be able to meet production targets, and our business, financial condition and results of operations may be adversely affected.

We may experience safety incidents or accidents at our mine sites

Operations at our mine sites involve the operation of heavy machinery and explosives, and industrial accidents resulting in damage to property, personal injury or death may occur. For example, in 2023, two fatalities occurred at our Kideco Mines involving employees of our third-party mining services providers, both of which occurred during the operation of heavy equipment. In response to these incidents, we conducted a comprehensive investigation to analyze the root causes of such incidents and took corrective and mitigative actions to prevent similar incidents from re-occurring, including conducting safety talks with our third-party mining services providers and periodically conducting audits of such contractors to ensure that all safety procedures have been fulfilled and all personnel are aware of applicable work safety regulations and procedures. Although we have implemented such additional safety precautions, we cannot assure you that such measures will adequately protect from the reoccurrence of similar incidences in the future. Although we maintain insurance coverage for certain properties and employees, if such events were to occur, we may be liable for loss of life and property, medical expenses, medical leave payments and fines or penalties for violation of applicable Indonesian laws and regulations. We do not maintain any business interruption insurance and may also be subject to business interruptions or negative publicity as a result of equipment shutdowns for Government investigations or the implementation or imposition of enhanced safety measures as a result of such accidents. See "Business — Environmental, Social and Corporate Governance" and "Business — Insurance." These types of accidents or enhanced safety measures imposed by Government authorities could have a material adverse effect on the manner in which we conduct operations, thereby adversely impacting our business, financial condition and results of operations. See also "— Risk Common to All Our Businesses — We may experience unexpected disruptions to our operations as a result of operational and infrastructure risks, inclement weather and natural disasters."

We may not benefit from rising coal prices under our coal supply agreements

For the sub-bituminous coal from our Kideco Mines, we generally enter into long-term coal supply agreements with our customers for terms of one to 10 years and for specified committed quantities. Pricing terms under these long-term coal supply agreements are generally based on pre-agreed pricing formulas determined by reference to benchmark prices such as the globalCOAL Newcastle Index, the Argus ICI Index and the HBA, with minimum coal prices fixed for each one-year period. Accordingly, we would not experience short-term benefits from improving market conditions and if coal prices increase, we may not be able to capitalize on the increase under the terms of our long-term coal supply agreements. See "— Coal prices are cyclical and subject to significant fluctuations."

We are subject to price risk for fuel

Typically, under the terms of our contracts with our third-party mining services providers, any fuel price increase will be borne by us. Historically, increases in oil prices have led to substantial increases in our production costs and our third-party mining services providers' operational costs attributable to fuel. Any future

significant increase in the price of fuel would cause a direct corresponding increase in our costs. We cannot assure you that we will be able to pass such increased costs to our customers. On the other hand, if we pass such increased costs to our customers, they may terminate or seek to amend their supply contracts with us. In either case, such increased costs may materially and adversely affect our business, financial condition and results of operations.

Our mining operations may be affected by mining and other permits issued by local governments that conflict with our concessions

Under the Indonesian constitution, all mineral resources are deemed to be national assets and are therefore controlled by the Government. Prior to the issuance of the Mining Law (as amended), which came into effect in 2009 and was lastly amended by the Job Creation Law, concession holders were able to conduct mining activities in Indonesia under a CCoW, a contract of work (*Kontrak Karya* or "CoW") or a mining authorization (a *Kuasa Pertambangan* or "KP"). These contracts and authorizations were typically granted for a period of 20 to 30 years, with extensions permitted. The Mining Law (as amended) stipulates that previously granted mining rights (either through CCoWs, CoWs or KPs) will continue to be valid until expiry, subject to certain adjustments. Under current mining laws, a new mine license will be granted through the issue of either an IUP or an IUPK by the Government for areas which have been designated as being of national strategic interest or state reserve areas.

In 2014, based on Law No 23 of 2014 as lastly amended by Law No. 9 of 2015 on Regional Autonomy ("GR 23/2014"), the authority held by a regent or mayor in relation to the issuance of mining licenses was revoked and transferred to the regional government, provincial government or central Government. Under both the previous and current mining regulatory regimes, the delegation and transfer of authority to issue concession or mining license rights gives rise to the possibility of overlap between licenses or concessions issued by different authorities. There have been instances in the past where a party was granted an IUP (previously, a KP) for mining of resources by a regional government or provincial government that overlapped with a concession granted by the MEMR. Subsequent amendments to the Mining Law revoked the authority of provincial and regional governments to issue mining licenses. Instead, the authority to issue and supervise mining licenses under GR 23/2014 is now solely held by the central Government through the MEMR. While an IUPK can only be issued by the central Government through the MEMR, IUPs may be issued by either the MEMR or by the relevant provincial government, through the relevant provincial Governor of the mining, refining and/or processing area, as well as the port area specifically located in a provincial area. In April 2022, the President of Indonesia enacted Presidential Regulation No. 55 of 2022 on the Delegation of Granting of Mineral and Coal Mining Business Licenses, which implemented Government Regulation No. 96 of 2021 on the Implementation of Mineral and Coal Mining Business Activities with respect to the delegation from the central Government to the regional Government of authorization on mineral and coal mining business licenses. Thus, it is still possible for provincial or regional governments to issue different licenses as the central Government to different entities covering the same areas of lands, and that the concessions we have been awarded to overlap with the holder of plantation rights, oil and gas rights or forestry rights.

Despite the Government's effort to provide more certainty on mining regulations through amendments to the Mining Law, we cannot assure you that local miners will not receive permits to mine coal or other minerals, or obtain logging or plantation permits within our concession areas from local or regional governments which conflict with our mining rights under the terms of our coal concessions. If such overlaps occur, our mining operations on such sites may be disrupted, and in the event that such third party claims are successful, we may be required to cease our mining operations on such sites which may adversely affect our business, financial condition and results of operations. See "— Risks Relating to Indonesia — The interpretation and implementation of legislation on regional governance in Indonesia is uncertain."

Our financial performance may suffer if we do not successfully develop and operate new coal mines in our concession areas

Our exploration activities in our concession areas are subject to various risks including, among others, delays in obtaining necessary licenses, permits and approvals; effects of changes in laws, including tax laws, and

regulations affecting the Indonesian coal industry; unknown liabilities, tax or otherwise, relating to previous mining operations at the site; mine construction difficulties, including difficulties due to the inability to attract qualified management, shortages of equipment or materials, work stoppages, weather interferences, unforeseen engineering, design environmental and geological problems, or unanticipated cost increases; economic factors, including, coal prices, fuel price risk and other operational costs and foreign exchange risk; unexpected difficulties or delays in finalizing and/or implementing a profitable coal blending strategy; regulatory discretion, including interpretation and implementation of the license governing the concession area and the Mining Law (as amended); the effects of international and domestic political events; effects of any future litigation, including litigation with respect to the overlap of our concession areas with certain plantation and transmigration areas; and major public health issues. We cannot assure you that our exploration projects will be completed on schedule, within budget or at all. Our inability to effectively develop and operate new mines at our coal mining concession areas may materially and adversely affect our business, financial condition and results of operations. In addition, we will incur significant start-up capital expenditures and development costs during the mine construction phases at any new deposits that will not be immediately off-set, and may not be off-set at all, by any revenues or other benefits from coal sales.

Risks Relating to Our Energy Services Business

Demand for our EPC, O&M and related services depends primarily on capital spending by large infrastructure, oil and gas companies, which is directly affected by trends in oil and gas prices and other factors

Demand for the majority of our services is dependent on capital spending by large infrastructure, oil and gas companies, including domestic and international companies. Capital spending by such companies is, in turn, directly affected by current and expected market trends in global and regional oil and gas prices. Lower oil or gas prices, or the perception that these prices will be lower, may cause infrastructure, oil and gas companies to reduce or defer major expenditures given the long-term nature of many large-scale projects. Prices for oil and gas are subject to significant fluctuations in response to relatively minor changes in the supply of and demand for oil and gas, market uncertainty and a variety of other factors that are beyond our control, including:

- worldwide political, military and economic conditions, see "— Risks Relating to Indonesia — Domestic, regional or global economic changes may adversely affect the Indonesian economy and our businesses;"
- the cost of producing and delivering oil and gas;
- the level of demand for oil and gas;
- governmental regulations or policies, including the policies of governments regarding the use of energy and the exploration for and production and development of their oil and gas reserves;
- a reduction in energy demand as a result of energy taxation or a change in consumer spending patterns;
- the level of oil production by countries that are not part of the Organization of the Petroleum Exporting Countries ("OPEC") and available excess production capacity within OPEC;
- global weather conditions and natural disasters;
- oil refining capacity and projected refinery capacity and geographic location;
- the development and use of alternative fuels;
- environmental regulation, including limitations on fossil fuel consumption based on concerns about its relationship to climate change; and
- major public health issues.

Historically, the markets for oil and gas have been volatile, and they are likely to continue to be volatile in the future. Short-term increases in oil and gas prices alone may not result in an increase in demand for our

services as customers often take a longer term view on future prices in deciding on whether to sanction major projects. A substantial or extended decline, or prolonged volatility, in oil and gas prices would likely cause a decline or delays in the demand for our services. For example, during the first few months of 2020, oil prices deteriorated significantly due to softening global demand caused by the onset of the COVID-19 pandemic. More recently, the Russian invasion of Ukraine in February 2022 and the subsequent U.S. sanctions imposed on Russian oil and gas products resulted in a significant surge in crude oil prices. Such past events had a negative impact on demand for EPC, O&M and related services, as tenders for oil and gas projects were delayed or put on hold in response to the volatility in oil and gas prices. Lower expenditure by the companies operating in the oil and gas sectors may result in lower demand for our services, which may have a material adverse effect on our business, financial position and results of operations.

We face intense competition

We compete with both domestic Indonesian and international EPC, O&M and related services providers in Indonesia, primarily on the basis of price, quality, capacity, track record, safety and reliability of services provided. This highly competitive market requires substantial resources, technology and skilled personnel. Certain of our competitors have larger operations than us or have significant capital or other resources available to them for the development of their operations in Indonesia. We generally bid for EPC, O&M and related services contracts through a competitive tender process, which is standard in the industry. As such, we must regularly compete for project awards based on pricing, performance (including the breadth and technological sophistication of our EPC, O&M and related services), safety and quality of service. We expect to encounter intense competition for the provision of EPC, O&M and related services in the future. Any increase in competition or reduction in our competitive capabilities and our inability to maintain our competitive position relative to those of our competitors, may materially and adversely affect our business, financial condition, results of operation and prospects may be adversely affected.

We depend on winning new contracts and the timing of the performance of existing contracts

As a substantial portion of the revenue from our energy services is generated from large-scale EPC projects and the timing of new project awards are unpredictable, the results of operations and cash flows with respect to our energy services business may be subject to significant periodic fluctuations. At any given time, our energy services business depends on revenues from a limited number of projects from certain large international and domestic customers, see "— We depend on a small number of large contracts at any given time." It is generally very difficult to predict whether or when we will win similar contracts in the future as these contracts frequently involve a lengthy and complex bidding and selection process which is affected by a number of factors, such as market conditions, competition, financing arrangements, governmental approvals and environmental matters. The costs associated with bidding for new contracts or for extensions in the scope of work or renewals of existing contracts can be significant as they are not usually recoverable from customers and may not necessarily result in the award of new contracts, or in the extension or renewal of an existing contract. While we actively identify and bid for several projects, we cannot assure you that we can win the energy services contracts for any of these projects in the near future or at all. Failure to win such bids may have a material adverse effect on our business, financial position and results of operations. In addition, many of these contracts are subject to financing and other contingencies and, as a result, we are subject to the risk that the customer will not be able to secure the necessary financing for the project or may elect not to proceed with the work.

In addition, our customers may require us to provide credit enhancements. If we are unable to provide our energy services customers with bonds, letters of credit, performance or financial guarantees, or other credit enhancements, we may be unable to obtain new project awards. Consistent with industry practice, we are often required to provide performance and surety bonds to our customers. These bonds indemnify the customer should we fail to perform our obligations under the contract. If a bond is required for a particular project and we are unable to obtain an appropriate bond, we will not be able to pursue that project. Moreover, due to events that affect the insurance and bonding markets generally, performance and surety bonds may be difficult to obtain or may be available only at significant cost. In addition, we could at times be unable to provide necessary letters of

credit due to liquidity or other issues. Any inability to obtain adequate bonding and/or provide letters of credit or other customary credit enhancements and, as a result, to submit bids on new work, could have a material adverse effect on our business, financial condition and results of operations.

Further, the uncertainty of the timing of contract awards for the services we provide can also present difficulties in matching workforce size with contract needs. In some cases, we maintain and bear the cost of a ready workforce that is larger than necessitated by existing contracts in anticipation of future workforce needs for expected contract awards. If an expected contract award is delayed or not received, we may not be able to recover our associated labor costs, which could have a material adverse effect on our business, financial condition and results of operations.

We depend on a small number of large contracts at any given time

Due to the size of many of our projects, the majority of our revenue from our energy services business in any year may be derived from a relatively small number of EPC contracts. For details on our ongoing EPC projects, see "Business — Energy Services Business — Customers and ongoing projects." For the years ended December 31, 2021, 2022 and 2023, our five largest customers for each respective year in our energy services business accounted for 94.7%, 95.0% and 91.7%, respectively, of our total revenues (before eliminating for inter-segment sales within our Group) from our energy services business. We have many long-standing relationships with customers, and any damage to these relationships, from performance-related issues or otherwise, could result in the failure to win new contracts or in a customer's decision not to renew or extend existing contracts. The loss of any one major customer could have a material adverse effect on our business, financial condition and results of operations. In addition, the loss of a major customer would reduce the availability of repeat business from that customer, and could also damage our reputation. Such reputational loss could jeopardize our existing relationships with other customers or our ability to establish new customer relationships, which may also have a material adverse effect on our business, financial condition and results of operations.

Our agreements generally contain provisions allowing either contracting party to terminate the agreement prior to expiry on the occurrence of certain events, such as force majeure, target shortfalls for an extended period of time or failure to follow operating and compliance guidelines, poor safety performance or inability to meet environmental management requirements. Under some contracts, either contracting party is able to terminate for any default under the agreement. In the event that our principal customers terminate our agreements based on such early termination provisions, our business, prospects, profitability, financial condition and results of operation may be materially and adversely affected.

Our agreements with these customers are expected to expire between 2024 and 2026. These agreements can be renewed or extended upon mutual agreement. We cannot assure you that these substantial customers will continue to require our services upon the termination of the relevant agreement, or that any renewal, extension or new agreements entered into with these customers will be made on satisfactory terms, or at all. If we are unable to renew, extend or enter into new agreements with these customers, or new customers of sufficient value, our revenues, and in turn, our business, financial condition and results of operations, would be materially and adversely affected.

We rely on the project performance of third-party subcontractors

We engage third-party subcontractors as well as third-party equipment manufacturers and materials suppliers to assist us with the completion of our contracts. Difficulties in engaging third-party subcontractors, equipment manufacturers or materials suppliers or failures by any such party to perform could result in project delays and cause us to incur additional costs. In the construction phase of our major EPC contracts, in particular, we rely on a large number of subcontractors. To the extent that we cannot engage subcontractors or acquire equipment or materials according to our plans and budgets, our ability to complete a project or contract in a timely fashion or at a profit may be impaired.

In addition, if a subcontractor or a manufacturer is unable to deliver its services, equipment or materials according to the negotiated terms or on time, we may be required to purchase such services, equipment or materials from another source at a higher price. If the amount we are required to pay for these goods and services exceeds the amount estimated in bidding for fixed price work, we could experience losses under the relevant contracts. Any delay by third-party subcontractors to complete their portion of the project, any failure by a third-party subcontractor to satisfactorily complete its portion of the project, and other factors beyond our control may result in delays in the project or may cause us to incur additional costs, or both. For example, during the COVID-19 pandemic, we faced issues with underperformance by one of our third-party sub-contractors engaged in connection with the Tangguh LNG expansion project for our client, BP Berau Ltd. As a result, we had to hire replacement sub-contractors and incurred additional costs. The resulting additional costs or claims may be substantial, and we may be required to compensate the project customer. In such event, we may not be able to recover these additional costs from the responsible vendor, third-party subcontractor or other third party. We may not be able to recover these costs in whole or in part in all circumstances, which may reduce the profit to be realized or result in a loss on a project for which the services, equipment or materials were needed. Such events may have a material adverse effect on our reputation, cash flows, business, financial position and results of operations.

We may not be able to obtain compensation for additional work or expenses incurred as a result of customers changing orders or providing deficient design or engineering information, equipment or materials

Some of our contracts may require that our customers provide us with design or engineering information or with equipment or materials to be used on the project. In some cases, the customer may provide us with deficient design or engineering information, equipment or materials or may provide the information, equipment or materials to us later than required by the project schedule. The customer may also determine, after commencement of the project, to change or terminate various elements of the project. Our project contracts generally require the customer to compensate us for additional work or expenses incurred due to customer requested change orders or failure of the customer to provide us with specified design or engineering information or equipment or materials. Under these circumstances, we generally negotiate with the customer with respect to the amount of additional time required to make these changes and the compensation to be paid to us. However, we may be unable to obtain, through negotiation, arbitration, litigation or otherwise, adequate amounts to compensate us for the additional work or expenses incurred by us due to customer-requested change orders or failure by the customer to timely provide required items. A failure to obtain adequate compensation for these matters could require us to record adjustments to amounts of revenue and gross profit that were recognized in prior periods. Any such adjustments, if substantial, could have a material adverse effect on our business, financial condition and results of operations.

We may be required to pay liquidated damages if we fail to meet the agreed schedule or performance requirements of our contracts

In certain circumstances, we guarantee project completion by a scheduled acceptance date or achievement of certain performance testing levels. Failure to meet any such schedule or performance requirements could result in additional costs, and the amount of such additional costs could reduce or eliminate our projected profit margins for the project. These additional costs include liquidated damages paid under contractual penalty provisions, which could be substantial and may accrue on a daily basis. In addition, our actual costs could exceed our projections for numerous reasons, many of which are outside our control. Performance problems under existing and future contracts could cause our actual results of operations to differ materially from those anticipated and could damage our reputation within the industry and our customer base.

In particular, our EPC projects may encounter difficulties in the design or engineering phases, related to the procurement of supplies, and due to schedule changes, equipment performance failures, and other factors that may result in additional costs, reductions in revenue, claims or disputes. Our EPC projects generally involve complex design and engineering, significant procurement of equipment and supplies, and extensive construction management. Many of these projects involve design and phases that may occur over extended time periods, often

in excess of two years. We may encounter difficulties in the design or engineering, equipment and supply delivery, schedule changes, and other factors, some of which are beyond our control, that impact our ability to complete a project in accordance with the original delivery schedule. In some cases, the equipment we purchase for a project does not perform as expected, and these performance failures may result in delays in completion of the project or additional costs to us or the customer to complete the project and, in some cases, may require us to obtain alternate equipment at additional cost.

Our projects expose us to potential professional liability, product liability, warranty, performance and other claims that may exceed our available insurance coverage

We engineer, construct and perform services where we are exposed to possible accidents or system failures that could be catastrophic. Any catastrophic occurrences in excess of insurance limits at locations engineered or constructed by us or where our services are performed could result in significant professional liability, product liability, warranty and other claims against us. The failure of any systems or facilities that we engineer or construct could result in warranty claims against us for significant replacement or re-working costs. In addition, once our construction is complete, it may face claims with respect to the operating performance of these facilities even in the absence of a catastrophic event.

Our contracts expose us to risks associated with cost over-runs, operating cost inflation, potential claims for liquidated damages and delays

Historically, payments under our long-term EPC, O&M and related services contracts have been structured on a fixed-price basis or on a time and material reimbursable basis. As of December 31, 2023, approximately US$207.4 million of our estimated total backlog from our EPC, O&M and related services projects in continuing operations was attributable to fixed-price contracts. Our failure to accurately estimate the resources, costs and time required for a fixed-price project or our failure to complete our contractual obligations within the time contractually specified could expose us to the risks of cost over-runs, cost inflation, costs associated with fluctuations in commodity prices and foreign exchange rates, changes in pricing fundamentals and cost estimates between the time we submit a bid on a project and the time the bid is accepted by the customer, labor availability and productivity, and supplier and third-party subcontractor pricing and performance any of which could have a material adverse effect on our business, financial condition and results of operations. In addition, under our time and material reimbursable contracts, our fees may be subject to delays or disputes or renegotiation with our customers, including delays resulting from governmental approval processes that must be completed before our customers can make payment. We cannot assure you that our fees under our time and material reimbursable contracts will be paid on time or at all, which may have a material adverse effect on our business, financial condition and results of operations.

Our operations are subject to a strict environmental, health and safety regime

We are subject to extensive and increasingly stringent laws and regulations relating to environmental protection in conducting the majority of our operations, including laws and regulations governing emissions into the air, discharge into waterways, and the generation, storage, handling, treatment and disposal of waste materials. We incur, and expect to continue to incur, increasing capital and operating costs to comply with environmental laws and regulations. The technical requirements of environmental laws and regulations are becoming increasingly expensive, complex and stringent. These laws may provide for strict liability for damage to natural resources or threats to public health and safety. Strict liability can render a party liable for environmental damage whether or not negligence or fault on the part of that party can be shown. Some environmental laws provide for joint and several strict liability for remediation of spills and releases of hazardous substances. We may also be subject to civil proceedings brought by environmental groups, local communities or other individuals, which could result in substantial claims, fines and penalties against us, as well as orders that could halt our operations. Failure to comply with the relevant regulations could adversely affect our reputation and our business, financial condition and results of operations.

We are also subject to strict health and safety regimes governing the full spectrum of our operations. We may be exposed to fines, penalties or prosecutions by governmental authorities in respect of non-compliance with

applicable regulations, which may have a material adverse effect on our ability to operate. Our operations are associated with the emission of greenhouse gases. Ongoing international negotiations which aim to limit greenhouse gas emissions may result in the introduction of new regulations, which may increase costs that affect our day-to-day operations and may also have a material adverse effect on our business, financial condition and results of operations.

Our business often involves working around and with volatile, toxic and hazardous substances and other highly regulated materials, the improper characterization, handling or disposal of which could constitute violations of applicable legislation and result in criminal and civil liabilities. See also "— We could be subject to substantial liability claims due to the hazardous nature of our business." Environmental laws and regulations generally impose limitations and standards for certain pollutants or waste materials and require us to obtain permits and comply with various other requirements. Governmental authorities may seek to impose fines or penalties on us, or revoke or deny issuance or renewal of operating permits for failure to comply with applicable laws and regulations. We have from time to time been subject to penalties relating to environmental accidents, and we could become subject to potentially material liabilities relating to the investigation and clean-up of contaminated properties, and to claims alleging personal injury or property damage as the result of exposures to, or releases of, hazardous substances or as a result of accidents or other incidents at facilities constructed or managed by us or otherwise resulting from our operations, and our insurance may not be able to address these claims. Any such fine, penalty or liabilities relating to environmental accidents may have a material adverse effect on our business, financial position and results of operations.

We could be subject to substantial liability claims due to the hazardous nature of our business

Many of our services are carried out in hazardous environments, such as development and production installations, and we both design and construct large industrial facilities in which a systems failure could be catastrophic. The health, safety, security and environmental risks to which we are potentially exposed cover a wide spectrum, given the geographic range, operational diversity and technical complexity of our operations. We have operations that include drilling for and producing oil and gas, working with hazardous materials, transport and shipping of hydrocarbons, and refining in difficult geographies or climate zones, as well as environmentally sensitive regions, such as maritime environments. This exposes us to the risk, among others, of major process safety incidents, effects of natural disasters, social unrest and personal health and safety and crime. If a major risk materializes, such as an explosion or hydrocarbon spill, this could result in injuries, loss of life, environmental harm, loss of licenses that enable us to operate, disruption to business activities and, depending on their cause and severity, material damage to our reputation. We may also be liable for acts and omissions of subcontractors or other partners which cause such loss or damage. Our insurance and our contractual limitations on liability may not adequately protect us against liability for such events, including events involving pollution, or against losses resulting from business interruption. In addition, indemnities which we receive from third parties may not be easily enforced if the relevant counterparties do not have adequate resources. Moreover, our insurance may not be able to address any such claims, we may not be able to ensure that every contract contains adequate limitations on liabilities and any claims made under our insurance policies are likely to cause our premiums to increase. Any future damage caused by our products or services that are not covered by insurance, are in excess of policy limits, are subject to substantial deductibles or are not limited by contractual limitations of liability may have a material adverse effect on our business, financial position and results of operations.

Risks Relating to our Energy Infrastructure Business

We also engage in power generation through our minority equity interests in two coal-fired power plants, the CEP Power Plant and the CEPR Power Plant. Power generation activities are subject to several of the same risks as other businesses operating in the energy resources industry in Indonesia, see "— Risks Relating to Our Energy Resources Business" and "— Risks Relating to Indonesia." See also "— Risks Common to All Our Businesses."

In addition, our power generation investments are also subject to the following particular risks:

- *We may have conflicting interests with our partners.* We hold minority interests in CEP and CEPR. While we believe our relationship with the remaining shareholders in CEP and CEPR have been cordial, we cannot assure you that this relationship will not change adversely and/or deteriorate, see "— Risks Common to All Our Businesses — Our partners' interests may conflict with the interests of the Issuer and its creditors including the holders of the Notes." The ability of our partners to influence the operations and strategies of CEP and CEPR may negatively impact the success of the power plants and, in turn, adversely affect our business, financial condition and results of operations.
- *Demand for coal-fired power may decline*. The growth in demand, lack of established capacity for power generation and abundance of coal resources in Indonesia have led to the reliance on coal-fired power plants for the future of Indonesia's energy sector. However, in recent years, the Government has announced intentions to develop Indonesia's energy sector with a focus on renewable energy and reducing the use of coal. In addition, global trends in clean energy and the reduction of carbon emissions and coal consumption may adversely affect the global demand for coal-fired power generation. The transition of Indonesia's and other countries' reliance on power generation from coal-fired power to renewable energy and other sources may adversely affect our business, financial condition and results of operations.

Risks Relating to Our Logistics and Infrastructure Business

We provide an assortment of logistics services, including port operator and multi-purpose terminal services as well as an assortment of other logistics services, which we primarily carry out through Interport and its subsidiaries. The provision of these services are subject to several of the same risks as other businesses operating in the energy services industry in Indonesia, see "— Risks Relating to Our Energy Services Business" and "— Risks Relating to Indonesia." See also "— Risks Common to All Our Businesses."

In addition, our port operator and multi-purpose terminal services are also subject to the following specific risks:

- *Upgrades or repairs to ports and terminals may disrupt our operations*. The ports and terminals where we provide our services may need to undergo upgrading or redevelopment works from time to time and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop because of new planning laws or regulations. As a result, our operations may suffer disruptions and it may not be possible to continue operations in areas affected by upgrading or redevelopment works. In addition, physical damage to such ports and terminals resulting from fire, vessel-to-jetty collisions, natural disasters, severe weather or other causes may lead to a significant disruption to our operations and may impose unforeseen costs, which may have an adverse effect on our business, financial condition and results of operations.
- *Our reliance on security procedures carried out at other port or terminal facilities and by our shipping line customers, which are outside our control.* While we conduct our own inspection on the containers that enter our ports, we also rely on the security procedures carried out by our shipping line customers and the port facilities that containers have previously passed through to supplement our own inspection to varying degrees. However, we cannot assure you that the cargo that passes through our ports or terminals will not be affected by breaches which would have an impact on us. A security breach or act of terrorism that occurs at one or more of the facilities, or at a shipping line or other port facility that has handled the cargo prior to the cargo arriving at our ports or terminals, could subject us to significant liability, including the risk of litigation and damage to our reputation. In addition, a major security breach or act of terrorism that occurs at any of our or our competitors' facilities may result in a temporary shutdown of the port industry and/or the introduction of additional or more stringent security measures and other regulations affecting the port industry, including us. The costs associated with any such outcome may have an adverse effect on our business, financial condition, results of operations and prospects.

- *Additional security requirements may increase our operating costs and restrict our ability to conduct our business.* Various international bodies and governmental agencies and authorities have implemented numerous security measures that affect port and related port operations and the costs associated with such operations. Failure to comply with the security requirements applicable to us or to obtain relevant security-related certifications may, among other things, prevent certain shipping line customers from using our facilities and result in higher insurance premiums, which could have an adverse effect on our business, financial condition, results of operations and prospects. The costs associated with existing and any additional or updated security measures will negatively affect our operating income to the extent that we are unable to recover the full amount of such costs from our customers, who generally also have faced increased security-related costs. Similarly, additional security measures that require us to increase the scope of our screening procedures may effectively reduce the capacity of, and increase congestion at, our ports and terminals, which may negatively affect our business, financial condition, results of operations and prospects.
- *We are highly dependent on global trading volumes and regional and global economic, financial and political conditions.* Our results of operations for our port and terminal services are affected by ship traffic and the volume of cargo we handle, which in turn depends on worldwide trade volumes as well as import and trade volumes of Indonesia. Global trade volumes and the import and export trade volumes of the region in which we operate are significantly affected by changes in economic, financial and political conditions regionally or globally that are beyond our control, including sanctions, boycotts and other measures as a result of trade barriers, trade disputes and work stoppages, particularly in the transportation services industry, and acts of war, hostilities, terrorism, natural disasters or epidemics. Any deterioration in regional and global economic conditions could have an adverse effect on the volume of cargo trade and, in turn, our business, financial condition, results of operations and prospects.

Further, our other logistics-related services are also particularly subject to the risk of:

- the potential decrease in demand for our services due to a decline in offshore drilling operations, construction or other projects in the area;
- unexpected events, including operational and infrastructure risks and natural disasters, which may hinder our ability to maintain our storage facilities at our logistics bases;
- fire and explosion caused by lightning, electronic equipment or other sources, particularly during the handling of hydrocarbon material in our fuel storage operations;
- fluctuations in global fuel prices affecting the supply and demand for fuel, which may impact our fuel storage operations as well as the cost of operations for our coal transportation and transshipment services; and
- emergency situations relating to the storage of certain products including fuel, despite our having a fully trained onsite oil-spill response team at our logistics bases.

Risks Common to All Our Businesses

Our inability to effectively manage our expansion plans and execute our growth strategy could have an adverse effect on our business, results of operations and financial condition

An integral part of our business strategy is to diversify and initiate new sources of cash flows through the expansion of our non-coal related businesses, and we are targeting to increase the contribution of revenue from our non-coal related businesses to approximately 50.0% of our total revenue by 2028. We have recently expanded, and intend to continue to expand, into various non-coal related business, some of which we have had limited or no prior experience in. For example, we have established new business segments in recent years, namely our (i) minerals business segment, where we engage in the nickel trading, bauxite mining and gold mining businesses, (ii) green business segment, where we engage in the assembly, manufacturing and

distribution of EVs and EV components, the generation and sale of renewable energy, including solar power, and the provision of nature-based solutions, including through biomass wood pellet production, carbon offsetting, agroforestry and natural aroma chemicals production, and (iii) digital ventures business segment, which is focused on providing digital technology services. We plan to continue to actively explore potential investment opportunities, with a focus on investments in other non-coal mineral sectors and developing our other non-coal businesses, particularly our minerals and green business segments. For details, see "Business — Our Strategies — Continue to diversify cash flows and increase revenue contribution from non-coal related businesses."

Historically, our experience has been concentrated in coal related businesses. Accordingly, our expansion plans relating to non-coal related businesses may require significantly more time and attention from our management than anticipated. As we continue to develop our non-coal related business or enter into new non-coal markets, including through acquisitions or by establishing new subsidiaries and joint ventures, we may encounter a variety of challenges including those relating to:

- uncertainties in assessing the value, strengths, and potential profitability of, and identifying the extent of all weaknesses, risks, contingent and other liabilities (including environmental or safety liabilities) of, acquisition candidates;
- significant upfront capital expenditures and development costs that we may be unable to recover through returns from operations;
- the ability to achieve identified operating and financial synergies anticipated to result from an acquisition;
- problems that could arise from the integration of an acquired business; and
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying our rationale for an acquisition.

Further, expanding into new businesses also subjects us to a variety of operational risks that may affect the prospects and profitability of such businesses, including difficulties arising from:

- developing and preserving uniform culture, values and work environment across our operations;
- recruiting, training and retaining competent management and employees;
- delays or failure, or higher than expected costs, in obtaining the required agreements, authorizations, licenses and permits to develop a project or business, including the prior consultation procedure and agreements with local communities;
- delays or higher than expected costs in obtaining the necessary equipment, machinery, materials, supplies, labor or services and in implementing new technologies to develop and operate a business;
- delays in project execution and significant time and cost overruns, such as due to a lack of infrastructure, conflicts with local communities, strikes or other labor disputes, and accidents, natural disasters or major public health issues; and
- changes in market conditions or regulations.

Such challenges could affect our ability to maximize the value of our acquisitions or new businesses. In addition, we may fail to realize the projected operational and financial benefits, including the synergies and other benefits, that we anticipated at the time of the acquisition, or realize such benefits within the time frame expected. We cannot assure you that we will be able to successfully integrate acquired companies, businesses or properties, and we may fail to realize expected synergies, growth opportunities and other benefits from such acquisitions. Acquired businesses or assets may not generate the financial results we expect and may be loss making over time. Moreover, any acquisition or business opportunity we pursue could have a material adverse effect on our liquidity and capital resources and may require us to incur indebtedness, raise equity capital or both. In addition, future acquisitions could result in our assuming more long-term liabilities relative to the value of the acquired assets than we have assumed in our previous acquisitions.

We may experience unexpected disruptions to our operations as a result of operational and infrastructure risks, inclement weather and natural disasters

Our business operations, particularly our coal mining operations, are subject to a number of risks that could disrupt our ongoing projects for varying lengths of time. These risks and changing conditions include:

- operating and infrastructure risks such as fires, explosions, embargoes, injuries and casualties arising from industrial and mining accidents, labor disputes, unexpected geological conditions, engineering and design issues, mine collapses and environmental hazards;
- inclement weather, particularly during the rainy season between November and April, and natural disasters, including heavy rains, floods, earthquakes and tsunamis, could slow overburden removal, and reduce coal production volumes;
- delay, disruption or failure by us or any of our contractors to obtain key equipment materials and supplies, such as heavy equipment explosives, lubricants, fuel and spare parts, particularly tires for coal hauling trucks;
- unexpected failures and maintenance problems of machinery, equipment, and power plants;
- discrepancies in our geological models and mine plans with the actual coal mining concession areas and inaccuracy of reserve estimates;
- changes in geological conditions and geotechnical instability of our mining pits;
- delays or disruptions in drilling;
- excavating and other third-party delays;
- barging delays due to river congestion and limited rainfall causing shallow conditions along the key rivers we use in our barging operations;
- inability to access haulage roads, jetties, ports and other infrastructure, which we do not own;
- hazards of maritime operations, such as piracy, capsizing, collision and adverse sea conditions;
- delays or disruptions in drilling and other third-party delays;
- labor disputes;
- injuries and casualties arising from accidents on our mine sites or facilities; and
- security issues at any of our mine sites, facilities or offices.

If any of the foregoing operational and infrastructure risks were to occur or materialize, we could incur substantial losses that may involve serious personal injury or loss of life, severe damage to or destruction of property and equipment, pollution, destruction of natural resources or other environmental damage, environmental remediation responsibilities, regulatory investigation and penalties and suspension of operations. In addition, customers of our coal mining business that experience delays in coal shipments as a result of such losses may elect to purchase coal from other coal suppliers. In addition, if we are unable to satisfy our contractual obligations and customer requirements in the future, our reputation, relationships with customers and contract renewal prospects could be harmed. If any of the foregoing were to occur, our business, financial condition and results of operations may be adversely affected. See also "— Our insurance may not be adequate to cover losses or liabilities."

Our businesses are capital intensive and we may experience limited availability of funds

Our businesses are very capital intensive and rely on the availability of sizeable amount of funds for working capital and capital expenditure. We are undertaking various development and expansion plans for which we will have to allocate additional capital. See "— Our inability to effectively manage our expansion plans and execute our growth strategy could have an adverse effect on our business, results of operations and financial

condition." While we have unutilized banking facilities and available funds, we cannot assure you that we will be able to refinance borrowings as and when such borrowings become due on commercially reasonable terms or at all. We may be required to meet our funding needs by procuring financing on commercially unattractive and/or restrictive terms. Further, our level of borrowings would mean that an increased portion of our expected cash flow may have to be set aside for the payment of interest and principal repayment on our borrowings, thereby reducing the funds available to us for use in our general business operations.

In particular, we require significant capital expenditure for the growth of our new businesses, such as for development of the Awak Mas Gold Project under our gold business and for procurement of EVs and charging stations under our EV business, as well as for the continued growth of our existing businesses, such as for coal mining machinery, heavy equipment and infrastructure at our Kideco Mines under our coal mining business. If we do not generate sufficient cash or are unable to obtain borrowings on reasonable terms, or at all, to fund our future capital expenditure requirements, our business may be adversely affected. In addition, future finance lease agreements and other borrowings may contain restrictive covenants and require us to pledge assets as security for borrowings under those facilities. Our capital expenditure plan takes into account anticipated production volume and related equipment and asset needs to support our existing mining services agreements as well as contracts we expect to enter into. Our capital expenditure needs may change based on our future results of operations, cash flows and overall financial condition, as well as considerations such as financing costs, the condition of financial markets, the Indonesian economy and the coal mining industry in general, the availability of vendor or other financing on terms acceptable to us, technical or other problems in obtaining or installing equipment, changes in our business plans and strategies and changes in the exchange rates between the U.S. dollar and the Rupiah.

Our level of borrowings, coupled with the current global economic climate, may also result in accelerated demands for payment or calls by lenders during events of default. This may restrict our ability to obtain additional financing for capital expenditure, acquisitions or general corporate purposes and may cause us to be particularly vulnerable in the current or any future general economic downturn. In addition, in the event we are required to restructure our borrowings or provide funding to any of our subsidiaries, associated companies or joint ventures to optimize our capital management structure, we may have to incur additional borrowings and may decide to reduce our planned capital expenditures. We cannot assure you that we will be able to obtain additional financing for our needs either on a short-term or long-term basis on terms favorable to us or at all. The factors that could affect our ability to procure financing include the cyclicality of our businesses and market disruption risks which could adversely affect the liquidity, interest rates and the availability of funding sources. In the event that we are unable to obtain adequate funding to support our existing operations and/or development and expansion plans, our business, results of operations and financial condition may be adversely affected.

Our insurance may not be adequate to cover losses or liabilities

Our operations include a diverse portfolio of businesses, each of which having significant risks. In particular, the mining industry is subject to significant risks that could result in damage to, or destruction of, coal properties, mining machinery and equipment, and production facilities, as well as accidents leading to personal injuries or death, environmental damage, operations delays and disruptions, monetary losses and potential legal liabilities. We maintain insurance against risks in the operation of our business, in the types and amounts which our management believes to be consistent with industry practice, and as required under the terms of our operating agreements.

We maintain insurance against some, but not all, operational and infrastructure risks and natural disasters. In particular, consistent with industry practice, we do not maintain insurance coverage for business interruption or acts or omissions of our third-party contractors. In addition, not all of our third-party contractors carry adequate liability coverage. We cannot assure you that our insurance will be adequate to cover losses or liabilities that may arise in the future. We also cannot predict the continued availability of insurance at acceptable premium levels or at all. A significant uninsured or underinsured claim against us or the failure of our insurers to pay claims may materially and adversely affect our energy resources business, financial condition and results of operations.

The lack of available trained engineers, qualified technical personnel and other skilled workers may prove to be a significant risk for us

We are dependent on certain key senior management personnel, including members of the Board of Commissioners and the Board of Directors. If we lose the services of any of our key senior management personnel, it could be very difficult to find, relocate and integrate adequate replacement personnel, which could seriously hamper our operations and the growth of our businesses.

As our business operations expand, we believe our future success will depend greatly on our ability to attract and retain a sufficient number of affordable trained engineers, qualified technical personnel and other skilled workers that can execute their services in remote locations under difficult working conditions. Additionally, the rate of growth will be limited as competitors and customers compete for increasingly scarce resources. For example, with the implementation of the Mining Law (as amended) and the expansion of coal exploration efforts in Indonesia, the Indonesian coal industry is experiencing a relatively high degree of worker mobility, which could potentially result in a bidding contest among us and our competitors for trained engineers, qualified technical personnel and other skilled workers. The current high demand for trained engineers, qualified technical personnel and other skilled workers is expected to remain so for the foreseeable future.

Even if we are able to attract, assimilate and retain trained engineers, qualified technical personnel, other skilled workers and senior management personnel, it may be on terms that are economically disadvantageous. If we are unable to retain their current workforce or hire comparable personnel in the future, it could have a material adverse effect on our growth strategy as well as our businesses, financial condition, results of operations and prospects.

We face the threat of cyber-attacks, such as hacking, phishing and theft of sensitive internal data or customer information, which may affect our business, results of operations and reputation

Our systemic and operational controls may not be adequate to prevent cyber-attacks targeted at disrupting our services, such as hacking, phishing and theft of sensitive internal data or customer information. Cyber threats from third parties can include data theft, ransom-ware attacks and advanced persistent threats. Further, our information technology systems, software and networks may be vulnerable to computer viruses that could compromise data integrity and security. While we have adopted and implemented various cyber security protocols and policies and regularly monitor our technological infrastructure to anticipate and pre-empt potential cyber-security breaches, in order to minimize the risk of cyber-attacks, we cannot assure you that we will not encounter any cyber-fraud or cyber-attack in the future, which may result in disruptions to and adversely affect our businesses.

Environmental compliance and remediation may adversely affect us

Our operations include a diverse portfolio of businesses covering energy resources, energy services, logistic and infrastructure, minerals, green business and digital venture sectors. Each of these areas has its own environmental risks, in particular in respect of our coal mining operations, see "— Risks Relating to Our Energy Resources Business — Our mining operations are subject to environmental laws and regulations which may cause us to incur significant costs or liabilities, or interrupt or cease mining operations." The impact of our operations on the environment may be materially greater than it anticipates or is allowed by Indonesian environmental laws and regulations. In addition, the requirements for environmental compliance and remediation may be materially increased by new laws or regulations or changes in the interpretation or implementation of existing laws and regulations. We cannot assure you that we will be able to comply with any new environmental requirements related to its operations. Any material increase in the cost of environmental compliance and remediation, or the occurrence of a major environmental accident at any of our operations, and in particular in respect of our coal mining operations, resulting in a mine closure or temporary cessation of its operations, may materially and adversely affect our businesses, financial condition, results of operations and prospects.

Our estimates of reserves and resources may be inaccurate and materially different from mineral quantities we actually recover

There is a significant degree of uncertainty attributable to the estimation of reserves and resources. The process of estimating reserves and resources is complex and requires us to make significant assumptions in the evaluation of available geological, metallurgical and other data. In addition, for reserve estimates, we must make assumptions as to commodity prices, drilling expenses, operating expenses and royalty taxes as well as legal, environmental and social factors, among other things. Many of these assumptions are inherently subjective, and the accuracy of our estimates relies in part on our ability to make accurate assumptions. Actual future commodity prices, production, operating expenses, royalty taxes and quantities of recoverable minerals may vary substantially from our assumptions. As a result, our estimates of reserves and resources, including for our coal, gold and bauxite deposits, may be materially inaccurate. See also "— Risks Relating to Our Energy Resources Business — Estimates of coal reserves and resources are expressions of judgment based on knowledge, experience and industry practice, and any adjustments to such estimates could adversely affect our development and mining plans." The reserves and resources disclosed by us are not necessarily indicative of future results of operations and should not be interpreted as assurances of mining life or the profitability of our future operations. Until minerals are actually mined and processed, the quantity of ore and grades must be considered as estimates only. We cannot assure you that our reserves and resources conform to geological, metallurgical or other expectations or that the estimated volume or grade of ore will be recovered.

Outbreak of an infectious disease or fear of an outbreak, or any other serious public health concerns in Asia, including Indonesia, and elsewhere may adversely affect us

The outbreak of an infectious disease in Asia, including Indonesia, or elsewhere, or fear of an outbreak, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy and business activity in Indonesia and the rest of Asia, and thereby adversely impact our revenue. Examples include the outbreak in 2003 of Severe Acute Respiratory Syndrome ("SARS"), the outbreak in 2004 and 2005 of avian influenza (also known as bird flu), the outbreak in 2009 of influenza H1N1, the outbreak from 2014 through 2016 of Ebola, the outbreak from 2015 to 2016 of the Zika virus, and more recently the COVID-19 pandemic. In particular, the onset of the COVID-19 pandemic in 2020 significantly lowered coal prices and demand, resulting in substantial decreases to our total revenue for 2020 as compared to 2019. Further, in tandem with decreasing oil and gas prices, demand for EPC, O&M and related services also decreased during 2020. The majority of tenders for oil and gas projects were delayed or put on hold, which resulted in lower than expected new backlog from our EPC, O&M and related services business. While the impact of the COVID-19 pandemic on our business has subsided since 2020, any subsequent intensification of the COVID-19 pandemic, or the recurrence or future outbreak of an infectious disease or any other serious public health concern in Indonesia, may adversely affect our business, financial condition, results of operations and prospects. Further, the perception that an outbreak of infectious diseases or another contagious disease may occur could also have an adverse effect on the economic conditions of countries in Asia, including Indonesia.

The interests of the Issuer's controlling shareholders and other investors may conflict with the interests of the Issuer and its creditors

The controlling shareholders of the Issuer have the power to control the Issuer and have significant influence over the outcome of any corporate transactions or other matters submitted to the Issuer's Board of Directors, including the power to (i) elect a majority of the Issuer's commissioners and directors; (ii) cause a change of control; and (iii) determine the outcome of any action requiring shareholders' approval.

The controlling shareholders have other direct or indirect business interests outside the Issuer that may conflict with the interests of the Issuer and its other shareholders and creditors, including holders of the Notes. The actions of the controlling shareholders could favor the interests of such other businesses over the interests of the Issuer, which may materially and adversely affect our business, financial condition and results of operations. To the extent that there are any conflicts of interest between the controlling shareholders and the other shareholders or creditors, we cannot assure you that the controlling shareholders will exercise their influence

over us in a manner that will be in the best interests of our other shareholders or creditors, including holders of the Notes.

Our partners' interests may conflict with the interests of the Issuer and its creditors including the holders of the Notes

We have established joint ventures and strategic cooperations, and we also hold non-controlling interests, directly or through subsidiaries, in a number of associates that are important to our businesses**.** We believe the relationship with the partners of these entities has been cordial. However, we cannot assure you that any of these relationships will not change adversely. A deteriorating or adverse relationship with other partners could have a material adverse effect on our businesses, financial condition, results of operations and prospects.

We may enter into other similar arrangements in the future and, although we have sought to protect our interests in these associates, joint ventures and strategic cooperations, such arrangements inherently involve risks. Whether or not we hold majority interests or maintain operational control in such arrangements, our partners may have economic or business interests or goals that are inconsistent with or opposed to us, exercise veto rights so as to block actions that we believe to be in our or the associate's, joint venture's or strategic cooperation's best interest, take action contrary to our policies for objectives with respect to our investments, or as a result of financial or other difficulties, be unable or unwilling to fulfill their obligations under the associate, joint venture, strategic cooperations or other agreements, such as contributing capital to expansion or maintenance projects.

If our associates, joint ventures or other strategic cooperations are not successful, our investments in these ventures may be impaired or written down. We cannot assure you that our associates, joint ventures or strategic cooperations will be beneficial to us, whether due to the above-described risks, unfavorable global economic conditions, increases in costs, currency fluctuations, political risks, or other factors. A serious dispute with our partners of our associates, joint ventures or strategic cooperations or the early termination of our arrangements or agreements with them could adversely affect our businesses, financial condition, results of operations and prospects.

The backlog information included in this Offering Memorandum may not be indicative of future operating results

This Offering Memorandum contains backlog information for Tripatra. Such backlog represents the revenue each company expects to realize in the future as a result of performing work under its contracts. For each company, backlog is not a measure defined by IFAS or U.S. GAAP, and Tripatra's methodology and estimates used for determining backlog may not be comparable to the methodology or estimates used by comparable companies in determining their backlog. Not all of Tripatra's revenue is recorded in backlog for a variety of reasons, including the fact that some projects begin and end within a short-term period. Many contracts do not provide for a fixed amount of work to be performed and are subject to modification or termination by the customer. The termination or modification of any sizeable contract or the addition of other contracts may have a substantial and immediate effect on backlog. For long-term contracts with a term of over five years the amount included in backlog is limited to five years. In many instances, arrangements included in backlog are complex and non-repetitive in nature, and may fluctuate depending on expected revenue and timing. Where contract duration is indefinite, projects included in backlog are limited to the estimated amount of expected revenue within a specified period. Additionally, certain contracts provide maximum dollar limits, with authorization to perform additional work being agreed on a periodic basis with the customer. Tripatra uses different methods for determining backlog. For instance, O&M contracts are based on average contract value and time remaining to expiration, whereas EPC contracts are based on the value of the contract minus the percentage of the contract completed. We cannot assure you that the backlog information of Tripatra contained in this Offering Memorandum will be indicative of their future operating results.

Our significant indebtedness could harm our businesses by limiting our available cash and our access to additional capital and could force us to sell material assets or take other actions in an attempt to reduce our indebtedness that may harm our long-term business interests

As of December 31, 2023, we had US$1,091.9 million of consolidated indebtedness outstanding. This indebtedness primarily consisted of US$293.6 million principal amount outstanding under the 2024 Notes and US$534.1 million principal amount outstanding under the 2025 Notes, see "Description of Material Indebtedness." On April 2, 2024, we provided notice to the holders of the 2024 Notes that all outstanding 2024 Notes will be redeemed in full on May 3, 2024. The redemption of the 2024 Notes will be funded using the proceeds from the Syndicated Facility III, see "Summary — Recent Developments — Redemption of the 2024 Notes." In addition, concurrently with the offering of the Notes, we are also making a tender offer to purchase the maximum aggregate principal amount of outstanding 2025 Notes that would not exceed the aggregate principal amount of Notes to be issued pursuant to this offering. We also intend to utilize any remaining net proceeds of the offering of the Notes to repurchase and/or redeem any remaining 2025 Notes, see "Summary — Recent Developments — Concurrent Tender Offer" and "Use of Proceeds."

Our financial performance could be affected by our significant indebtedness. In addition, we may incur substantial additional indebtedness in the future. The terms of the indentures governing the 2025 Notes and the Notes and our other indebtedness do not prohibit us from doing so. If new debt is added to our current debt levels, the related risks that we now face could increase.

This level of indebtedness could have important consequences to our businesses and prospects as it could:

- increase our vulnerability to general adverse economic and industry conditions;
- make it difficult or impossible to obtain insurance and surety bonds or letters of credit;
- limit our ability to enter into new long-term sales contracts;
- make it more difficult for us to pay interest and satisfy our debt obligations, including the Notes;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions and other general corporate activities;
- limit our ability to obtain additional financing to fund future working capital, capital expenditures, research and development, debt service requirements and other general corporate requirements;
- limit our flexibility in planning for, or reacting to, changes in our businesses and in the various industries in which we operate;
- place us at a competitive disadvantage compared to less leveraged competitors; and
- limit our ability to borrow additional funds at competitive rates or at all.

Our ability to generate sufficient cash to satisfy our outstanding and future debt obligations will depend upon our future operating performance, which will be affected by prevailing economic conditions and financial, business and other factors, many of which are beyond our control. We anticipate that our operating cash flow will be sufficient to meet our anticipated operating expenses and to service our debt obligations as they become due, although we expect that the Notes may need to be refinanced at maturity. However, we may not generate sufficient cash flow for these purposes.

If our cash flows and capital resources are insufficient to fund our debt service obligations or our requirements under our other long-term liabilities, we may be forced to sell assets, seek additional capital or seek to restructure or refinance our indebtedness, or obtain waivers of compliance with respect to our financial covenants under our debt agreements. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations or our requirements under our other long-term liabilities. In the absence of such cash flows and capital resources, we could face substantial liquidity problems and might be

required to sell material assets or operations in an attempt to meet our debt service and other obligations. The indentures under which the 2025 Notes were issued and under which the Notes will be issued restrict our ability to sell assets and use the proceeds from the sales. We may not be able to consummate those sales or to obtain the proceeds which we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due. Furthermore, substantially all of our material assets secure or will secure our indebtedness under the 2025 Notes and the Notes or our various loan facilities.

Failure to comply with the restrictions and covenants in our debt agreements may adversely affect us

If we are unable to comply with the restrictions and covenants in the indentures governing the 2025 Notes and the Notes, or in our current or future debt and other agreements, there could be a default under the terms of these agreements. In the event of a default under these agreements, the holders of the debt could terminate their commitments to lend to us, accelerate the debt and declare all amounts borrowed due and payable or terminate the agreements, as the case may be. Furthermore, some of our outstanding agreements governing our indebtedness, including the indentures governing the 2025 Notes and under which the Notes will be issued, contain cross-acceleration or cross-default provisions. As a result, our default under one debt agreement may cause the acceleration of other indebtedness, including the acceleration of the Notes, or result in a default under our other outstanding agreements, including the indenture governing the Notes.

In the past, we have had to obtain waivers for non-compliance with certain financial maintenance covenants under our debt agreements, and may need to do so in the future. We cannot assure you that we or any of our subsidiaries will be in compliance with the relevant financial covenants after a waiver period ends, or that we will not breach the terms of our or their respective debt arrangements in the future. We also cannot assure you that we would be able to obtain waivers in respect of any future breach or default by us under any of our existing or future debt arrangements. If any of these events occur, cross-defaults and acceleration events in our other financing documents may be triggered. In addition, our assets and our cash flows may not be sufficient to repay in full all of the debts as they become due, and we not be able to find alternative financing on terms that are favorable or acceptable to us. If any of the foregoing were to occur, our business, financial condition and results of operation may be materially and adversely affected.

The covenants in the indentures governing the 2025 Notes and the Notes and our other loan facilities impose restrictions that may limit our operating and financial flexibility

The indentures governing the 2025 Notes and the Notes and our other loan facilities contain a number of significant restrictions and covenants that limit our ability and our subsidiaries' ability to, among other things:

- incur or guarantee additional indebtedness and issue certain preferred stock, including, with respect to the Subsidiary Guarantors, layering of debt;
- create or incur certain liens;
- make certain payments, including dividends or other distributions, with respect to the shares of the Subsidiary Guarantors or their restricted subsidiaries;
- prepay or redeem subordinated debt or equity;
- make certain investments and capital expenditures;
- create encumbrances or restrictions on the payment of dividends or other distributions, loans or advances to and on the transfer of assets to the Subsidiary Guarantors or any of their restricted subsidiaries;
- sell, lease, transfer or otherwise dispose of certain assets, including stock of restricted subsidiaries;
- to make and/or grant certain loans and/or certain credit to any person;
- engage in certain transactions with affiliates;
- enter into unrelated businesses or engage in prohibited activities;

- consolidate or merge with other entities; and
- impair the security interest for the benefit of the holders of the 2025 Notes, and the Notes.

See "Description of the Notes" and "Description of Material Indebtedness."

These covenants could adversely affect our ability to finance our future operations or capital needs or to execute our business strategies. Certain of our loan facilities also contain maintenance covenants, such as financial covenants. Furthermore, if we violate these covenants and are unable to obtain waivers from our lenders, our debt under these agreements would be in default and could be accelerated by our lenders. If our indebtedness is accelerated, we may not be able repay our debt or borrow sufficient funds to refinance it. We might be unable to obtain new financing on commercially reasonable terms, on terms that are acceptable to us, or at all. If our debt is in default for any reason, our businesses, financial condition, results of operations and prospects may be materially and adversely affected.

We are subject to foreign exchange risk

A portion of our revenues are denominated in U.S. dollars or benchmarked against U.S. dollar equivalent prices, and the percentage of our costs of contracts and goods sold and operating expenses denominated in U.S. dollar may fluctuate between financial periods. A strengthening Rupiah may increase costs of contracts and operating expenses denominated in or tied to the value of the Rupiah, which include materials procurement and other equipment and machinery purchases denominated in Rupiah or translated to Rupiah based on spot prices in effect at the time of the purchase. Conversely, a weakening U.S. dollar may adversely affect our results of operations by decreasing the relative value of revenues from our service contracts denominated in or tied to the value of the U.S. dollar as against our Rupiah-denominated costs. See "— Risks Relating to Indonesia — Fluctuations in the value of the Rupiah may materially and adversely affect our business, financial condition and results of operations." We currently do not hedge foreign exchange exposures, but we may enter into hedging arrangements in the future. However, we cannot assure you that such hedging activities will sufficiently mitigate, if at all, our foreign exchange rate risk. Fluctuating foreign exchange rates, in particular fluctuations in the U.S. dollar to Rupiah exchange rates, may adversely affect our business, financial condition and results of operations.

We are subject to interest rate risk

We are exposed to interest rate risk resulting from fluctuations in interest rates in our short-term and long-term indebtedness. While the majority of our financing agreements have fixed interest rates, or have been hedged through interest rate swaps, certain of our financing agreements have floating interest rates and we may from time to time, enter into new financing agreements with floating interest rates. As of December 31, 2023, we had US$1,081.0 million of consolidated indebtedness outstanding (excluding accrued interest, unamortized transaction costs and lease liabilities), of which US$856.6 million was subject to fixed interest rates and US$224.3 million was subject to floating interest rates. In addition, we cannot assure you that difficult conditions in the global credit markets will not negatively impact the cost or other terms of our existing financing as well as our ability to obtain new credit facilities or access the capital markets on favorable terms. Upward fluctuations in interest rates may increase our borrowing costs, which could impair our ability to compete effectively in our business relative to competitors with lower levels of indebtedness. As a result, our business, financial condition and results of operation may be adversely affected.

Deterioration in our credit profile could increase our costs of borrowing money and limit our access to the capital markets and commercial credit

The credit ratings assigned to us by credit rating agencies are based on a number of factors, including our financial strength and financial policies as well as our strategies, operations and execution. These credit ratings are limited in scope, and do not address all material risks related to investment in us, but rather reflect only the view of each rating agency at the time the rating is issued. Nonetheless, the credit ratings we receive impact our cost of borrowings as well as our ability to access sources of capital on terms that will be advantageous to our business. Failure to obtain sufficiently high credit ratings could adversely affect the interest rate in future

financings, our liquidity or our competitive position and could also restrict our access to capital markets. In addition, our credit ratings could be lowered or withdrawn entirely by a rating agency if, in its judgment, the circumstances warrant. Most recently, on May 18, 2023, Fitch affirmed the Issuer's credit rating of "BB-" with a stable outlook, and on August 25, 2023, Moody's affirmed the Issuer's credit rating of "Ba3" with a stable outlook. If a rating agency were to downgrade our credit rating in the future, our borrowing costs would increase and our funding sources could decrease. As a result of these factors, a downgrade of our credit ratings may adversely affect our business, financial condition and results of operation. See also "— Risks Relating to Indonesia — Downgrades of credit ratings of Indonesia and Indonesian companies could adversely affect our credit ratings."

The nature of our businesses includes risks related to litigation and administrative proceedings that may adversely affect our business and financial performance in the event of an unfavorable ruling

The nature of our businesses exposes us to litigation relating to labor, environmental, health and safety matters, regulatory, tax and administrative proceedings, governmental investigations, tort claims and contract disputes, and criminal prosecution, among other matters. We are not currently subject to any legal proceedings that we believe may have a material effect on our business, financial position or profitability. However, in the context of any future proceedings we may not only be required to pay fines or money damages but also be subject to complementary sanctions or injunctions affecting our ability to continue our operations. While we may contest these matters vigorously and make insurance claims when appropriate, litigation and other proceedings are inherently costly and unpredictable, making it difficult to accurately estimate the outcome of actual or potential litigation or proceedings. In addition, in the event that we are subject to any such litigation or other proceedings, our management may be distracted from operating our business. Although we may establish provisions as we deem necessary, the amounts that we reserve could vary significantly from any amounts we actually pay due to the inherent uncertainties in the estimation and judicial processes. We cannot assure you that administrative or other legal proceedings will not have a material adverse effect on our business, financial condition and results of operations in the event of an unfavorable ruling.

Risks Relating to Indonesia

The Issuer is established and existing, and substantially all of the Issuer's assets and operations are located, in Indonesia. As a result, future political, economic, legal and social conditions in Indonesia, as well as certain actions and policies that the Government may or may not take or adopt may materially and adversely affect our business, financial condition and results of operations.

Domestic, regional or global economic changes may adversely affect the Indonesian economy and our businesses

Indonesia's economy was significantly affected by the Asian financial crisis of 1997. The crisis was characterized in Indonesia by, among other effects, currency depreciation, a significant decline in real gross domestic product ("GDP"), high interest rates, social unrest and extraordinary political developments. Indonesia's economy was also significantly affected by the global economic crisis that began in late 2008. The resulting adverse financial developments were characterized by, among other things, a shortage in the availability of credit, a reduction in foreign direct investment, the failure of global financial institutions, a drop in global stock markets, a slowdown in global economic growth and a drop in demand for certain commodities. Further, while the global economy has grown in recent years, the downturn in China's economy and decline in global commodity prices have created additional economic uncertainty worldwide. These extremely negative economic developments have adversely affected both developed economies and developing markets, including Indonesia and other Association of Southeast Asian Nations ("ASEAN") countries.

Indonesia and other ASEAN countries, along with developing market countries globally, have been negatively affected by the unprecedented financial and economic conditions in developed markets. In addition, the Government continues to have a large fiscal deficit and a high level of sovereign debt, its foreign currency reserves are modest, the Rupiah continues to be volatile with poor liquidity, and the banking sector suffers from

high levels of non-performing loans. Although the Government has taken many steps to improve these conditions, with the aim of maintaining economic stability and public confidence in the Indonesian economy, continuation of these unprecedented conditions may negatively impact economic growth, the Government's fiscal position, the Rupiah's exchange rate and other facets of the Indonesian economy.

Any changes in the regional or global economic environment that result in a loss of investor confidence in the financial systems of emerging and other markets, or other factors, may cause increased volatility in the Indonesian financial markets and inhibit or reverse the growth of the Indonesian economy. Any such increased volatility, slowdown or negative growth in the global economy, including the Indonesian economy, may materially and adversely affect our business, financial condition and results of operations.

The current global economic situation could further deteriorate or have a greater impact on Indonesia and our business. Any of the foregoing may materially and adversely affect our business, financial condition and results of operations, and on our ability to pay interest on, and repay the principal of, the Notes. In addition, a loss of investor confidence in the financial systems of emerging and other markets may cause increased volatility in the financial markets, including the Indonesian financial markets and a slowdown in economic growth or negative economic growth in Indonesia or elsewhere in the world. The cost and availability of credit may be adversely affected by illiquid credit markets and wider credit spreads. Commercial banks and capital markets investors have implemented stringent control on-lending and investments. We may experience working capital constraints and limited borrowing abilities. Our financial condition may deteriorate significantly if we are unable to obtain adequate capital from our operations or other available sources. We cannot assure you that developments in the financial markets, turbulence in the global markets or slowdowns in Indonesia and the Asia Pacific Region economies and prolonged declines in business and consumer spending will not have a material adverse effect on our business, financial condition, results of operations or prospects.

Political and social instability in Indonesia may adversely affect us

Indonesia continues to face various socio-political issues and has, from time to time, experienced political instability and social and civil unrest. Such instances of unrest have highlighted the unpredictable nature of Indonesia's changing political landscape. Indonesia also has many political parties, with no political party winning a clear electoral majority to date. These events have resulted in political instability, as well as general social and civil unrest on certain occasions in recent years.

Following the collapse of President Soeharto's regime in 1998, Indonesia has experienced a process of democratic change and successfully conducted its first free elections for Parliament and President in 1999. In 2004, Indonesians directly elected the President, the Vice President and representatives of the Indonesian Parliament through a proportional voting system for the first time. Direct elections were also held in 2009, 2014, 2019 and 2024 in Indonesia to elect the President, Vice President and representatives in the Indonesian Parliament. Increased political activities can be expected in Indonesia as a result of these democratic developments in its political system. As a new democratic country, Indonesia continues to face various socio-political issues and has, from time to time, experienced political instability and social and civil unrest.

For example, when Indonesia's General Elections Commission (*Komisi Pemilihan Umum* or "KPU") formally announced that incumbent President Joko Widodo had won the 2019 presidential election with 55.5% of the total votes, the result triggered protesting and allegations of electoral fraud. On May 21, 2019, thousands of supporters of the opposing presidential candidate, Prabowo Subianto, held a rally in front of Indonesia's Elections Supervisory Agency's (*Bawaslu*) headquarters in Central Jakarta, calling for the disqualification of Joko Widodo from the presidential election. The rally developed into rioting and violent protesting, which ended on May 22, 2019 and resulted in six deaths and over 200 people injured. Prabowo Subianto's party also challenged the election result in the Indonesian Constitutional Court, with allegations of fraud and vote rigging. Although the court rejected the complaint, these events resulted in a period of political uncertainty and instability in Indonesia. During the most recent presidential election held in February 2024, Prabowo Subianto was announced as the winning presidential candidate with 58.6% of the total vote. Both the opposing presidential candidates, Anies Baswedan and Ganjar Pranowo, have declined to concede and have since filed complaints with

the Indonesian Constitutional Court contesting the outcome of the vote, alleging that the election had been unfairly influenced. We cannot assure you that further developments with respect to the 2024 elections will remain peaceful and will not turn violent.

Political and related social developments in Indonesia have been unpredictable in the past. We cannot assure you that social and civil disturbances will not occur in the future and on a wider scale, or that any such disturbances will not, directly or indirectly, materially and adversely, affect our business, financial condition and results of operations.

Downgrades of credit ratings of Indonesia and Indonesian companies could adversely affect our credit ratings

As of the date of this Offering Memorandum, Indonesia's sovereign foreign currency long-term debt is rated (i) "Baa2" with stable outlook by Moody's, (ii) "BBB" with stable outlook by Standard & Poor's and (iii) "BBB" with stable outlook by Fitch. These ratings reflect an assessment of the Government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due.

We cannot assure you that Moody's, Standard & Poor's, Fitch or any other statistical rating organization will not downgrade the credit ratings of Indonesia or Indonesian companies. Further, Indonesia's recent 2024 elections and ensuing potential changes to its regulatory and fiscal policies may impact the assessment of Moody's, Standard & Poor's, Fitch or any other statistical rating organization with respect to future credit ratings of Indonesia or Indonesian companies. Any downgrade to the credit rating of Indonesia or Indonesian companies could have an adverse impact on liquidity in the Indonesian financial markets, the ability of the Government and Indonesian companies, including us, to raise additional financing and the interest rates and other commercial terms at which such additional financing is available and could have a material adverse effect on our business, financial condition and results of operations.

Fluctuations in the value of the Rupiah may materially and adversely affect our business, financial condition and results of operations

One of the most important causes of the economic crisis which began in Indonesia in mid-1997 was the depreciation and volatility of the value of the Rupiah, as measured against other currencies, such as the U.S. dollar. The Rupiah to U.S. dollar exchange rate (based on the middle exchange rate announced by Bank Indonesia) was Rp.15,416.0 = US$1.00 as of December 29, 2023. Although the Rupiah has appreciated from its low point of approximately Rp.17,000 per U.S. dollar in January 1998, the Rupiah continues to experience significant volatility.

The Rupiah has generally been freely convertible and transferable (except that Indonesian banks may not transfer Rupiah to persons outside of Indonesia and may not conduct certain transactions with non-residents). However, from time to time, Bank Indonesia has intervened in the currency exchange markets in furtherance of its policies, either by selling Rupiah or by using its foreign currency reserves to purchase Rupiah. We cannot assure you that the Rupiah will not be subject to depreciation and continued volatility, that the current floating exchange rate policy of Bank Indonesia will not be modified, that additional depreciation of the Rupiah against other currencies, including the U.S. dollar, will not occur, or that the Government will take additional action to stabilize, maintain or increase the value of the Rupiah, or that any of these actions, if taken, will be successful.

Modification of the current floating exchange rate policy could result in significantly higher domestic interest rates, liquidity shortages, capital or exchange controls or the withholding of additional financial assistance by multinational lenders. This could result in a reduction of economic activity, an economic recession, loan defaults or declining interest by our customers, and as a result, we may also face difficulties in funding our capital expenditure and in implementing our business strategy. Any of the foregoing consequences could materially and adversely affect our business, financial condition and results of operations.

The interpretation and implementation of legislation on regional governance in Indonesia is uncertain

Indonesia is a large and diverse nation covering a multitude of ethnicities, religions, languages, traditions and customs. Prior to 1999, the Government controlled almost all aspects of national and regional administration.

The period following the end of the administration of former President Soeharto was marked by widespread demand for greater regional autonomy. In response to such demand, in 1999, the Indonesian Parliament passed Law No. 22 of 1999 on Regional Government, which was later replaced by Law No. 23 of 2014 on the same subject matter (as lastly amended by the Job Creation Law) and partially revoked by Government Regulation in Lieu of Law No. 1 of 2020 and Law No. 1 of 2022 on the Financial Relationship between the Central Government and Regional Government. Under these laws, regional autonomy was expected to give regional governments greater powers and responsibilities over the use of national assets and to create a balanced and equitable financial relationship between the central and regional governments.

Regional autonomy laws and regulations have changed the regulatory environment for companies in Indonesia by decentralizing certain regulatory, taxing and other power from the Government to regional governments, and this creates uncertainty. These uncertainties include a lack of implementing regulations on areas of regional autonomy and a lack of government personnel with relevant sector experience at some regional government levels. Moreover, limited precedents or other guidance exists concerning the interpretation and implementation of the regional laws and regulations. In addition, pursuant to the regional autonomy laws, regional governments are given the authority to adopt their own regulations and under the pretext of regional autonomy, certain regional governments have put in place various restrictions, taxes and levies which may differ from restrictions, taxes and levies put in place by other regional governments and/or are in addition to restrictions, taxes and levies stipulated by the central Government. Currently, there is uncertainty in respect of the balance between regional governments and the central Government. Our business and operations are located throughout Indonesia and may be adversely affected by conflicting or additional restrictions, taxes and levies that may be imposed by the applicable regional authorities.

In particular, the regulation of mining companies in Indonesia by regional governments is subject to uncertainty due to the scope and application of laws issued by the Government and limitations in the ability of regional governments to apply local regulations. This uncertainty has increased the risks, and may increase the costs, involved in mining activities in Indonesia. The regional government where our IUPK for our Kideco Mines is located may adopt regulations or decrees, or interpret or implement regional laws or regulations, in a manner that conflicts with our rights under our IUPK or otherwise adversely affects their operations. See "— Risks Relating to Our Energy Resources Business — Our IUPK may be terminated or restricted by the Government under certain circumstances and are subject to amendments under the Mining Law (as amended)." We may also face conflicting claims between the central Government and regional governments regarding, among others, jurisdiction over its operations, claims for participating interests in its mining operations and new or increased local taxes or additional concessions.

Indonesia is subject to significant geological risk that could lead to natural disasters and economic loss

The Indonesian archipelago is one of the most volcanically active regions in the world. Because it is located in the convergence zone of three major lithospheric plates, it is subject to significant seismic activity that can lead to destructive volcanoes, earthquakes, tsunamis, volcanic eruptions, tidal waves, floods and landslides. In recent years, a number of natural disasters have occurred in Indonesia such as heavy rain, flooding and major earthquakes that resulted in tsunamis and volcanic activity. These disasters have resulted in the loss of life, displacement of a large number of people and widespread destruction of property, and have had significant economic and developmental effects on the country.

For example, in December 2004, an underwater earthquake off the coast of Sumatra released a tsunami that devastated coastal communities in Indonesia, Thailand, India and Sri Lanka. In Indonesia, more than 220,000 people died or were recorded as missing in the disaster. Aftershocks from the December 2004 tsunami and additional high-magnitude earthquakes have occurred in Indonesia, causing significant fatalities and damage. There have been several other earthquakes throughout Indonesia with some of the most recent major earthquakes occurring in Sumatra, Java, Sulawesi, Manokwari and Maluku. In addition to these geological events, heavy rains in December 2006 resulted in floods that killed more than 100 people and displaced over 400,000 people on the northwestern Sumatra island. More flooding in January and February 2007 around the capital, Jakarta, killed at least 30 people and displaced at least 340,000 people from their homes. In July 2007, at least seven people were

killed and at least 16,000 people were forced to flee their homes because of floods and landslides caused by torrential rains on the island of Sulawesi. In October 2010, at least 158 people died and 148 people were declared missing in a flash flood in Wasior district, West Papua. In December 2018, a tsunami occurred in the Sunda Strait as a result of the eruption of the Anak Krakatau volcano, which killed more than 400 people and injured more than 7,000 people. More recently, in January 2020, heavy and persistent rainfall caused severe flooding in and around Jakarta which killed at least 66 people and displaced nearly 400,000 people. In January 2021, floods and landslides in Manado resulted in thousands of people being evacuated and more than a dozen deaths. In November 2022, an earthquake struck near Cianjur in West Java where at least 331 people died and thousands were injured.

While these events have not directly affected the Kalimantan region where we operate, nor have they had a significant economic impact on Indonesian capital markets, the Government has had to expend significant amounts of resources on emergency aid and resettlement efforts. If the Government is unable to timely deliver foreign aid to affected communities, political and social unrest could result. Any such failure on the part of the Government, or declaration by it of a moratorium on its sovereign debt, could trigger an event of default under numerous private-sector borrowings including ours, thereby materially and adversely affecting our business, financial condition, results of operations and prospects, and on our ability to pay interest on, and repay the principal of, the Notes.

In addition, we cannot assure you that future geological or meteorological occurrences will not significantly harm the Indonesian economy. A significant earthquake or other geological disturbance or weather-related natural disasters in any of Indonesia's more populated cities and financial centers could severely disrupt the Indonesian economy and undermine investor confidence, thereby materially and adversely affecting our business, financial condition and results of operations.

Terrorist attacks and terrorist activities and certain destabilizing events have led to substantial and continuing economic and social volatility in Indonesia, which may materially and adversely affect our business

Terrorist attacks and associated military responses have resulted in substantial and continuing economic volatility and social unrest in the world. During the last several years, there have been various terrorist attacks in Indonesia directed towards the Government, foreign governments and public and commercial buildings frequented by foreigners, which have killed and injured a number of people. For example, in March 2021, terrorist bombings at a Cathedral in Makassar, South Sulawesi resulted in at least 20 people injured. Violent acts arising from and leading to instability and unrest have in the past had, and could continue to have, a material adverse effect on investment and confidence in, and the performance of, the Indonesian economy, and in turn our business. We cannot assure you that further terrorist acts will not occur in the future. Any of the foregoing events including damage to our infrastructure or that of our suppliers and customers, may materially and adversely affect international financial markets and the Indonesian economy, interrupt parts of our business and materially and adversely affect our business, financial condition and results of operations.

Labor activism or increases in labor costs could adversely affect Indonesian companies, including us, which in turn could affect our business, financial condition and results of operations

Laws and regulations which facilitate the forming of labor unions, combined with weak economic conditions, have resulted and may continue to result in labor unrest and activism in Indonesia.

In 2000, the Government issued Law No. 21 of 2000 on Labor Union (the "Labor Union Law"). The Labor Union Law permits employees to form unions without employer intervention. In March 2003, the Government enacted Law No. 13 of 2003 on Labor (the "Labor Law") which, among other things, increased the amount of severance, service and compensation payments payable to employees upon termination of employment. The Labor Law requires further implementation of regulations that may substantively affect labor relations in Indonesia. The Labor Law requires companies with 50 or more employees to establish bipartite forums with participation from employers and employees, including the participation of more than 50.0% of the employees of the company, in order for a collective labor agreement to be negotiated and creates procedures that are more

permissive to the staging of strikes. Under the Labor Law, employees who voluntarily resign are also entitled to payments for, among other things, unclaimed annual leave and relocation expenses. Following the enactment, several labor unions urged the Indonesian Constitutional Court to declare certain provisions of the Labor Law unconstitutional and order the Government to revoke those provisions. The Indonesian Constitutional Court declared the Labor Law valid except for certain provisions, including relating to the right of an employer to terminate its employee who committed a serious mistake and criminal sanctions against an employee who instigates or participates in an illegal labor strike.

The Labor Law also prohibits an employer from paying an employee below the minimum wage stipulated annually by the provincial or regional/city government. The minimum wage is generally determined according to the need for a decent living standard and taking into consideration the productivity and growth of the economy. However, there are no specific provisions as to how to determine the amount of the yearly minimum wage increase, and implementation varies from region to region making compliance cumbersome. For example, in November 2022, the provincial government of West Nusa Tenggara, through the Decree of Governor of West Nusa Tenggara No. 561-793 of 2022, increased the minimum wage of West Nusa Tenggara province for 2023 from Rp.2,207,212 (full amount) per month to Rp.2,371,407 (full amount) per month starting from January 1, 2023, a 7.44% increase. In addition to directly increasing wages for lower-level employees, these minimum wage increases indirectly apply upward pressure on the wages of higher-level employees over time. Any increase in minimum wage in Indonesia could have a material adverse effect on our business, cash flows, financial condition and prospects. The change in social security program from "Jamsostek" to "BPJS" in accordance with Law No. 24 of 2011 on Social Security Administrator, and any further changes to social security arrangements could have an adverse effect on our business, cash flow, financial condition and prospects.

Certain regional governments have recently issued regulations and decrees regarding minimum provincial and regional wage standards. While the minimum wage has increased in 2023 as a result of the COVID-19 pandemic, certain regional governments, including in Jakarta, provided employers with leniency with respect to their employees' salary increase subject to obtaining approvals from certain authorities.

In October and November 2020, there were numerous protests across the country against the then newly issued Old Job Creation Law. Protesters claim that the Old Job Creation Law would generally undermine existing labor laws and weakens environmental protections. The constitutionality of the Old Job Creation Law was challenged before the Indonesian Constitutional Court through several submissions. In November 2021, the court in one of those submissions declared the law to be "conditionally unconstitutional" due to non-compliance with the requisite formalities during the process in which the Government and the House of Representatives created the law (e.g., lack of public participation and an "omnibus" format is not recognized under Indonesian law). The court ruled that: (i) the law remains valid, but the Government and the House of Representatives must redraft the law within a two-year period to satisfy the required formality and follow the good legislation principles as mandated by the constitution; and (ii) the Government must hold any further action derived therefrom and refrain from issuing new implementing rules or strategic policies that have significant impact on society. Since the court's verdict was handed down, various stakeholders, including the general public, have had varying interpretations of the verdict. This has led to political instability, and while the Government claims that the law remains valid, many scholars and groups (e.g., labor activists and non-governmental organizations) claim that the law and its implementing rules are unconstitutional and can no longer be referred to, thereby re-enacting the old law. In response, on December 30, 2022, the Indonesian Government enacted the Job Creation Law, which revokes and replaces the Old Job Creation Law.

Labor unrest and activism in Indonesia could disrupt our operations and the operations of our suppliers, customers and contractors and could affect the financial condition of Indonesian companies in general, depressing the prices of Indonesian securities on the Indonesian or other stock exchanges and the value of the Rupiah relative to other currencies. Such events could materially and adversely affect our business, financial condition, results of operations, and our ability to make payments under the Notes.

Indonesian accounting standards differ from those in other jurisdictions

We prepare our consolidated financial statements in accordance with IFAS, which differs from U.S. GAAP. As a result, our consolidated financial statements and reported earnings could be significantly different from those that would be reported under U.S. GAAP. This Offering Memorandum does not contain a reconciliation of our financial statements to U.S. GAAP, and there can be no assurance that such reconciliation would not reveal material differences. See "Summary of Certain Differences between IFAS and U.S. GAAP" for a summary of certain principal accounting differences that may be applicable to us.

Risks Relating to the Offering, the Notes, the Subsidiary Guarantees and the Common Security

An Indonesian court has limited certain rights of the trustee, acting on behalf of the holders of U.S. dollar bonds, in relation to the parent guarantor, in a decision that affected the holders' rights and the terms of the bonds in connection with a debt restructuring of the parent guarantor

Indonesian law does not recognize equitable principles in general including, without limitation, the relationship of trustee and beneficiary or other fiduciary relationships as would be the case in common law jurisdictions. In several court-supervised debt restructuring proceeding in Indonesia, known as a PKPU proceeding, the PKPU administrator and the Supervisory Judges at the Commercial Court had failed to acknowledge the noteholders or the trustee as creditors of the parent guarantor, and gave no effect to the guarantee.

On December 8, 2014, in BTEL PKPU, the Supervisory Judge determined that the relevant creditor of BTEL in respect of the US$380 million of notes was BTEL's SPV issuer under an intercompany loan arrangement, rather than the noteholders or the trustee. As a result, only the SPV issuer had standing as BTEL's creditor to vote in the BTEL PKPU proceedings, which substantially altered the terms of the U.S. dollar-denominated bonds and the guarantee. Similarly, in Trikomsel's PKPU proceedings, the PKPU administrators rejected claims that arose from its two tranches of Singapore dollar-denominated bonds and determined that the trustees did not have any standing to make claims on behalf of the noteholders. Further, they asserted that only individual noteholders that had filed claims on their own would be able to participate in the PKPU proceedings and vote on the restructuring plan. This stance was further affirmed by the Commercial Court and the Trikomsel PKPU was settled on September 28, 2016, through the ratification of a composition plan (rencana perdamaian) by the Commercial Court. Based on an announcement from Trikomsel, under the composition plan, the bondholders of these two tranches of Singapore dollar-denominated bonds may be required to convert their notes into new shares to be issued by Trikomsel, thereby extinguishing the bonds.

It may be difficult or impossible for the holder of the Notes or the trustee under the Notes to enforce all of their rights under a guarantee provided by the Subsidiary Guarantors under the Subsidiary Guarantees, including to being able to vote in PKPU or bankruptcy proceedings in Indonesia. There can be also no assurance that in the future a PKPU administrator or Commercial Court will not issue a similar decision on PKPU proceedings such as the BTEL PKPU or Trikomsel PKPU in relation to the capacity of trustee or the noteholders as creditors under the Subsidiary Guarantees and the Notes, if we were to contest the enforcement by the holders of the Notes of our obligations under the Subsidiary Guarantees and the Notes.

An Indonesian law requiring agreements involving Indonesian parties to be written in the Indonesian language and the fact that the Indenture and certain documents entered into in connection with the issuance of the Notes will be made and prepared in the Indonesian language as required under the law may raise issues as to the enforceability of agreements entered into in connection with the offer and sale of the Notes and the Subsidiary Guarantees

Law No. 24/2009 requiring that agreements to which Indonesian entities are a party are required to be executed in Bahasa Indonesia, although, when a foreign entity is a party, an execution of the document also in English or the national language of the relevant foreign entity is permitted. However, there exists substantial uncertainty regarding how Law No. 24/2009 will be interpreted and applied, and it is not certain that an Indonesian court would permit the English version of an agreement to prevail or even consider the English

version. On September 30, 2019, the Government issued Regulation No. 63/2019 to implement the provisions under Law No. 24/2009. Regulation No. 63/2019 requires Bahasa Indonesia to be used as the language in memorandums of understanding or agreements that involve, among others, Indonesian private entities (including Indonesian limited liability companies). If the agreement involves a foreign party, the agreement may also be in the national language of such foreign party or in English. This provision also implies that either the Bahasa Indonesia version of the agreement must be executed at the same time as the English version of the agreement, or the agreement must be executed in a bilingual version. As Law No. 24/2009 does not specify any sanctions for non-compliance, we cannot predict how the implementation of Law No. 24/2009 (including its implementing regulation) will impact the validity and enforceability of the Notes in Indonesia, which creates uncertainty as to the ability of Noteholders to enforce the Notes in Indonesia.

On June 20, 2013, the West Jakarta District Court released Decision No. 451/Pdt.G/2012/PN.Jkt.Bar (the "June 2013 Decision"), which annulled a loan agreement between an Indonesian borrower, namely PT Bangun Karya Pratama Lestari as plaintiff, and a non-Indonesian lender, Nine AM Ltd as defendant. The loan agreement was governed by Indonesian law and was drafted only in the English language. In the June 2013 Decision, the court held that as the agreement had not been drafted in the Indonesian language, as required by Article 31(1) of Law No. 24/2009, it therefore failed to satisfy the "lawful cause" requirement under the Indonesian Civil Code and was void from the outset, meaning that a valid and binding agreement had never existed. The June 2013 Decision was affirmed by the Jakarta High Court (in other jurisdictions, the Court of Appeal) in its decision issued on May 7, 2014 and further affirmed by the Supreme Court under its decision issued on October 23, 2015 that upheld two lower court decisions reached by the Jakarta High Court and West Jakarta District Court. However, Indonesian court decisions are generally not binding precedents, as would typically be the case in common law jurisdictions. We cannot assure you that an Indonesian court will not, in the future, issue similar decisions to the foregoing.

The Indenture, which will govern the Notes, and certain other agreements in connection with this offer and sale of the Notes and the Subsidiary Guarantees will be prepared in dual language English and Bahasa Indonesia. All transaction documents will provide that in the event of a discrepancy or inconsistency, the English versions of the transaction documents will prevail; however, we cannot assure you that an Indonesian court would hold that the English language version would prevail. In addition, concepts in the English language may not have a corresponding term in Bahasa Indonesian and the exact meaning of the English text or may not be fully captured by such Bahasa Indonesian version. If this occurs, we cannot assure you that the terms of the Notes, including the Indenture, will be as described in this Offering Memorandum, or will be interpreted and enforced by the Indonesian courts as intended.

Through the purchase of the Notes, the holders of the Notes may be exposed to a legal system subject to considerable discretion and uncertainty, and it may be difficult or impossible for the holders of the Notes to pursue claims under the Notes or the Subsidiary Guarantees

Indonesian legal principles relating to the rights of debtors and creditors, or their practical application by Indonesian courts, differ materially from those that would apply within the United States, the United Kingdom or the European Union. Indonesia's legal system is a civil law system based mainly on written statutes; judicial and administrative decisions do not constitute binding precedent and are not systematically published. Indonesia's commercial and civil laws as well as rules on judicial process, were historically based on Dutch law as in effect prior to Indonesia's independence in 1945, and some have not been revised to reflect the complexities of modern financial transactions and instruments. Indonesian courts may be unfamiliar with sophisticated commercial or financial transactions, leading in practice to uncertainty in the interpretation and application of Indonesian legal principles. The application of Indonesian law depends upon subjective criteria such as the good faith of the parties to the transaction and principles of public policy, the practical effect of which is that the outcome of the application of Indonesian law is difficult or impossible to predict. Indonesian judges operate in an inquisitorial legal system, have very broad fact-finding powers and a high level of discretion in relation to the manner in which those powers are exercised. In practice, Indonesian court decisions may omit a clear articulation of the legal and factual analysis of the issues presented in a case. As a result, the administration and enforcement of

laws and regulations by Indonesian courts and Indonesian governmental agencies may be subject to considerable discretion and uncertainty. Furthermore, corruption in the court system in Indonesia has been widely reported in publicly available sources.

In addition, under the Indonesian Civil Code, although a guarantor may ostensibly waive its right to require the obligee to exhaust its legal remedies against the obligor's assets prior to the obligee exercising its rights under a related guarantee. However, a guarantor may be able to argue successfully that such guarantor can nonetheless require the obligee to exhaust such remedies before acting against the guarantor. We cannot assure you that an Indonesian court would not side with the Subsidiary Guarantors on this matter, despite the express waiver by the Subsidiary Guarantors of this obligation in the Subsidiary Guarantees. As a result, it may be difficult for the holders of the Notes to pursue a claim against initially, the Issuer and then, once such remedies are exhausted, against the Subsidiary Guarantors in Indonesia, which may adversely affect or eliminate entirely the holders' of the Notes ability to obtain and enforce a judgment against the Issuer or the Subsidiary Guarantors in Indonesia or increase the holders' of the Notes costs of pursuing, and the time required to pursue, claims against the Issuer or the Subsidiary Guarantors.

Furthermore, on September 2, 2013, the holders of notes issued by BLD Investments Pte. Ltd and guaranteed by PT Bakrieland Development Tbk ("Bakrieland"), under a trust deed governed under English law, filed a suspension of debt payment petition with the Indonesian commercial court on grounds including that Bakrieland had failed to comply with its obligation to repay the principal amount of the notes when noteholders exercised their put option under the terms of the notes. In its decision dated September 23, 2013, the Indonesian commercial court ruled, among other things, that the trust deed relating to the notes is governed by English law, all disputes arising out of or in connection with the trust deed must be settled by English courts and, accordingly, that it does not have authority to examine and adjudicate this case.

None of the Issuer and the Subsidiary Guarantors are, nor do they intend to become regulated as, an investment company under the Investment Company Act and related rules

None of the Issuer and the Subsidiary Guarantors are, nor do they intend to become registered as, an investment company under the Investment Company Act and related rules. The Investment Company Act and related rules provide certain protections to investors and impose certain restrictions on companies that are registered as investment companies (which, among other things, require investment companies to have a majority of disinterested directors, provide limitations on leverage and limit transactions between investment companies and their affiliates). None of these protections or restrictions are or will be applicable to the Issuer or the Subsidiary Guarantors.

The Issuer is relying on Section 3(c)(7) of the U.S. Investment Company Act for its exemption from registration thereunder and may be a "covered fund" under Section 619 of the Dodd-Frank Act (the Volcker Rule). The Volcker Rule generally prohibits covered banking entities and other entities subject to the Volcker Rule from, among other things, acquiring or retaining an "ownership interest" in a "covered fund" (each as defined in the Volcker Rule).

As the Issuer is relying on Section 3(c)(7) of the U.S. Investment Company Act for its exemption from registration thereunder, unless the Issuer qualifies for an exemption under the Volcker Rule, it may be considered to be a covered fund. The Issuer will not seek to qualify for any exemption to the Volcker Rule. There is no assurance that the Issuer will seek such an exemption in the future or that, if the Issuer did so, it would be successful.

While the Issuer does not believe that an investment in the Notes would constitute acquiring or retaining an ownership interest in a covered fund, each investor in the Notes must make its own determination as to whether the investor is a covered banking entity or otherwise subject to the Volcker Rule, whether the Issuer is a "covered fund" under the Volcker Rule, whether its investment in the Notes would or could in the future be restricted or prohibited by any provisions of the Volcker Rule, whether any extension of the Volcker Rule conformance period would be applicable to such investor's investment in the Notes, and the potential impact of the Volcker Rule on its investment, any marketability or liquidity in connection therewith and on its portfolio generally. The

Volcker Rule and interpretations thereunder are still uncertain, may restrict or discourage the acquisition of Notes by covered banking entities, and may adversely affect the marketability or liquidity of the Notes. Investors in the Notes are responsible for analyzing their own regulatory positions, and none of the Issuer, the Joint Global Coordinators and Joint Bookrunners, the Trustee or any of their affiliates makes any representation to any prospective investor or purchaser of the Notes regarding the application of the Volcker Rule to the Issuer or to such investor's investment in the Notes on the Original Issue Date or at any time in the future. See "Plan of Distribution" and "Important Information for U.S. Investors — Transfer Restrictions."

Your ability to invest in the Notes to transfer any Note that you hold may be limited by certain ERISA, U.S. Tax Code, the Investment Company Act and other considerations

We intend to prohibit the ownership and holding of the Notes by Benefit Plan Investors so that none of our assets will constitute "plan assets" as defined in Section 3(42) of ERISA. We intend to impose such restrictions based on deemed representations. If our assets were deemed to be "plan assets" as defined in Section 3(42) of ERISA, certain transactions that we may enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA or Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code") and might have to be rescinded. Governmental plans, certain church plans and non-U.S. plans, while not subject to Title I of ERISA or Section 4975 of the Code, may nevertheless be subject to laws substantially similar to Title 1 of ERISA or Section 4975 of the Code ("Similar Laws").

Each purchaser and subsequent transferee of the Notes will be deemed to represent and warrant that no portion of the assets used to acquire or hold its interest in the Notes constitutes or will constitute the assets of any Benefit Plan Investor. See "Important Information for U.S. Investors" for a more detailed description of certain ERISA, Code and other considerations relating to an investment in the Notes. If it is not effective in preventing Benefit Plan Investors from holding the Notes and avoiding characterization of our assets as plan assets, we may suffer the consequences described above.

Investors may, in certain circumstances, be exposed to adverse ERISA consequences. The Notes may not be acquired by Benefit Plan Investors. However, we cannot assure you that the Notes will not be acquired by, or transferred to, such an investor. If 25.0% or more of the total value of any class of our equity interests (including, for this purpose, the Notes) (excluding equity interests held by any person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the entity or who provides investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates of such person) were to be held by Benefit Plan Investors, an undivided portion of our assets could be required to be treated as "plan assets" subject to ERISA and the Code. In such a case, we and our management and our assets could become subject to applicable requirements of ERISA and the Code and could be obligated to cause our operations and investments to be administered, consistent with those requirements, other than as we might otherwise think advisable. Moreover, it is not clear that, in such a case, we or our management could comply with all applicable requirements of ERISA or the Code. A failure of our management to comply with any such applicable provision could result in injunctive or other relief that could adversely affect us, our management and our investors, and certain transactions, that we and those responsible for managing us and our assets, entered into, might have to be rescinded.

In addition, as the Initial Purchasers propose to resell the Notes (i) within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A who are also qualified purchasers (as defined in Section 2(a)(51) of the Investment Company Act) and (ii) to non-U.S. persons (as defined in Regulation S, but for purposes of the definition of "U.S. person" herein shall include any person that is not a U.S. person solely by reason of Rule 902(k)(1)(viii)(B) or 902(k)(2)(i) under Regulation S) outside the United States in reliance on Regulation S, investment in, and transfer of, any Note is subject to restrictions under the Investment Company Act. See "Transfer Restrictions."

We have several unrestricted subsidiaries, and we are permitted to create additional unrestricted subsidiaries. Unrestricted subsidiaries are not subject to any of the covenants under the Indenture governing the Notes and none of their assets serve as collateral, and we may not be able to rely on the cash flow or assets of these unrestricted subsidiaries to pay our debt

The Indenture governing the Notes permit us to designate one or more of our restricted subsidiaries as an unrestricted subsidiary. We have several unrestricted subsidiaries, namely IMAN, BIG, BID, EMITS, EMIC, IEMS, EMIM, PEI and PEC, all of which are companies incorporated in the Republic of Indonesia with limited liability. As unrestricted subsidiaries, their business, assets and liabilities are not part of the credit underlying the Notes, they are not subject to the covenants under the Indenture governing the Notes, and their assets are not available as security for the Notes. Once we designate a restricted subsidiary as an unrestricted subsidiary, all of the liens on any collateral owned by the unrestricted subsidiary or any of its subsidiaries and any guarantees of the Notes by the unrestricted subsidiary or any of its subsidiaries are released under the Indenture governing the Notes. Designation of an unrestricted subsidiary reduces the aggregate value of the collateral securing the Notes to the extent that liens on the assets of such subsidiary and its subsidiaries are released. In addition, the creditors of such subsidiary and its subsidiaries have a prior claim (ahead of the Notes) on the assets of such subsidiary and its subsidiaries. If the proceeds of any sale of collateral are not sufficient to repay all amounts due on the notes, the holders of the Notes (to the extent not repaid from the proceeds of the sale of the collateral) would have only an unsecured claim against our remaining assets. In addition, because they are not subject to any of the covenants in the Indenture governing the Notes, unrestricted subsidiaries may enter into financing arrangements that limit their ability to make loans or other payments to fund payments in respect of the Notes. Accordingly, we may not be able to rely on the cash flow or assets of unrestricted subsidiaries to pay any of our debt, including the Notes.

The appraisal report may not be accurate or complete, and you will not have access to it

The independent appraiser is relying upon the accuracy and completeness of the information, including certain projections, that we provide to the independent appraiser. The appraisal report that is submitted to OJK under Indonesian regulations will be based on certain assumptions, including certain assumptions with respect to the terms of the Notes and projections, which, by their nature, are subjective and uncertain and may differ from actual results. The independent appraiser has not independently verified such information, and assumes no responsibility for and expresses no view as to any such information, projections or the assumptions on which the projections were based. The Initial Purchasers and our independent auditors have not examined, reviewed or compiled the projections and accordingly, do not express an opinion or any other form of assurance with respect thereto. Unanticipated results of, or changes in, our business or the residential or commercial property industry, or changes in global or local economic conditions or other relevant factors, could affect such projections and the conclusions in the appraisal report. After the issuance of the Notes, we expressly disclaim any duty to, and neither we nor the independent appraiser will, provide an update to the report of the differences between the projections or the assumptions made in the appraisal report. Accordingly, the appraisal report is not a prediction or an indication of the Issuer's or the Subsidiary Guarantors' actual ability to perform their obligations under the Notes and Subsidiary Guarantees. Investors should not rely on the requirement of the Issuer to obtain an appraisal report when making an investment decision.

The full appraisal report, including the detailed projections underlying the analysis and the assumptions on which the appraiser's conclusions are based, is confidentially submitted to OJK and not available to shareholders or to you for review. The summary of the appraisal report will be published at the latest by the end of the second business day after the date of the execution of the agreements related to the material transaction, and will not include a full statement of all of the relevant facts, information and assumptions on which the appraiser bases its conclusions.

The Issuer and the Subsidiary Guarantors may be unable to make payments under the Notes and the Subsidiary Guarantees

Holding company structure; effective subordination of the Notes

Initially, the only Subsidiary Guarantors of the Notes will be IIC, TIME and the Tripatra Entities. TIME is a wholly-owned subsidiary of the Issuer which, together with the Issuer, held over 99.9% equity interest in TPE and TPEC, with the remaining less than 0.1% equity interest in each of TPE and TPEC held by IIC, as of December 31, 2023. TIME also held our 20.0% indirect equity interest in CEP and 6.25% economic interest in CEPR, as of December 31, 2023. IIC is a wholly-owned subsidiary of the Issuer and IIC's current sole material asset is its 51.0% equity interest in Kideco, as of December 31, 2023. The Issuer also held a 40.0% equity interest in Kideco, as of December 31, 2023. TPE and TPEC are the Issuer's principal operating subsidiaries and TPEC's current assets include, among other things, its 46.0% equity interest in SBS and its 100.0% equity interest in TRIS, as of December 31, 2023. Further, TRIS operates through its subsidiaries, and its current assets include its 100.0% equity interest in TRIL, as of December 31, 2023. The Notes will not initially be guaranteed by any other subsidiary of the Issuer, including Kideco or the Issuer's other principal operating subsidiaries.

The Subsidiary Guarantees of each Subsidiary Guarantor may be released under certain circumstances as set out in "Description of the Notes," including but not limited to the release of the Subsidiary Guarantee provided by each of TIME and each of the Tripatra Entities upon certain sales or other dispositions of its Capital Stock resulting in the Issuer and its Restricted Subsidiaries owning less than 80.0% of the Capital Stock of TIME or such Tripatra Entity. See "Description of the Notes — The Subsidiary Guarantees — Release of the Subsidiary Guarantees."

The obligations of the Issuer under the Notes and the obligations of the Subsidiary Guarantors under the Subsidiary Guarantees will be effectively subordinated to all claims of creditors of existing or future non-guarantor subsidiaries of the Issuer, including trade creditors, lenders and all other creditors with respect to the assets of such entities. As of December 31, 2023, the Issuer's non-guarantor subsidiaries had US$102.9 million of total indebtedness outstanding.

Claims of the secured creditors of the Issuer and the Subsidiary Guarantors will have priority with respect to their security to the extent of the value of the assets securing such indebtedness

Secured creditors of the Issuer would have priority as to the assets of the Issuer (other than the Common Security) and secured creditors of a Subsidiary Guarantor would have priority as to the assets of such Subsidiary Guarantor (other than the Common Security) securing the related obligations over claims of the holders of the Notes in relation to the Notes and the Subsidiary Guarantees. As of December 31, 2023, the Issuer and the Subsidiary Guarantors had US$986.5 million in principal amount outstanding of total indebtedness secured by their respective assets (including US$934.6 million in principal amount outstanding of Existing Pari Passu Secured Indebtedness). Any secured indebtedness of the Issuer that is secured by the Common Security, including the Existing Pari Passu Secured Indebtedness, will share the Common Security *pari passu* with the holders of the Notes.

Restrictions on subsidiaries paying dividends and repaying intercompany loans or advances to the Issuer and the Subsidiary Guarantors

The Issuer and certain of the Subsidiary Guarantors depend upon the receipt of dividends and the repayment of intercompany loans or advances from their respective subsidiaries or affiliates to satisfy their obligations, including their obligations under the Notes and the Subsidiary Guarantees. The ability of the Issuer's and the Subsidiary Guarantors' respective direct and indirect subsidiaries to pay dividends and repay intercompany loans or advances to their shareholders (including the Issuer or the relevant Subsidiary Guarantor) is subject to applicable law and restrictions contained in debt instruments and obligations of such subsidiaries. In addition, Indonesian law permits payment of dividends only out of accumulated profits as determined in accordance with IFAS and regulations. We cannot assure you that the Issuer and the Subsidiary Guarantors will have sufficient cash flow from dividends or repayment of intercompany loans or advances to satisfy their respective obligations under the Notes and the Subsidiary Guarantees.

Investors may be unable to effect service of process or to enforce certain judgments on the Issuer or the Subsidiary Guarantors

The Issuer and the Indonesian Subsidiary Guarantors are incorporated under the laws of Indonesia. Most of the Issuer's and the Indonesian Subsidiary Guarantors' respective commissioners and directors reside in Indonesia, and substantially all of the respective assets of the Issuer and the Subsidiary Guarantors are located in Indonesia. Further, TRIS, one of the Subsidiary Guarantors, is incorporated in Singapore. All of TRIS' directors reside in Singapore or Indonesia. As a result, it may be difficult for investors to effect service of process upon such persons within the United States, or to enforce against the Issuer or such persons in U.S. courts, judgments obtained in U.S. courts, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States.

The Issuer and the Indonesian Subsidiary Guarantors' Indonesian legal adviser has advised that judgments of U.S. courts, including judgments predicated upon the civil liability provisions of the federal securities laws of the United States, are not enforceable in Indonesia and there is doubt as to whether Indonesian courts will enter judgments in original actions brought in Indonesian courts predicated solely upon civil liability provisions of the federal securities laws of the United States. A judgment of a non-Indonesian court will not be enforceable by the courts of Indonesia, although such a judgment could be offered as evidence in a proceeding on the underlying claim in an Indonesian court. A claimant may be required to pursue claims in Indonesian courts on the basis of Indonesian law. We cannot assure you that the claims or remedies available under Indonesian law will be the same, or as extensive as those available in other jurisdictions.

The Issuer and each of the Subsidiary Guarantors have designated Cogency Global Inc. in New York City as its agent for service of process in the United States with respect to the Indenture governing the Notes. However, we have been advised by Indonesian legal counsel that such designation by the Issuer and the Indonesian Subsidiary Guarantors would terminate by force of law and without notice upon insolvency or the bankruptcy of the Issuer, the Indonesian Subsidiary Guarantors or the process agent. As a result, claims against the Issuer and the Indonesian Subsidiary Guarantors in bankruptcy or insolvency proceedings with respect to the Notes and the Subsidiary Guarantees will have to be pursued in Indonesian courts.

The Subsidiary Guarantees may be challenged under applicable bankruptcy, financial assistance, insolvency or fraudulent transfer, unfair preference or similar laws, which could impair the enforceability of the Subsidiary Guarantees

Under bankruptcy laws, fraudulent transfer laws, financial assistance, insolvency or unfair preference or similar laws in Indonesia, where the Indonesian Subsidiary Guarantors are incorporated and where all of their significant assets are currently located, (as well as under the law of certain other jurisdictions to which in certain circumstances the Subsidiary Guarantors may be subject), the enforceability of a guarantee may be impaired if certain statutory conditions are met. In particular, a guarantee may be voided, or claims in respect of a guarantee can be subordinated to all other debts of that guarantor, if the guarantor, at the time that it incurred the indebtedness evidenced by, or when it gives, its guarantee:

- incurred the debt with the intent to hinder, delay or defraud creditors or was influenced by a desire to put the beneficiary of the guarantee in a position which, in the event of the guarantor's insolvency, would be better than the position the beneficiary would have been in had the guarantee not been given;
- received less than reasonably equivalent value or fair consideration for the incurrence of such guarantee;
- received no commercial benefit;
- was insolvent or rendered insolvent by reason of such incurrence;
- was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital; or
- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature.

The test for insolvency, the other particular requirements for the enforcement of fraudulent transfer law, and the nature of the remedy if a fraudulent transfer is found, may vary depending on which jurisdiction's laws are being applied. Under the laws of Indonesia, it would also be necessary for the directors to ensure that the guarantor is solvent immediately after entry into, and performance of any obligation under, the transaction, that:

- it will be able to satisfy its liabilities as they become due in the ordinary course of its business; and
- the realizable value of the assets of the guarantor will not be less than the sum of its total liabilities other than deferred taxes, as shown in the books of account, and its capital.

The directors are required to ensure that the issued capital of the guarantor is maintained and that, after the giving of a guarantee, the guarantor would have sufficient net assets to cover the nominal value of its issued share capital.

If a court voided the Subsidiary Guarantees, or held the Subsidiary Guarantees unenforceable for any other reason, then the holders of the Notes would cease to have a claim against the Subsidiary Guarantors based upon such Subsidiary Guarantees, and would solely be creditors of the Issuer. If a court subordinated the Subsidiary Guarantees to other indebtedness of a Subsidiary Guarantor, then claims under the Subsidiary Guarantee would be subject to the prior payment of all liabilities (including trade payables). We cannot assure you that, after providing for all prior claims, there would be sufficient assets to satisfy the claims of the holders of the Notes.

Indonesian companies have filed suits in Indonesian courts to invalidate transactions with structures similar to the Notes and the Subsidiary Guarantees and have successfully brought legal action against lenders and other transaction participants. Such legal action has resulted in judgments invalidating all obligations under the applicable debt instruments and allowing affirmative recoveries from the lenders in excess of the amounts borrowed

In several cases in Indonesian courts, Indonesian companies which had defaulted on notes and other debt incurred through offshore financing entities, have successfully sued creditors and other transaction participants obtaining, among other relief:

- a declaration that the entire debt obligation is null and void;
- disgorgement of prior payments made to holders of the debt securities;
- damages from holders of debt securities and other transaction participants in amounts exceeding the original proceeds of the debt securities issued; and
- injunctions prohibiting holders of debt securities from enforcing their rights under the transaction documents and trading in the debt securities.

Publicly available reports, including decisions of Indonesian courts, do not provide a clear factual basis or legal rationale for these judgments. In reaching these decisions, however, the Indonesian courts have not followed the contractual selection of non-Indonesian law as the governing law. These courts have in certain instances barred the exercise of any remedies available to investors anywhere in the world.

Under the June 2006 Decision that was released in November 2006, the Indonesian Supreme Court affirmed a lower court judgment that invalidated US$500 million of notes (the "Indah Kiat Notes") issued by Indah Kiat International Finance Company B.V., a Dutch subsidiary of Indah Kiat that were guaranteed by Indah Kiat. The Indonesian courts nullified the Indah Kiat Notes and ruled that the defendants (including the trustee, underwriter and security agent for the issuance of the notes) committed an unlawful act (*perbuatan melawan hukum*) on the basis that the contracts made in relation to the notes were signed without any legal cause, and thus did not meet the provision of Article 1320 of the Indonesian Civil Code that requires a legal cause as one of the elements for a valid agreement. The Indonesian courts also ruled that the establishment of Indah Kiat BV was unlawful as it was intended to avoid Indonesian withholding tax payments. However, the June 2006 Decision was further annulled by the Indonesian Supreme Court on a civil review (*peninjauan kembali*) under the August 2008 Decision on the basis that the claim should have been brought in the courts of New York and not a District Court of Indonesia, as the agreements were governed by New York law.

Despite the above, the Indonesian Supreme Court has taken a contrary view with respect to Lontar Papyrus, a sister company of Indah Kiat. In the March 2009 Decision, the Indonesian Supreme Court refused a civil review of a judgment by the District Court of Kuala Tungkal, which invalidated US$550 million of notes issued by APPC, a Dutch subsidiary of Lontar Papyrus, and guaranteed by Lontar Papyrus on reasons that the loan agreement between APPC and Lontar Papyrus and the indenture must conform to the prevailing laws and regulations in Indonesia. In addition, the fact that the loan had been paid in full by Lontar Papyrus to APPC under the relevant loan agreement resulted in Lontar Papyrus having no continuing outstanding legal obligation, either as debtor under the relevant loan agreement or as guarantor under the indenture. The March 2009 Decision effectively affirmed the lower court's decision to invalidate all of the transaction documents, and meaning the verdict is now final.

The Indonesian legal system does not recognize the doctrine of stare decisis (i.e. the doctrine that precedent decisions by a court will subsequently bind later courts) as would be the case in common law jurisdictions such as the United States and the United Kingdom. This means that while lower courts are not bound by the Indonesian Supreme Court decisions, such decisions have persuasive force. Therefore, there can be no assurance that in the future a court will not issue a similar decision to the June 2006 Decision or the March 2009 Decision in relation to the validity and enforceability of the Notes and the Subsidiary Guarantees or grant additional relief to the detriment of holders of the Notes, if the Issuer were to contest efforts made by holders of the Notes to enforce these obligations.

Furthermore, the holders of the Notes may have difficulty in enforcing any rights under the Notes, the Subsidiary Guarantees or the other transaction documents in Indonesia, where most of the Subsidiary Guarantor's assets are located. Depending on the recognition foreign courts grant to such Indonesian decisions, the holders of the Notes may also be precluded from enforcing any right under the Notes, the Subsidiary Guarantees or the transaction documents, or collecting on the Issuer's or the Subsidiary Guarantors' respective assets, anywhere else in the world.

Affirmative relief, if granted against the holders of the Notes by Indonesian courts, may be enforced by foreign courts against the assets of the holders of the Notes (or other transaction participants) located outside Indonesia (and each holder of the Notes should seek legal advice in that regard). As a result, your participation as a holder of Notes in this transaction may expose you to affirmative verdicts by Indonesian courts (beyond the value of the Notes you purchased).

The Issuer will require a significant amount of cash to meet its debt obligations

The ability of the Issuer to make scheduled principal payments on the Notes, and to fund the ongoing operations of the Issuer and its subsidiaries, will depend on their future performance and their ability to generate cash which, to a certain extent, is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as discussed in this section, many of which are beyond the control of the Issuer and its subsidiaries. If the future cash flows from operations and other capital resources of the Issuer and its subsidiaries are insufficient to pay their debt obligations, including the Notes and the Subsidiary Guarantees, the Existing Pari Passu Secured Indebtedness, or to fund their other liquidity needs, they may be forced to sell assets, attempt to restructure or refinance their existing indebtedness. No assurance can be given that the Issuer and the Subsidiary Guarantors would be able to accomplish any of these measures on a timely basis or on satisfactory terms or at all.

The Issuer may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes upon the occurrence of certain events constituting a Change of Control or otherwise as required by the Indenture governing the Notes

Upon the occurrence of certain events constituting a Change of Control (as defined in "Description of Notes"), the Issuer is required to offer to repurchase all outstanding Notes at a purchase price in cash equal to 101.0% of their principal amount plus accrued and unpaid interest to the date of purchase. If any such event triggering the Issuer's repurchase obligations were to occur, we cannot assure you that the Issuer would have sufficient funds available at such time to pay the purchase price of the outstanding Notes.

The Change of Control provision contained in the Indenture may not necessarily afford you protection in the event of certain important corporate events, including a reorganization, restructuring, merger or other similar transaction involving the Subsidiary Guarantors that may adversely affect you, because such corporate events may not involve a shift in voting power or beneficial ownership or, even if they do, may not constitute a "Change of Control" as defined in the Indenture. Except as described under "Description of the Notes — Repurchase of Notes upon a Change of Control," the Indenture does not contain provisions that require the Issuer to offer to repurchase or redeem the Notes in the event of a reorganization, restructuring, merger, recapitalization or similar transaction.

The definition of "Change of Control" contained in the Indenture includes a disposition of all or substantially all of the assets of the Issuer and its restricted subsidiaries taken as a whole to any person. Although there is a limited body of case law interpreting the phrase "all or substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of "all or substantially all" of the assets of the Issuer and its restricted subsidiaries taken as a whole. As a result, it may be unclear as to whether a change of control has occurred and whether the Issuer is required to make an offer to repurchase the Notes.

The value of the Common Security may not be sufficient to satisfy the Issuer's obligations under the Notes and the Subsidiary Guarantors' obligations under the Subsidiary Guarantees

The value of the Common Security in the event of a liquidation will depend upon market and economic conditions, the availability of buyers and similar factors. No independent appraisals of any of the Common Security have been prepared by or on behalf of us in connection with this offering of Notes. Accordingly, we cannot assure you that the proceeds of any sale of Common Security following an acceleration of the Notes would be sufficient to satisfy, or would not be substantially less than, amounts due and payable on the Notes. By their nature, some or all of the Common Security, in particular the capital stock of the Issuer and the existing or any future Subsidiary Guarantors, may be illiquid and may not have readily ascertainable market value. Likewise, we cannot assure you that the Common Security will be saleable or, if saleable, that there will not be substantial delays in its liquidation. In addition, the sale of certain Common Security, including pledged shares, may violate provisions of certain of our coal supply agreements, resulting in a termination of such agreement. The value of the Common Security securing the Notes and the Subsidiary Guarantees of the Subsidiary Guarantors is unlikely to be sufficient to satisfy the Issuer's and of the Subsidiary Guarantors' obligations under the Notes and the Subsidiary Guarantees of the Subsidiary Guarantors, and the Common Security securing the Notes and such Subsidiary Guarantees may be reduced or diluted under certain circumstances and the disposition of assets comprising the Common Security, subject to the terms of the indentures governing the Notes and the 2025 Notes, and the terms of the Syndicated Facility I, the Syndicated Facility II and the Syndicated Facility III, see "Description of Material Indebtedness — Material Indebtedness of Indika."

There are circumstances other than repayment or discharge of the Notes under which the liens on the Common Security securing the Notes and the Subsidiary Guarantees may be released, without your consent or the consent of the Trustee

Under the Intercreditor Agreement (as defined in "Description of the Notes"), the Common Security may be released without the consent of the secured parties if such release is permitted under each of the documents governing the Existing Pari Passu Secured Indebtedness, which includes the 2025 Notes, and the Syndicated Facility I, the Syndicated Facility II and the Syndicated Facility III, and future Permitted Pari Passu Secured Indebtedness.

The Indenture will provide that the liens on the Common Security securing the Notes and the Subsidiary Guarantees may be released in certain circumstances other than repayment or discharge of the Notes, including upon certain dispositions of the Common Security in compliance with the covenants under the captions "Description of the Notes — Certain Covenants — Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries" or "Description of the Notes — Certain Covenants — Limitation on Asset Sales;" provided, that in the case of the disposition of the Capital Stock of Kideco, after giving effect to such disposition,

(a) the Issuer and its Wholly-Owned Restricted Subsidiaries hold not less than 65.0% of the outstanding Capital Stock of Kideco and (b) except in the case of such disposition which is required pursuant to a government order or regulation, the Consolidated Debt to Consolidated EBITDA Ratio would not be greater than 4.00 to 1.00.

The Common Security will be shared with the holders of the Existing Pari Passu Secured Indebtedness and any future Permitted Pari Passu Secured Indebtedness

The Common Security will be shared on a *pari passu* basis by the holders of the Notes and the holders of other secured indebtedness, including the holders of the 2025 Notes, and creditors under the Syndicated Facility I, the Syndicated Facility II and the Syndicated Facility III, see "Description of Material Indebtedness — Material Indebtedness of Indika." Accordingly, in the event of a default of the Notes or the other secured indebtedness and a foreclosure on the Common Security, any foreclosure proceeds with respect to the Common Security would be shared *pro rata* by the holders of secured indebtedness in proportion to the outstanding amounts of each class of secured indebtedness. See "Description of the Notes — Security."

There is uncertainty as to whether security rights in Indonesia can be enforced in full and in accordance with their terms

A significant portion of the assets securing the Issuer's obligations in respect of the Notes are located in Indonesia and are subject to security documents governed by Indonesian law (the "Indonesian Security Documents"). See "Description of the Notes — Security." There is uncertainty as to whether the Indonesian Security Documents can be enforced in full and in accordance with their terms for several reasons, including:

- The ability of the Trustee or the Common Security Agent to enforce its rights under the Indonesian Security Documents will depend on whether an Indonesian court is willing to recognize and enforce the principal debt obligation represented by the indenture governing the Notes. Accordingly, enforcement of claims will be subject to an Indonesian court accepting New York law as the governing law of the Notes and the indenture or, alternatively, how an Indonesian court will interpret the New York law trust principles therein in the event that Indonesian law was applied. Indonesian courts have, from time to time, disregarded the parties' choice of foreign law and applied Indonesian law in such cases, and we cannot assure you that an Indonesian court would apply New York law in any proceedings relating to the enforcement of the Notes or the Indenture.
- Judgments of foreign courts, including New York courts, are not enforceable in Indonesia. As a result, the Trustee or the Common Security Agent may be required, prior to the enforcement of the Indonesian Security Documents, to pursue claims based upon the Notes and the indenture through the Indonesian courts.
- The security created by the Indonesian Security Documents will be subject to higher ranking society priority rights created by statute, including rights created pursuant to Articles 1137 and 1139 of the Indonesian Civil Code in respect of claims made by the Government, such as auction and court and other administrative costs relating to enforcement of the Indonesian Security Documents and the safeguarding of the relevant secured assets. Specific performance may not always be available under the laws of Indonesia.
- In connection with any permitted refinancing or incurrence of indebtedness that will be permitted to share in security over the Common Security, the Indonesian Security Documents may need to be released and replacement security documents executed. The perfection of the security represented by the replacement fiduciary security may be completed after a significant period of time after the release of the old fiduciary security, during which the Notes will not have the benefit of a perfected security rights over certain Common Security.
- There are two ways to enforce security under Indonesian law. The first one, absent any prior agreement is through a public auction, which in practice would require a prior court decision from the relevant district court. The second one is through a private sale, which in practice would require a court

approval to confirm the effectiveness of the transaction (which will be issued upon petition filed by the investors). There is no guarantee that these court decisions will be issued accordingly by the relevant district courts.

- Any transfer of shares (a) to foreign parties in a non-foreign investment company; or (b) to any parties in a foreign investment company, as a result of the enforcement of security rights under the Indonesian Security Documents will require prior approval of the Ministry of Investment to render it effective. We cannot assure you that such consent and approval would be issued by the Ministry of Investment.

Security over the Common Security will not be granted directly to the holders of the Notes

Security over the Common Security for the obligations of the Issuer and the Subsidiary Guarantors under the Notes and the Indenture will not be granted directly to the holders of the Notes but will be granted only in favor of the Trustee and the Common Security Agent. As a consequence, the holders of the Notes will not have direct security and will not be entitled to take enforcement action in respect of the security for the Notes and the Subsidiary Guarantees, except through the Trustee and the Common Security Agent which have agreed to apply any proceeds of enforcement on such security towards such obligations.

In addition, other than the Indonesian capital markets regulations and Indonesia's Sharia laws, Indonesian law does not recognize the concept of a trustee including, without limitation, the relationship of trustee and beneficiary or other fiduciary relationships. Accordingly, enforcement of the provisions granting security in favor of third-party beneficiaries and otherwise relating to the nature of the relationship between a trustee (in its capacity as such) and the beneficiaries of a trust in Indonesia will be subject to an Indonesian court accepting the concept of a trustee under New York law and accepting proof of the application of equitable principles under such security documents.

The ratings assigned to the Notes may be lowered or withdrawn entirely in the future

The ratings assigned to the Notes may be lowered or withdrawn entirely in the future. The Notes are expected to be assigned a rating of "Ba3" by Moody's and "BB-" by Fitch. The ratings address the Issuer's and the Subsidiary Guarantors' ability to perform their respective obligations under the terms of the Notes and the Subsidiary Guarantees and credit risks in determining the likelihood that payments will be made when due under the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time. We cannot assure you that a rating will remain for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency if in its judgment circumstances in the future so warrant. The Issuer has no obligation to inform holders of the Notes of any such revision, downgrade or withdrawal. A suspension, reduction or withdrawal at any time of the rating assigned to the Notes may adversely affect the market price of the Notes. See also "— Risks Common to All Our Businesses — Deterioration in our credit profile could increase our costs of borrowing money and limit our access to the capital markets and commercial credit" and "— Risks Relating to Indonesia — Downgrades of credit ratings of Indonesia and Indonesian companies could adversely affect our credit ratings."

An active trading market for the Notes may not develop, and the trading price of the Notes may be materially and adversely affected

The Notes are a new issue of securities for which there is currently no trading market. The Issuer and the Subsidiary Guarantors have been advised that the Initial Purchasers intend to make a market in the Notes, but are not obligated to do so and may discontinue such market-making activity at any time without notice. The Issuer and the Subsidiary Guarantors cannot predict whether an active trading market for the Notes will develop or be sustained. If an active trading market were to develop, the Notes could trade at prices that may be lower than the initial offering price. Whether or not the Notes could trade at lower prices depends on many factors, including:

- prevailing interest rates and the markets for similar securities;
- general economic conditions;

- the financial condition and stability of the Indonesian financial sector;
- political and economic developments in and affecting Indonesia;
- changes in the credit ratings of the Notes, the Issuer or Indonesia; and
- the Subsidiary Guarantors' financial condition, historical financial performance and future prospects.

If an active market for the Notes fails to develop or be sustained, the trading price of the Notes may be materially and adversely affected. Application has been made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. However, we cannot assure you that the Issuer will be able to maintain a listing of the Notes on the SGX-ST, or that, if listed, a trading market will develop. The Issuer does not intend to apply for listing of the Notes on any securities exchange other than the SGX-ST. Lack of a liquid, active trading market for the Notes may adversely affect the price of the Notes or may otherwise impede a holder's ability to dispose of the Notes.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of such securities. We cannot assure you that the market for the Notes will not be subject to similar disruptions. Any such disruptions may have an adverse effect on the market price of the Notes.

The transfer of Notes is restricted which may adversely affect their liquidity and the price at which they may be sold

The Notes and the Subsidiary Guarantees have not been registered under, and the Issuer is not obligated to register the Notes or the Subsidiary Guarantees under, the Securities Act or the securities laws of any other jurisdiction and, unless so registered, may not be offered or sold except pursuant to an exemption from, or a transaction not subject to, the registration requirements of the Securities Act and any other applicable laws. See "Transfer Restrictions." The Issuer has not agreed to or otherwise undertaken to register the Notes and the Subsidiary Guarantees (including by way of an exchange offer), and the Issuer has no intention to do so.

The Notes will initially be held in book-entry form, and therefore you must rely on the procedures of the relevant clearing systems to exercise any rights and remedies

The Notes will initially only be issued in global certificated form and held through DTC and its participants, including Euroclear and Clearstream, Luxembourg. Interests in the Global Notes will trade in book-entry form only, and Notes in definitive registered form, or definitive registered Notes, will be issued in exchange for book-entry interests only in very limited circumstances.

Owners of book-entry interests will not be considered owners or holders of Notes. A nominee of DTC will be the sole registered holder of the Global Notes representing the Notes. Payments of principal, interest and other amounts owing on or in respect of the Global Notes representing the Notes will be made to the paying agent who will make payments to DTC. Thereafter, these payments will be credited to accounts of participants that hold book-entry interests in the Global Notes representing the Notes and credited by such participants to indirect participants. After payment to the nominee of DTC, the Issuer will have no responsibility or liability for the payment of interest, principal or other amounts to the owners of book-entry interests. Accordingly, if you own a book-entry interest, you must rely on the procedures of DTC, and if you are not a participant in DTC, on the procedures of the participant through which you own your interest, to exercise any rights and obligations of a holder of Notes under the Indenture.

Unlike the holders of the Notes themselves, owners of book-entry interests will not have the direct right to act upon the Issuer's solicitations for consents, requests for waivers or other actions from holders of the Notes. Instead, if you own a book-entry interest, you will be permitted to act only to the extent you have received appropriate proxies to do so from DTC. The procedures implemented for the granting of such proxies may not be sufficient to enable you to vote on a timely basis.

Similarly, upon the occurrence of an event of default under the Indenture, unless and until definitive registered Notes are issued in respect of all book-entry interests, if you own a book-entry interest, you will be

restricted to acting through DTC. The procedures to be implemented through DTC may not be adequate to ensure the timely exercise of rights under the Notes. See "Description of the Notes — Book-entry; delivery and form."

The offering of Notes is susceptible to foreign exchange risk as a consequence of some of our assets being denominated in Rupiah and the Notes being denominated in U.S. dollars

The offering of Notes is susceptible to foreign currency exchange risk as a consequence of some of our assets being denominated in Rupiah and the Notes being denominated in U.S. dollars. Furthermore, the Issuer has not hedged its exposure to fluctuations in foreign exchange risks between the Rupiah and the U.S. dollar. Accordingly, fluctuations in the exchange rate between the Rupiah and the U.S. dollar will affect the value of the Notes. Exchange rate movements for the Rupiah against the U.S. dollar are volatile and are the result of numerous factors specific to Indonesia and the United States including the supply of, and the demand for, the Rupiah, as well as government policy, intervention or actions, but are also influenced significantly from time to time by political or economic developments, and by macroeconomic factors and speculative actions related to Indonesia and other regions. Changes in exchange rates result over time from the interaction of many factors directly or indirectly affecting economic and political conditions in Indonesia and related countries. Of particular importance to potential currency exchange risk are: (a) rates of inflation; (b) interest rate levels; (c) balance of payments; and (d) the extent of governmental surpluses or deficits in Indonesia and the United States. All of these factors are in turn sensitive to the monetary, fiscal and trade policies pursued by the governments of Indonesia and the United States and other countries important to international trade and finance. The weakening of the Rupiah relative to the U.S. dollar may have a material adverse effect on the value of the Notes and the return on an investment in the Notes.

Enforcing your rights under the Notes or the Subsidiary Guarantees across multiple jurisdictions may prove difficult

The Notes will be issued by the Issuer which is incorporated under the laws of Indonesia, and the Notes will be guaranteed by the Subsidiary Guarantors which are established under the laws of Indonesia or Singapore. In addition, the Notes and Subsidiary Guarantees are governed by the laws of New York. In the event of a bankruptcy, insolvency, suspension of debt payment or similar event, proceedings could be initiated in Indonesia, Singapore and New York. Such multi-jurisdictional proceedings are likely to be complex and costly for creditors and otherwise may result in greater uncertainty and delay regarding the enforcement of your rights. Your rights under the Notes and Subsidiary Guarantees will be subject to the insolvency and administrative laws of several jurisdictions and we cannot assure you that you will be able to effectively enforce your rights in such complex multiple bankruptcy, insolvency or similar proceedings. In addition, the bankruptcy, insolvency, suspension of debt payment or administrative and other laws of Indonesia, Singapore and New York may be materially different from, or be in conflict with, each other and those with which you may be familiar, including in the areas of rights of creditors, priority of governmental and other creditors, ability to obtain post-petition interest and duration of the proceeding. The application of these laws, or any conflict among them, could call into question whether any particular jurisdiction's laws should apply, and could adversely affect your ability to enforce your rights under the Notes and the Subsidiary Guarantees in the relevant jurisdictions or limit any amounts that you may receive.

Application of Singapore insolvency and related laws to the Subsidiary Guarantors incorporated in Singapore may result in a material adverse effect on the Noteholders

We cannot assure you that any Subsidiary Guarantors incorporated in Singapore (a "Singapore Subsidiary Guarantor") will not become bankrupt, unable to pay their debts or insolvent, or be the subject of judicial management, schemes of arrangement, winding-up or liquidation orders or other insolvency-related proceedings or procedures. In the event of an insolvency or near insolvency of a Singapore Subsidiary Guarantor, the application of certain provisions of Singapore insolvency and related laws may have a material adverse effect on Noteholders. Below is a non-exhaustive discussion of matters that may have a material adverse effect on Noteholders.

Where a Singapore Subsidiary Guarantor is insolvent or close to insolvent and the Singapore Subsidiary Guarantor undergoes certain insolvency procedures, there may be a moratorium against actions and proceedings which may apply in the case of judicial management, schemes of arrangement and/or winding-up in relation to the Singapore Subsidiary Guarantor. It may also be possible that if a company related to a Singapore Subsidiary Guarantor proposes a creditor scheme of arrangement and obtains an order for a moratorium, the Singapore Subsidiary Guarantor may also seek a moratorium even if the Singapore Subsidiary Guarantor is not in itself proposing a scheme of arrangement. These moratoriums can be lifted with court permission and in the case of judicial management, with the consent of the judicial manager or with court permission. Accordingly, if for instance there is any need for the Trustee to bring an action against a Singapore Subsidiary Guarantor, the need to obtain court permission or the judicial manager's consent may result in delays in being able to bring or continue legal proceedings that may be necessary in the process of recovery.

Further, Noteholders may be made subject to a binding scheme of arrangement where the majority in number representing 75.0% in value of creditors and the court approve such scheme. In respect of company-initiated creditor schemes of arrangement, there are cram-down provisions that may apply to a dissenting class of creditors. The court may notwithstanding a single class of dissenting creditors approve a scheme provided an overall majority in number representing 75.0% in value of the creditors meant to be bound by the scheme have agreed to it and provided that the scheme does not unfairly discriminate and is fair and equitable to each dissenting class and the court is of the view that it is appropriate to approve the scheme. In such scenarios, Noteholders may be bound by a scheme of arrangement to which they may have dissented.

The Insolvency, Restructuring and Dissolution Act 2018 (Act 40 of 2018) (the "IRD Act"), which came into force on July 30, 2020, includes a prohibition against terminating, amending or claiming an accelerated payment or forfeiture of the term under, any agreement (including a security agreement) with a company that commences certain insolvency or rescue proceedings (and before the conclusion of such proceedings), by reason only that the proceedings are commenced or that the company is insolvent. This prohibition is not expected to apply to any contract or agreement that is, or that is directly connected with, a debenture. However, it may apply to related contracts that are not found to be directly connected with the Notes.

Future Bankruptcy or PKPU proceedings in Indonesia may delay or prevent payment on the Notes and enforcement on the Common Security

Under Law No. 37 of 2004 on Bankruptcy and Suspension of Payment as amended by Law No. 4 of 2023 on Development and Strengthening of Financial Sectors (the "Indonesian Bankruptcy Law"), a creditor that foresees its debtor would not be able to continue to pay its debts when they become due and payable, or a debtor which is unable, or predicts that it would be unable, to pay its debts when they become due and payable, may file a petition for bankruptcy or PKPU with the Commercial Court. A debtor who has two or more creditors and who is unable to repay its debts may be declared bankrupt by virtue of a Commercial Court decision. Under the Indonesian Bankruptcy Law, a PKPU proceeding takes priority over a bankruptcy proceeding and must be decided first. As such, a PKPU proceeding will effectively postpone the bankruptcy proceeding. Creditors are unlikely to receive any payment during the course of the bankruptcy or PKPU proceeding (with the exception of secured creditors under certain conditions) and the bankruptcy estate is likely to be insufficient to fully settle their claims. We cannot assure you that the Subsidiary Guarantors will not be involved in a bankruptcy or PKPU proceeding, which may delay payment on the Notes and enforcement on the Common Security.

In addition, during the PKPU proceeding, the debtor may propose a composition plan to its creditors. Such composition, if approved at a creditors' meeting and ratified by the Commercial Court, will be binding on all unsecured creditors and on secured creditors that voted for the composition plan, and the PKPU proceeding ends. The debtor can then continue its business and service its debt in accordance with the composition plan proposed by the debtor and approved at the creditors' meeting and ratified by the court. The secured creditors that did not attend the creditors' meeting or vote on the plan are not bound by the plan and are entitled to enforce their security rights.

As a composition plan, if approved, is approved by majority of the creditors on a collective basis, it may not be in the best interest of any particular creditor. If the Subsidiary Guarantor becomes a debtor in a bankruptcy

proceeding or a PKPU proceeding in Indonesia, we may file for a PKPU with proposed composition plan which may not be satisfactory to the unsecured creditors. If the Subsidiary Guarantors become a debtor in a bankruptcy proceeding or a PKPU proceeding in Indonesia, the Subsidiary Guarantors may file for a PKPU with a proposed composition plan, which may not be satisfactory to you. If such composition plan is approved, it will be binding on you.

Limitations on secured claims

Under the Indonesian Bankruptcy Law, secured creditors have priority in right of payment with respect to the collateral securing its claims notwithstanding the existence of a bankruptcy proceeding or a PKPU proceeding; provided that, they will be subject to a stay period (*penangguhan*) before they are allowed to enforce their security rights. In a PKPU proceeding, this stay period lasts for the duration of the proceedings with a maximum of 270 days, while in a bankruptcy proceeding, the stay period becomes operative upon the declaration of bankruptcy and operates for a maximum of 90 days after the date of the declaration of bankruptcy. If the debtor enters into a state of insolvency, the secured creditors must exercise their rights within two months after the commencement of the state of insolvency, although this period may be extended at the discretion of the supervisory judge of the Commercial Court. During the applicable stay period, the secured creditors are, however, entitled to "adequate protection," during the stay period. The receiver may only initiate the stay period if the bankruptcy estate is able to provide the stayed parties with adequate protection, which may include interest payments, compensation for reduction in the value of collateralized assets and the like. However, since the term "adequate protection" lacks a precise definition, and the receiver and the Commercial Court have broad discretionary powers, it is impossible to predict if and to what extent holders of Notes would be compensated for any delay in payment or depreciation in the value of the Common Security. The Notes will be secured only to the extent of the value of the relevant Common Security securing such securities. In addition, in most instances, the Indonesian Bankruptcy Law prohibits accrual of interest after a bankruptcy petition, unless the claims are over-secured.

If any of the Indonesian Subsidiary Guarantors are involved in a bankruptcy proceeding or a PKPU proceeding, this stay period could delay the enforcement of your rights under the Common Security. In this case, the Trustee or the Common Security Agent will not be able to exercise its rights under the Indenture or the Indonesian Security Documents, as the case may be, during the stay period to repossess and dispose of the Common Security without first seeking approval from the receiver or the supervisory judge. It is uncertain whether or when such approval would be granted. In addition, in the event that a bankruptcy petition is filed by or against the Subsidiary Guarantors in Indonesia, unless the Commercial Court concludes that the relevant Common Security securing the Notes exceeds the aggregate claims outstanding under the Notes, the amount of a holder's claims, based on the Notes, would not accrue any interest after the bankruptcy declaration.

USE OF PROCEEDS

The net proceeds of the offering of the Notes, after deduction of fees and commissions and estimated expenses in connection with the offering of the Notes, are expected to be approximately US$342.6 million.

We intend to use the net proceeds of the offering of the Notes as follows: first, pursuant to the Tender Offer that we are concurrently conducting with the offering of the Notes, to repurchase the maximum aggregate principal amount of outstanding 2025 Notes that would not exceed the aggregate principal amount of Notes to be issued pursuant to this offering, see "Summary — Recent Developments — Concurrent Tender Offer;" second, to repurchase and/or redeem any remaining outstanding 2025 Notes through open-market repurchases, tender offers and/or redemptions as permitted under the indenture governing the 2025 Notes; and, third, to use any remaining proceeds to fund our capital expenditures in connection with the development and expansion of our non-coal related businesses, particularly our EV and renewable energy businesses, see "Business — Our Strategies — Continue to diversify cash flows and increase revenue contribution from non-coal related businesses." We do not intend to use any of the proceeds of the offering of the Notes to directly or indirectly fund any coal-related capital expenditures.

CAPITALIZATION

The table below sets forth our consolidated cash balances and capitalization as of December 31, 2023 on an actual basis, on an as adjusted basis, and on an as further adjusted basis:

- The "Actual" data set forth in the table below represents our actual consolidated capitalization as of December 31, 2023, which has been derived from our Consolidated Financial Statements included elsewhere in this Offering Memorandum.
- The "Adjusted" data set forth in the table below has been adjusted to give effect to (i) the sale of MUTU, see "Summary — Recent Developments — Sale of MUTU," (ii) the estimated net proceeds from the US$300.0 million in principal amount that we plan to draw down under the Syndicated Facility III for the purpose of funding the redemption of the 2024 Notes, see "Description of Material Indebtedness — Material Indebtedness of Indika — Syndicated Facility III;" and (iii) the redemption of all the outstanding 2024 Notes, see "Summary — Recent Developments — Redemption of the 2024 Notes."
- The "Further Adjusted" data set forth in the table below represents the "Adjusted" data as further adjusted to give effect to (i) the issuance of the Notes, and (ii) the application of the net proceeds of the offering of the Notes, together with our cash, to fund the Tender Offer for the 2025 Notes that we are concurrently conducting with the offering of the Notes, assuming the purchase of US$350.0 million in aggregate principal amount of 2025 Notes at the price of US$1,012.50 per US$1,000 principal amount of 2025 Notes pursuant to the Tender Offer, see "Summary — Recent Developments — Concurrent Tender Offer."

This table should be read in conjunction with the sections entitled "Selected Consolidated Financial and Other Data," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our Consolidated Financial Statements and the related notes thereto included elsewhere in this Offering Memorandum.

	As of December 31, 2023		
	Actual	Adjusted	Further Adjusted
	(US$ in millions)		
Total cash and cash equivalents and other financial assets[1]	696.3	903.5	867.4
Indebtedness:			
Short-term loans	58.4	58.4	58.4
Current maturities of long-term loans	58.3	64.3[6]	64.3[6]
Current maturities of lease liabilities	7.9	7.9	7.9
Notes:			
Notes to be issued[2]	—	—	342.6
2024 Notes[3]	295.9	—	—
2025 Notes[4]	537.4	537.4	183.2
Long-term loans — net of current maturities[5]	105.5	399.2[6]	399.2[6]
Convertible loan	20.1	20.1	20.1
Lease liabilities — net of current maturities	8.5	8.5	8.5
Total indebtedness[7]	**1,091.9**	**1,095.6**	**1,084.1**
Equity:			
Capital stock	56.9	56.9	56.9
Additional paid-in capital	253.8	287.3	287.3
Other components of equity	(12.1)	(12.1)	(12.1)
Treasury shares	(0.4)	(0.4)	(0.4)
Retained earnings:			
Appropriated	11.4	11.4	11.4
Unappropriated	923.2	891.8	867.3
Total equity attributable to owners of the company	1,232.8	1,235.0	1,210.4
Non-controlling interests	144.3	144.3	144.3
Total equity	**1,377.1**	**1,379.3**	**1,354.7**
Total capitalization[8]	**2,469.1**	**2,474.9**	**2,438.8**

Notes:

(1) Total cash and cash equivalents and other financial assets consists of cash and cash equivalents, other financial assets — current maturities and other financial assets — net of current maturities.

(2) In accordance with our accounting policies, the estimated note issuance cost of the Notes of US$7.4 million has been netted against the principal amount of the Notes of US$350.0 million.

(3) In accordance with our accounting policies, the unamortized note discount and issuance cost of the 2024 Notes totaling US$0.1 million as of December 31, 2023 has been netted against the principal amount outstanding of the 2024 Notes of US$293.6 million and accrued interest of US$2.5 million.

(4) In accordance with our accounting policies, the unamortized note issuance cost of the 2025 Notes of US$5.1 million as of December 31, 2023 has been netted against the principal amount outstanding of the 2025 Notes of US$534.1 million and accrued interest of US$8.4 million.

(5) As of December 31, 2023, we had US$643.2 million and Rp.2,059.7 billion (approximately US$133.6 million) available for drawdown under our existing cash loan facilities.

(6) Includes the estimated current and non-current portions, as applicable, of maturities in relation to the US$300.0 million in principal amount that we plan to draw down under the Syndicated Facility III for the purpose of funding the redemption of the 2024 Notes. See "Summary — Recent Developments — Redemption of the 2024 Notes" and "Description of Material Indebtedness — Material Indebtedness of Indika — Syndicated Facility III."

(7) Total indebtedness includes the total amount of indebtedness of the Issuer's non-guarantor subsidiaries of US$102.9 million as of December 31, 2023.

(8) Total capitalization includes total indebtedness plus total equity.

Except as disclosed above or in this Offering Memorandum, there has been no material change in our capitalization since December 31, 2023.

SELECTED CONSOLIDATED FINANCIAL INFORMATION AND OTHER DATA

The selected consolidated financial information as of and for the years ended December 31, 2021, 2022 and 2023, presented below, has been derived from our Consolidated Financial Statements included elsewhere in this Offering Memorandum. Our Consolidated Financial Statements have been audited by Imelda & Rekan (an affiliate of Deloitte Southeast Asia Ltd, a member of Deloitte Asia Pacific Limited and of the Deloitte Network), independent public accountants, in accordance with Standards on Auditing established by the IICPA, as stated in their audit report, appearing elsewhere in this Offering Memorandum.

Our Consolidated Financial Statements, which are prepared in accordance with IFAS and presented in U.S. dollars, are not intended to present our consolidated financial position, financial performance, or cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. IFAS differ in certain respects from U.S. GAAP. In making an investment decision, you should rely upon your own examination of the terms of this offering of the Notes and the financial information contained in this Offering Memorandum. You should consult your own professional advisors for an understanding of the differences between IFAS and U.S. GAAP, and how those differences could affect the financial information contained in this Offering Memorandum. See "Summary of Certain Differences between IFAS and U.S. GAAP" included elsewhere in this Offering Memorandum for a description of certain differences between IFAS and U.S. GAAP.

The following information should be read in conjunction with our Consolidated Financial Statements and the related notes thereto, and the sections entitled "Presentation of Financial Information and Other Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Risk Factors" included elsewhere in this Offering Memorandum.

Consolidated Statements of Profit or Loss and Other Comprehensive Income

	For the year ended December 31,		
	2021	2022	2023
	(US$ in millions)		
Revenues	3,069.2	4,334.9	3,026.8
Cost of contracts and goods sold	(2,151.0)	(2,884.1)	(2,474.9)
Gross profit	**918.1**	**1,450.8**	**552.0**
Equity in net profit of associates	27.9	31.2	22.9
Amortization of intangible assets	(135.9)	(136.1)	(37.6)
Selling, general and administrative expenses	(145.4)	(240.7)	(239.8)
Investment income	4.3	9.3	20.2
Finance costs	(104.9)	(103.5)	(85.6)
Final tax	(6.8)	(8.9)	(7.6)
Fair value changes on embedded derivative of convertible loan	—	—	1.3
Fair value changes on contingent consideration obligation	(41.8)	46.3	—
Others — net	(13.4)	(38.0)	12.6
Profit before tax	**502.1**	**1,010.3**	**238.4**
Income tax expense	(294.7)	(499.6)	(87.4)
Profit for the year from continuing operation	**207.4**	**510.8**	**151.0**
Discontinued operation:			
Loss for the year from discontinued operation	(144.1)	—	—
Profit for the year	**63.3**	**510.8**	**151.0**

	For the year ended December 31,		
	2021	2022	2023
	(US$ in millions)		
Other comprehensive income (loss):			
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefits obligation, net of tax	2.2	0.6	(0.9)
Items that may be reclassified subsequently to profit or loss:			
Cumulative translation adjustments	1.1	(2.1)	1.2
Unrealized (loss) gain on derivative financial instrument (hedging reserve)	13.9	55.7	(3.9)
Unrealized (loss) gain on investment stated at fair value through other comprehensive income	9.7	(0.8)	(0.4)
Total other comprehensive income for the year, net of tax from continuing operations	**26.9**	**53.3**	**(4.1)**
Total comprehensive income for the year	**90.2**	**564.1**	**147.0**
Profit for the year attributable to:			
Owners of the company	57.7	452.7	119.7
Non-controlling interests	5.6	58.1	31.4
Total	**63.3**	**510.8**	**151.0**
Total comprehensive income for the year attributable to:			
Owners of the Company	77.8	468.3	116.8
Non-controlling interests	12.4	95.8	30.2
Total	**90.2**	**564.1**	**147.0**

Consolidated Statements of Financial Position Data

	As of December 31,		
	2021	2022	2023
	(US$ in millions)		
Assets:			
Current assets:			
Cash and cash equivalents	867.4	1,155.5	449.2
Other financial assets — current maturities	55.1	25.4	133.7
Trade accounts receivable:			
Related parties — net	74.6	71.9	80.6
Third parties — net	411.2	462.5	263.0
Contract asset	1.8	4.9	19.5
Current maturities of other accounts receivable:			
Related parties	—	2.6	—
Third parties — net	31.3	26.4	32.4
Inventories — net	43.7	60.6	51.3
Prepaid taxes	20.8	23.6	72.7
Biological assets	—	—	0.4
Derivative assets	—	—	0.7
Other current assets	137.7	169.5	116.6
Total	**1,643.7**	**2,002.8**	**1,220.1**
Non-current assets held for sale	448.2	—	264.0
Total current assets	**2,092.0**	**2,002.8**	**1,484.1**

	As of December 31,		
	2021	2022	2023
	(US$ in millions)		
Non-current assets:			
Other financial assets — net of current maturities	64.0	76.5	113.5
Other accounts receivable — net of current maturities:			
Related parties — net	10.2	20.6	20.4
Third parties	8.8	20.7	5.1
Advances and other non-current assets	43.2	49.6	46.3
Investments in associates	138.2	241.6	264.6
Claims for tax refund — net	66.8	25.6	23.5
Exploration and evaluation assets — net	90.7	104.7	102.1
Mining properties — net	11.3	29.9	5.7
Stripping activity assets	7.0	2.9	—
Property, plant and equipment — net	239.3	220.7	307.1
Right-of-use assets — net	3.8	3.8	17.0
Intangible assets — net	239.4	110.3	36.8
Goodwill — net	648.0	649.2	649.2
Refundable deposits	1.8	2.4	2.5
Deferred tax assets	26.8	29.1	25.6
Derivative assets	—	2.9	—
Bearer plants	0.3	0.6	9.8
Total non-current assets	**1,599.5**	**1,591.0**	**1,629.0**
Total assets	**3,691.5**	**3,593.9**	**3,113.1**

	As of December 31,		
	2021	2022	2023
	(US$ in millions)		
Liabilities and equity:			
Current liabilities:			
Short-term loans	58.1	50.5	58.4
Trade accounts payable:			
Related parties	5.7	5.8	4.1
Third parties	291.9	336.7	273.9
Contract liabilities	11.3	16.6	10.6
Taxes payable	304.3	544.1	15.5
Other accounts payable:			
Third parties	13.5	16.0	53.0
Accrued expenses	93.7	135.6	133.5
Advances from third-party customers	5.8	7.2	15.6
Dividends payable	0.0	0.0	0.0
Current maturities of long-term liabilities:			
Long-term loans	67.5	50.2	58.3
Lease liabilities	1.0	4.4	7.9
Bonds payable — net	15.6	11.7	304.4
Total	**868.4**	**1,178.9**	**935.1**
Liabilities directly related to non-current assets held for sale	267.4	—	47.4
Total current liabilities	**1,135.8**	**1,178.9**	**982.5**

	As of December 31,		
	2021	2022	2023
	(US$ in millions)		
***Non-current liabilities*:**			
Long-term liabilities — net of current maturities:			
Long-term loans:			
Related parties	—	—	1.3
Third parties	81.6	91.2	104.3
Convertible loan	—	7.5	20.1
Lease liabilities	2.7	1.4	8.5
Bonds payable — net	1,229.6	880.0	528.9
Other long-term liability — third party	—	8.2	0.4
Provision for mine rehabilitation, mine closure and decommissioning	35.2	38.7	43.3
Deferred tax liabilities	88.6	25.1	12.3
Derivative liabilities	1.6	—	8.1
Contingent consideration obligation	206.3	—	—
Employment benefits	26.4	22.6	26.4
Total non-current liabilities	**1,672.0**	**1,074.8**	**753.5**
Total liabilities	**2,807.8**	**2,253.7**	**1,736.0**
***Equity*:**			
Capital stock	56.9	56.9	56.9
Additional paid-in capital	253.8	253.8	253.8
Other components of equity	34.7	(9.2)	(12.1)
Treasury shares	(0.4)	(0.4)	(0.4)
Retained earnings:			
Appropriated	5.3	5.3	11.4
Unappropriated	413.0	882.8	923.2
Total equity attributable to owners of the company	763.4	1,189.3	1,232.8
Non-controlling interests	120.3	150.9	144.3
Total equity	**883.7**	**1,340.2**	**1,377.1**
Total liabilities and equity	**3,691.5**	**3,593.9**	**3,113.1**

Statements of Cash Flows

	For the year ended December 31,		
	2021	2022	2023
	(US$ in millions)		
Net cash provided by/(used in) operating activities	485.1	926.1	(199.1)
Net cash provided by/(used in) investing activities	(47.8)	32.8	(283.4)
Net cash used in financing activities	(130.2)	(665.3)	(124.7)
Net increase/(decrease) in cash and cash equivalents	**307.0**	**293.6**	**(607.2)**
Cash and cash equivalents at the beginning of the year	651.2	867.4	1,155.5
Effects of changes in foreign exchange rate	(1.5)	(5.5)	1.1
Cash and cash equivalents at the end of the year	**956.7**	**1,155.5**	**549.4**

Non-GAAP Measures and Other Financial Data

	As of and for the year ended December 31,		
	2021	2022	2023
	(US$ in millions)		
Revenue (before eliminating for inter-segment sales within our Group)	3,124.7	4,450.0	3,118.4
Revenue from coal related businesses[1]	2,688.3	3,861.5	2,738.1
Revenue from non-coal related businesses[2]	436.3	588.4	380.3
Adjusted EBITDA[3]	**691.6**	**1,299.2**	**395.1**
Adjusted EBITDA margin[4]	**22.5%**	**30.0%**	**13.1%**
Dividends received from associates[5]	21.9	26.0	11.6
Capital expenditures[6]	73.4	71.7	116.8
Finance costs	104.9	103.5	85.6
Total cash and cash equivalents and other financial assets[7]	986.5	1,257.4	696.3
Total debt[8]	1,456.0	1,097.0	1,091.9
Net debt (cash)[9]	469.5	(160.4)	395.6
Adjusted EBITDA/Finance costs	6.6	12.5	4.6
Total debt/Adjusted EBITDA	2.1	0.8	2.8
Net debt/Adjusted EBITDA	0.7	(0.1)	1.0

Notes:

(1) Revenue from coal related businesses comprises revenue (before eliminating for inter-segment sales within our Group) from coal sales from our coal mining and coal trading activities under our energy resources business segment, see "Business — Energy Resources Business." Revenue from coal related businesses for the years presented includes revenue contribution from MUTU. In February 2024, we completed the sale of our entire 100.0% equity interest in MUTU, see "Summary — Recent Developments — Sale of MUTU." For the year ended December 31, 2023, revenue from coal related businesses also includes revenue from the coal transportation and transshipment services we provide under our logistics and infrastructure business segment through Cotrans, as we began consolidating Cotrans in February 2023, see "Business — Logistics and Infrastructure Business — Other logistics services — Cotrans."

(2) Revenue from non-coal related businesses comprises revenue (before eliminating for inter-segment sales within our Group) from (i) our energy services business segment, see "Business — Energy Services Business," (ii) our logistics and infrastructure business segment (excluding the revenue from the coal transportation and transshipment services we provide through Cotrans), see "Business — Logistics and Infrastructure Business," (iii) our minerals business segment, see "Business — Minerals Business," (iv) our green business segment, see "Business — Green Business," and (v) our digital ventures business segment, see "Business — Digital Ventures Business."

(3) We define Adjusted EBITDA, for the purposes of this Offering Memorandum, as profit attributable to owners of the Company (i) plus income taxes, depreciation, finance costs, unrealized loss on foreign exchange – net, dividends received from associates, amortization of intangible assets and mining properties, profit attributable to non-controlling interest, provision for inventory obsolescence, fair value changes (increase) on contingent consideration obligation and others – net, and (ii) less unrealized gain on short-term investment, equity in net profit of associates, fair value changes (decrease) on contingent consideration obligation, fair value changes on embedded derivative of convertible loan and others – net for the years presented, which may be different from the way we define Adjusted EBITDA for other purposes. Adjusted EBITDA is presented because we believe it provides investors with important additional information to evaluate our performance. Moreover, we believe that investors, analysts and rating agencies will consider Adjusted EBITDA useful in measuring our ability to meet our debt service obligations. However, Adjusted EBITDA is not a recognized measurement under IFAS or U.S. GAAP and when analyzing our performance, investors should use Adjusted EBITDA in addition to, and not as an alternative to, profit/(loss) attributable to owners of the company or other performance measures derived in accordance with IFAS or U.S. GAAP. Set forth below is a reconciliation of our profit attributable to owners of the Company to Adjusted EBITDA.

	For the year ended December 31,		
	2021	2022	2023
	(US$ in millions)		
Profit attributable to owners of the Company	57.7	452.7	119.7
Add (less):			
Income taxes[(a)]	308.2	515.1	100.5
Depreciation	35.8	61.3	27.8
Finance costs	104.9	103.5	85.6
Unrealized loss on foreign exchange — net	4.5	16.0	1.3
Dividends received from associates	21.9	26.0	11.6
Amortization of intangible assets and mining properties	138.9	143.8	42.1
Unrealized gain on short-term investment	—	—	(0.4)
Profit attributable to non-controlling interest	5.6	58.1	31.4
Equity in net profit of associates	(27.9)	(31.2)	(22.9)
Provision for inventory obsolescence	0.2	0.2	0.1
Fair value changes on contingent consideration obligation	41.8	(46.3)	—
Fair value changes on embedded derivative of convertible loan	—	—	(1.3)
Others — net[(b)]	0.0	0.0	(0.4)
Adjusted EBITDA	**691.6**	**1,299.2**	**395.1**

Notes:

(a) Income taxes consist of final tax, foreign withholding tax and income tax expense.

(b) Others — net consists of unrealized gain on fair value changes in biological assets and loss (profit) from unrestricted subsidiaries.

(4) We calculate Adjusted EBITDA Margin as Adjusted EBITDA as a percentage of total revenues (after eliminating for inter-segment sales within our Group) for a given period.

(5) Dividends received from associates represents actual cash received by us from our share of dividends paid by our associates converted, when necessary, using the foreign exchange rate in effect at the time that the cash was received.

(6) Capital expenditures consist of cash transactions related to acquisitions of property, plant and equipment, exploration and evaluation assets and mining property.

(7) Total cash and cash equivalents and other financial assets consists of cash and cash equivalents, other financial assets — current maturities and other financial assets — net of current maturities.

(8) Total debt consists of short-term loans, long-term loans, convertible loan, lease liabilities and bonds payable — net.

(9) Net debt is calculated by deducting total cash and cash equivalents and other financial assets from total debt.

Selected Production, Sales and Operating Data

The following table sets forth certain production, sales and operating data relating to our businesses, for the years indicated.

	For the year ended December 31,		
	2021	2022	2023
Energy Resources			
Kideco Mines			
Coal production volume (tonnes in millions)	35.8	34.8	30.1
Coal sales volume (tonnes in millions)	35.8	34.8	30.5
Average selling price (US$ per tonne)[1]	61.4	86.5	72.9
Average strip ratio	5.0	5.1	5.6
Cash cost (US$ per tonne)[2]	28.7	34.7	37.6
MUTU Mines[3]			
Coal production volume (tonnes in millions)	1.6	1.8	1.5
Coal sales volume (tonnes in millions)	1.6	1.7	1.8
Average selling price (US$ per tonne)[1]	93.0	192.9	129.7
Average strip ratio	14.4	15.3	14.2
Cash cost (US$ per tonne)[2]	57.3	87.9	75.8
Commodity trading			
Coal trading volume (tonnes in millions)	5.8	7.0	3.2
Palm kernel shells trading volume (tonnes in thousands)	—	—	26.9
Logistics and Infrastructure			
KGTE			
Fuel storage volume (kilo barrels per day)	14.6	18.2	21.6
Cotrans			
Coal transportation volumes (tonnes in millions)	29.5	30.7	26.5
Minerals			
Nickel trading			
Nickel trading volume (wmt in thousands)	23.5	158.9	58.2
Bauxite mining			
Bauxite production volume (dmt in thousands)	—	239.8	285.2
Bauxite sales volume (dmt in thousands)	—	7.1	158.1
Green business			
Electric vehicles			
Two-wheel EV sales volumes (units)	—	316	3,275

Notes:

(1) Average selling price is calculated as sales divided by sales volume.

(2) Cash cost is calculated as (a) the sum of mining costs, transportation, freight and handling costs, coal processing and other cash production costs, restoration costs and increases or decreases in coal inventories, divided by (b) coal sales volumes. Cash costs do not include royalties paid to the Government.

(3) In February 2024, we completed the sale of our entire 100.0% equity interest in MUTU, see "Summary — Recent Developments — Sale of MUTU."

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis is based upon information contained in our Consolidated Financial Statements, including the notes thereto, appearing elsewhere in this Offering Memorandum. You should read the following discussion and analysis in conjunction with our Consolidated Financial Statements, including the notes thereto. This discussion contains forward-looking statements that reflect our current views with respect to future events and financial performance. See "Forward-Looking Statements" for a discussion of the risks relating to such forward-looking statements. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of factors, such as those set forth under "Risk Factors" and elsewhere in this Offering Memorandum. Our Consolidated Financial Statements have been prepared in accordance with IFAS, which differ in certain significant respects from U.S. GAAP. See "Summary of Certain Differences Between IFAS and U.S. GAAP."

Overview

We are a leading diversified Indonesian company with a portfolio of businesses spanning the energy value chain and a variety of other sectors, with a strong focus and commitment to long-term sustainability across our investments and operations. We believe our portfolio, combined with our local knowledge and strong industry reputation, enables us to provide complementary products and services across the Indonesian energy sector to both domestic and international customers, thereby positioning us to capture domestic economic growth and global economic recovery opportunities.

Our business operations are divided into eight segments, namely (i) energy resources, (ii) energy services, (iii) energy infrastructure, (iv) logistics and infrastructure, (v) minerals, (vi) green business, (vii) digital ventures, and (viii) others. For the years ended December 31, 2021, 2022 and 2023, our total revenue (after eliminating for inter-segment sales within our Group) was US$3,069.2 million, US$4,334.9 million and US$3,026.8 million, respectively, our gross profit was US$918.1 million, US$1,450.8 million and US$552.0 million, respectively, and our Adjusted EBITDA was US$691.6 million, US$1,299.2 million and US$395.1 million, respectively.

- ***Energy resources.*** Our energy resources business segment is focused on the exploration, production and sale of coal, which we primarily carry out through Kideco. We also engage in commodity trading through IIR's subsidiaries, ICI and IETPL. For the years ended December 31, 2021, 2022 and 2023, revenue from our energy resources business was US$2,688.3 million, US$3,784.5 million and US$2,662.2 million, respectively, representing 87.6%, 87.3% and 88.0%, respectively, of our total revenue (after eliminating for inter-segment sales within our Group). For the years ended December 31, 2022 and 2023, inter-segment sales within our Group involving our energy resources segment amounted to US$77.0 million and US$0.5 million, respectively. For the year ended December 31, 2021, we did not have any inter-segment sales within our Group involving our energy resources segment.

    - *Coal mining.* Through Kideco's IUPK, which spans a total concession area of approximately 33,887 hectares, we own and operate the Kideco Mines located in East Kalimantan. As of December 31, 2023, Kideco had total coal reserves and resources of approximately 468.2 million tonnes and 1,449.0 million tonnes, respectively. We also previously engaged in the exploration, production and sale of coal through our former subsidiary, MUTU. As of December 31, 2023, MUTU had total coal reserves and resources of approximately 26.5 million tonnes and 69.0 million tonnes, respectively. However, in February 2024, we completed the sale of our entire 100.0% equity interest in MUTU, see "Summary — Recent Developments — Sale of MUTU." We also hold an IUP through MEA, which spans a total concession area of approximately 3,650 hectares, where we do not currently have active operations, and we are in the process of divesting our entire 60.0% equity interest in MEA, see "Summary — Recent Developments — Proposed Sale of MEA." At our Kideco Mines, we produce a range of sub-bituminous coal which benefits from some of the lowest levels of ash, sulfur and other trace materials of any coal traded in the

global markets. Our customers for our sub-bituminous coal, which produces relatively low levels of nitrogen during combustion and makes it attractive for use in coal-fired power plants, primarily comprise power plant operators. We supply our coal products to a geographically diverse customer base in Indonesia and globally and, during the year ended December 31, 2023, we supplied coal to over 50 customers located in more than 10 countries. For the years ended December 31, 2021, 2022 and 2023, we produced 37.4 million tonnes, 36.6 million tonnes and 31.6 million tonnes of coal, respectively, and sold 37.4 million tonnes, 36.4 million tonnes and 32.3 million tonnes of coal, respectively. For all such years, Kideco contributed to approximately 95.0% of our total coal production volumes and total coal sales volumes.

- *Commodity trading*. We source and supply a variety of local and seaborne coal products to industries such as power generation and manufacturing. Our coal trading activities benefit from our existing network and experience in the coal mining and services industries. By leveraging access to our own coal as well as coal from other leading coal producers that we support through our energy services and infrastructure businesses, we are able to reliably supply coal with consistent quality to our coal trading customers. For the years ended December 31, 2021, 2022 and 2023, we traded 5.8 million tonnes, 7.0 million tonnes and 3.2 million tonnes of coal, respectively. Further, in January 2023, we began trading palm kernel shells, a byproduct of palm oil production, which is used as a fuel in biomass power plants. For the year ended December 31, 2023, we traded 26.9 kilo tonnes of palm kernel shells.

- ***Energy services.*** Our energy services business segment is focused on providing EPC, O&M and related services for the Indonesian oil and gas sector, which we provide through Tripatra. We have played a significant role in many of the largest, most complex and innovative energy projects in Indonesia for both well-known international and domestic customers across various industries, including oil and gas, petrochemical and power generation, such as BP, Chevron, ConocoPhillips, Eni, ExxonMobil and Pertamina. We estimate that the total backlog from our EPC, O&M and related services projects in continuing operations as of December 31, 2023 was approximately US$212.8 million. For the years ended December 31, 2021, 2022 and 2023, revenue from our energy services business was US$224.5 million, US$284.1 million and US$220.6 million, respectively, representing 7.3%, 6.6% and 7.3%, respectively, of our total revenue (after eliminating for inter-segment sales within our Group). For the same years, inter-segment sales within our Group involving our energy services segment amounted to US$7.1 million, US$22.5 million and US$2.3 million, respectively.

- ***Energy infrastructure.*** Our energy infrastructure business segment is focused on power generation. As of December 31, 2023, we held a 20.0% indirect equity interest in CEP, which operates the CEP Power Plant, a single-unit 660 MW coal-fired power plant in Cirebon, West Java, as well as a 6.25% economic interest in CEPR, which operates the CEPR Power Plant, a single-unit 1,000 MW power plant in Cirebon. Both the CEP Power Plant and the CEPR Power Plant are partially fueled by sub-bituminous coal from our Kideco Mines. PLN, Indonesia's state-owned electricity generation and distribution company, is the offtaker of the electricity generated by the CEP Power Plant and the CEPR Power Plant. For the years ended December 31, 2021, 2022 and 2023, equity in net profit of associates attributable to our energy infrastructure business was US$20.4 million, US$23.0 million and US$17.6 million, respectively.

- ***Logistics and infrastructure.*** Our logistics and infrastructure business segment offers port operator and multi-purpose terminal services, as well as an assortment of other logistics services, which we primarily carry out through Interport and its subsidiaries. For the years ended December 31, 2021, 2022 and 2023, revenue from our logistics and infrastructure business was US$27.5 million, US$33.7 million and US$38.9 million, respectively, representing 0.9%, 0.8% and 1.3%, respectively, of our total revenue for such years (after eliminating for inter-segment sales within our Group). For the same years, inter-segment sales within our Group involving our logistics and infrastructure segment amounted to US$37.3 million, US$1.0 million and US$75.7 million, respectively.

    - *Port operator and multi-purpose terminal services*. We hold a license as a Port Business Entity through Interport's subsidiary, ILSS, which enables us to provide comprehensive port operator

and related services at all major and intermediary ports in Indonesia, including stevedoring, warehousing, pilotage, bunkering and other ancillary services. ILSS also owns and operates the Kariangau Interport Terminal, a strategically located multi-user, multi-functional and integrated deepwater logistics base. In addition, we provide port management services through Interport's subsidiary, PSB, including stevedoring, storage and transportation services. Further, through Interport's subsidiary, KGTE, we operate a fuel storage terminal that has a total storage capacity of 96 million liters, as of December 31, 2023, which is exclusively utilized by ExxonMobil. As of December 31, 2023, we also held a 29.0% indirect equity interest in PPI, an associate company, which operates the Patimban Port in Subang, West Java.

- *Other logistics services.* In addition to port management services, PSB also provides fuel inventory management and transportation services to ExxonMobil. Further, through Interport's subsidiary, Cotrans, we provide coal transportation and transshipment services. As of December 31, 2023, we also held a 46.0% indirect equity interest in SBS, an associate company, which provides coal shipping services, including tugboat, barge and gear and gearless floating crane services and transshipment services.

- ***Minerals.*** Our minerals business segment engages in the nickel trading, bauxite mining and gold mining businesses, which we carry out through various subsidiaries. We began construction activities at the Awak Mas Gold Project in November 2023, and expect first gold production in 2026. For the years ended December 31, 2021, 2022 and 2023, revenue from our minerals business was US$1.0 million, US$8.5 million and US$6.1 million, respectively, representing less than 0.5% of our total revenue for such years (after eliminating for inter-segment sales within our Group). For the same years, we did not have any inter-segment sales within our Group involving our minerals business segment.

- ***Green business***. Our green business segment engages in the assembly, manufacturing and distribution of EVs and EV components, the generation and sale of renewable energy, including solar power, and the provision of nature-based solutions, including through biomass wood pellet production, carbon offsetting, agroforestry and natural aroma chemicals production, which we carry out through various subsidiaries and joint ventures. We began generating revenues from this business segment in 2022, and for the years ended December 31, 2022 and 2023, revenue from our green business was US$9.8 million and US$11.1 million, respectively, representing less than 0.5% of our total revenue for such years (after eliminating for inter-segment sales within our Group). For the same years, inter-segment sales within our Group involving our green business segment amounted to US$3.4 million and US$1.9 million, respectively.

- ***Digital ventures***. Our digital ventures business segment is focused on providing digital technology services, which we carry out through Xapiens and ZebraX. We offer a wide range of digital solutions and services including cybersecurity, cloud services, digital applications, system integration and industry-specific solutions that utilize technologies such as the IoT, AI and analytics. Our customers for our digital ventures business include companies in the mining, construction, EV, public sector, property management and consumer goods industries. For the years ended December 31, 2021, 2022 and 2023, revenue from our digital ventures business was US$7.4 million, US$6.8 million and US$8.4 million, respectively, representing less than 0.5% of our total revenue for such years (after eliminating for inter-segment sales within our Group). For the same years, inter-segment sales within our Group involving our digital ventures business segment amounted to US$7.5 million, US$8.6 million and US$8.5 million, respectively.

- ***Others***. We also engage in steel trading through our subsidiary, ICPL, and office rentals through our subsidiary, IPY. In addition, we are in the process of developing our healthcare business through our subsidiary, IMAN. In January 2023, IMAN established BIG as a joint venture with Bioneer Corporation. Through BIG's wholly-owned subsidiary, BID, we plan to engage in the distribution of medical equipment in Indonesia. For the years ended December 31, 2021, 2022 and 2023, revenue

from our others business segment was US$120.4 million, US$207.5 million and US$79.6 million, respectively, representing 3.9%, 4.8% and 2.6%, respectively, of our total revenue for such years (after eliminating for inter-segment sales within our Group). For the same years, inter-segment sales within our Group involving our others business segment amounted to US$3.6 million, US$2.5 million and US$2.7 million, respectively.

Factors Affecting our Business and Results of Operations

We derive a significant proportion of our revenue from our energy resources business segment, which is focused on the exploration, production and sale of coal, as well as commodity trading, see "Business — Energy Resources Business." In addition, under our energy infrastructure business segment, we engage in power generation through our minority equity interests in two coal-fired power plants, the CEP Power Plant and the CEPR Power Plant, see "Business — Energy Infrastructure Business." Accordingly, our Group's business and results of operations are, to a very large extent, affected by factors influencing demand and supply of our coal, see "— Factors affecting our coal-related businesses and their results of operations."

Our second largest business in terms of revenue is our energy services business segment, which is focused on providing EPC, O&M and related services for the Indonesian oil and gas sector, see "Business — Energy Services Business." Our third largest business in terms of revenue is our logistics and infrastructure business segment, where we offer port operator and multi-purpose terminal services, as well as an assortment of other logistics services, see "Business — Logistics and Infrastructure Business." Through these services, our Group's business and results of operations are to a smaller extent affected by factors influencing demand and supply of oil and gas, petrochemicals and power generation, see "— Factors affecting our oil and gas related businesses and their results of operations."

The remainder of our revenue is attributable to our (i) minerals business segment, where we engage in the nickel trading, bauxite mining and gold mining businesses, see "Business — Minerals Business, (ii) green business segment, where we engage in the assembly, manufacturing and distribution of EVs and EV components, the generation and sale of renewable energy, including solar power, and the provision of nature-based solutions, including through biomass wood pellet production, carbon offsetting, agroforestry and natural aroma chemicals production, see "Business — Green Business, (iii) digital ventures business segment, which is focused on providing digital technology services, see "Business — Digital Ventures Business," and (iv) others business segment, where we engage in steel trading, office rentals, and healthcare. We have been developing and expanding these businesses in recent years as part of our strategy to diversify our cash flows and increase our revenue contribution from non-coal related businesses, see "Business — Our Strategies — Continue to diversify cash flows and increase revenue contribution from non-coal related businesses." Our target is for our non-coal related businesses to account for approximately 50.0% of our total revenue by 2028, see "— Other factors affecting our business and results of operations — Acquisitions and divestments" and "— Other factors affecting our business and results of operations — New products and services."

Factors affecting our coal-related businesses and their results of operations

Set forth below are what we believe are the important factors that have affected and will continue to affect the results of operations of our coal-related businesses.

Fluctuations in global coal prices and demand

Our revenue from and profitability of our energy resources business are highly correlated with demand for and global prices of coal. Coal prices are highly cyclical and subject to significant fluctuations. As coal is a commodity product, global coal prices depend principally on supply and demand dynamics of global coal export markets. These markets are highly competitive and are sensitive to changes in mining output (including the opening and closing of mines, the discovery of new deposits and the expansion of operations at existing mines), disruptions in coal distribution (including disruptions due to weather conditions), the demands of coal end-users (such as electricity generation plants and industrial facilities), government policies and regulations, such as those relating to taxation, royalties and environmental protection, global economic conditions, and major public health

issues such as the COVID-19 pandemic. Increases in global coal prices may encourage coal producers to increase production through various measures, including by changing their mine plans to maximize the production from their active coal mines, as higher coal prices make it economically viable to increase strip ratios and mine coal at greater depths. Conversely, decreases in global coal prices may encourage coal producers to decrease production.

Historically, fluctuations in the global supply of and/or demand for coal have been reflected in fluctuations in the prices of coal. According to Wood Mackenzie, in the second quarter of 2020, amidst lockdowns across the globe imposed in response to the COVID-19 pandemic, as well as extended coal-to-gas switching risk and protectionist measures, coal prices hit historical lows with prices for FOB Newcastle coal falling below US$50/tonne in August 2020 for the first time since late 2015. Subsequently, in 2021, post-COVID-19 recovery in coal demand outpaced a slow response in coal supply, leading to significant increases in thermal coal prices. In early 2022, Indonesia placed a one-month ban on exports of certain types of thermal coal due to a lack of domestic supply. This, coupled with Russia's invasion of Ukraine in February 2022, contributed to another surge in international thermal coal prices. In addition, market perception regarding the risk of physical energy shortages during winter in the Northern hemispheres, coupled with high rainfall in Australia limiting coal production and transportation, pushed coal prices higher. By September 2022, thermal coal benchmark prices had reached a record high of US$450/tonne for FOB Newcastle coal. Towards the end of 2022 and during 2023, thermal coal supply continued to improve, overcoming the geopolitical, weather and infrastructure-related disruptions from the prior years, leading to a decline in the price for FOB Newcastle coal to below US$200/tonne. Coal prices have continued to decline during the first quarter of 2024.

Unlike other commodities, there is no single global market price standard for coal, the price of which fluctuates significantly in different geographical markets and also depending on the type and quality of coal. We have attempted to mitigate our exposure to fluctuations in global coal prices and demand through long-term coal supply agreements for our sub-bituminous coal from our Kideco Mines, which accounted for 88.5%, 87.4% and 88.7% of our total coal production volume for the years ended December 31, 2021, 2022 and 2023, respectively. Such long-term coal supply agreements generally have terms of one to 10 years, provide for specified committed quantities, and have pricing terms based on pre-agreed pricing formulas determined by reference to coal benchmark prices, with minimum coal prices fixed for each one-year period. See "— Customer contracts" and "Business — Energy Resources Business — Coal supply agreements."

In addition to the aforementioned factors affecting the supply and demand dynamics of the world coal export markets and our mitigation of our exposure to fluctuations in global coal demand through entering into long-term coal supply agreements, the selling prices of our coal are also driven by the quality of the coal we sell. Higher quality coal generally attracts higher selling prices. Our low-ash, low-sulfur and low-rank coal produced at our Kideco Mines, which, as of December 31, 2023, had a blended calorific value of 4,500 kcal/kg GAR, enjoys relatively high demand from utility companies, which blend our coal with coal from other coal producers to adjust the specifications of the coal, for use in coal-fired power plants. For the years ended December 31, 2021, 2022 and 2023, our average selling price of coal from our Kideco Mines was US$61.4 per tonne, US$86.5 per tonne and US$72.9 per tonne, respectively.

Production volume

In addition to the demand for and price of our coal, revenue and cost of revenue for our energy resources business segment are also a function of the volume of coal that we are able to produce. Coal production volumes are dependent upon a number of factors, including (i) the geological characteristics of our coal mines, including mine location, amount of coal reserves, seam thickness and strip ratios, (ii) mine plans, (iii) weather conditions and (iv) the performance of our third-party mining services providers.

We review our mine plans on a monthly basis and actively alter our 12-month rolling mine plans in consultation with our coal mining services providers to address operational challenges such as unanticipated geotechnical issues, equipment failure and inclement weather conditions experienced at our mine sites. We review and update our long-term mine plans in view of general economic conditions and expected coal market prices, by changing our mine plans to allow for higher strip ratios when expected coal market prices are high and seeking to maintain lower strip ratios when coal market prices are depressed.

Our coal mining operations are generally affected by inclement weather during the rainy season which typically occurs between November and April of each year. We generally have higher production in dry months, which builds up our coal inventory that is typically sold during the subsequent rainy season. Although our mines benefit from being in close proximity to our key mining infrastructure, shortening the hauling and barging distances, and, hence, reducing the impact that adverse weather may have on our operations, and we have also installed equipment such as in-pit pumps at our mine sites to reduce the likelihood of weather-related interference with production, severe weather conditions is expected to continue to have an adverse impact on coal production and, in turn, the results of operations of our energy resources business. See "Risk Factors — Risks Common to All Our Businesses — We may experience unexpected disruptions to our operations as a result of operational and infrastructure risks, inclement weather and natural disasters."

For the years ended December 31, 2021, 2022 and 2023, we produced 37.4 million tonnes, 36.6 million tonnes and 31.6 million tonnes of coal, respectively, and sold 37.4 million tonnes, 36.4 million tonnes and 32.3 million tonnes of coal, respectively, with the difference between coal production volumes and coal sales volumes being attributable to sales from and additions to coal inventories. Going forward, we expect to maintain our annual coal production volume at around 31.0 million tonnes per year, subject to any increase in production volume that may be required by the Government.

Costs and cost efficiencies

The largest element of cost of our energy resources business are fees paid to coal mining services providers. We strategically use a select group of third-party mining services providers to, among other things, manage our capital expenditures and working capital requirements, and, although Cotrans, our indirect subsidiary, provides transshipment and barging at the Adang Bay area for coal produced at our Kideco Mines, our overburden removal, drilling and blasting, coal extraction and hauling and barging operations, including the supply of all mining equipment, transportation equipment and the employees required to operate and maintain the equipment, for our mines are provided by third-party coal mining services providers. See "Business — Energy Resources Business — Mining services providers."

We generally enter into long-term service agreements, which are for initial terms of three to 10 years, with coal mining services providers for the provision of overburden removal, drilling and blasting, coal extraction, hauling and barging services. Fees paid to our coal mining services providers are generally a function of the volume of overburden removed, coal produced and coal hauled. The price per BCM of overburden removed, tonne of coal extracted and tonne of coal hauled that we pay a particular third-party coal mining services provider for a specified period (usually a month) under the relevant long-term service agreement is generally a pre-agreed fixed rate. The pre-agreed unit prices per BCM of overburden removal and tonne of coal extracted is adjusted periodically for upward or downward adjustments to our services providers' fees depending on fuel prices, foreign exchange rates, labor rates and consumer price index. With respect to third-party services providers who solely provide us with coal hauling services, their fees are generally based on the tonnes of coal and distance that the coal is hauled with typically the same upward or downward adjustments available to other service providers. We generally bear all fuel costs exceeding agreed levels.

In addition, we also incur other coal mining related costs, including (i) employee costs for our mine site supervisors and other staff at the site office at each of our mine sites, (ii) repairs and maintenance costs for our hauling roads, crushing plants and coal terminals, (iii) mining royalties paid to the Government and (iv) land use fees paid to landowners of land over which our coal mines are located.

Customer contracts

We believe long-term coal supply agreements mitigate our exposure to fluctuations in global coal prices and demand, and provide us with greater visibility of sales volumes as compared to coal sales on a spot basis. For our sub-bituminous coal from our Kideco Mines, we generally seek to enter into long-term coal supply agreements with our customers, in particular, utility companies operating coal-fired power plants, which require a steady and constant supply of coal. See "Business — Energy Resources Business — Coal supply agreements."

Such long-term coal supply agreements generally (i) have terms of one to 10 years, (ii) provide for specified committed quantities for the life of the agreement, and (iii) allow our customer to specify a fixed quantity of coal to be delivered each year, subject to a 10.0% increase or decrease in such specified quantity at their request. Pricing terms under these coal supply agreements are generally based on pre-agreed pricing formulas determined by reference to benchmark prices such as the globalCOAL Newcastle Index, the Argus ICI Index and the Indonesian benchmark coal price (*Harga Batubara Acuan* or "HBA"), with minimum coal prices fixed for each one-year period. Depending on the contract, we and the customer will either renegotiate the price at the end of the year, or the price will be adjusted in accordance with the pre-agreed formula. Through these negotiations, we expect over 70.0% of the anticipated volume of coal under these coal supply agreements to be sold at contracted minimum fixed prices over the next 12 months. Most of our contracts include formula-based price adjustments. Adverse market conditions at the time we enter into coal supply agreements with our prospective customers and other factors could compel us to accept less favorable terms. If we enter into coal supply agreements that fix coal prices for a period of time, we would not be able to benefit from any improvement in coal market conditions during such period. See "Risk Factors — Risks Relating to Our Energy Resources Business — We may not benefit from rising coal prices under our coal supply agreements."

Fiscal regime applicable to our coal mining concessions

Our results of operations are significantly affected by the prevailing fiscal regime governing our coal mining concessions.

We previously conducted our coal mining operations at our Kideco Mines under Kideco's CCoW, which was due to expire in March 2023. Pursuant to the Mining Law (as amended), we were able to extend our mining rights at our Kideco coal mining concession through a conversion of Kideco's CCoW into an IUPK, subject to the submission of the necessary documentation and other statutory requirements being fulfilled. On February 21, 2022, we submitted an application to the Government to extend Kideco's contractual mining rights by converting its CCoW into an IUPK, and the IUPK was granted on December 16, 2022. Kideco's IUPK is valid until March 2033 and it may be extended one additional time (for a period of 10 years, i.e., until 2043) in accordance with the prevailing regulations.

The conversion of Kideco's CCoW into an IUPK led to significant changes in the fiscal regime applicable to Kideco, as summarized in the table below:

<table>
<tr><th></th><th>Under the previous CCoW</th><th>Under the current IUPK</th></tr>
<tr><td>Royalty rate</td><td>Flat rate of 13.5%

Formula for royalty fees payable to the Government = (Royalty rate) x (Coal sales value)</td><td>For fulfillment of domestic market obligations — Flat rate of 14.0%

For all other coal sales and exports — Progressive rate of 14.0% to 28.0% depending on the HBA (the Indonesian benchmark coal price), published monthly on the MEMR's website:

<table><tr><th>HBA price (US$/tonne)</th><th>Royalty rate</th></tr><tr><td>HBA < US$70</td><td>14.0%</td></tr><tr><td>US$70 ≤ HBA < US$80</td><td>17.0%</td></tr><tr><td>US$80 ≤ HBA < 90</td><td>23.0%</td></tr><tr><td>US$90 ≤ HBA < 100</td><td>25.0%</td></tr><tr><td>HBA ≥ 100</td><td>28.0%</td></tr></table>
Formula for royalty fees payable to the Government = (Royalty rate) x (Coal selling price) x (Coal sales volume)</td></tr>
<tr><td>Income tax rate</td><td>45.0%</td><td>22.0%</td></tr>
<tr><td>Non-tax state revenue</td><td>Nil</td><td>Payable to the central Government – 4.0% of net profit

Payable to the regional government – 6.0% of net profit</td></tr>
</table>

These changes to the fiscal regime applicable to Kideco had a considerable effect on our results of operations for the year ended December 31, 2023 compared to the year ended December 31, 2022. In particular, such changes were the primary drivers behind (i) the 15.1% increase in our royalty fees to US$711.2 million in the year ended December 31, 2023 from US$617.6 million in the year ended December 31, 2022, (ii) the US$27.0 million payment of non-tax state revenue (*Penerimaan Negara Bukan Pajak* or "PNBP") to the central and regional governments in the year ended December 31, 2023, where no such payment was required to be made in the year ended December 31, 2022, and (iii) the 82.5% decrease in our income tax expense to US$87.4 million in the year ended December 31, 2023 from US$499.6 million in the year ended December 31, 2022.

The old mining licensing system that applied to Kideco's previous CCoW, which was considered a contractual agreement between Kideco and Government, exposed us to less regulatory risk as compared to the current mining licensing system that applies to Kideco's current IUPK. As mining concessions under the current regime are issued in the form of licenses such as Kideco's IUPK, the Government has the power to unilaterally amend the terms of Kideco's IUPK by issuing or amending regulations that affect the terms of our IUPK, including those relating to the calculation of royalty, income tax and non-tax state revenue payable to the Government or regional government, as applicable. For further details on the differences between the old and current mining licensing systems in Indonesia, see "Regulatory Overview — Mining licensing system."

Government policies and changes in law

While the current policies of the Government toward the domestic coal mining industry are generally market-oriented, the Government may, from time to time, promulgate new policies or laws that affect our mining operations.

For example, in December 2019, the MEMR issued Regulation No. 261K/30/MEM/2019, as partially revoked by MEMR Decree No. 258.K/MB.01/MEM.B/2023, which sets the maximum benchmark coal selling

price for electricity supply for public consumption at US$70.0 per tonne (on a FOB basis) for coal with a specification of 6,322 kcal/kg GAR, 8.0% total moisture, 0.8% total sulfur and 15.0% ash. As domestic prices for coal may be lower than internationally coal prices such as, in particular, where the Government has set a price ceiling applicable to certain domestic coal purchasers, an increase in the requirement to sell our coal domestically could result in lower coal prices realized for our coal and, as a result, a decrease in our revenue and margins. More recently, on August 1, 2023, Government Regulation No. 36 of 2023 and BI Regulation No. 7 of 2023 were enacted, both of which mandate that an amount equaling at least 30.0% of any foreign exchange export proceeds from the export of natural resource goods (*Devisa Hasil Ekspor dari Barang Ekspor Sumber Daya Alam* or "DHE SDA") must be placed within the Indonesian financial system through a designated account (referred to as a special DHE SDA account in the regulations). The exporter must maintain the 30.0% DHE SDA in the account for a minimum of three months from the relevant deposit. Prior to the enactment of these regulations, exporters were permitted hold such DHE SDA in offshore accounts. If we fail to comply with this new requirement, we may be subject to administrative sanctions, including in the form of suspension of our coal export activities. See "Risk Factors — Risks Relating to Our Energy Resources Business — The mining industry is subject to extensive Government regulation."

Other Government policies (including regional government policies) that affect our business operations include policies relating to obtaining and maintaining permits and licenses required for coal mining, taxes and levies relating to coal mining and trading, and the environment. We are required to obtain, maintain and renew various permits and approvals from the Government and regional governments for our coal mining operations, including our coal mining concessions. The licenses from the Government or regional governments required for operations of a coal mining business include general corporate, mining, capital investment, labor, environmental, land utilization and other licenses. Most of these permits have various expiration dates ranging from one to 10 years from the date of issue. We must renew all of our permits and approvals as they expire, as well as obtain new permits and approvals when required. Any changes to Government policies that affect our ability to obtain and/or maintain permits and licenses required to conduct our business operations could result in a temporary or permanent suspension of certain of our business activities, which could result in a decrease in our revenue and margins. See "Risk Factors — Risks Relating to Our Energy Resources Business — Our coal mining operations depend on our ability to obtain, maintain and renew necessary permits and approvals from the Government."

Factors affecting our oil and gas related businesses and their results of operations

Set forth below are what we believe are the important factors that have and will continue to affect the results of operations of our oil and gas related businesses.

Fluctuations in global oil and gas prices and demand

Demand and fees we are able to command for our EPC, O&M and related services, and our logistics and infrastructure services, are primarily driven by capital spending by national and international oil and gas companies. Oil and gas companies generally incur higher levels of capital expenditure when demand for, and, hence, the global prices of oil and gas, are high or expected to increase. As such, our revenue from and profitability of our oil and gas related businesses are highly correlated with demand for and global prices of oil and gas.

Historically, international crude oil and gas prices have fluctuated widely. For instance, the monthly average for the OPEC basket price of crude oil fluctuated between US$45.2 and US$62.1 per barrel in 2017, between US$56.9 and US$79.6 per barrel in 2018, between US$58.7 and US$70.7 per barrel in 2019 and between US$17.6 and US$65.1 per barrel in the first half of 2020 due to a combination of uncertainties stemming from continued uncertainty in the global financial markets, slow growth in several emerging market economies, ongoing political instability and the growing availability of alternative fuels and a global oversupply of oil. The price of, and demand for, gas and crude oil have continued to experience considerable volatility and periods of decline in recent years, as a result of, among other things, the oil price war between Saudi Arabia and Russia and decreased demand for oil amid the COVID-19 outbreak. While the OPEC group, a coalition of 23 nations led by Saudi Arabia and Russia, agreed to reduce production of crude oil by 9.7 million barrels per day in May and June

2020, crude oil prices remained depressed during 2020. In July 2021, the OPEC group agreed to gradually restore production by adding 400,000 barrels per day to production each month. However, some OPEC group members continually failed to reach their targets, which constrained global supply. Subsequently, oil and gas prices spiked in the aftermath of Russia's invasion of Ukraine in February 2022 and associated policy responses as uncertainty about energy supply mounted.

A material decline in the price of crude oil or gas or longer periods of low prices is expected to adversely affect the results of operations and reserves of our EPC, O&M and related services and logistics and infrastructure businesses. See "Risk Factors — Risks Relating to Our Energy Services Business — Demand for our EPC, O&M and related services depends primarily on capital spending by large infrastructure, oil and gas companies, which is directly affected by trends in oil and gas prices and other factors."

Third-party subcontractors and related expenses

We generally rely on third-party subcontractors as well as third-party equipment manufacturers and materials suppliers to assist us with the completion of our EPC, O&M and related services contracts. We believe that collaborating with third-party subcontractors enables us to significantly reduce capital expenditures and working capital requirements. Prior to contracting to perform services for a particular project, we generally enter into contracts with third-party subcontractors who we require to support the services we intend to provide under the project contract. We generally include third-party subcontractor cost estimates in our overall cost estimate, which we submit to our customer during the contract bidding process. Accordingly, increases in the costs of our subcontractors, such as fuel, materials, commodities, such as steel, and labor costs, generally result in higher cost of contracts for us, to the extent such costs are passed on to us. For the years ended December 31, 2021, 2022 and 2023, subcontractors, installations, communications supplies expenses and other direct costs represented 38.0%, 32.8% and 33.8% of our total cost of contracts and goods sold. Third-party subcontractor costs may fluctuate significantly between financial periods as a result of changes in the stage of our various contracts and work performed under such contracts during the relevant financial period. See "Risk Factors — Risks Relating to Our Energy Services Business — We rely on the project performance of third-party subcontractors."

Customer contracts

Our customer contracts for EPC, O&M and related services can be broadly categorized as either fixed-price or time and material reimbursable. Some contracts involve both fixed-price and time and material reimbursable elements.

Fixed-price contracts specify a fixed sum intended to cover all costs and any profit element for a defined scope of work to be performed by the contractor. Fixed-price contracts typically entail more risk because they require us to estimate both the quantities of work performed and the costs associated with executing the work. In fixed-price contracts, we bear a number of risks from when we enter into the contract until such contract is completed, including cost over-runs, operating cost inflation, costs associated with fluctuations in commodity prices, changes in pricing fundamentals, labor availability and productivity, and supplier and third-party subcontractor pricing and performance. Although fixed-price contracts involve greater risk than time and material reimbursable contracts, they are also potentially more profitable for us, since a price premium would have been included in the fixed-price contract to compensate us for the aforementioned risks that we would be assuming. Profitability from fixed-price contracts is driven by how efficiently we are to meet scheduled project milestones and control our contract costs.

Time and material reimbursable contracts are contracts where the prices paid by our customers are based on actual costs incurred for time and materials, and/or for variable quantities of work priced at defined unit rates, including reimbursable labor hour contracts. We calculate and charge our customers profit on such contracts as either a percentage of costs incurred or a fixed amount. Time and material reimbursable contracts are generally less risky than fixed-price contracts because the customer bears the risk of fluctuations in costs. As we invoice customers periodically under time and material reimbursable contracts, cash flow from time and material reimbursable contracts tend to be relatively more regular.

We estimate that the total backlog from our EPC, O&M and related services projects in continuing operations was approximately US$212.8 million as of December 31, 2023. See "Risk Factors — Risks Relating to Our Energy Services Business — Our contracts expose us to risks associated with cost over-runs, operating cost inflation, potential claims for liquidated damages and delays" and "Business — Energy Services Business — EPC, O&M and related services — Customers and ongoing projects."

Other factors affecting our business and results of operations

Set forth below are what we believe are other important factors that have and will continue to affect the results of operations of our Group.

Acquisitions and divestments

As part of our strategy to diversify our cash flows and increase revenue contribution from non-coal related businesses, see "Business — Our Strategies — Continue to diversify cash flows and increase revenue contribution from non-coal related businesses," we have (i) acquired companies that operate in sectors and industries that our Group was not previously operating in, and (ii) divested certain subsidiaries that previously catered primarily to the coal industry.

- *Acquisitions*

  We have been developing our new minerals business segment in recent years through the acquisition of companies engaged in nickel trading, bauxite mining and gold mining. In December 2021, we completed the acquisition of the entire 100.0% equity interest in REN, which is engaged in nickel trading. REN sources nickel ore from nickel mines in Indonesia and supplies it to nickel smelters in Indonesia. In addition, in September 2022, we completed the acquisition of the entire 100.0% equity interest in PIM, which is engaged in bauxite mining through its subsidiary, MMM. We also plan to build an alumina smelter that will be operated by PIM's other subsidiary, PAI, and plan to use the bauxite ore that we produced through MMM as raw material for PAI's alumina smelting activities. Further, in December 2018, we acquired a 19.9% equity interest in NUS, a gold mining company that was then listed on the ASX, which we then subsequently increased to a 27.75% equity interest. In October 2021, we completed the acquisition of the remaining 72.25% equity interest in NUS, following which NUS was delisted from the ASX. NUS' wholly-owned subsidiary, Masmindo, holds a CoW that grants it the exclusive right to explore and develop the Awak Mas Gold Project. We began construction activities at the Awak Mas Gold Project in November 2023, and expect first gold production in 2026. For further details, see "Business — Minerals Business."

  We have also grown our new green business segment in recent years through acquisitions of companies engaged in environmentally-friendly businesses. For example, in October 2022, through our subsidiary, MMG, we completed the acquisition of a 51.0% equity interest in EMB, a company engaged in the distribution of electric buses for the KG Mobility (previously Edison Motors), Hyundai, Higer and Foxtron brands, as well as electric charging stations and other supporting parts such as air conditioning units for electric buses. Further, through our subsidiary, IMP, which we have developed into our sustainable business arm, we have acquired majority equity interests in four companies that each hold a forestry business license (*Izin Usaha Pengelolaan Hasil Hutan Kayu* or "IUPHHK"). Through the IUPHHKs held by IMP's subsidiaries, we hold concession rights to develop over 160,000 hectares of industrial forest area in East Kalimantan and Central Kalimantan, which we will utilize for biomass wood pellet production, carbon offsetting and agroforestry. In addition, in January 2023, IMP acquired a 46.0% equity interest in NAN, and on March 27, 2024, IMP completed the acquisition of the remaining 54.0% equity interest in NAN. NAN is engaged in the production of aroma chemicals, essential oils and natural extract products that are utilized in the flavors and fragrances industry. For further details, see "Business — Green Business."

- *Divestments*

  We have recently divested our shareholdings in Petrosea and MBSS, subsidiaries through which we previously provided contract mining services and coal transportation services, as well as our shareholding in MUTU, one of our former coal mining subsidiaries.

As part of our energy services business segment, we had provided contract mining services and complementary E&C services for the Indonesian mining sector through Petrosea, including to Kideco, our core coal mining asset. We completed the sale of our entire 69.8% equity interest in Petrosea to PT Caraka Reksa Optima in July 2022. As a result, we no longer provide coal contract mining or E&C services as part of our energy services business segment, and all of the overburden removal, drilling and blasting, coal extraction and hauling and barging operations, including the supply of all mining equipment, transportation equipment and the employees required to operate and maintain the equipment, for our mines are provided by third-party coal mining services providers.

As part of our energy infrastructure business segment, we had provided river and sea transportation solutions for bulk materials, including coal transshipment services, through MBSS. Our major customers for such services had primarily comprised Indonesian coal producers including our coal mining subsidiaries, Kideco and MUTU. We completed the sale of our entire 51.0% equity interest in MBSS to PT Galley Adhika Arnawa in October 2021. As a result, we no longer provide river and sea transportation services for the coal industry.

As part of our energy resources business segment, we previously engaged in the exploration, production and sale of coal through MUTU. In February 2024, we completed the sale of our entire 100.0% equity interest in MUTU to PT Petrindo Jaya Kreasi Tbk. As a result, revenue from our energy resources business segment is now derived only from our Kideco Mines, as well as from our commodity trading business. For the years ended December 31, 2021, 2022 and 2023, we produced 1.6 million tonnes, 1.8 million tonnes and 1.5 million tonnes of coal, respectively, at the MUTU Mines, representing 4.3%, 4.9% and 4.6%, respectively, of our total coal production for such years. For the years ended December 31, 2021, 2022 and 2023, revenues from MUTU's coal sales amounted to US$144.9 million, US$323.0 million and US$231.2 million, respectively, representing 5.4%, 8.5% and 8.7%, respectively, of our total revenue from our energy resources business (after eliminating for inter-segment sales within our Group).

We plan to continue to actively explore potential investment opportunities in other non-coal mineral sectors and developing our other non-coal businesses, particularly our minerals and green business segments. As a result of our acquisitions and divestments, our results of operations may not be comparable to prior periods.

New products and services

In addition to above acquisitions and divestments, we also seek to diversify our revenue streams from non-coal businesses by offering new products and services, including by establishing new subsidiaries and joint ventures for new business lines, as well as by expanding the markets for our existing services.

For example, we have recently established several new companies that aim to serve the EV ecosystem in Indonesia through a variety of related products and services, including (i) IMG, which we established in March 2022 as a sub-holding company for our businesses engaged in the assembly, manufacturing and distribution of two-wheel EVs, (ii) MMG, which we established in June 2022 as a sub-holding company for our businesses engaged in the manufacturing and distribution of electric buses, EV charging stations and electric batteries, (iii) KNA, a subsidiary that we established in May 2023 to develop our EV and EV charging unit rentals business, and (iv) IBN, a subsidiary that we established in September 2023 to manufacture electric batteries for two-wheel EV brands. Through these holdings, we are aiming to develop an integrated and comprehensive EV business that will enable us to quickly enhance our position in the EV market and achieve greater economies of scale. Further, as part of our expansion into the renewable energy sector, in March 2021, we established EMITS as a joint venture between our subsidiary, ITB, and FPES, a subsidiary of 4PEL, a leading solar energy company in India. Through EMITS, we provide consultation and construction services for solar power projects, O&M services for electricity installation, and other renewable energy solutions for Indonesia's commercial and industrial sectors. See "Business — Other Businesses — Green business."

Further, in our digital ventures business, we have transformed our digital technology subsidiaries, Xapiens and ZebraX, into service providers that offer a range of technology solutions and services to companies across various industries. Previously, Xapiens and ZebraX were mainly focused on providing ICT services within our

Group. We have since strengthened our capabilities and expanded the variety of digital solutions and services that we offer to third parties to include cybersecurity, cloud services, digital applications, system integration and industry-specific solutions that utilize technologies such as the IoT, AI and analytics. We are committed to continuously enhancing our technology capabilities and to establishing new partnerships with leading technology providers to further expand our digital ventures business. See "Business — Digital Ventures Business."

We also expect to continue to expand and diversify our energy services and logistics and infrastructure businesses into new markets. For our energy services business, we plan to decrease the reliance of our EPC, O&M and related services business on the upstream oil and gas sector by seeking to obtain more projects in petrochemicals and downstream oil and gas as well as power and mining infrastructure. For our logistics and infrastructure business, we have developed a fuel storage terminal which began commercial operations in November 2020. The fuel storage terminal has a total storage capacity of approximately 96 million liters, as of December 31, 2023, that is exclusively utilized by ExxonMobil. We are in discussions with ExxonMobil to develop a second fuel storage terminal in Gresik, East Java. We also plan to continue to expand our logistics and infrastructure business through the acquisition and operation of additional logistics infrastructure, such as ports and terminals.

Foreign exchange fluctuations

Fluctuating foreign exchange rates, in particular fluctuations in the U.S. dollar to Rupiah exchange rate can affect our results of operations. We generate most of our revenue in U.S. dollars. Our export coal supply agreements are denominated in U.S. dollars and our domestic coal sales are primarily linked to U.S. dollars but denominated in Rupiah. Our cost of revenue is denominated in a combination of U.S. dollars and Rupiah, with the majority of our cost of revenue denominated in Rupiah and the proportion of cost of revenue denominated in U.S. dollars and Rupiah varying across each of our businesses and sub-business segments. A strengthening Rupiah may increase costs of contracts and operating expenses denominated in or tied to Rupiah, which include materials procurement and other equipment and machinery purchases denominated in Rupiah or translated to Rupiah based on spot prices in effect at the time of the purchase. Conversely, a weakening U.S. dollar may adversely affect our results of operations by decreasing the relative value of revenues from our service contracts denominated in or tied to the value of the U.S. dollar as against our Rupiah-denominated costs. We currently do not hedge foreign exchange exposures, but we may enter into hedging arrangements in the future. See "Risk Factors — Risks Relating to Indonesia — Fluctuations in the value of the Rupiah may materially and adversely affect our business, financial condition and results of operations."

Material Accounting Policies, Critical Accounting Judgment and Estimates

Our Consolidated Financial Statements have been prepared in accordance with IFAS, which comprise the Statements and Interpretations issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants ("PSAK") and the Regulations and the Guidelines on Financial Statement Presentation and Disclosures issued by OJK. The preparation of these consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets, liabilities, revenue and expenses as well as the disclosure of contingent assets and liabilities. Management bases its judgments and estimates on historical experience and other factors that are believed to be reasonable under the circumstances. We continually evaluate such judgments and estimates. Actual results may differ from these estimates under different assumptions or actual conditions. In order to provide an understanding of how our management forms their judgment about future events, including the variables and assumptions underlying our estimates, and the sensitivity of judgments to different circumstances, we have identified the material accounting policies and critical accounting judgments and estimates discussed below. For more details, see Notes 3 and 4, respectively, to our Consolidated Financial Statements included in this Offering Memorandum for the Material Accounting Policies and the Critical Accounting Judgment and Estimates.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained further in Note 3 to our Consolidated Financial Statements included in this Offering Memorandum, and using accrual basis except for the consolidated statement of cash flow at the end of each reporting date.

The consolidated statements of cash flows are prepared using the direct method with classifications of cash flows into operating, investing and financing activities. We have at the time of approving our consolidated financial statements, a reasonable expectation that we have adequate resources to continue in operational existence for the foreseeable future. Thus, we continue to adopt the going concern basis of accounting in preparing our Consolidated Financial Statements.

Basis of consolidation

Our consolidated financial statements incorporate the financial statements of our Company and entities (including structured entities) controlled by our Company and its subsidiaries. Control is achieved where we (i) have the power over the investee, (ii) are exposed, or have rights, to variable returns from our involvement with the investee, and (iii) have the ability to use our power to affect the investee's returns.

Consolidation of a subsidiary begins when we obtain control over the subsidiary and ceases when we lose control of the subsidiary. Specifically, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date we gain control until the date when we cease to control the subsidiary.

When we have less than a majority of the voting rights of an investee, we have power over the investee when the voting rights are sufficient to give us the practical ability to direct the relevant activities of the investee unilaterally. We consider all relevant facts and circumstances in assessing whether or not our voting rights in an investee are sufficient to give us power, including (i) the size of our holding of voting rights relative to the size and dispersion of holding of the other vote holders; (ii) potential voting rights held by us, other vote holders or other parties; (iii) rights arising from other contractual arrangements; and (iv) any additional facts and circumstances that indicate that we have, or do not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Profit or loss and each component of other comprehensive income are attributed to the owners of our Company and to the noncontrolling interest. Total comprehensive income of subsidiaries is attributed to the owners of our Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of our Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from our equity therein. Those interests of non-controlling stockholders that present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of noncontrolling interests is the amount of those interests at initial recognition plus the noncontrolling interests' share of subsequent changes in equity.

When we lose control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interest. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if we had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable accounting standards).

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by us, liabilities incurred by us, to the former owners of the acquiree, and the equity interests issued by us in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after the reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as gain from a bargain purchase.

When the consideration transferred by us in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, we report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amount recognized as of that date.

Financial instruments

Financial assets and financial liabilities are recognized on the consolidated statement of financial position when we become a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Impairment of financial assets

We recognized a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortized cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to us in accordance with the contract and all the cash flows that we expect to receive, discounted at the original effective interest rate.

We recognize an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance.

Derecognition of financial assets

We derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If we neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, we recognize our retained interest in the asset and an associated liability for amounts it may have to pay. If we retain substantially all the risks and rewards of ownership of a transferred financial asset, we continue to recognize the financial asset and also recognize a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by us are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Compound instruments

The component parts of compound instruments (convertible loans) issued by the us are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of our own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured.

In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to "additional paid-in capital". Where the conversion option remains unexercised at the maturity date of the convertible notes, the balance recognized in equity will be transferred to retained earnings/others equity. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loans are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued us, are measured in accordance with the specific accounting policies set out below.

Financial liabilities are classified as at FVTPL when the financial liability is (i) contingent consideration of an acquirer in a business combination to which PSAK 22 applies, (ii) held for trading, or (iii) it is designated as at FVTPL.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

We derecognize financial liabilities when, and only when, the financial liabilities are discharged, canceled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Investments in associates and joint ventures

An associate is an entity over which we have significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangements have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results of operations and assets and liabilities of associates incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case, it is accounted for in accordance with PSAK 58 – Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or a joint venture initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize our share of the profit or loss and other comprehensive income of the. When our share of losses of an associate or a joint venture exceeds our interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the our net investment in the associate or joint venture), we discontinue recognizing our share of further losses. Additional losses are recognized only to the extent that we have incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. Any excess of the cost of acquisition over our share of the net fair value of identifiable assets and liabilities of the associate or joint venture recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of our share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of PSAK 48 – Impairment of Assets ("PSAK 48") are applied to determine whether it is necessary to recognize any impairment loss with respect to our investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with PSAK 48, as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with PSAK 48 to the extent that the recoverable amount of the investment subsequently increases.

We discontinue the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When we retain an interest in the former associate or a joint venture and the retained interest is a financial asset, we measure any retained investment at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with PSAK 71. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part of interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, we account for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, we reclassify the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When we reduce our ownership interest in an associate or a joint venture but we continue to use the equity method, we reclassify to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest (if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities).

When we transact with an associate or a joint venture, profits and losses resulting from the transactions with the associate or joint venture are recognized in our consolidated financial statements only to the extent of its interest in the associate or joint venture that are not related to us.

Property, plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation, and any accumulated impairment losses.

Depreciation is recognized so as to write off the cost of assets less residual values using the straight-line method based on the estimated useful lives of the assets.

Land is stated at cost and is not depreciated.

The cost of maintenance and repairs is charged to profit or loss as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, plant and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Construction in-progress is stated at cost and transferred to the respective property, plant and equipment account when completed and ready for use.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of our cash generating units (or group of cash-generating units) expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss and other comprehensive income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Impairment of non-financial assets except goodwill

At the end of each reporting period, we review the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss or possibility to reverse the impairment that was previously recorded. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, we estimate the recoverable amount of the cash generating unit to which the asset belongs. Estimated recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately against earnings.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Exploration and evaluation assets

Exploration and evaluation activity involves the search for mineral resources, determination of the technical feasibility and assessment of the commercial viability of the mineral resource.

Exploration and evaluation expenditures comprise of costs that are directly attributable to:

- acquisition of rights to explore;
- topographical, geological, geochemical and geophysical studies;
- exploratory drilling;
- trenching and sampling; and
- activities involved in evaluating the technical feasibility and commercial viability of extracting mineral resources.

Exploration and evaluation expenditures related to an area of interest is written off as incurred, unless they are capitalized and carried forward, on an area of interest basis, provided one of the following conditions is met:

(i) the costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or

(ii) exploration activities in the area of interest have not yet reached the stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in or in relation to the area of interest are continuing.

Capitalized costs include costs directly related to exploration and evaluation activities in the relevant area of interest. General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the relevant area of interest.

Exploration and evaluation assets are recorded at cost less impairment charges. As the asset is not available for use, it is not depreciated.

Exploration and evaluation assets are assessed for impairment if facts and circumstances indicate that impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found, before the assets are transferred to mining properties.

Mining properties

When further development expenditures are incurred on a mining property after the commencement of production, the expenditures are carried forward as part of the mining property when it is probable that additional future economic benefits associated with the expenditure will flow to us. Otherwise these expenditures are classified as a cost of production.

Mining properties (including exploration, evaluation and development expenditures, and payments to acquire mineral rights and leases) are amortized using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in an amortization charge proportional to the depletion of the proved and probable reserves.

Mining properties are tested for impairment in accordance with the policy for impairment of non-financial assets except goodwill, see "— Impairment of non-financial assets except goodwill."

Revenue and expense recognition

Sale of coal

We earn revenue by mining and subsequently selling coal by local and export to customers under a range of commercial terms. Revenue from the sale of coal is recognized at the point in time when control has been transferred to the customer, no further work or processing is required by us, the quantity and quality of the goods has been determined with reasonable accuracy, and collectability is reasonably assured. This is generally when title passes.

The majority of our sales agreements specify that title passes when the product is delivered to the destination specified by the customer, which is typically the vessel on which the product will be shipped. Within each contract to sell a commodity product, each unit of product shipped is a separate performance obligation. Revenue is generally recognized at the contracted price at this reflects the standalone selling price.

We sell certain of our coal on a CIF (Cost, Insurance and Freight) Incoterm, which means that we are responsible for providing freight and insurance services after the date at which title of the goods passes. We therefore have separate performance obligation for freight and insurance service provided for sale of coal under CIF Incoterm. Freight and insurance revenue is allocated from the overall contract price at its stand-alone selling price (where observable) or otherwise at its estimated cost plus margin. The recognition of freight and insurance revenue is deferred, where significant, until the product is delivered rather than when the product is shipped.

We recognize revenue when the performance obligation has been satisfied by transferring a promised goods or services to the customer. Revenue is measured based on the consideration specified in the contract and excludes amounts collected on behalf of third parties.

Rendering of services

We generate revenue from providing logistics and support services to the oil and gas sector.

We enter into short- and long-term service contracts with customers. Under the terms of the contracts, we enhance assets which the customers control or the customers simultaneously receive and consume the benefit of our performance. Revenue from service contracts is therefore recognized over time based on the stage of completion of the contract at the end of the reporting period. The stage of completion may be determined based on methods that can reasonably measure the services performed. Depending on nature of the service contracts the methods may include (a) surveys of work performed, (b) value of work completed determined based on schedule of rates for each of the activities performed which identify value for the work performed and hence the value of the revenue to be recognized, (c) services performed to date as a percentage of total services to be performed, or (d) the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

Revenue from construction contracts

We enter into long-term construction contracts with customers. The performance obligation is usually the entire project, as provided for in the contract, given that the different services are highly interdependent, integrated, and are aimed at transferring the project to the customer as a whole, representing the combined output for which the customer has contracted. Under the terms of the contracts, we enhance assets which the customers control. Revenue from construction contracts is therefore recognized over time on a cost-to-cost input method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Management considers this input method an appropriate measure of the progress towards complete satisfaction of these performance obligations for our long-term construction contracts.

Where the outcome of a performance obligation cannot be reasonably measured, and the costs incurred in satisfying the performance obligation are expected to be recoverable, the revenue is recognized only to the extent of the costs incurred. When it is probable that the cost incurred in satisfying a performance obligation will exceed the contract revenue, the expected loss is recognized immediately. If performance obligation is not satisfied over time in a construction contract with customer, we satisfy the performance obligation at a point in time. Revenue is recognized when a promised asset or service is transferred to a customer and the customer obtains control of that asset.

We present its contract balances, on a contract-by-contract basis, in a net contract asset or liability position, separately from its trade receivables. Contract assets and trade receivables are both rights to consideration in exchange for goods or services that we have transferred to a customer; however, the classification depends on whether such right is only conditional on the passage of time (trade receivables) or if it is also conditional on something else (contract assets), such as the satisfaction of further performance obligations under the contract. A

contract liability is the cumulative amount received and contractually receivable by us that exceeds the right to consideration resulting from our performance under a given contract.

Other trading

Revenue is measured based on the consideration specified in the contract and excludes amounts collected on behalf of third parties. We satisfy the performance obligation at a point in time. Revenue is recognized when a promised asset or service is transferred to a customer and the customer obtains control on that asset.

Interest revenue

Interest revenue was recognized used the effective interest method.

Expenses

Expenses were recognized when incurred.

Estimated liability for environmental management and reclamation

Restoration, rehabilitation and other environmental costs incurred during the production phase of exploration are expensed as part of production costs.

We have certain obligations to restore and rehabilitate mining areas following the completion of production. Such obligations are accrued, so that the accrual will be adequate to meet those obligations once the production process is fully completed. Changes in estimated restoration and environmental costs to be incurred are accounted for on a prospective basis over the remaining life of the mine.

The environmental obligations consist of costs associated with mine reclamation during mine operation, mine closure and decommissioning and demobilization of facilities and other closure activities.

Provision for estimated costs of mine reclamation and mine closure is recorded when (i) we have a present legal or constructive obligation as a result of past events, (ii) it is probable that an outflow of resources will be required to settle the obligation, and (iii) the amount can be reliably estimated.

Provision is measured at the present value of expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized in profit or loss under finance charges. Changes in the estimated timing or amount of the expenditure or discount rate are accounted for as a change in the corresponding capitalized costs. At the time where a reduction in the provision is greater than the undepreciated capitalized cost of the related assets, the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

For environmental issues that may not involve the retirement of an asset, where we are a responsible party and it is determined that a liability exists, and amounts can be quantified, we accrue for the estimated liability. In determining whether a liability exists in respect of such environmental issues, we apply the criteria for liability recognition under applicable accounting standards.

Calculation of loss allowance

When measuring ECL, we use reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Intangible asset and goodwill impairment

Acquisition accounting requires extensive use of accounting estimates to allocate the purchase price to the reliable fair market values of the assets and liabilities purchased, including intangible assets. Under PSAK 22 — Business Combinations, goodwill is not amortized and is subject to an annual impairment testing.

Impairment test is performed when certain impairment indicators are present. In case of goodwill and intangible assets, such asset is subject to annual impairment test and whenever there is an indication that such asset may be impaired; management uses its judgment and assumptions in estimating the recoverable value and determining the amount of impairment. Those assumptions include among others, discount rate and annual revenue growth.

Employee benefits obligation

The determination of post-employment benefits obligation is dependent on selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rate and rate of salary increase. While it is believed that our assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect our employment benefit obligations.

Construction contracts in progress measured at percentage-of-completion

The determination of percentage of completion of construction contracts in progress is dependent on the judgment and estimations of the engineers. Even it is believed that the subsidiaries' assumptions are reasonable and appropriate, significant differences in actual experience or significant change in assumptions may materially affect our revenue recognition.

Key Components of Our Income Statement

Revenues

Our revenues are categorized into revenue from (i) energy resources, (ii) energy services, (iii) logistics and infrastructure, (iv) minerals, (v) green business, and (vi) digital ventures.

The following tables set forth the breakdown of our revenues by segment (including inter-segment sales within our Group) and each item as a percentage of our total revenues (before eliminating for inter-segment sales within our Group), for the years indicated.

	For the year ended December 31,					
	2021		2022		2023	
	(US$ in millions, except for percentages)					
Energy resources						
External sales	2,688.3	86.0%	3,784.5	85.0%	2,662.2	85.4%
Inter-segment sales	—	—	77.0	1.7%	0.5	0.0%
	2,688.3	**86.0%**	**3,861.5**	**86.8%**	**2,662.7**	**85.4%**
Energy services						
External sales	224.5	7.2%	284.1	6.4%	220.6	7.1%
Inter-segment sales	7.1	0.2%	22.5	0.5%	2.3	0.1%
	231.6	**7.4%**	**306.6**	**6.9%**	**222.8**	**7.1%**
Logistics and infrastructure						
External sales	27.5	0.9%	33.7	0.8%	38.9	1.2%
Inter-segment sales	37.3	1.2%	1.0	0.0%	75.7	2.4%
	64.9	**2.1%**	**34.7**	**0.8%**	**114.6**	**3.7%**
Minerals						
External sales	1.0	0.0%	8.5	0.2%	6.1	0.2%
Inter-segment sales	—	—	—	—	—	—
	1.0	**0.0%**	**8.5**	**0.2%**	**6.1**	**0.2%**
Green business						
External sales	—	—	9.8	0.2%	11.1	0.4%
Inter-segment sales	—	—	3.4	0.1%	1.9	0.1%
	—	**—**	**13.3**	**0.3%**	**13.0**	**0.4%**
Digital ventures						
External sales	7.4	0.2%	6.8	0.2%	8.4	0.3%
Inter-segment sales	7.5	0.2%	8.6	0.2%	8.5	0.3%
	14.9	**0.5%**	**15.4**	**0.3%**	**16.9**	**0.5%**
Others						
External sales	120.4	3.9%	207.5	4.7%	79.6	2.6%
Inter-segment sales	3.6	0.1%	2.5	0.1%	2.7	0.1%
	124.0	**4.0%**	**210.0**	**4.7%**	**82.2**	**2.7%**
Total (before elimination of inter-segment sales)	**3,124.7**	**100.0%**	**4,450.0**	**100.0%**	**3,118.4**	**100.0%**
Elimination of total inter-segment sales	(55.5)	(1.8)%	(115.1)	(2.6)%	(91.6)	(2.9)%
Total	**3,069.2**	**98.2%**	**4,334.9**	**97.4%**	**3,026.8**	**97.1%**

Energy resources. Our revenue from our energy resources business is derived from the exploration, production and sale of coal from our Kideco Mines, and trading of coal, which we primarily source from other coal producers. We sell the majority of our coal in the export market directly to end-customers, such as utility and industrial companies, and commodity traders, through a combination of long-term coal offtake agreements and short-term contracts. We sell a smaller proportion of coal in the domestic coal market, also through a combination of long-term coal offtake agreements and short-term contracts. Historically, sale of coal from the MUTU Mines also contributed to revenue from our energy resources business. However, in February 2024, we completed the sale of our entire 100.0% equity interest in MUTU. For further details, see "Summary — Recent Developments — Sale of MUTU" and "— Factors Affecting our Business and Results of Operations — Other factors affecting our business and results of operations — Acquisitions and divestments."

Energy services. Our revenue from our energy services business is derived from providing EPC, O&M and related services for the Indonesian oil and gas sector.

Logistics and infrastructure. Our revenue from our logistics and infrastructure business is derived from providing port operator and multi-purpose terminal services, as well as an assortment of other logistics services.

Minerals. Our revenue from our minerals business is derived from nickel trading and the exploration, production and sale of bauxite. We are also in the process of developing the Awak Mas Gold Project, which will contribute to revenue from our minerals business once we commence gold production in the future.

Green business. Our revenue from our green business is derived from the sale of EVs and the provision of renewable energy solutions. We are also in the process of developing our nature-based solutions business, which we expect will contribute to revenue from our green business in the future.

Digital ventures. Our revenue from our digital ventures business is derived from providing digital technology services.

Others. Our revenue from our others business is derived from steel trading and office rentals. We are also in the process of developing our healthcare business under IMAN, which we expect will contribute to revenue from our others business in the future.

The following tables set forth the breakdown of our revenue by business segment and each item as a percentage of our revenue (after eliminating for inter-segment sales within our Group), for the years indicated.

	For the year ended December 31,					
	2021		2022		2023	
	(US$ in millions, except for percentages)					
Energy resources	2,688.3	87.6%	3,784.5	87.3%	2,662.2	88.0%
Energy services	224.5	7.3%	284.1	6.6%	220.6	7.3%
Logistics and infrastructure	27.5	0.9%	33.7	0.8%	38.9	1.3%
Minerals	1.0	0.0%	8.5	0.2%	6.1	0.2%
Green business	—	—	9.8	0.2%	11.1	0.4%
Digital ventures	7.4	0.2%	6.8	0.2%	8.4	0.3%
Others	120.4	3.9%	207.5	4.8%	79.6	2.6%
Total	**3,069.2**	**100.0%**	**4,334.9**	**100.0%**	**3,026.8**	**100.0%**

In addition, with respect to our energy infrastructure business segment, where we engage in power generation through our minority equity interests in two coal-fired power plants, we recorded equity in net profit of associates of US$20.4 million, US$23.0 million and US$17.6 million for the years ended December 31, 2021, 2022 and 2023, respectively. See "Business — Energy Infrastructure Business" and "— Equity in net profit of associates."

Cost of contracts and goods sold

The following table sets forth the breakdown of our cost of contracts and goods sold and each item as a percentage of our total cost of contracts and goods sold, for the years indicated.

	For the year ended December 31,					
	2021		2022		2023	
	(US$ in millions, except for percentages)					
Sub-contractors, installations, communications supplies expense and other direct costs	816.5	38.0%	946.3	32.8%	837.5	33.8%
Royalty	313.5	14.6%	617.6	21.4%	711.2	28.7%
Materials	366.3	17.0%	556.8	19.3%	336.1	13.6%
Fuel	132.4	6.2%	233.8	8.1%	183.9	7.4%
Handling	100.9	4.7%	83.6	2.9%	93.2	3.8%
Salaries, wages and allowances	48.1	2.2%	52.8	1.8%	62.0	2.5%
Rental, repairs and maintenance	54.8	2.5%	104.1	3.6%	56.2	2.3%
Environment and reclamation expenses	45.3	2.1%	15.6	0.5%	25.2	1.0%
Consumables	130.7	6.1%	118.6	4.1%	98.4	4.0%
Depreciation and amortization	33.1	1.5%	61.3	2.1%	25.4	1.0%
Decrease/(increase) in coal inventory	(5.4)	(0.3)%	(9.2)	(0.3)%	20.6	0.8%
Travel and transportation	31.2	1.4%	9.1	0.3%	7.5	0.3%
Professional fees	14.4	0.7%	15.3	0.5%	2.1	0.1%
Insurance	12.7	0.6%	2.1	0.1%	4.8	0.2%
Others (each below US$5.0 million)	56.8	2.6%	76.3	2.6%	10.8	0.4%
Total	**2,151.0**	**100.0%**	**2,884.1**	**100.0%**	**2,474.9**	**100.0%**

Sub-contractors, installations, communications supplies expense and other direct costs. Such costs primarily comprise costs incurred for our energy resources and energy services business segments. For our energy resources business, such costs primarily relate to fees paid to third-party mining services providers for overburden removal, drilling and blasting, coal extraction and hauling services. For our energy services business, such costs primarily relate to fees paid to third-party subcontractors as well as third-party manufacturers and materials suppliers to assist us with the completion of our EPC, O&M and related services contracts.

Royalty. Royalty fees primarily relate to royalty payments from our energy resources business to the relevant Government authorities required under Indonesian mining law and regulations. See "Regulatory Overview." Royalty payments under MUTU's CCoW and Kideco's previous CCoW were calculated based on a flat royalty rate of 13.5%. Under Kideco's current IUPK, royalty payments are subject to a progressive royalty rate ranging from 14.0% to 28.0%, depending on the HBA. For further details, see "— Factors Affecting our Business and Results of Operations — Fiscal regime applicable to our coal mining concessions."

Materials. Such costs primarily comprise costs incurred for our energy resources, energy services, minerals and green business segments. For our energy resources business, such costs primarily relate to the cost of purchasing coal from other coal producers for use in our coal trading activities under our commodity trading business. For our energy services business, such costs primarily relate to the cost of construction materials for our EPC projects, such as steel and cement. For our minerals business, such costs primarily relate to the cost of purchasing nickel for our nickel trading activities. For our green business, material costs are primarily relate to the purchase of components for the manufacturing of two-wheel EVs, such as batteries, plastics, frames and motors.

Fuel. Such costs primarily comprise costs incurred for our energy resources and logistics and infrastructure business segments. For our energy resources business, fuel costs primarily relate to diesel fuel utilized for our mining activities and to generate power at our mine facilities. For our logistics and infrastructure business, fuel costs primarily relate to diesel fuel used to operate tugboats and barges.

Handling. Handling costs primarily comprise import duties, handling charges, inward freight and other transportation costs incurred in connection with the delivery of goods for our energy resources, energy services and logistics and infrastructure business segments.

Salaries, wages and allowances. For our energy resources business, such expenses primarily relate to salaries, bonuses and allowances for our mine site supervisors and other staff at our site offices. For our energy services business, such expenses primarily relate to salaries, wages and allowances for personnel for our EPC, O&M and related services. For our logistics and infrastructure business, such expenses primarily relate to our employees operating our logistics fleet and equipment.

Rental, repairs and maintenance. Such costs primarily comprise costs incurred for our energy resources, energy services and logistics and infrastructure business segments. For our energy resource business, such costs primarily relate to fees paid to third-party vendors for the repair and maintenance of our coal mining equipment and facilities. For our energy services business, such costs primarily relate to fees for rental of heavy equipment used in our EPC projects. For logistics and infrastructure, such costs primarily relate to fees for rental of tugboats and barges.

Consumables. Such costs primarily comprise costs incurred for our energy resources business segment, including for the purchase of indirect materials such as chemicals and spare parts used in the repair and maintenance of our coal mining equipment and facilities.

Depreciation and amortization. Depreciation costs primarily relate to the depreciation of (i) our mining machinery and equipment and coal handling and processing facilities and equipment, and (ii) our vessels used in our logistics services business. Amortization costs primarily relate to the amortization of mining properties, comprising costs incurred to develop our mines and related infrastructure which is amortized when production operations begin and based on units of coal produced.

Others (each below US$5.0 million). Other costs, each below US$5.0 million, primarily relate to land and building taxes, insurance costs, security costs, utilities expenses, coal analysis fees, land compensation, traveling expenses for our staff between our corporate offices and mine sites and logistics facilities, food supplies for our staff and expenses relating to our corporate social responsibility programs.

Selling, general and administrative expenses

The following tables set forth the breakdown of our selling, general and administrative expenses and each item as a percentage of our total selling, general and administrative expenses, for the years indicated.

	For the year ended December 31,					
	2021		2022		2023	
	(US$ in millions, except for percentages)					
Salaries, wages and employee benefits	51.9	35.7%	76.2	31.7%	64.7	27.0%
Marketing and commissions expense	36.4	25.0%	66.5	27.6%	46.6	19.4%
PNBP for central and local government	—	—	—	—	27.0	11.3%
Professional fees	12.1	8.3%	24.0	10.0%	24.5	10.2%
Rental	8.3	5.7%	10.5	4.4%	14.1	5.9%
Depreciation and amortization	5.7	3.9%	7.7	3.2%	6.9	2.9%
Surveyor charge	3.5	2.4%	3.5	1.4%	5.0	2.1%
Travel and transportation	1.8	1.2%	2.5	1.1%	3.6	1.5%
License and permits	1.4	0.9%	1.9	0.8%	2.2	0.9%
Insurance	1.1	0.8%	1.0	0.4%	1.4	0.6%
Donation	1.9	1.3%	2.9	1.2%	1.2	0.5%
Others (each below US$1.0 million)	21.4	14.7%	44.0	18.3%	42.8	17.8%
Total	**145.4**	**100.0%**	**240.7**	**100.0%**	**239.8**	**100.0%**

Salaries, wages and employee benefits. Salaries, wages and employee benefits primarily relate to salaries, bonuses and allowance for our management and our permanent and temporary employees in our corporate and

administrative offices, including our operating, accounting, finance, human resources and other administrative staff.

Marketing and commissions expense. Marketing and commissions expense primarily relates to commissions we pay marketing agents to promote and market our coal as well as assist us with our sales plans by coordinating shipment schedules. The commissions we pay our marketing agents are generally based on the FOB price of the coal that is delivered to and paid for by our customers.

PNBP for central and local government. PNBP (*Penerimaan Negara Bukan Pajak*) for central and local government relates to the non-tax state revenue payable by Kideco to the central Government and regional government pursuant to the terms of Kideco's IUPK and in accordance with Government Regulation No. 15 of 2022 concerning Tax Treatment and/or Non-Tax State Revenue in the Coal Mining Business Sector. For further details, see "— Factors Affecting our Business and Results of Operations — Fiscal regime applicable to our coal mining concessions."

Professional fees. Professional fees primarily comprise fees paid to our auditors, lawyers, actuaries and other advisors.

Rental. Rental expenses primarily comprise rent for cars and office equipment and barging rentals to deliver coal to our customers' vessels.

Depreciation and amortization. Depreciation primarily comprises depreciation of our cars, office furniture and equipment and computers. Amortization primarily comprises amortization of our right-of-use assets, which relate to rental of our corporate and administrative offices, and amortization of computer software.

Others. Other expenses primarily comprise meeting expenses in relation to our business development activities, printing and stationary expenses, outsourcing fees, business travel and transportation fees, telecommunication expenses, and postage and courier fees.

Finance costs

Finance costs primarily comprise our interest expense and other financing charges primarily related to the 2024 Notes and the 2025 Notes, amortization of the unamortized bond issuance costs and other financing charges incurred in connection with the offering of the 2024 Notes and the 2025 Notes, and interest on bank loans and long-term loans. The Notes, when issued, will also incur expenses. Issuance costs associated with the 2024 Notes and the 2025 Notes, and issuance costs associated with the Notes will be, amortized over their respective lives.

On April 2, 2024, we provided notice to the holders of the 2024 Notes that all outstanding 2024 Notes will be redeemed in full on May 3, 2024. The redemption of the 2024 Notes will be funded using the proceeds from the Syndicated Facility III, a US$300.0 million loan facility that we obtained on December 28, 2023, see "Summary — Recent Developments — Redemption of the 2024 Notes." In addition, concurrently with the offering of the Notes, we are also making a tender offer to purchase the maximum aggregate principal amount of outstanding 2025 Notes that would not exceed the aggregate principal amount of Notes to be issued pursuant to this offering. We also intend to utilize any remaining net proceeds of the offering of the Notes to repurchase and/or redeem any remaining 2025 Notes, see "Summary — Recent Developments — Concurrent Tender Offer" and "Use of Proceeds."

Amortization of intangible assets

Amortization of intangible assets primarily relate to the amortization of our mining rights under the CCoWs we previously held for our Kideco Mines and the MUTU Mines, over their respective estimated useful lives until 2023 and 2031, respectively. Kideco's intangible assets were fully amortized upon conversion of Kideco's CCoW into an IUPK.

Equity in net profit of associates

Equity in net profit of associates primarily relates to our share in net profit of CEP (in which we held a 20.0% equity interest through III and IPI, as of December 31, 2023), CEPR (in which we held a 6.25% economic

interest through PEI and PEC, as of December 31, 2023) and SBS (in which we held a 46.0% equity interest through TPEC, as of December 31, 2023). For the years ended December 31, 2021 and 2022, we also recorded equity in net profit of associates from Cotrans (in which we previously held a 45.0% equity interest through TPEC). However, in February 2023, we increased our equity interest in Cotrans to 54.8% and began accounting for Cotrans as a consolidated subsidiary.

Investment income

Investment income primarily relates to interest received on cash in our current and other bank accounts, time deposits and investments in other financial assets.

Final tax

Final tax relates to tax expense on income earned from office rentals and related services, construction contracts and transshipment services.

Fair value changes on contingent consideration obligation

On December 6, 2017, we completed the acquisition of a majority equity interest in Kideco (the "Kideco Acquisition"), where we increased our equity interest in Kideco to 91.0% from 46.0%. As of December 31, 2023, we held 91.0% ownership of Kideco. As part of the Kideco Acquisition, we had entered into a share purchase agreement dated September 22, 2017 (the "Samtan Share Purchase Agreement") with Samtan Co. Ltd (now known as ST International Co. Ltd., "Samtan") to acquire 40.0% of shares in Kideco from Samtan. The Samtan Share Purchase Agreement provided for a price adjustment mechanism, whereby, among other things, in the event of the extension of Kideco's mining rights, we would have to either (i) pay US$160.0 million (plus accrued interest) to Samtan, or (ii) transfer 25.0% of shares in Kideco to Samtan (in each case, a "Contingent Payment"). In November 2022, we made a cash payment of US$160.0 million to Samtan as full settlement of the Contingent Payment. Fair value changes on contingent consideration obligation for the years ended December 31, 2021 and 2022 related to changes in the fair value of our option to make either of the Contingent Payments, mainly calculated based on the probability of each option materializing.

Fair value changes on embedded derivative of convertible loan

Fair value changes on embedded derivative of convertible loan for the year ended December 31, 2023 related to changes in the fair value of the conversion option under our convertible loan with Series A and Series B investors in relation to their investments in our subsidiary, IMG. For further details, see Note 31 to our Consolidated Financial Statements.

Others — net

Others — net primarily comprises income from fuel handling, gain on disposal of property, plant and equipment, realized profit from fuel swap derivative assets, demurrage net of dispatch, foreign withholding tax, loss on foreign exchange — net, taxes and dues, and other miscellaneous income/(expenses).

Results of Operations

The following table sets forth our selected consolidated income statement data expressed as a percentage of total revenue for the years indicated.

	For the year ended December 31,					
	2021		2022		2023	
	(US$ in millions, except for percentages)					
Revenues	3,069.2	100.0%	4,334.9	100.0%	3,026.8	100.0%
Cost of contracts and goods sold	(2,151.0)	(70.1)%	(2,884.1)	(66.5)%	(2,474.9)	(81.8)%
Gross profit	**918.1**	**29.9%**	**1,450.8**	**33.5%**	**552.0**	**18.2%**
Equity in net profit of associates	27.9	0.9%	31.2	0.7%	22.9	0.8%
Amortization of intangible assets	(135.9)	(4.4)%	(136.1)	(3.1)%	(37.6)	(1.2)%
Selling, general and administrative expenses	(145.4)	(4.7)%	(240.7)	(5.6)%	(239.8)	(7.9)%
Investment income	4.3	0.1%	9.3	0.2%	20.2	0.7%
Finance costs	(104.9)	(3.4)%	(103.5)	(2.4)%	(85.6)	(2.8)%
Final tax	(6.8)	(0.2)%	(8.9)	(0.2)%	(7.6)	(0.2)%
Fair value changes on embedded derivative of convertible loan	—	—	—	—	1.3	0.0%
Fair value changes on contingent consideration obligation	(41.8)	(1.4)%	46.3	1.1%	—	—
Others — net	(13.4)	(0.4)%	(38.0)	(0.9)%	12.6	0.4%
Profit before tax	**502.1**	**16.4%**	**1,010.3**	**23.3%**	**238.4**	**7.9%**
Income tax expense	(294.7)	(9.6)%	(499.6)	(11.5)%	(87.4)	(2.9)%
Profit for the year from continuing operation	**207.4**	**6.8%**	**510.8**	**11.8%**	**151.0**	**5.0%**
Discontinued operation:						
Loss for the year from discontinued operation	(144.1)	(4.7)%	—	—	—	—
Profit for the year	**63.3**	**2.1%**	**510.8**	**11.8%**	**151.0**	**5.0%**
Other comprehensive income (loss):						
Item that will not be reclassified subsequently to profit or loss:						
Remeasurement of defined benefits obligation	2.2	0.1%	0.6	0.0%	(0.9)	(0.0)%
Items that may be reclassified subsequently to profit or loss:						
Cumulative translation adjustments	1.1	0.0%	(2.1)	(0.0)%	1.2	0.0%
Unrealized (loss) gain on derivative financial instrument (hedging reserve)	13.9	0.5%	55.7	1.3%	(3.9)	(0.1)%
Unrealized (loss) gain on investment stated at fair value through other comprehensive income	9.7	0.3%	(0.8)	(0.0)%	(0.4)	(0.0)%
Total other comprehensive income for the year, net of tax from continuing operations	**26.9**	**0.9%**	**53.3**	**1.2%**	**(4.1)**	**(0.1)%**
Total comprehensive income for the year	**90.2**	**2.9%**	**564.1**	**13.0%**	**147.0**	**4.9%**

Year Ended December 31, 2023 compared to Year Ended December 31, 2022

Revenues. Revenues decreased by 30.2% to US$3,026.8 million in the year ended December 31, 2023 from US$4,334.9 million in the year ended December 31, 2022, primarily due to decreases in revenues from our energy resources and energy services businesses.

Energy resources. Revenue from our energy resources business decreased by 29.7% to US$2,662.2 million in the year ended December 31, 2023 from US$3,784.5 million in the year ended December 31, 2022, primarily due to (i) decreases in the average selling price of our coal from Kideco to US$72.9 per tonne from US$86.5 per

tonne and in the average selling price of coal from MUTU to US$129.7 per tonne from US$192.9 per tonne, which were mainly driven by decreases in both global and domestic coal benchmark prices as a result of lower global demand for coal, and (ii) a decrease in our coal sales volume to 32.3 million tonnes from 36.4 million tonnes of coal, which was mainly driven by the decrease in coal production volume at Kideco in line with our annual production targets. The decrease in revenue from our energy resources business was also partially due to (i) a decrease in the average selling price of the coal we trade under our commodity business to US$62.9 per tonne from US$75.5 per tonne, which was also attributable to the decrease in coal benchmark prices as a result of lower global demand for coal, and (ii) a decrease in volume of coal traded to 3.2 million tonnes from 7.0 million tonnes, which was mainly driven by challenges in sourcing coal from other coal producers.

Energy services. Revenue from our energy services business decreased by 22.4% to US$220.6 million in the year ended December 31, 2023 from US$284.1 million in the year ended December 31, 2022, primarily due to higher revenue for our EPC and O&M work recorded in 2022, which was attributable to EPC contracts for (i) the Tangguh LNG expansion project for our client, BP Berau Ltd., (ii) the Salak power plant upgrade project for our client, Star Energy Geothermal Salak, Ltd, and (iii) the black masterbatch and conductive compounds facility project for our client, PT Cabot Indonesia.

Cost of contracts and good sold. Cost of contracts and goods sold decreased by 14.2% to US$2,474.9 million in the year ended December 31, 2023 from US$2,884.1 million in the year ended December 31, 2022, which was mainly attributable to:

- a 39.6% decrease in materials costs to US$336.1 million from US$556.8 million, primarily due to a decrease in coal purchases from other coal producers, in line with the decrease in volume of coal traded under our commodity trading business;
- an 11.5% decrease in sub-contractors, installations, communications supplies expense and other direct costs to US$837.5 million from US$946.3 million, primarily due to lower fees paid to our third-party coal mining services providers for overburden removal, drilling and blasting, coal extraction and hauling services, in line with the decrease in our coal production volume to 31.6 million tonnes from 36.6 million tonnes;
- a 21.4% decrease in fuel costs to US$183.9 million from US$233.8 million, primarily due to lower fuel consumption resulting from lower activity in our coal mining business, in line with the decrease in our coal production volume; and
- a 46.0% decrease in rental, repairs and maintenance costs to US$56.2 million from US$104.1 million, primarily due to lower fees paid to third-party vendors for repair and maintenance work in our coal mining business, as well as lower fees incurred for rental of heavy equipment used in our EPC projects. The decrease in rental, repairs and maintenance costs was partially offset by an increase in rental fees recorded by Cotrans for its transshipment services, as we began consolidating Cotrans in February 2023, see "— Key Components of Our Income Statement — Equity in net profit of associates;"

partially offset by:

- a 15.1% increase in royalty fees to US$711.2 million from US$617.6 million, which was primarily attributable to the change in the royalty rate regime applicable to Kideco as a result of the conversion of Kideco's CCoW into an IUPK in December 2022. For further details, see "— Factors Affecting our Business and Results of Operations — Fiscal regime applicable to our coal mining concessions."

Gross profit. As a result of the foregoing, gross profit decreased by 62.0% to US$552.0 million in the year ended December 31, 2023, representing a gross profit margin of 18.2%, from US$1,450.8 million in the year ended December 31, 2022, representing a gross profit margin of 33.5%.

Selling, general and administrative expenses. Selling, general and administrative expenses slightly decreased to US$239.8 million in the year ended December 31, 2023 from US$240.7 million in the year ended December 31, 2022, which was mainly attributable to:

- a 29.9% decrease in marketing and commissions expense to US$46.6 million from US$66.5 million, primarily due to lower commission paid to marketing agents to promote and market our coal, in line with the decrease in our coal sales volume; and
- an 15.1% decrease in salaries, wages and employee benefits to US$64.7 million from US$76.2 million, mainly due to lower employee performance benefits;

partially offset by:

- PNBP for central and local government of US$27.0 million recorded in the year ended December 31, 2023, which related to the non-tax state revenue payable by Kideco pursuant to the terms of Kideco's IUPK. No such payments were made in the year ended December 31, 2022, as Kideco's CCoW was only converted into an IUPK in December 2022. For further details, see "— Factors Affecting our Business and Results of Operations — Fiscal regime applicable to our coal mining concessions."

Finance costs. Finance costs decreased by 17.4% to US$85.6 million in the year ended December 31, 2023 from US$103.5 million in the year ended December 31, 2022, primarily due to a decrease in interest expense on bonds payable to US$65.4 million from US$78.4 million. This was attributable to lower principal amounts outstanding under the 2024 Notes and the 2025 Notes as a result of tender offers and open market repurchases for such bonds that we conducted during the second half of 2022.

Profit before tax. As a result of the foregoing, our profit before tax decreased by 76.4% to US$238.4 million in the year ended December 31, 2023 from US$1,010.3 million in the year ended December 31, 2022.

Income tax expense. Income tax expense decreased by 82.5% to US$87.4 million in the year ended December 31, 2023 from US$499.6 million in the year ended December 31, 2022, due to the decrease in our profit before tax as well as the change in the income tax rate applicable to Kideco as a result of the conversion of Kideco's CCoW into an IUPK in December 2022. For further details, see "— Factors Affecting our Business and Results of Operations — Fiscal regime applicable to our coal mining concessions."

Profit for the year. As a result of the foregoing, our profit for the year decreased by 70.4% to US$151.0 million in the year ended December 31, 2023 from US$510.8 million in the year ended December 31, 2022.

Year Ended December 31, 2022 compared to Year Ended December 31, 2021

Revenues. Revenues increased by 41.2% to US$4,334.9 million in the year ended December 31, 2022 from US$3,069.2 million in the year ended December 31, 2021, primarily due to increases in revenues from our energy resources and energy services businesses.

Energy resources. Revenue from our energy resources business increased by 40.8% to US$3,784.5 million in the year ended December 31, 2022 from US$2,688.3 million in the year ended December 31, 2021, primarily due to increases in the average selling price of our coal from Kideco to US$86.5 per tonne from US$61.4 per tonne and in the average selling price of our coal from MUTU to US$192.9 per tonne from US$93.0 per tonne, which were mainly driven by increases in both global and domestic coal benchmark prices as a result of higher global demand for coal. The increase in revenue from our energy resources business was also partially due to (i) an increase in the average selling price of the coal we trade under our commodity business to US$75.5 per tonne from US$41.2 per tonne, which was also attributable to the increase in coal benchmark prices as a result of higher global demand for coal, and (ii) an increase in volume of coal traded to 7.0 million tonnes from 5.8 million tonnes, which was mainly driven by higher demand from customers.

Energy services. Revenue from our energy services business increased by 26.5% to US$284.1 million in the year ended December 31, 2022 from US$224.5 million in the year ended December 31, 2021, primarily due to

higher revenue for our EPC and O&M work recorded in 2022, which was attributable to EPC contracts for (i) the Tangguh LNG expansion project for our client, BP Berau Ltd., (ii) the Salak power plant upgrade project for our client, Star Energy Geothermal Salak, Ltd, and (iii) the black masterbatch and conductive compounds facility project for our client, PT Cabot Indonesia.

Cost of contracts and good sold. Cost of contracts and goods sold increased by 34.1% to US$2,884.1 million in the year ended December 31, 2022 from US$2,151.0 million in the year ended December 31, 2021, which was mainly attributable to:

- a 97.0% increase in royalty fees to US$617.6 million from US$313.5 million, primarily as a result of an increase in revenue from coal sales driven by the higher average selling prices of our coal;
- a 52.0% increase in materials costs to US$556.8 million from US$366.3 million, primarily due to an increase in coal purchases from other coal producers, in line with the increase in volume of coal traded under our commodity trading business;
- a 15.9% increase in sub-contractors, installations, communications supplies expense and other direct costs to US$946.3 million from US$816.5 million, primarily due to higher fees paid to our third-party coal mining service providers as a result of (i) a general increase in the rates they charge, and (ii) an increase in the average strip ratio for the MUTU Mines to 15.3x from 14.4x and, consequently, higher volumes of overburden removed; and
- a 76.5% increase in fuel costs to US$233.8 million from US$132.4 million, primarily due to higher market fuel prices.

Gross profit. As a result of the foregoing, gross profit increased by 58.0% to US$1,450.8 million in the year ended December 31, 2022, representing a gross profit margin of 33.5%, from US$918.1 million in the year ended December 31, 2021, representing a gross profit margin of 29.9%.

Selling, general and administrative expenses. Selling, general and administrative expenses increased by 65.6% to US$240.7 million in the year ended December 31, 2022 from US$145.4 million in the year ended December 31, 2021, which was mainly attributable to:

- an 82.7% increase in marketing and commissions expense to US$66.5 million from US$36.4 million, primarily due to higher commission paid to marketing agents to promote and market our coal, in line with the increase in average selling prices for our coal;
- a 46.8% increase in salaries, wages and employee benefits to US$76.2 million from US$51.9 million, mainly due to a general increase in employee salaries due to annual increments and inflation as well as our hiring of additional employees for our new businesses in our green and mineral business segments; and
- a 98.9% increase in professional fees to US$24.0 million from US$12.1 million, mainly due to fees paid to third-party advisors engaged in connection with our new businesses.

Finance costs. Finance costs slightly decreased to US$103.5 million in the year ended December 31, 2022 from US$104.9 million in the year ended December 31, 2021, primarily due to a decrease in interest expense on bonds payable to US$78.4 million from US$89.5 million. This was attributable to lower principal amounts outstanding under the 2024 Notes and the 2025 Notes as a result of tender offers and open market repurchases for such bonds that we conducted during the second half of 2022. The decrease in finance costs was partially offset by (i) an increase in amortization of bonds issuance costs and discount, (ii) a one-time cost related to the premium paid for early redemption of a portion of the 2024 Notes and the 2025 Notes, and (iii) an increase in interest on bank loans and long-term loans.

Profit before tax. As a result of the foregoing, our profit before tax significantly increased to US$1,010.3 million in the year ended December 31, 2022 from US$502.1 million in the year ended December 31, 2021.

Income tax expense. Income tax expense increased by 69.5% to US$499.6 million in the year ended December 31, 2022 from US$294.7 million in the year ended December 31, 2021, due to the increase in our profit before tax.

Loss for the year from discontinued operation. We recorded loss for the year from discontinued operation of US$144.1 million in the year ended December 31, 2021, which related to our divestments of our shareholdings in Petrosea and MBSS. No such loss was recorded in the year ended December 31, 2022.

Profit for the year. As a result of the foregoing, our profit for the year significantly increased to US$510.8 million in the year ended December 31, 2022 from US$63.3 million in the year ended December 31, 2021.

Liquidity and Capital Resources

As of December 31, 2023, we had total cash and cash equivalents and other financial assets (current and non-current) amounting to US$696.3 million. This excludes cash and cash equivalents and other financial assets of MUTU amounting to US$123.2 million as of December 31, 2023, which was accounted for as non-current assets held for sale because we were in the process of divesting our shareholdings in MUTU as of that date. In February 2024, we completed the sale of our entire 100.0% equity interest in MUTU for a total consideration of US$218.0 million. As part of this transaction, we also transferred our marketing rights related to MUTU's coal in March 2024. See "Summary — Recent Developments — Sale of MUTU."

Our main sources of liquidity have been cash generated from operations and from borrowing, including bank facilities and bonds. Taking into consideration the financial resources available to us, including cash generated from our operating activities, we believe we will have sufficient liquidity to meet our working capital and operating requirements for at least the next 12 months.

Cash flows data

The following table sets forth a summary of our cash flows data for the years ended December 31, 2021, 2022 and 2023.

	For the year ended December 31,		
	2021	2022	2023
	(US$ in millions)		
Net cash provided by/(used in) operating activities	485.1	926.1	(199.1)
Net cash provided by/(used in) investing activities	(47.8)	32.8	(283.4)
Net cash used in financing activities	(130.2)	(665.3)	(124.7)
Net increase/(decrease) in cash and cash equivalents	**307.0**	**293.6**	**(607.2)**

Net cash provided by/(used in) operating activities

Net cash provided by/(used in) operating activities include funds generated from our operating activities and net cash inflows or outflows from changes in operating assets and liabilities.

For the year ended December 31, 2023, we had net cash used in operating activities of US$199.1 million, as compared to net cash provided by operating activities of US$926.1 million for the year ended December 31, 2022. The change was primarily due to a decrease in cash generated from operations as well as increases in payments of royalty to the Government and income and other taxes paid.

For the year ended December 31, 2022, our net cash provided by operating activities was US$926.1 million, compared to US$485.1 million for the year ended December 31, 2021. The increase was primarily due to increases in cash receipts from customers and cash generated from operations; which were partially offset by increases in cash paid to suppliers, payments of royalty to the Government, and income and other taxes paid.

Net cash provided by/(used) in investing activities

Net cash flows provided by/(used in) investing activities primarily include cash inflows and outflows from withdrawal of other financial assets, dividends received, acquisition of subsidiaries, payment for exploration and evaluation assets and mining property, investment in associates, acquisitions of property, plant and equipment, and proceeds from disposal of a subsidiary.

For the year ended December 31, 2023, we had net cash used in investing activities of US$283.4 million, as compared to net cash provided by investing activities of US$32.8 million for the year ended December 31, 2022. The change was primarily due to (i) a restricted cash placement of US$118.5 million made into a DHE SDA account during the year ended December 31, 2023, in compliance with Government Regulation No. 36 of 2023, which came into effect on August 1, 2023, see "Regulatory Overview — Regulation of the Indonesian Mining Industry — General mining services — DHE SDA obligations," (ii) proceeds received during the year ended December 31, 2022 from the divestment of Petrosea in July 2022, and (iii) higher capital expenditures made in Kideco and MUTU, towards coal mining machinery, heavy equipment and infrastructure, and in Masmindo, towards exploration activities, land compensation and construction of infrastructure for the Awak Mas Gold Project, during the year ended December 31, 2023.

For the year ended December 31, 2022, we had net cash provided by investing activities of US$32.8 million, compared to net cash used in investing activities of US$47.8 million for the year ended December 31, 2021. The change was primarily due to proceeds of US$146.2 million (after netting off the related transaction costs) received during the year ended December 31, 2022 from the divestment of Petrosea in July 2022, as compared to proceeds of US$41.2 million (after netting off the related transaction costs) received during the year ended December 31, 2021 from the divestment of MBSS in October 2021. This was partially offset by higher investments made during the year ended December 31, 2022 in connection with our acquisitions of PIM and EMB in September 2022 and October 2022, respectively, as well as capital injections made in the CEPR Power Plant.

Net cash used in financing activities

Cash flows from financing activities primarily include cash inflows and outflows from proceeds from short-term loans and long-term loans, proceeds from advance for share capital from non-controlling interests, payments of bonds payable and premium, payment of dividends by subsidiaries to non-controlling interests, dividend payment and payments of short-term loans, long-term loans, contingent consideration obligation and lease liabilities.

For the year ended December 31, 2023, our net cash used in financing activities was US$124.7 million, compared to US$665.3 million for the year ended December 31, 2022. The decrease was primarily due to decreases in (i) payments of bonds payable and premium, and (ii) payments of short-term loans, long-term loans, contingent consideration obligation and lease liabilities, which was primarily attributable to the cash payment of US$160.0 million paid to Samtan in November 2022 as full settlement of the Contingent Payment in relation to the Kideco Acquisition, see "— Key Components of Our Income Statement — Fair value changes on contingent consideration obligation."

For the year ended December 31, 2022, our net cash used in financing activities was US$665.3 million, compared to US$130.2 million for the year ended December 31, 2021. The increase was primarily due to payments of bonds payable and premium recorded in the year ended December 31, 2022, while no such payments were made in the year ended December 31, 2021, as well as an increase in payments of short-term loans, long-term loans, contingent consideration obligation and lease liabilities, which was primarily attributable to the cash payment of US$160.0 million paid to Samtan in November 2022 as full settlement of the Contingent Payment in relation to the Kideco Acquisition, see "— Key Components of Our Income Statement — Fair value changes on contingent consideration obligation;" which were partially offset by an increase in proceeds from short-term loans and long-term loans.

Capital Expenditures

Historically, most of our capital expenditures were made in connection with increasing, maintaining and replacing our operating assets, such as heavy mining equipment and vehicles, coal handling and processing equipment, coal crushing facilities, exploration and evaluation assets and mining properties. We have generally funded and intend to continue to fund the bulk of our capital expenditures through our cash flows from operations. For the years ended December 31, 2021, 2022 and 2023, our capital expenditures amounted to US$73.4 million, US$71.7 million and US$116.8 million, respectively.

We expect to spend approximately US$513.8 million between the years ending December 31, 2024 and 2026, as follows:

- approximately US$298.1 million for the year ending December 31, 2024, including (i) US$208.9 million to complete the construction of a processing plant and other infrastructure, as well as conduct pre-mining activities, for the Awak Mas Gold Project; (ii) US$31.6 million for the development of new two-wheel EV models, the construction of a battery manufacturing facility and the procurement of electric buses and charging stations, for our EV business; (iii) US$27.3 million for the development of the forest area we hold under IMP, and the acquisition of additional shares in NAN through IMP, for our nature-based solutions business; (iv) US$16.4 million for maintenance/ replacement of coal mining machinery, heavy equipment and infrastructure at our Kideco Mines; (v) US$6.1 million for machinery and heavy equipment for our logistics and infrastructure business; (vi) US$4.6 million for exploration activities and the procurement of heavy equipment for our bauxite mining business; and (vii) US$3.2 million for the procurement of IT hardware for our digital ventures business;
- approximately US$148.5 million for the year ending December 31, 2025, including (i) US$65.0 million for pre-mining activities for the Awak Mas Gold Project; (ii) US$43.1 million for manufacturing equipment and expanding our distribution capabilities, and the procurement of electric buses and charging stations, for our EV business; (iii) US$22.1 million for maintenance/replacement of coal mining machinery, heavy equipment and mining infrastructure at our Kideco Mines; (iv) US$8.5 million for land clearing, infrastructure and equipment for our nature-based solutions business; (v) US$4.9 million for the procurement of machinery and heavy equipment for our logistics and infrastructure business; and (vi) US$4.9 million for the procurement of IT hardware for our digital ventures business; and
- approximately US$67.1 million for the year ending December 31, 2026, including (i) US$36.2 million for manufacturing equipment and expanding our distribution capabilities, and the procurement of electric buses and charging stations, for our EV business; (ii) US$13.4 million for maintenance/ replacement of coal mining machinery, heavy equipment and mining infrastructure at our Kideco Mines; (iii) US$8.7 million for exploration activities and infrastructure for the Awak Mas Gold Project; (iv) US$3.8 million for the procurement of machinery and heavy equipment for our logistics and infrastructure business; (v) US$3.8 million for the procurement of IT hardware for our digital ventures business; and (vi) US$1.2 million for land clearing and infrastructure for our nature-based solutions business.

As of December 31, 2023, we had committed capital expenditures primarily comprising (i) US$198.9 million for the development of the Awak Mas Gold Project, including for land compensation and the development of a gold processing facility and other infrastructure, (ii) US$14.0 million for the procurement of electric buses and charging stations for our EV businesses under MMG; (iii) US$13.7 million for the procurement of manufacturing equipment and expanding our distribution capabilities, and related research and development, for our EV businesses under IMG; and (iv) US$12.0 million for heavy equipment and infrastructure at our Kideco Mines.

Indebtedness

As of December 31, 2023, we had consolidated indebtedness of US$1,091.9 million (including accrued interest and unamortized transaction costs), comprising our outstanding indebtedness under the 2024 Notes, the 2025 Notes, bank loans and other loans, see "Description of Material Indebtedness." As of the same date, we had US$643.2 million and Rp.2,059.7 billion (approximately US$133.6 million) available for drawdown under our existing cash loan facilities.

The following table sets forth the debt maturity profile (excluding accrued interest and unamortized transaction costs) of our outstanding contractual indebtedness over the next five years, as of December 31, 2023.

	For the year ending December 31,				
	2024	2025	2026	2027	2028
	(US$ in millions)				
2024 Notes[1]	293.6	—	—	—	—
2025 Notes[2]	—	534.1	—	—	—
Bank loans and other loans (excluding lease liabilities)	117.1	20.9	46.8	32.5	34.9
Total	**410.7**	**555.0**	**46.8**	**32.5**	**34.9**

Notes:

(1) On April 2, 2024, we provided notice to the holders of the 2024 Notes that all outstanding 2024 Notes will be redeemed in full on May 3, 2024. See "Summary — Recent Developments — Redemption of the 2024 Notes."

(2) Concurrently with the offering of the Notes, we are also making a tender offer to purchase the maximum aggregate principal amount of outstanding 2025 Notes that would not exceed the aggregate principal amount of Notes to be issued pursuant to this offering. See "Summary — Recent Developments — Concurrent Tender Offer."

Contractual Obligations and Commitments

The following table sets forth our contractual obligations and commitments (excluding lease liabilities) as of December 31, 2023.

	Payment due by period			
	Less than one year	One to five years	More than 5 years	Total
	(US$ in millions)			
Bank loans	117.1	107.2	**—**	**224.3**
Bonds payable[1]	293.6	534.1	**—**	**827.6**
Long-term loans	—	27.9	1.2	**29.0**
Total	**410.7**	**669.1**	**1.2**	**1,081.0**

Note:

(1) Includes the 2024 Notes and the 2025 Notes. On April 2, 2024, we provided notice to the holders of the 2024 Notes that all outstanding 2024 Notes will be redeemed in full on May 3, 2024, see "Summary — Recent Developments — Redemption of the 2024 Notes." In addition, concurrently with the offering of the Notes, we are also making a tender offer to purchase the maximum aggregate principal amount of outstanding 2025 Notes that would not exceed the aggregate principal amount of Notes to be issued pursuant to this offering, see "Summary — Recent Developments — Concurrent Tender Offer."

Off Balance Sheet Arrangements

As of December 31, 2023, we did not have any off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risks

Our business exposes us to a variety of risks, including commodity price risk, foreign currency risk, interest rate risk, credit risk and liquidity risk. The following discussion summarizes our exposure to such risks, and our policies to address them. See also Note 49 to our Consolidated Financial Statements. The following discussion contains forward-looking statements that are subject to risks, uncertainties and assumptions about us. These statements are based upon current expectations and projections about future events. There are important factors

that could cause our actual results and performance to differ materially from such forward-looking statements, including those risks discussed under "Risk Factors."

Commodity price risk

We face commodity price risk because coal is a commodity product traded in the world coal markets. Prices for coal are generally based on international coal indices as benchmarks, which tend to be highly cyclical and subject to significant fluctuations. As a commodity product, global coal prices are principally dependent on the supply and demand dynamics of coal in the world export market. We have not entered into coal pricing agreements to hedge our exposure to fluctuations in coal prices but may do so in the future. However, in order to minimize our risk, our coal prices are negotiated and agreed every year with our customers.

Foreign currency risk

We face foreign exchange rate risk and fluctuating foreign exchange rates, in particular fluctuations in the U.S. dollar to Rupiah exchange rate can affect our results of operations. We generate most of our revenue in U.S. dollars. Our export coal supply agreements are denominated in U.S. dollars and our domestic coal sales are primarily linked to U.S. dollars but denominated in Rupiah. Our cost of revenue is denominated in a combination of U.S. dollars and Rupiah, with the majority of our cost of revenue denominated in Rupiah and the proportion of cost of revenue denominated in U.S. dollars and Rupiah varying across each of our businesses and sub-business segments. A strengthening Rupiah may increase costs of contracts and operating expenses denominated in or tied to Rupiah, which include materials procurement and other equipment and machinery purchases denominated in Rupiah or translated to Rupiah based on spot prices in effect at the time of the purchase. Conversely, a weakening U.S. dollar may adversely affect our results of operations by decreasing the relative value of revenues from our service contracts denominated in or tied to the value of the U.S. dollar as against our Rupiah-denominated costs. We currently do not hedge foreign exchange exposures, but we may enter into hedging arrangements in the future. See "Risk Factors — Risks Relating to Indonesia — Fluctuations in the value of the Rupiah may materially and adversely affect our business, financial condition and results of operations."

Interest rate risk

Our interest rate risk exposure relates to the amount of assets or liabilities which are subject to the risk that a movement in interest rates will adversely affect our profit after tax. Our risk on interest income is limited as we seek to keep only sufficient cash balances to meet operational needs. On interest expenses, the majority of our debt is fixed rate instruments. We sometimes borrow at variable rates and use interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from floating rates to fixed rates. Interest rate swaps allow us to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if we borrowed at fixed rates directly. See "Risk Factors — Risks Common to All Our Businesses — We are subject to interest rate risk."

Credit risk

We develop and maintain credit risk gradings to categorize exposures according to their degree of risk of default. We use our own trading records to rate our major customers and other debtors. We have adopted procedures in extending credit terms to customers and in monitoring our credit risk, and we only grant credit to creditworthy counterparties. We hold our cash with creditworthy institutions and is subject to immaterial credit loss. Although our credit exposure is concentrated mainly in Indonesia, we have no significant concentration of credit risk with any single customer or group of customers.

Liquidity risk

We have established an appropriate liquidity risk management framework for the management of our short, medium and long-term funding and liquidity management requirements. We manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. We maintain sufficient funds to finance ongoing working capital requirements.

INDUSTRY OVERVIEW

The following industry and market data has been prepared by and obtained from Wood Mackenzie, independent consultants and experts in the coal mining industry and the gold market, using information provided by us as well as publicly available information. Such data has not been independently verified and neither we, except with respect to information which we have provided, nor the Joint Global Coordinators and Joint Bookrunners make any representation as to the accuracy or completeness of such data or any assumptions relied upon thereon. See "Forward-Looking Statements" and "Mining Industry Expert" included elsewhere in this Offering Memorandum.

Coal Industry

Overview

Indonesia is the world's largest supplier of thermal coal to the seaborne market and is well placed to support production in line with overall demand. This report outlines the demand drivers for coal from the Indonesian domestic and seaborne coal markets and key trends in supply for major exporting countries. Kideco produces thermal coal ranging from sub-bituminous to low rank. Kideco has a low cost position, making it competitive in the seaborne market.

After a continued rise to 2019 and a drop in 2020 below 1,000.0 million tonnes ("Mt"), demand for seaborne thermal coal is expected to peak in 2024 at 1,048.2 Mt, before gradually declining through to 2035. Recent fluctuations in demand were policy-driven from Europe, Russia, and China, with COVID-19 economic impacts further exacerbating the situation. However, the forecast demand stabilization is expected to be attributable to large developing economies in Asia, particularly India and Southeast Asia. These markets will require significant volumes of seaborne coal to support their power generation requirements and allow for ongoing industrialization and electrification. This provides strong ongoing demand for Pacific Basin Seaborne coal, making Indonesia well positioned to exploit this demand.

Corresponding to this demand, the Newcastle benchmark FOB is expected to be well balanced in the short-term following an improvement in supply after geopolitical issues, weather and infrastructure-related disruptions in recent years. The market is expected to enter surplus by 2025, causing the Newcastle benchmark price to fall to US$126 per tonne (real 2023 terms). Prices will remain above US$100 per tonne (real 2023 terms) out to the end of the forecast period as supply from existing mines continue to decline.

Global seaborne export supply of thermal coal is expected to remain in line with demand through 2035. Pacific Basin suppliers, primarily Indonesia and Australia, will continue to supply the majority of the seaborne market. Indonesia is well placed to service major export markets due to its proximity and resulting freight advantage to key markets in Asia. Further, coal mining in Indonesia is cost competitive due to inexpensive surface mining operations, the ability to utilize low cost-barging on waterways from mine to port and having low labor costs compared to other Pacific Basin producers.

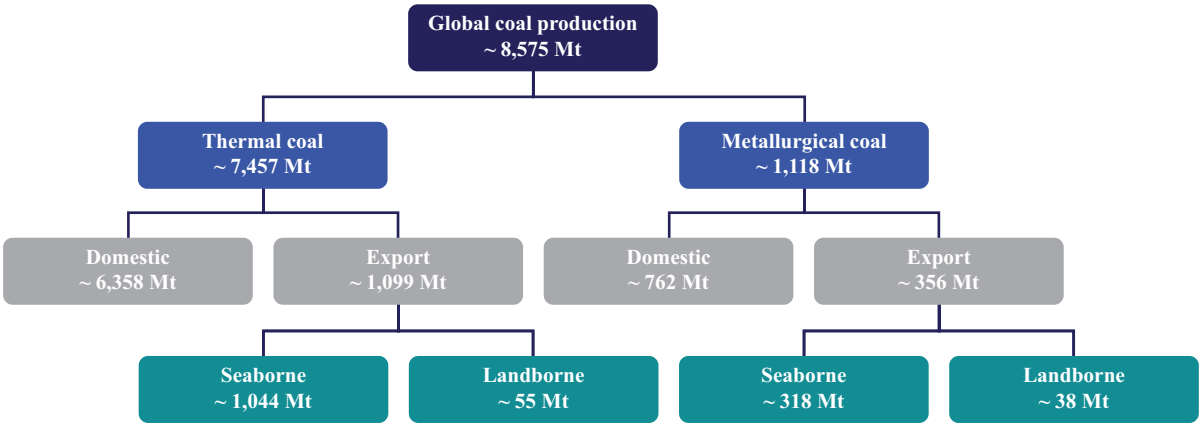
Coal market fundamentals

Coal is a widely distributed natural resource that is produced in many countries worldwide. The largest resources are found in China, the U.S., Australia and Indonesia. Most coal (83% of global production in 2023) is used in the country in which it is mined. China and the USA in particular — the world's two largest coal producers — consume the majority of their coal domestically. Only 15.9% of global coal production was traded on the seaborne market in 2023. The remaining 1.1% represents landborne trade, including trade within Europe, into China from its neighbors, and between Canada and the USA. Despite being a relatively small proportion of global coal production, the seaborne coal market is important for the Indonesian coal industry, which is strongly dependent on exports.

Coal mining is not a uniform process, with methods of coal extraction dependent on local geography, position of the coal seam, geological properties of the surrounding material and capital available for infrastructure. Open pit (also known as open cut or surface mining) involves the use of trucks and shovels or

draglines. The volume of rock that must be removed to reach the coal seam is a key component of surface mining costs. Underground mining involves use of longwalls or bord and pillar and is typically more expensive than surface mining. Mining in Indonesia is primarily open pit and Kideco's operations are open pit.

Global coal production by market and end-use (2023)



Source: Wood Mackenzie

The coal market can be divided into two major sub-markets, namely thermal and metallurgical, based on the end-use of the coal.

Thermal coal is used in combustion processes to produce steam for power generation, heating, and industrial applications such as cement manufacture. Thermal coal can be further subdivided into different market tiers based on energy content[1]. The following energy-based classifications for thermal coal are used in this report:

- **Anthracite**: Specific energy > 6,900 kcal/kg GAR
- **Bituminous**: Specific energy 5,400 – 6,900 kcal/kg GAR
- **Sub-bituminous**: Specific energy 4,500 – 5,400 kcal/kg GAR
- **Low rank and lignite**[2]: Specific energy < 4,500 kcal/kg GAR

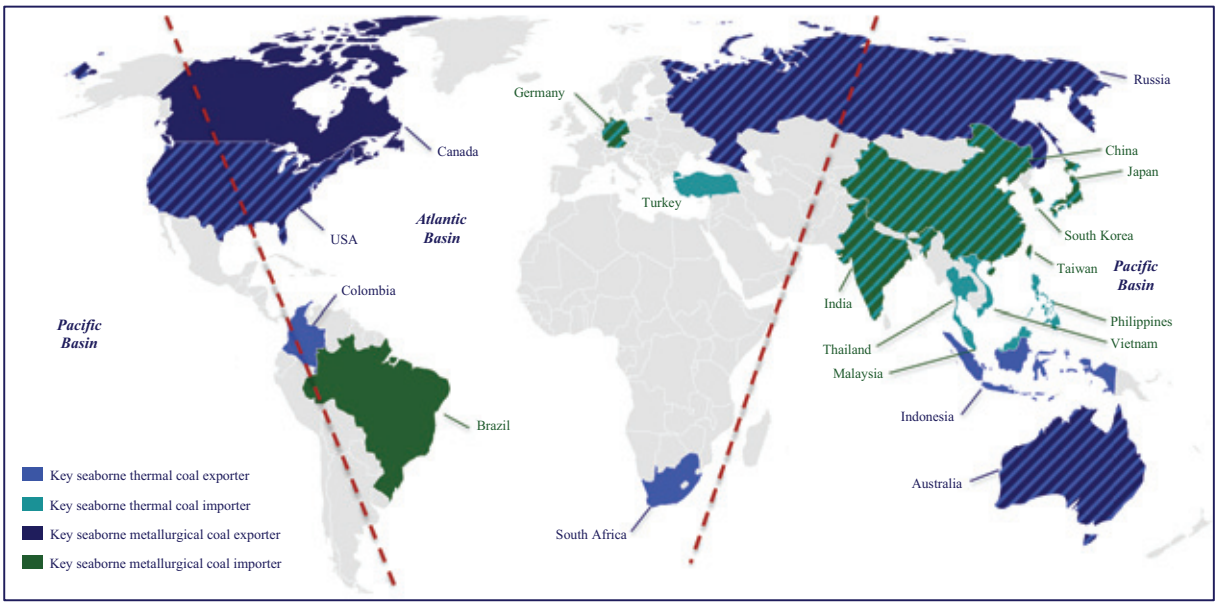
Kideco produces a mixture of bituminous, sub-bituminous and low rank coals.

The seaborne market for coal can also be divided into two sub-markets geographically, namely the Atlantic and Pacific Basin regions. The two markets are relatively segregated, primarily due to the relative cost of shipping between them. However, some inter-basin trade does occur, either due to quality considerations or when freight and price differentials allow exporters to compete in non-traditional markets.

[1] It should be noted that the ash content of the coal has a large effect on these numbers. For example, a high ash anthracite can have a similar energy content to a low ash sub-bituminous coal.

[2] The term low rank coal is a market based category developed by Wood Mackenzie to capture the difference in pricing between the pricing of sub-bituminous coal (e.g. Envirocoal at approximately 4,900kcal/kg GAR) and the step down to coals such as ecocoal (4,100 kcal/kg GAR). True lignite is technically less than 3,500kcal/kg GAR and very little is traded on the seaborne market however the naming convention is widely understood – especially when reviewing custom import and export statistics. For the purposes of this report, low rank coal and lignite are combined on a volume basis for the charts however refer to low rank coal when referring to this specific product. Indonesian Coal Index-4 coal has an energy classification of 4,200 kcal/kg GAR, the demand for which is documented in the lignite category.

Atlantic and Pacific basins



Source: Wood Mackenzie

Pacific Basin trade currently accounts for approximately 89% of the seaborne market, with Indonesia and Australia being the largest suppliers. China and India represent the largest markets for seaborne coal demand. The developed Asian economies of Japan, South Korea, and Taiwan ("JKT") have traditionally been prolific Pacific Basin importers, however demand from these markets has declined in recent years. Previously the most significant driver of growth in the region, China's demand for imported coal is expected to decline from 2023 levels as it focuses inward on domestic production and maintains its protectionist policies. Demand growth will instead be concentrated in the developing economies of India and Southeast Asia[3].

In the Atlantic Basin, the United States, South Africa and Colombia are the largest producers, primarily supplying coal into the European market. Russia was a significant exporter into European markets however these have mostly ceased as a result of European Union sanctions following the invasion of Ukraine (although Russia remains a significant supplier to Turkey). Instead, Russian exports have been redirected to Asia, particularly to China and India, although eastbound rail capacity constraints will limit upside in the near term. Uncertainties around the European energy market have been heightened by gas supply uncertainty, with gas also being a Russian export, and resulted in coal prices spiking to unprecedented levels in the second quarter of 2022.

The total volume of coal traded on the seaborne market is forecast to increase slightly from 1,360 Mt in 2023 to a peak of 1,362 Mt in 2024 before falling to 827 Mt by 2050 (overall negative 1.8% CAGR). Wood Mackenzie forecasts thermal coal will fall from 77% of seaborne trade in 2023 to 55% by 2050 as the metallurgical coal market grows and thermal coal demand starts to decline.

Seaborne thermal coal fundamentals

Seaborne thermal coal demand

Overview

Globally, power generation has risen consistently for the last decade, driven primarily by growth in power demand in China and India. Power generation fell in 2020 due to the economic fallout from the COVID-19

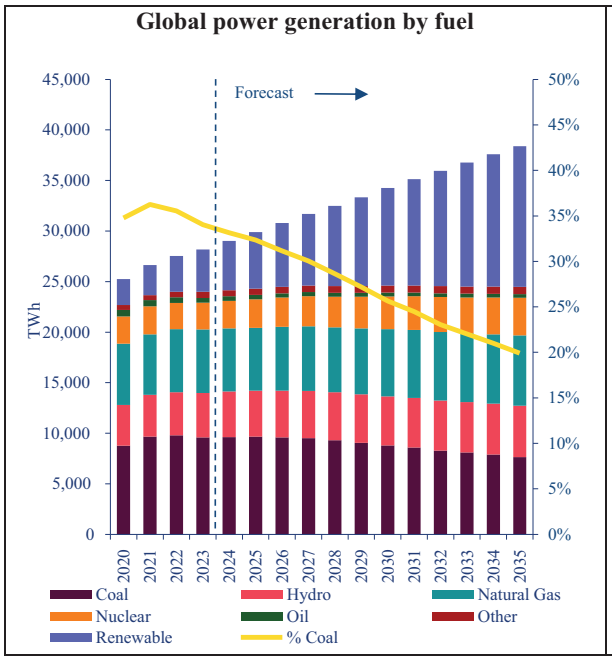
[3] Southeast Asia countries with seaborne coal demand are Cambodia, Indonesia, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

pandemic but has since increased by 3.7% CAGR between 2020 to 2023 from 25,244.3 TWh to 28,173.3 TWh. This increase was driven mostly by increased energy demand in developing regions, particularly Asia where consumption increased by 6.2% CAGR over the 2020 to 2023 period.

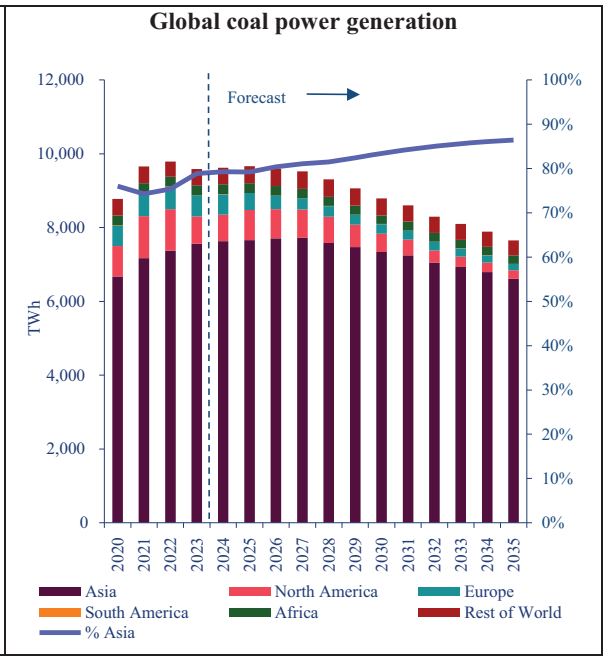
Continued growth in India and Southeast Asia will drive power demand in coming years with global generation expected to grow to 38,405.7 TWh by 2035 (at 2.6% CAGR). Coal-fired power generation has supported much of the increased demand over the last three years. However, the fuel's share of global generation is expected to fall from 33.1% in 2024 to 25.7% in 2030 and reach 19.9% by 2035. This will occur as renewable power generation become more widely adopted.

In the short-term, rising energy demand coupled with the cost competitiveness of coal as a power source is expected to result in slight growth in coal-fired generation, before climate-related policies begin to have more of an impact on the power sector.

In 2024, 79.3% of global coal-fired power generation is expected to occur in Asia, which has increased significantly over the last decade from 66.2% in 2014. While global coal generated power generation is not expected to increase significantly in the coming decade, Asia's share of the coal power generation market is expected to grow further to 86.4% by 2035 when coal generation is expected to total 6,613.4 TWh globally.

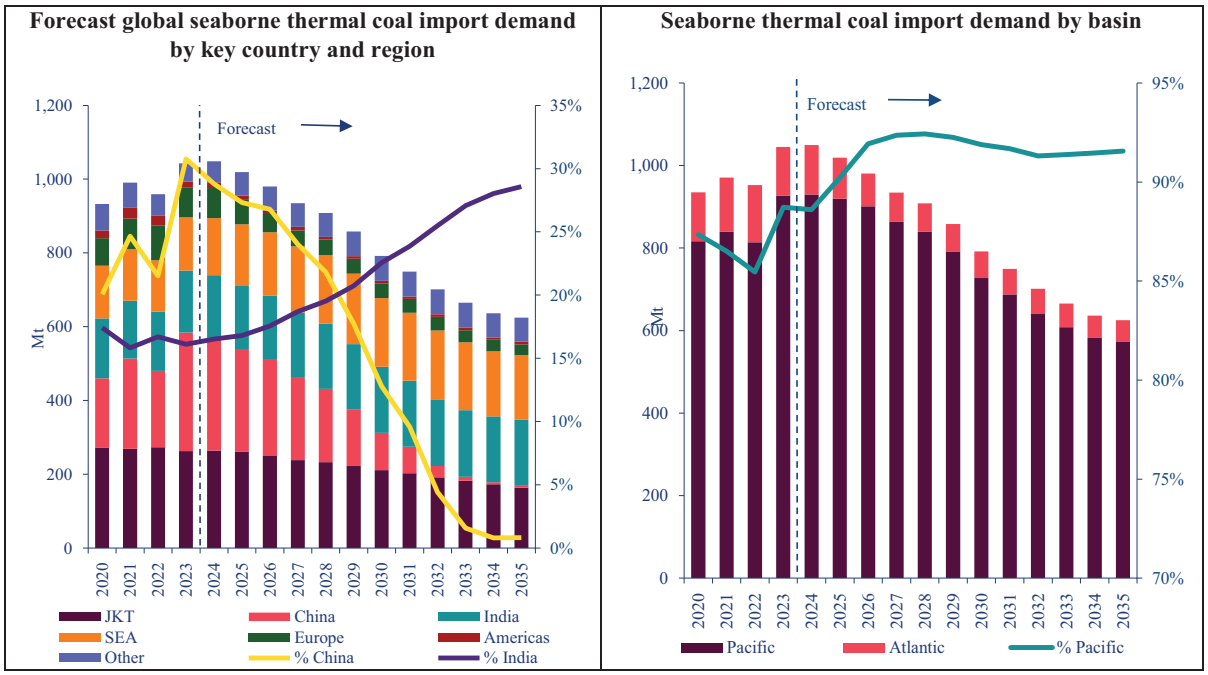


Source: Wood Mackenzie Energy Transition Tool H2 2023



Source: Wood Mackenzie Energy Transition Tool H2 2023

Seaborne demand for thermal coal has recovered from the COVID-19-related lows seen in 2020, rising from 933.0 Mt in 2020 to a peak of 1,048.2 Mt in 2024. Beyond that point, demand is expected to fall as the energy transition gathers pace, with seaborne imports declining to 624.8 Mt by 2035. Over the forecast period, growth in developing areas of the Pacific Basin such as Southeast Asia and India will partially offset declines in China, JKT and Europe due to strong regional economic growth and subsequently large power demand growth, leading to Southeast Asia and India accounting for 56.7% of seaborne demand by 2035.



Source: Wood Mackenzie Global Coal Markets Tool H2 2023

Source: Wood Mackenzie Global Coal Markets Tool H2 2023

China

China is the world's largest producer and consumer of thermal coal. Despite high domestic production, China requires significant tonnages of seaborne imports to satisfy total thermal coal demand due to domestic supply issues such as mine cost inflation, insufficient infrastructure, and barriers in the state-controlled power market. China's total thermal coal demand forecast for 2024 is 4,073.6 Mt, of which 302.0 Mt (7%) is expected to be met by seaborne imports.

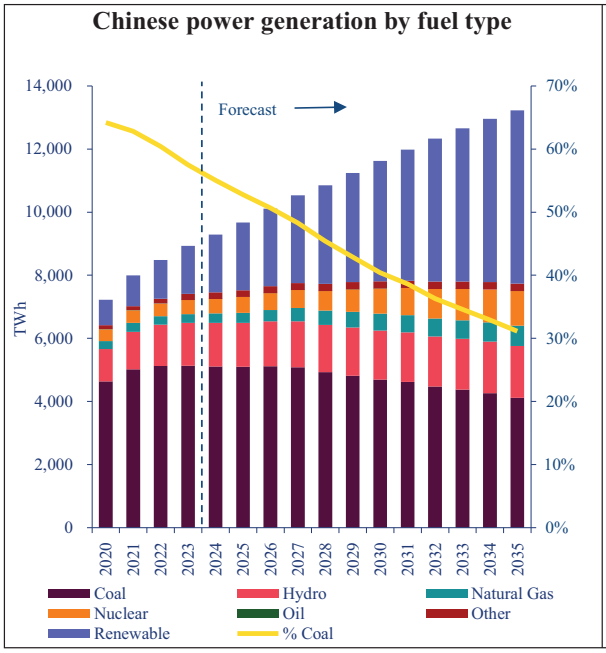
China's weakening power demand growth is expected to persist through the long term as the country transitions from industry and investment-driven growth towards a services-led economy, with long term power demand growth estimated to be 3.3% CAGR from 2024 to 2035. The proportion of coal in China's energy mix is forecast to reduce from 55.0% in 2024 to 31.2% in 2035.

China's seaborne demand will be dictated by competition between imports and domestic production in China's coastal regions throughout the forecast period. Coal-fired power generation in China's coastal regions is understood to have already peaked, with additional demand to be served through gas and nuclear generation and transmission from inland regions. Declining coal-fired generation growth in coastal regions, combined with more competitive domestic coal supply, is expected to lead to declining seaborne thermal coal imports.

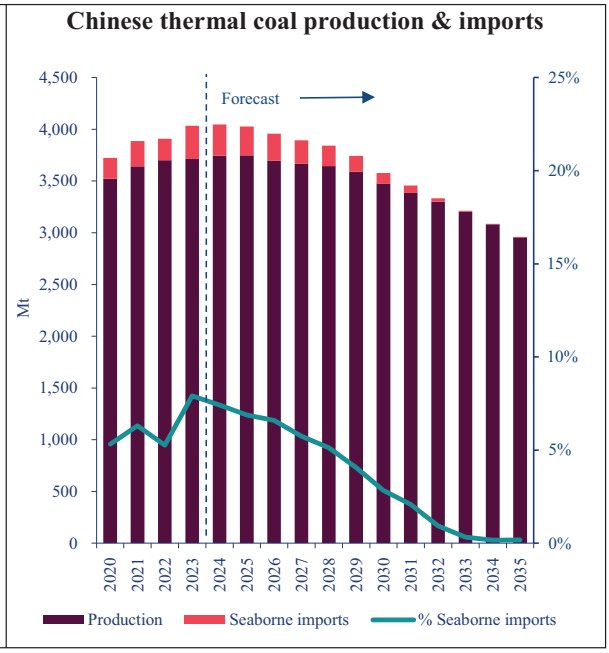
Throughout the forecast, the market is expected to exhibit volatility resulting from competition in the coastal market. China's import demand is expected to drop from 302.0 Mt in 2024 to 5.3 Mt in 2035 as Government reforms lead to more competitive domestic coal production. Wood Mackenzie expects these reforms will be successful, putting domestic supply in a better position to compete with imports in coastal provinces in the future. However, there is a possibility of imports rising above forecast levels if Chinese domestic thermal coal supply is unable to reform quickly and improve its costs and quality.

Renewables sit at the center of China's initiatives for fuel diversification, environmental protection and carbon mitigation, with the 2015 United Nations Climate Change Conference ("COP21") targets aimed at reducing carbon emissions by 60.0-65.0% per unit of gross domestic product ("GDP") by 2030, compared to 2005 levels, and increasing use of non-fossil fuels to 15.0% of its primary energy mix by 2020 and 20.0% by 2030. Ahead of the 2021 United Nations Climate Change Conference ("COP26"), China pledged to reach carbon

neutrality before 2060 and peaking its emissions by 2030. China is dedicated to controlling coal consumption before 2025 and after 2025 gradually reducing it. China is already leading global renewables capacity growth and has exceeded its targets, achieving 25.3% renewable fuel use by 2020 and is forecast to achieve 37.3% by 2030.



Source: Wood Mackenzie Energy Transition Tool H2 2023



Source: Wood Mackenzie Global Coal Markets Tool H2 2023

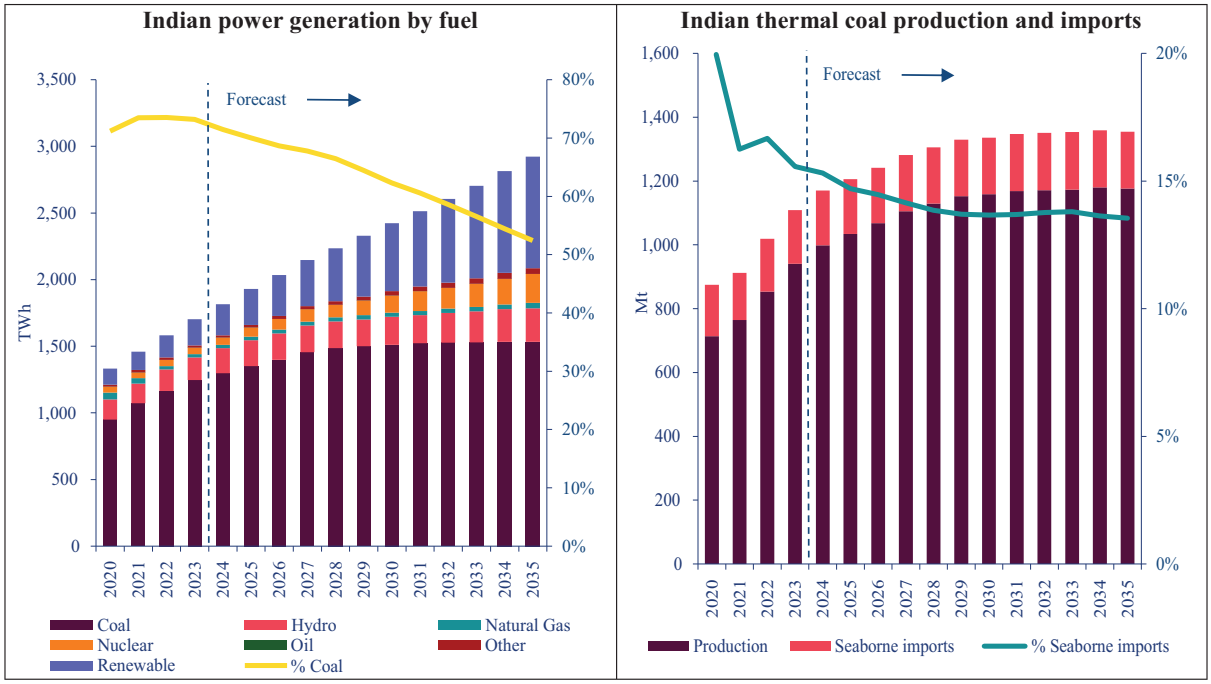
India

India is undergoing rapid infrastructure development and industrialization, with large increases in power supply required to achieve its economic goals. While power generation is expected to remain heavily reliant on coal, alternatives are being expanded, with generation through nuclear and renewables both expected to grow by more than 12.0% CAGR from 2024 to 2035. However, even at this growth rate, low-carbon power generation is unlikely to meet ambitious government targets, underpinning continued strong demand growth coal-fired power. Thermal coal is expected to maintain a market share of over 50.0% throughout the forecast period from 2024 to 2035. Strong economic growth, ongoing urbanization, improved electricity access, potential to cater to latent demand, policy drivers such as 'Power for all' and '24x7 reliable supply' and favorable demographics are expected to underpin robust electricity demand growth. Increasing frequency of extreme weather events in recent years has led to increased heating and cooling requirements and will continue to influence power demand going forward.

The key constraint to Indian power generation growth is efficient and economically successful distribution in the Indian power sector value chain. While the situation is improving, there are concerns about the pace of reform, with accumulated losses of the power distribution companies at more than US$70.0 billion as of 2021. Losses are due to inadequate tariff revision, cross-subsidization, and transmission losses.

Currently, domestic coal supply accounts for 89.1% of demand, however supply is growing at a lower rate than demand and so India is expected to remain reliant on seaborne imports, which will stay relatively steady, increasing marginally from 171.5 Mt in 2024 to 178.2 Mt in 2030. Domestic coal supply in India suffers from fundamental problems related to transport restrictions and high ash levels. These issues are expected to support demand for imports into the future. Land acquisition issues and resettlement and rehabilitation concerns also deter miners. Coastal plants are also expected to predominantly import coal due to technical and regulatory requirements, as well as the cost-competitiveness of seaborne supply in the region.

India's COP21 commitments state that by 2030, at least 40.0% of its electricity will be generated from non-fossil sources, including a goal of 175.0 GW of capacity by 2022 and the country is targeting net zero emissions by 2070. India was unable to reach its 2022 goal, achieving 120.9 GW of the required capacity. Renewable power generation has become a key focus of the government's plans, given its role in assisting both energy independence and environmental objectives. Combined, renewables (excluding large hydro) form the second largest source in India's power generation mix in 2023, behind only coal, and this is expected to continue to grow during the forecast period 2024 to 2035. Nevertheless, the country is expected to struggle to meet its COP21 target, Wood Mackenzie expects India's non-fossil fuel electricity generation to reach 31.1% by 2030, below its 40.0% target.



Source: Wood Mackenzie Energy Transition Tool H2 2023

Source: Wood Mackenzie Global Coal Markets Tool H2 2023

Southeast Asia

Southeast Asia is now the most important growth driver in the seaborne thermal coal market. Import demand in the region is expected to amount to 146.1 Mt in 2024 and is expected to increase to 183.4 Mt in 2029 before falling to 166.5 Mt by 2035. 42 GW of additional coal-fired capacity has been constructed since 2015 and another 26 GW is expected to be added in the next five years. While a large increase in renewable capacity is also expected, declining domestic gas reserves mean the region is also expected to require to expansions in coal-fired capacity as a cost-effective way of meeting strong power demand growth. Renewables costs will remain high in most of Southeast Asia throughout the forecast period, supporting the continued use of coal-fired generation for baseload power. Power demand in Southeast Asia is forecast to increase from 1,264.9 TWh in 2024 to 2,014.7 TWh in 2035, with the contribution of coal-fired generation relatively steady across Southeast Asia at an average of 42.4% over the forecast period from 2024 to 2035. Coal imported by these countries is typically sourced from Indonesia due to its low cost and proximity.

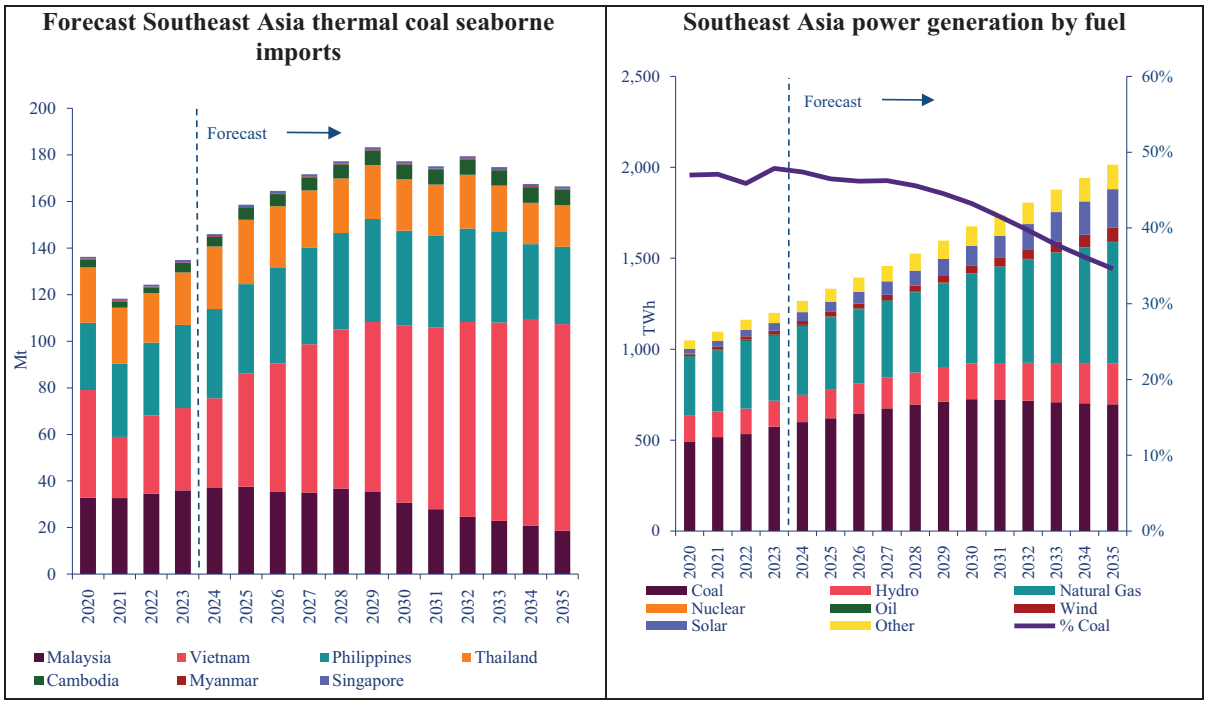
Malaysia depends almost entirely on imports to meet demand for coal-fired generation. The power sector has historically relied on relatively inexpensive regulated piped gas to fuel growth in demand, however without price subsidies, coal is the most economical option to meet rising electricity demand and maintain reasonable tariffs. Malaysia's coal-fired generation capacity is expected to grow slightly in the near-term then plateau. This will be mirrored by the thermal coal import demand which is forecast to grow from 35.9 Mt in 2023 to a peak of

37.6 Mt in 2025. Import tonnages will be maintained at around 36.0 Mt until 2029, before commencing its decline to 18.7 Mt by 2035. In September 2021, Malaysia announced that there will be no new coal-fired generation built, and the Power Development Plan expects 3.4 GW of coal-fired power retirements by 2030. Malaysia's intended nationally determined contribution aims to reduce the emissions intensity of GDP by 35.0% by 2030 relative to 2005. Malaysia also announced a target of net zero emissions by 2050. Despite potential for solar and biomass, progress with these only started in 2012 with the introduction of an attractive feed in tariff scheme and growth here is limited due to a lack of funds available. Malaysia's renewable energy costs are also one of the highest in Asia, limiting investment in the sector.

The Philippines is the second most expensive power market in Asia (after Japan) and experiences frequent power shortages. Thermal coal is expected to support the largest portion of the power growth to 2028, after which coal will decline in usage as gas and renewables replace it as the major future power sources. Although there is currently a moratorium on greenfield coal projects, the Philippine Energy Plan in 2020 has a higher targeted share of coal-fired generation than there is currently. Wood Mackenzie expects seaborne thermal coal demand in the Philippines to grow from 38.3 Mt in 2024 to 44.2 Mt in 2029 before declining to 33.2 Mt in 2035 (at minus 1.3% CAGR for the period 2024 to 2035). The Philippines have recently revised its climate agreement and are aiming to reduce emissions by 75.0% by 2030 relative to its business as usual ("BAU") scenario. To increase investments for renewables, the Philippines have removed its 60-40 (local-foreign ownership) rule, allowing up to 100% overseas ownership for renewable projects. Currently, geothermal and large hydro form the bulk of renewable capacity, but new investments see an increased share of solar and wind capacity over the forecasted period.

Historically, North Vietnam used domestic coal while the south relied on imports, however through periods where an oversupplied international coal market had resulted in cheap coal prices, seaborne imports to Vietnam to increase, even in the north. Several new power stations in the north are configured to use imported coal. As domestic production is constrained by geology and rising costs, it is expected that Vietnam will turn increasingly to the international market to meet demand and will become a more significant market, with seaborne demand forecast to grow from 38.5 Mt in 2024 to 88.7 Mt by 2035 (at 7.9% CAGR). Vietnam's intended nationally determined contribution targets an 8% greenhouse gas ("GHG") reduction by 2030 compared to a BAU scenario. Vietnam's base case is 30% higher than Wood Mackenzie's, and with such a high BAU as reference, this looks achievable without effort in the power sector using reforms in other areas of the economy. Historically, Vietnam has been very successful with hydro power development, however with major hydro projects already developed Vietnam is looking at alternative solutions to boost its power sources and renewables presence. Vietnam has set a goal of reaching net zero emissions by 2050, however the latest draft of its Power Development Plan raised the coal capacity target to 40 GW by 2030 and 51 GW by 2045, diverging from this pledge. Lack of cohesiveness between national statement and industry plan suggests further revision is required to define the role of coal in the long term.

Due to strong public opposition, Thailand's government has been unable to construct new coal-fired capacity, and Wood Mackenzie does not expect any incremental capacity to be constructed, although domestic coal production is forecast to decline and some growth will be seen in non-power demand, leading to imports growing from 22.5 Mt in 2023 to 27.6 Mt in 2025. Imports are expected to remain above 20.0 Mt until 2033 before the retirement of BLCP Power Plant's 1.4 GW power plant leads import demand to fall to approximately 17.8 Mt until the end of the forecast. At COP21, Thailand pledged to reduce its GHG emissions by 20% from projected BAU levels by 2030. Thailand also aims to reduce energy intensity by 30% below 2010 levels by 2036. The national energy framework sets out a goal of attaining net zero emissions by 2065-70. Renewables feature prominently in Thailand's energy plans, and the country has been an early adopter of renewables within the Southeast Asia region. The state electricity distributors started to purchase electricity from renewable generators in 2007, offering an 'adder' rate on top the wholesale electricity price.



Source: Wood Mackenzie Global Coal Markets Tool H2 2023

Source: Wood Mackenzie Energy Transition Tool H2 2023

Northeast Asia (excluding China)

The traditional Northeast Asian ("NEA") demand centers of Japan, South Korea and Taiwan is expected to continue to import significant quantities of high-quality thermal coal, although annual demand will decrease by 100.5 Mt (at minus 4.3% CAGR) over the forecast period due to declining populations, static energy demand profiles and increasing renewable generation.

Japan operates one of the most liberalized power markets in the Asia Pacific, as the retail market was liberalized down to the residential level in 2016 and is completely reliant on the seaborne coal market due to a lack of domestic reserves. Despite increases in coal-fired generation capacity, imports are expected to decrease from 108.0 Mt to 65.0 Mt over the forecast period from 2024 to 2035 due to increases in efficiency, the reduction of unsustainably high utilization. Despite building more coal-fired power plants, Japan's has committed to reduce GHG emissions to 46.0% by 2030 compared to 2013. Renewables are a priority of Japan's power policy and the country already levies a tax on coal consumption. The government is targeting renewables to make up 25.4% of power generation by 2035. The GX Decarbonisation Power Supply bill passed in 2023 allowing nuclear operators to continue operations beyond the maximum 60-year lifespan by excluding the safety scrutiny period after the Fukushima accident. Nuclear will continue to ramp from 92.7 TWh in 2024 to 212.3 TWh in 2035 (at 7.8% CAGR). Wood Mackenzie does not expect nuclear restarts in Japan to reach the levels targeted by the government due to strict technical regulations, low public trust, the need for local political support and ongoing legal battles, although there will be some growth in nuclear output in the medium-term.

South Korea also lacks domestic coal resources and sources the vast majority of its coal from the seaborne market. South Korean thermal coal imports will increase from 96 Mt in 2023 to a peak of 100.4 Mt in 2024 as the final wave of new coal-fired capacity comes online, before declining to 64.3 Mt in 2035. South Korea plans to reduce its GHG emissions by 40% from 2018 levels and launched a carbon cap-and-trade scheme in January 2015. Like Japan, South Korea committed to net zero emissions by 2050 in the leadup to COP26. South Korea currently aims for 30.6% of electricity to be generated from renewable sources by 2036. South Korea also plans to phase out coal-fired generation by 2050. This is expected to be extremely challenging due to the shrinking nuclear fleet, power price spikes and supply chain risks amid heavy reliance on floating solar, offshore wind,

storage, green hydrogen and CCUS. South Korean consumers favor a mixture of high-quality Australian coals and other lower quality types. As a major importer of Russian thermal coal in Asia, South Korea is highly exposed to ongoing trade disputes amidst the Russia-Ukraine conflict. Although the country has not formally announced any bans on Russian coal, some utilities, such as Korean Electric Power Corporation, have restricted use of Russian coal.

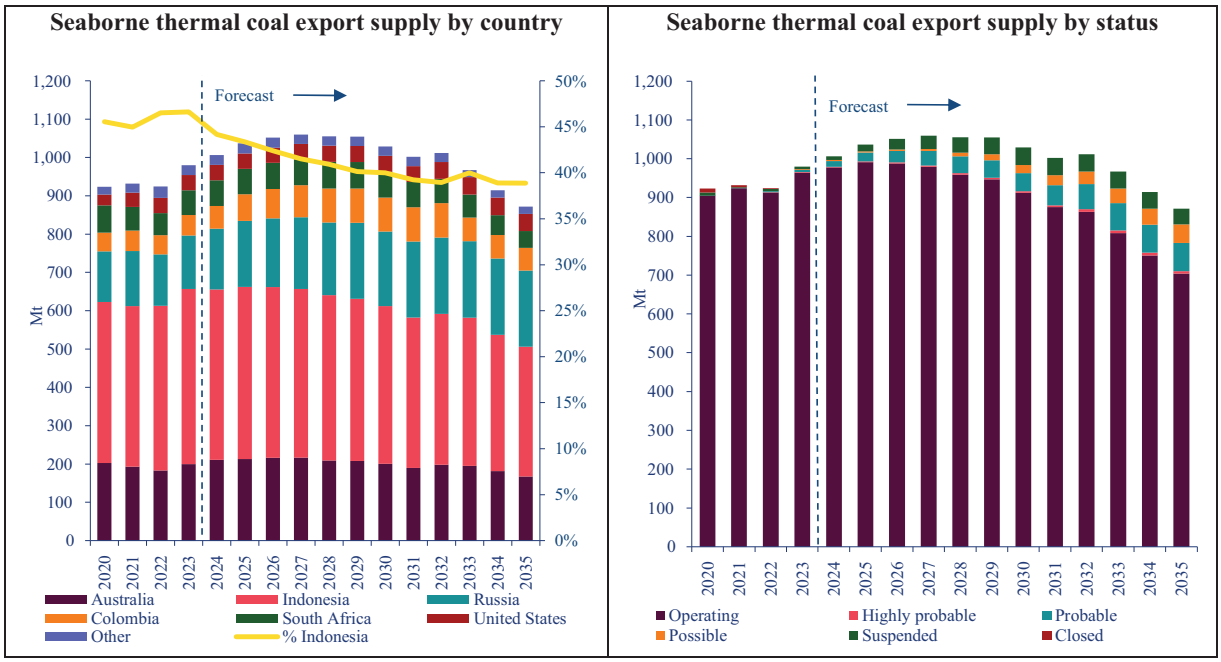
Taiwan's coal-fired power generation capacity is also expected to decline significantly over the forecast period, leading to seaborne thermal coal imports decreasing from 56.0 Mt in 2024 to 34.6 Mt by 2035. Taiwan currently plans to reduce the share of coal-fired generation in the power mix to 30%, while increasing renewables to 20% by 2025. Taiwan also aims to phase out nuclear generation by 2025. Wood Mackenzie does not expect Taiwan to be able to reach this target, with coal expected to remain at 38% of power generation by 2025, decreasing to 29% in 2030. Taiwan aims to reduce emissions by 20% below 2005 levels by 2030 and also passed an act in 2015 that sets a goal of cutting carbon emissions by 50% on 2005 levels by 2050. In March 2022, Taiwan's National Development Council unveiled the roadmap for its net zero by 2050 goal. This proposal has not been incorporated in Wood Mackenzie's base case given the strong regulation and commercial incentives required to achieve the goal. The supply chain challenges which come with the proposal will take time to address, while there are already pressing power outage concerns across the region.

Seaborne thermal coal supply

Overview

Global seaborne export supply of thermal coal is expected to grow slightly in the short term, from 980.1 Mt in 2023 to 1,059.6 Mt in 2027 before gradually declining to 871.3 in 2035. Pacific Basin suppliers, primarily Indonesia and Australia, are expected to continue to supply the majority of the seaborne market, however long-term growth is expected to include Atlantic producers as demand growth in Asia eventually results in increasing cross-basin trade that will benefit suppliers in the U.S. and Colombia. Indonesia and Australia are expected to continue supplying most of the seaborne market, with production from Atlantic basin producers limited by freight costs to the growing Asian market.

Indonesia has been the major beneficiary of growth in thermal coal demand over the last decade, with Australia and Russia also increasing supply. Indonesia's low production costs and proximity to the major price-sensitive growth regions of China, India and Southeast Asia have supported growth peaking at 457.1 Mt in 2023 with volumes expected to slowly decline to 338.5 in 2035. Despite the sanctions on Russian exports to Europe, other countries have enabled resilience in their export supply. New projects categorized as highly probable and probable are expected to be developed mostly in Australia, Indonesia and Colombia, with additional longer term possible projects mostly in Indonesia and Russia.



Source: Wood Mackenzie Global Supply Tool H2 2023

Source: Wood Mackenzie Global Supply Tool H2 2023

Indonesia

Indonesia is currently, and will remain, the largest supplier of thermal coal into the seaborne market. However, Wood Mackenzie believes that Indonesian penetration of seaborne thermal coal markets peaked in 2023 at 46.6% (457.1 Mt) and is now expected to decline to 38.9% (338.5 Mt) by 2035. Indonesia's seaborne export volumes are expected to be impacted by growing Indonesian domestic demand, strong availability of Australian high-rank coals and a demand shift towards higher-rank coals in some markets as environmental regulations around CO2 emissions become more stringent.

Indonesia does remain best placed geographically to service the Indian and Southeast Asia demand centers, which is expected to support Indonesia's position in the seaborne market in the long term, although the new requirement for miners to use Indonesian-flagged vessels may drive up freight costs.

Demand for sub-bituminous quality coal, such as the coal produced at Kideco, will continue to be high from the Asia-Pacific region, namely India, China and Southeast Asian nations.

In 2017, Indonesia re-introduced the Domestic Market Obligation ("DMO") regulation after a two-year hiatus. The DMO requires domestic coal producers to allocate a certain proportion (currently about 25%) of their production to the domestic market. Prior to 2017, servicing the domestic market was not a significant challenge with low seaborne prices and more profitable domestic sales. Seaborne prices have generally remained high since the reintroduction of the DMO, creating a continued need for the regulation. The DMO quota is increased annually in line with expected domestic thermal coal demand. With the DMO, the government is attempting to ensure sufficient supplies for the growing domestic market. Over the last 6 years, Wood Mackenzie understands that Indika's domestic market sales have been well above the DMO requirement, with 39% of volumes sold domestically in 2022.

The Ministry of Energy and Mineral Resources ("MEMR") requires miners to submit a RKAB document annually which includes business information, technical and environmental aspects and plans of mining operations. The regulation has recently been revised; operating mines are now only required to submit the RKAB every three years rather than annually. This amendment will enable companies to continue production without waiting for approvals each year, with additional approvals only required if producing more than what was initially reported. The MEMR requires DMO quota fines to be paid before approving the RKAB, which is

expected to delay approvals for some producers. It is Wood Mackenzie's expectation that Kideco's RKAB has likely been approved based on recent production and lack of issues related to the DMO.

Other suppliers

Australian exports of thermal coal are expected to gradually decrease from 210.8 Mt in 2024 to 167.5 Mt in 2035 (at minus 2.1% CAGR). The importance of Australia's high-energy, low-sulfur bituminous coal is expected to continue, especially in Japan, South Korea, and Taiwan, however a significant portion of Australia's new supply is expected to be high ash coal from the Galilee Basin which receives a lower price on the seaborne market and is more attractive for price sensitive buyers used to higher ash coals such as China and India.

Russia and Colombia are expected to increase their market share of thermal coal exports over the same period, from a combined tonnage of 218.1 Mt in 2024 to 257.8 Mt in 2035. Prior to the outbreak of the Russia-Ukraine conflict, Russia was the largest exporter of coal to the Europe, Middle East, Africa, Russia and Caspian ("EMEARC") region with about 42% market share. In the near term, in response to sanctions from the EU, Russia will attempt to redirect European supply to the Asian markets, primarily China and India. However, availability of eastbound rail capacity remains a major constraint. Colombia's high-quality thermal coal will continue to dominate seaborne supply to the Atlantic Basin but will need to shift supply towards the Pacific as demand from the Americas and EMEARC markets decline. Growing anti-mining sentiment increases supply risk in Colombia with changes in rules and regulations, and output depends on Cerrejon being able to address issues related to permitting and community relocations.

Cost competitiveness of Indonesian coal

Historically, growth in Indonesian coal supply was generally driven by its proximity to North Asian demand centers and the low-cost structure of their operations. Indonesian mines still tend to occupy the low-cost end of the global supply curve. Their competitiveness is based on a combination of factors: inexpensive surface mining operations, an extensive system of natural inland waterways enabling low cost-barging from mine to port, the use of transshipment facilities that have lower capital and lower operating costs than coal terminals and low labor costs compared to other Pacific Basin producers.

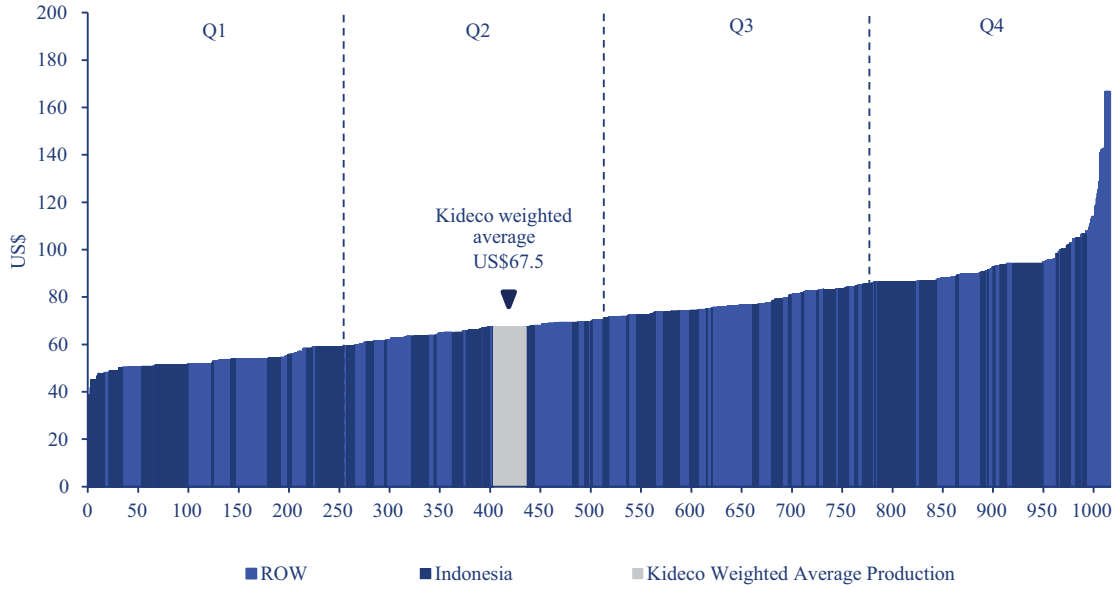
Coal preparation costs are relatively low in Indonesia, as coal is often sold either as either as a raw (i.e. unwashed) product or after crushing (made possible due to low ash content).

The depreciation component of total cash cost is also typically relatively low in Indonesia. This is due to the widespread use of contractors for mining operations and elsewhere in the supply chain, which reduces the level of capital expenditure (e.g. for equipment purchases) required by the mine owner.

The final significant contributor to total cash cost is royalties and taxes. Indonesian royalties and taxes are among the highest in the world. In terms of total government take as a percentage of revenue, Indonesia's mining sector is second only to Venezuela out of all the significant supply countries and an additional tax on coal exports remains a possibility.

Kideco is placed in the second quartile of the 2024 energy adjusted (i.e., adjusted for differences in quality) seaborne thermal coal cost curve. Kideco is expected to have an estimated weighted average cash cost of approximately US$67.5 per tonne of coal for 2024, which slightly below the global average of US$72.0 per tonne (per the below figure).

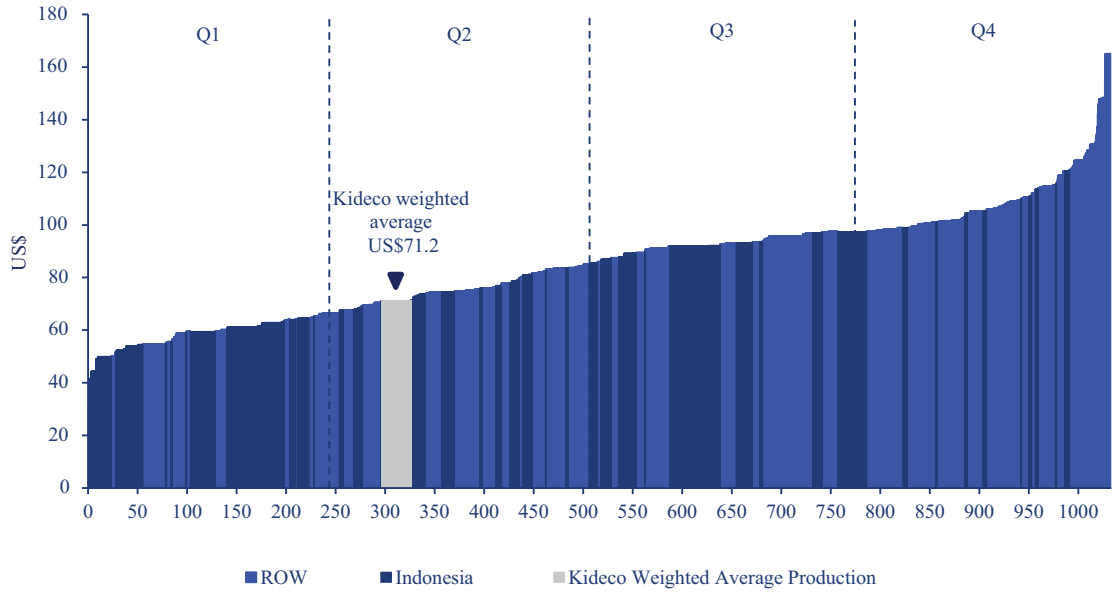
2024 Global seaborne thermal FOB total cash cost curve, Energy Adjusted to 6,322 Kcal/kg



Source: Wood Mackenzie Coal Cost Curve Tool H2 2023

Looking forward to 2030, which provides a view that accounts for depletion of reserves over the next six years, Wood Mackenzie expects that Kideco's portfolio will become more competitive and move into the first half of the second quartile of the cash cost curve for all seaborne thermal coal. In 2030, Kideco is expected to have an estimated weighted average cash cost of approximately US$71.2 per tonne of coal (in nominal 2023 terms), placing it in the second quartile of the projected 2030 cash cost curve for all seaborne thermal coal (per the below figure). This remains lower than the global weighted average of US$84.3 per tonne indicating Kideco's continued competitive cost advantage in the market.

2030 Global seaborne thermal FOB total cash cost curve, Energy Adjusted to 6,322 Kcal/kg



Source: Wood Mackenzie Coal Cost Curve Tool H2 2023

Indonesian coal sector review

Reserves

Indonesia has vast quantities of thermal coal, with reserves at approximately 18.7 billion tonnes, as per the table below. More than three quarters of Indonesia's marketable reserves are in Kalimantan and, of that, 68.8% are in East Kalimantan. While Sumatra has abundant resources, a lack of infrastructure limits their use. Low rank coal accounts for approximately 22.5% of production but makes up almost 75.0% of marketable reserves, suggesting that over time Indonesia's coal quality will reduce as higher quality reserves are depleted.

Thermal coal reserves in Indonesia by state and coal type (2024)[4]

Region	Reserves (million tonnes)
East Kalimantan	9,215.2
South Sumatra	3,589.0
South Kalimantan	3,267.0
North Kalimantan	904.8
Others (includes West Kalimantan)	1,687.7
Total	**18,663.7**

Source: Wood Mackenzie Global Coal Supply Tool

Coal Type	Reserves (million tonnes)
Anthracite	-
Bituminous	1,908.6
Sub-bituminous	4,206.6
Lignite	12,548.6
Total	**18,663.7**

Source: Wood Mackenzie Global Coal Supply Tool

Coal quality analysis

A number of parameters affect a coal's suitability for different applications, performance and value-in-use, and hence pricing. The table below provides further detail on typical Indonesian coal quality specifications, including average qualities for each of the coal types analyzed in this report.

Indonesia produces the whole spectrum of thermal coal types, and its export coals span the full quality range for thermal coals traded on the seaborne market, from high-energy bituminous coals with energy contents of over 7,000 kcal/kg GAR, to ultra-low rank coals with energy contents below 3,000 kcal/kg GAR.

[4] Based on Wood Mackenzie's estimates of total future production. Estimates are broadly equivalent to a build-up of company reported, proved and probable reserves (after allowing for the processing into a marketable product) as of H2 2023, which can include additional resources that, in Wood Mackenzie's view, are very likely to be exploited. Wood Mackenzie takes this approach, as opposed to basing asset modeling solely on a strict reported reserves basis, because Wood Mackenzie believe this represents the most likely future commercial outcome for each asset.

Thermal coal quality range and comparison (2024)

	TM (ar, %)	IM (ad, %)	Ash (ad,%)	VM (ad, %)	TS (ad, %)	HGI (ad)	SE gar (kcal/kg)
Global Max	55.3	31.7	29.0	44.0	3.0	86.0	7,740.2
Global Min	2.5	0.9	0.8	2.2	0.1	33.0	2,704.5
Global Average	15.6	8.6	12.1	31.1	0.6	52.1	5,784.3
Indonesia Max	55.3	31.7	20.0	44.0	2.0	83.0	6,829.0
Indonesia Min	6.9	3.0	0.8	20.0	0.1	33.0	2,704.5
Indonesia Average	26.6	14.2	6.5	39.2	0.6	50.1	4,951.4
Mitra Energi Agung	40.0	-	5.0	38.0	0.3	-	3,800.0
Kideco Samarangau	35.0	20.0	3.5	40.0	0.1	55.0	4,250.0
Kideco Susubang	20.2	14.0	2.5	41.0	0.1	48.0	5,705.0
Kideco Roto	27.0	16.0	2.5	42.0	0.1	48.0	4,900.0

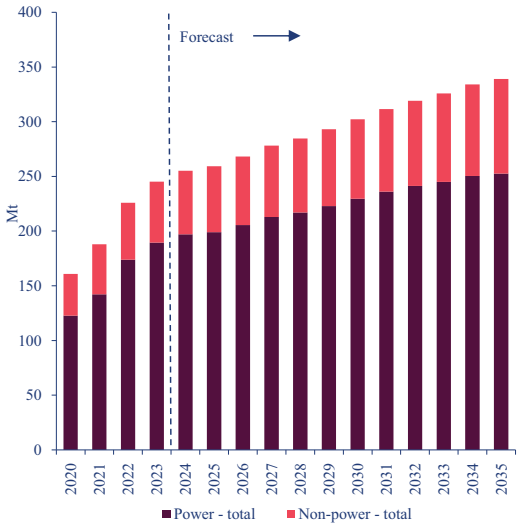
Source: Wood Mackenzie Global Coal Supply Tool

Domestic thermal coal demand outlook

Demand for Indonesian thermal coal is largely based around the export market. However, as the country develops its domestic power sector, much of the future growth in coal production will be aimed at the growing domestic market.

Indonesia is the world's fourth most populous country with more than 277 million people[5] spread over 17,500 islands. Due to the highly dispersed population, the power sector has evolved as a combination of large, interconnected grids catering to major population centers, combined with isolated power systems supplying to clusters of thinly populated remote villages on major islands, or standalone grids for the smaller islands. Power shortages are common due to insufficient generation capacity, and as power demand rises, commissioning of additional generation capacity will be required to mitigate ongoing power supply issues.

Indonesian coal demand by sector[6]



Source: Wood Mackenzie Global Coal Markets Tool H2 2023

Wood Mackenzie forecasts robust domestic coal demand growth of 2.6% CAGR between 2024 and 2035. Indonesian domestic demand for thermal coal is driven primarily by the power generation sector, which comprises 77.3% of the domestic market. As new power plants are constructed, Wood Mackenzie expects coal demand from this sector to grow from 197.1 Mt in 2024 to 252.7 Mt by 2035, backed by a government policy supporting coal as part of a drive to increase economic development.

The policy support for this increase in power generation capacity is the ongoing 2015 35 GW Power Programme and its predecessor Crash Build programmes which call for the boosting of the country's installed capacity whilst reducing fuel oil consumption in the power sector in order to meet Indonesia's burgeoning electricity demand. Progress within the programme has been slow, which is unsurprising given the performance of previous fast-track programmes. Perusahaan Listrik Negara ("PLN") has initiated a 2021-2030 plan to construct 20.9 GW renewable capacity and almost 20 GW of coal and gas power capacity.

5 As of July 16, 2023.

6 Includes imported coal demand.

Infrastructure

Indonesian coal exports are not generally constrained by infrastructure bottlenecks because most operators utilize their own logistics chain and do not rely on third party infrastructure. This is a significant competitive advantage relative to other major seaborne thermal coal exporting countries.

In Indonesia, coal is predominantly barged. Although there are known constraints affecting barging in certain areas such the Barito River in Central and South Kalimantan, Wood Mackenzie believes these have negligible effects on the overall system.

Forecast exports will be primarily serviced by transshipment capacity. The low capital and operating costs of transshipment facilities offer a stable and sustainable comparative cost advantage for Indonesian exporters in the seaborne thermal trade market, however they load coal at a slower rate and are more susceptible to weather related disruptions compared to coal terminals. Indonesia's transshipment capacity has ample capacity to cater for Wood Mackenzie's forecast of Indonesia's coal exports.

Wood Mackenzie estimates the total export loading capacity (including transshipment) of 557.3 Mt per annum as of 2023. Wood Mackenzie does not expect any additional capacity growth of Indonesia's coal terminals, however transshipment capacity is more flexible.

There have been several proposed projects to expand rail transport of coal in Indonesia. These projects have the potential to unlock coal reserves that are stranded because of limited access to rivers suitable for barging. However, many of the projects have encountered financial, political and technical difficulties. The PT Mega Guna Ganda Semesta project, a consortium between China Railway Group and PT Royal Energi, is a Public Private Partnership with the Central Kalimantan government aimed at connecting three coal centers in the province, being Puruk Cahu of Marung Raya regency, Bangkuang of South Barito regency and Lupak Dalam of Kapuas regency.

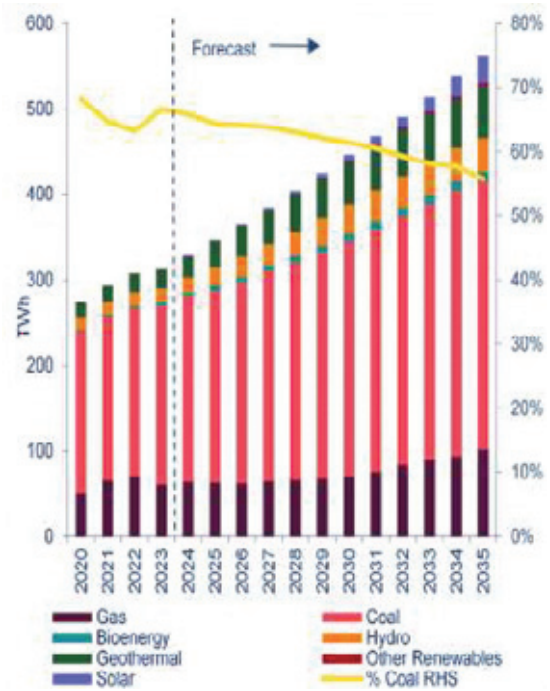
Fuel Mix

Wood Mackenzie forecasts that coal will continue to dominate Indonesia's fuel mix over the forecast period, with 66.6% of the country's power generation being coal-fired in 2023. Coal's market share is expected to decline to 55.8% by 2035 as the proportion renewable energy increases.

Abundant domestic coal resources in Central and South Sumatra will contribute significantly to Sumatran power plant development. It is expected that several mine-mouth plants will be developed in the region to meet base load power demand. Coal is expected to continue to dominate in Java but given the restrictions on suitable sites in West Java, coal fired plants are expected to be built in either Central or East Java. Wood Mackenzie estimates that Indonesia's total coal-fired capacity will increase significantly from 42.0 GW in 2024 to over 58.8 GW by 2035.

Hydro and geothermal are expected to grow at a CAGR of 7.5% and 8.5% respectively over the forecast period making up an increasing proportion of the energy mix from 5.4% and 7.4% in 2024 to 7.0% and 10.7% in 2035. Solar is forecast to experience expedient growth in the early 2030s growing from minimal production of 0.9 Mt in 2024 to 30.9 Mt by 2035, increasing at a CAGR of 37.4%.

Indonesian power generation by fuel type



Source: Wood Mackenzie Energy Transition Tool H2 2023

Indonesia's renewables generation share is forecast to reach 25.0% by 2030 achieving its target of 23.0% in the latest Electricity Supply Plan. However, this forecast is lower than the target of 43.0% proposed in the Comprehensive Investment Policy Plan under the Just Energy Transition Partnership released in November 2023.

Gas-fired power generation is expected to rise over the forecast period to provide a flexible capacity to cope with a higher share of variable renewable energy. The installed gas capacity is set to increase from 26.0 GW in 2024 to 39.4 GW in 2035 at a CAGR of 3.9% over the forecast period.

Substitutes

Over recent years, there has been an increasing interest in the use of alternative fuels as thermal coal substitutes as a method of reducing greenhouse gas emissions. However, the alternatives currently available have limitations in terms of the quantity that can be substituted, supply limitations and/or other challenges.

Biomass is an organic source that is encompassed in many of the thermal coal alternative fuels. Biomass is made up of organic matter (typically plants, wood and waste) which is burnt by thermal conversion and used for energy. Biomass can also be co-fired alongside fossil fuel. Bioenergy is expected to grow at a CAGR of 2.83% over the forecast period.

Refuse-derived fuel ("RDF") is a fuel produced from combustible components of waste including non-recyclable plastics, paper, cardboard, labels, and other corrugated materials. RDF is currently used at limited scale to produce electricity and thermal energy for district heating systems or industrial uses. RDF adoption is expected to continue to grow until from a small base, expanding at a CAGR of 3.52%. This alternative fuel is mostly used in Europe where European landfill directives and the imposition of landfill taxes is creating an increased market to produce RDF. Green coal can be produced from RDF through a thermal treatment of the waste at a temperature of 200 to 300°C inside a 'charcoal reactor'. This results in the formation of a solid fuel with similar properties to thermal coal. Green coal has received attention as a lower-carbon substitute for thermal coal for energy, however, only a few preliminary projects have been reported.

Black pellets made from biomass have also received attention for their ability to replace natural gas or coal in industrial boilers. Black pellets are made through a torrefaction process where biomass is heated in the absence of oxygen at atmospheric pressure to create a coal-like material. They can be used for co-firing in thermal power generation, and are mostly generated in the U.S. currently, though volumes are yet to live up to previously anticipated growth rates.

Going forward, these and other coal substitute products are expected to have a small impact on global thermal coal demand and therefore Indonesian coal demand, which has been factored into Wood Mackenzie's forecasts. While use of thermal coal substitutes is expected to be encouraged to reduce coal-fired carbon emissions, substitution is expected to have only a small impact on thermal coal demand compared with the global shift towards renewable power generation.

In Indonesia, power generator PLN is aiming to increase biomass consumption in coal-fired power plants. Under new regulation, biomass products will have a maximum price slightly above the Harga Batubara Acuan ("HBA") coal reference price to allow power plants to co-fire without a significant increase in costs.

Production outlook

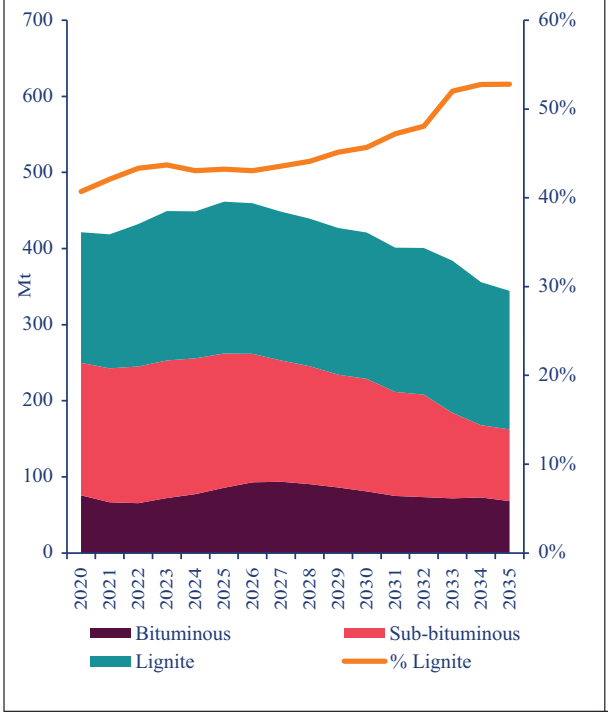
Indonesia's marketable production of coal is overwhelmingly made up of thermal coal at an estimated 98.4% of total production in 2024. While Wood Mackenzie expects that Indonesian marketable production of thermal coal peaked in 2023, production declines are expected to be gradual, falling from 675.6 Mt in 2024 to 580.8 Mt in 2035, accounting for both export and domestic production. Despite the declining production outlook, additional supply from several probable and possible projects and suspended operations is expected to offset closures of currently operating mines.

Indonesian thermal coal production is dominated by export operations in Kalimantan. Kalimantan is expected to account for approximately 83.6% of total thermal coal production in 2024 and is expected to remain

the dominant supply region from 2024 to 2035, though growing production in South Sumatra is expected to reduce Kalimantan's market share slightly.

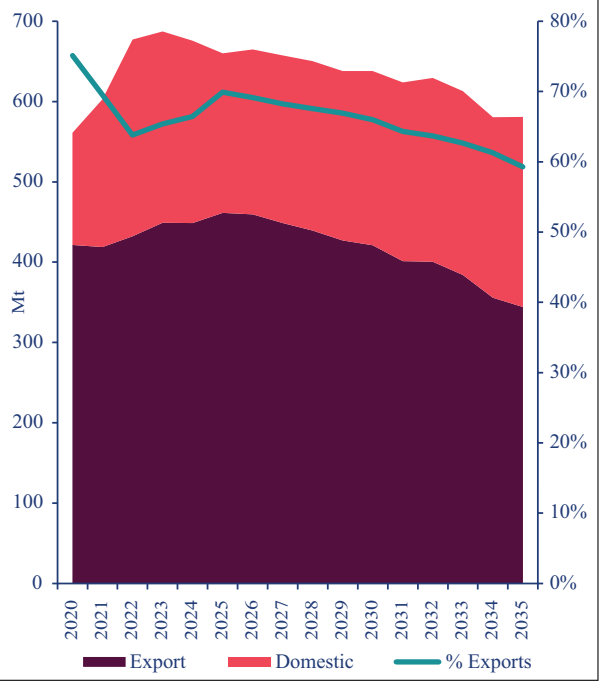
The eight largest producers currently account for 50.5% of total thermal coal production in Indonesia and are expected to grow their share slightly over the forecast period. Kideco is one of the leading coal mining operations in Indonesia.

Indonesian thermal coal export production forecast



Source: Wood Mackenzie Global Coal Supply Tool H2 2023

Indonesian export and domestic thermal coal production forecast



Source: Wood Mackenzie Global Coal Supply Tool H2 2023

Thermal coal pricing

Historical pricing

The seaborne thermal coal market is reasonably transparent, with prices generally related to agreed reference prices or indices. The reference price for term contracts in the Pacific market has traditionally been based on the prices settled between Australian exporters and the Japanese Power Utilities ("JPU"). The JPU reference price applies to bituminous coal of "Newcastle benchmark" quality, with a specific energy of 6,322 kcal/kg GAR.

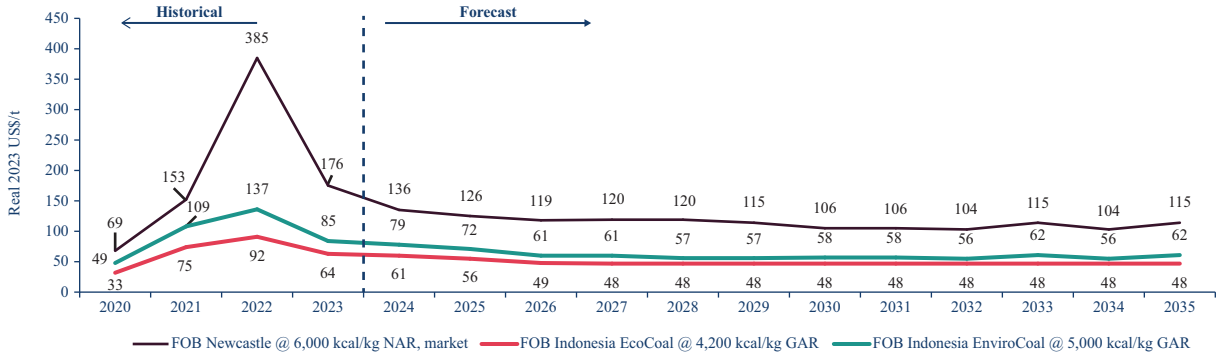
COVID-19 turned markets on their head in 2020, evidenced by a 4.8% decline in global GDP as the world faced the economic impact of the pandemic. Global demand for commodities was impacted by the pandemic, and decreased demand for power resulted in a 5.5% fall in total global thermal coal demand and a 7.1% fall in seaborne demand as domestic supply was preferred over imports. Despite supply constraints initially outweighing demand declines, benchmark prices reached historical lows in the second quarter of 2020 amid global lockdowns and extended coal-gas switching and protectionism. The Newcastle benchmark fell below US$50 per tonne (real terms, 2023) in August 2020 for the first time since late 2015. Prices started to rise in September 2020 as Chinese imports increased ahead of winter, with a December cold snap across Asia sending power demand to record highs and pushing prices higher.

In 2021, post-COVID-19 demand recovery outpaced a slow supply response, leading to prices spiking at record highs in mid-October. To ease the market, China and India accelerated production and prices fell. In early

2022, Indonesia placed a one month ban on exports of some thermal coals for January due to a lack of domestic supply. Russia's invasion of Ukraine further contributed to a surge in international thermal coal prices, which reached new records in March 2022. Market perception of the risk of physical energy shortages through the northern hemisphere winter and high rainfall in Australia limiting coal production and transportation pushed prices still higher. In September 2022 thermal coal benchmark prices reached more than twice their previous historical highs with FOB Newcastle over US$450 per tonne (real terms, 2023).

Towards the end of 2022 and into 2023, the market has corrected from the record peaks seen throughout 2022, as high CV export supply recovered, trade flows settled, and a warm 2023 winter in the northern hemisphere helped the global market avert an energy crisis. Supply continued to improve throughout 2023, overcoming the geopolitical, weather and infrastructure related disruptions from the years prior enabling the FOB Newcastle price to settle below the US$200 per tonne (real terms, 2023) mark.

FOB prices for key thermal coal brands



Source: Wood Mackenzie Global Coal Supply Tool H2 2023

HBA pricing

Prices for Indonesian sub-bituminous and low rank coal are linked to the Newcastle benchmark price. Since the introduction of Indonesia's new mining law in 2009, the Indonesian government also publishes its own monthly coal reference price, the HBA. The 'headline' HBA for Newcastle benchmark quality coal is calculated based on a basket of spot price indices, with minimum prices for Indonesian export brands then calculated by applying quality-based adjustments for energy, moisture, ash and sulfur. These minimum prices are used to calculate royalty payments for each producer. The aim of the regulation is to protect the government's royalty take by preventing transfer pricing (selling to a subsidiary at below market price). In February 2024, the HBA ceiling price for 6,322 kcal/kg GAR grade was at $124.95 per tonne and the HBA floor price for 3,400 kcal/kg GAR reference price was $37.54 per tonne.

Future price outlook

Seaborne thermal coal marginal costs have increased in the last few years due to higher diesel prices, supply chain issues, labor costs, and general inflation. This has resulted in structurally higher prices which are expected to continue throughout the forecast.

The seaborne thermal coal market is well balanced in the short-term following an improvement in supply after geopolitical issues, weather and infrastructure-related disruptions in recent years. The market is expected to enter surplus by 2025, causing the Newcastle benchmark price to fall to US$126 per tonne (real terms, 2023). Even with some level of supply disruption, the market is expected to remain well supplied in the longer-term, as demand declines faster than supply. The Newcastle 6,000 kcal/kg price is expected to be supported with the lifting of China's ban on Australian coal in January 2023.

Throughout the second half of the 2020s, the demand decline in China, Northeast Asia and Europe will start to accelerate while supply availability improves further, driving prices closer to marginal costs and leading the FOB Newcastle price to reach US$106 per tonne (real terms, 2023) by 2030.

China's declining import demand will continue to influence the seaborne market for the next decade, particularly for lower energy coal markets, as they reduce from 31% of the seaborne market in 2023 to a forecast of less than 1% by 2034. Stricter environmental and carbon policies in Asian markets will result in an acceleration in retirements of the coal-fired power generation fleet, starting with low efficiency coal fleets. Demand during this period will be skewed towards more low ash, low sulfur, high energy supply, favoring new supply from Australia and Russia over other countries.

Longer term, less incremental new capacity is required as renewable power costs decrease and coal's generation market share begins to decline in markets that still have growing energy demand. Demand from India and Vietnam, the two largest seaborne importers, will peak in 2033 and 2041 respectively, maintaining Newcastle benchmark prices above the US$100 per tonne (real terms, 2023) out to the end of the forecast as supply from existing mines continues to decline.

Conclusion

Indonesia contains significant resources of high quality thermal and metallurgical coal and is the largest supplier to the seaborne market, providing energy to neighboring developing countries and further afield. Coal production in Indonesia is relatively cheap in comparison to other countries due to its relatively simple geology and closer proximity to seaborne markets in Kalimantan, where the majority of Indonesia's marketable reserves are found. The evolution of the seaborne coal market and the Indonesian domestic coal market is based on the themes of economic growth and industrialization, in particular increased electricity demand and higher levels of electrification. Despite the restriction in constructing new coal-fired capacity and the expansion of renewables, coal fired power plants remain the most prevalent and cost-effective source and will be relied on to reach electrification goals in Southeast Asia and India. While the developed economies of NEA provide a base level of coal demand, the emerging economies of Southeast Asia (including domestically in Indonesia) and South Asia provide upside demand potential and Indonesia, being a cheap and close producer of thermal coal, is well placed to gain market share. Kideco produces coal with low sulfur and ash content, which is expected to remain in significant demand by the seaborne market. The mines sit in the middle of the global cost curve, which is expected to keep them competitive in the seaborne market.

Gold Industry

Overview

Gold (Au) is used as an investment and in a wide range of products. While jewelry and technology have traditionally driven gold demand, the advent of physically backed gold exchange-traded funds ("ETFs") and the rise of bar and coin investment has increased demand in recent years. Gold's perception as a store of wealth and its inflation hedging properties continues to prevail, particularly in countries with historic experiences of hyperinflation and currency extinction. This combined with the cultural significance of gold, along with rarity and physical characteristics, continues to make it a desirable commodity.

Gold mainly occurs in native or metallic form or as a compound within a mineral. Native gold is associated with disseminated quartz grains, often with pyrite, chalcopyrite, arsenopyrite, galena or stibnite, and can also occur in alluvial and sedimentary deposits. Sylvanite ((AuAg)Te2), Calaverite (AuTe2) and other metallic forms of gold occur as tellurides (i.e. ore from Kalgoorlie, Western Australia). Typically, hard rock gold mining involves crushing and grinding of the ore and concentration through a combination of physical and chemical processing techniques.

Gold value chain

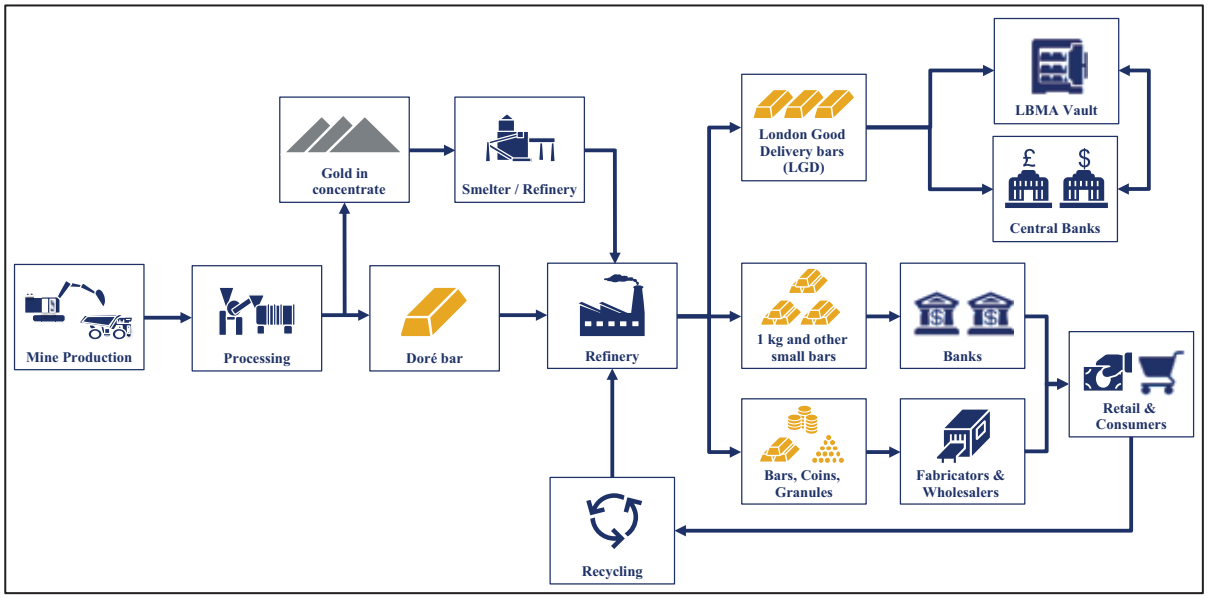
Gold is mined all across the globe and the gold supply chain is as geographically diverse. Due to the metal's high value, gold doré (alloy of gold and silver) and refined gold bars are often transported to refineries, banks and vaults around the world, making it a truly global supply chain.

At mining operations, gold is either recovered in base metal concentrates or refined and poured as a gold doré product. Depending on the chemistry, gold bearing concentrates will require smelting and/or refining where the precious metal is recovered in the anode slimes, which are consequently sold to the precious metal refineries for processing. This is not required for mines that produce a gold-silver doré, which can be sold to refineries directly.

From the refineries, refined gold can be produced as London Good Delivery bars, for the London Bullion Market Assessment ("LBMA") vault of central banks, 1kg or smaller sized bars or other shapes such coins, granules and wire, that ultimately reach the retail and consumer markets. Specifications of London Good Delivery bars are set out by the LBMA and a notable larger in size and higher in purity. These bars are usually 400 oz with a minimum 99.5% purity.

The key end uses of gold include the jewelry sector, electronics, bar and coin as investment, in central banks and in gold ETFs.

Gold Value Chain



Source: Wood Mackenzie

Global gold demand

Gold is a metal with emotional, cultural and financial value throughout the world and is used as a means to display and store wealth. Annual demand has quadrupled since the 1970s. Gold has various attributes that make it valuable to a wide range of consumers and investors. Jewelry and technology have traditionally driven gold demand, but with the advent of physically backed gold ETFs and the rise of bar and coin investment as popular investment alternatives, gold's role as a consumer good and an investment asset has come to underpin its unique dual nature and effective role as a diversifier.

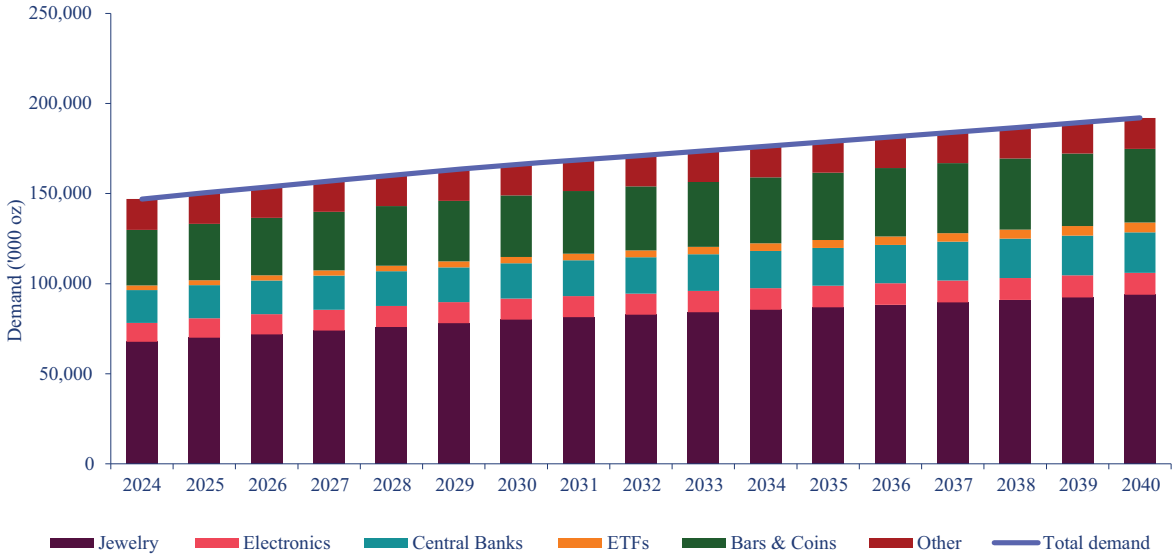
Gold's role as a store of wealth means that demand for the metal is challenging to forecast compared with other metals. External factors, such as the global economic environment, geopolitical risk, and market sentiment impact investment demand for gold, causing volatility in the market. Wood Mackenzie's gold demand outlook is based on long term fundamental trends seen in each demand sector.

Gold's perception as a store of wealth and its inflation hedging properties continue to prevail, particularly in countries with historic experiences of hyperinflation and currency extinction. Wood Mackenzie expects gold

demand to increase at a 1.7% CAGR between 2024 and 2040 to reach 192 million oz in 2040 driven by increases in ETFs, jewelry and bar and coin demand.

In the near-term, retail demand for gold will likely remain strong, with market uncertainties likely to persist given forecast slowing of the global economy, with some economies currently in a technical recession and U.S. growth moderation driven by high interest rates. In addition, the rise of geopolitical risk around continued conflict in Ukraine and potential widening conflict in the Middle East is expected to encourage investors to increase their gold exposure.

Global gold demand outlook by sector



Source: Wood Mackenzie Consulting April 2024, World Gold Council

Gold has many diverse uses. The largest sector of gold demand is jewelry, forecasted to make up 46% of total demand in 2024 and is expected to increase at a CAGR of 2.1% between 2024 and 2040, maintaining its demand dominance to 2040. The jewelry sector is typically volatile and remains heavily dependent on global gold prices and economic conditions in regional markets. This growth is principally driven by the continued rise of India and China as "super consumers" of gold, with both countries' populations increasingly valuing the metal for not only cultural/religious purposes but also as investment assets.

Gold's properties as a corrosion-free metal with high conductivity make it valuable in the production of electronic goods and technical equipment. These include everyday applications/devices like smartphones for new generation features such as three dimensional videos. Electronic demand is driven by industrial production in large manufacturing centers such as Japan, the U.S. and China, as well as the cost of using gold compared to copper, its primary competitor. Demand for gold within the electronics/industrial sectors remains largely susceptible to wavering global economic conditions, with trade restrictions, supply chain issues, and appetite for discretionary goods contributing to the fluctuations. Overall, growth in the electronics sector will remain relatively muted throughout the forecast period increasing slightly at a CAGR of 0.9%.

Gold is also often discussed in conjunction with macroeconomic changes and monetary policy, as it is widely recognized as an asset that remains resilient to changes in the value of fiat currencies. The physical financial gold market, comprised of ETFs, bars, and coins, collectively accounts for 23% of global demand in 2024, driven in large part by geopolitical risks and concerns about potential economic recession. Following the economic uncertainty surrounding the COVID-19 pandemic, an increase in retail investment drove bar and coin demand to a 9 year high with demand for gold bar and coins peaking in 2021 at 52.4 million oz but has since dropped to an expected 30.7 million oz in 2024. Wood Mackenzie anticipates that demand for bar and coins will

proceed to grow throughout the forecast period, growing at a CAGR of 1.8% until 2040. This is primarily due to increases in demand in China and India, where economic growth and emergence of a significant middle class will increase spending.

Central banks buy gold to manage risk and hedge against currency fluctuations and inflation, and their decisions affect the market upon sale/purchase of the metal. Various countries like China and Russia have been consistently adding gold to their central bank holdings throughout the last decade to counter geopolitical uncertainty. Many others have commenced purchasing gold as a strategic plan to make regular purchases of gold for use as a key reserve asset. After two years of large-scale central bank buying, central bank demand for gold is expected to moderate this year, due to the stocks already held. However central bank demand is expected to remain above the pre-2022 long-term average at 18.2 million oz in 2024, with growth continuing at this sector at 1.3% CAGR through to 2040.

Other demand for gold comes from over the counter gold trading, which reflects transactions between investors, with a low level of transparency compared with exchange traded gold. Small amounts of gold are still used in dentistry (314,145 oz in 2024 and declining), while other boutique applications such as medicine, food, and scientific research make up a further 1.4 million oz of demand in 2024. Gold demand in the dentistry and boutique application sectors is expected to continue to decline.

For 2024, the ongoing geopolitical challenges at present pose upside risk for gold demand. Factors driving gold's safe-haven appeal include the Israel-Gaza conflict, the Russia-Ukraine conflict, persisting geopolitical risks (U.S.-China trade tensions among others) and inflation, banking crisis, protests and industrial action and a growing list of economies experiencing economic crises, such as Argentina, Egypt, Pakistan, Bangladesh, South Africa, and Sri Lanka. Gold continues to be a commodity not just driven by supply-demand fundamentals but also a currency very sensitive to the macro events and investor sentiment.

Overall, the impact that monetary policy has on gold demand is not clear-cut. Interest rate hikes are often believed to be bearish for gold. Many believe that because rising interest rates make bonds and other fixed-income investments more attractive, money will flow into higher-yielding investments (and away from gold). However, there is little correlation between interest rates and gold prices. In fact, rising interest rates may have a positive impact on the gold markets.

Global gold supply

Total gold supply comes from both primary (mined) and secondary (recycled) sources. On average, around 75% of annual gold supply is from primary production. Secondary gold supply is mostly sourced from recycled jewelry, with a small proportion from recycled electronics.

Wood Mackenzie forecasts global primary/mined gold production, based on production and reserve data from existing operations and advanced projects. As a result, the gold production outlook in the figure below shows declining production volumes and indicates that additional reserves and/or new projects will be required to meet forecast demand. Forecast primary demand (based on 75% of the total gold demand outlook) is referenced in order to indicate the potential supply gap which is expected to open up from 2028 onwards, without additional supply.

At a country level, Wood Mackenzie's mined gold production outlook is based on costed operations for all countries except China. "Other" production includes costed production in additional countries with lower levels of production, and uncosted production globally. Gold production is highly fragmented with numerous small producers (under 2 tonnes per annum/64,000 oz per annum) and a high level of artisanal production. Due to the large number of small and artisanal gold miners, cost and detailed production outlooks are not available for a large share of global gold production.

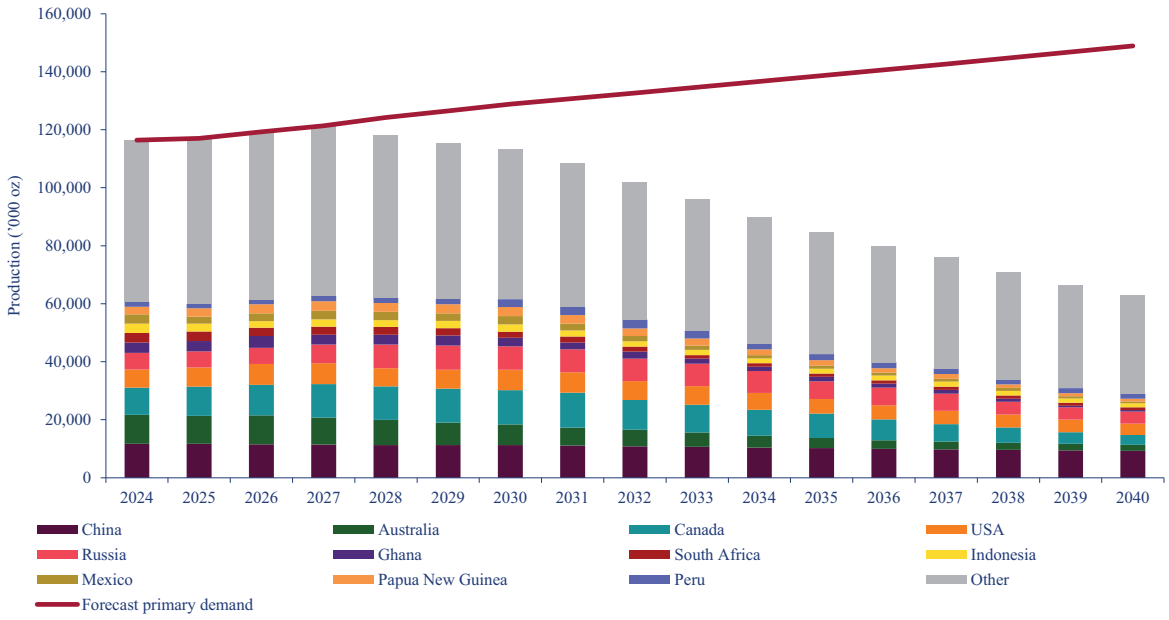
Gold production is highly susceptible to prices. In recent years prices have both supported and extended operations as miners have been able to target previously uneconomic resources. Although production has remained below pre-pandemic levels, total production beyond 2024 is expected to reflect full recovery due to expansions at existing operations and project development. In recent years, some gold projects have been delayed

due to permitting issues related to environmental, social and corporate governance ("ESG"). Wood Mackenzie expects that ESG to continue to be an important focus in gold mining, as it is in the wider mining sector.

China is currently the largest producer of gold in the world, and the country's production base is made up of a large number of small private and state-owned mines. China's gold production on a provincial and country basis is expected to remain steady throughout the forecast. In 2027, Canada is expected to become the largest producer of gold globally, with Russia also expanding production from 2028.

Australia is currently the second largest producer of gold and is expected to produce 10.0 million oz of gold in 2024. Australian gold production has plateaued since 2018 and is set to gradually decline to 7.1 million oz by 2030 as reserves deplete in existing mines.

Global gold mine production outlook by country



Source: Wood Mackenzie April 2024

Indonesian supply and suppliers

Indonesia is expected to be the eighth largest gold producer in 2024 with 3.2 million oz (1.4% of global mined production). Indonesian gold production is expected to decline over the forecast period to 1.4 million oz (2.3% of global mined production) by 2040 at a CAGR of -4.9%. This decline is due to the depletion of reserves at existing operations, such as Batu Hijau, and the expected closure of Gosowong (2026), Gunung Pongkor (2026) and Tujuh Bukit (2027).

Over half of Indonesia's current mined gold production originates from the Grasberg mine with shared ownership between the US-listed company Freeport McMoran and with the Government of Indonesia. The Grasberg mine has one of the largest reserves of gold and copper in the world, believed to contain 67.4 million oz. Grasberg mine dominates Indonesia's gold market throughout the forecast period estimated to produce 1.8 million oz in 2024, reducing to 1.2 million oz by 2028 and remaining consistent through to its closure in 2041.

Other Indonesian gold mines are owned through a mix of private, public and government ownership. Notably, PT Amman Mineral International owns the second largest copper-gold mine in Indonesia; Batu Hijau, forecasted to produce 568,338 oz in 2024. After 2030, production at Batu Hijau is expected to decline gradually reaching 71,810 oz in 2040 before closing in 2042. PT Danusa Tambang (95%) and the Government of Indonesia

(5%) own the third largest producing mine; Martabe gold mine, expected to remain operational beyond 2040. In 2024, Martabe is expected to produce 288,648 oz however this will decline over the forecast period prior to expected closure in 2038.

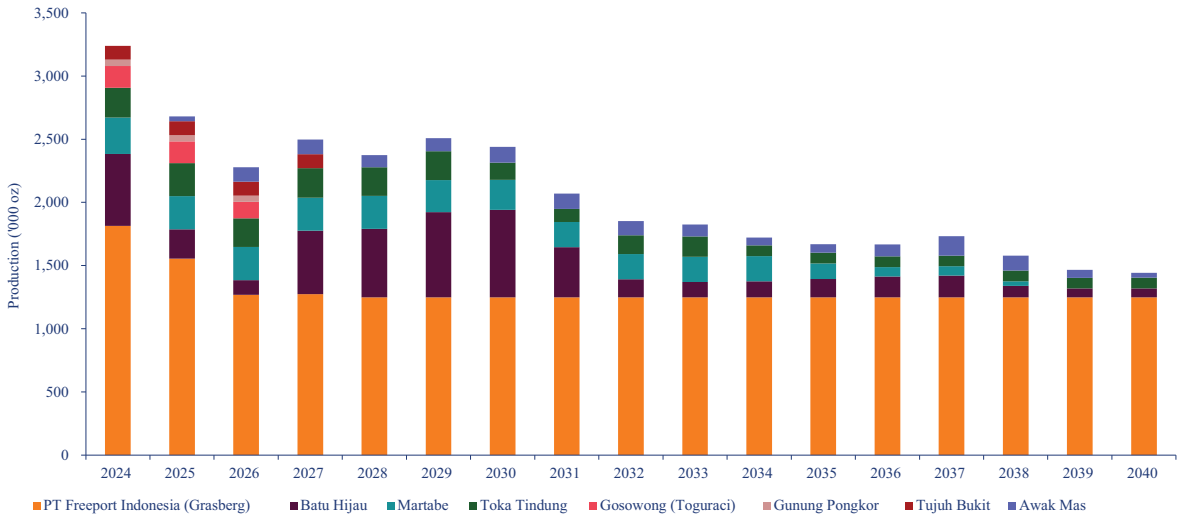
Indika's Awak Mas gold mine is expected to begin operations in 2025 and continue producing until at least 2040. The operation's life-of-mine annual gold production is expected to be around 100,000 oz of gold per year (2.8 tonnes per annum). During the first two years of full operation, production levels are expected to reach 115,000 oz of gold per year (3.4 tonnes per annum), based on mining of the higher grade Salu Bulo deposit as the starter pit.

The Awak Mas Gold Project will have processing plant capacity of 2.5 tonnes per annum. The processing plant has built in expandability to upgrade to 3.6 tonnes per annum, which would enable production of over 140,000 oz of gold per annum (over 4 tonnes per annum), based on average life-of-mine gold grade.

As Awak Mas is likely to be among the few Indonesian mines operating past 2030, this will give a competitive advantage with limited availability of gold in Indonesia as reserves continue to be depleted.

Gold projects are included in Wood Mackenzie's production outlooks once they are approved, fully financed or under construction. There are a number of gold projects under development in Indonesia, however as they have not reached the required threshold, they are not yet included in Wood Mackenzie's base case outlook.

Indonesia gold mine production outlook



Source: Wood Mackenzie April 2024, World Gold Council

Cost competitiveness

To capture the comprehensive operating cost of mining operations, Wood Mackenzie's total cash cost plus sustaining capital expenditures ("TCPS") metric is used to benchmark gold production costs in the cost curve below.

TCPS include minesite costs (mining, processing, general and administrative costs), realization costs (smelting, refining, freight and marketing), any by-product credit, financing, corporate overheads, extraordinary cash costs, royalties and sustaining capital expenditures costs.

Wood Mackenzie's TCPS metric differs slightly from the World Gold Council All in Sustaining Cost ("AISC") methodology, in order to better match company reporting practices. The TCPS differs from the AISC in the following ways: calculated on a paid production basis rather than on sales, exclusion of stockpiles/ inventory write-downs, exclusion of reclamation and remediation and accretion expenses, inclusion of project interest expense and inclusion of expensed exploration.

Wood Mackenzie forecasts TCPS in real terms (2024). To forecast future costs on an asset level, Wood Mackenzie takes into account reported mine production plan and grade outlooks, information from producers on their expected costs, alongside use of Wood Mackenzie outlooks for inflation and exchange rates, and expected input cost trends (including reagents, labor and energy).

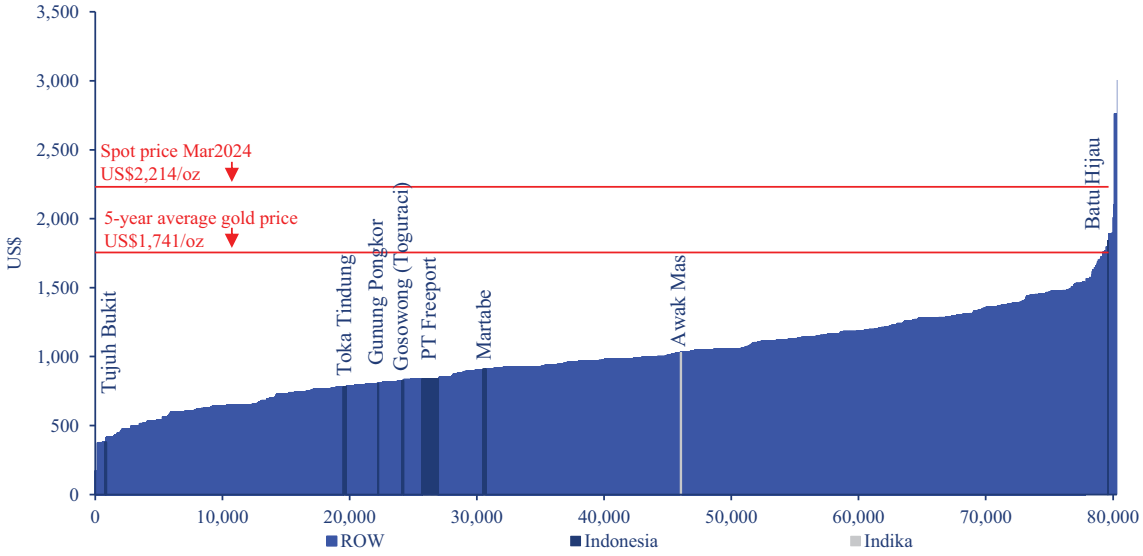
As detailed above, a large share of global gold production comes from small and artisanal mining operations, for which cost analysis is not able to be completed. Due to low yields and poor economies of scale, small and artisanal gold production is generally higher cost than large scale gold mining. It is observed that when gold prices fall, artisanal gold mining production volumes decline rapidly, indicating that the marginal cost of this supply is higher than for the formal gold mining sector. Therefore, the cost analysis below reflects only larger gold production operations, with many higher cost producers not included.

In 2026, the Awak Mas gold mine is expected to be positioned at the 57th percentile on the cost curve with estimated costs of US$1,028/oz. This places Awak Mas just above the global weighed average TCPS of US$1,002/oz for 2026.

In 2026, Awak Mas costs are 18% above the weighted average for other Indonesian gold mines (US$870/oz), though lower than Batu Hijau costs for that year. After 2026, several Indonesian gold operations are expected to close as resources are depleted, improving the comparative position of assets with long-term resources like Awak Mas.

The 5-year average historical gold price is US$1,741/oz (2019-2023) and gold spot prices are currently sitting at US$2,214/oz (March 29, 2024). Based on historical gold prices, Awak Mas's forecast total cash costs of US$1,028/oz in 2028 are likely to deliver robust positive margins if gold prices remain at current levels.

Global total cash cost plus sustaining capital expenditures curve, 2026



Source: Wood Mackenzie Metal Cost Curves Tool Q1 2024, Cost data for Awak Mas provided by Indika

The figure below shows the 2026 TCPS breakdown for Awak Mas and other Indonesian producers. Awak Mas has a higher production/direct cost than most of the other Indonesian gold mines in 2026, with the exception of Batu Hijau.

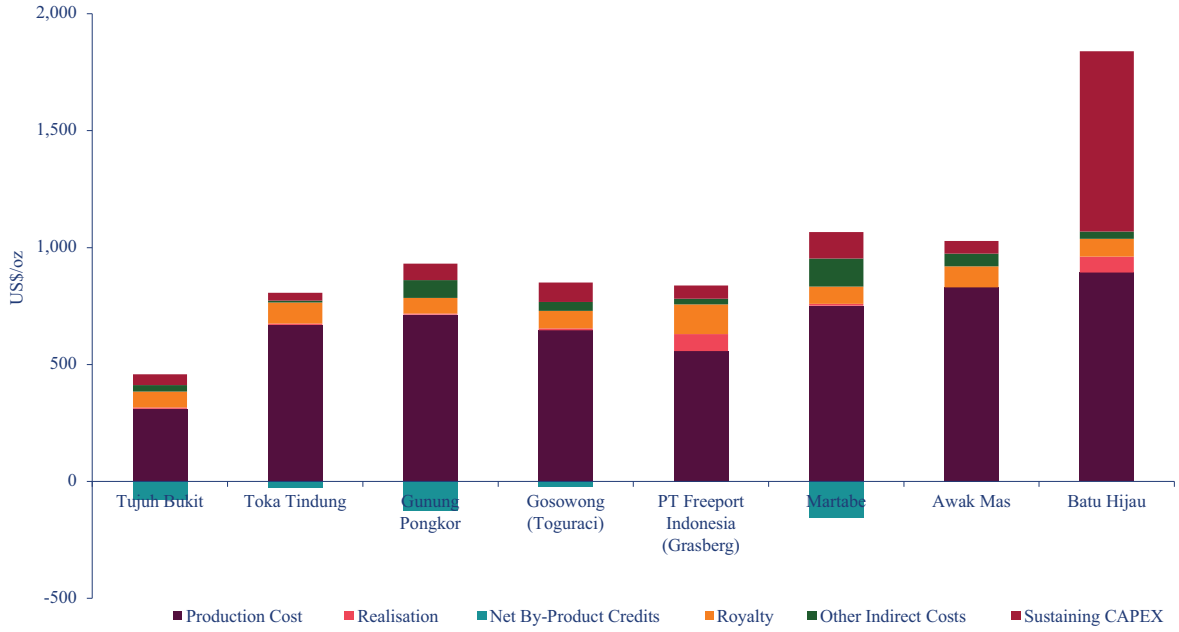
In 2026, Batu Hijau is expected to be transitioning to Phase 8 of the mine's production plan, resulting in low gold production for the year compared to previous years. As a result of this shift, Batu Hijau's cash and sustaining CAPEX costs are expected to be high in 2026, as costs at the large-scale operation are spread over a significantly lower production volume.

Wood Mackenzie uses a composite model to account for mines that produce other metals than just gold. For mines that earn more than 65% of net revenue from gold, all relevant costs are accounted for in Wood Mackenzie's cost analysis and revenue from other metals is expressed as a by-product credit. For mines with more than 65% of net revenue earned from gold, pro-rata costing is used. Under Wood Mackenzie's pro-rata costing methodology, the total cost of each process stage is apportioned to the products sharing that process stage; according to their net values at that stage.

As a result of this methodology, for Grasberg shared costs are apportioned between copper and gold based on net revenue share. As a result, Grasberg does not show by-product credits as the costs associated with producing copper are not included in the gold cost buildup.

Indonesian standard gold royalty rates are calculated on a sliding scale based on the gold price. However, a number of other factors impact the royalties paid by each operation, including the form the gold is sold in and tax incentives offered to individual operators based on their production level, level of processing or historically agreed rates. Wood Mackenzie assesses the outlook for royalty costs for each operation based on historical royalty costs/rates reported by the operator and expectations of future gold prices.

Indonesian gold mine TCPS cost breakdown, 2026



	Tujuh Bukit	Toka Tindung	Gunung Pongkor	Gosowong (Toguraci)	PT Freeport Indonesia (Grasberg)	Martabe	Awak Mas	Batu Hijau
Total cash cost plus sustaining capital expenditures ($)	378.4	779.7	806.1	825.6	838.0	908.6	1,027.9	1,839.5
Annual production ('000 oz)	110.0	225.5	50.6	130.4	1,268.2	262.4	114.2	117.0
Years in operation	9	15	33	27	53	14	1	27

Source: Wood Mackenzie Metal Cost Curves Tool Q1 2024, Cost data for Awak Mas provided by Indika

REGULATORY OVERVIEW

Regulation of the Indonesian Mining Industry

The constitution of Indonesia states that Indonesia's natural resources are to be controlled by the state and must be used for the maximum benefit of the Indonesian people. The old mining law, Law No. 11 of 1967 on Mining, and its implementing regulations, adopted this as a fundamental principle. "Control" was interpreted as being equivalent to ownership and therefore no title to particular mineral deposits was granted by the state to private companies or individuals. The state, in general, only granted rights to exploit and sell the mineral deposits to encourage new investment in the Indonesian mining sector. On January 12, 2009, the Government enacted Law No. 4 of 2009 on Mineral and Coal Mining ("Law 4/2009"), which revoked the old mining law. The Law 4/2009 has been amended several times and was lastly amended by the Job Creation Law (hereinafter referred to as the "Mining Law (as amended)").

One of the objectives of the Mining Law (as amended) is to provide equal treatment to foreign and domestic investors introduced under the Investment Law of 2007 (as defined below) through, among other things, (i) the abolishment of the contract of work system under the previous mining legal framework; (ii) the introduction of a license-based system equally applicable to both foreign and domestic investors; (iii) the allowance of foreign investment subject to certain divestment requirements; (iv) the authorization of the Government to designate mining areas (*Wilayah Pertambangan* or "WP") within Indonesia; (v) the requirement of a tender process for the granting of new coal and mineral mining concessions; (vi) the regulation of larger mining areas and reduction terms for production; (vii) the requirement to comply with onshore processing obligations; (viii) the regulation of mining services contractors; (ix) the centralization of authority over mining activities in the central Government; and (x) a guarantee by the Government for the issuance of an IUPK to existing CoW and CCoW holders, which will allow such permit holders to continue mining activities for up to two extension periods of 10 years each.

The Mining Law (as amended) also demonstrates the Government's attempt to protect and promote national and local mining companies. This is reflected, for example, in the obligation of mining business license holders to engage either national or local mining service companies. However, foreign direct investment (*Penanaman Modal Asing* or "PMA") mining services companies may be engaged in the event that national or local mining service companies are not available. Similarly, mining services companies have a similar obligation to prioritize both local contractors and human resources in supporting their businesses. A holder of an IUP or an IUPK is also prohibited from engaging its subsidiaries and/or affiliated mining services companies in its mining operational area, unless a permit has been obtained from the MEMR in respect of such engagement. Under Government Regulation No. 55 of 2010, the supervision of licensed mining activities is generally conducted by the MEMR and the governor of the province in which the mining area is located. Government Regulation No. 55 of 2010 also regulates the supervision of finances, mineral and coal processing data, conservation of minerals and coal, operational safety, environmental impacts, land reclamation, post-mining management, technical training of laborers, as well as a host of production data of the types, quality, and total amount of extracted minerals. Supervision of mining facilities is carried out by mining inspectors endorsed by the MEMR or by authorized representatives of the MEMR and/or the relevant governor. Nevertheless, only a mining inspector has the authority to recommend to the head of mining inspector (i.e. the Director of Technical and Environmental Mining at the Directorate General of Minerals and Coal) to (i) temporarily suspend mining activities in part or entirely; or (ii) permanently cease mining operations.

Mining licensing system

Old licensing system

The Mining Law (as amended) abolished the old mining licensing system, which previously provided for mining authorizations (*Kuasa Pertambangan* or "KP"), contracts of work (*Kontrak Karya* or "CoW") and coal contracts of work (*Perjanjian Karya Pengusahaan Pertambangan Batubara* or "CCoW").

There have been developments of CCoWs from the first time it was introduced by the government in 1967. In general, CCoWs can be divided into three generations in accordance with their original key features. The

following table sets out the original key features of the first, second and third generations of CCoWs. The terms of some of the existing CCoWs have been amended pursuant to negotiations with the Government to comply with the current mining and tax regime.

Key Features	First Generation CCoWs	Second generation CCoWs	Third Generation CCoWs
Permitted holders	May be held by both foreign investment (*Penanaman Modal Asing*) ("PMA") companies and domestic investment (*Penanaman Modal Dalam Negeri*) ("PMDN") companies.	May be held by PMA companies only.	May be held by both PMA and PMDN companies.
Government entitlement	The Government is entitled 13.5% of the total amount of coal production at the concession.	Same as the first generation.	The Government is entitled to receive 13.5% of the sales proceeds from the sale of coal from the concession.
Taxes payable	Corporate income tax – 35.0% (for the first 10 years of production) and 45.0% for the remainder of the term of the CCoW. The contractor may be eligible to a tax deduction of up to 5.0% from the contractor's taxable income per year. Withholding taxes of 10.0% on dividends, interest and royalties on patent.	The types of taxes which the contractor is obliged to pay are set out in the CCoW (including corporate income and withholding taxes). These rates are those applicable under Indonesian corporate tax laws.	Corporate income tax – 10.0% (for first Rp.25.0 million, 15.0% for next Rp.25.0 million and 30.0% for the remainder of the taxable income (or such lower rate as the Government may stipulate). Withholding taxes on dividends, interest and royalties is payable at the rates provided for under the applicable Indonesian corporate tax laws.
Dead Rent	From US$0.01 per hectare to US$0.20 per hectare during the exploration stage, and US$1.00 per hectare during operation or production of the mine.	Dead rent as applicable under the current mining regulations as stipulated under Decree of the MEMR No.1823K/30/MEM/2018.	From US$0.025 per hectare to US$0.50 per hectare during the exploration stage, and US$1.50 per hectare during the operation or production of the mine.
Title to coal	Title to the contractor's portion of the coal passes to contractor at the contractor's final load-out facilities at the mining area after final processing.	Title to the contractor's portion of the coal transfers to the contractor upon the Government receiving its portion of the coal.	The contract is silent as to when title to the coal is transferred to the contractor.
Ownership of plant and equipment	The Government owns all plant and equipment purchased by the contractor for use at the concession.	All plant and equipment remain the property of the contractor.	The contractor retains ownership of all plant and equipment that it purchases for use at the concession.

Key Features	First Generation CCoWs	Second generation CCoWs	Third Generation CCoWs
Divestment of shareholding	From the fourth year of production onwards, foreign shareholders (including PMA companies, if applicable, shall offer shares in the contractor to Indonesian participant(s) in the following blocks, until the contractor becomes 51.0% owned by Indonesian participant(s). The amount of shares in the contractor that shall be divested over time is as follows: • 15.0% in the fifth year of production; • 8.0% in the sixth year of production; • 7.0% in the seventh year of production; • 7.0% in the eighth year of production; • 7.0% in the ninth year of production; and • 7.0% in the tenth year of production.	Issuance, transfer or sale of shares in the contractor outside the capital markets before the 4th year of the exploitation period (unless to the founding shareholders) can only be done after consultation with the Government. If the contractor intends to issue, sell or transfer its shares outside the capital markets, the contractor must give a written offer to the Government. If the Government does not wish to acquire the shares, these shares can be sold or issued to third parties, as long as it is reported to the Government. The contractor must seek the written approval of the Government before offering its shares to the public.	Part of the foreign shareholding of the contractor shall be divested to Indonesian participant(s) within 15 years of production in accordance with Government Regulation No. 20 of 1994. The regulation does not specify the amount of divestment though historically, a divestment of 5.0% is considered sufficient to satisfy the regulation.
Dispute resolution	Disputes relating to tax matters shall be determined by the Indonesian Tax Court. All other disputes shall be determined by arbitration at the International Centre for Settlement of Investment Disputes ("ICSID") in Geneva. Some CCoWs provide for arbitration in Jakarta in accordance with the rules of the United Nations Commission on International Trade Law ("UNCITRAL") in the event that the ICSID forum is not available.	Tax matters determined by the Indonesian Tax Court. All other matters determined by the Indonesian Arbitration Board (*Badan Arbitrase Nasional Indonesia*) ("BANI") held in Jakarta. For those CCoWs which have been amended when their holders converted to PMA companies, the arbitration clause has generally been changed to reflect UNCITRAL arbitration in Jakarta.	Disputes relating to tax matters shall be determined by the Indonesian Tax Court. For CCoWs held by PMA companies, disputes shall be determined by arbitration in Jakarta in accordance with the UNCITRAL rules. For CCoWs held by PMDN companies, disputes shall be determined by arbitration at BANI in Jakarta.

The previous mining licensing regime (i.e., by virtue of CCoWs) is subject to less regulatory risk and risks pertaining to amendment and extension of the licenses as compared to the current mining licensing system. This is due to the nature that these contracts are considered as an agreement between the Government and the

companies, in which the Government is considered as being in the same position as the contractor. In the current regime, concessions are issued in the forms of licenses, which puts the Government in the position as an "authority" and allows the Government to amend the terms of the licenses granted to the contractors, as well as amend the regulations relating to the licenses that has been issued. Any amendments to the terms of CCoWs that were issued under the previous mining licensing regime to be in accordance with the current mining and tax regime would be subject to negotiations and agreement between the Government and the contractor.

Under the Mining Law (as amended), all existing KPs, CoWs and CCoWs will remain valid for the remainder of their respective terms and, upon their expiration, CoWs and CCoWs may be converted into an IUPK Continuation. In order to extend an expiring CoW or CCoW, it must be converted into an IUPK Continuation within five years, at the earliest, and one year, at the latest, before the end of the validity period of the CoW or CCoW. Further, the Mining Law (as amended) states that the provisions in the IUPK Continuation that relate to state revenue, including royalty and tax payments, will be further regulated under prevailing regulations.

In addition, the Mining Law (as amended) provides certain incentives to mining license holders, including (i) IUP and/or IUPK holders for metal mineral commodities that integrate their mining activities with processing and/or refinery facilities, and (ii) IUP, IUPK, and/or IUPK Continuation holders for coal commodities that integrate their mining activities with development and/or utilization activities. Such incentives are in the form of a guarantee that such IUP, IUPK, and/or IUPK holders will obtain the maximum validity period and available extensions for their licenses.

Current licensing system

The new mining licensing regime under the Mining Law (as amended) introduced the following licensing classifications:

- *NIB.* A Business Identification Number (*Nomor Induk Berusaha* or "NIB") is the proof of registration of business actors to carry out business activities and as an identity for business actors in carrying out their business activities.
- *Standard Certificate.* A Standard Certificate is a statement and/or evidence of fulfillment of standards for the implementation of business activities.
- *IUP.* A Mining Business License (*Izin Usaha Pertambangan* or "IUP") is granted for mining of coal, rock, metal minerals or non-metal minerals within an IUP operational area (*Wilayah Izin Usaha Pertambangan* or "WIUP"). An IUP may only be granted for the mining of one type of resource. An WIUP must be located within a mining operational area (*Wilayah Usaha Pertambangan* or "WUP"), which are areas stipulated by the Government, after being determined by the regional government and consultation with the House of Representatives of Indonesia (*Dewan Perwakilan Rakyat* or "DPR"). An IUP may only be granted to a business entity, individual or cooperative (*koperasi*), and may be obtained by submitting an application to the MEMR or by attending an auction process for an WIUP (except for non-metal mineral and rock mining). In the event that an WIUP is found to contain more than one type of resource, the existing IUP holder's additional IUP application for the newly discovered resource will be prioritized.
- *IUPK.* A Special Mining Business License (*Izin Usaha Pertambangan Khusus* or "IUPK") is granted for coal and metal mineral mining within a special mining area (*Wilayah Izin Usaha Pertambangan Khusus* or "WIUPK"), which must be located within a special mining operation area (*Wilayah Usaha Pertambangan Khusus* or "WUPK"). A WUPK is an area that has been converted into a mining area from a state reserved area (*Wilayah Pencadangan Negara* or "WPN") pursuant to being approved by the DPR for mining operations. Similar to an IUP, an IUPK may only be granted for the mining of one type of resource. An IUPK may only be granted to a legal entity established as (i) a state-owned enterprise (*Badan Usaha Milik Negara*, a "BUMN"), (ii) a regional government-owned enterprise (*Badan Usaha Milik Daerah*, a "BUMD") or (iii) a private entity. Although BUMNs and BUMDs have

priority to obtain an IUPK. If the BUMN and/or BUMD do not exercise its privilege to obtain an IUPK, a private business entity may obtain an IUPK by participating in an auction and, upon winning the auction, submitting an application to MEMR.

- *IUPK Continuation.* An IUPK for the Continuation of Contract/Agreement Operation (*IUPK sebagai Kelanjutan Operasi Kontrak/Perjanjian* or "IUPK Continuation") is granted to the holder of an existing CoW and/or a CCoW as an extension of mining rights under such CoW and/or CCoW. Existing CoWs and/or CCoWs will remain valid for the remainder of their respective terms but are subject to amendments of certain terms (not including taxes and levies) and may be converted into an IUPK Continuation upon expiration. In order to extend and convert an expiring CoW and/or CCoW into an IUPK Continuation, the holder of the CoW and/or CCoW shall submit an application to the MEMR within five years at the earliest, and at least one year at the latest, prior to the expiry of such CoW and/or CCoW.
- *IPR*. A People's Mining License (*Izin Pertambangan Rakyat* or "IPR") is granted to either individual companies or cooperatives for mining of coal, rock, metal minerals and non-metal minerals within a limited mining operational area that is located in a People's Mining Area (*Wilayah Pertambangan Rakyat* or "WPR"). A WPR is an area designated by the Government, in consultation with the DPR.
- *SIPB.* A Rock Mining License (*Surat Izin Penambangan Batuan* or "SIPB") is granted to BUMD or village-owned enterprises, domestic investment private entities, cooperatives and individual companies for the mining of certain types of rocks or for certain needs of rocks within an WIUP.
- *Izin Penugasan.* An Assignment License (*Izin Penugasan*) is a license to conduct radioactive mineral-related businesses.
- *Izin Pengangkutan dan Penjualan*. A Transportation and Sales License (*Izin Pengangkutan dan Penjualan*), granted either for business entity, cooperatives, or individuals in order to buy, transport and sell mineral and coal mining commodities.
- *IUJP.* A Mining Service Business License (*Izin Usaha Jasa Pertambangan* or "IUJP") is granted to legal entities, cooperatives or individuals in order to engage in main mining services business activities.
- *IUP untuk Penjualan*. An IUP for Sales (*IUP untuk Penjualan*) is granted to companies that do not operate a mining business but intends to sell mineral and/or coal that has been extracted. An IUP for Sales may be granted by the MEMR for a single sale transaction only.

Previously, under Law 4/2009, a Production Operation IUP Special for Processing and/or Refinery (*IUP OP Khusus untuk Pengolahan dan/atau Pemurnian*) was granted for processing and/or refinery activities. However, pursuant to the amendment to the Mining Law through the Job Creation Law, to the extent that the processing and/or refinancing activities under such licenses have not been integrated within the mining area, the licenses must be converted into an Industrial Business License (*Izin Usaha Industri*) within one year from October 6, 2020. Industrial Business Licenses fall under the Ministry of Industry's authority and are not considered mining-related business licenses.

The following table sets forth further details on the mining licenses available under the Mining Law (as amended).

No.	Type and description	Permitted minerals	Validity period	Permitted area (hectares)
1.	**Exploration IUP** is a mining business license that is granted for general surveys, exploration activities and feasibility studies.	Metal minerals	Maximum 8 years	Maximum 100,000
		Non-metal minerals	Maximum 3 years	Maximum 25,000
		Certain types of non-metal minerals	Maximum 7 years	Maximum 25,000
		Rock	Maximum 3 years	Maximum 5,000
		Coal	Maximum 7 years	Maximum 50,000
2.	**Production-Operation IUP** is a mining business license that is granted upon the completion of the exploration activities under the respective Exploration IUP to commence construction, mining, processing and refining, transportation and sales activities.	Metal minerals	(i) Maximum 20 years, and guaranteed to be extended twice, each for a period of 10 years; or (ii) Maximum 30 years, which is guaranteed to be extended for a period of 10 years, if the mining activities are integrated with processing and/or refining facilities	Maximum 25,000
		Non-metal minerals	Maximum 10 years, and guaranteed to be extended twice, each for a period of 5 years	Maximum 5,000
		Certain types of non-metal minerals	Maximum 20 years, and guaranteed to be extended twice, each for a period of 10 years	Maximum 5,000
		Rock	Maximum 5 years, and guaranteed to be extended twice, each for a period of 5 years	Maximum 1,000
		Coal	(i) Maximum 20 years, which can be extended twice, each for a period of 10 years' or (ii) Maximum 30 years, which is guaranteed to be extended for a period of 10 years, if the mining activities are integrated with processing and/or refining facilities	Maximum 15,000
3.	**Exploration IUPK** is a special mining operational license that is granted for general surveys, exploration activities and feasibility Coal studies in a WUPK.	Minerals	Maximum 8 years	Maximum 100,000 hectares
		Coal	Maximum 7 years	Maximum 100,000 hectares

No.	Type and description	Permitted minerals	Validity period	Permitted area (hectares)
4.	**Production-Operation IUPK** is a special mining business license that is granted upon completion of an Exploration IUP stage for production operations in a WUPK.	Minerals	(i) Maximum 20 years, and guaranteed to be extended twice, each for a period of 10 years; or (ii) Maximum 30 years, which is guaranteed to be extended twice, each for a period of 10 years, if the mining activities are integrated with processing and/or refining facilities	Determined based on the MEMR's evaluation on the development of all areas proposed by the license holder.
		Coal	(i) Maximum 20 years, and guaranteed to be extended twice, each for a period of 10 years; or (ii) Maximum 30 years, which is guaranteed to be extended for a period of 10 years, if the mining activities are integrated with development and/or utilization activities	Determined based on the MEMR's evaluation on the development of all areas proposed by the license holder
5.	**IUPK Continuation** is a license granted to the holder of an existing COW and/or CCoW as an extension of its mining rights under the CoW and/or CCoW	Any commodity within the existing CoW and/or CCoW mining area.	(i) Maximum period of 10 years following the expiry of the CoW and/or CCoW, with a second extension for a maximum period of 10 years thereafter; or (ii) Maximum period of 10 years for the holders of an IUPK Continuation for Coal Mining that has integrated development and/or utilization activities into its mining activities.	Determined based on the areas approved by the MEMR under the development plan for the production operation stage.
6.	**IPR** is a license to conduct mining within a small-scale mining area with a limited area size and investment.	Metal minerals, non-metal minerals and rock.	Maximum 10 years, and guaranteed to be extended twice, each for a period of 5 years	Maximum 5 hectares for individuals and 10 hectares for cooperatives
7.	**SIPB** is a license to conduct mining activities for certain types of rock or for certain needs of rocks.	Certain types of rock	Indefinite term	Maximum 50 hectares
8.	**Assignment License** is a license to conduct radioactive mineral-related business.	—	Indefinite term	—
9.	**Transportation and Sales License** is Minerals or coal a license for business entities, cooperatives or individuals to buy, transport and sell mineral and coal mining commodities	Minerals or coal	5 years, which can be extended up to a period of 5 years for each extension	—

No.	Type and description	Permitted minerals	Validity period	Permitted area (hectares)
10.	**IUJP** is a license for business entities, cooperatives or individuals to engage in main mining services business activities.	—	5 years, which can be extended up to a period of 5 years for each extension	—
11.	**IUP for Sales** is a license to companies that do not operate a mining business but intends to sell mineral and/or coal that has been extracted.	—	Granted for a single sale transaction only	—

The Government has issued several implementing regulations to the Mining Law (as amended), including Government Regulation No. 22 of 2010 which was revoked by Government Regulation No. 96 of 2021 on Implementation of Mineral and Coal Mining Business Activities ("Government Regulation No. 96 of 2021"), and Government Regulation No. 25 of 2023 on Mining Location ("Government Regulation No. 25 of 2023"), which regulates the procedures to determine the WUPs, the WUPKs, and the WPRs. The determination of these mining areas lies on the sole discretion of the Government, and in respect of a WUPK, prior approval from the DPR is required.

In addition, the following table sets out the key differences between the fiscal regimes under a CCoW and an IUPK:

	CCoW	IUPK
Royalty rate	Flat rate of 13.5% Formula for royalty fees payable to the Government = (Royalty rate) x (Coal sales)	For fulfillment of domestic market obligations – Flat rate of 14.0% For all other coal sales and exports – Progressive rate of 14.0% to 28.0% depending on the HBA (the Indonesian benchmark coal price), which is published by the MEMR's website every month: **HBA price (US$/tonne) / Royalty rate** HBA < US$70 — 14.0% US$70 ≤ HBA < US$80 — 17.0% US$80 ≤ HBA < 90 — 23.0% US$90 ≤ HBA < 100 — 25.0% HBA ≥ 100 — 28.0% Formula for royalty fees payable to the Government = (Royalty rate) x (Coal selling price) x (Coal sales volume)
Income tax rate	45.0%	22.0%
Non-tax state revenue	Nil	Payable to the central Government – 4.0% of net profit Payable to the regional government – 6.0% of net profit

Transferability of license

The Mining Law (as amended) and Government Regulation No. 96 of 2021 only allows the transfer of an IUP or IUPK to a third party with prior approval from the MEMR. The approval may be granted if: (i) the holder of the license has completed its exploration activities, as proven by data on the relevant resources and their reserves; (ii) the parties have complied with all administrative, technical, environmental and financial requirements; and (iii) the relevant documents of the party that will receive the IUP or IUPK have been provided to the MEMR.

Under MEMR Regulation No. 7 of 2020 on Procedures for Granting Area, Licensing and Reporting in Mineral and Coal Mining Business Activities, as amended by MEM Regulation No. 16 of 2021, the transfer of an IUP or IUPK may be conducted upon obtaining written approval from MEMR or the relevant governor. This provision conflicts with the Mining Law (as amended) and Government Regulation No. 96 of 2021, pursuant to which the approval for transfer of an IUP or IUPK can only be issued by the MEMR.

Transfer of shares

The holders of an IUP or IUPK may not transfer their shares without approval from the MEMR, which approval will be granted if at least the following two requirements are satisfied:

- the holder has completed the exploration activities as evidenced by the availability of resources and reserves data; and
- the various administrative, technical and financial requirements have been complied with.

Foreign divestment requirements

Government Regulation No. 96 of 2021 sets out the minimum divestment requirement for foreign holders of an IUP and/or IUPK such that:

- for mining activities with open mining methods and that are not integrated with processing and/or purification facilities or development and/or utilization activities, the shareholding of the Indonesian participant must be at least 5.0% at the 10th year of production, at least 10.0% by the end of the 11th year, at least 15.0% by the end of the 12th year, at least 20.0% by the end of the 13th year, at least 30.0% by the end of the 14th year, and at least 51.0% at the 15th year of production;
- for mining activities with open mining methods and that are integrated with processing and/or purification facilities or development and/or utilization activities, the shareholding of the Indonesian participant must be at least 5.0% at the 15th year of production, at least 10.0% by the end of the 16th year, at least 15.0% by the end of the 17th year, at least 20.0% by the end of the 18th year, at least 30.0% by the end of the 19th year, and at least 51.0% at the 20th year of production;
- for mining activities with underground mining methods and that are not integrated with processing and/or purification facilities or development and/or utilization activities, the shareholding of the Indonesian participant must be at least 5.0% at the 15th year of production, at least 10.0% by the end of the 16th year, at least 15.0% by the end of the 17th year, at least 20.0% by the end of the 18th year, at least 30.0% by the end of the 19th year, and at least 51.0% at the 20th year of production; and
- for mining activities with underground mining methods and that are integrated with processing and/or purification facilities or development and/or utilization activities, the shareholding of the Indonesian participant must be at least 5.0% by the end of the 20th year of production, at least 10.0% by the end of the 21st year, at least 15.0% by the end of the 22nd year, at least 20.0% by the end of the 23rd year, at least 30.0% by the end of the 24th year, and at least 51.0% at the 25th year of production.

If the capital of the foreign-owned companies is increased, then the aggregate amount of stake ownership of the local Indonesian party cannot be diluted and always subject to the aforementioned amount. The divestment requirements as set forth in Government Regulation No. 96 of 2021 apply to IUPs and/or IUPKs granted both prior and subsequent to the issuance of such regulation.

The divestment of shares to an Indonesian entity shall be made pursuant to the following order of priority: (i) initially, the shares must be offered to the central Government, who will have 90 days to evaluate and negotiate such offer; (ii) if the central Government is not willing to purchase the shares, the shares are to be offered to provincial or regent/municipal governments; and (iii) if such provincial or regent/municipal governments are not willing to purchase the shares, the shares are to be tendered to both state and regional-owned enterprises. In each case, parties are given 90 days from the date of the share offering to declare their interest. If no state-or regional-owned enterprise is willing to purchase the shares, the shares can be tendered to private local companies (which shares are wholly owned by a local investor) which are given 90 days to declare their

interest after the initial offering date. If a local company chooses not to purchase the divested shares, then the shares shall be offered through an initial public offering.

Government Regulation No. 96 of 2021 provides additional guidance on what constitutes a private enterprise that may be granted an IUP. A qualifying private enterprise may be (i) an enterprise whose shares are owned by domestic investors; or (ii) an enterprise whose shares are owned by foreign investors (a foreign direct investment company or "FDI Company").

Reclamation and post-mining activities

Reclamation plan

Under Government Regulation No. 78 of 2010, as implemented by MEMR Decree 1827/2018, mining companies are obliged to carry out reclamation and post-mining activities. Prior to undertaking any exploration activities, Exploration IUP or Exploration IUPK holders must prepare a reclamation plan in accordance with the approved environmental document and submit it to the MEMR or the respective governor for approval. The approval by the MEMR will state the amount of reclamation guarantee required to be paid by the license holder. The reclamation guarantee must be in the form of a time deposit and denominated in either U.S. dollars or Rupiah and placed in a Government bank under the name of the Director of the Directorate General of Minerals and Coal ("DGMC") or the respective governor and the name of the license holder. The period of the time deposit shall be in line with the reclamation's schedule.

Exploration IUP or Exploration IUPK holders are also required to submit a reclamation plan for the production-operation phase, which must be prepared in accordance with the feasibility study and the approved environmental document. The plan must be included in the submission of the application for a Production-Operation IUP or Production-Operation IUPK to the MEMR or the respective governor. Similar to the reclamation plan at the exploration phase, the approval of the reclamation plan for the production-operation phase shall also state the amount of reclamation guarantee which shall be paid by the holder of IUP or IUPK either in U.S. dollars or Rupiah. The reclamation guarantee may be placed in one of the following manners: (i) joint account in an Indonesian state-owned bank; (ii) time deposit in a Government's bank in Indonesia; (iii) bank guarantee issued by a Government bank in Indonesia; or (iv) accounting reserve for a Production-Operation IUP or Production-Operation IUPK holder who lists at least 40.0% of its shares on the Indonesian Stock Exchange or its paid-up capital is in the amount of at least US$50.0 million. Production-Operation IUP or Production-Operation IUPK holders who place their reclamation guarantee in an accounting reserve are required to submit a statement letter made before a notary stating that the reclamation guarantee has been paid to MEMR or the respective governor.

The reclamation guarantee both in the exploration and production-operation phase may be withdrawn by the holder of the IUP or IUPK upon obtaining the approval from the MEMR or the respective governor and such approval will be based on the success rate of the reclamation activities.

Post-mining plan

In addition to the reclamation plan for the production-operation phase, Exploration IUP or Exploration IUPK holders are also required to prepare a post-mining plan as a prerequisite to obtain the Production-Operation IUP or Production-Operation IUPK. Similar to the reclamation plan, the post-mining plan's approval will be issued by the MEMR or the respective governor and shall contain the amount of post-mining guarantee which shall be paid by the Production-Operation IUP or Production-Operation IUPK holders, the payment schedule and the placement's period. The post-mining guarantee shall be placed in an Indonesian state-owned bank under the name of the Director of the DGMC or the respective governor and the name of the license holder, either in U.S. dollars or Rupiah. The post-mining guarantee may be withdrawn by the Production-Operation IUP or Production-Operation IUPK holder upon securing approval from the MEMR or the respective governor. Such approval will be based on the success rate of the post-mining activities. In the case that the Production-Operation IUP or Production-Operation IUPK's validity period is extended by the MEMR or the respective governor, the Production-Operation IUP or Production-Operation IUPK holders shall amend their post-mining plan.

Government royalties

Pursuant to Government Regulation No. 26 of 2022 on the Types and Tariffs of Non-State Tax Revenue Applicable in the Ministry of Energy and Natural Resources, IUP and IUPK holders are required to pay production royalties to the Government. Currently, a range of royalties apply with respect to different types of coal and mineral mining. Under the Mining Law (as amended), Production-Operation IUPK holders are required to pay 10.0% of net profit from the mine, which comprises 4.0% to be paid to the Government and 6.0% to be shared between the relevant provincial and regional governments in whose jurisdictions the mine is located.

Under the Mining Law (as amended), coal and other minerals mined within Indonesia are required to be processed and refined domestically in accordance with the standard set out by MEMR Regulation No. 25 of 2018 on Mineral and Coal Mining Business Operations as lastly amended by MEMR Regulation No. 17 of 2020 ("MEMR Regulation 25/2018"). However, to date, MEMR Regulation 25/2018 only sets out the standard processing and refining of mineral products. The minimum standard of processing of coal products has not yet been set out in any implementing regulations of the Mining Law (as amended). As of the date of this offering memorandum, the Mining Law (as amended) provides that "processing and refinery" shall mean a process which increases the quality of minerals and/or coal and the utilization of and the extraction of associated minerals. MEMR Regulation No. 25 of 2018 further provides that the above conditions must be verified by an independent verifier, and the Directorate General of Mineral and Coal will further evaluate the verification result.

Domestic market obligations

Government Regulation No. 96 of 2021 also provides that the holders of an IUP and IUPK must prioritize domestic needs for coal. The holders of an IUP and an IUPK may export their coal only after the Indonesian domestic market has been fulfilled, which is regulated by a ministerial regulation. In 2018, the MEMR issued MEMR Regulation 25/2018 as lastly amended by MEMR Regulation No. 17 of 2020, and MEMR Decree No. 267.K/MB.01/MEM.B/2022 on Fulfillment of Domestic Needs for Coal, which was amended by MEMR Decree No. 399.K/MB.01/MEM.B/2023, which requires producers of coal and minerals in Indonesia to allocate a portion of their annual production output to the Indonesian domestic market based on the amount determined by the Government. This obligation is known as the Domestic Market Obligation ("DMO"). The DMO amount for a given year is set by the MEMR based on the estimate of annual demand proposed by potential domestic buyers in the previous year. The price of the coal allocated for the DMO is set by the MEMR and is based on the coal price index, except for coal that is sold to mine mouth power plants. For 2023, the DMO was set at 25.0% of proposed coal production for the year. Failure to meet the DMO level may result in sanctions imposed by the Government, which may differ each year based on the Government ruling. These sanctions could require, for example, a reduction of production quota for the following year or an obligation to pay compensation calculated based on the discrepancy between the minimum DMO obligation and actual sales.

Mineral sales price controls

According to MEMR Regulation No. 7 of 2017 on the Procedures for the Determination of Metal Minerals and Coal Benchmark Price as last amended by MEMR Regulation No. 11 of 2020 ("MEMR Regulation 7/2017"), the metal (*logam*) minerals pricing arrangement between the IUP, IUPK or CCoW holders and the metal minerals purchaser (including their affiliated parties) should be no less than the metal minerals benchmark price (*Harga Patokan Mineral Logam* or "HPM") that is determined by the MEMR. The applicable HPM will be determined based on a prescribed formula containing several variables including, among others, the content/value of the metal minerals, corrective factor, treatment and refining charges and metal minerals reference price (*Harga Mineral Logam Acuan* or "HMA"). The HMA will be determined by the DGMC on behalf of the MEMR on a monthly basis, based on market mechanisms and/or in accordance with general pricing on the international market. Further, the HPM may be calculated in Rupiah or in U.S. dollars. If the price of the metal minerals is calculated in U.S. dollars, then the Rupiah conversion of this price must be calculated in accordance with the middle exchange rate quoted by Bank Indonesia on a date or period agreed upon between the seller and the buyer.

Good mining practices

The Mining Law (as amended) requires IUP and IUPK holders to implement Good Mining Principles (*Kaidah Pertambangan yang Baik* or "KPB"), further details of which are provided in its implementing regulations including MEMR Regulation No 26 of 2018 on Implementation of KPB and Supervision on Mineral and Coal Mining ("MEMR Regulation 26/2018") and MEMR Decree 1827/2018. The KPB consists of good mining engineering and good mining business governance.

Good mining engineering practices

Good mining engineering practices relates to several aspects of the mining process, including: (i) mining engineering, (ii) coal and mineral conservation, (iii) mining occupational health and safety, (iv) mining operational safety, (v) environmental management, reclamation and post mining, as well as post operation, and (vi) the utilization of technology, engineering skills, design, development, and implementation of mining technology. The implementation of good mining engineering practices shall be performed by, among others: (i) appointing a head of mining technician as the highest authority on the mining site and employing mining technical manpower, (ii) utilizing exploration, mining, processing and/or refining, and transportation methods in line with the approved annual Work and Budget Plan (*Rencana Kerja Anggaran dan Biaya* or "RKAB"), (iii) providing equipment, tools, self-safety equipment, facility, personnel, and adequate funds for the implementation of safe mining, (iv) implementing mining environment management and supervision in accordance with the environmental document, as well as environmental recovery and countermeasures in the event of environmental damage or pollution, and (v) planning and implementing the mining and processing recovery.

Good mining business governance

Good mining business governance relates to several aspects of the mining business, including: (i) marketing, (ii) accounting, (iii) data processing, (iv) utilization of goods, services and technology, (v) development of mining technical manpower, (vi) fostering and developing the surrounding community, (vii) other mining-related activities which relate to public interest, (viii) compliance with the IUP or IUPK conditions, and (ix) amount, type, and quality of the mining product. The implementation of good mining business governance practices shall be performed by, among others: (i) trading coal or minerals with qualities and quantities that are in line with the approved annual RKAB, (ii) prioritizing domestic market obligations, (iii) implementation of financial aspects in line with the approved annual RKAB, (iv) preparing financial statements in line with Indonesian accounting standards, (v) performing data management from the collection phase to deletion phase, (vi) utilizing goods, services and technologies in accordance with the approved RKAB, and (vii) fostering and developing surrounding communities.

General mining services

The Mining Law (as amended) stipulates that:

- IUP holders or IUPK holders must engage local and/or national mining services companies and where no local and/or national mining services company is available, IUP holders or IUPK holders may engage foreign-owned mining services companies;
- where IUP holders or IUPK holders engage mining services companies, IUP holders or IUPK holders shall retain responsibility for mining business activities;
- companies providing mining services take the form of legal entities, cooperatives, or sole proprietorships under the classification and qualifications set by the MEMR as set forth below; and
- mining services providers must give preference to local contractors and workers.

According to the Mining Law (as amended) and Mining License Regulation, any party which intends to perform mining services activities within Indonesia is required to first obtain a business license issued by the MEMR. The Mining License Regulation stipulates that mining services may be provided by:

(a) a legal entity which is either:

  (i) a state-owned enterprise;

  (ii) a regional state-owned enterprise; or

  (iii) a private legal entity;

(b) a cooperative; or

(c) individuals.

An IUJP applicant that wishes to conduct mining services activities in all Indonesian territories must take the form of a legal entity. A mining service company can conduct its business if it has obtained a mining services business license or IUJP from the MEMR. These licenses are valid for a maximum of five years and can be extended by five years for each extension. Based on the Mining Law (as amended) and its implementing regulations, an IUJP covers the following activities:

- general surveying;
- exploration;
- feasibility studies;
- construction;
- transportation;
- environmental;
- post-mining and reclamation;
- health and safety works; and/or
- consultation in mining, processing or purification works.

Furthermore, the Mining License Regulation prohibits IUJP holders from holding any other mining licenses, such as IUP and Special Production Operation IUP. Under the Mining License Regulation, IUJP holders are obligated to, among other things, (i) prioritize using domestic goods, services and manpower, (ii) submit all mining services contracts to the MEMR, (iii) appoint a person to be in charge of the operational area, and (iv) submit a written report on its business activities. Failure to comply with these requirements may result in the imposition of administrative sanctions. IUP holders are required to mine, process and refine the coal themselves. However, they are allowed to subcontract the following activities to IUJP holders: (A) stripping of rock and overburden, (B) drilling of alluvial mineral sediment (if approved by the MEMR), and (C) tunnel/shaft access construction to vein ore/seam coal, drainage and ventilation (with respect to production operations of IUP or IUPK holders using underground mining methods which subcontract to IUJP holders engaged in tunneling mining construction).

The Mining License Regulation states that any subsidiary and/or affiliate which has a direct equity interest in an IUP or IUPK holder is prohibited from being engaged as a contractor for the mining operations of such IUP or IUPK holder without obtaining approval from the MEMR. The definition of a subsidiary and/or an affiliated mining service company is a mining service company that has a direct share ownership relationship with a mining company. According to the Director General of Mineral, Coal and Geothermal Regulation No. 376.K/30/DJB/2010 of 2010 on the Procedure and Requirements to Request Approval of Using Subsidiaries and/or Affiliates in the Mining Service Business ("Regulation 376"), a mining service company has a direct share ownership with a mining company if:

- 20.0% shares of the mining service company's shares are directly owned by an IUP or IUPK holder;

- 50.0% of the voting rights of a mining service company are held by an IUP or IUPK holder by virtue of an agreement directly controlling financial and operation policies of the mining service company; and/or
- an IUP or IUPK holder has the authority to appoint and discharge finance and operational directors (or persons having equivalent positions) of a mining service company.

In addition to obtaining approval from the MEMR, a mining company must be unable to engage an unaffiliated mining services company; or there must be no mining services company classified as interested in or capable of performing the mining services required based on certain criteria as stipulated under the Mining Law (as amended), before it may employ its subsidiary and/or affiliated company.

Following the issuance of Government Regulation No. 96 of 2021 and the amendment to the Mining Law (as amended) through the issuance of the Job Creation Law, mining services companies are permitted to provide all types of mining operation activities to mining license holders.

Coal sales price controls

On January 11, 2017, the MEMR issued MEMR Regulation No. 7 of 2017 on Method of Determination of Minerals and Coal Benchmark Sale Price as lastly amended by MEMR Regulation No. 11 of 2020 ("MEMR Regulation No. 7 of 2017 (as amended)"). MEMR Regulation No. 7 of 2017 (as amended) stipulates that the coal pricing arrangement between the IUP, IUPK or CCoW holder and the coal purchaser (including their respective affiliated parties) should be no less than the coal benchmark price (*Harga Patokan Batubara* or "HPB") that is determined by the MEMR. There are two types of HPB, namely HPB for steam (thermal) coal and HPB for coking (metallurgical) coal. The applicable HPB will be determined based on a formula containing several variables including moisture content, sulfur content, ash content and the HBA. The HBA is determined by the MEMR on semi-annual basis and the HPB will be determined based on market mechanisms and/or in accordance with general pricing in the international market. The HPB may be calculated in U.S. dollars or in Rupiah. If the price of coal is denominated in U.S. dollars, then the Rupiah conversion of the price shall be calculated in accordance with the middle exchange rate quoted by Bank Indonesia on a date or period agreed upon between the seller and the buyer.

Coal export license

Pursuant to Minister of Trade Regulation No. 23 of 2023 on Export Provision and Policy, the export of certain types of coal and coal products are subject to certain limitations and types as set out in its Appendix I, which among others include un-agglomerated coal, anthracite, bituminous coal, lignite, peat, briquette and benzol. Any IUP, IUPK or CCoW holders who intend to export the listed products under the regulations must be registered with the Minister of Trade as a Registered Exporter (*Eksportir Terdaftar*). Any Registered Exporter document already issued under previous regulations remain valid until expiry and may be amended and extended under this regulation.

DHE SDA obligations

On August 1, 2023, Government Regulation No. 36 of 2023 on Export Earning from Business Management and/or Processing Activities Relating to Natural Resources ("Government Regulation No. 36 of 2023") and Bank Indonesia Regulation No. 7 of 2023 on Export Proceeds and Import Payment Proceeds ("BI Regulation No. 7 of 2023") were enacted. Both Government Regulation No. 36 of 2023 and BI Regulation No. 7 of 2023 mandate that an amount equaling at least 30.0% of any foreign exchange export proceeds from the export of natural resource goods (*Devisa Hasil Ekspor dari Barang Ekspor Sumber Daya Alam* or "DHE SDA") must be placed within the Indonesian financial system through a designated account (referred to as a special DHE SDA account in the regulations). The exporter must maintain the 30.0% DHE SDA in the account for a minimum of three months from the relevant deposit. Prior to the enactment of these regulations, exporters were permitted hold such DHE SDA in offshore accounts.

Government Regulation No. 36 of 2023 applies to exporters who record DHE SDA of at least US$250,000 (or its equivalent in another currency) in their export custom notification. Exporters whose DHE SDA is below the foregoing threshold are allowed to deposit their DHE SDA within a DHE SDA account voluntarily.

Further, under the Minister of Finance's Regulation No. 73 of 2023 on the Imposition and Revocation of Administrative Sanctions for Violation of the DHE SDA Provisions, exporters who fail to comply with the DHE SDA obligations may be subject to administrative sanctions in the form of suspension of export services.

Regional government law

Indonesia is divided into provinces which are further subdivided into regencies and municipalities. The regencies and municipalities within a province are autonomous in most of their activities and, therefore, have the freedom to direct their own authorities over the regencies or municipalities.

On October 2, 2014, the Government enacted Law No. 23 of 2014 concerning the Regional Government ("Law 23") which has revoked the previous Law No. 32 of 2004 concerning the Regional Government ("Law 32"), which substantially changed the legal and regulatory framework of the mining industry in Indonesia. Law 23 divides the governmental affairs into (i) absolute governmental affairs; (ii) concurrent governmental affairs; and (iii) general governmental affairs. Mining business activities are categorized as concurrent governmental affairs, which require the distribution of authority between the Government and other regional governments when discharging their governmental affairs. The distribution of authority will mainly be assessed based on the location, the customer, the impact and the efficiency of the natural resources utilization. To date, the Government has issued a number of amendments to Law 23, with the latest amendments made through the Job Creation Law. Although Law 32 has been revoked, Law 23 provides that the implementing regulations of Law 32 shall continue to apply so long as they do not conflict with Law 23.

On January 5, 2022, the Government enacted Law No. 1 of 2022 on Financial Relationship between the Central Government and the Regional Government ("Law No. 1 of 2022"), revoking a number of provisions of Law 23. Law No. 1 of 2022 decentralized fiscal authority from the Indonesian central government to lower-level governments.

See "Risk Factors — Risks Relating to Indonesia — The interpretation and implementation of legislation on regional governance in Indonesia is uncertain."

Sales tax and treatment of VAT and/or luxury goods sales tax

Under the prevailing tax regime, including pursuant to Law No. 7 of 2021 regarding Harmonization of Taxation Regulation, which includes General Taxation Provisions and Procedures, Income Tax Law, Value Added Tax Law and their respective implementing regulations, a VAT of 11.0% is applicable to the import and procurement of goods and services. Delivery of certain types of goods and services, including mineral ore and coal, is subject to VAT starting April 2022. As a result, any input VAT paid by a mining company delivering mineral ore or coal to its vendor, is now creditable. First-generation CCoW holders that converted to an IUPK Continuation will need to comply with the prevailing VAT rules, which will likely increase their operating costs as most goods and services are subject to the 11.0% VAT rate.

Law 3/2020 stipulates certain new fiscal policies applicable to mining companies, including the following:

- *Additional levy of 10.0% of CCoW holders*. An implementing government regulation is expected to be implemented to provide more details on the calculation, reporting, and payment of the additional levy of 10.0% on a CCoW holder's net profit since production. This levy will be split between the central Government and regional governments, which will receive 4.0% and 6.0% respectively. The 6.0% received by the regional government will then be further split into allocations of 1.5%, 2.5% and 2.0% for the province, city or *kabupaten* of the producer, and other city or *kabupaten* within the province, respectively, as compared to the previous allocation of 1.0%, 2.5%, and 2.5% respectively.
- *Abolishment of exploration fees*. Exploration fees previously paid to the central Government have been abolished. This appears to be an incentive to stimulate greater exploration activities and expenditures.

- *Changes to tax facilities*. Law 3/2020 stipulates that the central Government may provide tax facilities and/or relief to stimulate mining investments, in accordance with prevailing laws. This represents a shift from the previous mining regime under Law No. 4 of 2009, which required tax facilities to follow prevailing laws unless otherwise determined under the terms of a CoW or CCoW.

Law 3/2020 was amended by the Old Job Creation Law (as defined below) and Perppu 2 of 2022 dated December 30, 2022 as a revision to the Old Job Creation Law. The Job Creation Law, which revoked and replaced the Old Job Creation Law, includes a provision for holders of mining business licenses or special mining business licenses (IUPK) engaged in production operation activities, particularly in the development and/or utilization of coal. These entities may be eligible for special treatment, namely exemption from paying production fees/royalties, with the rate set at zero percent.

Income Taxes, Other Tax and PNBP Obligations for the coal mining sectors

On April 11, 2022, the Government issued Regulation No. 15 Year 2022 ("GR 15/2022") to provide special rules in relation to both the tax and non-tax state revenue (*Penerimaan Negara Bukan Pajak* or "PNBP") arrangements for the coal mining sector. The tax and PNBP provisions outlined under GR 15/2022 are applicable to the holders of an IUP, IUPK or IUPK Continuation as well as holders of a CCoW with income tax provisions stipulated in the contract or a CCoW that follows the prevailing tax regulations.

CCoWs with specialized tax provisions (*lex specialist*) are to be respected until the completion of the CCoW period and therefore remain unaffected by GR 15/2022. However, even under these circumstances, contractors are required to follow withholding tax obligations as outlined in GR 15/2022.

IUPK Continuation holders shall maintain book-keeping in accordance with the language and currency agreed in the original CCoW until the end of the tax year which follows the issuance of the IUPK Continuation. Book-keeping must be in the Indonesian language and in IDR currency thereafter unless written notification is submitted pursuant to relevant tax regulations. In the event an IUPK Continuation holder carries out exploration activities exceeding the timeline for maintaining books and documents, such books and documents must be maintained until the month when production operations are approved by the MEMR or the governor according to their authorities.

In general, the Corporate Income Tax ("CIT") calculation, the CIT rate and the tax loss carry-forward period should follow the prevailing income tax regulations. Consequently, the lex specialist concept has largely been discontinued for new concessions in the coal mining sector. The allowable and non-allowable deductions are generally as per the prevailing income tax regulations.

Taxable objects comprise the following: (i) income from operations: being income from the sale or transfer of mining production (i.e., coal). The production is to be taxed at the higher of a) the lower of the coal benchmark price or the coal index price at the time of the transaction; or b) the actual selling price or the price which should have been received by the seller; and (ii) other income, in whatever name or form.

In certain circumstances however, such as when supplying coal for a domestic market obligation, coal sales should be taxed at a statutory price set according to relevant regulations. GR 15/2022 explains that expenses incurred during exploration, where such expenses have a useful life of more than one year, should be capitalized and amortized for tax purposes.

The CIT rate for IUPK Continuation holders is set at 22.0% and is applicable from the fiscal year following the issue of the IUPK Continuation until the end of the IUPK Continuation period. In other words, the CIT rate is fixed at 22.0% for the life of the IUPK Continuation.

GR 15/2022 provides that the obligations for the other taxes, PNBP and regional taxes, the obligations are to follow the regulations prevailing at the time of issue of the IUPK Continuation and to apply until the end of the IUPK Continuation period. GR 15/2022 introduces a new PNBP on coal sales per ton for IUPK Continuation holders. The PNBP formula and rates are progressive according to the coal benchmark price. The PNBP is calculated by multiplying the progressive rate with the sales price. The result is then reduced by the royalty and fee payable for utilization of government-owned assets ex the CCoW.

Forestry regulation

Law No. 41 of 1999 on Forestry, as amended by Government Regulation as Substitute of Law No. 1 of 2004, as lastly amended by the Job Creation Law ("Forestry Law"), provides that open-pit mining operations cannot be conducted within protected forests. Notwithstanding this general prohibition, a number of licenses and contracts for open-pit mining in protected forest areas that existed prior to the enactment of Forestry Law 1999 remain valid until their expiration. Significant areas of forestry in Indonesia have been classified as protected forests.

Based on Forestry Law, if the WIUP is located in a forest area, the use of forests for mining purposes must be conducted with a Borrow to Use Forestry Permit (*Izin Pinjam Pakai Kawasan Hutan* or "IPPKH") and currently known as Forest Area Usage Approval (*Persetujuan Penggunaan Kawasan Hutan* or "PPKH") issued by the Minister of Environment and Forestry ("MEF"). Mining activities can only be carried out in production forests (*hutan produksi*) and protected forests (*hutan lindung*), where protected forests are only allowed to be used to conduct underground mining activities. Further, under MEF Regulation No. 7 of 2021 on Forestry Planning, Change of Forest Area Designation and Change of Forest Area Function, and Use of Forest Area ("MEF Regulation No. 7/2021"), mineral and coal underground mining activities carried out in protected forest areas are only permitted if such activities do not cause land subsidence, permanent changes in forest function, or damage to groundwater aquifer. MEF Regulation No. 7/2021 also states that a company applying for an IPPKH may deliver non-forest land as compensation or pay compensation for the use of forest area in the form of a non-tax state income. PPKH is valid for the same period as the applicable operational license, such as the mining licenses (IUP or IUPK).

Pursuant to the Forestry Law, to make any changes on the utilization of a forest, due to its strategic value, the MEF must obtain the approval of the DPR. On February 2, 2021, the Government issued Government Regulation No. 23 of 2021 on Forest Administration ("Government Regulation 23/2021"). Pursuant to Government Regulation 23/2021, approvals for the use of forest areas are now required in order to carry out the strategic non-forestry activities, including activities that relate to priority central government projects that use lands procured by non-government agencies on a non-permanent basis. Government Regulation 23/2021 also governs that upon securing an approval, the holders must comply with the management of borders within the area of the relevant approval, plant vegetation in order to rehabilitate related watersheds, pay the Non-Tax State Revenues (*Penerimaan Negara Bukan Pajak* or "PNBP"), conduct forest protection measures and reclamation and/or reforestation of forest areas and fulfill other obligations as determined by the MEF.

Pursuant to Regulation of the MEF No. P. 04/Menhut-II/2011 dated January 18, 2011 on the Guidelines for Forest Reclamation, a mining company whose mining activities are conducted within a forest, based on a Land-use of Forest Area Permit (*Izin Penggunan Kawasan Hutan*) from the MEF, is required to include forest reclamation as a part of its mining activities. It further stipulates that the reclamation process is required to commence without waiting for the mining operations to be completed or within one year from the completion of mining operations or the expiry of the Land-use of Forest Area Permit.

The reclamation process is required to be consolidated in a five-year plan with additional details contained in the annual plan. The reclamation plan will be assessed by the Directorate General of Watershed Management and Social Forestry at the MEF, on behalf of the Minister. If found to be adequate, then a recommendation will be issued by the Directorate General of Watershed Management and Social Forestry at the MEF, on behalf of the MEF, and will be further approved by MEMR, the head of the regional or the regency government. If the mining period is less than five years, the reclamation plan will be adjusted to the mining period, while the assessment and the approval by the related authorities will follow the "five-year plan" steps.

The Land-use of Forest Area Permit holder is required to establish a special body to execute the forest reclamation process, which must include experts in forestry, agriculture, mining, soil and other fields related to forest reclamation. A progress report concerning the reclamation process must be submitted periodically to the Directorate General of Watershed Management and Social Forestry at the MEF, with a carbon copy to the Directorate General of Forestry Planology at the MEF, Directorate General of Minerals, Coal and Geothermal at

the MEMR, Provincial Technical Agency that handles forestry matters, and the Regent Technical Agency that handles forestry matters, and such report must include quarterly and annual reports.

Environmental regulation

Environmental protection in Indonesia is governed by various laws, regulations and decrees, including the following:

- Law No. 32 of 2009 on Environmental Protection and Management as amended by the Job Creation Law ("Environmental Law");
- Government Regulation No. 5 of 2021 on Organization of Risk-Based Business Licensing;
- Government Regulation No. 22 of 2021 on Implementation of Environmental Protection and Management ("Government Regulation No. 22 of 2021");
- MEF Regulation No. 4 of 2021 on Types of Business and or Activities Which are Obliged to Possess Environmental Impact Analysis, Environmental Management Effort and Environmental Monitoring Effort or Statement of Environmental Management and Monitoring Readiness;
- Minister of Environment Regulation No. 16 of 2012 on the Guidelines on Preparation of Environmental Documents ("ME Regulation 16/2012");
- Mining License Regulation;
- MEMR Regulation 26/2018;
- MEMR Decree 1827/2018;
- MEF No. P.26/MENLHK/SETJEN/KUM.1/7/2018 on the Guidelines for the Preparation, Assessment, and Examination of Environmental Documents in the Implementation of Online Single Submission ("OSS") ("MEF Regulation 26/2018"); and
- MEF Regulation No. 6 of 2021 on Procedures and Requirements for the Management of Hazardous and Toxic Materials ("MEF No. 6 of 2021").

These laws generally provide, among others, that mining companies must have the facilities and bear the costs and expenses of reclamation and rehabilitation of concession areas, and shall prevent and minimize environmental pollution and destruction resulting from mining activities. Mining companies whose operations have a significant environmental or social impact must create and maintain Environmental Impact and Analysis Assessment (*Analisis Mengenai Dampak Lingkungan* or "AMDAL") documents, which must contain:

- an analysis known as Terms of Reference on Environmental Impact Analysis (*Kerangka Acuan Analisis Dampak Lingkungan*);
- an environmental impact analysis (*Analisis Dampak Lingkungan*);
- an environmental management plan (*Rencana Pengelolaan Lingkungan*); and
- an environmental monitoring plan (*Rencana Permantauan Lingkungan*).

In certain circumstances, including where the mining activities are in the exploration stage, AMDAL documents are not required and an Environmental Management Effort document and an Environmental Monitoring Effort (*Upaya Pemantauan Lingkungan*) document must be prepared instead. Technical guidelines for the preparation of these documents are set out in ME Regulation 16/2012 and MEF Regulation 26/2018.

Once AMDAL documents or the Environmental Management Effort and Environmental Monitoring Effort documents have been obtained, pursuant to Government Regulation No. 22 of 2021, a company must obtain an environmental permit which will be issued by the MEF, Governor or Mayor/Regent (in accordance with their respective authorities) to be considered as an environmental approval pursuant to Government Regulation No. 22 of 2021. However, after the issuance of MEF Regulation 26/2018, environmental permits will be issued by the OSS Body on behalf of the MEF, Governor or Mayor/Regent (in accordance with their respective authorities) through the OSS system.

After all environmental documents are obtained, the company must conduct environmental management of the mining areas under the Good Mining Practice. MEMR Regulation 26/2018 states that environmental management of the mining areas include the implementation of environmental management and supervision according to the company's environmental document; and prevention and recovery of the environment in the event of pollution and/or environmental damage. Mining companies have to prepare an annual RKAB which includes environmental aspects. Holders of Exploration IUP, Exploration IUPK, Production-Operation IUP, and Production-Operation IUPK are required to provide a reclamation guarantee, and for holders of Production-Operation IUP and Production-Operation IUPK are also required to provide post-mining guarantee. MEMR Decree 1827/2018 further stipulates the guidelines on the environmental management of the mining areas. The environmental management activities are supervised by the mining inspector with further supervision from the head of the mining inspector.

In addition, mining companies are required to appoint a head of mining technology and Person-in-Charge for Technical and Environmental matters who is required to: submit regular reports on the environmental management and supervision activities to the mining inspector; report if there is a potential environmental pollution and/or damage indication to the mining inspector; submit a report regarding environmental case no later than 24 hours after the case occurred accompanied by the mitigation plan to the mine inspector; create procedural standard for environmental pollution and/or damage mitigation of the potentially caused environmental pollution and damaged area; and lead the reclamation and post-mining operation.

Under Indonesian environmental regulations, remedial and preventative measures and sanctions (such as the imposition of substantial criminal penalties, fines and the cancelation of concessions) may be imposed in order to remedy or prevent pollution caused by operations. Such sanctions range from three to 15 years of imprisonment for any person who intentionally has caused environmental pollution or environmental damage, and fines ranging from between Rp.3.0 million to Rp.15.0 billion, subject to an additional penalty of one-third of the fine amount if the charge is filed against the party who ordered the criminal act or against the criminal mastermind. The MEF also reserves the right to impose a monetary penalty in lieu of any rehabilitation obligations of a liable person.

Wastewater disposal

Government Regulation No. 22 of 2021 requires reports to be submitted by concession holders detailing their disposal of wastewater and compliance with applicable regulations. Such reports are to be submitted on a quarterly basis to the relevant authority, with a copy provided to the Minister of Environmental Affairs. The Decision of the Minister of Environmental Affairs No. 113 of 2003 concerning Standard Quality for Coal Mining Business and/or Activities requires mining companies to process their wastewater from mining and processing activities in accordance with mandated quality standards set out therein, and to manage water that is affected by mining activities by way of sedimentation pools. Mining companies are also required to monitor surface water quality where wastewater from the sedimentation pools or wastewater treatment facilities is discharged into streams and rivers, and to comply with any additional requirements stipulated in their respective concessions or licenses. Analysis of wastewater and daily flow rates must be submitted on a quarterly basis to the relevant authority and to the Minister of Environmental Affairs.

Hazardous and toxic substances

Government Regulation No. 22 of 2021 and Government Regulation No. 74 of 2001 on Management of Hazardous or Toxic Materials regulate the management of certain stipulated materials and waste. Flammable, poisonous or infectious waste from mining operations is subject to these regulations unless it can be proven scientifically by the applicant that it falls outside the categories set forth in such regulations. These regulations require a company using the specified materials, or which produces waste which is specified in the regulations, to obtain a license in order to store, collect, utilize, process and accumulate such waste. The relevant environmental approval may ultimately be revoked, and the holder of the environmental approval may be required to cease operations in the event of violations. Pursuant to Government Regulation No. 22 of 2021, there are several types of waste which are no longer considered hazardous and toxic waste, including fly ash, and bottom ash produced from coal burning process in steam power plants, or other activities which use technologies other than stocker boiler and/or industrial furnaces.

In addition, MEF Regulation No. 6 of 2021 on Storage of Hazardous and Toxic Substances provides, among others, that an entity that collects used oil, which is considered as hazardous substances, must obtain certain licenses, ensure that there are relevant facilities for storage of the used oil, and further comply with certain specifications, as well as submit quarterly periodic reports on these activities.

Usage of explosives

Explosives usage in Indonesia for mining purposes is regulated by Mining License Regulation and Regulation of Head of National Police No. 17 of 2017 on Licensing, Supervision, Control and Safety of Commercial Explosive Materials ("Regulation 17/2017"). Based on Regulation 17/2017, an "end-user" is defined as a legal entity performing a government project and/or a private entity that is directly responsible as the user of an explosive material. Regulation 17/2017 requires end-users who are engaging in the mineral, coal and geothermal sectors to have:

- an IUP, CoW, CCoW, concession, or other license;
- a head of mining technician and explosive expert that holds a Blasting Permit Card issued by the Director General of Mineral and Coal or the head of the provincial mining office, as applicable; or
- A local mineral business license for an entity that engages in the industrial mineral sector or C class material in accordance with the prevailing laws and regulations.

Regulation 17/2017 also provides that end-users may be granted certain explosive-related licenses including a storage license, ownership, possession, and storage license, purchasing and utilization license, transfer of use license, residual use license, transport of explosives license and annihilation license.

Other regulations related to mining operations

Other relevant regulations applicable to mining operations include regulations regarding the use of groundwater and technical guidelines to control air pollution from immovable sources.

Companies that propose to explore, drill and acquire groundwater for their operations are required to comply with the provisions of the Decree of the Minister of Mining and Energy No. 1451K/10/MEM/2000 regarding Technical Guidelines on the Groundwater Management, which includes, among other things, requirements to obtain licenses to explore, drill and acquire groundwater and the licenses to acquire and the embankment of spring water. Failure to comply can lead to suspension or revocation of relevant licenses or permits.

Our operations are also subject to Government regulations concerning the following:

- power generation for internal use;
- radio concessions for telecommunications for internal use;
- storage and usage of explosive materials; and
- groundwater intake for household use.

Government Regulation No. 61 of 2009 dated October 20, 2009 on Ports as lastly amended by Government Regulation No. 31 of 2021 dated February 2, 2021 ("Regulation No. 61 of 2009 (as amended)") generally reformulates the structure of port management in Indonesia and introduces new terms, including, among other things, a "dedicated terminal" (*terminal untuk kepentingan sendiri*), which is further regulated under Regulation of the Ministry of Transportation No. PM 52 of 2021 on Special Terminal and Dedicated Terminal ("Regulation PM 52").

Regulation PM 52 stipulates that in order to operate a special terminal to support applicable business activities, a legal entity needs to obtain the following licenses from the OSS system (i) standard certificate for construction of special terminal; and (ii) standard certificate for operation of special terminal. The standard certificate for construction of special terminal is valid for five years and may be extended for an additional period of up to two years. The standard certificate for operation of special terminal is valid for five years and may be extended.

Regulation of the Construction Services Industry

The construction services industry is regulated under Law No. 2 of 2017 on Construction Services as amended by the Job Creation Law ("Law 2") and Government Regulation No. 22 of 2020 on the Implementing Regulation of Law 2 as amended by Government Regulation No. 14 of 2021 ("GR on the Implementing Regulation of Law 2").

Based on Law 2, the scope of construction services includes construction consultancy service construction works, and integrated construction works, all of which may be provided by (i) an individual after obtaining a business registration certificate or (ii) a legal entity after obtaining a construction service business license. Law 2 also stipulates that a company, which is a service user, is prohibited from engaging (i) its affiliated company to provide construction services for public purposes and (ii) a construction company for constructing a project that is funded by a state budget, without going through a tender, selection or electronic catalogue process.

The service user and the construction company that won the tender must enter into a construction work contract. Law 2 requires that the construction work contract be signed by the winner of the tender contract must contain, among others provisions on (i) the description of the parties; (ii) the scope of work; (iii) the period during which the work must be completed; (iv) rights and obligations of the parties; (v) usage of expert contractors; (vi) methods of payment; (vii) breach of contract; (viii) dispute settlement; (ix) termination of contract; (x) force majeure; (xi) construction failure; (xii) employee protection; (xiii) third-party protection; (xiv) environmental aspects; (xv) guarantee over third-party liability; and (xvi) choice of construction dispute resolution.

Pursuant to GR on the Implementing Regulation of Law 2, the type of construction services contract is determined based on the compensation system utilized under the contract. The permitted types of compensation systems include (i) the construction administration system (delivery system), (ii) the payment system and (iii) the work results calculation system.

Oil and gas related services

Oil and gas related services are governed under SKKMigas Decree No. KEP0042/SKKIA0000/2023/S9 of 2023 ("Decree 42"), which contains the Book of Guidelines on Supply Chain Management. SKK Migas is essentially the regulator which oversees and manages all oil and gas upstream operations, including the procurement of related services.

As set out under Book 2 — Revision 5 Chapter I point 5, of the Book of Guidelines on Supply Chain Management as attached in Decree 42 (Book 2 of Decree 42) oil and gas related services include the supply of goods, contractor services, other services and consultancy services.

In addition, pursuant to MEMR Regulation No. 14 of 2018 regarding Supporting Businesses in the Oil and Gas Sector, for the development and improvement of the competency of oil and gas supporting business, the relevant directorate general shall issue an oil and gas Supporting Business Capacity Certificate (*Surat Kemampuan Usaha Penunjang*) to companies or individuals operating in the oil and gas support sector. An oil and gas SKUP is a certificate granted to such companies or individuals after an assessment is done on such entity's business and financial status, production capacity and management system, marketing network aspect and after-sales services.

Specifically for oil and gas companies, service users for any construction or engineering services shall select the service providers through a tender process. The guidelines for oil and gas company construction or engineering services tender procedure are regulated under Decree 42. The guidelines include detailed procedures that are applicable for each type of tender process (i.e. public/limited tender, direct election/appointment). SKK Migas' guidelines remain in full force and effect. However, new legislation may amend these procedures.

Regulation of the Indonesian Electricity Industry

The Indonesian electricity industry is regulated under Law No. 30 of 2009 as amended by the Job Creation Law (the "Electricity Law") and its implementing regulations, among others, Government Regulation No.14 of

2012 as amended by Government Regulation No. 23 of 2014 on Electricity Supply Business Activities ("Government Regulation on the Electricity Supply Business Activities"). On February 2, 2021, as an implementing regulation of the Job Creation Law, the Government also enacted Government Regulation No. 25 of 2021 on Implementation of Energy and Mineral Resources Field.

The Electricity Law defines "electric power" as anything that relates to the supply and utilization of electric power and an electric power support business. In accordance with the principle of regional autonomy, the electric power business is controlled by the Government and regional government and carried out by state-owned companies and regional government-owned companies. In addition, private enterprises, cooperatives, and self-supporting public institutions may also participate in the electric power business.

Under the Electricity Law, the Government has the authority to determine the General National Power Plan ("RUKN"), which is prepared based on the national policy on energy following due consultation with the House of Representatives. RUKN is a plan to develop an electric power supply system for Indonesia and relates to electric power plants and the transmission and distribution of electric power which is required for fulfilling Indonesia's electric power needs. For 2019 to 2038, RUKN is contained in the Ministerial Decree No. 143K/20/MEM/2019.

Pursuant to the Electricity Law, the electric power business is divided into (i) the electric power supply businesses; and (ii) the electric power supporting businesses.

Electric power supply businesses and licenses

Under the Electricity Law, the electric power supply business is further divided into types of businesses relating to (i) the electric power supply for public use; and (ii) the electric power supply for private use.

Under Government Regulation on the Electricity Supply Business Activities and MEMR Regulation No. 11 of 2021 on Implementation of the Electricity Business ("MEMR Regulation No. 11 of 2021"), the business of electric power supply service consists of (i) electric power generation; (ii) electric power transmission, (iii) electric power distribution; and/or (iv) the sale of electric power. The electric power supply business for public use may be carried out by state-owned companies, regional government-owned companies, private companies, cooperatives, or self-supporting public institutions after obtaining an electric power supply business license (*Izin Usaha Penyediaan Tenaga Listrik* or "IUPTL for Supply"). The IUPTL for Supply is valid for a maximum of 30 years and extendable upon its expiry.

The electric power supply business for private use consists of (i) electric power generation; (ii) electric power generation and electric power distribution; or (iii) electric power generation, electric power transmission, and electric power distribution. The electric power supply business for private use may be carried out by the government institution, regional government, state-owned enterprises, regional government-owned enterprises, private enterprises, cooperatives, individual, and other business entities after obtaining an operation license (*Izin Operasi* or "IO"). The IO is valid for a maximum of 10 years and also extendable upon its expiry.

Electric power supporting businesses and its licenses

Under the Electricity Law, Government Regulation on the Electricity Supply Business Activities and MEMR Regulation No. 11 of 2021, the electric power supporting businesses consist of (i) the electric power supporting service; and (ii) the electric power supporting industry.

The electric power support service business consists of (i) consultation in the field of electrical supply installation, (ii) construction and assembly of electrical supply installation, (iii) inspection and testing of electrical installations, (iv) operation of electrical installation, (v) maintenance of electrical installation, (vi) research and development, (vii) education and training, (viii) laboratories for testing equipment and utilization of electricity, (ix) certification of equipment and user of electricity, (x) competency certification of the technical electricity workers, or (xi) other activities that are directly connected with electricity supply. The electric power support service business may be carried out by state-owned companies, regional government-owned companies, private companies, or certified cooperatives after obtaining an electric power supporting

business license (*Izin Usaha Penunjang Tenaga Listrik* or "IUPTL for Support"). The IUPTL for Support is valid for a maximum of five years and extendable upon its expiry.

The electric power supporting industry consists of (i) the power electricity equipment industry business, and (ii) the power electricity utilization industry business. The electric power supporting industry may be carried out by state-owned companies, regional government-owned companies, private companies, or cooperatives after obtaining the IUPTL for Support. The IUPTL for Support is valid for a maximum of five years and extendable upon its expiry.

Electricity purchase and related tender

The purchase of electricity is regulated under GR on the Electricity Supply Business Activities and MEMR Regulation No. 10 of 2022 on Procedures for Applications for Approval of Sales Price for Electrical Power and Leasing of Electrical Power Networks and Procedures for Applications for the Stipulation of Electrical Power Tariffs, and, particularly in relation to the purchase of electricity from coal-fired and coal mine-mouth power plants, is further governed by MEMR Regulation No. 19 of 2017. These regulations stipulate that any purchase of electricity and/or a network lease must be conducted under the Electricity Supply Business Plan ("RUPTL"). The RUPTL must be approved by the MEMR.

The purchase of electricity is conducted through public tender, except in cases where direct appointments (*penunjukan langsung*) and direct elections (*pemilihan langsung*) can be made. A direct appointment (*penunjukan langsung*) can be made if (i) the purchase of electricity is from renewable energy sources, marginal gas, coal mine mouth power plant, or other localized energy sources; (ii) the purchase is of excess electricity; (iii) the purchase is being made in the event of an electricity supply crisis, in which case it can be purchased from the local electricity system; and/or (iv) for the purpose of increasing electricity capacity in the same area as existing operations. A direct election (*pemilihan langsung*) can be made if the purchase of electricity is for a non-fuel power plant or to increase electricity capacity in the same areas as existing operations.

Use of land

The Electricity Law gives greater protection to land owners. Under the Electricity Law, the use of land by a holder of an electric power supply business license shall include an indemnity for any damages to the land or compensation to the holder of the land and any buildings thereon. Under the GR on the Electricity Supply Business Activities, compensation will be given for land directly and indirectly used by the holder of an electric power supply business license.

Electricity sales price

Under the Electricity Law and MEMR Regulation No. 10 of 2022 on Procedures for Applications for Approval of Sales Price for Electrical Power, the electric power sale price and electric power network rent are determined based on a fair business principle and must be approved by the government or regional government in accordance with their authorizations. Furthermore, electric power rates for consumers is determined by the MEMR and further approved by the House of Representatives of Indonesia, while regional governments will determine electric power rates for the consumer with the approval from regional House of Representatives based on guidelines determined by the Government. The electric power rates for non-subsidized consumers (which have been approved by the House of Representatives of Indonesia) are subject to monthly adjustments, which will be based on a change of one or more factors and may affect the cost of electricity. These factors include (a) the exchange rate of US$ to Rp., (b) the Indonesian Crude Price and/or (c) inflation. In addition, the holder of an electric power supply business license is prohibited from setting the electric power rates without prior approval from the Government or regional government.

Other Laws Applicable to the Indonesian Energy Sector

Foreign investment limitations

On April 26, 2007, the Indonesian Government issued Law No. 25 of 2007 regarding Capital Investments (the "Investment Law"), as amended by the Job Creation Law, which principally regulates direct investments in

Indonesia, in the form of foreign capital investments (*Penanaman Modal Asing* or "PMA") and domestic capital investment (*Penanaman Modal Dalam Negeri* or "PMDN"). In Indonesia, a foreign investor must undertake its investment through a foreign investment limited liability company ("PMA company").

The Investment Law provides that all types of businesses are open for investment, except for certain sectors which are fully closed to investment and for certain sectors which can only be carried out by the central Indonesian Government. Currently, the business activities prioritized for local investors and small and medium enterprises, or micro/small/medium enterprises are listed in Presidential Regulation No. 10 of 2021 on Investment Business Sectors, which was amended by Presidential Regulation No. 49 of 2021 ("Regulation 10/2021"). The types of business which are open for investment are partly or conditionally open based on a system of permitted ownership limits, reserved sectors and licensing requirements. Significantly, Regulation 10/2021 provides that any sector not stated to be closed or partly closed will be fully open for investment without restriction. The list of business sectors on the Regulation 10/2021 is based on the comprehensive classification of sectors set out in the Central Statistics Bureau (*Badan Pusat Statistik*) Regulation No. 2 of 2020 regarding Indonesian Business Sector Classification (*Klasifikasi Baku Lapangan Usaha Indonesia*), drawn up by the Central Statistics Bureau.

To encourage capital investment, the Indonesian Government provides several incentives to PMA and/or PMDN companies such as relief or reduction of tax and customs and convenience in obtaining immigration and import services and/or permits. Another important feature of the Investment Law is the Indonesian Government's guarantee that it will not nationalize a PMA company, except where declared by law. In the event that the Indonesian Government nationalizes any PMA company, it must pay compensation as determined by the market price of the investment. This guarantee is accompanied by an assurance that the foreign investor will have the right to transfer and repatriate in foreign currency, profit, bank interest, dividends and other means of income.

Further, Investment Coordinating Board (*Badan Koordinasi Penanaman Modal*) Regulation No. 4 of 2021 on Guidelines and Procedure of Services for Risk-Based Business Licensing and Capital Investment Facilities provides that change of the company's data, including its status from PMDN to PMA or vice versa, is subject to post-reporting obligation through the OSS system for further validation. Based on this regulation, if a company converts its status from PMDN to PMA, each of its subsidiaries must also convert its status within a year since the parent company effectively converted its status.

Corporate social and environmental responsibility

In respect of limited liability companies, Law No. 40 of 2007 on Limited Liability Company as amended by the Job Creation Law (the "Company Law") sets out an additional obligation imposed on companies operating in the natural resources industry, including coal mining companies. Such companies have corporate, social and environmental responsibility obligations. The purpose of this obligation is to create a sustainable relationship with the environment and to enhance the norms, values and culture of the local community. Such obligation is required to be budgeted and calculated as an expense of the company and it must be implemented in reasonable measures. Any non-compliance will be sanctioned in accordance with applicable laws. The Mining Law (as amended) also requires IUP or IUPK holders to organize community development programs, the specific details of which will be stipulated in a Government regulation that has not yet been issued.

On April 4, 2012, the government issued Government Regulation No. 47 of 2012 on Corporate Social and Environmental Responsibility ("Regulation No. 47 of 2012") to implement Article 74(4) of the Company Law which imposes a mandatory corporate social and environmental responsibilities ("CSR") on companies engaging in business activities in the field of and/or related to natural resources. Generally, Regulation No. 47 of 2012 declares that any company has social and environmental responsibilities.

Regulation No. 47 of 2012 stipulates that the Board of Directors of a company is responsible to implement the CSR in accordance with the annual working plan of the relevant company. The annual working plan shall include the business plan and budget to implement the CSR.

The Mining Law (as amended) and MEMR Regulation 26/2018 also require the holders of an IUP or an IUPK to organize community development programs. The guidelines to organize community development

programs is regulated in the Decree of MEMR No. 1824K/30/MEM/2018 on the Guidelines on Implementation of Community Development and Empowerment program.

2007 Energy Law

On August 10, 2007, the Government adopted Law Number 30 of 2007 (the "2007 Energy Law"). The 2007 Energy Law is intended to be the "umbrella law" that provides guidance for the implementation of other relevant laws and regulations within the energy sector in Indonesia.

The 2007 Energy Law stipulates that business entities conducting activities in the energy sector are obligated to, among other things, (i) empower the local community; (ii) preserve and maintain environmental conservation; (iii) facilitate research and energy development activities; (iv) facilitate education and training in the field of energy; and (v) participate in the conservation of national energy. The Government and/or the regional governments will implement disincentives on users of energy and energy resources who do not comply with these conservation goals.

According to the 2007 Energy Law, the President is mandated to establish a National Energy Board (*Dewan Energi Nasional*, the "DEN"). The objectives of the DEN are: (i) to formulate the national energy policy to be implemented by the Government with the approval of the DPR; (ii) to determine the national energy general plan; (iii) to determine preventive measures for energy crisis and emergency situations; and (iv) to supervise the implementation of trans-sectoral energy policies.

Port business entities

Port business entity license

Under the Law No. 17 of 2008 on Shipping as last amended by the Job Creation Law (the "Shipping Law"), any state-owned port company or private port company that intends to be a port operator (a "Port Business Entity") is required to apply for a Port Business Entity License (*Izin Badan Usaha Pelabuhan*) from the following institutions, as applicable:

- The Ministry of Transportation, if the Port Business Entity operates at a port that falls under the category of "main ports," which are ports that serve domestic and international sea transport activities, transfer of domestic and international sea transport freights of large quantities and provide inter-provincial service as the origin/destination of passengers and/or goods as well as ferries, or "collecting ports," which are ports that serve domestic sea transport activities, transfer of domestic sea transport freights of medium quantities and provide inter-provincial service as the origin/destination of passengers and/or goods as well as ferries;
- The governor of the respective region, if the Port Business Entity operates at a port that falls under the category of "regional feeder ports," which are ports that serve domestic sea transport activities, transfer of domestic sea transport freights and provide inter-provincial service as the origin/destination of passengers and/or goods as well as ferries; and
- The respective regent or mayor, if the Port Business Entity operates at a port that falls under the category of "local feeder ports," which are ports that only provide services to support sea transportation within one city or regency.

A Port Business Entity may be assigned to operate one or several terminals within a port area with the following scope of business: (i) to provide terminal services for vessel berthing or anchorage; (ii) to provide fuel and fresh water supply; (iii) to provide embarkation and disembarkation facilities for passengers and/ or vehicles; (iv) to provide terminal services related to loading and unloading of goods and containers; (v) to provide warehouse and hoarding places for goods, loading and unloading equipment, as well as port equipment; (vi) to provide loading container, liquid bulk, dry bulk and roll-on/roll-off terminals; (vii) to provide stevedoring services; (viii) to provide good distribution and consolidation centers; and/or (ix) to provide towing services for ships.

In operating a port, a Port Business Entity liaises and cooperates with the local port authority (the "Port Authority"). The cooperation must be made in the form of a concession that is implemented under an agreement.

Port concessions

A port concession is a right granted by the local Port Authority or Port Administration Unit to a Port Business Entity, in order to operate a port or to provide certain port services within a certain period of time and in return for a certain compensation depending on the provision of the concession agreement ("Port Concession").

In June 2021, the Ministry of Transportation issued a regulation that specifically regulates the port concession mechanism namely Minister of Transportation Regulation No. PM 48 of 2021 on Concessions and Other Forms of Cooperation between the Government and Port Business Entities in the Business Line of Ports ("MoT Regulation No. 48/2021"). Under the MoT Regulation No. 48/2021, the cooperation between the Government and Port Business Entities may be conducted through (i) a direct appointment mechanism; (ii) tender; or (iii) other forms of cooperation which may consist of Utilization Cooperation, Leasing, Management Contract and Operating Cooperation. The concession right must be granted through a tender mechanism as governed by Presidential Regulation No. 38 of 2015 on Public Private Partnership for Infrastructure Procurement.

A Port Business Entity together with the Port Authority shall prepare and discuss the draft of concession agreement which must, at the minimum, provide details of the parties, scope of work, duration of the concession agreement, concession fee, collateral for performance, starting tariff rate and tariff adjustment mechanism, rights and obligation of the parties including risk allocation and mitigation, working standard and complaint handling procedures, supervision mechanism on service performance, utilization and ownership of assets, representations and warranties, procedures for handling public complaints, share transfers, sanction for defaulting parties, dispute resolution, termination clause, governing law as Indonesian law, port facilities transfer or assignment to the Port Authority upon the expiration of concession, force majeure clause and amendment clause.

Cooperation agreement

Upon the expiration of the concession agreement, all of the port facilities constructed during the period of concession must be assigned or returned to the Port Authority. The Port Authority will appoint a Port Business Entity through a tender process to manage the port facilities under a cooperation agreement. This may result in the appointment of the Port Business Entity that previously held the port concession which would authorize such Port Business Entity to continue operating the port under a cooperation agreement.

Port Master Plan approval

Before allowing a Port Business Entity to commence construction of a port, a Port Authority is required to obtain approval for a Port Master Plan. The Port Master Plan must include the detailed plan on land and waters area allocation which shall consist of an allocation plan for main and supporting facilities. The said Port Master Plan must be in line with the National Port Master Plan (*Rencana Induk Pelabuhan Nasional*), which must be used as guidance in determining the location of the port, and in the establishment, management, development and preparation of the Port Master Plan. Such Port Master Plan shall be determined by the Minister for Transportation for main ports and collecting ports, the relevant governor for regional feeder ports and the relevant regent/mayor for local feeder ports.

Following the issuance of the Port Master Plan, the Port Authority will then be required to apply for Port Location Permit with the Ministry of Transportation. Upon such application, the Ministry of Transportation will issue a decree determining the location of the port. This decision will contain, among other information, the location of the port, the name of the port and the name of the administrative area where the port is located.

Port construction permit

In order to construct a new port, the Port Authority is required to obtain a construction permit from the Ministry of Transportation for main ports and collecting ports, the relevant governor for regional feeder ports and

the relevant regent/mayor for local feeder ports. The construction of ports may be conducted only by either the Port Authority or a Port Business Entity based on a concession agreement or any other forms of management that may be determined by the Port Authority for a commercial port and by the Port Administrator Unit for a non-commercial port based on their sole discretion. The construction of facilities on the sea sides of the port can also be performed after a Public Port Construction Permit is issued.

The application for a construction permit is initiated by the Port Authority and includes the Port Master Plan, feasibility documents, technical design documents and environmental documents. The applicable regulation does not define the terms "feasibility documents," "technical design documents" or "environmental documents." It is expected that this terminology will be explained in future implementing regulations. After the Port Master Plan is approved, the relevant government agency must issue a building construction approval (*Persetujuan Bangunan Gedung* or "PBG") before the construction of port facilities can commence.

Operational license

To conduct the business, a Port Business Entity shall obtain its business license issued by (i) Chairman of the Ministry of Investment having authority over the main port and feeder port, (ii) Governor for Port Business Entity having authority over the regional collecting port; and (iii) Regent/Mayor for Port Business Entity having authority over the local feeder port.

Other local governmental licenses

Government Regulation No. 20 of 2010 on Water Transportation (as amended) requires any party providing port-related services to obtain specific business licenses such as for stevedoring. These business licenses are issued by the regional government where such specific port service activities are conducted.

Use and operation of ports, jetties or terminals for internal use

An Indonesian entity must obtain an approval of Spatial Utilization Suitability for onshore installations and Marine Spatial Utilization Suitability (*Kesesuaiaan Kegiatan Pemanfaatan Ruang Laut* — KKPRL) for offshore installations, in addition to the relevant business licenses, with respect to any ports, jetty or terminal for internal use, as stipulated by the following regulation:

- Ministry of Agrarian Affairs and Spatial Planning No. 13 of 2021 on Implementation of Spatial Utilization Suitability and Synchronization of Spatial Utilization Programs;
- Ministry of Marine and Fishery No. 28 of 2021 on Organization of Marine Spatial Planning;
- Ministry of Transportation Regulation No. 52 of 2021 on Special Terminal and Terminal for Internal Use; and
- Ministry of Transportation Regulation No. 50 of 2021 on Organization of Sea Port.

For jetty or terminal for internal use, in order to operate a jetty or terminal for internal use to support its business activities, an Indonesian entity is required to obtain a jetty construction license and a terminal operating license, issued by the Ministry of Transportation. Once the terminal construction license has been obtained, the license holder has one year in which to commence the construction of the terminal, and the construction must be completed within three years of the date of issuance of the license. The terminal operating license is valid for five years and may be extended.

Regulation of the EV Sector

On August 12, 2019, the Presidential Regulation No. 55 of 2019 on Acceleration of the Battery Electric Vehicle Program for Road Transportation, as amended by Presidential Regulation No. 79 of 2023 ("Presidential Regulation No. 55 of 2019"), was enacted to provide certain fiscal and non-fiscal incentives for companies engaging in the EV industry in Indonesia. The incentives include among others, luxury goods sales tax incentives, central and regional tax exemption or reduction incentives, import duty incentives for importing materials, and Government support for infrastructure development financing for EV charging stations.

Under Presidential Regulation No. 55 of 2019, the manufacturing of EV vehicles must prioritize the use of domestic component levels, which is the measure of domestic content in goods, services or a combination of both ("TKDN Requirement"). The TKDN Requirement levels are as follows:

Years	Minimum TKDN Requirement for two or three wheeled EV
2019 – 2026	40.0%
2027 – 2029	60.0%
2030 onwards	80.0%

Years	Minimum TKDN Requirement for four or more wheeled EV
2019 – 2021	35.0%
2022 – 2026	40.0%
2027 – 2029	60.0%
2030 onwards	80.0%

EV manufacturers who are unable to fulfill the TDKN Requirements above may still manufacture and distribute EV components in Indonesia, but will not receive the incentives granted under Presidential Regulation No. 55 of 2019.

Under MEMR Regulation No. 1 of 2023 on the Provision of Electrical Charging Infrastructure for Battery-Powered Electric Motorized Vehicles ("MEMR Regulation No. 1 of 2023"), EV charging and EV battery swapping activities are mainly supervised and regulated by the Directorate General of Electricity of the MEMR. EV charging services must be delivered through general EV charging stations that are public facilities. EV battery swapping services to exchange a discharged battery with a fully charged battery must be conducted through general EV battery exchange stations that are public facilities. Under MEMR Regulation No. 1 of 2023, commercial activities of electric charging of EVs can be carried out by: (i) state-owned enterprises; (ii) regionally owned enterprises; (iii) private business entities in the form of Indonesian legal entities; (iv) cooperatives; and (v) non-governmental organizations.

Job Creation Law

On November 2, 2020, the Government enacted Law No. 11 of 2020 on Job Creation (the "Old Job Creation Law"). The Old Job Creation Law aimed to attract investments, create jobs and stimulate the economy by, among others, simplifying the licensing process, harmonizing various laws and regulations, and easing the process of making policy decisions for the central Government of Indonesia.

The Old Job Creation Law amended more than 75 laws of Indonesia. In February 2021, more than 50 implementation regulations of the Old Job Creation Law were issued. Some notable changes introduced by the Old Job Creation Law include:

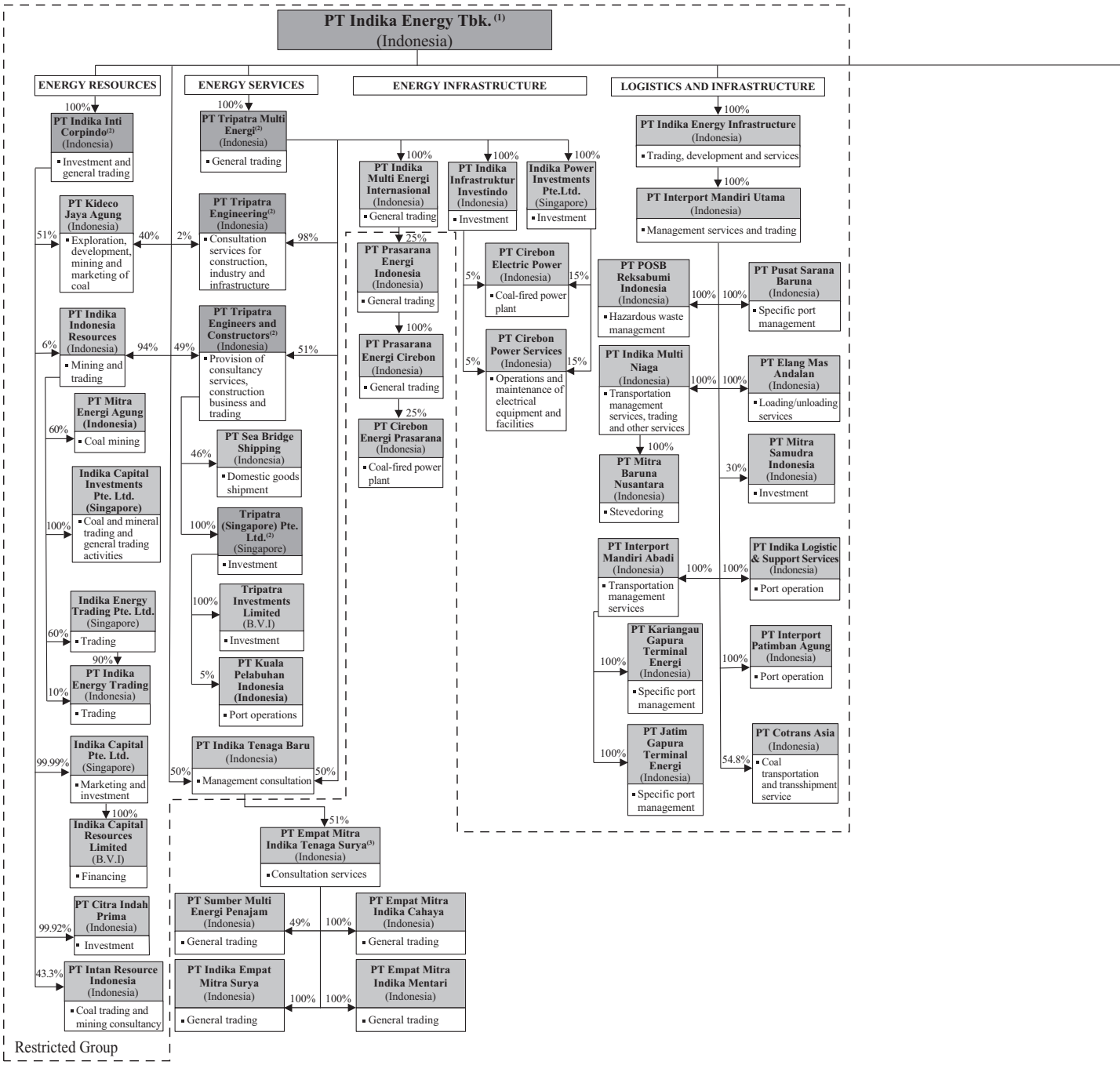
- confirmation that business licenses will be generally issued by the central Government of Indonesia and if the power to issue business licenses is given to a local government, such issuance shall be subject to the procedures and criteria determined by the central Government of Indonesia;
- key amendments to the Labor Law and Law No. 40 of 2004 on the National Social Security System, particularly on definite periods of employment, outsourcing, overtime, minimum wage, termination of employment and manpower social security; and
- amendments to several tax provisions such as tax exemptions for dividends obtained by individual resident taxpayers that are re-invested in Indonesia, lowering the withholding tax rate on interest paid to non-resident individuals and non-resident corporate entities ("Non-Resident Taxpayers") and lowering the administrative penalty imposed for administrative errors by taxpayers.

On November 25, 2021, the Indonesian Constitutional Court issued Decision 91, declaring that the Old Job Creation Law was conditionally unconstitutional. The decision required the Government to amend the Old Job Creation Law within two years. If it failed to do so, the Old Job Creation Law would have been permanently

deemed unconstitutional and would no longer be binding. The Job Creation Law, which revoked and replaced the Old Job Creation Law, has now been promulgated into law under Law No. 6 of 2023 on the Stipulation of the Government Regulation in Lieu of Law No. 2 of 2022 on Job Creation into Law. The substance of the Job Creation Law is largely similar with the Old Job Creation Law save for certain changes including, among other things: (i) that outsourcing of employees must be agreed in writing and the Government may regulate further the terms and conditions and types of jobs that may be outsourced, and (ii) changes in the terminology referring to disabled employees.

CORPORATE STRUCTURE

The following diagram sets forth, in simplified form, our corporate structure.

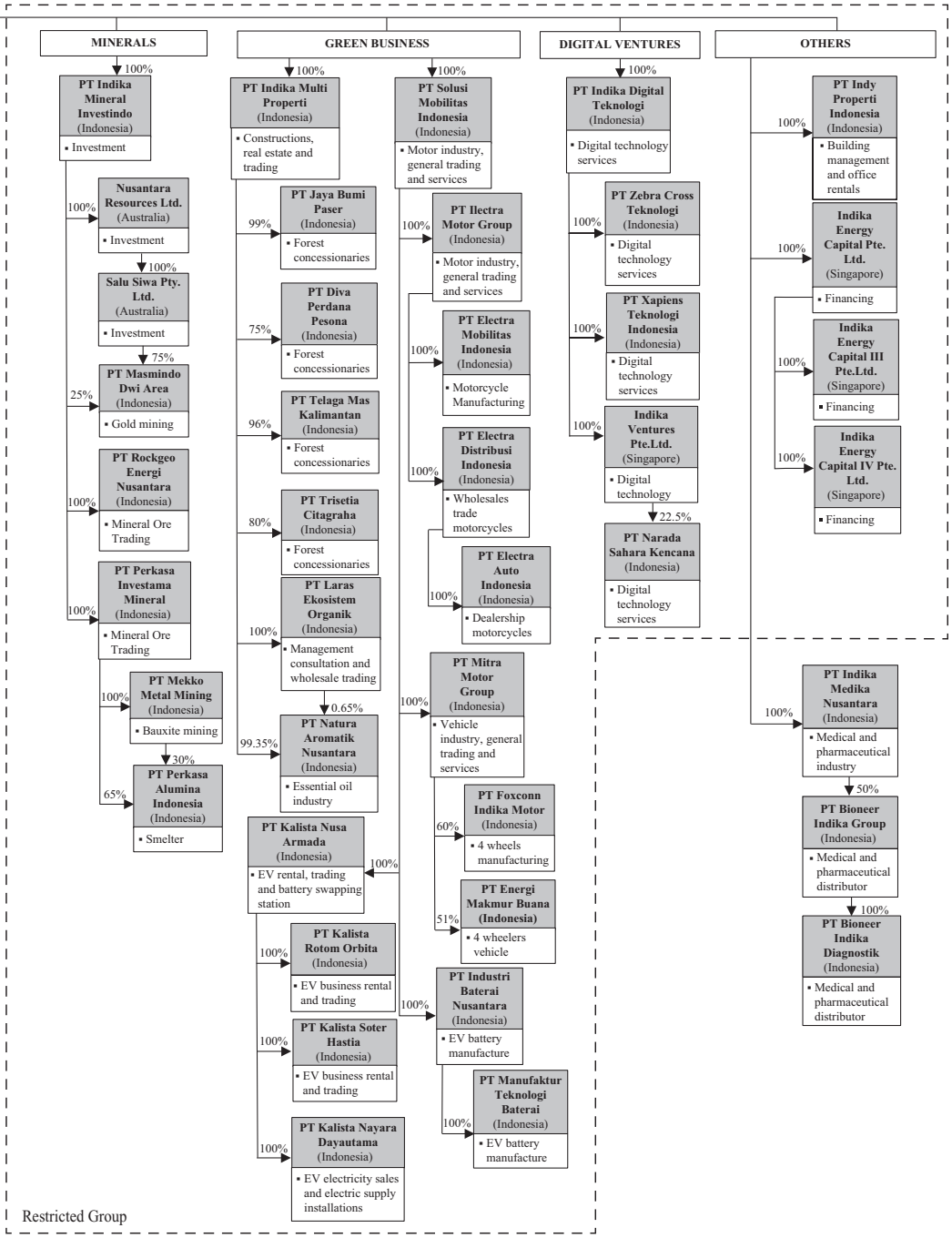


Notes:

(1) The Issuer.

(2) The Subsidiary Guarantors.

(3) We established EMITS as part of our expansion into the renewable energy sector under our green business segment. EMITS is a joint venture between our subsidiary, ITB, and FPES, a subsidiary of 4PEL, a leading solar energy company in India. ITB and FPES hold 51.0% and 49.0% of the equity interests in EMITS, respectively. Although ITB holds 51.0% equity interest in EMITS, we do not control EMITS and therefore account for EMITS as an investment in a joint venture. For further details, see Note 15 to our Consolidated Financial Statements.


MINERALS
GREEN BUSINESS
DIGITAL VENTURES
OTHERS
PT Indika Mineral Investindo (Indonesia)
▪ Investment
Nusantara Resources Ltd. (Australia)
▪ Investment
Salu Siwa Pty. Ltd. (Australia)
▪ Investment
PT Masmindo Dwi Area (Indonesia)
▪ Gold mining
PT Rockgeo Energi Nusantara (Indonesia)
▪ Mineral Ore Trading
PT Perkasa Investama Mineral (Indonesia)
▪ Mineral Ore Trading
PT Mekko Metal Mining (Indonesia)
▪ Bauxite mining
PT Perkasa Alumina Indonesia (Indonesia)
▪ Smelter
PT Indika Multi Properti (Indonesia)
▪ Constructions, real estate and trading
PT Jaya Bumi Paser (Indonesia)
▪ Forest concessionaries
PT Diva Perdana Pesona (Indonesia)
▪ Forest concessionaries
PT Telaga Mas Kalimantan (Indonesia)
▪ Forest concessionaries
PT Trisetia Citagraha (Indonesia)
▪ Forest concessionaries
PT Laras Ekosistem Organik (Indonesia)
▪ Management consultation and wholesale trading
PT Natura Aromatik Nusantara (Indonesia)
▪ Essential oil industry
PT Kalista Nusa Armada (Indonesia)
▪ EV rental, trading and battery swapping station
PT Kalista Rotom Orbita (Indonesia)
▪ EV business rental and trading
PT Kalista Soter Hastia (Indonesia)
▪ EV business rental and trading
PT Kalista Nayara Dayautama (Indonesia)
▪ EV electricity sales and electric supply installations
PT Solusi Mobilitas Indonesia (Indonesia)
▪ Motor industry, general trading and services
PT Ilectra Motor Group (Indonesia)
▪ Motor industry, general trading and services
PT Electra Mobilitas Indonesia (Indonesia)
▪ Motorcycle Manufacturing
PT Electra Distribusi Indonesia (Indonesia)
▪ Wholesales trade motorcycles
PT Electra Auto Indonesia (Indonesia)
▪ Dealership motorcycles
PT Mitra Motor Group (Indonesia)
▪ Vehicle industry, general trading and services
PT Foxconn Indika Motor (Indonesia)
▪ 4 wheels manufacturing
PT Energi Makmur Buana (Indonesia)
▪ 4 wheelers vehicle
PT Industri Baterai Nusantara (Indonesia)
▪ EV battery manufacture
PT Manufaktur Teknologi Baterai (Indonesia)
▪ EV battery manufacture
PT Indika Digital Teknologi (Indonesia)
▪ Digital technology services
PT Zebra Cross Teknologi (Indonesia)
▪ Digital technology services
PT Xapiens Teknologi Indonesia (Indonesia)
▪ Digital technology services
Indika Ventures Pte.Ltd. (Singapore)
▪ Digital technology
PT Narada Sahara Kencana (Indonesia)
▪ Digital technology services
PT Indy Properti Indonesia (Indonesia)
▪ Building management and office rentals
Indika Energy Capital Pte. Ltd. (Singapore)
▪ Financing
Indika Energy Capital III Pte.Ltd. (Singapore)
▪ Financing
Indika Energy Capital IV Pte. Ltd. (Singapore)
▪ Financing
PT Indika Medika Nusantara (Indonesia)
▪ Medical and pharmaceutical industry
PT Bioneer Indika Group (Indonesia)
▪ Medical and pharmaceutical distributor
PT Bioneer Indika Diagnostik (Indonesia)
▪ Medical and pharmaceutical distributor
Restricted Group

BUSINESS

Overview

We are a leading diversified Indonesian company with a portfolio of businesses spanning the energy value chain and a variety of other sectors, with a strong focus and commitment to long-term sustainability across our investments and operations. We believe our portfolio, combined with our local knowledge and strong industry reputation, enables us to provide complementary products and services across the Indonesian energy sector to both domestic and international customers, thereby positioning us to capture domestic economic growth and global economic recovery opportunities.

Our business operations are divided into eight segments, namely (i) energy resources, (ii) energy services, (iii) energy infrastructure, (iv) logistics and infrastructure, (v) minerals, (vi) green business, (vii) digital ventures, and (viii) others. For the years ended December 31, 2021, 2022 and 2023, our total revenue (after eliminating for inter-segment sales within our Group) was US$3,069.2 million, US$4,334.9 million and US$3,026.8 million, respectively, our gross profit was US$918.1 million, US$1,450.8 million and US$552.0 million, respectively, and our Adjusted EBITDA was US$691.6 million, US$1,299.2 million and US$395.1 million, respectively.

- ***Energy resources.*** Our energy resources business segment is focused on the exploration, production and sale of coal, which we primarily carry out through Kideco. We also engage in commodity trading through IIR's subsidiaries, ICI and IETPL. For the years ended December 31, 2021, 2022 and 2023, revenue from our energy resources business was US$2,688.3 million, US$3,784.5 million and US$2,662.2 million, respectively, representing 87.6%, 87.3% and 88.0%, respectively, of our total revenue (after eliminating for inter-segment sales within our Group). For the years ended December 31, 2022 and 2023, inter-segment sales within our Group involving our energy resources segment amounted to US$77.0 million and US$0.5 million, respectively. For the year ended December 31, 2021, we did not have any inter-segment sales within our Group involving our energy resources segment.

  - *Coal mining*. Through Kideco's IUPK, which spans a total concession area of approximately 33,887 hectares, we own and operate the Kideco Mines located in East Kalimantan. As of December 31, 2023, Kideco had total coal reserves and resources of approximately 468.2 million tonnes and 1,449.0 million tonnes, respectively. We also previously engaged in the exploration, production and sale of coal through our former subsidiary, MUTU. As of December 31, 2023, MUTU had total coal reserves and resources of approximately 26.5 million tonnes and 69.0 million tonnes, respectively. However, in February 2024, we completed the sale of our entire 100.0% equity interest in MUTU, see "Summary — Recent Developments — Sale of MUTU." We also hold an IUP through MEA, which spans a total concession area of approximately 3,650 hectares, where we do not currently have active operations, and we are in the process of divesting our entire 60.0% equity interest in MEA, see "Summary — Recent Developments — Proposed Sale of MEA." At our Kideco Mines, we produce a range of sub-bituminous coal which benefits from some of the lowest levels of ash, sulfur and other trace materials of any coal traded in the global markets. Our customers for our sub-bituminous coal, which produces relatively low levels of nitrogen during combustion and makes it attractive for use in coal-fired power plants, primarily comprise power plant operators. We supply our coal products to a geographically diverse customer base in Indonesia and globally and, during the year ended December 31, 2023, we supplied coal to over 50 customers located in more than 10 countries. For the years ended December 31, 2021, 2022 and 2023, we produced 37.4 million tonnes, 36.6 million tonnes and 31.6 million tonnes of coal, respectively, and sold 37.4 million tonnes, 36.4 million tonnes and 32.3 million tonnes of coal, respectively. For all such years, Kideco contributed to approximately 95.0% of our total coal production volumes and total coal sales volumes.

  - *Commodity trading*. We source and supply a variety of local and seaborne coal products to industries such as power generation and manufacturing. Our coal trading activities benefit from our existing network and experience in the coal mining and services industries. By leveraging

access to our own coal as well as coal from other leading coal producers that we support through our energy services and infrastructure businesses, we are able to reliably supply coal with consistent quality to our coal trading customers. For the years ended December 31, 2021, 2022 and 2023, we traded 5.8 million tonnes, 7.0 million tonnes and 3.2 million tonnes of coal, respectively. Further, in January 2023, we began trading palm kernel shells, a byproduct of palm oil production, which is used as a fuel in biomass power plants. For the year ended December 31, 2023, we traded 26.9 kilo tonnes of palm kernel shells.

- ***Energy services.*** Our energy services business segment is focused on providing EPC, O&M and related services for the Indonesian oil and gas sector, which we provide through Tripatra. We have played a significant role in many of the largest, most complex and innovative energy projects in Indonesia for both well-known international and domestic customers across various industries, including oil and gas, petrochemical and power generation, such as BP, Chevron, ConocoPhillips, Eni, ExxonMobil and Pertamina. We estimate that the total backlog from our EPC, O&M and related services projects in continuing operations as of December 31, 2023 was approximately US$212.8 million. For the years ended December 31, 2021, 2022 and 2023, revenue from our energy services business was US$224.5 million, US$284.1 million and US$220.6 million, respectively, representing 7.3%, 6.6% and 7.3%, respectively, of our total revenue (after eliminating for inter-segment sales within our Group). For the same years, inter-segment sales within our Group involving our energy services segment amounted to US$7.1 million, US$22.5 million and US$2.3 million, respectively.

- ***Energy infrastructure.*** Our energy infrastructure business segment is focused on power generation. As of December 31, 2023, we held a 20.0% indirect equity interest in CEP, which operates the CEP Power Plant, a single-unit 660 MW coal-fired power plant in Cirebon, West Java, as well as a 6.25% economic interest in CEPR, which operates the CEPR Power Plant, a single-unit 1,000 MW power plant in Cirebon. Both the CEP Power Plant and the CEPR Power Plant are partially fueled by sub-bituminous coal from our Kideco Mines. PLN, Indonesia's state-owned electricity generation and distribution company, is the offtaker of the electricity generated by the CEP Power Plant and the CEPR Power Plant. For the years ended December 31, 2021, 2022 and 2023, equity in net profit of associates attributable to our energy infrastructure business was US$20.4 million, US$23.0 million and US$17.6 million, respectively.

- ***Logistics and infrastructure.*** Our logistics and infrastructure business segment offers port operator and multi-purpose terminal services, as well as an assortment of other logistics services, which we primarily carry out through Interport and its subsidiaries. For the years ended December 31, 2021, 2022 and 2023, revenue from our logistics and infrastructure business was US$27.5 million, US$33.7 million and US$38.9 million, respectively, representing 0.9%, 0.8% and 1.3%, respectively, of our total revenue for such years (after eliminating for inter-segment sales within our Group). For the same years, inter-segment sales within our Group involving our logistics and infrastructure segment amounted to US$37.3 million, US$1.0 million and US$75.7 million, respectively.

    - *Port operator and multi-purpose terminal services.* We hold a license as a Port Business Entity through Interport's subsidiary, ILSS, which enables us to provide comprehensive port operator and related services at all major and intermediary ports in Indonesia, including stevedoring, warehousing, pilotage, bunkering and other ancillary services. ILSS also owns and operates the Kariangau Interport Terminal, a strategically located multi-user, multi-functional and integrated deepwater logistics base. In addition, we provide port management services through Interport's subsidiary, PSB, including stevedoring, storage and transportation services. Further, through Interport's subsidiary, KGTE, we operate a fuel storage terminal that has a total storage capacity of 96 million liters, as of December 31, 2023, which is exclusively utilized by ExxonMobil. As of December 31, 2023, we also held a 29.0% indirect equity interest in PPI, an associate company, which operates the Patimban Port in Subang, West Java.

- *Other logistics services.* In addition to port management services, PSB also provides fuel inventory management and transportation services to ExxonMobil. Further, through Interport's subsidiary, Cotrans, we provide coal transportation and transshipment services. As of December 31, 2023, we also held a 46.0% indirect equity interest in SBS, an associate company, which provides coal shipping services, including tugboat, barge and gear and gearless floating crane services and transshipment services.

- ***Minerals.*** Our minerals business segment engages in the nickel trading, bauxite mining and gold mining businesses, which we carry out through various subsidiaries. We began construction activities at the Awak Mas Gold Project in November 2023, and expect first gold production in 2026. For the years ended December 31, 2021, 2022 and 2023, revenue from our minerals business was US$1.0 million, US$8.5 million and US$6.1 million, respectively, representing less than 0.5% of our total revenue for such years (after eliminating for inter-segment sales within our Group). For the same years, we did not have any inter-segment sales within our Group involving our minerals business segment.

- ***Green business***. Our green business segment engages in the assembly, manufacturing and distribution of EVs and EV components, the generation and sale of renewable energy, including solar power, and the provision of nature-based solutions, including through biomass wood pellet production, carbon offsetting, agroforestry and natural aroma chemicals production, which we carry out through various subsidiaries and joint ventures. We began generating revenues from this business segment in 2022, and for the years ended December 31, 2022 and 2023, revenue from our green business was US$9.8 million and US$11.1 million, respectively, representing less than 0.5% of our total revenue for such years (after eliminating for inter-segment sales within our Group). For the same years, inter-segment sales within our Group involving our green business segment amounted to US$3.4 million and US$1.9 million, respectively.

- ***Digital ventures***. Our digital ventures business segment is focused on providing digital technology services, which we carry out through Xapiens and ZebraX. We offer a wide range of digital solutions and services including cybersecurity, cloud services, digital applications, system integration and industry-specific solutions that utilize technologies such as the IoT, AI and analytics. Our customers for our digital ventures business include companies in the mining, construction, EV, public sector, property management and consumer goods industries. For the years ended December 31, 2021, 2022 and 2023, revenue from our digital ventures business was US$7.4 million, US$6.8 million and US$8.4 million, respectively, representing less than 0.5% of our total revenue for such years (after eliminating for inter-segment sales within our Group). For the same years, inter-segment sales within our Group involving our digital ventures business segment amounted to US$7.5 million, US$8.6 million and US$8.5 million, respectively.

- ***Others***. We also engage in steel trading through our subsidiary, ICPL, and office rentals through our subsidiary, IPY. In addition, we are in the process of developing our healthcare business through our subsidiary, IMAN. In January 2023, IMAN established BIG as a joint venture with Bioneer Corporation. Through BIG's wholly-owned subsidiary, BID, we plan to engage in the distribution of medical equipment in Indonesia. For the years ended December 31, 2021, 2022 and 2023, revenue from our others business segment was US$120.4 million, US$207.5 million and US$79.6 million, respectively, representing 3.9%, 4.8% and 2.6%, respectively, of our total revenue for such years (after eliminating for inter-segment sales within our Group). For the same years, inter-segment sales within our Group involving our others business segment amounted to US$3.6 million, US$2.5 million and US$2.7 million, respectively.

Our Competitive Strengths

Our competitive strengths include:

Leading provider of energy, logistics and infrastructure services

We offer engineering and construction, logistics and other energy-related services across the energy value chain.

- *Provider of multi-disciplinary engineering solutions.* We provide EPC, O&M and related services in Indonesia, and generate strong cash flows from long-term operating agreements with an average contract length of two years. We have built one of the longest service histories among EPC and O&M companies in Indonesia with over 40 years of industry experience and have long-term relationships with our customers. For example, since 1990, we have been performing O&M services for Chevron and have provided EPC services to ExxonMobil, Eni, BP and Hess in connection with several major projects in Indonesia. We believe our extensive experience provides us with unique knowledge of the Indonesian energy market and has facilitated the development of multi-disciplinary engineering capabilities, technical qualifications and technological capabilities.
- *Provider of logistics and infrastructure services*. We provide logistics and infrastructure services that span the energy sector spectrum effectively and efficiently. We own and operate ports, terminals and barges that transport raw materials to end users. Our facilities and infrastructure, coupled with our expertise and experience, enable us to provide integrated logistics solutions to support electricity generation in Indonesia. Since 2016, we have been providing coal handling management services for a power plant operated by Cilin, a company primarily engaged in electricity generation and distribution in Indonesia. We also operate a fuel storage terminal, for which we have entered into a 20-year agreement with ExxonMobil for its exclusive use of the entire storage capacity of the terminal. We believe that our reputation for reliable and efficient services has enabled us to establish strong long-term relationships with key customers, providing us stable and consistent cash flows from our logistics and infrastructure services.

Well-established mining operations through Kideco

We have been engaged in the exploration, production and sale of coal since 2004. According to Wood Mackenzie, our coal products are expected to remain competitive and in significant demand in the seaborne thermal coal market.

- *Contracted supply with a high-quality, long-term and diversified customer base.* We believe we have earned a reputation as one of the most reliable coal suppliers in Indonesia primarily as a result of our strong track record in meeting our coal delivery obligations to our customers. We benefit from long-standing relationships with high-quality customers, including reputable power companies across Southeast Asia and in China. We limit our exposure to short-term coal price volatility by entering into commitments for more than 85.0% of our projected annual coal production volume for each following year. We also benefit from a geographically diverse customer base, and served over 50 customers located in more than 10 countries during the year ended December 31, 2023. See "— Energy Resources Business — Customers."
- *Well-developed mining infrastructure.* Our coal mining subsidiaries own and operate their key operational infrastructure, including coal crushing plants, haul roads and processing and loading terminals. Our established coal mining infrastructure provides us with operational and financial flexibility, efficiency, reliability and control, allowing for incremental expansion of coal production with relatively low capital expenditures. Our high-quality and dedicated sealed hauling road enables us to deliver an uninterrupted supply of coal to our customers throughout the year. The proximity of our mining infrastructure to our mines also minimizes ground transportation, haulage and barging costs. In addition, our significant stockpiling capacity of over 1.5 million tonnes facilitates regular shipments of

coal even during the rainy season when coal extraction levels may significantly decline. See "— Energy Resources Business — Mine operations and logistics."

- *Selected mining services contractors*. We strategically use a select group of mining services providers for a substantial portion of our mining, transportation and barging operations under multi-year contracts. We believe that our use of professional mining services providers has allowed us to manage our capital expenditures and working capital requirements, and to focus on exploration, mine planning, supervision and sales and marketing. See "— Energy Resources Business — Mining services providers."

Well placed to benefit from diversified revenue streams and robust market outlook

We believe we are well-positioned to participate in the expected growth in demand for energy resources and energy-related services from the Asia-Pacific region and domestically in Indonesia. We produce a range of sub-bituminous coal containing what we believe to be some of the lowest levels of ash, sulfur and other trace materials of any coal traded in the global markets, which we believe makes us competitively positioned as compared to other leading Indonesian and global coal brands. According to Wood Mackenzie, demand for sub-bituminous quality coal, such as the coal we produce at our Kideco Mines, will continue to be high from the Asia-Pacific region, namely India, China and Southeast Asian nations. Our coal production capacity and current production volumes are expected to remain relatively stable for the next few years.

In addition, fuel consumption in Indonesia has also experienced robust growth in recent years, and we expect to benefit from consistent demand for EPC, O&M and related services from operators in the oil and gas sector. The Government has been actively taking measures to increase oil production, including by setting a production target of over one million barrels of petroleum per day by 2030. To reach this target, Indonesia will need to establish new oil and gas fields, which we believe will lead to significant project opportunities for us. In addition to such upstream opportunities, we believe we are also well-placed to benefit from the growth in the downstream oil and gas sector, as there are several new upcoming petrochemical projects in Indonesia.

In recent years, our commercial strategy has been focused on the diversification of our business through the expansion of our non-coal related businesses, see "— Our Strategies — Continue to diversify cash flows and increase revenue contribution from non-coal related businesses." In this regard, we have established new business segments, namely our (i) minerals business, where we engage in the nickel trading, bauxite mining and gold mining businesses, (ii) green business, where we engage in the assembly, manufacturing and distribution of EVs and EV components, the generation and sale of renewable energy, including solar power, and the provision of nature-based solutions, including through biomass wood pellet production, carbon offsetting, agroforestry and natural aroma chemicals production, and (iii) digital ventures business, where we focus on providing digital technology services. We expect to benefit from our expansion into these sectors, which we believe will continue to experience strong market growth and demand domestically in Indonesia. We also plan to continue to actively explore investment opportunities in other non-coal mining sectors and develop other non-coal businesses. We believe that our revenue diversification initiatives have helped and will continue to support our growth as well as resilience against sector-specific market risks.

Strong reputation and network providing access to partnerships and projects

We have a long and established presence in Indonesia, where we have built a strong brand and reputation that, together with our strong network and connections to a variety of stakeholders and potential partners, we believe will continue to provide us with opportunities to grow and diversify our business.

We believe we have positioned ourselves as one of the preferred partners for foreign companies looking to enter the Indonesian markets due to our track record of successful partnerships, commitment to protecting the interest of such companies, and our strong execution capabilities stemming from our deep understanding of local markets across Indonesia. We generally collaborate with foreign partners that offer significant expertise or technology in a particular sector, but require help with navigating the local regulatory framework and understanding the local culture and market. As the local partner, we add value by, among other things, assisting

in efficiently obtaining necessary licenses and other approvals, working constructively with the Government and regional governments, attracting and sourcing the required skilled labor and local vendors, seeking funding from local financial institutions, and engaging with local communities. This business model has enabled us to successfully enter new markets.

For example, in line with our sustainability initiatives, we have recently made several investments to grow our presence in environmentally friendly industries, including renewable energy and EVs. In 2021, we established EMITS as a joint venture with FPES, a subsidiary of 4PEL, a leading solar energy company in India. We plan to develop EMITS into a one-stop-shop provider of renewable energy solutions for Indonesia's commercial and industrial sectors. Further, in 2022, we established (i) FIM, a joint venture with Foxteq Singapore Pte Ltd, to manufacture electric buses and electric batteries, and (ii) IMG, which is backed by venture capital investors, including Alpha JWC Ventures, Horizons Ventures and others, to develop our two-wheel EV manufacturing and distribution businesses, and in 2023, we established BIG as a joint venture with Bioneer Corporation, and through BIG's wholly-owned subsidiary, BID, we plan to engage in the distribution of medical equipment in Indonesia.

We are able to, and continue to, leverage our track record of operational excellence and credibility in the Indonesian energy markets to engage with relevant Government authorities and other Indonesian companies, through which we can gain early insight on new sector and project opportunities. For example, we are part of a consortium of Indonesian companies appointed by the Ministry of Transportation of Indonesia in December 2020 to develop and operate the Patimban Port in Subang, West Java under a Public-Private Partnership scheme. We believe that our strong commitment and track record in ESG have also contributed to our reputation as a competitive and attractive business partner. Among other large Indonesian companies with significant coal operations, we were one of the first to announce our dedication to environmental sustainability with clear targets to significantly diversify our business operations into non-coal markets and to eventually achieve net-zero emissions. See also "— Our Strategies — Continue to diversify cash flows and increase revenue contribution from non-coal related businesses" and "— Our Strategies — Maintain strong focus and commitment to good environmental, social and corporate governance practices in all aspects of our operations and management."

Management excellence with a proven track record for operating and growing the business

We have an experienced management team with extensive expertise in the domestic energy, mining, logistics and infrastructure and clean energy sectors, as well as in finance and business management. We believe our management team has enabled us to manage our operations efficiently and maintain profitability through challenging price environments, as well as greatly contributed to performance improvements following acquisitions and integration of new assets and businesses. We believe our management team's consistent efforts to integrate our investments and cross-sell complementary services internally has been instrumental to our ability to harness synergies and enjoy greater cost efficiency. We also believe that our management team has significantly contributed to the strategic expansion of our energy businesses into non-coal markets and the diversification of our Group into non-coal related businesses.

In addition, our management team actively monitors, evaluates and refines our Group's corporate governance practices. Stemming from our high standards in corporate governance, we were granted the Strongest Adherence to Corporate Governance award in 2021 and the Best Senior Management Investor Relations award in 2022 by Alpha Southeast Asia, a leading institutional investment publisher.

Our Strategies

The main elements of our business strategy include the following:

Continue to diversify cash flows and increase revenue contribution from non-coal related businesses

We intend to pursue both organic and inorganic growth strategies to diversify and develop new sources of cash flows through the expansion of our non-coal related businesses. We believe that the addition of non-coal related businesses will significantly help us manage and mitigate industry pressures and risks relating to our coal-related business segments, and allow us to achieve our environmental sustainability targets. In 2020, we set a

target to increase the contribution of revenue from our non-coal related businesses to approximately 50.0% of our total revenue by 2025. While FOB Indonesia EcoCoal 4,200 kcal/kg coal prices increased from an average of US$33/tonne in 2020 to an average of US$64/tonne in 2023, we continue to make progress relative to our previous non-coal related revenue targets based on 2020 average coal prices.

We plan to continue our efforts to increase the contribution of revenue from our non-coal related businesses, with a target of 50.0% contribution to total revenue by 2028, primarily through:

- *Divesting from our coal-related businesses.* We plan to continue to evaluate and pursue strategic divestments of our coal-related businesses and assets to raise funds for exploring opportunities in, and further developing, other non-coal related businesses. In recent years, we have divested our shareholdings in Petrosea and MBSS, subsidiaries through which we previously provided contract mining services and coal transportation services, as well as our shareholding in MUTU, one of our former coal mining subsidiaries. We are also exploring plans to divest our existing investments in coal-fired power plants, in line with our commitment to supporting the Government's plans to retire coal-fired power plants throughout Indonesia as part of its participation in the ETM. ETM is a program initiated by the Asian Development Bank, a collaborative initiative developed in partnership with member countries that seeks to leverage a market-based approach to accelerate the transition from fossil fuels to clean energy. In addition to such divestments, we also seek to deploy the cash flows generated from our coal mining business towards further investments in clean energy.
- *Developing assets in non-coal mineral sectors.* We believe that our wide range of energy-related capabilities can be flexibly adapted and deployed in other non-coal mineral sectors, and that increasing our exposure to several commodities will also allow us to mitigate the risk of cash flows volatility from any single commodity market. In recent years, we have acquired companies engaged in nickel trading, bauxite mining and gold mining, which make up our new minerals business segment. We began construction activities at the Awak Mas Gold Project in November 2023, and expect first gold production in 2026. Further, in January 2023, we diversified our trading activities, where our coal trading subsidiaries commenced trading palm kernel shells, a biomass fuel. We plan to leverage our experience and expertise in the coal industry to successfully develop our businesses in these new mineral sectors, and to also continue evaluating opportunities to enter other non-coal mineral sectors in Indonesia.
- *Developing other non-coal businesses*. We intend to reduce our reliance on the coal industry by continuing to develop our other businesses, with a focus on entering businesses in counter-cyclical or defensive industries that provide recurring cash flows. In particular, we have been focused on developing our green business segment, where we engage in EV manufacturing, renewable energy solutions including solar power projects, and nature-based solutions including biomass wood pellet production, carbon offsetting and agroforestry. We are focused on growing and establishing the market presence of our new businesses in these sectors, while also actively exploring potential investments in related clean energy products and services. We have also been exploring opportunities in the healthcare sector, and plan to develop our subsidiaries, BID and BIG, into companies engaged in the manufacturing and distribution of medical diagnostic and laboratory equipment. Further, in our digital ventures business, we have transformed our digital technology subsidiaries, Xapiens and ZebraX, into service providers that offer a range of technology solutions and services to companies across various industries. We are committed to continuously enhancing our technology capabilities and to establishing new partnerships with leading technology providers to further expand our digital ventures business. We also plan to continue to expand our logistics and infrastructure business through the acquisition and operation of additional logistics infrastructure, such as ports and terminals.

For further details on the divestments of our coal-related businesses and investments in our non-coal related businesses in recent years, see "Summary — Summary of Our ESG Track Record and Initiatives."

Maintain strong focus and commitment to good environmental, social and corporate governance practices in all aspects of our operations and management

We are committed to adopting responsible and sustainable business practices and have implemented a wide range of ESG policies and initiatives. Since 2020, we have been executing our business plan to reduce the carbon footprint of our operations and diversify our asset base away from fossil fuels. As part of this business plan, which is reviewed and re-approved by our Board of Directors and Board of Commissioners every year, we established our goal of becoming a net-zero emissions company by 2050. We also set several mid-term ESG targets that we aimed to achieve by 2025, which included reducing our Scope 1 greenhouse gas emissions intensity by 10.0% and expanding our land reclamation area by 20.0% (in each case, between 2020 and 2025), as well as other mid-term targets for ESG metrics relating to waste management, water management, energy management, renewable energy, health and safety and gender equality (diversity and inclusion). We also set a target to achieve zero work-related fatalities across all our operations. In 2023, we reassessed our ESG targets based on our progress so far, and have revised certain key targets to be more ambitious. For further details on our ESG track record and initiatives, see "Summary — Summary of Our ESG Track Record and Initiatives" and "— Environmental, Social and Corporate Governance."

We aim to consolidate our existing and planned ESG-related initiatives into a comprehensive Transition Plan that will continue to guide our diversification-based strategy and our commitment to help create a sustainable future for Indonesia. We plan to include established baselines and targets for key metrics underpinning our ESG goals under this Transition Plan, including our goals to increase the contribution of revenue from our non-coal related businesses and to achieve net zero emissions by 2050. We also envisage this Transition Plan to include a reporting framework to track our progress in achieving such targets. Our aim is to have the Transition Plan approved by our Board of Directors and Board of Commissioners, and be operational by the end of 2025.

We believe that the Transition Plan will continue to reinforce our commitment to operate all aspects of our business in line with our dedication to contribute to the sustainable improvement of our environment, our workforce and the welfare of our communities. We aim to continuously lower our carbon footprint through optimization of carbon emission reductions in our coal-related business including by reducing fuel consumption and replacing our mining equipment with low carbon machinery. We will also continue to seek opportunities to enter non-coal sectors and expand our presence in markets that have a positive impact on the environment and contribute to carbon offsetting. Further, we are involved in various corporate social responsibility programs, with a focus on supporting long-term economic growth and improving the quality of life in the regions where we operate and will continue to act as a leader in social responsibility through education, health, safety and community empowerment initiatives. We aim to give back to the communities in which we operate by allocating 1.0% of our annual EBIT towards community development initiatives.

In 2022, we established a Sustainability Committee at our Company, see "Management — Sustainability Committee," and plan to establish sustainability committees at each of our key operating subsidiaries by 2025. Our Sustainability Committee is responsible for overseeing ESG-related policies and strategies on all material topics, defining sustainability goals and targets, periodically reviewing our performance, and providing recommendations to continuously improve the operationalization of ESG-linked roadmaps. We set ESG-linked KPIs annually at our Group level during our planning cycles, and updates on ESG-linked KPIs are reported to our CEO on a quarterly basis. Further, the performance of our Board of Directors is linked to our ESG progress, and is evaluated with reference to achievements made toward our stated ESG targets, such as for reduction in emissions intensity and zero work-related fatalities, among other metrics. We have set a target to have 30.0% (by weight) of Board and senior management KPIs tied to ESG metrics by 2025. We intend to continue to maintain a robust corporate governance framework and ensure compliance with all prevailing laws and regulations.

We measure our sustainability performance with the same stringency as our financial performance as we believe we have a responsibility to deliver meaningful and measurable value to our stakeholders. The progress we have made in our sustainability journey is reflected in our ESG ratings, where we have been rated "BBB" by MSCI ESG Ratings and "34.9 (High Risk)" by Sustainalytics, which places us in the 5th best ranking among

global companies in the coal sector. We have also been given "C" scores for both climate change and water security by the Carbon Disclosure Project.

Continue to exercise prudent financial management with a focus on maintaining healthy operating cash flows

We intend to continue to prioritize financial management and focus on maintaining healthy operating cash flows to allow us to continue financing our diversification and expansion plans and achieve long-term sustainable growth. We plan to actively engage in prudent balance sheet and capital structure management by, among other things, using internally-generated cash ahead of external financing and maintaining a target total debt to EBITDA ratio. We intend to continue our disciplined approach to acquisitions and only invest in projects, including diversification initiatives, that meet or exceed our hurdle rate. We expect that our ongoing focus to delever and control costs and capital expenditure may allow us to take advantage of very selective future potential acquisition and development opportunities. We also expect that we will be able to make use of operational efficiencies from completed acquisitions, such as integration and synergies of newly acquired assets through shared services.

We also plan to continue to adopt a proactive approach in preserving financial flexibility by ensuring that we have sufficient cash flows from operations and diversifying our access to available capital sources. As of December 31, 2023, we had cash and cash equivalents and other financial assets (current and non-current) amounting to US$696.3 million. We also benefit from support from credible financial institutions such as BNI, Bank Mandiri, Citibank, DBS, KB Bukopin and UOB, which has increased our ability to respond quickly and competitively to business opportunities and fund growth and expansion. In addition, we maintain a conservative dividend policy, and generally consider our future operations and earnings, development plans, and capital requirements, before making any dividend payments. We generally distribute dividends amounting to less than 50.0% of our annual distributable profits.

Continue to extract operational efficiencies and harness synergies

We believe our position as a low cost coal producer in Indonesia, as well as our consistent focus on cost controls across our Group, makes us well-positioned to succeed even in a low coal price market environment. Significant early investments in mining and supporting infrastructure together with steady and controlled coal production growth, technically advanced logistics management systems and extensive operating and planning experience have resulted in reduced operating costs and higher operational efficiency. We plan to maintain coal production through accessing existing coal reserves and resources, and to continue implementing a broad range of cost-saving initiatives and mine planning designed to maintain steady production with a relatively consistent strip ratio over the life of our mines. In addition, we plan to continue to maintain favorable relationships with our suppliers in order to facilitate our ability to renegotiate the terms of our supply agreements where required to offset the negative economic impacts related to reduced global and regional demand for coal.

Further, we aim to continue to strengthen and enhance synergies across our enlarged portfolio by continuing to leverage our intra-Group cross-selling opportunities. For example, through our logistics and infrastructure subsidiary, Interport, we have developed our first fuel storage terminal, the engineering and construction of which was carried out by Tripatra, our energy services subsidiary. Interport's subsidiary, Cotrans, also provides coal transportation and transshipment services for coal produced at our Kideco Mines. Tripatra is also providing EPC services to Kideco for improvement works at the fuel terminal located at our Tanah Merah Coal Terminal. In addition, our digital technology subsidiary, Xapiens, provides common technology services to our various subsidiaries, including overseeing our data centers, securing corporate data and integrating business solutions, enabling us to leverage information and increase collaboration and efficiency in problem solving across our Group. Xapiens also provides the technology used in the mobile applications for our two-wheel EVs that we manufacture through IMG. Further, we are able to leverage the strong knowledge and experience, including human resources and talent, that we have gained from our coal mining business as we develop our minerals business segment, where we have made investments in the gold and bauxite mining sectors. Additionally, EMITS, our joint venture engaged in the provision of renewable energy solutions, has installed solar PV panels at the operational sites of certain of our key subsidiaries, including Kideco and Interport, as well as at our offices at

the INDY Bintaro Office Park in Banten, Indonesia. We also plan to continue to promote cohesiveness within our Group and discover further methods of integrating our various business segments.

In addition to synergies across our various business segments, we also aim to achieve horizontal integration within specific business segments. For example, within our green business segment, we have holdings in several entities that aim to serve the EV ecosystem in Indonesia through a variety of related products and services, including (i) IMG, which we established in March 2022 as a sub-holding company for our businesses engaged in the assembly, manufacturing and distribution of two-wheel EVs, (ii) MMG, which we established in June 2022 as a sub-holding company for our businesses engaged in the manufacturing and distribution of electric buses, EV charging stations and electric batteries, (iii) KNA, a subsidiary that we established in May 2023 to develop our EV and EV charging unit rentals business, and (iv) IBN, a subsidiary that we established in September 2023 to manufacture electric batteries for two-wheel EV brands. Through these holdings, we are aiming to develop an integrated and comprehensive EV business that will enable us to quickly enhance our position in the EV market and achieve greater economies of scale. We believe that our continued integration of capabilities across our various businesses will further strengthen our ability to control costs and reliably deliver higher quality products and services to our customers, and increase our profitability.

Continue to pursue strategic partnerships and joint ventures

We seek to strategically collaborate with well-established companies, including through joint ventures, to access new markets and opportunities where we have limited expertise. In recent years, we have been growing our renewable energy and EV businesses through partnerships with foreign companies that have significant or meaningful experience in these sectors. We aim to continue to position ourselves as one of the preferred partners for foreign companies looking to enter the Indonesian markets. We believe that our joint ventures have allowed us and our partners to beneficially leverage each other's resources, including in terms of knowledge and capital sharing, thereby achieving synergies in developing new products and services. Strategic alliances have also allowed us to secure customers. For example, we operate a fuel storage terminal for which we have entered into a 20-year agreement with ExxonMobil for its exclusive use of the entire storage capacity of the terminal. We plan to continue to enter into joint ventures and other strategic partnerships to diversify and strengthen our portfolio of businesses.

Energy Resources Business

Within our energy resources business segment, we engage in the exploration, production and sale of coal, primarily through Kideco. We also engage in commodity trading activities through IIR's subsidiaries, ICI and IETPL.

For the years ended December 31, 2021, 2022 and 2023, revenue from our energy resources business was US$2,688.3 million, US$3,784.5 million and US$2,662.2 million, respectively, representing 87.6%, 87.3% and 88.0%, respectively, of our total revenue (after eliminating for inter-segment sales within our Group).

Coal mining concessions

We hold an IUPK through Kideco, which is our core coal mining asset. While we also previously conducted coal mining operations under a CCoW which we held through MUTU, we completed the sale of our entire 100.0% equity interest in MUTU to PT Petrindo Jaya Kreasi Tbk in February 2024, see "Summary — Recent Developments — Sale of MUTU." Further, while we also hold an IUP through MEA, at which we do not currently have active production operations, we are in the process of divesting our entire 60.0% equity interest in MEA, see "Summary — Recent Developments — Proposed Sale of MEA."

As of December 31, 2023, our aggregate coal reserves and resources was 509.7 million tonnes and 1,597.0 million tonnes, respectively, and for the year ended December 31, 2023, our aggregate coal production volume and sales volume was 31.6 million tonnes and 32.3 million tonnes, respectively.

The following table sets forth certain information on our coal mining concessions, as of December 31, 2023.

Concession holder	Indika's ownership interests	Nature of concession	Concession expiry	Concession area	Gross coal reserve	Gross coal resources
				(hectares)	(tonnes in millions)	
Kideco[1]	91.0%	IUPK	March 2033	33,887	468.2	1,449.0
MUTU[2]	100.0%	CCoW	May 2039	24,970	26.5	69.0
MEA[2]	60.0%	IUP	July 2032	3,650	15.0	79.0
Total				**62,507**	**509.7**	**1,597.0**

Notes:

(1) According to the Kideco Resources and Reserves Statement.

(2) According to our management's internal estimates. We have not prepared a JORC-compliant report in relation to the MUTU and MEA concession areas and you should not place undue reliance on our management estimates. See "Risk Factors — Risks Relating to Our Energy Resources Business — Estimates of coal reserves and resources are expressions of judgment based on knowledge, experience and industry practice, and any adjustments to such estimates could adversely affect our development and mining plans."

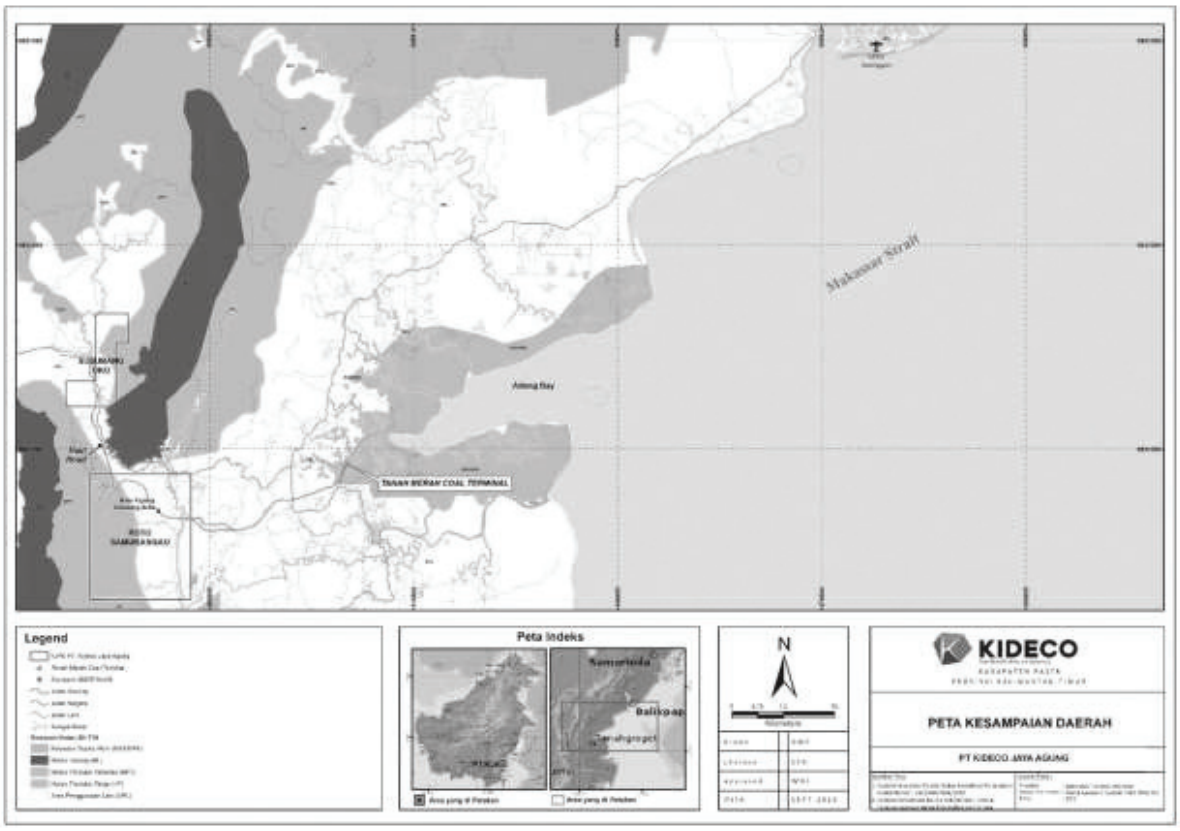
Kideco Mines

The IUPK we hold through Kideco is valid from December 2022 to March 2033 and spans a total concession area of approximately 33,887 hectares in the Paser Regency of East Kalimantan, Indonesia. Our Kideco Mines are located approximately 145 kilometers to the southwest of Balikpapan, East Kalimantan, and is accessible by an approximately hour and a half-flight from Jakarta to Balikpapan, followed by an approximately four-hour journey by car to the mine site.

Our Kideco Mines comprise four deposits, namely (i) the Roto deposit, (ii) the Samurangau deposit, (iii) the Susubang deposit, and (iv) the Suwi deposit, which is a new exploration area. We commenced coal production at our Kideco Mines in 1993 under Kideco's previous CCoW that was valid from March 1993 to March 2023. Our Kideco Mines contain sub-bituminous coal with calorific values, as-received, between 4,200 kcal/kg and 4,900 kcal/kg.

Substantially all our coal is produced at our Kideco Mines. For the years ended December 31, 2021, 2022 and 2023, we produced 35.8 million tonnes, 34.8 million tonnes and 30.1 million tonnes of coal, respectively, at our Kideco Mines, representing 95.7%, 95.1% and 95.3%, respectively, of our total coal production for such years.

The following map sets forth the location of the active deposits within the Kideco coal mining concession area and the mining infrastructure supporting our Kideco Mines.



The following table sets forth certain information on the coal reserves and resources at our Kideco Mines by deposit, as of December 31, 2023.

	Reserves[1]			Resources[1]			
	Proved	Probable	Total	Measured	Indicated	Inferred	Total
	(tonnes in millions)						
Roto	20.4	6.0	**26.4**	146.0	162.0	50.0	358.0
Samurangau	344.5	91.9	**436.4**	592.0	308.0	145.0	**1,045.0**
Susubang	4.7	0.7	**5.4**	26.0	10.0	3.0	**39.0**
Suwi	—	—	**—**	—	4.0	3.0	**7.0**
Total[2]	**369.6**	**98.6**	**468.2**	**764.0**	**484.0**	**201.0**	**1,449.0**

Notes:

(1) According to the Kideco Resources and Reserves Statement.

(2) Total coal reserves and resources estimates are not precise calculations and the totals contained in the above table have been rounded to one decimal place to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.

The following table sets forth a breakdown of our coal production by mine at our Kideco Mines by deposit, for the years indicated.

	For the year ended December 31,					
	2021		2022		2023	
	(tonnes in millions)					
Roto	11.9	33.0%	8.6	24.7%	6.5	21.6%
Samurangau	23.0	64.2%	25.1	72.2%	22.7	75.3%
Susubang	1.0	2.8%	1.1	3.1%	1.0	3.1%
Total	**35.8**	**100.0%**	**34.8**	**100.0%**	**30.1**	**100.0%**

Having multiple active deposits at our Kideco Mines provides us with flexibility in adjusting operations for both cost control and coal product specification purposes. We expect the Samurangau and Roto deposits to continue to represent the majority of our coal production at our Kideco Mines for the remaining term of our IUPK for our Kideco Mines.

The following table sets forth certain production and sales information on the coal produced at our Kideco Mines, for the years indicated.

	For the year ended December 31,		
	2021	2022	2023
Production volume (tonnes in millions)	35.8	34.8	30.1
Sales volume (tonnes in millions)	35.8	34.8	30.5
Coal sales (US$ in millions)	2,196.9	3,008.8	2,223.3
Average selling price per tonne (US$)[1]	61.4	86.5	72.9
Average strip ratio	5.0	5.1	5.6
Cash cost (US$ per tonne)[2]	28.7	34.7	37.6

Notes:

(1) Average selling price is calculated as sales divided by sales volume.

(2) Cash cost is calculated as (a) the sum of mining costs, transportation, freight and handling costs, coal processing and other cash production costs, restoration costs and increases or decreases in coal inventories, divided by (b) coal sales volumes. Cash costs do not include royalties paid to the Government.

MUTU Mines

We also previously engaged in the exploration, production and sale of coal through our former subsidiary, MUTU. However, in February 2024, we completed the sale of our entire 100.0% equity interest in MUTU to PT Petrindo Jaya Kreasi Tbk. See "Summary — Recent Developments — Sale of MUTU."

We conducted our MUTU coal mining operations through MUTU CCoW that is valid from November 1997 to May 2039 and spans a total concession area of approximately 24,970 hectares in Central Kalimantan, Indonesia. The MUTU Mines are located approximately 240 km to the east of Palangka Raya, the capital city of Central Kalimantan.

We produced bituminous thermal coal at the MUTU Mines, which contain high-rank bituminous thermal coal reserves with average calorific values, as-received, of 6,500 kcal/kg. For the years ended December 31, 2021, 2022 and 2023, we produced 1.6 million tonnes, 1.8 million tonnes and 1.5 million tonnes of coal, respectively, at the MUTU Mines, representing 4.3%, 4.9% and 4.7%, respectively, of our total coal production for such years.

Based on our management's internal estimates, total coal reserves and resources at the MUTU Mines was approximately 26.5 million tonnes and 69.0 million tonnes, respectively, as of December 31, 2023. We have not prepared a JORC-compliant report in relation to the MUTU Mines and you should not place undue reliance on our management's internal estimates. See "Risk Factors — Risks Relating to Our Energy Resources Business —

Estimates of coal reserves and resources are expressions of judgment based on knowledge, experience and industry practice, and any adjustments to such estimates could adversely affect our development and mining plans."

The following table sets forth certain production and sales information on the coal we produced at the MUTU Mines, for the years indicated.

	For the year ended December 31,		
	2021	2022	2023
Production volume (tonnes in millions)	1.6	1.8	1.5
Sales volume (tonnes in millions)	1.6	1.7	1.8
Coal sales (US$ in millions)	144.9	323.0	231.2
Average selling price per tonne (US$)[1]	93.0	192.9	129.7
Average strip ratio	14.4	15.3	14.2
Cash cost (US$ per tonne)[2]	57.3	87.9	75.8

Notes:

(1) Average selling price is calculated as sales divided by sales volume.

(2) Cash cost is calculated as (a) the sum of mining costs, transportation, freight and handling costs, coal processing and other cash production costs, restoration costs and increases or decreases in coal inventories, divided by (b) coal sales volumes. Cash costs do not include royalties paid to the Government.

MEA coal mining concession

The IUP we hold through MEA is valid from July 2012 to July 2032 and spans a total concession area of approximately 3,650 hectares in East Kalimantan, Indonesia. We do not have active production operations at the MEA coal mining concession and have suspended exploration activities since 2014. Further, we are in the process of divesting our entire 60.0% equity interest in MEA, see "Summary — Recent Developments — Proposed Sale of MEA."

The MEA coal mining concession is located approximately 390 km to the northeast of Balikpapan, the capital city of East Kalimantan, and is accessible by an approximately two-hour flight from Jakarta to Balikpapan, followed by an approximately eight-hour journey by car to Sangatta, another city in East Kalimantan, and another approximately two-hour journey by car from Sangatta to the concession area.

Based on our management's internal estimates, the MEA concession area had total coal reserves and resources of approximately 15.0 million tonnes and 79.0 million tonnes, respectively, as of December 31, 2023. We have not prepared a JORC-compliant report in relation to the MEA concession area and you should not place undue reliance on our management's internal estimates. See "Risk Factors — Risks Relating to Our Energy Resources Business — Estimates of coal reserves and resources are expressions of judgment based on knowledge, experience and industry practice, and any adjustments to such estimates could adversely affect our development and mining plans."

Mine planning

With information collected through our exploration activities such as the environmental impact studies and mine feasibility studies conducted by our geologists, we prepare mine plans in relation to further exploration and operation of each pit within our mines. We begin with a conceptual life-of-mine plan and determine the optimum production rate to maximize reserves for a particular mine throughout its life. We then begin discussions with our mining services providers to agree on optimal fleet sizes and annual production rates that are necessary to reach our optimum production rate. As ongoing mining operations are conducted, more exploration data is collected and the geological model is revised, allowing us to review and increase the accuracy of our mine plans. In cooperation with our mining services providers, our mine planning committee prepares our mine plans for 12-month periods, which are then reviewed on a monthly basis.

We also account for surface features such as topography, position of rivers and creeks, local villages and associated infrastructure, and plan for rehabilitation of disturbed areas. See "Risk Factors — Risks Relating to Our Energy Resources Business — Our mining operations are subject to environmental laws and regulations which may cause us to incur significant costs or liabilities, or interrupt or cease mining operations." In addition, our mine plans also factor in adverse weather conditions, particularly during the rainy season between November and April, when heavy rainfall can slow down overburden removal and reduce coal production volumes. By using historical rainfall data to statistically predict the wet seasons every year, we are able to adjust our overall mine plan accordingly and mitigate the effects of the rainy season by increasing overburden removal, increasing coal production, and ensuring our stockpiles are adequately filled during the dry season to ensure sufficient supplies of coal are available to satisfy projected customer demand. We have also installed in-pit pumps to reduce the likelihood of weather-related interference with production. We also benefit from the proximity of our key mining infrastructure to our mine sites as the short hauling and barging distances reduce the impact that adverse weather may have on our operations. See "Risk Factors — Risks Common to All Our Businesses — We may experience unexpected disruptions to our operations as a result of operational and infrastructure risks, inclement weather and natural disasters."

Mine operations and logistics

Kideco Mines

Each of our Kideco Mines features coal seams varying in thickness between one and 30 meters. Coal is mined using open-pit mining methods with primary overburden stripping and coal mining being handled by hydraulic excavators and trucks. Because the mines have inclined seam structures, our contractors must generally remove more overburden to extract the same quantity of coal as a mine with a parallel seam structure, thereby resulting in relatively higher extraction costs. However, these higher extraction costs are generally offset by relatively lower costs in other aspects of our operations, including transportation costs. To access the coal seams, land must be cleared. Our contractors transport topsoil directly to reclamation areas or stockpile topsoil until required. Drilling, blasting and dozer ripping are performed to fragment the layer. Waste is then removed using hydraulic shovels and trucks.

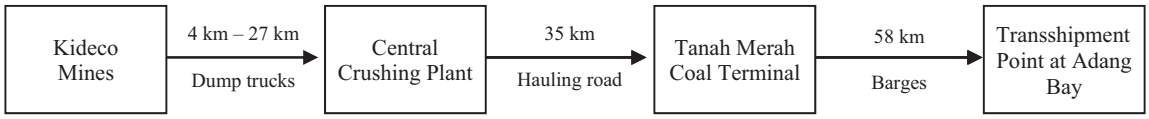
Coal at our Kideco Mines is mined using hydraulic excavators and rear dump trucks, and then transported approximately 13 to 20 kilometers (for the Roto deposits), approximately 25 to 27 kilometers (for the Susubang deposit) and approximately four to 12 kilometers (for the Samurangau deposits) to our Samurangau Central Crushing Plant that supports our Kideco Mines ("Kideco SMCP"). At the Kideco SMCP, coal is sized to under 50 millimeters using primary and secondary crushers, with a total current capacity of 36.0 million tonnes per year.

From the Kideco SMCP, coal haulers transport crushed coal over a sealed, all-weather exclusive hauling road to our Tanah Merah Coal Terminal ("TMCT"). We maintain the hauling road, which is approximately 35 kilometers long with an average width of 18 meters, permitting two-way haulage. Our hauling contractors operate 130 two-trailer coal hauler tractors, with capacities between 104 tonnes and 120 tonnes. As of December 31, 2023, our three primary third-party hauling contractors for the coal from our Kideco Mines were PT Mandiri Herindo Adiperkasa, PT Samindo Utama Kaltim and PT Trasindo Murni Perkasa. The TMCT covers a 53-hectare area and is located adjacent to Adang Bay near the town of Tanah Grogot. The TMCT has storage capacity of approximately 750,000 tonnes, and barge-loading capacity of approximately 10,000 tonnes per hour. For quality control, automatic sampler and magnetic separators have been installed to monitor the TMCT's coal-loading conveyor system. Independent sampling and analysis are conducted at the TMCT by three accredited independent surveyors. The TMCT has six loading conveyors servicing shipping vessels of various sizes.

We provide three delivery alternatives for the coal produced at our Kideco Mines, namely (i) delivery to customer barges at the TMCT, (ii) delivery through the floating loading facility at the transshipment point in Adang Bay and (iii) delivery directly to a geared vessel, being a vessel with attached cranes and loading machinery at the transshipment point. Coal that is not delivered to customers at the TMCT is typically loaded onto barges at the TMCT and towed, by tugboats, 58 kilometers to the transshipment point in Adang Bay.

Barging operations comprise a fleet of 30 tugboats and 30 flat-top barges with capacities between 8,000 DWT and 12,000 DWT. The floating loading facility at the transshipment point features two sets of floating loading facilities and three sets of floating cranes with a designed maximum discharge rate of 0.1 million tonnes per day and annual loading capacity of approximately 33.8 million tonnes.

The following diagram illustrates the process flow of our mining operations at our Kideco Mines.



Under the first generation CCoW that Kideco previously held, all property, plant and equipment purchased by Kideco in connection with the coal mining operations at our Kideco Mines became the property of the Government at the time the asset was imported or when purchased domestically. However, as Kideco retained the exclusive right to use any such assets in its mining operations for the shorter of their useful lives or for the remaining term of the CCoW, these assets were reflected on our balance sheet. Upon the conversion of Kideco's CCoW into an IUPK in December 2022, such Government assets were fully depreciated from our balance sheet, and we are able to continue using such assets at no additional costs. Further, any new property, plant and equipment purchased by Kideco will be assets entirely owned by Kideco. In addition, our contractors retain title to all property, machinery and equipment that they purchase and use to provide services to us. These contractors are also responsible for the maintenance and replacement of any such assets. Our mining, transportation and barging contractors provide some of the equipment to undertake mining operations.

Coal products

Kideco coal products

Our Kideco Mines contain sub-bituminous coal deposits, which feature lower energy levels on combustion and higher levels of moisture as compared to bituminous coal. Our sub-bituminous coal contains some of the lowest levels of ash, sulfur and other trace minerals of any coal traded in the global markets and produces relatively low levels of nitrogen during combustion. Gaseous emissions and particulate airborne emissions from the combustion of the sub-bituminous coal produced at our Kideco Mines are lower than those of most other solid fuels. Sub-bituminous coal is suitable for electricity generation and for use in industrial applications such as the cement and pulp and paper industries. Our sub-bituminous coal is easily stored and handled and does not need to be ground as finely as other types of coal to achieve maximum combustion, and its high surface area and volatility facilitates ignition and stable combustion.

The following table sets forth standard marketing coal specifications for each brand of coal produced at our Kideco Mines, as of December 31, 2023.

	RS Coal	SM Coal	Blended Coal
Calorific value) (kcal/kg)	4,900	4,200	4,500
Total moisture[1]	25.0%	36.0%	31.0%
Ash content[2]	3.2%	3.6%	3.4%
Volatile matter[2]	40.6%	41.4%	41.0%
Fixed carbon[2]	38.7%	37.0%	38.4%
Inherent moisture[2]	17.5%	18.0%	17.2%
Total sulfur[2]	0.1%	0.1%	0.1%
Hardgrove grindability index	49.0	55.0	52.0

Notes:

(1) Measured on an "as-received" basis.

(2) Measured on an "air-dried" basis.

We believe the sub-bituminous coal from our Kideco Mines offer our customers a low-cost fuel alternative compared to other solid fuels. Many coal consumers have been required by local regulations to install flue gas

desulfurization equipment, use selective catalytic reduction systems designed to remove emissions of nitrous oxides from or reduce the sulfur content in the coal used in their coal-burning facilities. Our sub-bituminous coal, with its low sulfur and nitrogen content, enables customers to comply with regulatory standards by burning our coal directly or blending it with other coals, thereby avoiding the significant capital expenditures otherwise required to upgrade existing facilities. In addition, by blending our coal with higher ash-producing coals, ash disposal costs can be reduced. The relatively low ash-levels of our sub-bituminous coal reduces ash build-up in coal-burning boilers, thereby improving thermal efficiency and reducing maintenance costs.

Quality control

We have implemented comprehensive quality assurance and monitoring procedures to ensure that our coal products meet our stringent quality control standards and the expectations and requirements of our customers. The quality control process occurs during all stages of our mining and logistics operations to ensure that the product delivered to our customers satisfies the quality requirements specified in our coal supply agreements. This process primarily starts with the geological modeling and the detailed scheduling included in the various mine plans.

Quality control begins during exploration drilling where coal samples taken from the cores of boreholes are analyzed to assess the quality of such coal. The next phase of quality control is during production coal quality drilling. During this stage, the *in situ* coal quality of a particular coal block or seam is confirmed for consistency. Coal from different blocks or seams and separate pits is then scheduled to be mined in accordance with the detailed mine plan in order to meet marketing requirements. The next phase of quality control is during the stockpiling process conducted at the coal processing facility at each mining area before being distributed to customers or at our coal terminals or before the coal is transported to the transshipment point for onward delivery. The coal is separately stockpiled according to its quality classification and additional testing is conducted on samples from each stockpile to ensure consistency. At the transshipment point, the quality of the coal is again sampled and analyzed before the vessels leave the port and coal quality is certified by several independent surveyors and laboratories.

We comply with domestic Government regulations on quality management and maintain international quality standards required by our international customers. In addition, as part of our quality control policies, we require that all our contractors possess the requisite qualifications for undertaking their respective works in exploration, mining, processing or production. Our quality assurance procedures are subject to periodic internal quality audits by a team of trained internal quality auditors. Surveillance and recertification audits are carried out periodically by external accredited auditors to ensure we comply with the certified standards.

As of December 31, 2023, we had received the following quality assurance certifications and awards in respect of our energy resources business:

No.	Certification/award	Awarding body/ authority	Validity period of certification/award	Process awarded
1.	ISO 9001:2015 (Quality Management System)	British Standard Institution ("BSI") by Royal Charter	Until November 17, 2026	Kideco — The provision of coal mining operation including workshop, warehouse, utilities and port facilities
2.	ISO 14001:2015 (Environmental Management System)	BSI by Royal Charter	Until November 17, 2026	Kideco — The provision of coal mining operation including workshop, warehouse, utilities and port facilities
3.	PAS 99:2012 (Integrated Management Registration)	BSI by Royal Charter	Until January 31, 2026	Kideco — The provision of coal mining operation including workshop, warehouse, utilities and port facilities
4.	ISO 50001:2018 (Energy Management System)	BSI by Royal Charter	Until February 23, 2025	Kideco — The provision of coal mining operation including workshop, warehouse, utilities and port facilities
5.	ISO 45001:2018 (Occupational Health & Safety Management System)	BSI by Royal Charter	Until November 17, 2026	Kideco — The provision of coal mining operation including workshop, warehouse, utilities and port facilities
6.	SMK3 (Occupational Health & Safety Management)	Minister of Employment of Indonesia	Until January 31, 2026	Kideco — Occupational health & safety management system
7.	ISPS Code (International Ship and Port Security Code)	Minister of Transportation of Indonesia	Until November 1, 2025	Kideco — The provision of shipping and marine management system

See also "— Environmental, Social and Corporate Governance."

Reclamation

Reclamation is part of the ongoing mining activities and we carry out the reclamation process on the previous digging area while mining in other areas. See "Regulatory Overview — Regulation of the Indonesian Mining Industry — Reclamation and post-mining activities."

We undertake rehabilitation activities on a continuous basis, as and when certain parts of our concessions reach the end of their useful life. Out-of-pit waste including overburden dumps are planned, with the waste being deposited in mounds. The final dump forms are contoured, top-soiled and planted with various fast-growing local plants and trees. In addition, we attempt to keep disturbed areas to a minimum and have pollution control facilities such as a gas cleaning system, closed circuit water circulation for our inland mining, and waste water treatment plants in order to mitigate the environmental impact from our operations. Water run-off from disturbed areas is closely monitored and treated in settlement ponds before being used to develop irrigated areas for more intensive farming. Waste management principally involves the disposal of used oils, grease and other hydrocarbon products from equipment maintenance and overhaul workshops. Each of our workshops contains drainage systems for holding waste oils before disposal by Government-licensed disposal companies. We have the water quality and air quality in our concession areas and production facilities periodically monitored by independent laboratories which are certified by the National Accreditation Committee of Indonesia (*Komite Akreditasi Nasional* or "KAN").

We aim to minimize disturbances to the local ecosystem, environment and surrounding communities, and we perform tree reclamation and replanting at our concession areas. Replanting is undertaken by service

companies from local cooperatives. We implement reclamation and rehabilitation of the land in consultation with the MEMR which, in turn, consults with the local government. We also collaborate with local communities surrounding our mining areas in the reclamation process and redevelopment of the land for other purposes, such as commercial crop plantations, fish and livestock farms and recreational areas. In addition, pursuant to Government Regulation 78 of 2010 as implemented by MEMR Decree 1827/2018, we must also provide a reclamation and closing-of-mines guarantee.

Mining services providers

We utilize contractors extensively in our coal production operations for mining, hauling, barging and transshipping, as well as for the provision of services such as catering, stevedoring, coal quality analysis, security and labor supply. A significant portion of our mining operations, including the supply of mining and transportation equipment as well as the employees required to operate and maintain such equipment, are conducted by third-party independent contractors. In addition, our indirect subsidiary, Cotrans, provides coal transportation and transshipment services for coal produced at our Kideco Mines, see "— Logistics and Infrastructure Business — Other logistics services — Cotrans." We work closely with our third-party independent contractors as well as Cotrans, specifying details such as the capacity of equipment to be used and conducting daily, weekly and monthly meetings with contractors, including regular safety inspections. All mining support operations, including fleet maintenance and repairs, are performed by our mining services providers under our supervision.

We typically enter into long-term contracts with our mining services providers containing fixed prices for the total tonnage of coal produced and for other services, such as overburden removal. Prices per tonne of coal produced are generally fixed based on the location and terrain of the mine, the estimated strip ratio, the distance coal and overburden is to be transported and other factors affecting the third-party independent mining services provider's operating costs. However, our mining contracts generally provide that we will bear all fuel costs exceeding contractual levels, and fuel costs are generally reset monthly. Our contractors usually issue invoices to us on a monthly basis and we generally pay our contractors within 30 to 45 days after receipt of such invoices. All of our mining services providers' fees are paid in Rupiah. If any of these contracts were terminated, even though we may find replacements, operations at the relevant mine would be disrupted for three to six months for the transition of equipment.

We believe that collaborating with mining services contractors allows us to focus on mine planning, production, supervision and exploration activities. Contract mining also reduces the risk of fluctuations in coal production costs by shifting the responsibility for providing a portion of the equipment, materials, supplies and labor from us to our contractors. See "Risk Factors — Risks Relating to Our Energy Resources Business — We depend on mining services providers to conduct a significant portion of our mining operations."

The following table sets forth certain information regarding our contracts with our key mining services providers, as of December 31, 2023.

Contractor	Customer and area/mine serviced	Services provided	Commencement date	Expiration date
Cotrans[1]	Kideco — Adang Bay	Transshipment and barging	October 2004	March 2026
Petrosea	Kideco — Samurangau	Waste removal and coal production	January 2011	December 2028
PT Bima Nusa Internasional	Kideco — Susubang	Waste removal and coal production	July 2011	December 2025
PT Pamapersada Nusantara ("PAMA")	Kideco — Roto and Samurangau	Waste removal and coal production	January 2004	December 2028
PT SIMS Jaya Kaltim ("SIMS")	Kideco — Samurangau	Waste removal and coal production	April 2001	March 2025
PT Diesel Utama Mineral	Kideco — Samurangau	Waste removal	April 2022	April 2027

Contractor	Customer and area/mine serviced	Services provided	Commencement date	Expiration date
PT Karya Kembar Bersama	Kideco — Samurangau	Coal transportation	January 2011	December 2024
PT Pelayaran Kartikasamudra Adijaya	Kideco — Adang Bay	Transshipment	June 2022	March 2026
PT Mandiri Herindo Adiperkasa	Kideco	Hauling	September 2000	December 2024
PT Samindo Utama Kaltim	Kideco	Hauling	January 1997	December 2032
PT Trasindo Murni Perkasa	Kideco	Hauling	July 2001	December 2032

Note:

(1) Cotrans is our indirect subsidiary which provides transshipment services, see "— Logistics and Infrastructure Business — Other logistics services — Cotrans."

Sales and marketing

For the sub-bituminous coal from our Kideco Mines, our principal marketing strategy is to secure long-term coal supply agreements pursuant to which we can contract high levels of committed coal volumes. We implement our strategy by maintaining strong relationships and striving to renew our existing agreements, with our current customers as well as conducting market research to explore opportunities for potential long-term customers in new markets.

We handle our sales and marketing in-house with assistance from marketing agents, and employ a sales strategy of maintaining a mix of end-customers, such as utility and industrial companies, and commodity trading companies. This sales strategy allows us to manage our coal supply risks, as commodity trading companies tend to offer us flexibility in coal delivery schedules. We conduct sales to end-customers either through our existing relationships with them or with the assistance of marketing agents. We generally engage marketing agents to facilitate both the sale and delivery process of coal as local agents can meet customers more frequently and with short notice. For the sub-bituminous coal from our Kideco Mines, we have entered into a marketing rights agreement with Samtan, which holds a 9.0% equity interest in Kideco, for a majority of our export sales, see "Related-Party Transactions — Kideco — Samtan marketing rights agreement." We pay Samtan a commission fee of approximately 3.0% of the FOB price of the coal that is delivered to and paid for by our customers. Such commission fees are recorded as operating expenses. We have also entered into agency agreements with third-party marketing agents to market our Kideco coal products in countries and territories such as China, India, Korea, Taiwan and Malaysia. Such marketing agents promote and market our coal, maintain relationships with our customers and assist us with our sales plans by coordinating shipment schedules.

Prior to commencing a business relationship with a potential customer for our coal products, we examine the potential customer and assess its creditworthiness. If the potential customer satisfactorily meets our credit criteria, a trial shipment is sent to such potential customer to ensure that our coal products comply with the customer's product specifications, before the rest of the shipment is delivered. We generally require our customers to either make prepayments for coal sales or purchase our coal on letter-of-credit and telegraphic transfer terms.

Competition

For our energy resources business, we compete in the domestic and international coal markets with other large Indonesian coal producers, such as PT Adaro Indonesia Tbk, PT Berau Coal Energy Tbk, PT Bumi Resources Tbk, PT Indo Tambangraya Megah Tbk and PT Borneo Indobara, as well as large coal producers from Australia, South Africa and elsewhere. Competition is primarily based on price, coal quality, reliability of delivery and cost of production.

We believe that we have strong competitive advantages over our competitors derived from our product portfolio, consistent product quality, reliable and cost-efficient delivery to our customers due to our well-developed infrastructure and relatively short hauling and barging distances, strong relationships with our mining services providers and a proven track record of supplying quality coal to our customers. We believe that we hold

a competitive advantage over our international competitors when selling our sub-bituminous coal to customers in Asia given our coal quality, relative geographic proximity to such customers and relatively low cost of production. We also face competition in all markets in which we operate from providers of alternative sources of energy to coal, most significantly gas.

Coal supply agreements

Thermal coal prices are highly cyclical and are subject to significant fluctuations. Factors such as the volume of global coal production (which is affected by factors such as the development of new mines and the closure of old mines, the discovery of new coal deposits and the expansion of current mine operations), constraints on the supply of coal due to limited transportation networks and the specific demands of coal end-users and general economic conditions significantly affect global coal prices. Unlike some other commodities, there is no global price standard for coal, due to various grades of coal produced in different parts of the world, with prices also fluctuating significantly in different geographical markets due to transportation costs, which represent a large portion of the total delivered price. Indonesian producers tend to benchmark their coal prices to one of many coal indices, with price adjustment factors, such as discounts or premiums, accounting for coal quality difference and transportation costs to the destination market in comparison with a competing coal source.

For the sub-bituminous coal from our Kideco Mines, we generally enter into long-term coal supply agreements with our customers for terms of one to 10 years and for specified committed quantities. Most of our long-term coal supply agreements specify a fixed quantity of coal that we will deliver, and that the customer will purchase each year, subject to the customer's right to increase or decrease such quantity by up to 10.0%. As of December 31, 2023, such long-term agreements had remaining terms of between one and eight years, and we had contracts with aggregate commitments and options for our customers to purchase coal totaling approximately 30.0 million tonnes for the year ending December 31, 2024. Pricing terms under these long-term coal supply agreements are generally based on pre-agreed pricing formulas determined by reference to benchmark prices such as the globalCOAL Newcastle Index, the Argus ICI Index and the HBA, with minimum coal prices fixed for each one-year period. Depending on the contract, we and the customer will either renegotiate the price at the end of the year, or the price will be adjusted in accordance with the pre-agreed formula. Generally, through these negotiations, over 70.0% of the coming year's anticipated volume of coal is targeted to be sold at fixed contracted prices. Most of our contracts include formula-based price adjustments. We believe that our long-term coal supply agreements provide us with greater visibility of sales than other Indonesian coal producers that conduct a larger portion of their sales on a spot basis. However, since the terms of such long-term contracts are often fixed for the next year, we would not experience short-term benefits from improving market conditions. Our coal products are subject to analysis by an independent inspection agency to inspect, sample and test coal before delivery to ensure compliance with contract specifications. Certain agreements provide for price adjustments where the coal supplied does not comply with contract specifications.

All of our export sales are denominated in U.S. dollars and all of our domestic sales are denominated in Rupiah. For the sale of our sub-bituminous coal under our long-term coal supply agreements, payment and delivery terms under our long-term supply agreements vary among our customers and include FOB (where insurance and freight are arranged by the customer), C&F (where freight is arranged by us on behalf of the customer) and CIF (where insurance and freight is arranged by us on behalf of the customer). When we sell coal on C&F and CIF terms, we incorporate the price of freight and insurance, as applicable, into the sales price for such coal. Payment and delivery terms for export customers are mainly on an FOB basis, and payment and delivery terms for domestic customers are mainly on a C&F or CIF basis. Payments are typically made by telegraphic transfer or on a letter of credit basis, with receivables due between 30 and 60 days of the invoice or bill of lading. A number of our long-term coal supply agreements also require a performance bond from us.

Customers

Our major customers for our energy resources business primarily consist of commodity traders in China and power plant operators in Southeast Asia. During the year ended December 31, 2023, we supplied coal to over 50 customers located in more than 10 countries.

The following tables set forth certain information regarding our five largest customers of our energy resources business in terms of coal sales volume, in absolute terms and as a percentage of our total coal sales volume, for the years indicated.

Customer	Length of relationship	Nature of business	For the year ended December 31, 2021		2022		2023	
	(years)		(tonnes in millions, except percentages)					
TNB Fuel Services Sdn. Bhd.	21	Power plant operator	3.1	8.5%	3.3	9.5%	2.7	8.7%
Dongguan City Mingsheng Energy Co. Ltd.	13	Commodity trader	2.9	8.0%	2.3	6.5%	2.1	6.7%
PT Jawa Power	28	Power plant operator	2.0	5.6%	1.7	4.9%	1.6	5.1%
CEP[1]	11	Power plant operator	1.7	4.9%	1.3	3.6%	1.2	3.8%
SUMEC International Technology Co., Ltd.	5	Commodity trader	1.1	2.9%	1.2	3.3%	1.0	3.2%
Total			**10.7**	**29.9%**	**9.7**	**27.8%**	**8.6**	**27.5%**

Note:

(1) We hold a 20.0% indirect equity interest in CEP, see "— Energy Infrastructure Business — Other logistics services — Cotrans."

Suppliers

We believe securing reliable quality sources of mining services and other raw materials allows us to be cost efficient and competitive in our pricing and profit margins. Our main suppliers for our energy resources business, with whom we have had longstanding working relationships, are those from which we procure fuel, mining services and transshipment services. While we generally use the same suppliers, we are not obligated to do so and there are numerous alternative suppliers and, as such, our business operations are not dependent on any one of our suppliers. Only PAMA, Petrosea, ExxonMobil and SIMS individually accounted for more than 10.0% of our total cost of revenue for our energy resources business for the year ended December 31, 2023.

The following table sets forth the amounts incurred by us for our five largest suppliers for our energy resources business for the years indicated.

Supplier	Length of relationship	Services/Raw material provided	For the year ended December 31, 2021	2022	2023
	(years)		(US$ in millions)		
PAMA	20	Waste removal and coal production	203.3	265.1	325.9
Petrosea	13	Waste removal and coal production	178.0	182.5	163.2
ExxonMobil	4	Fuel	119.1	206.2	151.4
SIMS	23	Waste removal and coal production	113.3	92.2	86.8
Cotrans[1]	20	Transshipment	68.2	81.2	81.2
Total			**682.9**	**827.2**	**808.6**

Note:

(1) Cotrans is our indirect subsidiary which provides transshipment services, see "— Logistics and Infrastructure Business — Other logistics services — Cotrans."

Commodity trading

As part of our energy resources business, we also engage in commodity trading activities through ICI and IETPL, including trading of coal and palm kernel shells. For the years ended December 31, 2021, 2022 and 2023,

revenue from our commodity trading activities was US$346.4 million, US$526.1 million and US$202.4 million, respectively, representing 12.9%, 13.9% and 7.6%, respectively, of revenue from our energy resources business (after eliminating for inter-segment sales within our Group).

We commenced coal trading operations in 2014 and source and supply a variety of local and seaborne coal products to industries such as power generation and manufacturing. We offer a variety of coal products with calorific values and sulfur content ranging from low to high. Our coal trading activities benefit from our existing network and experience in the coal mining and services industries. For the years ended December 31, 2021, 2022 and 2023, we traded 5.8 million tonnes, 7.0 million tonnes and 3.2 million tonnes of coal, respectively.

Further, in January 2023, we began trading palm kernel shells, a byproduct of palm oil production which is used as a fuel in biomass power plants. Our customers for our palm kernel shells include commodity traders located in Indonesia, Japan and Portugal. For the year ended December 31, 2023, we traded 26.9 kilo tonnes of palm kernel shells.

Energy Services Business

Within our energy services business segment, we focus on the provision of EPC, O&M and related services for the Indonesian oil and gas sector, which we provide through Tripatra.

For the years ended December 31, 2021, 2022 and 2023, revenue from our energy services business was US$224.5 million, US$284.1 million and US$220.6 million, respectively, representing 7.3%, 6.6% and 7.3%, respectively, of our total revenue (after eliminating for inter-segment sales within our Group).

EPC, O&M and related services

We provide a complete range of EPC, O&M and related services with a focus on the execution of large-scale projects in Indonesia mainly related to the development, production, treatment and transportation of oil and gas.

- *Engineering and consulting.* During the project planning and development stage, we provide technical and management advice, feasibility studies, conceptual engineering and FEED and advisory services, and design and drafting services, at our design center in Central Java. During the execution stage of the project, we provide detailed engineering and advisory services and advice on how to optimize energy assets in order to enhance operating efficiency and functionality. Our full range of engineering capabilities includes process, mechanical (both static and dynamic), civil, offshore structure, instruments, electrical, piping, pipeline, telecommunications and pre-commissioning engineering.
- *Procurement.* Our procurement services include purchasing, materials management, inspection, logistics and customs clearance. We have developed well-established systems for vendor qualification and evaluation and procurement management.
- *Construction*. Our construction capabilities include all aspects of construction execution, including construction management, hiring and training local workers, subcontractor management as well as an extensive support organization for systems, equipment and tools. We can deploy these services in remote and difficult environments throughout Indonesia. By combining our knowledge of local contractors and our ability to specify a clear scope of work and assess resources required for a particular project, we believe we have significant capabilities in managing complex multi-subcontractor projects.
- *Operations and maintenance*. We provide plant operations and maintenance services, such as repair, renovation, predictive and preventative services. Such services focus on asset management or long-term facility care using directly hired maintenance technicians together with knowledge-based systems.
- *Project management*. We provide program and project management services for engineering, procurement, construction, facility commissioning and start-up projects across all energy sectors, including many large-scale projects. Our project managers assume responsibility for all aspects of a

project, including feasibility studies, facilities commissioning and operations start-up. In addition, we often act as our customers' direct representative and/or as program management contractor by overseeing other engineering and construction subcontractors.

The following diagram summarizes the project lifecycle and primary services that we deliver during each phase of a major project.



Our EPC, O&M and related services capabilities extend to a wide range of both onshore and offshore projects.

- *Onshore capabilities*. We deliver onshore services including (i) production and treatment of upstream oil and gas through integrated solutions for large structures, which include treatment and transformation plants, piping systems, pumping and compression stations, and marine terminals, (ii) liquefaction and regasification of gas, (iii) crude oil refining through facilities, (iv) petrochemical and monetization of gas using a combination of proprietary and third-party technologies by means of chemical production plants designed and built throughout the world, (v) single/combined cycle thermal power plants, and (vi) engineering, construction and installation of floating production storage vessels for oil and gas and liquefied natural gas ("LNG") production, storage and offloading.
- *Offshore capabilities*. We deliver offshore services including (i) engineering of fixed and floating platforms, (ii) designing marine terminals, mooring facilities, docks and wharfs, and (iii) maintenance of existing facilities.

General approach to contract bidding

We generally bid for EPC, O&M and related services contracts through a competitive tender process. The customers provide an outline of the project to a number of service providers requested to bid for the service contract. We consider a variety of factors when evaluating a project's merit and whether to submit a bid for the project, including our chance of winning the contract, the project's potential to achieve our financial requirements, the reputation and standing of the customer, whether we have the required experience, internal competence and available human resources to perform the project, the terms of the contract and potential liabilities.

Competition

For our EPC, O&M and related services, we experience the greatest level of competition in the oil and gas sector. For EPC contracts, our major domestic competitors include PT Inti Karya Persada Teknik and PT Rekayasa Industri and our major international competitors including JGC Corporation, TechnipFMC, Samsung Engineering, Hyundai, SK E&C, KBR and Chiyoda. For O&M contracts, our major domestic competitors include PT Bukit Energi Service Terpadu, PT PLN Nusantara Power Service and PT Pertamina Maintenance and Construction and our major international competitors include JGC Corporation and Wartsila. For engineering contracts, our major competitors include domestic companies such as PT Singgar Mulia, PT Synergy Engineering, PT Berca Engineering and PT Rekayasa Engineering. Competition is primarily on the basis of price, historical delivery performance, capability and service quality.

We believe we have a competitive advantage in the bidding process, see "— General approach to contract bidding," due to our considerable experience in the Indonesian energy services industry, in-house engineering capabilities, relationships with various vendors and our proven track record with both international and Indonesian customers. As a result, we are often the only Indonesian energy services company to pre-qualify, competing primarily with other international competitors. We also believe our extensive experience and strong qualifications enable us to target customers at the higher end of the market, thereby enabling us to realize higher profit margins from more complex projects. Once we have selected a project for which to bid, our experience and qualifications enable us to prepare proposals at a technical level at what we believe to be competitive costs and credibly negotiate and execute contracts. Accordingly, we believe that we are well-positioned in the Indonesian market as one of the cost-competitive alternatives to leading international contractors.

Contracts

The EPC, O&M and related services contracts we enter into are generally either (i) fixed-price contracts or (ii) time and material reimbursable contracts. Some contracts involve both fixed-price and time and material reimbursable elements.

- *Fixed-price contracts.* Fixed-price contracts specify a fixed sum intended to cover all costs and any profit element for a defined scope of work to be performed by the contractor. Fixed-price contracts typically entail more risk because they require us to estimate both the quantity of work to be performed and the costs associated with executing the work. See "Risk Factors — Risks Relating to Our Energy Services Business — Our contracts expose us to risks associated with cost over-runs, operating cost inflation, potential claims for liquidated damages and delays." Although fixed-price contracts involve greater risk than time and material reimbursable contracts, they are also potentially more profitable for the contractor, since the customer pays a premium to transfer execution risks to the contractor. Contract prices may be adjusted in some cases due to changes in the scope of work.
- *Time and material reimbursable contracts*. Time and material reimbursable contracts are contracts where the contract value varies based upon our actual costs incurred for time and materials, or for variable quantities of work priced at defined unit rates, including reimbursable labor hour contracts. Profit on time and material reimbursable contracts may be based upon a percentage of costs incurred or may be a fixed amount. Time and material reimbursable contracts are generally less risky for us than fixed-price contracts because the customer bears the risk of cost fluctuations.

Vendors and third-party subcontractors

Labor, equipment and materials essential to our EPC, O&M and related services business, which are obtained on a per project basis, are available from various Indonesian and international sources. We continue to proactively seek ways to ensure the availability of equipment and materials as well as manage rising costs. Our procurement department attempts to leverage our size, reputation as a reliable counterparty and purchasing power through several programs designed to gain access to key equipment and materials at the best possible prices and delivery schedules. We generally select third-party vendors or subcontractors for a project based on various technical and commercial considerations, including experience, capabilities, capacity or backlog, certifications, quality and safety records, financial condition and tax compliance record. The major vendors and third-party subcontractors that we have worked with in recent years include PT Budi Perkasa Alam, PT Alhas Jaya Group and PT Kontrol Power Utama.

Customers and ongoing projects

We provide EPC, O&M and related services to a high-quality customer base primarily comprising domestic and international customers operating in the following key industries:

- *Oil and gas*. We have developed a strong track record in the oil and gas industry in Indonesia with over 40 years of experience building production and transport facilities throughout Indonesia, including onshore and offshore production facilities and energy infrastructure such as refineries and gas processing facilities, pipelines and terminals. Our major customers in the oil and gas sector have included Chevron, ExxonMobil, ConocoPhillips, BP, Hess, Eni, Star Energy, MedcoEnergi and Pertamina.
- *Petrochemical and downstream oil and gas*. We serve the petrochemical and downstream oil and gas industries in Indonesia, and have worked on projects for LPG plants, refineries, chemical plants and processing, loading and storage facilities. Our major customers in the petrochemical and downstream oil and gas sector have included Shell, Cabot, Wilmar, PT Kilang Pertamina Internasional, Trans-Pacific Petrochemical Indotama, PT Pupuk Kalimantan Timur and PT Kaltim Parna Industri.
- *Power infrastructure*. In the power generation and transmission services markets, we have provided energy services in connection with steam turbines, gas turbines and combined cycle generating plants and overhead transmission lines and sub-stations. Our customers in the power infrastructure sector have included Chevron, PLN and PT Petrokimia Gresik.
- *Geothermal energy*. We provide construction and engineering services to the geothermal energy sector. Our customers in the geothermal energy sector have included Chevron and Star Energy.

The following table sets forth certain information on our ongoing EPC, O&M and related services projects, as of December 31, 2023.

Client	Scope of work	Description of project	Expected contract duration	Estimated outstanding contract value[1]	Total contract value[2]
				(US$ in millions)	
BP Berau Ltd.	EPC	Onshore LNG EPC for Tangguh Expansion Project	August 2016 — August 2025	5.8	1,484.8
PLN	O&M	O&M — Mobile Power Plant Nias (25 MW)	November 2019 — November 2024	1.4	12.1
Star Energy Geothermal Salak, Ltd	EPC	EPC for Salak Power Plant Upgrade	June 2021 — March 2025	1.0	20.7
Papua LNG Development Pte. Ltd.	Engineering	FEED Phase 2 for Papua New Guinea ("PNG") LNG Project	March 2023 — November 2023	4.1	6.3
Medco E&P Grissik Ltd	EPC	EPC for Dayung Facility Optimization Project	July 2023 — January 2026	5.9	7.8
Kideco(3)	EPC	Fuel Terminal Facility Improvement at TMCT	August 2023 — April 2024	2.8	7.8
PT Shell Manufacturing Indonesia	EPC	EPC for Chrysalis Project	September 2023 — October 2025	44.3	45.3
PT Pupuk Kalimantan Timur	EPC	Revamp Ammonia Plant-2 Project	November 2023 — November, 2025	52.9	54.5
PT Pertamina EP	EPC	EPC Construction for Production Facility SP ABG Stage 1 in Akasia Bagus field	November 2023 — June 2025	63.5	63.9
PT Pertamina Hulu Rokan	Engineering	Management Construction Services North – Package A	May 2022 — April 2024	21.1	44.8
PT Trans-Pacific Petrochemical Indotama	EPC	EPC and Management for TPPI Revamp Project	October 2023 — October 2024	2.5	5.0
MUTU(4)	EPC	Construction service for Swalang Infrastructure	November 2022 — March 2024	0.4	0.6
PT Saipem Indonesia	Engineering	Engineering service	March 2023 — March 2024	1.1	3.6
PT Trans-Pacific Petrochemical Indotama	Engineering	EPsCm revamping Platforming 55 KBD & Paraxylene 780 KTA	October 2023 — October 2024	0.8	5.0
PT Pertamina EP Cepu	Engineering	Jambaran Tiung Biru	November 2023 — March 2027	1.7	2.3
First Resources Limited	Engineering	FEED and EPC(M) for Bio-Refinery	December 2023 — December 2024	3.4	3.4
Total				**212.8**	**1,767.9**

Notes:

(1) Estimated outstanding contract value is the estimated backlog, being the estimated value of the contract remaining as of December 31, 2023, assuming total expected revenue contemplated when the contract was awarded is earned and paid.

(2) Total contract value is the contract value contemplated as of the date awarded, assuming all amounts contemplated are earned and paid.

(3) Kideco is our main coal mining subsidiary, see "— Energy Resources Business."

(4) Previously, MUTU was also one of our coal mining subsidiaries. However, in February 2024, we completed the sale of our entire 100.0% equity interest in MUTU, see "Summary — Recent Developments — Sale of MUTU."

The following table summarizes our significant projects completed since 1990.

Job description	Client	Contract value[1]	Contract period
Gas turbine power plant EPC	Caltex Pacific	US$35.2 million	1991 — 1993
Arun booster compression EPC	Mobil Exploration	US$356.0 million	1993 — 1995
Engineering and construction services for oil processing and refinery plants	Caltex Pacific	US$256.1 million	1993 — 1998
North Sumatra Offshore Development EPC	Mobil Oil	US$316.4 million	1997 — 1999
Engineering and construction services for oil processing and refinery plants	Caltex Pacific	US$483.8 million	1998 — 2003
South Jambi B Shallow Gas Project	ConocoPhillips	US$35.0 million	2002 — 2004
Flexible Program Management Service / Riau Province, Sumatra	Chevron	US$472.6 million	2005 — 2011
Flexible Program Management	Chevron	US$468.0 million	2005 — 2012
EPC of onshore oil treating facilities and Field LPG Development recovery plant (Ujung Pangkah Development)	Hess	US$119.0 million	2007 — 2009
Jambi Merang Field Development	JOB Pertamina Talisman	US$195.8 million	2007 — 2011
Bangka feed	Chevron Indonesia Company	US$2.9 million	2011 — 2012
Chevron Geothermal	Chevron Geothermal Salak Ltd./ Chevron Geothermal Indonesia	US$48.5 million	2009 — 2014
South Sumatera NGL Project	Perta Samtan Gas	US$146.0 million	2010 — 2013
Technical support service contract	Premier Oil Job Pertamina-Medco	US$9.6 million	2011 — 2014
Banyu Urip EPC-1 Production Processing Facilities	ExxonMobil Cepu	US$769.0 million	2011 — 2016
E&P EPC — Senoro Production Facilities	Tomori Sulawesi	US$333.8 million	2012 — 2016
Provision and Installation of New Build Barge Floating Production Unit for Jangkrik Field Development	Eni Muara Bakau BV	US$1.2 billion	2014 — 2020
EPC — Mobile Power Plant Nias (25 MW)	PLN	US$38 million	2017 — 2018
Construction of PT Jakarta Tank Terminal Phase 2A	PT Jakarta Tank Terminal	US$40.0 million	2018 — 2019
Design, EPC and Commissioning for Fuel Storage Facility and Jetty at Kariangau Interport Terminal	Interport[2]	US$98.3 million	2018 — 2020

Note:

(1) Contract value is the actual amount received through completion of the contract.

(2) Interport is our subsidiary through which we provide port operator and terminal services, see "— Logistics and Infrastructure Business."

Backlog

For EPC, O&M and related services, our backlog represents the revenue we expect to realize in the future as a result of performing work under contracts which have a term of over one year. We generally include total contract value in our backlog when a contract is awarded and/or the scope of work is defined. Generally, backlog is calculated as the difference between the contract value (plus any amendments to the relevant contract) and the cumulative revenue recognized. We estimate that the total backlog from our EPC, O&M and related services projects in continuing operations was approximately US$212.8 million, as of December 31, 2023.

See "Risk Factors — Risks Common to All Our Businesses — The backlog information included in this Offering Memorandum may not be indicative of future operating results."

Quality control

We comply with domestic Government regulations on quality management and maintain international quality standards required by our international customers. Our quality assurance procedures are subject to periodic internal quality audits by a team of trained internal quality auditors. Surveillance and recertification audits are carried out periodically by external accredited auditors to ensure we comply with the certified standards.

We maintain international standards required by our international customers. As of December 31, 2023, we had received the following quality assurance certifications and awards in respect of our EPC, O&M and related services:

No.	Certification/award	Awarding body/ authority	Validity period of certification/award	Process awarded
1.	ISO 9001:2015 (Quality Management System)	BSI	Until November 23, 2024	TPE — The Project Engineering, Design and Engineering, Project Management Consultancy for Energy Infrastructures, Oil and Gas for Onshore and Offshore, Petrochemical, Mining and Power Plant Industries
2.	ISO 9001:2015 (Quality Management System)	BSI	Until November 5, 2024	TPEC — The Project Management Engineering, Procurement, Construction, Operation and Maintenance for Energy Infrastructures, Oil and Gas for Onshore and Offshore, Petrochemical, Mining and Power Plant Industries
3.	ISO 4001:2015 (Environmental Management System)	BSI	Until November 23, 2024	TPE — The Project Engineering, Design and Engineering, Project Management Consultancy for Energy Infrastructures, Oil and Gas for Onshore and Offshore, Petrochemical, Mining and Power Plant Industries
4.	ISO 14001:2015 (Environmental Management System)	BSI	Until November 5, 2024	TPEC — The Project Management Engineering, Procurement, Construction, Operation and Maintenance for Energy Infrastructures, Oil and Gas for Onshore and Offshore, Petrochemical, Mining and Power Plant Industries
5.	ISO 45001:2018 (Occupational Health & Safety Management System)	BSI	Until December 17, 2024	TPE — The Project Engineering, Design and Engineering, Project Management Consultancy for Energy Infrastructures, Oil and Gas for Onshore and Offshore, Petrochemical, Mining and Power Plant Industries
6.	ISO 45001:2018 (Occupational Health & Safety Management System)	BSI	Until October 16, 2024	TPEC — The Project Management Engineering, Procurement, Construction, Operation and Maintenance for Energy Infrastructures, Oil and Gas for Onshore and Offshore, Petrochemical, Mining and Power Plant Industries
7.	ISO 21502:2020 (Project, Programme and Portfolio Management – Guidance on Project Management)	BSI	Last assessment conducted on September 8, 2023	TPE — The Project Engineering, Design and Engineering, Project Management Consultancy for Energy Infrastructures, Oil and Gas for Onshore and Offshore, Petrochemical, Mining and Power Plant Industries

No.	Certification/award	Awarding body/ authority	Validity period of certification/award	Process awarded
8.	ISO 21502:2020 (Project, Programme and Portfolio Management – Guidance on Project Management)	BSI	Last assessment conducted on September 8, 2023	TPEC — The Project Management Engineering, Procurement, Construction, Operation and Maintenance for Energy Infrastructures, Oil and Gas for Onshore and Offshore, Petrochemical, Mining and Power Plant Industries
9.	PASS 99:2012 (Integrated Management Registration)	BSI	Until November 23, 2024	TPE — The Project Engineering, Design and Engineering, Project Management Consultancy for Energy Infrastructures, Oil and Gas for Onshore and Offshore, Petrochemical, Mining and Power Plant Industries
10.	PASS 99:2012 (Integrated Management Registration)	BSI	Until October 16, 2024	TPEC — The Project Management Engineering, Procurement, Construction, Operation and Maintenance for Energy Infrastructures, Oil and Gas for Onshore and Offshore, Petrochemical, Mining and Power Plant Industries
11.	ISO 37001:2016 (Anti-Bribery Management System)	BSI	Until January 12, 2027	TPE — Head Office of the Project Engineering, Design and Engineering, Project Management Consultancy for Energy Infrastructures, Oil and Gas for Onshore and Offshore, Petrochemical, Mining and Power Plant Industries
12.	ISO 37001:2016 (Anti-Bribery Management System)	BSI	Until January 12, 2027	TPEC — The Project Management Engineering, Procurement, Construction, Operation and Maintenance for Energy Infrastructures, Oil and Gas for Onshore and Offshore, Petrochemical, Mining and Power Plant Industries

See also "— Environmental, Social and Corporate Governance."

Energy Infrastructure Business

Within our energy infrastructure business, we engage in power generation through our investments in coal-fired power plants, namely the CEP Power Plant and the CEPR Power Plant. For the years ended December 31, 2021, 2022 and 2023, equity in net profit of associates attributable to our energy infrastructure business was US$20.4 million, US$23.0 million and US$17.6 million, respectively.

CEP Power Plant

As of December 31, 2023, we held a 20.0% indirect equity interest in CEP, which operates a 1 x 660 MW power plant located in Cirebon, West Java. The remaining shareholders in CEP are Marubeni Corporation (through its subsidiary Axia Power Holdings B.V.), Samtan and Korea Midland Power Co. Ltd. ("Komipo"), which hold 32.5%, 20.0% and 27.5% equity interests, respectively, in CEP. For the years ended December 31,

2021, 2022 and 2023, equity in net profit of associates attributable to CEP was US$7.0 million, US$8.3 million and US$4.2 million, respectively.

The CEP Power Plant began commercial operations in July 2012. The CEP Power Plant was specifically designed to utilize low-calorific coal such as the sub-bituminous coal produced by Kideco. The CEP Power Plant is fueled exclusively by the coal produced at our Kideco Mines, see "Related-Party Transactions — Kideco — Coal supply agreements," as well as Adaro. For the years ended December 31, 2021, 2022 and 2023, Kideco supplied 1.6 million tonnes, 1.2 million tonnes and 1.2 million tonnes of coal, respectively, to CEP, representing 60.8%, 61.2% and 55.7%, respectively, of total coal consumed by the CEP Power Plant.

The following table sets forth the operating parameters for the CEP power plant.

Gross plant capacity (MW)	694.7
Availability factor	80.0%
Annual electricity production (GW)	4,625.3
Annual coal consumption (million tonnes/year)	2.9
Coal design — HHV (kcal/kg)	4,500 – 5,000

PLN, Indonesia's state-owned electricity generation and distribution company, is the offtaker of the electricity generated by the Cirebon power plant. In August 2007 (as amended on February 2010), CEP entered into a power purchase agreement ("PPA") with PLN pursuant to which CEP agreed to supply PLN with electricity generated by the CEP Power Plant. Under the terms of the agreement, CEP has guaranteed to make available to PLN the net dependable capacity and net electrical output of the plant, or, in cases where such dependable capacity cannot be reliably determined, 80.0% of the total production capacity of the plant, and PLN has agreed to purchase such capacity regardless of whether such electricity is used by PLN. The agreement is effective for 30 years from the date that the CEP Power Plant commenced commercial operations. The PPA provides for a levelized tariff of 4.43 U.S. cents/kWh, calculated with the assumption of an exchange rate of Rp.8,955.0 per US$1.00 and a coal price of US$30/tonne, with the following tariff components: (i) capital cost recovery, (ii) fixed operation and maintenance cost, (iii) energy charge (which relates to the use of coal as the fuel and is passed through to PLN), (iv) variable operation and maintenance cost, and (v) transmission cost recovery.

CEPR Power Plant

As of December 31, 2023, we held a 6.25% economic interest in CEPR, which operates a 1 x 1,000 MW power plant in Cirebon, West Java, at the same location as the CEP Power Plant. We hold our interests in CEPR through PEI (in which we hold a 25.0% equity interest) and PEI's wholly-owned subsidiary, PEC (which, in turn, holds a 25.0% equity interest in CEPR). The remaining shareholders in CEPR are Marubeni Corporation, Samtan, Komipo and JERA Co., Inc., which hold 35.0%, 20.0%, 10.0% and 10.0% equity interests, respectively, in CEPR. For the year ended December 31, 2023, equity in net profit of associates attributable to CEPR was US$13.3 million.

The CEPR Power Plant began commercial operations in May 2023. The CEPR Power Plant was also designed to utilize low-calorific coal such as the sub-bituminous coal produced by Kideco and is also fueled by the coal produced at our Kideco Mines, see "Related-Party Transactions — Kideco — Coal supply agreements." For the year ended December 31, 2023, Kideco supplied 1.3 million tonnes of coal to CEPR, representing 80.2% of total coal consumed by the CEPR Power Plant.

The following table sets forth the operating parameters for the CEPR power plant.

Gross plant capacity (MW)	1,000
Availability factor	86%
Annual electricity production (GW)	7,944.1
Annual coal consumption (million tonnes/year)	4.0
Coal design — HHV (kcal/kg)	4,200 – 5,350

On October 23, 2015, CEPR signed a PPA with PLN pursuant to which PLN agreed to purchase all of the electricity generated by the CEPR Power Plant for a period of 25 years from the date that the power plant commences commercial operations. The price to be paid by PLN under the agreement is determined in accordance with a pre-agreed pricing formula that takes into account, among others, contracted capacity charge and energy charge considerations. Disputes arising out of the agreements are to be settled by arbitration in Singapore in accordance with the rules of the International Chamber of Commerce ("ICC").

Logistics and Infrastructure Business

Within our logistics and infrastructure business segment, we offer port operator and multi-purpose terminal services, as well as an assortment of other logistics services, which we primarily carry out through Interport and its subsidiaries. For the years ended December 31, 2021, 2022 and 2023, revenue from our logistics and infrastructure business was US$27.5 million, US$33.7 million and US$38.9 million, respectively, representing 0.9%, 0.8% and 1.3%, respectively, of our total revenue for such years (after eliminating for inter-segment sales within our Group).

Port operator and multi-purpose terminal services

ILSS

Through Interport's subsidiary, ILSS, which holds a license as a Port Business Entity, we provide comprehensive port operator and related services at all major and intermediary ports in Indonesia, including stevedoring, warehousing, pilotage, bunkering and other ancillary services. ILSS owns and operates the Kariangau Interport Terminal in Balikpapan, East Kalimantan. Kariangau Interport Terminal is a strategically located multi-user, multi-functional and integrated deepwater logistics base. The Kariangau Interport Terminal includes a 16,291-square meter quayside with four berths for fuel terminal operations (with water depth of between three meters and 24 meters) and two berths for general cargo operations (with water depth between seven meters and 19 meters). The Kariangau Interport Terminal has two jetties measuring 151 meters and 155 meters in length, respectively, with a draft ranging between seven meters and 19 meters, as well as access to a 19-meter width beaching area that is capable of accommodating landing craft tanks of up to 2,000 DWT.

ILSS has also been providing coal management services, including coal handling and stockyard management services to Cilin on a long-term basis since 2016. Cilin is primarily engaged in electricity generation and distribution in West Java, Indonesia. ILSS most recently renewed its agreement with Cilin in March 2022 for a five-year term.

For the years ended December 31, 2021, 2022 and 2023, revenue from ILSS was US$4.8 million, US$5.3 million and US$6.7 million, respectively.

PSB

We provide port management services through Interport's subsidiary, PSB, including stevedoring, storage and transportation services. PSB is equipped with extensive equipment lists and material handling capabilities, and is able to receive large individual shipments as well as large volume bulk materials deliveries. In addition, PSB also provides warehouses, open storage facilities and a cargo marshaling area which can accommodate various cargo, as well as diesel and fresh water. PSB handles the stevedoring of all break bulk and other cargo at the Kariangau Interport Terminal owned by ILSS.

PSB's customers generally include oil and gas producers, drilling and other supporting contractors that require supply base services when operating in the relevant area, and other contractors supporting significant projects within the area. PSB has served a range of both domestic and international customers including Pertamina, BP, Chevron, Eni Indonesia, Saipem and Total E&P Indonésie.

For the years ended December 31, 2021, 2022 and 2023, revenue from PSB's port management services was US$1.9 million, US$1.2 million and US$4.7 million, respectively. PSB also provides fuel transportation and inventory management services, see "— Logistics services — PSB."

KGTE

We operate a fuel storage terminal in Kariangau, East Kalimantan through Interport's subsidiary, KGTE, which began commercial operations in November 2020, The fuel storage terminal has a total storage capacity of approximately 96 million liters, as of December 31, 2023, that is exclusively utilized by ExxonMobil. For the years ended December 31, 2021, 2022 and 2023, KGTE handled the storage of 14.6 kilo barrels per day, 18.2 kilo barrels per day and 21.6 kilo barrels per day of fuel, respectively.

In 2018, KGTE entered into a storage facility service agreement with ExxonMobil pursuant to which the entire storage capacity of the terminal will be for the exclusive use of ExxonMobil for a period of 20 years beginning November 2020, with an option for ExxonMobil to extend the term for an additional 10 years. The price to be paid by ExxonMobil for the 20 year-storage period is (a) a fixed fee of US$92.0 million paid on a quarterly basis and (b) monthly fees calculated in accordance with a pre-agreed pricing formula which takes into account, among others, the number of barrels ordered in the relevant month, with rates ranging from US$0.7 per barrel to US$1.0 per barrel. Disputes arising out of the agreement are to be settled by arbitration at the Singapore International Arbitration Centre ("SIAC"). We are in discussions with ExxonMobil to develop a second fuel storage terminal in Gresik, East Java.

For the years ended December 31, 2021, 2022 and 2023, revenue from KGTE was US$22.0 million, US$24.1 million and US$24.0 million, respectively.

Other holdings in port operator and multi-purpose terminal services

PPI

We are part of a consortium of Indonesian companies appointed by the Ministry of Transportation of Indonesia in December 2020 to develop and operate the Patimban Port in Subang, West Java under a Public-Private Partnership scheme. In connection with this project, we and the other members of the consortium established PPI as the entity that will operate the Patimban Port. Through Interport's subsidiary, ILSS, we hold a 29.0% indirect equity interest in PPI, as an associate company. The remaining shareholding in PPI is held by PT CT Corp Infrastruktur Indonesia, PT U Connectivity Services and PT Terminal Petikemas Surabaya, which hold 32.0%, 29.0% and 10.0% equity interests, respectively.

The Patimban Port includes (i) a car terminal, which began operations in December 2021 and has handled a total of 226,065 completely built units ("CBUs") of cars as of December 31, 2023, and (ii) a container terminal, which is expected to begin commercial operations in 2025 with a capacity of over 500,000 TEUs per year.

Other logistics services

PSB

In addition to port management services, see "— Port operator and multi-purpose terminal services — PSB," PSB has also been providing fuel inventory management and transportation services to ExxonMobil since April 2021 and February 2022, respectively.

In April 2021, PSB entered into an agreement with ExxonMobil to manage ExxonMobil's fuel inventory at its client site located at our TMCT. The price to be paid by ExxonMobil for such fuel inventory management services is Rp.978.0 million per month. The agreement, which is renewable every 12 months, recently expired on April 14, 2024 and is in the process of being renewed.

In February 2022, PSB entered into an agreement with ExxonMobil to transport 300 million liters of fuel per year for ExxonMobil. The price to be paid by ExxonMobil for such fuel transportation services is Rp.188,500 per kilo liter of fuel. The agreement is renewable every 24 months, and is currently valid until February 2026. For the years ended December 2022 and 2023, PSB handled 254 million liters and 304 million liters of fuel, respectively.

For the years ended December 31, 2021, 2022 and 2023, revenue from PSB's fuel inventory management and transportation services was US$0.5 million, US$3.2 million and US$4.2 million, respectively.

Cotrans

Through Interport's subsidiary, Cotrans, we provide offshore coal transportation and transshipment services. Cotrans transports coal from our TMCT, at which coal from our Kideco Mines is handled, to a transshipment point and arranges for the coal to be transferred from barges to customer vessels. Cotrans also provides floating crane facilities to gearless vessels. For the years ended December 31, 2021, 2022 and 2023, Cotrans handled 29.5 million tonnes, 30.7 million tonnes and 26.5 million tonnes of coal, respectively.

Previously, we held only 45.0% equity interest in Cotrans and accounted for Cotrans as an associate company. In February 2023, we increased our equity interest in Cotrans to 54.8% and began accounting for Cotrans as a consolidated subsidiary. Accordingly, for the years ended December 31, 2021 and 2022, equity in net profit of associates attributable to Cotrans was US$5.3 million and US$6.5 million, respectively, and for the year ended December 31, 2023, revenue from Cotrans was US$6.1 million.

Other holdings in logistics services

SBS

As of December 31, 2023, we held a 46.0% indirect equity interest in SBS, an associate company, which provides coal shipping services. The remaining shareholding in SBS is held by Samtan and PT Muji Inti Utama, which hold 49.0% and 5.0% equity interests, respectively. For the years ended December 31, 2021, 2022 and 2023, SBS handled 11.2 million tonnes, 11.9 million tonnes and 15.7 million tonnes of coal, respectively, and equity in net profit of associates attributable to SBS was US$3.8 million, US$2.5 million and US$5.4 million, respectively.

Minerals Business

Within our minerals business segment, we engage in the nickel trading, bauxite mining and gold mining businesses, which we carry out through various subsidiaries. For the years ended December 31, 2021, 2022 and 2023, revenue from our minerals business was US$1.0 million, US$8.5 million and US$6.1 million, respectively, representing less than 0.5% of our total revenue for such years (after eliminating for inter-segment sales within our Group).

Nickel trading

In December 2021, we completed the acquisition of the entire 100.0% equity interest in REN, which is engaged in nickel trading. REN sources nickel ore from nickel mines in Indonesia and supplies it to nickel smelters in Indonesia. For the years ended December 31, 2021, 2022 and 2023, we traded 23,480 wmt, 158,941 wmt and 58,163 wmt of nickel ore, respectively. For the same years, revenue from our nickel trading activities was US$1.0 million, US$8.4 million and US$2.5 million, respectively.

Bauxite mining

In September 2022, we completed the acquisition of the entire 100.0% equity interest in PIM, which is engaged in bauxite mining through its subsidiary, MMM. We also plan to engage in alumina smelting through PIM's other subsidiary, PAI.

We conduct our bauxite mining operations through MMM's IUP that is valid until May 2032 and spans a total concession area of approximately 5,050 hectares in West Kalimantan, Kalimantan. The MMM bauxite mining concession is located approximately 70 km to the northeast of Pontianak, the capital city of West Kalimantan.

The following table sets forth certain information on the washed bauxite reserves and resources at the MMM bauxite mining concession area.

	Reserves[1]			Resources[1]			
	Proved	Probable	Total	Measured	Indicated	Inferred	Total
	(wmt in millions)						
MMM	2.9	27.0	**29.9**	3.1	30.0	—	**33.1**

Note:

(1) According to the MMM Reserves Statement.

We began bauxite mining activities at the MMM bauxite mining concession area in November 2022. MMM has two washing bauxite ore facilities, with a total processing capacity of 220 wmt of bauxite per hour. For the years ended December 31, 2022 and 2023, we produced 239,838 dmt and 285,241 dmt of bauxite ore, respectively, and sold 7,134 dmt and 158,117 dmt of bauxite, respectively. For the same years, our revenue from sale of bauxite was US$0.2 million and US$3.6 million, respectively.

Further, we are in the process of initiating feasibility studies to build an alumina smelter that will be operated by PAI. We plan to use the bauxite ore that we produce through MMM as raw material for PAI's alumina smelting activities.

Gold mining

In December 2018, we acquired a 19.9% equity interest in NUS, a gold mining company that was then listed on the ASX, which we then subsequently increased to a 27.75% equity interest. In October 2021, we completed the acquisition of the remaining 72.25% equity interest in NUS, following which NUS was delisted from the ASX effective October 7, 2021. NUS' wholly-owned subsidiary, Masmindo, holds a CoW valid until 2050 which covers an area of 14,390 hectares in South Sulawesi, Indonesia. The CoW grants Masmindo the exclusive right to explore and develop the Awak Mas Gold Project within the CoW concession area.

We began construction activities at the Awak Mas Gold Project in November 2023, and expect first gold production in 2026. Masmindo has appointed Petrosea as the main EPC contractor for the development of the Awak Mas Gold Project. The cost of development of the Awak Mas Gold Project is expected to be approximately US$300.0 million, which will be primarily financed using the proceeds from the Syndicated Facility II, a US$250.0 million term loan facility that we obtained on March 2, 2023, see "Description of Material Indebtedness — Material Indebtedness of Indika — Syndicated Facility II."

The Awak Mas Gold Project comprises three known deposits, namely the Awak Mas, Salu Bulo and Tarra deposits. The Awak Mas Gold Project is expected to have a mine life of 16 years and to produce approximately 100,000 oz of gold per year. The following tables set forth certain information on the gold ore reserves and mineral resources at the Awak Mas Gold Project.

Ore Reserves

Deposit	Classification	Tonnes (million tonnes)	Gold grade (grams/tonne)	Contained gold (million oz)
Awak Mas	Proved	2.5	1.37	0.11
	Probable	29.8	1.33	1.27
	Sub-total	**32.3**	**1.33**	**1.38**
Salu Bulo	Proved	0.6	1.92	0.04
	Probable	1.4	1.93	0.09
	Sub-total	**2.0**	**1.93**	**0.13**
Total	Proved	3.1	1.48	0.15
	Probable	31.2	1.36	1.36
	Total	**34.3**	**1.37**	**1.51**

Notes:

(1) The gold ore reserve estimates presented in the above table are based on the Awak Mas Ore Reserve Statement dated September 16, 2022 prepared by AMC. The gold ore reserve estimates in the Awak Mas Ore Reserve Statement were based on the Awak Mas 2021 Mineral Resource Estimate Statement dated July 5, 2021 prepared by Cube, and we plan to further update the gold ore reserve estimates for the Awak Mas Gold Project to reflect the increase in gold mineral resource estimates pursuant to the Awak Mas 2023 Mineral Resource Statement dated December 31, 2023 prepared by Geo Fix.

(2) The gold ore reserve estimates presented in the above table, which are based on the Awak Mas Ore Reserve Statement, were derived using a gold price of US$1,400 per oz and applying a cut-off grade of 0.5 grams/tonne. All tonnages and ozs have been rounded and minor discrepancies in additive totals may occur.

2021 Mineral Resource Estimate

Deposit	Category	Tonnes (million tonnes)	Gold grade (grams/tonne)	Contained gold (million oz)
Awak Mas	Measured	2.2	1.58	0.11
	Indicated	36.5	1.41	1.66
	Inferred	5.9	1.10	0.21
	Sub-Total	**44.6**	**1.38**	**1.97**
Salu Bulo	Measured	0.6	2.31	0.05
	Indicated	1.6	2.14	0.11
	Inferred	0.8	1.26	0.03
	Sub-Total	**3.0**	**1.95**	**0.19**
Tarra	Inferred	3.0	1.29	0.13
	Sub-Total	**3.0**	**1.29**	**0.13**
Total	Measured	2.9	1.74	0.16
	Indicated	38.1	1.44	1.77
	Inferred	9.7	1.17	0.36
	Total	**50.6**	**1.41**	**2.29**

Note:

(1) The gold mineral resource estimates presented in the above table are based on the Awak Mas 2021 Mineral Resource Statement dated July 5, 2021 prepared by Cube, and were reported at a cut-off grade of 0.5 grams/tonne within a US$1,600 mineral resource pit shell. All tonnages and ozs have been rounded and minor discrepancies in additive totals may occur.

2023 Mineral Resource Estimate

Deposit	Category	Tonnes (million tonnes)	Gold grade (grams/tonne)	Contained gold (million oz)
Awak Mas	Measured	2.2	1.58	0.11
	Indicated	36.5	1.41	1.66
	Inferred	5.9	1.10	0.21
	Sub-Total	**44.6**	**1.38**	**1.97**
Salu Bulo	Measured	2.32	1.47	0.11
	Indicated	2.98	1.34	0.13
	Inferred	5.23	1.21	0.20
	Sub-Total	**10.53**	**1.30**	**0.44**
Tarra	Inferred	3.0	1.29	0.13
	Sub-Total	**3.0**	**1.29**	**0.13**
Total	Measured	4.5	1.51	0.22
	Indicated	39.5	1.41	1.79
	Inferred	14.1	1.19	0.54
	Total	**58.1**	**1.36**	**2.55**

Notes:

(1) The gold mineral resource estimates presented in the above table for the Awak Mas and Tarra deposits are based on the Awak Mas 2021 Mineral Resource Statement dated July 5, 2021 prepared by Cube, and were reported at a cut-off grade of 0.5 grams/tonne within a US$1,600 mineral resource pit shell. All tonnages and ozs have been rounded and minor discrepancies in additive totals may occur.

(2) The gold mineral resource estimates presented in the above table for the Salu Bulo deposit are based on the Awak Mas 2023 Mineral Resource Statement dated December 31, 2023 prepared by Geo Fix, and were reported at a cut-off grade of 0.4 grams/tonne within a US$1,800 mineral resource pit shell. All tonnages and ozs have been rounded and minor discrepancies in additive totals may occur.

(3) The Awak Mas 2023 Mineral Resource Statement provides for updated mineral resource estimates for the Salu Bulo deposit based on additional infill and extensional drilling completed during 2022 and 2023. Technical mine planning evaluations of the updated Salu Bulo mineral resource estimates based on the Awak Mas 2023 Mineral Resource Statement have not been completed, and accordingly, updated gold ore reserve estimates for the Salu Bulo deposit are not yet available. We plan to further update the gold ore reserve estimates for the Awak Mas Gold Project to reflect the increase in gold mineral resource estimates pursuant to the Awak Mas 2023 Mineral Resource Statement.

Green Business

Within our green business, we engage in the assembly, manufacturing and distribution of EVs, the generation and sale of renewable energy, including solar power, and the provision of nature-based solutions, which we carry out through various subsidiaries and joint ventures. We have established and developed our new green business segment in recent years as part of our strategy to expand into markets that have a positive impact on the environment, as we believe sustainable development, natural ecosystem preservation and clean energy will be fundamental to our business going forward.

We began generating revenues from this business segment in 2022, and for the years ended December 31, 2022 and 2023, revenue from our green business was US$9.8 million and US$11.1 million, respectively, representing less than 0.5% of our total revenue for such years (after eliminating for inter-segment sales within our Group).

Electric vehicles

We have holdings in several entities that will aim to serve the EV ecosystem in Indonesia through a variety of related products and services, including:

- *IMG.* We established IMG in March 2022 as a sub-holding company for our businesses engaged in the assembly, manufacturing and distribution of two-wheel EVs. IMG operates through two subsidiaries,

namely EMI, which is dedicated to manufacturing, and EDI, which is dedicated to distribution. EMI operates an EV production facility in Cikarang, West Java, which began production in November 2022 and has a production capacity of 100,000 units per year. IMG has launched three electric motorcycles, including the ALVA One in August 2022, the ALVA Cervo in May 2023 and the ALVA One XP in February 2024. For the years ended December 31, 2022 and 2023, IMG sold 316 units and 3,275 units of two-wheel EVs, respectively. IMG has opened six experience centers across Indonesia, including in Jakarta, Bali, Surabaya, Semarang and Bandung, each of which serve as both showrooms and servicing workshops.

- *MMG.* We established MMG in June 2022 as a sub-holding company for our businesses engaged in the manufacturing and distribution of electric buses, EV charging stations and electric batteries. In October 2022, MMG acquired 51.0% equity interest in EMB, a company engaged in the distribution of electric buses for the KG Mobility (previously Edison Motors), Hyundai, Higer and Foxtron brands, as well as electric charging stations and other supporting parts such as air conditioning units for electric buses. In August 2023, EMB and Daeyoung Chaevi Co., Ltd., a South Korean company specializing in EV chargers, together launched INVI, a brand of EV charging stations in Indonesia. Further, we established FIM as a joint venture in September 2022 between MMG, which owns a 60.0% equity interest, and Foxteq Singapore Pte Ltd, a subsidiary of the Foxconn group, which owns the remaining 40.0% equity interest. We plan to develop FIM into a company engaged in the manufacturing of electric buses and electric batteries.
- *KNA.* We established KNA in May 2023. We plan to develop KNA into an EV and EV charging unit rentals company, with a focus on collaborating with local governments to transition to the use of EVs for public transportation. KNA will provide "Function-as-a-Service" and "Fleet-as-a-Service" solutions covering end-to-end service offerings, including fleet planning, fleet leasing, charging network, maintenance and fleet monitoring.
- *IBN.* We established IBN in September 2023. We plan to develop IBN as an electric battery manufacturer to support various two-wheel EV brands in Indonesia.

Renewable energy

We established EMITS on March 31, 2021 as a joint venture between our subsidiary, ITB, and FPES, a subsidiary of 4PEL, a leading solar energy company in India. ITB and FPES hold 51.0% and 49.0% of the equity interests in EMITS, respectively. Through EMITS, we provide consultation and construction services for solar power projects, O&M services for electricity installation, and other renewable energy solutions for Indonesia's commercial and industrial sectors.

EMITS offers two business models for its solar power projects including (i) an EPC model, where EMITS only builds the solar power units and the customer assumes full ownership and control of the units, and (ii) an opex and lease model, where EMITS builds, owns and operates the solar power units, and charges the customer based on the electricity consumption. As of December 31, 2023, EMITS had entered into contracts with customers for a total of 55.8 MWp of solar panel capacity.

In December 2023, EMITS won the bid to design, construct, develop, operate and maintain a number of utility-scale solar power projects, which are expected to have an aggregate installed capacity of approximately 102 MW and to be located in Sulawesi, Maluku and Nusa Tenggara in Indonesia, in connection with PLN's de-dieselization project. The structure of the project, including the potential establishment of a jointly held project company, is under discussion.

Nature-based solutions

In June 2019, we established IMP, which we have developed into our sustainable business arm engaged in biomass wood pellet production, carbon offsetting and agroforestry. Through IMP's subsidiaries, we hold concession rights under four IUPHHKs to develop over 160,000 hectares of industrial forest area in East Kalimantan and Central Kalimantan, Indonesia.

- *Biomass wood pellet production.* We plant and harvest Calliandra trees as raw materials for wood pellets, which are commonly used for cofiring or biomass power plants. We have two IUPHHKs allocated to wood pellet production covering a total forest concession area of 66,942 hectares in East Kalimantan, and which are valid until 2074 and 2080, respectively. We are targeting to plant 7,500 hectares of Calliandra trees across our forest concession areas allocated to wood pellet production, and to produce 110 kilo tons of wood pellets, during the year ending December 31, 2024. We began commercial operations at our wood pellet production facility in December 2023, which has an installed capacity of 10 tons per hour. Our wood pellet plantation has received the Well Managed Plantation Forest Certification by the Forest Stewardship Council ("FSC"). Our wood pellet products have an average calorific value of 4,200 – 4,750 kcal/kg. We are in the process of obtaining FSC Certification for our wood pellet products, which will make the products eligible for export to Japan, Korea and other developed markets.
- *Carbon offsetting.* We have one IUPHHK for our carbon offset projects covering a forest concession area of 82,805 hectares in East Kalimantan, and which is valid until 2035. We are in the process of obtaining a Greenhouse Gas Emissions Reduction Certificate (*Sertifikasi Penurunan Emisi Gas Rumah Kaca*), from the National Registry System under the Ministry of Environment and Forestry, which will enable us to generate carbon credits from the development of our forest concession area, which we plan to utilize for our own carbon offsetting or for trading to third parties on carbon markets. Based on a third-party feasibility study conducted, our forest concession area for our carbon offset projects is estimated to be able to produce approximately 797,000 VCUs of carbon credits per year.
- *Agroforestry.* We have one IUPHHK for our agroforestry business covering a forest concession area of 28,205 hectares, and which is valid until 2050. We have engaged the local communities to conduct pilot projects involving planting agroforestry products such as vanilla and patchouli in our concession area.

In addition, in January 2023, IMP acquired a 46.0% equity interest in NAN, and on March 27, 2024, IMP completed the acquisition of the remaining 54.0% equity interest in NAN. NAN is engaged in the production of aroma chemicals, essential oils and natural extract products that are utilized in the flavors and fragrances industry. NAN has a production capacity of 120 tonnes per month. The majority of NAN's products are exported to customers in Europe, the United States, China and India.

Digital Ventures Business

We have been developing our digital ventures business through our two digital technology subsidiaries, Xapiens and ZebraX, which we established in October 2018 and September 2018, respectively. For the years ended December 31, 2021, 2022 and 2023, revenue from our digital ventures business was US$7.4 million, US$6.8 million and US$8.4 million, respectively, representing less than 0.5% of our total revenue for such years (after eliminating for inter-segment sales within our Group).

Previously, Xapiens and ZebraX were mainly focused on providing ICT services within our Group. In the second half of 2019, we began providing such services to customers outside of our Group. We have since strengthened our capabilities and expanded the variety of digital solutions and services that we offer to include cybersecurity, cloud services, digital applications, system integration and industry-specific solutions that utilize technologies such as the IoT, AI and analytics. Our customers for our digital ventures business include companies in the mining, construction, EV, public sector, property management and consumer goods industries, among others.

Others Business

We also engage in steel trading through our subsidiary, ICPL, and office rentals through our subsidiary, IPY. In addition, we are in the process of developing our healthcare business through our subsidiary, IMAN. In January 2023, IMAN established BIG as a joint venture with Bioneer Corporation. Through BIG's wholly-owned subsidiary, BID, we plan to engage in the distribution of medical equipment in Indonesia. For the years ended

December 31, 2021, 2022 and 2023, revenue from our others business segment was US$120.4 million, US$207.5 million and US$79.6 million, respectively, representing 3.9%, 4.8% and 2.6%, respectively, of our total revenue for such years (after eliminating for inter-segment sales within our Group).

Environmental, Social and Corporate Governance

We are committed to adopting responsible and sustainable business practices and have implemented comprehensive ESG policies and initiatives. Since 2020, we have been executing our business plan to reduce the carbon footprint of our operations and diversify our asset base away from fossil fuels. As part of this business plan, which is reviewed and re-approved by our Board of Directors and Board of Commissioners every year, we established our goal of becoming a net-zero emissions company by 2050. We aim to consolidate our existing and planned ESG-related initiatives into a comprehensive Transition Plan that will continue to guide our diversification-based strategy and our commitment to help create a sustainable future for Indonesia. We plan to include established baselines and targets for key metrics underpinning our ESG goals under this Transition Plan, including our goals to increase the contribution of revenue from our non-coal related businesses and to achieve net zero emissions by 2050. We also envisage this Transition Plan to include a reporting framework to track our progress in achieving such targets. Our aim is to have the Transition Plan approved by our Board of Directors and Board of Commissioners, and be operational by the end of 2025.

For further details on our ESG-related strategies, see "— Our Strategies — Continue to diversify cash flows and increase revenue contribution from non-coal related businesses" and "— Our Strategies — Maintain strong focus and commitment to good environmental, social and corporate governance practices in all aspects of our operations and management" above, and for further details on our ESG track record and initiatives, see "Summary — Summary of Our ESG Track Record and Initiatives."

Environmental protection and conservation

We are committed to transforming how we conduct our business in order to mitigate the potential impact of our operations on the environment and broader ecosystems. Our environmental protection and conservation measures cover greenhouse gas and non-greenhouse gas emissions, water and effluents, waste management, land use and biodiversity. While our operations are in compliance with all applicable Indonesian environmental laws, regulations and standards, we strive to go above and beyond such regulatory requirements for the promotion of sustainable development.

As one of Indonesia's major energy companies, we believe we have a key role to play in leading the transition to a low carbon economy, which is critical to addressing climate change. We continuously assess and invest in ways we can become more efficient in our energy use and reduce dependence on fossil fuels. We have installed solar PV panels at the operational sites of certain of our key subsidiaries, including Kideco and Interport, as well as at our offices at the INDY Bintaro Office Park in Banten, Indonesia. Further, we apply good mining practices at our mine sites, including implementing initiatives targeted at energy efficiency, such as managing the quality of the roads to our mine sites to minimize fuel consumption, installing slurry pumps in our excavators for mud handling, and utilizing more energy efficient lighting systems for digging and loading activities. In addition, the coal from our Kideco Mines, which has low sulfur and low ash content, acts as a relatively more clean burning energy source as compared to most other coal types.

We closely monitor our water usage, treatment and discharge processes to ensure acceptable standards of water quality before releasing the water into the ecosystem. Further, while certain of our operations are water intensive in nature, we seek to reduce our water waste through recycling water and harvesting rainwater. For example, at our Kideco Mines, we aim to reduce our water withdrawal by operating a closed-circuit system to wash our vehicle units where the water used to wash the vehicles are collected in a compartment in a settling pond, and is then treated and reused for the same purpose. We also constantly strive to minimize waste with the goal of diverting waste from landfills as much as possible. Our waste management initiatives include retreading of worn tires to extend the useful life of our vehicle and equipment tires, repurposing of scrap tires for drop structures at our reclamation sites and for community purposes, as well as reusing scrap oil and plastic bottles for blasting activities at our mine sites.

Land reclamation and biodiversity protection are also important aspects of our environment management activities. We had completed land reclamation across a total area of 5,879 hectares, as of December 31, 2023. After adjusting to reflect our divestment in MUTU in February 2024, our total land reclamation would be 5,136 hectares as of December 31, 2023. We also monitor biodiversity regularly and, through our reclamation activities, we help conserve and provide shelter for species on the International Union for Conservation of Nature's ("IUCN") Red List of Threatened Species. We also promote green activities by working with local communities to plant native tree species in nurseries and create biodiversity corridors that enable wildlife to move and travel safely. In addition, as part of our efforts to restore our ecosystems, we have established the Indika Energy Mangrove Program In Action ("IMPACT") in collaboration with Indonesia's Petland and Mangrove Restoration Agency. Through IMPACT, we aim to plant and rehabilitate mangroves across 250 hectares in villages located in Paser, East Kalimantan, by 2025.

In 2002, the Government introduced an environmental evaluation program of selected companies, referred to as "PROPER" (*Program Penilaian Peringkat Kinerja Perusahaan Dalam Pengelolaan Lingkungan*). The Government selects some, but not all sites, for annual evaluation for the PROPER report. The PROPER assessment measures, among other things, the application of sustainable development principles in the mining production processes, the implementation of environmental management systems, energy efficiency, resource conservation, ethical business conduct and social responsibility through community development programs. In 2023, we received a Green PROPER award in relation to our operations at our Kideco mine for the third consecutive year. See also "— Energy Resources Business — Quality control."

Corporate social responsibility

Our commitment to social responsibility extends not only to our employees but also to the local communities where we operate and the rest of Indonesia.

We seek to help our employees grow by nurturing their talents and helping them cultivate new skills to move forward professionally, as we believe they are the driving force behind the success of our businesses. We provide our employees with access to interactive leadership development programs as well as a range of online courses through LinkedIn Learning, and facilitate training sessions that are specifically relevant to each employee's role. We also offer internal mobility opportunities where we allow employees to transition into new roles or functions to gain valuable experience and skills, to support their career growth and advancement within our organization. We are committed to diversity and equal opportunities based on merit and ethics. We foster women's representation at all levels, particularly in our middle and senior management functions. We strongly support work-life balance, including by prohibiting discrimination against pregnant women or workers with family responsibilities when making decisions regarding hiring, job assignments, training, work conditions and terminations. We have increased the percentage of women in our workforce from 9.3% in 2021 to 18.9% in 2023.

We seek to support our local communities by providing better access to education and healthcare and encouraging financial independence. As part of our education initiatives, we fund scholarships for high-achieving students at several stages of education, from primary school and junior high school, to high school and university. In addition, we provide funding support to develop education infrastructure such as libraries. We also empower our communities by providing micro-financing to small businesses as well as entrepreneurial training, including in tilapia fish cultivation and organic fertilizer production. As part of our healthcare initiatives, we established the CANTING Berkelanjutan program in March 2023, which aims to reduce the prevalence of child stunting in Indonesia. As part of this program, we have focused on 14 villages in Paser, East Kalimantan, where we facilitate upskilling for local community health volunteers, provide supplementary feeding for children as well as pregnant and lactating mothers, raise awareness on stunting through social campaigns and training sessions, provide health facilities with required equipment and child facilities (such as kids' corners), and encourage community participation to tackle stunting. Further, between 2020 and 2022, we worked together with other organizations and local governments in fighting COVID-19 pandemic including by providing vaccines to local communities, collaborating with other organizations to provide oxygen generators to a hospital in Central Kalimantan, and building a semi-permanent health facility in Jakarta to address hospital overcapacity issues

during the outbreak. In 2022, we were granted the "Best Strategic CSR" award by Alpha Southeast Asia at the 12th Institutional Investor Corporate Awards.

In 2017, we also established the Indika Foundation, a non-profit organization that is focused on building national character by teaching critical thinking skills, social skills and emotional resilience. Through the Indika Foundation, we provide grants and organized training to communities, organizations and content creators with the goal of disseminating knowledge on, and encouraging change toward, breaking down social prejudices, engaging in volunteer and community work, improving literacy skills and other forms of individual empowerment.

Health and safety

We emphasize workplace health and safety across all our operations. We observe strict adherence to both international and Indonesian health and safety standards, such as the ISO 45001:2018 for Occupational Health and Safety Management System framework and the Occupational Health and Safety Management System (*Sistem Manajemen Keselamatan dan Kesehatan Kerja* or "SMK3"). We provide personal protection equipment to all our employees, and we have implemented all required safeguards under applicable regulations. Our employees receive mandatory health and safety and specialized training for their various occupations, including with respect to high-risk work activities. We implement Industry 4.0 technology for occupational health and safety, which includes leveraging digital tools for quick decision-making, safety improvement and increased productivity through efficient use of resources. Our third-party independent contractors are also required to comply with such safety standards and our workplace safety guidelines. In 2023, we expanded the scope of our Zero Fatality target to include not only our employees, but our contractors as well.

Corporate governance practices

We maintain high corporate governance standards driven by principles of transparency, accountability, responsibility and fairness, which we consider critical to sustaining our future growth, and aim to execute our business in line with these principles. We comply with Indonesian rules and regulations related to corporate governance, including those established by OJK and IDX. We ensure that all our employees are familiar with our expectations for ethical and transparent behavior as well as our anti-fraud and anti-bribery policies. We believe we have robust anti-bribery management systems in place and have obtained ISO 37001 certification for such systems. We also have checks and balances mechanisms in place, up to and including the supervision and assessment of our Board of Commissioners and Board of Directors, to enhance oversight of conduct that is not in line with our values.

In 2022, we established a Sustainability Committee to assist with enhancing sustainability and implementing our ESG initiatives across our business operations.. Our Sustainability Committee aims to promote openness and objectivity in addressing sustainability issues, as well as assist our Board of Commissioners, Board of Directors and senior management in making good decisions relating to sustainability. Our Sustainability Committee is responsible for overseeing ESG-related policies and strategies on all material topics, defining sustainability goals and targets, periodically reviewing our performance, and providing recommendations to continuously improve the operationalization of ESG-linked roadmaps. The criteria for the performance evaluation of our Board of Directors are determined by our Board of Commissioners based on certain KPIs including, (i) achievement of targets set out in our work plan budget, (ii) contributions to our business activities, (iii) involvement in certain assignments, (iv) commitment to advancing the interests of our Company, (v) adherence to the prevailing laws and regulations, as well as our Company's policies, and (vi) attendance level in the meetings of our Board of Directors, as well as meetings with our Board of Commissioners.

In carrying out our business activities, our Board of Directors and Board of Commissioners take into consideration and ensure the application of good corporate governance policies in accordance with our Code of Business Conduct. Such policies include engaging in transparent communication with shareholders, conducting periodic internal, external and risk management audits, facilitating employee input or recommendations on our corporate governance implementation, ensuring fair treatment towards customers and vendors, implementing strong cyber security and data privacy systems, and promoting transparent disclosure.

We are also committed to fostering a safe working environment that is free of discrimination and strictly enforce our non-discrimination policies with regard to gender, race and religion. We seek to provide our employees with competitive compensation, protect their workers' rights to organize and carry out collective bargaining, and promote diversity and inclusion within our workforce. We are proud of our track record in gender equality, which we believe is demonstrated by the above average number of senior female leaders across our Group, and we have increased the percentage of female representation on the board of directors across our Group from 6.8% in 2021 to 7.5% in 2023. In 2022, we were granted "The Most Improved Company" award in the category of "Companies with the Best Medium Capitalization" by the Indonesian Institute for Corporate Directorship ("IICD") at the 13th IICD Corporate Governance Conference and Award event.

Properties

We hold land rights to the land on which our offices and facilities are located. The following table sets forth certain information relating to the main properties on which we conduct our operations.

No.	Property holder	Purpose/type of property	Location	Land area	Type of land rights	Expiry of land rights
1.	Indika	Office building	South Tangerang, Indonesia	4.03	HGB(1)	December 2038
2.	Tripatra	Office complex	Jakarta, Indonesia	1.5	HGB(1)	June 2041
3.	Tripatra	Office complex	Yogyakarta, Indonesia	0.6	HGB(1)	December 2044
4.	Interport	IBP logistics base	West Balikpapan, East Kalimantan, Indonesia	28.0	HGB(1)	October 2041
5.	ILSS	Jetty area	West Balikpapan, East Kalimantan, Indonesia	32.8	HGB(1)	October 2041
6.	Masmindo	Warehouse facility	Belopa, South Sulawesi, Indonesia	15.1	HGB(1)	December 2045

Note:

(1) *Hak Guna Bangunan*, or HGB, is a right to build on state-owned land. HGB title is granted for a maximum initial term of 30 years. By application to the relevant local land office upon the expiration of this initial term, HGB title may be extended for an additional term not exceeding 20 years.

We lease our headquarters and other office spaces for our various business segments, including in Jakarta, Tangerang, Balikpapan and Belopa. We also lease properties in Jogjakarta for our design and procurement services. Aside from the foregoing, we do not lease any other properties that are material to our business.

Insurance

We maintain insurance coverage for our employees and board of directors, fixed assets such as heavy equipment, warehouse and office space, workshop and marine cargo, and mining sites through policies issued by a variety of Indonesian insurers. Our insurance coverage includes the following insurance policies:

- property all risks and earthquake insurance;
- vehicle insurance for vehicles we own and operate;
- heavy equipment insurance for the machinery and other equipment we own and operate;
- construction all risk insurance;
- marine cargo insurance for air, land and sea freight activities;
- directors' and officers' liability insurance;
- medical, group personal accidents and group life insurance for all of our employees and directors;
- general liability insurance for third-party claims related to property damage and bodily injury; and
- legal and defense representation costs.

The insurance policies we maintain do not cover liability or damage arising from acts of war and terrorism and other customary exclusions from coverage. Certain of our insurance policies for property, heavy equipment and cargo against loss or damage during transportation to various locations have extended coverage for riots, strikes, civil commotion, flood and windstorms, but, in some cases, exclude coverage for natural disasters such as earthquakes, tsunamis, volcanic eruptions and for losses and damages related to terrorist attacks.

Under our contracts with our third-party independent mining services providers, the contractors are responsible for their own employees, and they and their employees must also be covered by appropriate insurance, including insurance for property and vehicles, loss and damage, third-party claims, fire and flood and must provide periodic evidence of such coverage. Neither we nor, to our knowledge, our contractors carry any business interruption coverage.

Intellectual Property

We hold the following registered trademarks on which our business is materially dependent:

- "JNDIKA" trademark;
- "KIDECO" trademark;
- "tripatra" trademark; and
- "interport" trademark.

Employees

As of December 31, 2023, we had 3,579 employees. The following table sets forth a breakdown of our employees by function as of December 31, 2023.

	As of December 31, 2023
Operations	2,481
Finance and accounting	89
Business development	78
Sales and marketing	95
Corporate support	390
Human resources development and general affairs	168
General services	21
Supply chain and logistics	185
General management	72
Total	**3,579**

Most of our employees are unionized and we consider ourselves to have good relationships with the unions and our employees, which we have sought to maintain by, among other things, having regular dialogue with the union representatives. We have not experienced any major strikes or disruptions due to labor disputes.

For our energy resources business, our employees primarily handle contract management, technical services, marketing and sales, administration, public relations and the supervision of coal processing, barge loading and shipping logistics. Such employees regularly attend various in-house training programs. We utilize contractors extensively in our coal production operations for mining, hauling, barging and transshipping, as well as for the provision of services such as catering, stevedoring, coal quality analysis, security and labor supply.

For our EPC, O&M and related services under our energy services business, we recruit our employees through domestic and international recruiting agencies, reputable Indonesian services such as the Bandung

Institute of Technology and the University of Indonesia, and other sources. We believes our reputation as one of Indonesia's leading domestic EPC contractors facilitates our efforts to attract and retain skilled and qualified engineers. We invest significant resources in the training and development of our personnel, particularly our project managers and engineers, which we believe to be the largest workforce of skilled project managers and engineers in Indonesia with an average of over 10 years of experience in the field.

Government Regulations and Licenses

Our operations are subject to a variety of laws and regulations promulgated by the national and local governments of each jurisdiction in which we operate. See "Regulatory Overview." We believe we are in compliance in all material respects with the applicable governmental regulations in each jurisdiction in which we operate. We are not aware of any governmental proceedings or investigations to which we might become a party and which may have a material adverse effect on our properties and operations.

Various governmental, quasi-governmental and regulatory agencies require the holding of certain licenses, concessions and permits with respect to operations in the energy sector, including mine operation licenses, forestry permits and environmental permits. Our operations are conducted under valid licenses, concessions, permits or certificates granted by the applicable regulatory body in that jurisdiction.

We maintain regular dialogue with local governments and regulatory authorities through their management teams or representatives in each jurisdiction. Ensuring compliance with the requirements and conditions for obtaining and maintaining the aforementioned licenses, concessions, permits or certificates.

Legal Proceedings

We may from time to time be involved in legal proceedings concerning matters that arise in the ordinary course of business operations. As of the date of this Offering Memorandum, there were no governmental, legal or arbitration proceedings (including any such proceedings that are pending or threatened of which we are aware) that may have a material effect on our financial position or profitability.

DESCRIPTION OF MATERIAL INDEBTEDNESS

We have raised debt financing and have entered into loan agreements. The following summary of the principal terms of our material indebtedness may not contain all of the information that may be important to you. You should read the notes to our financial statements for additional information about our indebtedness and the indebtedness of our subsidiaries.

Overview

As of December 31, 2023, we had consolidated indebtedness totaling US$1,091.9 million. For more information on our outstanding indebtedness, see Notes 26, 30, 31, 32 and 33 to our Consolidated Financial Statements included elsewhere in this Offering Memorandum. As of December 31, 2023, we had total cash and cash equivalents and other financial assets (current and non-current) of US$696.3 million. As of the same date, we had US$643.2 million and Rp.2,059.7 billion (approximately US$133.6 million) available for drawdown under our existing cash loan facilities.

Material Indebtedness of Indika

Guaranteed Senior Notes due 2024

On November 9, 2017, one of Indika's finance subsidiaries, Indika Energy Capital III Pte. Ltd., issued US$575.0 million in aggregate principal amount of guaranteed senior notes (the "2024 Notes"). The 2024 Notes bore interest at a fixed rate of 5.875% per annum and was scheduled to mature in November 2024. The 2024 Notes were guaranteed by the Existing Note Guarantors and secured by the Existing Common Security (each as defined below).

We had previously repurchased a portion of the 2024 Notes through a tender offer and open market repurchases and, as of December 31, 2023, the aggregate principal amount of 2024 Notes outstanding was US$293.6 million. Further, on April 2, 2024, we provided notice to the holders of the 2024 Notes that all outstanding 2024 Notes will be redeemed in full on May 3, 2024. See "Summary — Recent Developments — Redemption of the 2024 Notes."

Guaranteed Senior Notes due 2025

One of Indika's finance subsidiaries, Indika Energy Capital IV Pte. Ltd., issued (i) US$450.0 million in aggregate principal amount of guaranteed senior notes on October 22, 2020, and (ii) US$225.0 million in aggregate principal amount of guaranteed senior notes on November 4, 2020, which were consolidated and form the same series of bonds (the "2025 Notes" or the "Existing Notes"). The 2025 Notes bear interest at a fixed rate of 8.25% per annum and will mature in October 2025.

We had previously repurchased a portion of the 2025 Notes through a tender offer and open market repurchases and, as of December 31, 2023, the aggregate principal amount of 2025 Notes outstanding was US$534.1 million. Concurrently with the offering of the Notes, we are also making a tender offer to purchase the maximum aggregate principal amount of outstanding 2025 Notes that would not exceed the aggregate principal amount of Notes to be issued pursuant to this offering. See "Summary — Recent Developments — Concurrent Tender Offer."

Indika, IIC, TIME and the Tripatra Entities (together, the "Existing Note Guarantors") have jointly and severally guaranteed the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under the Existing Notes. The obligations of Indika Energy Capital IV Pte. Ltd. and the Existing Note Guarantors under the Existing Notes are secured on a first priority basis by a lien on the collateral (the "Existing Common Security"), consisting of pledges by each of the Existing Note Guarantors of the capital stock held by them in IIC, Kideco and the Tripatra Entities. In addition the obligations of Indika Energy Capital IV Pte. Ltd. and the Existing Note Guarantors under the Existing Notes are secured on a first priority basis by a lien on (i) a pledge by Indika Energy Capital of the capital stock held by it in Indika Energy Capital IV Pte. Ltd., and (ii) a security interest in Indika Energy Capital IV Pte. Ltd.'s rights under an intercompany loan.

In addition, the Existing Common Security is shared *pari passu* in right and priority of payment with certain other creditors in respect of certain obligations of the Existing Note Guarantors and creditors under certain syndicated facilities in accordance with the Intercreditor Agreement acceded to by the trustee of the Existing Notes on the date of the indenture relating to the Existing Notes, acceded to by Bank Mandiri as the agent under the Syndicated Facility I, and acceded to by BNI as the agent under each of the Syndicated Facility II and the Syndicated Facility III. The intercreditor agreement provides, among other things, that (a) the parties thereto shall share equal priority and *pro rata* entitlement in and to the Existing Common Security, (b) the conditions under which the parties thereto will consent to the release of or granting of any lien on such Existing Common Security, (c) the procedures under which holders of additional permitted *pari passu* secured indebtedness incurred after the date of the indenture (or their representatives) may accede to, or terminate their rights under, the intercreditor agreement and (d) the conditions under which the parties thereto will enforce their rights with respect to such Existing Common Security and the all indebtedness secured thereby.

The Existing Notes contain covenants which require Indika Energy Capital IV Pte. Ltd. and the Existing Note Guarantors to comply with certain minimum financial ratios in order to effect certain transactions, including the incurrence of additional indebtedness. In particular, Indika and its restricted subsidiaries may not incur any financial indebtedness (subject to certain agreed exceptions) unless (x) no event of default has occurred and is continuing, (y) the Fixed Charge Coverage Ratio (as defined in the indenture for the Existing Notes) would not be less than 2.5, and (z) in the case of the incurrence of Priority Indebtedness (as defined in the indenture for the Existing Notes), the aggregate outstanding principal amount of all Priority Indebtedness would be no greater than 15.0% of Total Assets (as defined in the indenture for the Existing Notes).

The Existing Notes also contain restrictive covenants which limit the ability of Indika Energy Capital IV Pte. Ltd., Indika and Indika's restricted subsidiaries to, among other things:

- incur additional indebtedness and issue preferred stock;
- declare dividends on capital stock, or purchase or redeem capital stock;
- make investments or other specified restricted payments;
- issue or sell capital stock of restricted subsidiaries;
- guarantee indebtedness;
- sell assets;
- create any lien;
- enter into sale and leaseback transactions;
- enter into agreements that restrict the restricted subsidiaries' ability to pay dividends and transfer assets or make intercompany loans;
- enter into transactions with equity holders or affiliates;
- effect a consolidation or merger; or
- engage in different business activities.

Syndicated Facility I

On July 17, 2019 (as amended and restated on December 31, 2022), Indika obtained a term loan facility from Bank Mandiri, Citibank, Jakarta Branch and Standard Chartered Bank for an aggregate maximum amount of US$150.0 million (the "Syndicated Facility I") for the purpose of repaying outstanding amounts under existing bonds issued by Indika's subsidiaries, including the 2024 Notes, pursuant to an optional redemption and/or a tender offer in accordance with the terms of the relevant indenture for such existing bonds. The Syndicated Facility I bears interest at a rate ranging from the Term Secured Overnight Financing Rate ("SOFR") plus 1.67% to Term SOFR plus 1.85% per annum, plus a credit adjustment spread of 0.26161% per annum, and is guaranteed by IIC, TPE, TPEC and TRIS. The Syndicated Facility I will mature on June 30, 2024.

The Syndicated Facility I is secured by a pledge of a debt service accrual account with Bank Mandiri and, subject to an intercreditor agreement acceded to by Bank Mandiri as agent under the Syndicated Facility I, pledges on the Existing Common Security.

Under the terms of the Syndicated Facility I, Indika and its restricted subsidiaries are prohibited from, among other things, (i) disposing of any part of their assets either in a single transaction or in a series of transactions, except certain disposals including, among others, those (a) made in the ordinary course of business, (b) with a fair market value not exceeding US$5.0 million, or (c) where the net cash proceeds from the disposal are used to acquire replacement assets; or (ii) incurring any indebtedness unless (a) no event of default has occurred and is continuing, and (b) Indika's fixed charge coverage ratio would not be less than 2.5. Indika is also prohibited from disposing of its capital stock in Kideco if (a) such disposal would cause Indika to directly or indirectly hold less than 65.0% of the outstanding capital stock in Kideco, or (ii) Indika's consolidated debt to EBITDA ratio after such disposal would be greater than 3.0, except in the case of a disposal required pursuant to a government order, regulation or other directive.

In addition, Indika is required to comply with certain financial covenants, including maintaining (i) a minimum fixed charge coverage ratio of 2.5, (ii) a maximum consolidated debt to EBITDA ratio of 3.75, and (iii) Priority Indebtedness (as defined in the indenture for the 2024 Notes) at a maximum of 15.0% of total assets. However, pursuant to a waiver granted on June 29, 2020, for the testing dates of June 30, 2020 and December 31, 2020 and for each testing quarter ended (i) March 31, 2020 (ii) June 30, 2020, (iii) September 30, 2020, (iv) December 31, 2020 and (v) March 31, 2021, Indika was required to maintain a maximum consolidated net debt to EBITDA ratio of 3.75 in lieu of a maximum consolidated debt to EBITDA ratio of 3.75.

As of December 31, 2023, we had fully utilized, and had US$45.0 million of principal amount outstanding under, the Syndicated Facility I.

Syndicated Facility II

On March 2, 2023, Indika obtained a term loan facility from Bank Mandiri, BNI, UOB, DBS and KB Bukopin for an aggregate maximum amount of US$250.0 million (the "Syndicated Facility II") for the purpose of financing the development of the Awak Mas Gold Project, see "Business — Minerals Business — Gold mining." The Syndicated Facility II bears interest at a rate ranging from the Term SOFR plus 2.25% to Term SOFR plus 2.5% per annum and is guaranteed by IIC, TIME, TPE, TPEC and TRIS. The Syndicated Facility II will mature on March 2, 2028.

The Syndicated Facility II is secured by a pledge of a debt service accrual account with Bank Mandiri, a pledge of a debt service accrual account with BNI and, subject to an intercreditor agreement acceded to by BNI as agent under the Syndicated Facility II, pledges on the Existing Common Security.

Under the terms of the Syndicated Facility II, Indika and its restricted subsidiaries are prohibited from, among other things, (i) disposing of any part of their assets either in a single transaction or in a series of transactions, except certain disposals including, among others, those (a) made in the ordinary course of business, (b) with a fair market value not exceeding US$5.0 million, or (c) where the net cash proceeds from the disposal are used to acquire replacement assets; or (ii) incurring any indebtedness unless (a) no event of default has occurred and is continuing, and (b) Indika's fixed charge coverage ratio would not be less than 2.5. Indika is also prohibited from disposing of its capital stock in Kideco if (a) such disposal would cause Indika to directly or indirectly hold less than 65.0% of the outstanding capital stock in Kideco, or (ii) Indika's consolidated debt to EBITDA ratio after such disposal would be greater than 3.0, except in the case of a disposal required pursuant to a government order, regulation or other directive. Further, Masmindo (i) must not cease to be a subsidiary of Indika, and (ii) is prohibited from incurring any indebtedness other than indebtedness (a) incurred pursuant to any shareholder and/or intercompany loans provided to Masmindo in connection with construction cost, land compensation cost and/or overruns incurred and owed by Masmindo, (b) incurred pursuant to any loan provided to Masmindo in connection with Masmindo's operational and/or working capital requirements, the principal amount of which must not exceed US$50.0 million, (c) for an amount not exceeding the aggregate of the US$250.0 million in principal amount incurred by Masmindo under the loan made by ICPL to Masmindo for

purposes of funding the Awak Mas Gold Project and any interest accrued thereunder, and/or (d) incurred in connection with the refinancing of the Syndicated Facility II.

In addition, Indika is required to comply with certain financial covenants, including maintaining (i) a minimum fixed charge coverage ratio of 2.5, (ii) a maximum consolidated net debt to EBITDA ratio of 3.75, and (iii) Priority Indebtedness (as defined in the indenture for the 2025 Notes) at a maximum of 15.0% of total assets.

As of December 31, 2023, we had drawn down US$62.0 million from, and had US$62.0 million of principal amount outstanding under, the Syndicated Facility II.

Syndicated Facility III

On December 28, 2023 (as lastly amended on March 27, 2024), Indika obtained a term loan facility from Bank Mandiri and BNI for an aggregate maximum amount of US$300.0 million (the "Syndicated Facility III") for the purpose of funding (a) the full repayment of outstanding amounts under the 2024 Notes, and (b) the open market repurchase of the 2025 Notes. The Syndicated Facility III bears interest at the rate of Term SOFR plus 1.55% per annum and is guaranteed by IIC, TIME, TPE, TPEC and TRIS. The Syndicated Facility III will mature on December 28, 2028.

The Syndicated Facility III is secured by a pledge of a debt service accrual account with Bank Mandiri, a pledge of a debt service accrual account with BNI and, subject to an intercreditor agreement acceded to by BNI as agent under the Syndicated Facility III, pledges on the Existing Common Security.

Under the terms of the Syndicated Facility III, Indika and its restricted subsidiaries are prohibited from, among other things, (i) disposing of any part of their assets either in a single transaction or in a series of transactions, except certain disposals including, among others, those (a) made in the ordinary course of business, (b) with a fair market value not exceeding US$5.0 million, or (c) where the net cash proceeds from the disposal are used to acquire replacement assets; or (ii) incurring any indebtedness unless (a) no event of default has occurred and is continuing, and (b) Indika's fixed charge coverage ratio would not be less than 2.5. Indika is also prohibited from disposing of its capital stock in Kideco if (a) such disposal would cause Indika to directly or indirectly hold less than 65.0% of the outstanding capital stock in Kideco, or (ii) Indika's consolidated debt to EBITDA ratio after such disposal would be greater than 3.0, except in the case of a disposal required pursuant to a government order, regulation or other directive.

In addition, Indika is required to comply with certain financial covenants, including maintaining (i) a minimum fixed charge coverage ratio of 2.5, (ii) a maximum consolidated net debt to EBITDA ratio of 3.75, and (iii) Priority Indebtedness (as defined in the indenture for the 2025 Notes) at a maximum of 15.0% of total assets.

As of December 31, 2023, we had not made any drawdowns under the Syndicated Facility III. We plan to draw down US$300.0 million under the Syndicated Facility III for the purpose of funding the redemption of the 2024 Notes. See "Summary — Recent Developments — Redemption of the 2024 Notes."

Bank Mandiri Facility

On December 20, 2017 (as lastly amended on October 10, 2023), Indika obtained a revolving working capital facility from Bank Mandiri for a maximum amount of US$50.0 million (the "Bank Mandiri Facility"). The purpose of the Bank Mandiri Facility is to support the operational activities of our Group. The Bank Mandiri Facility bears interest at the rate of Term SOFR plus 1.5% per annum and is unsecured. The Bank Mandiri Facility will mature on October 9, 2024.

Under the terms of the Bank Mandiri Facility, Indika is prohibited from acting as guarantor or pledging its assets unless (i) permitted by bond indentures existing before the signing of the Bank Mandiri Facility and (ii) the indebtedness being guaranteed or the assets being pledged constitute Priority Indebtedness and Common Security, respectively (as defined in the indenture for the 2025 Notes). Indika is also prohibited from changing its shareholder composition if it will result in a change of control (defined as (i) permitted holders collectively owning less than 50.0% voting rights in Indika; (ii) any person or group having, directly or indirectly, voting

rights in Indika which are greater than the voting rights held by permitted holders; or (iii) the majority of the board of directors of Indika ceasing to be comprised of (a) directors as of the date of closing of the Bank Mandiri Facility and (b) new directors elected by a vote of at least two-thirds of the directors then in office). Indika must also provide written notification to Bank Mandiri within five working days of making a new investment, entering into an acquisition or merger, a divestment, or a change in Indika's board of directors or board of commissioners.

In addition, Indika is required to comply with certain financial covenants including maintaining (i) a minimum fixed charge coverage ratio of 2.5, (ii) a maximum consolidated net debt to EBITDA ratio of 3.75, and (iii) Priority Indebtedness (as defined in the indenture for the 2025 Notes) at a maximum of 15.0% of total assets.

As of December 31, 2023, we had drawn down US$29.9 million from, and had US$29.9 million of principal amount outstanding under, the Bank Mandiri Facility.

Material Indebtedness of Kideco

Kideco's UOB Facility

On April 30, 2020 (as lastly amended on December 27, 2023), Kideco obtained trade credit facilities from UOB for an aggregate maximum amount of US$30.0 million, an uncommitted foreign exchange facility for a maximum amount of US$20.0 million and an export credit facility for exports of natural resources for a maximum of Rp.1.1 trillion ("Kideco's UOB Facility"). The purpose of Kideco's UOB Facility is to fund the operational activities of Kideco. Kideco's UOB Facility bears interest at the rate of Term SOFR plus 1.5% per annum if drawn in U.S. dollars and JIBOR plus 1.75% per annum if drawn in Rupiah, except that the export credit facility for exports of natural resources bears interest at the rate of JIBOR plus 0.5% per annum and is secured by deposits/cash held in a specific account. Kideco's UOB Facility is available until April 30, 2024, subject to an automatic extension of one year unless terminated by UOB.

Under the terms of Kideco's UOB Facility, Kideco is required to (i) maintain its operating account at UOB for as long as there are outstanding amounts under Kideco's UOB Facility, and (ii) ensure that at least 51.0% of its capital stock is owned, directly or indirectly, by Indika.

As of December 31, 2023, we had drawn down Rp.381.2 billion (approximately US24.7 million) under Kideco's UOB Facility, all of which we had fully repaid.

Kideco's Citibank Facility

On May 11, 2020, Kideco obtained revolving credit facilities from Citibank for an aggregate maximum amount of US$20.0 million ("Kideco's Citibank Facility"), which comprise working capital facilities, overdraft facilities, and trade loan facilities. The purpose of Kideco's Citibank Facility is to fund the operational activities of Kideco. Kideco's Citibank Facility bears interest at the rate of London Interbank Offered Rate ("LIBOR") plus 1.75% per annum and is unsecured. Kideco's Citibank Facility is available until May 11, 2024, subject to an automatic extension of one year unless terminated by Citibank.

Under the terms of Kideco's Citibank Facilities, Kideco must obtain the prior written consent of Citibank for any change in the shareholding of Kideco resulting in Indika ceasing to own, directly or indirectly, at least 91.0% of the subscribed shares in Kideco.

As of December 31, 2023, we had drawn down US$20.0 million under Kideco's Citibank Facility, all of which we had fully repaid.

Kideco's Bank Mandiri Facility

On December 22, 2023, Kideco obtained a revolving credit facility from Bank Mandiri for an aggregate maximum amount of Rp.2,000.0 trillion ("Kideco's Bank Mandiri Facility"). The purpose of Kideco's Bank Mandiri Facility is to fund Kideco's DHE SDA obligation, see "Regulatory Overview — Regulation of the Indonesian Mining Industry — General mining services — DHE SDA obligations." Kideco's Bank Mandiri Facility bears interest at a rate of JIBOR plus 0.5% per annum above the interest rate applicable to Kideco's DHE SDA account and is secured by cash held in Kideco's DHE SDA account.

Under the terms of Kideco's Bank Mandiri Facility, Kideco must provide notice to Bank Mandiri if Kideco obtains a new loan, provides a corporate guarantee, conducts a merger or acquisition, disposes its assets, holds a general meeting of shareholders to change its capital or member of board of directors or commissioners, or expands its business or conducts any new investment.

As of December 31, 2023, we had not made any drawdowns under Kideco's Bank Mandiri Facility.

Material Indebtedness of IIR

ICI's BNI Facilities

On June 1, 2017 (as lastly amended on April 16, 2024), ICI, IIR's wholly-owned subsidiary, obtained a letter of credit facility, a trust receipt facility (the "BNI TR Facility") and an invoicing financing facility (the "BNI IF Facility") from BNI, Singapore Branch for an aggregate maximum amount of US$7.5 million ("ICI's BNI Facilities"). The purpose of ICI's BNI Facilities is to fund ICI's coal trading activities. ICI's BNI Facilities are unsecured, and the BNI TR Facility and the BNI IF Facility bear interest at the rate of Term SOFR plus 2.5% per annum. ICI's BNI Facilities will mature on March 20, 2025.

Under the terms of ICI's BNI Facilities, ICI is required to comply with certain financial covenants, including maintaining (i) a minimum net worth as derived from the latest audited financial statements of US$3.0 million, and (ii) a minimum current asset to current liabilities ratio of 1.0.

As of December 31, 2023, we had not made any drawdowns under ICI's BNI Facilities.

ICI's Bank Mandiri Facilities

On April 5, 2024, ICI obtained several loan facilities from Bank Mandiri, Singapore Branch, for an aggregate maximum amount of US$40.0 million ("ICI's Bank Mandiri Facilities") for the purpose of financing trading activities and/or general working capital requirements. ICI's Bank Mandiri Facilities comprise (i) a working capital facility for a maximum amount of US$40.0 million and bearing interest at the rate of Term SOFR plus 2.5% per annum; (ii) an irrevocable sight import letters of credit facility for a maximum amount of US$40.0 million and subject to a commission of 0.0625% per month or US$40.0, whichever is higher (x) for opening an import letter of credit, (y) for handling import bills, and (z) in lieu of exchange; (iii) an irrevocable sight import letters of credit facility for a maximum amount of US$10.0 million usable only by IETPL, IIR's subsidiary, and subject to a commission of 0.0625% per month or US$40.0, whichever is higher (x) for opening an import letter of credit, (y) for handling import bills, and (z) in lieu of exchange; (iv) a trust receipt facility for a maximum amount of US$40.0 million and bearing interest at the rate of Term SOFR plus 2.5% per annum; and (v) a trust receipt facility for a maximum amount of US$10.0 million usable only by IETPL and bearing interest at the rate of Term SOFR plus 2.5% per annum. ICI's Bank Mandiri Facilities will mature on April 25, 2025.

ICI's Bank Mandiri Facilities are granted with full payment recourse to ICI and are secured by a pledge on the goods purchased or shipped thereunder, and on the documents of title, warehouse receipts and other documents representing such goods. In addition, (a) ICI must maintain, in a non-interest bearing fixed deposit US$ bank account with Bank Mandiri, Singapore Branch a minimum amount of 20.0% of the aggregate utilization outstanding under ICI's Bank Mandiri Facilities, and (b) IETPL must maintain, in a non-interest bearing fixed deposit US$ bank account with Bank Mandiri, Singapore Branch a minimum amount of 20.0% of the aggregate utilization outstanding under ICI's Bank Mandiri Facilities.

Under the terms of ICI's Bank Mandiri Facilities, the prior written consent of Bank Mandiri, Singapore Branch is required for ICI to, among other things, (i) effect any change in its shareholding structure, (ii) procure or obtain any other facilities (including new credit facilities) from any other banks or financial institution except for existing indebtedness disclosed to Bank Mandiri, Singapore Branch in writing, or (iii) grant any security over all or any part of its business or assets.

In addition, ICI is required to comply with certain financial covenants, including maintaining (i) a maximum debt to equity ratio of 3.0, and (ii) a minimum EBITDA to interest expense ratio of 1.5.

As of December 31, 2023, we had drawn down US$15.0 million under ICI's Bank Mandiri Facilities, all of which we had fully repaid.

ICI's LPEI Facility

On June 12, 2023, ICI obtained a revolving working capital credit facility from Lembaga Pembiayaan Eksport Indonesia ("LPEI") for a maximum amount of US$30.0 million ("ICI's LPEI Facility"). The purpose of ICI's LPEI Facility is to fund ICI's coal trading activities carried out in the territory of the Republic of Indonesia. ICI's LPEI Facility bears interest at the rate of Term SOFR plus 2.2% per annum and is unsecured. ICI's LPEI Facility will mature on June 11, 2024.

Under the terms of ICI's LPEI Facility, the prior written consent of LPEI is required for ICI to, among other things, (i) conduct actions, legal proceedings or procedures or other steps taken in connection with the insolvency or suspension of payment obligations (whether voluntary or at the request of a third party), (ii) conduct affiliated transactions that may hinder payment obligations from ICI to LPEI, (iii) provide loans to other parties unless it is provided in the frame work of ICI's daily business, does not hamper payment obligations to LPEI and does not result in ICI not fulfilling its financial covenants under the agreement, and (iv) enter into a single transaction or series of transactions to release substantial assets of more than 5.0% of the total value of ICI's assets unless carried out for daily business activities or unless there is a government policy requiring the disposal of such assets.

In addition, ICI is required to comply with certain financial covenants, including maintaining (i) a maximum debt to equity ratio of 3.0, (ii) a minimum debt to service coverage ratio of 1.0, and (iii) a minimum total accounts receivable and advance payments to accounts payable and short-term bank loan ratio of 1.0.

As of December 31, 2023, we had drawn down US$11.0 million from the facility, and had US$7.0 million of principal amount outstanding under, ICI's LPEI Facility.

Material Indebtedness of Tripatra

TPEC's Bank Mandiri Facility

On November 6, 2009 (as lastly amended on November 13, 2023), TPEC obtained a revolving credit facility from Bank Mandiri for a maximum amount of US$28.0 million ("TPEC's Bank Mandiri Facility"), which can also be utilized by TPE. The purpose of TPEC's Bank Mandiri Facility is to fund Tripatra's operational activities. TPEC's Bank Mandiri Facility bears interest at the rate of one-month SOFR plus 3.7% per annum if drawn in U.S. dollars and one-month JIBOR plus 4.25% per annum if drawn in Rupiah. TPEC's Bank Mandiri Facility will mature on November 13, 2025.

TPEC's Bank Mandiri Facility is secured by (i) a charge over TPEC's accounts, (ii) certain account receivables of TPEC, and (iii) two plots of land owned by TPE, which also secures TPEC's indebtedness under the facility.

Under the terms of TPEC's Bank Mandiri Facility, the prior written consent of Bank Mandiri is required for TPEC to, among other things, (i) repay loans from its shareholders, (ii) provide loans to any party except pursuant to business transactions that are directly related to TPEC's business, (iii) obtain a new credit facility from any third party, except for facilities obtained for ordinary trade transactions and subordinated, non-interest bearing loans from TPEC's shareholders, (iv) act as a guarantor for other parties, (v) grant any security over any of its assets, (vi) enter into a merger or acquisition, (vii) sell, transfer or dispose of all or part of its assets which could affect TPEC's performance of its obligations under the facility, or (viii) expand its business or make new investments.

In addition, TPEC is required to comply with certain financial covenants, including maintaining (i) a maximum debt to equity ratio of 2.50, (ii) a minimum debt service coverage ratio of 2.0, and (iii) a minimum current ratio of 1.1.

As of December 31, 2023, we had drawn down US$21.9 million from, and had US$21.9 million of principal amount outstanding under TPEC's Bank Mandiri Facility.

TPEC's HSBC Facility

On June 21, 2022, TPEC obtained revolving credit facilities from PT Bank HSBC Indonesia ("HSBC") for an aggregate maximum amount of US$5.0 million ("TPEC's HSBC Facility"), which comprise documentary credit, deferred payment, clean import, guarantee credit and treasury facilities. The purpose of TPEC's HSBC Facility is to fund TPEC's operational activities. TPEC's HSBC Facility bears interest at the rate of 7.0% per annum if drawn in U.S. dollars and 4.0% per annum if drawn in Rupiah, and is unsecured. TPEC's HSBC Facility will remain available until canceled by HSBC.

Under the terms of TPEC's HSBC Facility, until all obligations of TPEC under the facilities are declared fully discharged by HSBC in writing, TPEC is required to (i) maintain its operating account at HSBC, (ii) maintain a minimum cash balance of US$5.0 million at the end of the fiscal year, and (iii) HSBC's claims under the facility will rank at least *pari passu* with claims of TPEC's other creditors, except for obligations mandatorily preferred by law.

In addition, TPEC is required to comply with certain financial covenants, including maintaining (i) a minimum current ratio of 1.0, (ii) a maximum gearing ratio of 1.0, and (iii) a minimum cash balance of US$5.0 million at the end of each fiscal year.

As of December 31, 2023, we had drawn down US$2.3 million from TPEC's HSBC Facility, all of which we had fully repaid.

Material Indebtedness of Interport

KGTE's DBS Facility

On September 20, 2023, KGTE obtained a term loan facility from PT DBS Indonesia for a maximum amount of US$50.0 million ("KGTE's DBS Facility"). The purpose of KGTE's DBS Facility is to settle outstanding amounts under KGTE's term loan facility provided by Bank Mandiri, BNI and UOB, which we had fully repaid as of December 31, 2023. KGTE's DBS Facility bears interest at the rate of Term SOFR plus 1.3% per annum and is unsecured. KGTE's DBS Facility will mature on March 28, 2027.

Under the terms of KGTE's DBS Facility, KGTE must provide notice to DBS within 30 calendar days upon the occurrence of any (i) litigation or default that could affect KGTE's business, (ii) change in KGTE's articles of association, or (iii) material event or change that would affect KGTE's business and/or financial condition and/or its ability to repay facility.

In addition, KGTE is required to comply with certain financial covenants, including maintaining (i) a maximum debt to EBITDA ratio of 3.5, (ii) a minimum debt service coverage ratio of 1.1, and (iii) a maximum debt to equity ratio of 2.67.

As of December 31, 2023, we had drawn down US$50.0 million from, and had US$46.7 million of principal amount outstanding under, KGTE's DBS Facility.

MANAGEMENT

In accordance with Indonesian law, we have both a board of commissioners and a board of directors. The two boards are separate and no individual may serve as a member on both boards.

The rights and obligations of each member of our Board of Commissioners and Board of Directors are regulated by our articles of association (the "Articles of Association"), and by our shareholders in a general meeting. Under the Articles of Association, our Board of Directors shall consist of at least three directors, one of whom shall be appointed as the President Director and one of whom shall be appointed as the Vice President Director. The President Director shall be authorized to represent the Board of Directors and to represent our Company. In the event the President Director is absent or unavailable for any reason whatsoever, the Vice President Director along with one director or two members of the Board of Directors, acting jointly, shall have the right and authority to act for and on behalf of the Board of Directors and to represent our Company.

Our commissioners and directors are elected for three-year terms, without prejudice to the rights of the general meeting of shareholders to dismiss a commissioner or director during his or her term of office or to reappoint a commissioner or director whose term of appointment has expired. Our officers serve at the discretion of our Board of Directors.

Our shareholders and Board of Commissioners act as the overall supervisory and monitoring bodies. Certain decisions must be referred by our Board of Directors to our Board of Commissioners or shareholders for their review and approval. Our Board of Directors acts as the primary day-to-day approval and decision-making body. Our governance framework provides for checks and balances while allowing our management flexibility for prompt decision-making in the ordinary course of business. Post-implementation audits of significant expenditures are conducted and reviewed by our Board of Directors.

Board of Commissioners

The following table sets forth certain information concerning the members of our Board of Commissioners.

Name	Age	Title
Agus Lasmono	52	President Commissioner
Richard Bruce Ness	74	Vice President Commissioner
Indracahya Basuki	50	Commissioner
Eko Putro Sandjojo	58	Independent Commissioner
Farid Harianto	71	Independent Commissioner

Agus Lasmono was appointed as our President Commissioner in January 2017. Mr. Lasmono is our founder and owner, as well as the founder and owner of PT Net Visi Media Tbk. He has also served as President Commissioner at PT Indika Inti Investindo since 2018, President Commissioner at IIC since 2004 and President Director at PT Indika Multi Media since 2002. He previously served as Vice President Commissioner at Indika from February 2007 to 2017, a Commissioner at Kideco from 2004 to 2017, an Independent Commissioner at PT Surya Citra Media Tbk from 2005 to 2013 and an Independent Commissioner at PT Surya Citra Televisi from 2005 to 2013. Mr. Lasmono earned a Bachelor of Arts in Economics from Pepperdine University, California, USA, in 1993 and a Master's degree in International Business from West Coast University, California, USA in 1995.

Richard Bruce Ness was appointed as our Vice President Commissioner in April 2018. He previously served as our Commissioner from 2016 to 2018, our Director from 2009 to 2016, Vice President at PT Freeport Indonesia from 1990 to 1997, President Director of various affiliates and subsidiaries of Newmont, and mining consultant at PT Clinton Indonesia. Mr. Ness has been actively involved in the energy, resources and mining sectors for over 35 years. He earned a Bachelor's degree in Mechanics from Moorhead Technical Institute, Minnesota, USA, in 1969 and attended Moorhead State University, Minnesota, USA, for additional studies in post-secondary education until 1979. Mr. Ness also completed a Professional Management program at Harvard Business School, Massachusetts, USA, in 1992.

Indracahya Basuki was appointed as our Commissioner in April 2018. He has also served as President Commissioner at PT Teladan Prima Agro Tbk since 2021 and Director at PT Teladan Resources since 1998. He previously served as our Commissioner from 2007 to 2016 and Commissioner at Tripatra from 2007 to 2012. Mr. Basuki earned a Bachelor of Science in Mechanical Engineering from Columbia University, New York, United States in 1996 and a Master of Business Administration from Rice University, Texas, United States in 2002.

Eko Putro Sandjojo was appointed as our Independent Commissioner in April 2020. He previously served as the Minister of Rural Development for Disadvantaged Areas and Transmigration or the Republic of Indonesia from 2016 to 2019. He began his management career at PT Indonesia Farming as General Manager from 1994 to 1997, and has since served as Director at PT Sierad Produce Tbk. from 1997 to 2006, President Director at PT Humpuss from 2006 to 2009, CEO and Deputy President Director at PT Sierad Produce Tbk. from 2009 to 2014 and the President Director at PT Sierad Produce Tbk. from 2014 to 2016. Mr. Sandjojo earned a Diploma in Electronic Engineering from the Jakarta State Polytechnic in 1986, a Bachelor of Science in Electrical Engineering from the University of Kentucky, USA in 1991 and an MBA from IPMI International Business School, Indonesia in 1993.

Farid Harianto was appointed as our Independent Commissioner in April 2020. He has served as a Commissioner at both TPE and TPEC since 2019, President Commissioner at PT Pertamina Bina Medika since June 2020, an Independent Commissioner at PT Unggul Indah Cahaya Tbk. since 2005 and a Commissioner at PT Nusantara Infrastructure Tbk. since August 2020. He has also been a member of the Risk Oversight Committee at Maybank Indonesia since 2007. Mr. Harianto also previously served as a Commissioner at PT Toba Bara Sejahtera Tbk from 2012 to August 2020, a Commissioner at PT Bata International Tbk. from 2011 to August 2020 and a Commissioner at PT Majoris Asset Management from 2018 to July 2020. He has experience in leading various companies in Indonesia including in the academic, government and private sectors. He previously served as a special staff to the Vice President of Indonesia from 2009 to 2014, senior advisor to the Governor of Bank Indonesia specifically for Bank Indover resolutions from 2008 to 2013, Deputy Chairman of the Indonesian Banking Restructuring Agency from 1998 to 2000 and CEO of PT Pefindo from 1995 to 1998. Mr. Harianto earned a Bachelor of Electrical Engineering from the Bandung Institute of Technology in 1975, as well as a Masters in Applied Economics and a PhD from The Wharton School of University of Pennsylvania, United States in 1988 and 1989, respectively.

The business address of each commissioner is the address of our registered office.

Board of Directors

The following table sets forth certain information concerning the members of our Board of Directors.

Name	Age	Title
M. Arsjad Rasjid P.M.	54	President Director
Azis Armand	57	Vice President Director
Retina Rosabai	56	Director
Purbaja Pantja	56	Director
Kamen K. Palatov	48	Director

M. Arsjad Rasjid P.M. was appointed as our President Director in April 2016. He has also served as a Commissioner at PT Indika Energy Infrastructure since 2016, a Commissioner at Kideco since 2017 and a Commissioner at IIC since 2020. He previously served as our President Director from 2005 to 2014, our Vice President Director from 2014 to 2016, a Director at Kideco from 2005 to 2016, a Commissioner at TPEC from 2007 to 2017 and a Commissioner at TPE from 2010 to 2017. Mr. Rasjid studied at the University of Southern California in Computer Engineering in 1990 and earned a Bachelor of Science in Business Administration from Pepperdine University, California, USA in 1993. He completed the Executive Education on Global Leadership and Public Policy for the 21st Century program at the Harvard Kennedy School, Massachusetts, USA in 2012, the Executive Education on Impact Investing program at Said Business School, University of Oxford, United

Kingdom in 2013, and the Executive Education on Leadership and Decision Making in the 21st Century program at the Jackson Institute for Global Affairs, Yale University, Connecticut, USA in 2014. He participated in the Executive Education on International Directors program of INSEAD in 2016, which was conducted in Singapore and Fontainebleau, France.

Azis Armand was appointed as our Vice President Director and Chief Executive Officer in April 2020. He also previously served as our Director from May 2013 to April 2020 and as our Independent Director from March 2008 to May 2013. He has also served as President Commissioner at Kideco since 2018, President Commissioner at IMI since 2021, President Commissioner at MMG since 2023, a Commissioner at III since 2008, a Commissioner at PEC since 2020, a Commissioner at IMP since 2022 and a Commissioner at IIC since 2023. Mr. Armand has been part of our Group since 2004, and previously also served at IIR as President Director from 2014 to 2015 and as a Commissioner from 2015 to 2019. He has over 15 years of experience in Corporate Finance and Investment, previously working as a Rating Manager at PT Pemeringkatan Efek Indonesia from 1995 to 1997 and as an Associate at JP Morgan Chase from 1997 to 2004. Mr. Armand earned a Bachelor's degree in Economics from the University of Indonesia in 1991 and a Master's degree in Urban Planning from the University of Illinois, Urbana-Champaign, USA in 1995.

Retina Rosabai was appointed as our Director and Chief Financial Officer in April 2020. She has also served as President Commissioner at IIR since 2020, President Commissioner at PT Indy Properti Indonesia since 2021, President Director at PT Bioneer Indika Group since 2023 and President Director at IIC since 2023. Ms. Rosabai has been part of our Group since 2008. She also previously served as Vice President of Corporate Finance at PT Holdiko Perkasa from 1999 to 2004 and as a Commissioner at PT Indomarco Prismatama (Indomaret) from 2000 to 2001, among other positions at various companies. Ms. Rosabai earned a Bachelor of Science in Business Administration — Accounting from Duquesne University, Pennsylvania, USA in 1990.

Purbaja Pantja was appointed as our Director and Chief Investment Officer in April 2020. He has also served as President Commissioner at Xapiens since 2018, a Commissioner at each of CEP and CEPR since 2020, Director at IMI since 2018 and President Director at IMG since 2023. Mr. Pantja has been part of our Group since 2017. He started his career in the banking industry and served as Head of Investment Banking Indonesia at NM Rothschild & Sons Singapore from 2003 to 2007, Head of Global Banking Indonesia at Deutsche Bank Singapore from 2008 to 2010 and Head of Strategic Coverage Indonesia at Standard Chartered Bank, Singapore from 2010 to 2013. He previously also served as President Director at PT Alam Sutera Realty Tbk. and Senior Director at Capital Group Private Markets. He earned a BSc (cum laude) in Statistics & Economics from the University of California, Davis, USA in 1991 and an MBA in Finance from Carnegie Mellon University, Pennsylvania, USA in 1993.

Kamen K. Palatov was appointed as our Director and Chief Portfolio Officer in April 2020. He has also served as President Commissioner at each of TPE and TPEC since 2022, a Commissioner at Kideco since 2020, a Commissioner at IIR since 2018, a Commissioner at TIME since 2019, a Commissioner at Interport since 2018, a Commissioner at KGTE since 2018, a Commissioner at PT Bioneer Indika Group since 2022 and a Director at each of CEP and CEPR since 2017. Mr. Palatov joined our Group in 2011, and previously served as our Head of Strategy & Business Development from 2016 to April 2020 and Director at Kideco from 2018 to April 2020. He has also held positions at McKinsey & Co. from 2006 to 2010, Bear Stearns in 2005 and The Northern Trust Company from 1998 to 2004. Mr. Palatov earned a Bachelor's degree in Government from the Franklin and Marshall College, Pennsylvania, USA in 1997 and an MBA through a double degree program from the HEC School of Management, Paris and The Chinese University of Hong Kong in 2006.

The business address of each director is the address of our registered office.

Audit, Risk & Compliance Committee

Our Audit, Risk & Compliance Committee was established to assist our Board of Commissioners in reviewing our financial statements and in monitoring the adequacy of our internal control system and the performance of our external auditors. Our Audit, Risk & Compliance Committee also reviews our Company's financial information that is published periodically, the implementation of the recommendations of our internal

auditors and the steps taken by management in the areas of governance and risk management. Our Audit, Risk & Compliance Committee is guided by our Audit, Risk & Compliance Committee charter. In addition, our Audit, Risk & Compliance Committee has the authority to access all records and information on our Company's employees, funds, assets and other resources in connection with the performance of the committee's duties and responsibilities. In performing its duties and responsibilities, our Audit, Risk & Compliance Committee cooperates with our Company's internal auditors. The chairman of our Audit, Risk & Compliance Committee is Eko Putro Sandjojo. The other members of our Audit, Risk & Compliance Committee are Suhardi Alius, Osman Sitorus, Harry Ponto and Tonyadi Halim.

We established our Audit, Risk & Compliance Committee and its charter in accordance with OJK Regulation No. 55/POJK.04/2015 on the Audit Committee of Issuers or Public Companies.

Nomination and Remuneration Committee

Our Nomination and Remuneration Committee was established by our Board of Commissioners to assist with, among others, overseeing the implementation of our nomination and remuneration policy in accordance with the provisions of the Articles of Associations, prevailing laws and regulations and best practices. The chairman of our Nomination and Remuneration Committee is Farid Harianto. The other members of our Nomination and Remuneration Committee are Agus Lasmono, M. Chatib Basri and Nurcahya Basuki.

We established our Nomination and Remuneration Committee in accordance with OJK Regulation No. 34/POJK.04/2014 on the Nomination and Remuneration Committee of Issuers or Public Companies.

Project and Investment Committee

Our Project and Investment Committee was established by our Board of Commissioners to assist in its supervisory and advisory functions in relation to our proposed projects and investments. Our Project and Investment Committee is responsible for ensuring transparency and objectivity in the implementation of our investment strategies. The chairman of our Project and Investment Committee is Wiwoho Basuki Tjokronegoro. The other members of our Project and Investment Committee are Darmin Nasution, Farid Harianto and Eko Putro Sandjojo.

Sustainability Committee

Our Sustainability Committee was established by our Board of Commissioners to assist with enhancing sustainability and implementing our ESG initiatives across our business operations. Our Sustainability Committee aims to promote openness and objectivity and, in turn, improve the quality of decisions made by our management, in addressing issues relating to sustainability. The chairman of our Sustainability Committee is Farid Harianto. The other members of our Sustainability Committee are Indracahya Basuki and Eko Putro Sandjojo.

Ethics Committee

Our Ethics Committee was established by our Board of Directors to assist with supervising ethical business conduct and behavior across our organization, including providing advice and education to all employees and other stakeholders regarding our Company's code of conduct, making adjustments to our Company's rules on ethics relating to business development, and addressing any complaints received through our internal whistleblower system. The members of our Ethics Committee are Lucas Djunaidi, Leonardus Herwindo and Muthia Soebagjo.

Anti-Bribery Compliance Function

Our Anti-Bribery Compliance Function was established by our Board of Directors to oversee the implementation of the standards under ISO 37001:2016 Anti-Bribery Management Systems ("ABMS"). We have adopted a zero-tolerance policy on all forms of bribery and corruption. Our Anti-Bribery Compliance Function is

responsible for supervising compliance with and the effectiveness of ABMS, receiving and handling reports of bribery occurring within our organization, providing advice to our employees on matters relating to anti-bribery and anti-corruption, and reporting our anti-bribery and anti-corruption performance to our Audit, Risk & Compliance Committee. The members of our Anti-Bribery Compliance Function are Lucas Djunaidi, Muthia Soebagjo, Melina Dwi H., Adi Pramono and Annisa Listiani.

Internal Audit Unit

Our Internal Audit Unit formulates an annual audit plan that covers every area of our Company's activities as well as the activities of a number of our subsidiaries, which must be approved by our Board of Directors and Audit, Risk & Compliance Committee. Our Internal Audit Unit is responsible for implementing the audit plan throughout the relevant year, including conducting ad-hoc audits as may be requested by the management. The head of our Internal Audit Unit is Einstein Erlangga.

We established our Internal Audit Unit in accordance with OJK Regulation No. 56/POJK.04/2015 on the Internal Audit Unit of Issuers or Public Companies.

Corporate Secretary

Our Corporate Secretary serves as the contact person of our Company for external parties, including the Government, regulatory authorities, the media and other stakeholders. Our Corporate Secretary is responsible for ensuring effective and transparent communication with regulatory authorities. Our Corporate Secretary is also responsible for ensuring compliance with prevailing laws and regulations, particularly those relating to capital markets. In addition, our Corporate Secretary is also responsible for ensuring that our Company fulfills its reporting requirements, such as disclosure of material transactions, corporate actions, financial statements, annual reports and other required reports. Our Company's Corporate Secretary is Adi Pramono.

We established the position of our Corporate Secretary in accordance with OJK Regulation No. 35/POJK.04/2014 on the Corporate Secretary of Issuers or Public Companies.

Compensation

The aggregate amount of compensation and other benefits paid to our Company's commissioners and directors for the years ended December 31, 2021, 2022 and 2023 was approximately US$4.2 million, US$7.9 million and US$8.2 million, respectively.

PRINCIPAL SHAREHOLDERS

As of December 31, 2023, we had authorized share capital of 17.0 billion shares, of which US$56.9 million, comprising 5.2 billion shares of Rp.100.0 per share, were issued and fully paid-up.

The following table sets forth certain information on the direct and indirect ownership of our shares, as of December 31, 2023.

Shareholder	Number of shares[1]	Percentage of total outstanding shares
PT Indika Inti Investindo[2]	**1,968,882,699**	**37.84%**
PT Teladan Resources[3]	**1,463,155,591**	**28.12%**
Commissioners and Directors	**13,975,500**	**0.27%**
Agus Lasmono	10,156,000	0.20%
Indracahya Basuki	1,403,500	0.03%
M. Arsjad Rasjid P.M.	1,208,000	0.02%
Azis Armand	1,208,000	0.02%
Others (each below 5.0%)[4]	**1,756,678,210**	**33.76%**
Total outstanding shares	**5,202,692,000**	**100.00%**
Treasury shares[5]	7,500,000	—
Total subscribed and paid-up capital	**5,210,192,000**	**—**

Notes:

(1) Number of shares includes up to 101,092,840 of our shares offered to certain employees (including commissioners and directors) pursuant to our employee and management stock option program ("EMSOP"). At the time of our initial public offering in 2008, the EMSOP specified 104,142,840 of our shares as available for distribution pursuant to the EMSOP. The first phase of the EMSOP concluded on August 11, 2011 and 3,050,000 shares were converted, thereby reducing the number of shares related to the EMSOP to 101,092,840 shares. We have not issued any stock options under the EMSOP since 2011.

(2) Controlled by Agus Lasmono, our founder and President Commissioner, see "Management — Board of Commissioners."

(3) Controlled by Wiwoho Basuki Tjokronegoro and family. Mr. Tjokronegoro is the father of Indracahya Basuki, one of our Commissioners, see "Management — Board of Commissioners."

(4) Includes 1,756,678,200 shares (33.76% of total outstanding shares) held by the public (each below 5.0%) and 10 shares (less than 0.01% of total outstanding shares) held by PT Indika Mitra Holdiko, a company controlled by Agus Lasmono.

(5) Treasury shares held by our Company pursuant to a share buyback we conducted in July 2020.

RELATED-PARTY TRANSACTIONS

We have entered into various transactions with certain of our related parties. We believe each of the transactions as described below have been entered into on an arm's length basis or on terms that are as favorable to us as similar transactions with non-related-parties. For more information on our related-party transactions, see Note 51 to our Consolidated Financial Statements included elsewhere in this Offering Memorandum.

Kideco

Coal supply agreements

On March 2, 2010 (as lastly amended on December 30, 2016), Kideco entered into a coal supply agreement with CEP, our associate company, to supply coal for the CEP Power Plant, see "Business — Energy Infrastructure Business — CEP Power Plant." Under the terms of the agreement, Kideco agreed to supply 1.85 million tonnes of coal per year to CEP. However, the actual quantity of coal supplied to CEP for a given year is typically determined by a separate request letter submitted by CEP. The price to be paid by CEP is determined in accordance with an agreed formula. The agreement is valid until December 31, 2026. Disputes arising out of the agreement are to be settled by arbitration according to the rules of the ICC. For the years ended December 31, 2021, 2022 and 2023, Kideco made coal sales totaling US$89.2 million, US$73.8 million and US$69.8 million, respectively, to CEP.

On April 25, 2017 (as lastly amended on April 27, 2018), Kideco entered into a coal supply agreement with CEPR, our associate company, to supply coal for the CEPR Power Plant, see "Business — Energy Infrastructure Business — CEPR Power Plant." Under the terms of the agreement, Kideco agreed to supply 2.0 million tonnes of coal per year to CEPR. However, the actual quantity of coal supplied to CEPR for a given year is typically determined by a separate request letter submitted by CEPR. The price to be paid by CEPR under the agreement is determined in accordance with an agreed formula. The agreement is valid until February 27, 2027. Disputes arising out of the agreement are to be settled by arbitration according to the rules of the ICC. The CEPR Power Plant began operations in May 2023 and for the years ended December 31, 2022 and 2023, Kideco made coal sales totaling US$3.2 million and US$65.2 million, respectively, to CEPR.

Samtan marketing rights agreement

On July 17, 2018 (as lastly amended on March 31, 2023), Kideco entered into a marketing rights agreement with Samtan, which owns a 9.0% equity interest in Kideco. Under the terms of the agreement, for export sales in which Samtan acts as Kideco's representative and not as a direct buyer of Kideco's coal, Kideco will pay a commission fee of 3.0% of the FOB price of the coal that is delivered to and paid for by our customers. The agreement is valid until September 30, 2025. Disputes are to be settled by arbitration according to the rules of the ICC in Seoul, South Korea if Kideco initiates the proceedings or in Jakarta if Samtan initiates the proceedings. For the years ended December 31, 2021, 2022 and 2023, Kideco recorded marketing expenses totaling US$12.2 million, US$19.5 million and US$16.8 million, respectively, paid to Samtan.

DESCRIPTION OF THE NOTES

For purposes of this "Description of the Notes," the term "Company" refers only to PT Indika Energy Tbk, a company incorporated with limited liability under the laws of Indonesia, and not to any of its Subsidiaries. PT Indika Inti Corpindo ("IIC"), PT Tripatra Multi Energi ("TIME"), PT Tripatra Engineering ("Tripatra Engineering"), PT Tripatra Engineers and Constructors ("Tripatra E&C"), Tripatra (Singapore) Pte. Ltd. ("Tripatra Singapore" and, together with Tripatra Engineering and Tripatra E&C, the "Tripatra Entities") and each future subsidiary of the Company which guarantees the Notes is referred to as a "Subsidiary Guarantor," and each such guarantee is referred to as a "Subsidiary Guarantee."

The Notes are to be issued under an indenture (the "Indenture"), to be dated as of the Original Issue Date, among the Company, each Subsidiary Guarantor, and The Bank of New York Mellon, as trustee (the "Trustee"). The Indenture will not be qualified under the U.S. Trust Indenture Act of 1939, as amended.

The following is a summary of certain provisions of the Indenture, the Notes, the Subsidiary Guarantees and the Common Security. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Indenture, the Notes, the Subsidiary Guarantees and the Common Security Documents (as defined below). It does not restate those agreements in their entirety. Whenever particular sections or defined terms of the Indenture not otherwise defined herein are referred to, such sections or defined terms are incorporated herein by reference.

Copies of the Indenture will be available for inspection on or after the Original Issue Date at the corporate trust office of the Trustee during normal office hours (being between 9:00 a.m. to 3:00 p.m. from Monday to Friday (New York time) (other than public holidays), upon prior written request and proof of holding and identity to the satisfaction of the Trustee at 240 Greenwich Street, New York, New York 10286, United States of America.

Brief Description of the Notes

The Notes will:

- be general obligations of the Company;
- be senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;
- rank at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of the Company (subject to any priority rights of such unsubordinated Indebtedness pursuant to applicable law);
- be guaranteed by the Subsidiary Guarantors on a senior basis, subject to the limitations described below under the caption "— The Subsidiary Guarantees" and in "Risk Factors — Risks Relating to the Notes, the Subsidiary Guarantees and the Common Security;" and
- rank effectively senior in right of payment to unsecured obligations of the Company and the Subsidiary Guarantor Pledgors (as defined below) with respect to the value of the Common Security pledged by the Company and the Subsidiary Guarantor Pledgors, as the case may be, securing the Notes (subject to any priority rights of such unsecured obligations pursuant to applicable law).

In addition, on the Original Issue Date, subject to the limitations described in "Risk Factors — Risks Relating to the Notes, the Subsidiary Guarantees and the Common Security," the Notes will be secured on an equal and ratable basis with all obligations of the Company (and any other obligors) under the Existing Pari Passu Secured Indebtedness and all other existing and future Permitted Pari Passu Secured Indebtedness by first-priority liens on the Common Security (as defined below under the caption "— Security").

The Notes will mature on May 7, 2029 unless earlier redeemed pursuant to the terms thereof and the Indenture. The Indenture allows additional Notes to be issued from time to time (the "Additional Notes"), subject to certain limitations described below under the caption "— Further Issues." Unless the context requires

otherwise, references to the "Notes" for all purposes of the Indenture and this "Description of the Notes" include any Additional Notes that are actually issued. The Notes will bear interest at 8.75% per annum from the Original Issue Date or from the most recent interest payment date to which interest has been paid or duly provided for, payable semi-annually in arrears on May 7 and November 7 of each year (each an "Interest Payment Date"), commencing on November 7, 2024.

Interest will be paid to Holders of record at the close of business on April 22 or October 23 immediately preceding an Interest Payment Date (each, a "Record Date"), notwithstanding any transfer, exchange or cancelation thereof after a Record Date and prior to the immediately following Interest Payment Date. In any case in which the date of the payment of principal of or interest on the Notes is not a Business Day in the relevant place of payment, then payment of principal or interest need not be made in such place on such date but may be made on the next succeeding Business Day in such place. Any payment made on such Business Day shall have the same force and effect as if made on the date on which such payment is due, and no interest on the Notes shall accrue for the period after such date. Interest on the Notes will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

The Notes will be issued only in fully registered form, without coupons, in denominations of US$250,000 and integral multiples of US$1,000 in excess thereof. No service charge will be made for any registration of transfer or exchange of Notes, but the Company may require payment of a sum sufficient to cover any transfer tax or other similar governmental charge payable in connection therewith.

All payments on the Notes will be made in U.S. dollars by the Company at the office or agency of the Company maintained for that purpose (which initially will be the specified office of the Paying Agent, currently located at 240 Greenwich Street, New York, NY 10286, United States of America, Facsimile: + 1 212 815 5915; Attention: Global Corporate Trust – PT Indika Energy Tbk), and the Notes may be presented for registration of transfer or exchange at the Registrar's office; *provided* that, if the Notes are in definitive form and the Company acts as its own paying agent, at the option of the Company, payment of interest may be made by check mailed (at the expense of the Company) to the address of the Holders as such address appears in the Note register.

The Subsidiary Guarantees

The initial Subsidiary Guarantors that will execute the Indenture on the Original Issue Date will be IIC, TIME and the Tripatra Entities. IIC is a holding company that holds the Capital Stock of Kideco but does not currently have significant operations. TIME is a holding company that holds, directly or indirectly, Capital Stock of the Tripatra Entities, as well as other investments, but does not currently have significant operations.

Neither PT Kideco Jaya Agung ("Kideco"), PT Indika Indonesia Resources ("IIR") nor any other Restricted Subsidiary other than IIC, TIME and the Tripatra Entities will provide a Subsidiary Guarantee on the Original Issue Date. Although the Indenture contains limitations on the amount of additional Indebtedness that Restricted Subsidiaries may incur, the amount of such additional Indebtedness could be substantial. In the event of a bankruptcy or liquidation of Kideco, IIR or any other Subsidiary of the Company other than a Subsidiary Guarantor, such entities will pay the holders of their debt and their trade creditors before they will be able to distribute any of their assets to the Company. As of December 31, 2023, on a consolidated basis, the Subsidiaries of the Company other than the Subsidiary Guarantors had total consolidated indebtedness of US$102.9 million.

If Kideco becomes a Wholly Owned Restricted Subsidiary, to the extent not prohibited by law or regulation, the Company shall use reasonable best efforts to cause Kideco to execute and deliver to the Trustee a supplemental indenture to the Indenture, in a form reasonably acceptable to the Trustee, pursuant to which Kideco will guarantee the payment of the Notes.

The Subsidiary Guarantee of each Subsidiary Guarantor will:

- be a general obligation of such Subsidiary Guarantor;
- be effectively subordinated to secured obligations of such Subsidiary Guarantor, to the extent of the value of the assets serving as security therefor (except for the Common Security to the extent applicable);

- be senior in right of payment to all future obligations of such Subsidiary Guarantor expressly subordinated in right of payment to such Subsidiary Guarantee; and
- rank at least *pari passu* in right of payment with all other unsecured, unsubordinated Indebtedness of such Subsidiary Guarantor (subject to any priority rights of such unsecured, unsubordinated Indebtedness pursuant to applicable law).

As of the Original Issue Date, none of the Company's Restricted Subsidiaries (other than IIC, TIME and the Tripatra Entities) will provide a Guarantee for the obligations of the Company under the Notes.

Each Restricted Subsidiary that guarantees the Notes after the Original Issue Date is referred to as a "Future Subsidiary Guarantor" and upon execution of the applicable supplemental indenture to the Indenture will be a "Subsidiary Guarantor."

In addition, subject to the limitations described in "Risk Factors — Risks Relating to the Notes, the Subsidiary Guarantees and the Common Security," the Subsidiary Guarantees of each Subsidiary Guarantor Pledgor will:

- be secured on an equal and ratable basis with all obligations of such Subsidiary Guarantor Pledgor (and any other obligors) under all other existing and future Permitted Pari Passu Secured Indebtedness by first-priority liens on the Common Security; and
- rank effectively senior in right of payment to the unsecured obligations of such Subsidiary Guarantor Pledgor with respect to the value of the Common Security securing such Subsidiary Guarantee (subject to any priority rights of such unsecured obligations pursuant to applicable law).

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, each of the Subsidiary Guarantors will jointly and severally guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes.

The Subsidiary Guarantors will (1) agree that their obligations under the Subsidiary Guarantees will be enforceable irrespective of any invalidity, irregularity or unenforceability of the Notes or the Indenture and (2) waive their right to require the Trustee to pursue or exhaust its legal or equitable remedies against the Company prior to exercising its rights under the Subsidiary Guarantees. Moreover, if at any time any amount paid under a Note or the Indenture is rescinded or must otherwise be restored, the rights of the Holders under the Subsidiary Guarantees will be reinstated with respect to such payments as though such payment had not been made. All payments under the Subsidiary Guarantees are required to be made in U.S. dollars.

Under the Indenture, and any supplemental indenture to the Indenture, as applicable, each Subsidiary Guarantee will be limited to an amount not to exceed the maximum amount that can be guaranteed by the applicable Subsidiary Guarantor without rendering the Subsidiary Guarantee, as it relates to such Subsidiary Guarantor, voidable under applicable law relating to fraudulent conveyance, fraudulent transfer, financial assistance, corporate benefit, capital maintenance or similar laws affecting the rights of creditors generally. If a Subsidiary Guarantee were to be rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of the applicable Subsidiary Guarantor, and, depending on the amount of such indebtedness, a Subsidiary Guarantor's liability on its Subsidiary Guarantee could be reduced to zero.

The obligations of each Subsidiary Guarantor under its respective Subsidiary Guarantee and the enforceability of the Common Security granted in respect of the Subsidiary Guarantees of the Subsidiary Guarantor Pledgors may be limited, or possibly invalid, under applicable laws. See "Risk Factors — Risks Relating to the Notes, the Subsidiary Guarantees and the Common Security — The Subsidiary Guarantees may be challenged under applicable bankruptcy, financial assistance, insolvency or fraudulent transfer, unfair preference or similar laws, which could impair the enforceability of the Subsidiary Guarantees."

Release of the Subsidiary Guarantees

A Subsidiary Guarantee given by a Subsidiary Guarantor may be released in certain circumstances, including:

- upon repayment in full of the Notes;
- upon a defeasance as described under "— Defeasance — Defeasance and discharge" or a satisfaction and discharge as described under "— Satisfaction and Discharge;"
- upon the designation by the Company of a Subsidiary Guarantor as an Unrestricted Subsidiary in compliance with the terms of the Indenture;
- upon the sale or other disposition (including by way of merger or consolidation) of the Capital Stock of a Subsidiary Guarantor (other than any Subsidiary Guarantor that holds the Capital Stock of Kideco) in compliance with the terms of the Indenture (including the covenants under the captions "— Certain Covenants — Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries," "— Certain Covenants — Limitation on Asset Sales" and "— Consolidation, Merger and Sale of Assets") resulting in such Subsidiary Guarantor no longer being a Restricted Subsidiary, so long as (1) such Subsidiary Guarantor is simultaneously released from its obligations in respect of any of the Company's other Indebtedness or any Indebtedness of any other Restricted Subsidiary and (2) the proceeds from such sale or disposition are used for the purposes permitted or required by the Indenture; or
- in the case of TIME or a Tripatra Entity, upon the sale or other disposition (including by way of merger or consolidation) of its Capital Stock by the Company or any of its Restricted Subsidiaries (including a new issuance of shares by it) resulting in the Company and its Restricted Subsidiaries owning less than 80.0% of its Capital Stock, so long as (1) it is simultaneously released from its obligations in respect of any of the Company's other Indebtedness or any Indebtedness of any other Restricted Subsidiary and (2) the proceeds from such sale or disposition are used for the purposes permitted or required by the Indenture. Upon the release of the Subsidiary Guarantee of TIME or a Tripatra Entity in accordance with this clause, the Subsidiary Guarantee of each Tripatra Entity that is a Subsidiary of TIME or such Tripatra Entity, as applicable, may also be released so long as such Subsidiary is simultaneously released from its obligations in respect of any of the Company's other Indebtedness or any Indebtedness of any other Restricted Subsidiary.

The Subsidiary Guarantees may also be released as described under the caption "— Amendments and Waivers."

On the Original Issue Date, all of the Company's Subsidiaries will be Restricted Subsidiaries, other than PT Indika Medika Nusantara ("IMN"), PT Bioneer Indika Group ("BIG"), PT Bioneer Indika Diagnostik ("BID"), PT Empat Mitra Indika Tenaga Surya ("EMITS"), PT Empat Mitra Indika Cahaya ("EMIC"), PT Indika Empat Mitra Surya ("IEMS"), PT Empat Mitra Indika Mentari ("EMIM"), PT Prasarana Energi Indonesia ("PEI") and PT Prasarana Energi Cirebon ("PEC"). IMN is a holding company of BIG and BID, both of which are engaged in the distribution of medical diagnostics, lab and other healthcare related equipment. EMITS is a joint venture with Fourth Partner Energy Limited, a leading solar energy company based in India, and a holding company of EMIC, IEMS and EMIM, all of whom are engaged in providing consulting and construction services for solar power projects, O&M services for electricity installation, and other renewable energy solutions. PEI and PEC are the Company's Subsidiaries who hold the Company's Investments in PT Cirebon Electric Power. Under the circumstances described below under the caption "— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries," the Company will be permitted to designate certain of its Subsidiaries as "Unrestricted Subsidiaries." The Company's Unrestricted Subsidiaries will generally not be subject to the restrictive covenants in the Indenture. The Company's Unrestricted Subsidiaries will not guarantee the Notes.

Security

The obligations of the Company under the Notes and the Subsidiary Guarantors under the Subsidiary Guarantees will be secured on a first priority basis by a Lien on collateral subject to the common security (the "Common Security"), which shall consist of pledges by each of the Company, TIME, Tripatra E&C and IIC of the Capital Stock held by them in Tripatra Engineering, Tripatra E&C, Tripatra Singapore, IIC and Kideco. The initial "Subsidiary Guarantor Pledgors" refers to TIME, Tripatra E&C and IIC.

The Common Security will be shared *pari passu* in right and priority of payment with certain other creditors in respect of certain obligations of the Company and the Subsidiary Guarantors in accordance with the Intercreditor Agreement. See "— Intercreditor Agreement."

The value of the Common Security securing the Notes, the Subsidiary Guarantees of the Subsidiary Guarantors and the Permitted Pari Passu Secured Indebtedness is unlikely to be sufficient to satisfy the obligations of the Company under the Notes, the Subsidiary Guarantees of the Subsidiary Guarantors and the Permitted Pari Passu Secured Indebtedness, and the Common Security securing the Notes, such Subsidiary Guarantees and Permitted Pari Passu Secured Indebtedness may be reduced or diluted under certain circumstances, including the issuance of Additional Notes and the disposition of assets comprising the Common Security, subject to the terms of the Indenture. See "— Release of Security" and "Risk Factors — Risks Relating to the Notes, the Subsidiary Guarantees and the Common Security — The value of the Common Security may not be sufficient to satisfy the Company's obligations under the Notes and the Subsidiary Guarantors' obligations under the Subsidiary Guarantees."

No appraisals of the Common Security have been prepared in connection with this offering of the Notes. There can be no assurance that the proceeds of any sale of the Common Security, in whole or in part, pursuant to the Indenture, the Intercreditor Agreement and the Common Security Documents following an Event of Default, would be sufficient to satisfy amounts due on the Notes or the Subsidiary Guarantees of the Subsidiary Guarantors. By its nature, some or all of the Common Security may be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Common Security would be sold in a timely manner or at all.

So long as no Payment Default has occurred and is continuing, and subject to the terms of the Common Security Documents and the Indenture, the Company and the Subsidiary Guarantor Pledgors, as the case may be, will be entitled to exercise any and all voting rights and to receive, retain and use any and all cash dividends, stock dividends, liquidating dividends, non-cash dividends, shares or stock resulting from stock splits or reclassifications, rights issues, warrants, options and other distributions (whether similar or dissimilar to the foregoing) in respect of Capital Stock constituting Common Security.

Permitted Pari Passu Secured Indebtedness

On or after the Original Issue Date, the Company and each Subsidiary Guarantor Pledgor may create Liens on the Common Security *pari passu* with the Lien for the benefit of the Holders to secure Indebtedness of the Company or a Finance Entity and any Pari Passu Guarantee of the Company or a Subsidiary Guarantor Pledgor with respect to such Indebtedness (such Indebtedness of the Company, Finance Entity and any such Pari Passu Guarantee, "Permitted Pari Passu Secured Indebtedness"); *provided* that (1) the Company, such Finance Entity or such Subsidiary Guarantor Pledgor was permitted to Incur such Indebtedness under the covenant under the caption "— Limitation on Indebtedness and Preferred Stock;" (2) the holders of such Indebtedness (or their representative) become party to the Intercreditor Agreement referred to below; and (3) the Company and such Subsidiary Guarantor Pledgor deliver to the Common Security Agent (as defined in the Intercreditor Agreement) a certificate from the Company and the Subsidiary Guarantors setting forth compliance with the provisions of the Intercreditor Agreement and the creditors under such Permitted Pari Passu Secured Indebtedness (or their representative) deliver to the Common Security Agent a deed of accession to the Intercreditor Agreement, in each case, in form and substance as set forth in the Intercreditor Agreement, and to the Trustee an Opinion of Counsel and an Officers' Certificate with respect to corporate and collateral matters in connection with the Common Security Documents, in each case in form and substance as set forth in the Common Security

Documents and acceptable to the Trustee. The Trustee will be permitted and authorized (but not obliged) without the consent of any Holder to enter into any amendments, supplements or modifications to the Common Security Documents or the Indenture and take any other action necessary to permit the creation and registration of Liens on the Common Security to secure Permitted Pari Passu Secured Indebtedness in accordance with this paragraph (including, without limitation, the appointment of any successor Common Security Agent as collateral agent under the Intercreditor Agreement referred to below to hold the Common Security on behalf of the Holders and the holders of the Permitted Pari Passu Secured Indebtedness) and to take any actions required or permitted under the Indenture (including, without limitation, the release of Common Security permitted by the Indenture).

Except for certain Permitted Liens and the Permitted Pari Passu Secured Indebtedness, the Company and the Restricted Subsidiaries will not be permitted to issue or Incur any other Indebtedness secured by all or any portion of the Common Security without the consent of the Holders of not less than 75% in aggregate principal amount of the outstanding Notes.

Intercreditor Agreement

As of the date of this offering memorandum, the Common Security was pledged to secure the obligations of the Existing Issuer, the Company and the Subsidiary Guarantors under the Existing Notes and the Syndicated Facilities (such indebtedness, the "Existing Pari Passu Secured Indebtedness"), pursuant to the terms of such Indebtedness and the Common Security Documents. The collateral securing the obligations of the Existing Issuer, the Company and the Subsidiary Guarantors under the Existing Pari Passu Secured Indebtedness includes the Common Security as well as other collateral (the "Excluded Collateral"), which is not included in the Common Security securing the obligations of the Company and the Subsidiary Guarantors under the Notes, and which consists of, among other things, the Capital Stock of the Existing Issuer held by the Company and certain intercompany loans.

On the Original Issue Date, the Trustee, acting upon written instructions from the Company, will accede to the amended and restated intercreditor agreement dated January 8, 2013, as amended by an amendment dated April 17, 2024, and as amended and supplemented from time to time (the "Intercreditor Agreement"), with the Company, the Subsidiary Guarantor Pledgors, the trustee for the Existing Notes, the agents for the Syndicated Facilities, the other Existing Pari Passu Secured Indebtedness and the holders of the Permitted Pari Passu Secured Indebtedness (or their representative) and the Common Security Agent. The Notes will constitute Permitted Pari Passu Indebtedness under the indenture governing the Existing Notes. The Intercreditor Agreement provides, among other things, that (1) the parties thereto shall share equal priority and *pro rata* entitlement in and to the Common Security, (2) the conditions under which the parties thereto will consent to the release of or granting of any Lien on such Common Security, (3) the procedures under which holders of additional Permitted Pari Passu Secured Indebtedness Incurred after the date of the Indenture (or their representatives) may accede to, or terminate their rights under, the Intercreditor Agreement and (4) the conditions under which the parties thereto will enforce their rights with respect to such Common Security and the Indebtedness secured thereby. The Intercreditor Agreement provides that, upon accession of the Trustee, the Trustee will be a Secured Party under the Intercreditor Agreement and the Common Security Agent will act on behalf of the Holders of the Notes (as well as for the holders of any Existing Notes remaining outstanding after the Original Issue Date, the lenders under the Syndicated Facilities and any other Existing Pari Passu Secured Indebtedness), such that the Holders of the Notes will share equal priority and *pro rata* entitlement in and to the Common Security (but not with respect to the Excluded Collateral) with the holders of any Existing Pari Passu Secured Indebtedness.

Enforcement of Security

Enforcement of security with respect to Common Security will be made in accordance with the Intercreditor Agreement and the Common Security Documents. The first priority Lien over the Common Security securing the Notes, the Existing Pari Passu Secured Indebtedness, any Permitted Pari Passu Secured Indebtedness and the Subsidiary Guarantees of the Subsidiary Guarantors will be granted to the Common Security Agent. The Common Security Agent will hold such Liens and security interests in the Common Security granted pursuant to the Common Security Documents with sole authority as directed by the written instruction from any of the

Trustee pursuant to the Indenture, the trustee with respect to the Existing Notes pursuant to the indenture thereof, the agents with respect to the Syndicated Facilities, and any agent or trustee acting on behalf of holders of any other Existing Pari Passu Secured Indebtedness or any Permitted Pari Passu Secured Indebtedness pursuant to the terms of the agreements evidencing such Permitted Pari Passu Secured Indebtedness (collectively, the "Instructing Secured Parties") to exercise remedies under the Common Security Documents on behalf of the Holders, the holders of the Existing Notes, the lenders under the Syndicated Facilities, and other Existing Pari Passu Secured Indebtedness and the holders of any Permitted Pari Passu Secured Indebtedness who accede to the Intercreditor Agreement after the Original Issue Date (collectively, the "Common Secured Parties"). The "Secured Obligations" means the obligations secured under the Common Security Documents. The "Secured Party Documents" means the Indenture, the indenture constituting the Existing Notes, the Syndicated Facilities and the agreements evidencing such other Existing Pari Passu Secured Indebtedness or any Permitted Pari Passu Secured Indebtedness.

The Common Security Agent has agreed to act as secured party on behalf of the Common Secured Parties under the Common Security Documents, to follow the instructions provided to it in accordance with the Intercreditor Agreement and the Common Security Documents and to carry out certain other duties.

The Intercreditor Agreement and/or the Common Security Documents will generally provide that the Common Security Agent, as directed by the written instructions from any of the Instructing Secured Parties, will be entitled to commence and pursue the exercise of remedies under the Common Security Documents for the purpose of promptly realizing the value of the Common Security (which shall be shared *pari passu* among the Common Secured Parties).

The Intercreditor Agreement provides that the proceeds of any sale or other realization upon all or any part of the Common Security under the Common Security Documents will be applied by the Common Security Agent principally as follows:

first, to the payment of any taxes, filing fees and registration fees and any other expenses owed to any governmental entity and incurred in connection with such sale or other realization (if any);

second, to the payment of, *pro rata* any amounts incurred or owed to the Common Security Agent in connection with such sale or other realization; any amounts owed to the Trustee or any Agent under the Indenture or the trustee with respect to the Existing Notes under the indenture thereof or the agents for the Syndicated Facilities and any other amounts payable to such agents and trustees in connection with the performance of their respective functions;

third, to the payment of any unreimbursed expenses for any Instructing Secured Party or Common Secured Party who is to be reimbursed pursuant to the Secured Party Documents other than those paid under the second clause immediately above;

fourth, to the ratable payment of accrued but unpaid interest on the Secured Obligations;

fifth, to the ratable payment of unpaid principal of the Secured Obligations;

sixth, to any make-whole premium or any other premium payable pursuant to the Secured Party Documents;

seventh, to the ratable payment of all other Secured Obligations, until all Secured Obligations will have been paid in full; and

eighth, to payment to the Company and the Existing Issuer or their successors or assigns, or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds.

Release of Security

The Liens created in respect of the Common Security granted under the Common Security Documents to secure the obligations of the Company and the Subsidiary Guarantors under the Notes may be released:

- upon repayment in full of the Notes;

- upon defeasance of the Notes as provided below under the caption "— Defeasance — Defeasance and discharge" or a satisfaction and discharge as described under "— Satisfaction and Discharge;"
- upon dispositions of the Common Security to any Person other than the Company or any of its Restricted Subsidiaries in compliance with the covenants under the captions "— Certain Covenants — Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries" and "— Certain Covenants — Limitation on Asset Sales;" *provided*, that in the case of the disposition of the Capital Stock of Kideco, after giving effect to such disposition, (a) the Company and its Wholly-Owned Restricted Subsidiaries hold not less than 65.0% of the outstanding Capital Stock of Kideco and (b) except in the case of such disposition which is required pursuant to a government order or regulation, the Consolidated Debt to Consolidated EBITDA Ratio would not be greater than 4.00 to 1.00; and
- with respect to security granted by a Subsidiary Guarantor Pledgor, upon the release of the Subsidiary Guarantee of such Subsidiary Guarantor Pledgor, in accordance with the terms of the Indenture.

The security created in respect of the Common Security in favor of the Common Security Agent granted under the Common Security Documents may be released in accordance with the Intercreditor Agreement. The Intercreditor Agreement generally provides that at any time and from time to time, the Common Security Agent may release the Common Security with the prior written consent of the Secured Party Consenting Group (as defined below). Notwithstanding the foregoing, the Common Security Agent may release any and all Common Security if so permitted under each of the Secured Party Documents; *provided* that the Company and the Existing Issuer, or the relevant Subsidiary Guarantor, delivers to the Common Security Agent, an Officers' Certificate certifying and an Opinion of Counsel stating that the release of any such security interest is permitted under the terms of all relevant Secured Party Documents and that the conditions precedent to any such release have been fulfilled.

The "Secured Party Consenting Group" means a group which collectively consists of (i) trustee acting on behalf of the holders of the Existing Notes holding the requisite percentage of the aggregate principal amount of Indebtedness of the Existing Issuer outstanding under the indenture governing the Existing Notes in accordance with the terms of such indenture and (ii) secured parties holding the requisite percentage of the aggregate principal amount of Indebtedness of the issuers or obligors thereof as specified outstanding under the agreements evidencing Permitted Pari Passu Secured Indebtedness (including the Notes) and who have acceded to the Intercreditor Agreement.

Further Issues

Subject to the covenants described below and in accordance with the terms of the Indenture, the Company may, from time to time, without notice to or the consent of the Holders, create and issue Additional Notes having the same terms and conditions as the Notes (including the benefit of the Subsidiary Guarantees and the Common Security) in all respects (or in all respects except for the issue date, issue price and the first payment of interest on them and, to the extent necessary, certain temporary securities law transfer restrictions) (a "Further Issue") so that such Additional Notes may be consolidated and form a single class with the previously outstanding Notes and vote together as one class on all matters with respect to the Notes; *provided* that the issuance of any such Additional Notes shall then be permitted under the "— Certain Covenants — Limitation on Indebtedness and Preferred Stock" covenant described below; *provided*, *further*, that any Additional Notes issued in a Further Issue shall be issued a unique CUSIP, ISIN and/or other identifying number unless such Additional Notes are fungible with the previously outstanding Notes for U.S. federal income tax purposes.

Optional redemption

At any time on or after May 7, 2026, the Company may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest, if any, to the redemption date, if redeemed during the 12-month period commencing on May 7 of any year set forth below:

Period	Redemption Price
2026	104.375%
2027	102.188%
2028 and thereafter	100.000%

At any time prior to May 7, 2026, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the Applicable Premium, and accrued and unpaid interest, if any, to (but not including) the redemption date. Neither the Trustee nor any of the Agents shall be responsible for verifying or calculating the Applicable Premium or any redemption price.

At any time and from time to time prior to May 7, 2026, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the Net Cash Proceeds of one or more sales of Common Stock of the Company in an Equity Offering at a redemption price of 108.75% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date; *provided* that at least 65% of the aggregate principal amount of the Notes originally issued on the Original Issue Date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related Equity Offering.

The Company will give not less than 10 days' nor more than 60 days' notice of any redemption. If less than all of the Notes are to be redeemed at any time, the Notes for redemption will be selected as follows: (1) if the Notes are listed on any securities exchange and/or held through any clearing system, in compliance with the requirements of the principal securities exchange on which the Notes are listed and/or in compliance with the requirements of the clearing system (on a pro rata pass through distribution of principal basis); or (2) if the Notes are not listed on any securities exchange or held through any clearing system, on a *pro rata* basis, by lot or by such other method as the Trustee shall in its sole and absolute discretion deem to be fair and appropriate, unless otherwise required by law. The Trustee will not be liable to the Company, the Subsidiary Guarantors, the Holders or any other person in respect of the selection made by it.

A Note of US$250,000 in principal amount or less shall not be redeemed in part. If any Note is to be redeemed in part only, the notice of redemption relating to such Note will state the portion of the principal amount to be redeemed. A new Note in principal amount equal to the unredeemed portion will be issued upon cancelation of the original Note. On and after the redemption date, interest will cease to accrue on Notes or portions of them called for redemption.

Repurchase of Notes upon a Change of Control

Not later than 30 days following a Change of Control, the Company will make an Offer to Purchase all outstanding Notes (a "Change of Control Offer") at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the Offer to Purchase Payment Date.

The Company has agreed in the Indenture that it will timely repay all Indebtedness or obtain consents as necessary under, or terminate, agreements or instruments that would otherwise prohibit a Change of Control Offer required to be made pursuant to the Indenture. Notwithstanding this agreement of the Company, it is important to note that if the Company is unable to repay (or cause to be repaid) all of the Indebtedness, if any, that would prohibit repurchase of the Notes or is unable to obtain the requisite consents of the holders of such Indebtedness, or terminate any agreements or instruments that would otherwise prohibit a Change of Control Offer, it would continue to be prohibited from purchasing the Notes. In that case, the failure of the Company to purchase tendered Notes would constitute an Event of Default under the Indenture.

Certain of the events constituting a Change of Control under the Notes will also constitute an event of default under certain debt instruments of the Company and its Subsidiaries. Future debt of the Company or its

Subsidiaries may also (1) prohibit the Company from purchasing Notes in the event of a Change of Control; (2) provide that a Change of Control is a default; or (3) require the repurchase of such debt upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Company to purchase the Notes could cause a default under other Indebtedness, even if the Change of Control itself does not, due to the financial effect of the purchase on the Company or its Subsidiaries. The ability of the Company to pay cash to the Holders following the occurrence of a Change of Control may be limited by the Company's then existing financial resources. There can be no assurance that sufficient funds will be available when necessary to make the required purchase of the Notes. See "Risk Factors — Risks Relating to the Notes, the Subsidiary Guarantees and the Common Security — The Company may not have the ability to raise the funds necessary to finance an offer to repurchase the Notes or the Existing Notes upon the occurrence of certain events constituting a change of control or otherwise as required by the indentures governing the Notes and the Existing Notes."

The phrase "all or substantially all," as used in the definition of "Change of Control," will likely be interpreted under applicable law of the relevant jurisdictions and will be dependent upon particular facts and circumstances. As a result, there may be a degree of uncertainty in ascertaining whether a sale or transfer of "all or substantially all" the assets of the Company has occurred. Notwithstanding the above, the Company will not be required to make a Change of Control Offer following a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

The Trustee shall not be required to take any steps to ascertain whether a Change of Control or any event which could lead to the occurrence of a Change of Control has occurred and will not be responsible or liable to any person for any loss arising from any failure by it to do so.

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders to require that the Company purchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

Company's Right to Require Resale or Redemption

Any purported sale or transfer of a Note (or beneficial interest therein) which is not made in compliance with the transfer restrictions set forth herein will be void and will not be honored by the Company. The Company will be entitled to require any holder of a Note (or beneficial interest therein) who is a U.S. person or in the United States that is determined not to have been both a "qualified institutional buyer" and a "qualified purchaser" and to have met the other requirements set forth under "Transfer Restrictions" herein at the time of acquisition of such Note (or such beneficial interest) to sell such Note (or such beneficial interest therein) (within 30 days after notice of the sale requirement is given) to either (i) a person that is both a "qualified institutional buyer" and a "qualified purchaser" (and meets the requirements set forth under "Transfer Restrictions") in a transaction meeting the requirements of Rule 144A, or (ii) a person that is not a U.S. person (and meets the other requirements set forth under "Transfer Restrictions") in an offshore transaction meeting the requirements of Regulation S. Alternatively, the Company will be entitled to redeem such Note (upon 30 days' notice to the holder thereof) in an amount equal to the outstanding principal amount of such Note plus accrued interest.

No Mandatory Redemption or Sinking Fund

There will be no mandatory redemption or sinking fund payments for the Notes.

Additional Amounts

All payments of principal of, and premium (if any) and interest on the Notes and all payments under the Subsidiary Guarantees will be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or within any jurisdiction in which the Company or a Surviving Person (as defined under the caption "— Consolidation, Merger and Sale of Assets") is organized or resident for tax purposes (each, as applicable, a "Relevant Taxing

Jurisdiction"), or any jurisdiction in which any Subsidiary Guarantor is organized or resident for tax purposes or through which such payments are made by or on behalf of the Company, a Surviving Person or any Subsidiary Guarantor (or any political subdivision or taxing authority thereof or therein) (each, with each Relevant Taxing Jurisdiction, as applicable, a "Relevant Jurisdiction"), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Company, a Surviving Person or the applicable Subsidiary Guarantor, as the case may be, will pay such additional amounts ("Additional Amounts") as will result in receipt by the Holder of each Note of such amounts as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts shall be payable:

(1) for or on account of:

(a) any tax, duty, assessment or other governmental charge that would not have been imposed but for:

(i) the existence of any present or former connection between the Holder or beneficial owner of such Note and the Relevant Jurisdiction other than merely holding such Note or the receipt of payments thereunder, including, without limitation, such Holder or beneficial owner being or having been a national, domiciliary or resident of such Relevant Jurisdiction or treated as a resident thereof or being or having been physically present or engaged in a trade or business therein or having or having had a permanent establishment therein;

(ii) the presentation of such Note (in cases in which presentation is required) more than 30 days after the later of the date on which the payment of the principal of, premium, if any, and interest on, such Note became due and payable pursuant to the terms thereof or was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Note for payment on any date within such 30-day period;

(iii) the failure of the Holder or beneficial owner to comply with a timely request of the Company, a Surviving Person or any Subsidiary Guarantor addressed to the Holder or beneficial owner, as the case may be, to provide information concerning such Holder's or beneficial owner's nationality, residence, identity or connection with any Relevant Jurisdiction, if and to the extent that due and timely compliance with such request would have reduced or eliminated any withholding or deduction as to which Additional Amounts would have otherwise been payable to such Holder; or

(iv) the presentation of such Note (in cases in which presentation is required) for payment in the Relevant Jurisdiction, unless such Note could not have been presented for payment elsewhere;

(b) any estate, inheritance, gift, sale, transfer, personal property or similar tax, duty, assessment or other governmental charge;

(c) any tax, duty, assessment or other governmental charge which is payable other than by deduction or withholding from payments of principal of or interest or any premium on the Note or payments under the Subsidiary Guarantees;

(d) any withholding or deduction imposed on or in respect of any Note pursuant to Sections 1471 through 1474 of the Internal Revenue Code of 1986, as amended, and any current or future regulations promulgated thereunder ("FATCA"), or any successor version thereof that is substantively comparable and not materially more onerous to comply with, the laws of any Relevant Jurisdiction implementing FATCA, any intergovernmental agreement between the United States and any other jurisdiction to implement FATCA, or any agreement between the Company or a Subsidiary Guarantor and the United States or any authority thereof entered into for FATCA purposes; or

(e) any combination of taxes, duties, assessments or other governmental charges referred to in the preceding clauses (a), (b), (c) and (d); or

(2) to a Holder, if the Holder is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that such payment would be required to be included in the income under the laws of the Relevant Jurisdiction, for tax purposes, of a beneficiary or settlor, with respect to the fiduciary, or a member of that partnership or a beneficial owner who would not have been entitled to such Additional Amounts had that beneficiary, settlor, partner, or beneficial owner been the Holder thereof.

Notwithstanding the foregoing, the limitations on the obligations of the Company, a Surviving Person or any Subsidiary Guarantor, as applicable, to pay Additional Amounts set forth in clause (1)(a)(iii) above will not apply if the provision of any certification, identification, information, documentation or other reporting requirement described in such clause (1)(a)(iii) would be materially more onerous, in form, in procedure or in the substance of information disclosed, to a Holder or beneficial owner of a Note than comparable information or other reporting requirements imposed under U.S. tax law, regulations and administrative practice (such as U.S. Internal Revenue Service Forms W-8BEN and W-9). For the avoidance of doubt, no Holder or beneficial owner of a Note shall have any obligation to establish eligibility for a reduced withholding tax rate under any income tax treaty.

If the Company, a Surviving Person or any Subsidiary Guarantor, as applicable, becomes aware that it will be obligated to pay Additional Amounts with respect to any payment under or with respect to the Notes or the Subsidiary Guarantees, the Company, Surviving Person or any Subsidiary Guarantor, as applicable, will deliver to the Trustee on a date that is at least 30 days prior to the date of that payment (unless the obligation to pay Additional Amounts arises after the 30th day prior to that payment date, in which case the Company, Surviving Person or any Subsidiary Guarantor, as applicable, shall notify the Trustee and the Paying Agent promptly thereafter) an Officers' Certificate stating the fact that Additional Amounts will be payable and the amount estimated to be so payable. The Officers' Certificate must also set forth any other information reasonably necessary to enable the Paying Agent to pay Additional Amounts to holders on the relevant payment date. The Trustee shall be entitled to rely solely on such Officers' Certificate as conclusive proof that such payments are necessary and the amount of such payment. The Company, Surviving Person or any Subsidiary Guarantor, as applicable, will provide the Paying Agent with documentation satisfactory to the Paying Agent evidencing the payment of Additional Amounts.

The Company, a Surviving Person or any Subsidiary Guarantor, as applicable, will make all withholdings and deductions required by law and will remit the full amount deducted or withheld to the taxing authority in accordance with applicable law. Upon request, the Company, Surviving Person or any Subsidiary Guarantor, as applicable, will provide to the Paying Agent an official receipt or, if official receipts are not obtainable, other documentation satisfactory to the Paying Agent evidencing the payment of any taxes so deducted or withheld. Upon request, copies of those receipts or other documentation, as the case may be, will be made available by the Paying Agent to the holders of the Notes.

Whenever there is mentioned in any context the payment of principal of, and any premium or interest, on any Note or under any Subsidiary Guarantee, such mention shall be deemed to include payment of Additional Amounts provided for in the Indenture to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

Redemption for Taxation Reasons

The Notes may be redeemed, at the option of the Company or a Surviving Person with respect to the Company, as a whole but not in part, upon giving not less than 30 days' nor more than 60 days' notice to the Holders (which notice shall be irrevocable) and the Trustee and the Paying Agent, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including any Additional Amounts), if any, to the date fixed by the Company or the Surviving Person, as the case may be, for redemption (the "Tax Redemption Date") if, as a result of:

(1) any change in, or amendment to, the laws (or any regulations or rulings promulgated thereunder) of a Relevant Taxing Jurisdiction affecting taxation; or

(2) any change in the existing official position of a Relevant Taxing Jurisdiction or the stating of an official position regarding the application or interpretation of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction),

which change or amendment becomes effective (i) with respect to the Company or any initial Subsidiary Guarantor, on or after the Original Issue Date, or (ii) with respect to any Future Subsidiary Guarantor or Surviving Person, on or after the date such Future Subsidiary Guarantor or Surviving Person becomes a Subsidiary Guarantor or Surviving Person, with respect to any payment due or to become due under the Notes, the Indenture or a Subsidiary Guarantee, the Company, Surviving Person or Subsidiary Guarantor, as the case may be, is, or on the next Interest Payment Date would be, required to pay Additional Amounts, and such requirement cannot be avoided by the taking of reasonable measures by the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be; *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Company, Surviving Person or Subsidiary Guarantor, as the case may be, would be obligated to pay such Additional Amounts if a payment in respect of the Notes were then due; *provided*, *further*, that where any such requirement to pay Additional Amounts is due to taxes of the Republic of Indonesia (or any political subdivision or taxing authority thereof or therein), the Company or such Surviving Person shall be permitted to redeem the Notes in accordance with the provisions above only if the rate of withholding or deduction in respect of which such Additional Amounts would be payable is in excess of 20.0% (the "Minimum Withholding Level").

Prior to the mailing of any notice of redemption of the Notes pursuant to the foregoing, the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be, will deliver to the Trustee at least 30 days but not more than 60 days prior to a redemption date:

(1) an Officers' Certificate acceptable to the Trustee stating that such change or amendment referred to in the prior paragraph has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be, taking reasonable measures available to it;

(2) an Opinion of Counsel or an opinion of a tax consultant, in either case of recognized standing with respect to tax matters of the Relevant Taxing Jurisdiction and acceptable to the Trustee, stating that the requirement to pay such Additional Amounts results from such change or amendment referred to in the prior paragraph; and

(3) in the case of a redemption where the Minimum Withholding Level has been exceeded, an Opinion of Counsel or an opinion of a tax consultant, in either case of recognized standing with respect to tax matters of the Relevant Taxing Jurisdiction and acceptable to the Trustee, stating that the Company, a Surviving Person or a Subsidiary Guarantor, as the case may be, has or will become obliged to pay Additional Amounts in respect of withholding exceeding the Minimum Withholding Level.

The Trustee shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent described above without any verification, in which event it shall be conclusive and binding on the Holders.

The Trustee may rely without liability to the Holders of the Notes on a resolution passed by the Board of Directors and/or any certificate prepared by an Officer and/or an opinion from a tax consultant of recognized standing whether or not addressed to the Trustee and whether or not the auditors of the Company or the tax consultant's liability in respect thereof is limited by a monetary cap or otherwise limited or excluded.

Any Notes that are redeemed will be canceled.

Certain Covenants

Set forth below are summaries of certain covenants contained in the Indenture. The Indenture will provide that the Trustee shall have no obligation or duty to monitor, determine or inquire as to compliance with any of such covenants.

Limitation on Indebtedness and Preferred Stock

(1) The Company will not, and will not permit any Restricted Subsidiary to, Incur any Indebtedness (including Acquired Indebtedness) and the Company will not permit any Restricted Subsidiary to issue Preferred Stock, *provided* that the Company or any Restricted Subsidiary may Incur Indebtedness (including Acquired Indebtedness) if, after giving effect to the Incurrence of such Indebtedness and the receipt and application of the proceeds therefrom, (x) no Default has occurred and is continuing, (y) the Fixed Charge Coverage Ratio would be not less than 2.5 to 1.0, and (z) in the case of the Incurrence of Priority Indebtedness, such Indebtedness constitutes Permitted Priority Indebtedness. Notwithstanding the foregoing, the Company will not permit any Restricted Subsidiary to Incur any Disqualified Stock (other than Disqualified Stock held by the Company or a Subsidiary Guarantor, so long as it is so held).

(2) Notwithstanding the foregoing, the Company and any Restricted Subsidiary may Incur each and all of the following ("Permitted Indebtedness"):

(a) Indebtedness under the Notes (excluding any Additional Notes) and the Subsidiary Guarantees thereof;

(b) Indebtedness of the Company or any Restricted Subsidiary outstanding on the Original Issue Date excluding Indebtedness permitted under clauses (a) or (c) of this paragraph (2);

(c) Indebtedness of the Company or any Restricted Subsidiary owed to the Company or any Restricted Subsidiary; *provided* that (i) any event which results in any such Restricted Subsidiary ceasing to be a Restricted Subsidiary or any subsequent transfer of such Indebtedness (other than to the Company or any Restricted Subsidiary) shall be deemed, in each case, to constitute an Incurrence of such Indebtedness not permitted by this clause (c) and (ii) if the Company or any Subsidiary Guarantor is the obligor on such Indebtedness, such Indebtedness must expressly be subordinated in right of payment to the Notes, in the case of the Company, or the Subsidiary Guarantee of such Subsidiary Guarantor, in the case of a Subsidiary Guarantor;

(d) Indebtedness ("Permitted Refinancing Indebtedness") issued in exchange for, or the net proceeds of which are used to refinance or refund, then outstanding Indebtedness Incurred under the immediately preceding paragraph (1) or clauses (a), (b), (i), (j) or (o) of this paragraph (2) and any refinancings thereof in an amount not to exceed the amount so refinanced or refunded (plus premiums, accrued interest, fees and expenses); *provided* that (i) Indebtedness the proceeds of which are used to refinance or refund the Notes or Indebtedness that is *pari passu* with, or subordinated in right of payment to, the Notes or a Subsidiary Guarantee shall only be permitted under this clause (d) if (A) in case the Notes are refinanced in part or the Indebtedness to be refinanced is *pari passu* with the Notes or a Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is outstanding, is expressly made *pari passu* with, or subordinate in right of payment to, the remaining Notes or such Subsidiary Guarantee, or (B) in case the Indebtedness to be refinanced is subordinated in right of payment to the Notes or a Subsidiary Guarantee, such new Indebtedness, by its terms or by the terms of any agreement or instrument pursuant to which such new Indebtedness is issued or remains outstanding, is expressly made subordinate in right of payment to the Notes or such Subsidiary Guarantee at least to the extent that the Indebtedness to be refinanced is subordinated to the Notes or such Subsidiary Guarantee, (ii) such new Indebtedness, determined as of the date of Incurrence of such new Indebtedness, does not mature prior to the Stated Maturity of the Indebtedness to be refinanced or refunded, and the Average Life of such new Indebtedness is at least equal to the remaining Average Life of the Indebtedness to be refinanced or refunded and (iii) in no event may Indebtedness of the Company or any Subsidiary Guarantor be refinanced pursuant to this clause by means of any Indebtedness of any Restricted Subsidiary that is not a Subsidiary Guarantor (other than a Finance Subsidiary);

(e) Indebtedness Incurred by the Company or any Restricted Subsidiary pursuant to Hedging Obligations entered into in the ordinary course of business and designed to protect the Company

or any Restricted Subsidiary from fluctuations in interest rates, currencies or the price of commodities and not for speculation;

(f) Indebtedness Incurred by the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to letters of credit, trade guarantees or similar instruments issued in the ordinary course of business to the extent that such letters of credit or trade guarantees are not drawn upon or, if drawn upon, to the extent such drawing is reimbursed no later than the 30 days following receipt by the Company or such Restricted Subsidiary of a demand for reimbursement;

(g) Indebtedness arising from agreements providing for indemnification, adjustment of purchase price or similar obligations, or from guarantees or letters of credit, surety bonds, bid bonds or performance bonds securing any obligation of the Company or any Restricted Subsidiary pursuant to such agreements, in any case, Incurred in connection with the provision of engineering or construction services or the acquisition or disposition of any business, assets or Restricted Subsidiary, other than guarantees of Indebtedness Incurred by any Person acquiring all or any portion of any business, assets or Restricted Subsidiary for the purpose of financing such acquisition; *provided* that, in the case of a disposition, the maximum aggregate liability in respect of all such Indebtedness in the nature of such guarantee shall at no time exceed the gross proceeds actually received by the Company or such Restricted Subsidiary from the provision of such services or the sale of such business, assets or Restricted Subsidiary;

(h) Indebtedness of the Company or any Restricted Subsidiary with a maturity of one year or less used by the Company or any Restricted Subsidiary for working capital; *provided* that the aggregate principal amount of Indebtedness permitted by this clause (h) at any time outstanding does not exceed the greater of (x) US$50.0 million (or the Dollar Equivalent thereof) and (y) 15.0% of the Borrowing Base;

(i) Indebtedness of the Company or any Restricted Subsidiary in an aggregate principal amount outstanding at any time (together with refinancings thereof) not to exceed US$25.0 million (or the Dollar Equivalent thereof);

(j) Indebtedness Incurred by the Company or any Restricted Subsidiary, including Indebtedness represented by Capitalized Leases, mortgage financings or purchase money obligations, to finance all or any part of the purchase price (including adjustment of purchase price or similar obligations) or cost of construction, development, leasing, installation, improvement or expansion of property (real or personal), assets, machinery, plant or equipment (including through the acquisition of Capital Stock of any Person that owns such property (real or personal), assets, machinery, plant or equipment which will, upon such acquisition, become a Restricted Subsidiary) to be used in a Permitted Business; *provided* that (i) such Indebtedness shall be Incurred no later than 180 days after the acquisition, construction, development, leasing, installation, improvement or expansion of such property (real or personal), assets, machinery, plant or equipment and (ii) the aggregate principal amount of Indebtedness permitted by this clause (j) at any time outstanding (together with refinancings thereof) does not exceed US$100.0 million (or the Dollar Equivalent thereof);

(k) (i) Indebtedness of a Finance Subsidiary that is guaranteed by the Company to the extent the Company is permitted to Incur such Indebtedness under this covenant and (ii) any guarantee by a Subsidiary Guarantor of any Indebtedness of a Finance Subsidiary so guaranteed by the Company;

(l) Indebtedness of the Company or any Restricted Subsidiary arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business; *provided* that such Indebtedness is extinguished within five Business Days of Incurrence;

(m) guarantees by (i) the Company or any Subsidiary Guarantor of Indebtedness of the Company, any Subsidiary Guarantor or a Finance Subsidiary that was permitted to be Incurred by another provision of this covenant and (ii) the Company of Indebtedness of any Restricted Subsidiary that

was permitted to be Incurred by another provision of this covenant; *provided* that if the Indebtedness being guaranteed is subordinated to or pari passu with the Notes or a Subsidiary Guarantee, then the guarantee shall be subordinated or pari passu, as applicable, to the same extent as the Indebtedness guaranteed;

(n) Indebtedness of the Company or any Restricted Subsidiary constituting reimbursement obligations with respect to workers' compensation claims or claims arising under similar legislation, or in connection with self-insurance obligations or bid, performance or surety bonds, including guarantees or obligations of the Company or any Restricted Subsidiary thereof with respect to letters of credit supporting such bid, performance or surety bonds, in each case other than for an obligation for borrowed money;

(o) Indebtedness Incurred to finance the Awak Mas Gold Project; *provided* that the aggregate principal amount of Indebtedness permitted by this clause (o) at any time outstanding (together with refinancings thereof) does not exceed US$250.0 million (or the Dollar Equivalent thereof); and

(p) guarantees by the Company of Indebtedness of (i) any Person engaged in the generation and sale of renewable energy, (ii) any Person engaged in the assembly, manufacturing and distribution of electric vehicles and electric vehicle components, and/or (iii) any Person engaged in the provision of nature-based solutions, including through biomass wood pellet production, carbon offsetting, agroforestry and natural aroma chemicals production; provided that the aggregate principal amount of Indebtedness permitted by this clause (p) at any time outstanding does not exceed US$75.0 million (or the Dollar Equivalent thereof);

provided that, with respect to the incurrence of Permitted Indebtedness under clauses (h), (j) or (o) of this paragraph, if such Permitted Indebtedness constitutes Priority Indebtedness, on the date of the incurrence of such Indebtedness, such Indebtedness constitutes Permitted Priority Indebtedness.

(3) For purposes of determining compliance with this "Limitation on Indebtedness and Preferred Stock" covenant, in the event that an item of Indebtedness meets the criteria of more than one of the types of Indebtedness described above, including under the proviso in the first paragraph of part (1), the Company, in its sole discretion, shall classify, and from time to time may reclassify, such item of Indebtedness and only be required to include the amount of such Indebtedness as one of such types.

(4) Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that may be Incurred pursuant to this covenant will not be deemed to be exceeded solely as a result of fluctuations in the exchange rates of currencies. For purposes of determining compliance with any U.S. dollar-denominated restriction on the Incurrence of Indebtedness, the U.S. dollar equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred (or first committed, in the case of revolving credit debt); *provided* that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency than the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such respective Indebtedness is denominated that is in effect on the date of such refinancing.

(5) The accrual of interest, the accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, the reclassification of Preferred Stock as Indebtedness due to a change in accounting principles, and the payment of dividends on Disqualified Stock in the form of additional shares of the same class of Disqualified Stock will not

be deemed to be an Incurrence of Indebtedness; *provided*, in each such case, that the amount of any such accrual, accretion or payment is included in the Consolidated Fixed Charges of the Company as accrued.

Limitation on Restricted Payments

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly (the payments or any other actions described in clauses (1) through (4) below being collectively referred to as "Restricted Payments"):

(1) declare or pay any dividend or make any distribution on or with respect to the Company's or any of its Restricted Subsidiaries' Capital Stock (other than dividends or distributions payable by the Company solely in shares of its Capital Stock or by any Restricted Subsidiary solely in shares of its Capital Stock (in each case, other than Disqualified Stock or Preferred Stock) or in options, warrants or other rights to acquire shares of such Capital Stock) held by Persons other than the Company or any Restricted Subsidiary;

(2) purchase, call for redemption or redeem, retire or otherwise acquire for value any shares of Capital Stock of the Company or any Subsidiary Guarantor (including options, warrants or other rights to acquire such shares of Capital Stock) or any direct or indirect parent of the Company held by any Persons other than the Company or any Restricted Subsidiary;

(3) make any voluntary or optional principal payment, or voluntary or optional redemption, repurchase, defeasance, or other acquisition or retirement for value, of Indebtedness that is subordinated in right of payment to the Notes or any Subsidiary Guarantee (excluding any intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries or between or among Restricted Subsidiaries); or

(4) make any Investment, other than a Permitted Investment;

if, at the time of, and after giving effect to, the proposed Restricted Payment:

(a) a Default has occurred and is continuing or would occur as a result of such Restricted Payment;

(b) the Company could not Incur at least US$1.00 of Indebtedness under the proviso in the first paragraph of part (1) of the covenant under the caption "— Limitation on Indebtedness and Preferred Stock;" or

(c) such Restricted Payment, together with the aggregate amount of all Restricted Payments made by the Company and its Restricted Subsidiaries after the Measurement Date, shall exceed the sum of:

(i) 50% of the aggregate amount of the Consolidated Net Income of the Company (or, if the Consolidated Net Income is a loss, minus 100% of the amount of such loss) accrued on a cumulative basis during the period (taken as one accounting period) beginning on the first day of the fiscal quarter during which the Measurement Date occurred and ending on the last day of the Company's most recently ended fiscal quarter for which consolidated financial statements of the Company (which the Company shall use its reasonable best efforts to compile in a timely manner) are available; plus

(ii) 100% of the aggregate Net Cash Proceeds received by the Company after the Measurement Date as a capital contribution to its common equity or from the issuance and sale of its Capital Stock (other than Disqualified Stock) to a Person who is not a Subsidiary of the Company, including any such Net Cash Proceeds received upon (A) the conversion of any Indebtedness (other than Subordinated Indebtedness) of the Company or any Restricted Subsidiary into Capital Stock (other than Disqualified Stock) of the Company, or (B) the exercise by a Person who is not a Subsidiary of the Company of any options, warrants or other rights to acquire Capital Stock of the Company (other than Disqualified Stock) in each

case after deducting the amount of any such Net Cash Proceeds used to redeem, repurchase, defease or otherwise acquire or retire for value any Subordinated Indebtedness or Capital Stock of the Company or any Subsidiary Guarantor; plus

(iii) the amount by which Indebtedness of the Company or any Restricted Subsidiary is reduced on the Company's balance sheet upon conversion or exchange (other than by a Subsidiary of the Company) subsequent to the Measurement Date of any Indebtedness of the Company or any Restricted Subsidiary into Capital Stock (other than Disqualified Stock) of the Company (less the amount of any cash, or the Fair Market Value of any other property, distributed by the Company or any Restricted Subsidiary upon such conversion or exchange); plus

(iv) an amount equal to the net reduction in Investments (other than reductions in Permitted Investments) that were made after the Measurement Date in any Person resulting from (A) payments of interest on Indebtedness, dividends or repayments of loans or advances by such Person, in each case to the Company or any Restricted Subsidiary (except, in each case, to the extent any such payment or proceeds are included in the calculation of Consolidated Net Income), (B) to the extent that an Investment made after the Measurement Date is sold or otherwise liquidated or repaid for cash, the lesser of (x) cash return of capital with respect to such Investment (less the cost of disposition, if any) and (y) the initial amount of such Investment, (C) redesignations of Unrestricted Subsidiaries as Restricted Subsidiaries, or (D) the unconditional release of a guarantee provided by the Company or any Restricted Subsidiary after the Measurement Date of an obligation of another person, not to exceed, in each case, the amount of Investments (other than Permitted Investments) made by the Company or a Restricted Subsidiary after the Measurement Date in any such Person.

The foregoing provision shall not be violated by reason of:

(1) the payment of any dividend or redemption of any Capital Stock within 60 days after the related date of declaration or call for redemption if, at said date of declaration or call for redemption, such payment or redemption would comply with the preceding paragraph;

(2) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any of the Subsidiary Guarantors with the Net Cash Proceeds of, or in exchange for, a substantially concurrent Incurrence of Permitted Refinancing Indebtedness;

(3) the redemption, repurchase or other acquisition of Capital Stock of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock) in exchange for, or out of the Net Cash Proceeds of a substantially concurrent capital contribution or a sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company or any Subsidiary Guarantor (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph;

(4) the redemption, repurchase, defeasance or other acquisition or retirement for value of Subordinated Indebtedness of the Company or any of the Subsidiary Guarantors in exchange for, or out of the Net Cash Proceeds of, a substantially concurrent capital contribution or a sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company or any of the Subsidiary Guarantors (or options, warrants or other rights to acquire such Capital Stock); *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Restricted Payment will be excluded from clause (c)(ii) of the preceding paragraph;

(5) the payment of any dividends or distributions declared, paid or made by a Restricted Subsidiary payable, on a *pro rata* basis or on a basis more favorable to the Company, to all holders of any class of Capital Stock of such Restricted Subsidiary, a majority of which is held, directly or indirectly through Restricted Subsidiaries, by the Company;

(6) the making of any other Restricted Payment in an aggregate amount, together with all other Restricted Payments made under this clause (6), not exceeding US$25.0 million (or the Dollar Equivalent thereof); or

(7) Investments made in exchange for, or out of the Net Cash Proceeds of a substantially concurrent capital contribution or a sale (other than to a Subsidiary of the Company) of, shares of Capital Stock (other than Disqualified Stock) of the Company; *provided* that the amount of any such Net Cash Proceeds that are utilized for any such Investment will be excluded from clause (c)(ii) of the preceding paragraph;

provided that, in the case of clause (2), (3) or (4) of the preceding paragraph, no Default shall have occurred and be continuing or would occur as a consequence of the actions or payments set forth therein.

Each Restricted Payment permitted pursuant to the preceding paragraph shall be excluded in calculating whether the conditions of clause (c) of the first paragraph of this "— Limitation on Restricted Payments" covenant have been met with respect to any subsequent Restricted Payments.

The amount of any Restricted Payments (other than cash) will be the Fair Market Value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or the Restricted Subsidiary, as the case may be, pursuant to the Restricted Payment. The value of any assets or securities that are required to be valued by this covenant will be the Fair Market Value. The Board of Directors' determination of the Fair Market Value of a Restricted Payment or any such assets or securities must be based upon an opinion or appraisal issued by an appraisal or investment banking firm of recognized international standing if the Fair Market Value exceeds US$10.0 million (or the Dollar Equivalent thereof).

Not later than the date of making any Restricted Payment in excess of US$10.0 million (or the Dollar Equivalent thereof), the Company will deliver to the Trustee an Officers' Certificate acceptable to the Trustee stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this "— Limitation on Restricted Payments" covenant were computed, together with a copy of any fairness opinion or appraisal required by the Indenture (and the Trustee shall have no obligation to review or distribute such computation, opinion or approval).

Limitation on dividend and other payment restrictions affecting Restricted Subsidiaries

(1) Except as provided below, the Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends or make any other distributions on any Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary;

(b) pay any Indebtedness or other obligation owed to the Company or any other Restricted Subsidiary;

(c) make loans or advances to the Company or any other Restricted Subsidiary; or

(d) sell, lease or transfer any of its property or assets to the Company or any other Restricted Subsidiary, provided that it being understood that (i) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on Common Stock; (ii) the subordination of loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary; and (iii) the provisions requiring transactions between or among the Company and any Restricted Subsidiary or between or among any Restricted Subsidiary to be on fair and reasonable terms or on an arm's length basis, in each case, shall not be deemed to constitute such an encumbrance or restriction.

(2) The provisions of paragraph (1) do not apply to any encumbrances or restrictions:

(a) existing in agreements as in effect on the Original Issue Date, or in the Notes, the Subsidiary Guarantees, the Indenture, the Common Security Documents, and any extensions, refinancings,

renewals or replacements of any of the foregoing agreements; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(b) existing under or by reason of applicable law, rule, regulation, license, concession, approval, decree or order;

(c) existing with respect to any Person or the property or assets of such Person acquired by the Company or any Restricted Subsidiary, at the time of such acquisition and not incurred in contemplation thereof, which encumbrances or restrictions are not applicable to any Person or the property or assets of any Person other than such Person or the property or assets of such Person so acquired, and any extensions, refinancings, renewals or replacements thereof; *provided* that the encumbrances and restrictions in any such extension, refinancing, renewal or replacement, taken as a whole, are no more restrictive in any material respect to the Holders than those encumbrances or restrictions that are then in effect and that are being extended, refinanced, renewed or replaced;

(d) with respect to a Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the sale or disposition of all or substantially all of the Capital Stock of, or property and assets of, such Restricted Subsidiary that is permitted by the "— Limitation on Sales and Issuances of Capital Stock in Restricted Subsidiaries," "— Limitation on Indebtedness and Preferred Stock" and "— Limitation on Asset Sales" covenants;

(e) that otherwise would be prohibited by the provision described in paragraph (1) of this covenant if they arise, or are agreed to in the ordinary course of business and (x) restrict in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease or license or similar instrument, (y) exist by virtue of any Lien on, or agreement to transfer, option or similar right with respect to, any property or assets of the Company or any Restricted Subsidiary not otherwise prohibited by the Indenture or (z) do not relate to any Indebtedness, and that do not, individually or in the aggregate, detract from the value of property or assets of the Company or any Restricted Subsidiary in any manner material to the Company or any Restricted Subsidiary;

(f) with respect to any Permitted Refinancing Indebtedness; provided that the restrictions contained in the agreements governing such Permitted Refinancing Indebtedness are not materially more restrictive, taken as a whole, than those contained in the agreements governing the Indebtedness being refinanced;

(g) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business or pursuant to clause (iii) of paragraph (25) of the definition of "Permitted Liens;" or

(h) with respect to any Restricted Subsidiary and imposed pursuant to an agreement that has been entered into for the Incurrence of Indebtedness permitted under the "Limitation on Indebtedness and Preferred Stock" covenant if, as determined by the Board of Directors, the encumbrances or restrictions are (i) customary for such types of agreements and (ii) would not, at the time agreed to, be expected to materially or adversely affect the ability of the Company to make required payment on the Notes.

Limitation on sales and issuances of Capital Stock in Restricted Subsidiaries

The Company will not sell, and will not permit any Restricted Subsidiary, directly or indirectly, to issue or sell, any shares of Capital Stock of any Restricted Subsidiary (or options, warrants or other rights to purchase shares of such Capital Stock) except:

(1) to the Company or a Restricted Subsidiary;

(2) to the extent such Capital Stock represents director's qualifying shares or is required by applicable law to be held by a Person other than the Company or a Restricted Subsidiary;

(3) for the issuance or sale of shares of Capital Stock of a Restricted Subsidiary if, immediately after giving effect to such issuance or sale, such Restricted Subsidiary would no longer constitute a Restricted Subsidiary and any remaining Investment in such Person would have been permitted under the "— Limitation on Restricted Payments" covenant if made on the date of such issuance or sale and such issuance or sale is made in accordance with the "— Limitation on Asset Sales" covenant; and

(4) for the issuance or sale of shares of Capital Stock of a Restricted Subsidiary which remains a Restricted Subsidiary after such issuance or sale; *provided* that the Company or such Restricted Subsidiary applies the Net Cash Proceeds of such issuance or sale in accordance with the "— Limitation on Asset Sales" covenant, if applicable.

Notwithstanding the foregoing, a Restricted Subsidiary may issue Common Stock to its shareholders on a *pro rata* basis; *provided* that the Company or Restricted Subsidiary (i) is permitted under the "— Limitations on Restricted Payments" covenant to subscribe for such Common Stock; and (ii) subscribes for its pro rata share of such issuance.

Limitation on issuances of Guarantees by Restricted Subsidiaries

The Company will not permit any Restricted Subsidiary which is not a Subsidiary Guarantor, directly or indirectly, to guarantee, any Indebtedness ("Guaranteed Indebtedness") of the Company or any other Subsidiary Guarantor, unless (a) such Restricted Subsidiary simultaneously executes and delivers a supplemental indenture to the Indenture acceptable to the Trustee providing for an unsubordinated Subsidiary Guarantee of payment of the Notes by such Restricted Subsidiary and (b) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or Subsidiary Guarantor as a result of any payment by such Restricted Subsidiary under its Subsidiary Guarantee until the Notes have been paid in full.

If the Guaranteed Indebtedness (1) ranks *pari passu* in right of payment with the Notes or any Subsidiary Guarantee, then the guarantee of such Guaranteed Indebtedness shall rank *pari passu* in right of payment with, or subordinated to, the Subsidiary Guarantee or (2) is subordinated in right of payment to the Notes or any Subsidiary Guarantee, then the guarantee of such Guaranteed Indebtedness shall be subordinated in right of payment to the Subsidiary Guarantee at least to the extent that the Guaranteed Indebtedness is subordinated to the Notes or the Subsidiary Guarantee.

Limitation on transactions with shareholders and Affiliates

The Company will not, and will not permit any Restricted Subsidiary to, directly or indirectly, enter into, renew or extend any transaction or arrangement (including, without limitation, the purchase, sale, lease or exchange of property or assets, or the rendering of any service) with (x) any holder (or any Affiliate of such holder) of 5% or more of any class of Capital Stock of the Company or any Restricted Subsidiary or (y) any Affiliate of the Company or any Restricted Subsidiary (each an "Affiliate Transaction"), unless:

(1) the Affiliate Transaction is on fair and reasonable terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or the relevant Restricted Subsidiary with a Person that is not an Affiliate of the Company or such Restricted Subsidiary; and

(2) the Company delivers to the Trustee (in each case in form and substance acceptable to the Trustee):

(a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving, aggregate consideration in excess of US$5.0 million (or the Dollar Equivalent thereof), a Board Resolution set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with this covenant and such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors; and

(b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving, aggregate consideration in excess of US$15.0 million (or the Dollar Equivalent thereof), in

addition to the Board Resolution required in clause (2)(a) above, an opinion as to the fairness to the Company or such Restricted Subsidiary of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal, investment banking firm or other industry consultant of recognized international standing.

The foregoing limitation does not limit, and shall not apply to:

(1) the payment of compensation (including amounts paid pursuant to employee benefit plans) for the personal services of officers, directors and employees of the Company or any of the Restricted Subsidiaries, services theretofore or thereafter to be performed for such compensation or payments to be fair consideration therefor;

(2) transactions between or among the Company and any of its Wholly Owned Restricted Subsidiaries or between or among Wholly Owned Restricted Subsidiaries;

(3) any Restricted Payment of the type described in clauses (1) or (2) of the first paragraph of the covenant described above under the caption "— Limitation on Restricted Payments" if permitted by that covenant;

(4) any sale of Capital Stock (other than Disqualified Stock) of the Company;

(5) any agreement between any Person (other than a Person that is an Affiliate of the Company or acquired from an Affiliate of the Company) that is acquired by or merged into the Company or any of its Restricted Subsidiaries and an Affiliate of the Company existing at the time of such acquisition or merger; *provided* that such agreement was not entered into in contemplation of such acquisition or merger;

(6) transactions with clients, contractors, purchasers or suppliers of goods or services or lessors or lessees, in each case in the ordinary course of business and that are fair or on an arm's length as determined in good faith by the Board of Directors; or

(7) loans or advances to, or guarantees of obligations of, directors, commissioners, officers or employees of the Company or a Restricted Subsidiary in the ordinary course of business not to exceed US$2.0 million (or the Dollar Equivalent thereof) in the aggregate at any one time outstanding.

In addition, the requirements of paragraph (2) above will not apply to (i) any transaction between or among any of the Company or a Wholly Owned Restricted Subsidiary and any Restricted Subsidiary that is not a Wholly Owned Restricted Subsidiary or between or among Restricted Subsidiaries that are not Wholly Owned Restricted Subsidiaries; *provided* that in the case of this clause (i), (a) such transaction is entered into in the ordinary course of business and (b) none of the minority shareholders or minority partners (if any) of or in such Restricted Subsidiary is a Person described in clauses (x) or (y) of the paragraph (a) of this covenant (other than by reason of such minority shareholder or minority partner being an officer or director of such Restricted Subsidiary), or (ii) any Permitted Investment (other than a Permitted Investment of the type described in clause (1) of the definition of "Permitted Investment").

Limitation on Liens

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, incur, assume or permit to exist any Lien on the Common Security (other than Permitted Liens).

The Company will not, and will not permit any of its Restricted Subsidiaries to, directly or indirectly, incur, assume or permit to exist any Lien of any nature whatsoever on any of its assets or properties of any kind (other than the Common Security), whether owned at the Original Issue Date or thereafter acquired, except Permitted Liens, unless the Notes are equally and ratably secured with (or, if the obligation or liability to be secured by such Lien is subordinated in right of payment to the Notes or any Subsidiary Guarantee, senior in priority to) the obligation or liability so secured for so long as such obligation or liability is secured by such Lien.

Limitation on Sale and Leaseback Transactions

The Company will not, and will not permit any of its Restricted Subsidiaries to, enter into any Sale and Leaseback Transaction; *provided* that the Company may enter into a Sale and Leaseback Transaction if:

(1) the Company could have (a) incurred Indebtedness in an amount equal to the Attributable Indebtedness relating to such Sale and Leaseback Transaction under the first paragraph of the covenant described above under "— Limitation on Indebtedness and Preferred Stock" and (b) incurred a Lien to secure such Indebtedness pursuant to the covenant described above under the caption "— Limitation on Liens," in which case, the corresponding Indebtedness and Lien will be deemed incurred pursuant to those provisions;

(2) the gross cash proceeds of that Sale and Leaseback Transaction are at least equal to the Fair Market Value of the property that is the subject of such Sale and Leaseback Transaction; and

(3) the transfer of assets in that Sale and Leaseback Transaction is permitted by, and the Company applies the proceeds of such transaction in compliance with, the covenant described below under the caption "— Limitation on Asset Sales."

Limitation on Asset Sales

The Company will not, and will not permit any Restricted Subsidiary to, consummate any Asset Sale, unless:

(1) no Default shall have occurred and be continuing or would occur as a result of such Asset Sale;

(2) the consideration received by the Company or such Restricted Subsidiary, as the case may be, is at least equal to the Fair Market Value of the assets sold or disposed of; and

(3) at least 75% of the consideration received consists of cash or Temporary Cash Investments. For purposes of this provision, each of the following will be deemed to be cash:

(a) any liabilities, as shown on the Company's most recent consolidated balance sheet, of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinated to the Notes or any Subsidiary Guarantee) that are assumed by the transferee of any such assets pursuant to a customary assumption, assignment, novation or similar agreement that releases the Company or such Restricted Subsidiary from further liability; and

(b) any securities, notes or other obligations received by the Company or any Restricted Subsidiary from such transferee that are promptly, but in any event within 30 days of closing, converted by the Company or such Restricted Subsidiary into cash, to the extent of the cash received in that conversion.

Within 360 days after the receipt of any Net Cash Proceeds from an Asset Sale, the Company (or the applicable Restricted Subsidiary, as the case may be) may apply such Net Cash Proceeds to:

(1) permanently repay Senior Indebtedness of the Company or a Subsidiary Guarantor (and, if such Senior Indebtedness repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto) in each case owing to a Person other than the Company or a Restricted Subsidiary;

(2) acquire Replacement Assets; or

(3) acquire the Capital Stock of (i) any Person primarily engaged in a Permitted Business if, after giving effect thereto, such Person becomes a Restricted Subsidiary in accordance with the Indenture or (ii) any non-Wholly Owned Restricted Subsidiary that is not owned by the Company or any of its Affiliates.

Any Net Cash Proceeds from Asset Sales by the Company or any Restricted Subsidiary that are not applied or invested as provided in clauses (1), (2) and (3) in the immediately preceding paragraph will constitute "Excess Proceeds." Excess Proceeds of less than US$15.0 million (or the Dollar Equivalent thereof) may be carried

forward and accumulated. When accumulated Excess Proceeds exceeds US$15.0 million (or the Dollar Equivalent thereof), within 10 days thereof, the Company must make an Offer to Purchase from the Holders and holders of Senior Indebtedness containing provisions similar to those set forth in the Indenture with respect to offers to purchase with the proceeds of sales of assets, the maximum principal amount of Notes and such Senior Indebtedness that may be purchased out of the Excess Proceeds.

The offer price in any Offer to Purchase will be equal to 100% of the principal amount of the Notes and such Senior Indebtedness plus accrued and unpaid interest to the date of purchase, and will be payable in cash.

If any Excess Proceeds remain after consummation of an Offer to Purchase, the Company may use those Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount of Notes and Senior Indebtedness tendered in such Offer to Purchase exceeds the amount of Excess Proceeds, the Notes and such Senior Indebtedness will be purchased on a *pro rata* basis based on the principal amount tendered or such other method as the Company shall deem to be fair and appropriate. Upon completion of each Offer to Purchase, the amount of Excess Proceeds will be reset at zero.

Limitation on the Company's business activities

The Company will not, and the Company will not permit any Restricted Subsidiary to, directly or indirectly, engage in any business other than Permitted Businesses; *provided*, *however*, that the Company or any Restricted Subsidiary may own Capital Stock of an Unrestricted Subsidiary or joint venture or other entity that is engaged in a business other than Permitted Businesses as long as any Investment therein was not prohibited when made by the covenant under the caption "— Limitation on Restricted Payments."

Use of Proceeds

The Company will not, and will not permit any Restricted Subsidiary to, use the net proceeds from the sale of the Notes on the Original Issue Date, in any amount, for any purpose other than (1) in the approximate amounts and for the purposes specified under the caption "Use of Proceeds" in this offering memorandum and (2) pending the application of all of such net proceeds in such manner, to invest the portion of such net proceeds not yet so applied in Temporary Cash Investments.

Designation of Restricted and Unrestricted Subsidiaries

The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary; *provided* that: (1) Kideco shall always be a Restricted Subsidiary; (2) no Default shall have occurred or be continuing at the time of or after giving effect to such designation; (3) neither the Company nor any Subsidiary Guarantor provides credit support for the indebtedness of such Restricted Subsidiary; (4) such Restricted Subsidiary has no outstanding Indebtedness that could trigger a cross-default to the Indebtedness of the Company; (5) such Restricted Subsidiary does not own any Disqualified Stock of the Company or Disqualified or Preferred Stock of another Restricted Subsidiary or hold any Indebtedness of, or any Lien on any property of, the Company or any Restricted Subsidiary, if such Disqualified or Preferred Stock or Indebtedness could not be Incurred under the covenant described under the caption "— Limitation on Indebtedness and Preferred Stock" or such Lien would violate the covenant described under the caption "— Limitation on Liens;" (6) such Restricted Subsidiary does not own any Voting Stock of another Restricted Subsidiary, and all of its Subsidiaries are Unrestricted Subsidiaries or are being concurrently designated to be Unrestricted Subsidiaries in accordance with this paragraph; and (7) the Investment deemed to have been made thereby in such newly-designated Unrestricted Subsidiary and each other newly-designated Unrestricted Subsidiary being concurrently redesignated would be permitted to be made by the covenant described under "— Limitation on Restricted Payments."

The Board of Directors may designate any Unrestricted Subsidiary to be a Restricted Subsidiary; *provided* that: (1) no Default shall have occurred or be continuing at the time of or after giving effect to such designation; (2) any Indebtedness of such Unrestricted Subsidiary outstanding at the time of such designation which will be deemed to have been Incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be Incurred by the covenant described under the caption "— Limitation on Indebtedness

and Preferred Stock;" (3) any Lien on the property of such Unrestricted Subsidiary at the time of such designation which will be deemed to have been incurred by such newly-designated Restricted Subsidiary as a result of such designation would be permitted to be incurred by the covenant described under the caption "— Limitation on Liens;" (4) such Unrestricted Subsidiary is not a Subsidiary of another Unrestricted Subsidiary (that is not concurrently being designated as a Restricted Subsidiary); (5) such Restricted Subsidiary shall, if required by the Indenture, upon such designation execute and deliver to the Trustee a supplemental indenture to the Indenture acceptable to the Trustee by which such Restricted Subsidiary shall become a Subsidiary Guarantor; and (6) if required by the Indenture, all Capital Stock of such Restricted Subsidiary owned by the Company or any other Restricted Subsidiary shall be pledged.

Government approvals and licenses; Compliance with law

The Company will, and will cause each Restricted Subsidiary to, (1) obtain and maintain in full force and effect all governmental approvals, authorizations, consents, permits, concessions and licenses as are necessary to engage in the Permitted Businesses, (2) preserve and maintain good and valid title to its properties and assets (including land-use rights and mining rights) free and clear of any Liens other than Liens not prohibited by the covenant described under "—Limitation on Liens" and (3) comply with all laws, regulations, orders, judgments and decrees of any governmental body, except to the extent that failure so to obtain, maintain, preserve and comply would not reasonably be expected to have a material adverse effect on (a) the business, results of operations or prospects of the Company and its Restricted Subsidiaries, taken as a whole, or (b) the ability of the Company or any Subsidiary Guarantor to perform its obligations under the Notes, the relevant Subsidiary Guarantee or the Indenture.

Anti-layering

The Company will not Incur, and will not permit any Subsidiary Guarantor to Incur, any Indebtedness if such Indebtedness is contractually subordinated in right of payment to any other Indebtedness of the Company or such Subsidiary Guarantor, as the case may be, unless such Indebtedness is also contractually subordinated in right of payment to the Notes or the applicable Subsidiary Guarantee, on substantially identical terms. This does not apply to distinctions between categories of Indebtedness that exist by reason of any Liens or guarantees securing or in favor of some but not all of such Indebtedness or Liens being secured on a junior priority basis.

Suspension of certain covenants

If on any date following the date of the Indenture, the Notes have an Investment Grade rating from both of the Rating Agencies and no Default has occurred and is continuing (a "Suspension Event"), then, beginning on that day and continuing until such time, if any, at which the Notes cease to have an Investment Grade rating from either of the Rating Agencies, the provisions of the Indenture summarized under the following captions will be suspended subject to the conditions described below:

(1) "— Certain Covenants — Limitation on Indebtedness and Preferred Stock;"

(2) "— Certain Covenants — Limitation on Restricted Payments;"

(3) "— Certain Covenants — Limitation on dividend and other payment restrictions affecting Restricted Subsidiaries;"

(4) "— Certain Covenants — Limitation on sales and issuances of Capital Stock in Restricted Subsidiaries;"

(5) "— Certain Covenants — Limitation on issuances of Guarantees by Restricted Subsidiaries;"

(6) "— Certain Covenants — Limitation on Transactions with shareholders and Affiliates;"

(7) clauses (1)(a), (2) and (3) of the covenant described under "— Certain Covenants — Limitation on Sale and Leaseback Transactions;"

(8) "— Certain Covenants — Limitation on Asset Sales;"

(9) "— Certain Covenants — Limitation on the Company's business activities;"

(10) "— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries;" and

(11) "— Certain Covenants — Anti-layering."

During any period that the foregoing covenants have been suspended, the Board of Directors may not designate any of the Restricted Subsidiaries as Unrestricted Subsidiaries pursuant to the covenant summarized under the caption "— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries" or the definition of "Unrestricted Subsidiary."

Such covenants will be reinstituted and apply according to their terms as of and from the first day on which a Suspension Event ceases to be in effect (the "Reinstatement Date"). The period of time between the date of the Suspension Event and the Reinstatement Date is referred to as the "Suspension Period."

Such covenants will not, however, be of any effect with regard to actions of the Company or any Restricted Subsidiary properly taken in compliance with the provisions of the Indenture during the Suspension Period.

Following the Reinstatement Date, calculations under the covenant summarized under "— Certain Covenants — Limitation on restricted payments" will be made as if such covenant had been in effect since the date of the Indenture except that no Default will be deemed to have occurred solely by reason of a Restricted Payment made during the Suspension Period.

On the Reinstatement Date, all Indebtedness Incurred during the Suspension Period will be classified to have been Incurred pursuant to clause (b) of part (2) of the covenant under the caption "— Certain Covenants — Limitation on indebtedness and preferred stock."

There can be no assurance that the Notes will ever achieve an Investment Grade rating or that any such rating will be maintained.

Provision of Financial Statements and Reports

(1) So long as any of the Notes remain outstanding, the Company will file with the Trustee and furnish to the Holders upon request, as soon as practicable but in any event not more than three Business Days after they are filed with The Indonesian Stock Exchange or any other recognized exchange on which the Company's common shares are at any time listed for trading, true and correct copies of any financial or other report in the English language filed with such exchange; *provided* that if at any time the Common Stock of the Company ceases to be listed for trading on a recognized stock exchange, the Company will file with the Trustee and furnish to the Holders:

   (a) as soon as they are available, but in any event within 90 calendar days after the end of the fiscal year of the Company, copies of its financial statements (on a consolidated basis) in respect of such financial year (including a statement of income, balance sheet and cash flow statement) audited by a member firm of an internationally-recognized firm of independent accountants; and

   (b) as soon as they are available, but in any event within 60 calendar days after the end of each financial quarter of the Company, copies of its unaudited financial statements (on a consolidated basis), including a statement of income, balance sheet and cash flow statement, prepared on a basis consistent with the audited financial statements of the Company together with a certificate signed by the person then authorized to sign financial statements on behalf of the Company to the effect that such financial statements are true in all material respects and present fairly the financial position of the Company as at the end of, and the results of its operations for, the relevant quarterly period.

In addition, the Company has agreed that, for as long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, during any period in which the Company is neither subject to Section 13 or 15(d) of the Exchange Act, nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder, the Company shall supply to (i) any Holder or beneficial owner of a Note or (ii) a prospective purchaser of a

Note or a beneficial interest therein designated by such Holder or beneficial owner, the information specified in, and meeting the requirements of Rule 144A(d)(4) under the Securities Act upon the request of any Holder or beneficial owner of a Note. At any time that any of the Company's Subsidiaries are Unrestricted Subsidiaries and any such Unrestricted Subsidiary or group of Unrestricted Subsidiaries, if taken together as one Subsidiary, constitutes a Significant Subsidiary of the Company, then the annual and quarterly financial information required by paragraph (1) of this covenant shall include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries. Substantially concurrently with the issuance to the Trustee of the reports specified in paragraph (1) above, the Company shall also (a) use its commercially reasonable efforts (i) to post copies of such reports on such website as may be then maintained by the Company and its Subsidiaries or (ii) otherwise to provide substantially comparable public availability of such reports (as determined by the Board of Directors in good faith) or (b) to the extent the Board of Directors determines in good faith that it cannot make such reports available in the manner described in this paragraph owing to applicable law or after the use of its commercially reasonable efforts, furnish such reports to the Holders and, upon their request, prospective purchasers of the Notes. In the event that the Company becomes subject to the reporting requirements of Section 13(a) or 15(d) of the Exchange Act, or elects to comply with such provisions, the Company will, for so long as it continues to file the reports required by Section 13(a) with the SEC, make available to the Trustee the annual reports, information, documents and other reports that the Company is, or would be, required to file with the SEC pursuant to such Section 13(a) or 15(d). Upon complying with the foregoing requirement, the Company will be deemed to have complied with the provisions contained in the preceding paragraphs (1) and (2).

(2) In addition, so long as any of the Notes remain outstanding, the Company will provide to the Trustee (a) within 120 days after the close of each fiscal year, an Officers' Certificate stating the Fixed Charge Coverage Ratio with respect to the four most recent fiscal quarters and showing in reasonable detail the calculation of the Fixed Charge Coverage Ratio, including the arithmetic computations of each component of the Fixed Charge Coverage Ratio, with a certificate from the Company's external auditors verifying the accuracy and correctness of the calculation and arithmetic computation of the Fixed Charge Coverage Ratio; and (b) as soon as possible and in any event within 30 days after the Company becomes aware or should reasonably become aware of the occurrence of a Default, an Officers' Certificate setting forth the details of the Default, and the action which the Company proposes to take with respect thereto.

Events of Default

The following events will be defined as "Events of Default" in the Indenture:

(1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;

(2) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days;

(3) (x) default in the performance or breach of the provisions of the covenant described under "— Consolidation, Merger and Sale of Assets," (y) the failure by the Company to make or consummate an Offer to Purchase in the manner described under the captions "— Repurchase of Notes upon a Change of Control" or "— Certain Covenants — Limitation on Asset Sales," or (z) the failure by the Company to create, or cause the Subsidiary Guarantors to create, a first priority Lien on the Common Security (subject to any Permitted Liens) in accordance with the covenant described under the caption "— Security;"

(4) the Company or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the Holders of 25.0% or more in aggregate principal amount of the Notes;

(5) there occurs with respect to any Indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US$15.0 million (or the Dollar Equivalent thereof) or more in the aggregate for all such Indebtedness of all such Persons, whether such Indebtedness now exists or shall hereafter be created, (a) an event of default that has caused the holder thereof to declare such Indebtedness to be due and payable prior to its Stated Maturity and/or (b) the failure to make a principal payment when due;

(6) one or more final judgments or orders for the payment of money are rendered against the Company or any Restricted Subsidiary and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such Persons to exceed US$15.0 million (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

(7) an involuntary case or other proceeding is commenced against the Company or any Restricted Subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Restricted Subsidiary or for any substantial part of the property and assets of the Company or any Restricted Subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or any Restricted Subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;

(8) the Company or any Restricted Subsidiary (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Restricted Subsidiary or for all or substantially all of the property and assets of the Company or any Restricted Subsidiary or (c) effects any general assignment for the benefit of creditors;

(9) any Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee is finally determined in any judicial proceeding by a court of competent jurisdiction to be unenforceable or invalid or shall for any reason cease to be in full force and effect;

(10) any default by the Company or any Subsidiary Guarantor Pledgor in the performance of any of its obligations under the Common Security Documents, which adversely affects the enforceability, validity, perfection or priority of the applicable Lien on the Common Security or which adversely affects the condition or value of the Common Security, taken as a whole, in any material respect;

(11) the Company or any Subsidiary Guarantor Pledgor denies or disaffirms its obligations under any Common Security Document or, other than in accordance with the Indenture and the Common Security Documents, any Common Security Document ceases to be or is not in full force and effect or the Trustee or the Common Security Agent (as applicable) ceases to have a first priority security interest in the Common Security (subject to any Permitted Liens); or

(12) revocation, termination, suspension or other cessation of effectiveness of the IUPK, which results in the cessation or suspension of coal-mining operations for a period of more than 30 consecutive days.

If an Event of Default (other than an Event of Default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the Trustee or the Holders of at least 25.0% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the Holders), may, and the Trustee at the written request of the Holders of at least 25.0% in aggregate principal amount of the Notes then outstanding (and subject to being indemnified and/or secured and/or prefunded to its satisfaction by the Holders) shall, declare the principal of, premium, if any, and accrued and unpaid interest on

the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an Event of Default specified in clause (7) or (8) above occurs with respect to the Company or any Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holder.

The Holders of at least a majority in principal amount of the outstanding Notes by written notice to the Company and to the Trustee may, on behalf of all Holders, waive all past defaults and rescind and annul a declaration of acceleration and its consequences if:

(1) all existing Events of Default, other than the nonpayment of the principal of, premium, if any, and interest on the Notes that have become due solely by such declaration of acceleration, have been cured or waived, and

(2) the rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

Upon such waiver, the Default will cease to exist, and any Event of Default arising therefrom will be deemed to have been cured, but no such waiver will extend to any subsequent or other Default or impair any right consequent thereon.

If an Event of Default occurs and is continuing, the Trustee may (but shall not be obliged to) pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and interest on the Notes or to enforce the performance of any provision of the Notes or the Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding.

If an Event of Default occurs and is continuing, the Trustee may (but shall not be obliged to), and shall upon the written request of Holders of at least 25.0% in aggregate principal amount of outstanding Notes (subject to being indemnified and/or secured and/or prefunded to its satisfaction), give the Common Security Agent a written notice of such Event of Default (an "Event of Default Notice") stating (x) the nature of the Event of Default and (y) the action requested to be taken by the Common Security Agent with respect to the Common Security under the Intercreditor Agreement, if any, whereupon the Common Security Agent will forthwith take such action. See "— Security."

The Holders of at least a majority in aggregate principal amount of the outstanding Notes may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, subject to the Trustee being indemnified and/or secured and/or prefunded to its satisfaction in advance of such proceedings. However, the Trustee will be under no obligation, and may refuse to follow any direction that conflicts with law or the Indenture, that may involve the Trustee in personal liability, or that the Trustee determines in good faith may be unduly prejudicial to the rights of Holders not joining in the giving of such direction and may take any other action it deems proper that is not inconsistent with any such direction received from Holders. The Trustee shall not be liable to any person for having acted on instruction or direction provided to it by Holders with respect to the Indenture and the Notes.

Notwithstanding anything to the contrary herein or in the Indenture, in the event the Trustee receives instructions and/or indemnity and/or security and/or prefunding from two or more groups of Holders, each holding at least 25% in aggregate principal amount of the then outstanding Notes, and the Trustee believes (in its sole and absolute discretion and subject to such legal or other advice as it may deem appropriate) that such instructions are conflicting, the Trustee may, in its sole and absolute discretion, exercise any one or more of the following options:

(i) refrain from acting on any such conflicting instructions;

(ii) take the action requested by the Holders of the highest percentage of the aggregate principal amount of the then outstanding Notes, notwithstanding any other provisions of the Indenture (and always subject to such indemnity, security and/or prefunding as is satisfactory to the Trustee); and/or

(iii) petition a court of competent jurisdiction for further instructions.

In all instances where the Trustee has acted or refrained from acting as outlined above, the Trustee shall not be responsible or liable for loss or liability of any nature whatsoever to any party.

A Holder may not institute any proceeding, judicial or otherwise, with respect to the Indenture or the Notes, or for the appointment of a receiver or trustee, or for any other remedy under the Indenture or the Notes, unless:

(1) the Holder has previously given the Trustee written notice of a continuing Event of Default;

(2) the Holders of at least 25.0% in aggregate principal amount of outstanding Notes make a written request to the Trustee to pursue the remedy;

(3) such Holder or Holders offer the Trustee security and/or indemnity and/or prefunding satisfactory to the Trustee against any costs, liability or expense to be incurred in compliance with such request;

(4) the Trustee does not comply with the request within 60 days after receipt of the written request and the offer of security and/or indemnity and/or prefunding and the Event of Default is continuing; and

(5) during such 60-day period, the Holders of a majority in aggregate principal amount of the outstanding Notes do not give the Trustee a written direction that is inconsistent with the request.

However, such limitations do not apply to the right of any Holder of a Note to receive payment of the principal of, premium, if any, or interest, and Additional Amounts, if any, on, such Note, or to bring suit for the enforcement of any such payment, on or after the due date expressed in the Notes, which right shall not be impaired or affected without the consent of the Holder. No one or more of such Holders of the Notes shall have any right in any manner whatsoever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the rights of any other of such Holders, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under the Indenture, except in the manner therein provided and for the equal and ratable benefit of all of such Holders.

Two Officers of the Company must certify to the Trustee in writing, on or before a date not more than 120 days after the end of each fiscal year, that a review has been conducted of the activities of the Company and its Restricted Subsidiaries and the Company's and its Restricted Subsidiaries' performance under the Indenture, the Intercreditor Agreement and the Common Security Documents and that the Company has fulfilled all obligations thereunder, or, if there has been a default in the fulfillment of any such obligation, specifying each such default and the nature and status thereof. The Company will also be obligated to notify the Trustee in writing of any default or defaults in the performance of any covenants or agreements under the Indenture. See "— Provision of Financial Statements and Reports."

Consolidation, Merger and Sale of Assets

The Company will not consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions), unless:

(1) the Company shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets (the "Surviving Person") shall be a corporation organized and validly existing under the laws of the Republic of Indonesia and shall expressly assume, by a supplemental indenture to the Indenture acceptable to the Trustee, executed and delivered to the Trustee, all the obligations of the Company under the Indenture, the Notes and the Common Security Documents, as the case may be, and the Indenture, the Notes and the Common Security Documents, as the case may be, shall remain in full force and effect;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction on a pro forma basis, the Company or the Surviving Person, as the case may be, shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(4) immediately after giving effect to such transaction on a pro forma basis the Company or the Surviving Person, as the case may be, could Incur at least US$1.00 of Indebtedness under the first paragraph of the covenant under the caption "— Certain Covenants — Limitation on Indebtedness and Preferred Stock;"

(5) the Company delivers to the Trustee in form and substance acceptable to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with;

(6) each Subsidiary Guarantor, unless such Subsidiary Guarantor is the Person with which the Company has entered into a transaction described under this covenant shall execute and deliver a supplemental indenture to the Indenture acceptable to the Trustee confirming that its Subsidiary Guarantee shall apply to the obligations of the Company or the Surviving Person in accordance with the Notes and the Indenture; and

(7) no Rating Decline shall have occurred.

No Subsidiary Guarantor will consolidate with, merge with or into another Person, permit any Person to merge with or into it, or sell, convey, transfer, lease or otherwise dispose of all or substantially all of its and its Restricted Subsidiaries' properties and assets (computed on a consolidated basis) (as an entirety or substantially an entirety in one transaction or a series of related transactions) to another Person (other than the Company or another Subsidiary Guarantor), unless:

(1) such Subsidiary Guarantor shall be the continuing Person, or the Person (if other than it) formed by such consolidation or merger or that acquired or leased such property and assets shall be the Company, another Subsidiary Guarantor or shall become a Subsidiary Guarantor concurrently with the transaction;

(2) immediately after giving effect to such transaction, no Default shall have occurred and be continuing;

(3) immediately after giving effect to such transaction on a pro forma basis, the Company shall have a Consolidated Net Worth equal to or greater than the Consolidated Net Worth of the Company immediately prior to such transaction;

(4) immediately after giving effect to such transaction on a pro forma basis, the Company could Incur at least US$1.00 of Indebtedness under the first paragraph of the covenant under the caption "— Certain Covenants — Limitation on Indebtedness and Preferred Stock;"

(5) the Company delivers to the Trustee in form and substance acceptable to the Trustee (x) an Officers' Certificate (attaching the arithmetic computations to demonstrate compliance with clauses (3) and (4)) and (y) an Opinion of Counsel, in each case stating that such consolidation, merger or transfer and the relevant supplemental indenture complies with this provision and that all conditions precedent provided for in the Indenture relating to such transaction have been complied with; and

(6) no Rating Decline shall have occurred;

provided that this paragraph shall not apply to (a) any sale or other disposition that complies with the "— Certain Covenants — Limitation on Asset Sales" covenant, (b) any Subsidiary Guarantor whose Subsidiary Guarantee is unconditionally released in accordance with the provisions described under "— The Subsidiary Guarantees — Release of the Subsidiary Guarantees" or (c) a consolidation or merger of any Subsidiary Guarantor with and into the Company or any other Subsidiary Guarantor, so long as the Company or such Subsidiary Guarantor survives such consolidation or merger.

The foregoing requirements shall not apply to a consolidation or merger of any Subsidiary Guarantor with and into the Company or any other Subsidiary Guarantor, so long as the Company or such Subsidiary Guarantor survives such consolidation or merger.

The foregoing provisions would not necessarily afford Holders protection in the event of highly-leveraged or other transactions involving the Company that may adversely affect Holders.

No Payments for Consents

The Company will not, and shall not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Notes unless such consideration is offered to be paid and is paid to all Holders that consent, waive or agree to amend such term or provision within the time period set forth in the solicitation documents relating to such consent, waiver or amendment. Notwithstanding the foregoing, the Company and its Subsidiaries shall be permitted, in connection with any offer or payment of consideration for, or as an inducement to, any consent, waiver or amendment of any of the terms or provisions of this Indenture (a) to exclude, in connection with an exchange offer, holders or beneficial owners of the Notes that are not "qualified institutional buyers" as defined in Rule 144A under the Securities Act and (b) to exclude any Holder, or to offer and pay different consideration to any Holder for, or as an inducement to, any such consent, waiver or amendment, in each case to the extent (and only to the extent) that such Holder is in any jurisdiction where (A) (i) the solicitation of such consent, waiver or amendment in the manner deemed appropriate in the reasonable judgment of the Board of Directors of the Company, (ii) the payment of the consideration therefor or (iii) the conduct or completion of a related offer to purchase or exchange with respect to the Notes for cash or other securities in the manner deemed appropriate in the reasonable judgment of the Board of Directors of the Company would require the Company or any of its Subsidiaries to (a) file a registration statement, prospectus or similar document or subject the Company or any of its Subsidiaries to ongoing periodic reporting or similar requirements under any securities laws (including, but not limited to, the United States federal securities laws and the laws of the European Union or its member states), which the Board of Directors of the Company deems burdensome in its reasonable judgment, (b) qualify as a foreign corporation or other entity or as a dealer in securities in such jurisdiction if it is not otherwise required to so qualify, (c) generally consent to service of process in any such jurisdiction or (d) subject the Company or any of its Subsidiaries to taxation in any such jurisdiction if it is not otherwise so subject; or (B) such solicitation would otherwise not be permitted under applicable law in such jurisdiction.

Defeasance

Defeasance and discharge

The Indenture will provide that the Company will be deemed to have paid and will be discharged from any and all obligations in respect of the Notes on the 183rd day after the deposit referred to below, and the provisions of the Indenture and the Common Security Documents will no longer be in effect with respect to the Notes (except for, among other matters, certain obligations to register the transfer or exchange of the Notes, to replace stolen, lost or mutilated Notes, to pay Additional Amounts, to maintain paying agencies and to hold monies for payment in trust) if, among other things:

(1) the Company (a) has deposited with the Trustee, in trust, money and/or U.S. Government Obligations that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes and (b) delivers to the Trustee an Opinion of Counsel or a certificate of an internationally-recognized firm of independent accountants, in each case, acceptable to the Trustee, to the effect that the amount deposited by the Company is sufficient to provide payment for the principal of, premium, if any, and accrued interest on, the Notes on the Stated Maturity of such payment in accordance with the terms of the Indenture;

(2) the Company has delivered to the Trustee in form and substance acceptable to the Trustee either (i) an Opinion of Counsel of recognized standing with respect to U.S. federal income tax matters acceptable to the Trustee which is based on a change in applicable U.S. federal income tax law occurring after the

Original Issue Date to the effect that beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of the Company's exercise of its option under this "Defeasance" provision and will be subject to U.S. federal income tax on the same amount and in the same manner and at the same time as would have been the case if such deposit, defeasance and discharge had not occurred or (ii) a ruling directed to the Company or the Trustee received from the U.S. Internal Revenue Service to the same effect as the aforementioned Opinion of Counsel;

(3) the Company has delivered to the Trustee an Officers' Certificate stating that the deposit was not made by it with the intent of preferring the Holders over any other of its creditors or with the intent of defeating, hindering, delaying or defrauding any other of its creditors or others; and

(4) immediately after giving effect to such deposit on a pro forma basis, no Event of Default, or event that after the giving of notice or lapse of time or both would become an Event of Default, shall have occurred and be continuing on the date of such deposit or during the period ending on the 183rd day after the date of such deposit, and such defeasance shall not result in a breach or violation of, or constitute a default under, any other agreement or instrument to which the Company or any of its Restricted Subsidiaries is a party or by which the Company or any of its Restricted Subsidiaries is bound.

In the case of defeasance and discharge, the Subsidiary Guarantees will terminate.

In addition, the Company must deliver an Officers' Certificate and an Opinion of Counsel reasonably acceptable to the Trustee stating that all conditions precedent to defeasance and discharge have been satisfied. The Trustee shall be entitled to rely on such certificate and/or opinion without any liability or responsibility to any person.

Defeasance of certain covenants

The Indenture will further provide that the provisions of the Indenture will no longer be in effect with respect to clauses (3), (4), (5)(x) and (7) under the second paragraph and clauses (3), (4), (5)(x) and (6) under the third paragraph under "— Consolidation, Merger and Sale of Assets" and all the covenants described herein under "— Certain Covenants," other than as described under "— Certain Covenants — Government Approvals and Licenses; Compliance with Law" and "— Certain Covenants — Anti-layering," clause (3) under "Events of Default" with respect to such clauses (3), (4), (5)(x) and (7) under the second paragraph and clauses (3), (4), (5)(x) and (6) under the third paragraph under "Consolidation, Merger and Sale of Assets" and with respect to the other events set forth in such clause, clause (4) under "Events of Default" with respect to such other covenants and clauses (6) and (7) under "Events of Default" shall be deemed not to be Events of Default upon, among other things, the deposit with the Trustee, in trust, of money, U.S. Government Obligations or a combination thereof that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount sufficient to pay the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes, and the delivery by the Company to the Trustee, in form and substance satisfactory to the Trustee, of an Opinion of Counsel of recognized standing with respect to U.S. federal income tax matters acceptable to the Trustee to the effect that beneficial owners will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit and defeasance of certain covenants and Events of Default and will be subject to U.S. federal income tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred.

Defeasance and certain other events of default

In the event the Company exercises its option to omit compliance with certain covenants and provisions of the Indenture with respect to the Notes as described in the immediately preceding paragraph and the Notes are declared due and payable because of the occurrence of an Event of Default that remains applicable, the amount of money and/or U.S. Government Obligations on deposit with the Trustee will be sufficient to pay amounts due on the Notes at the time of their Stated Maturity but may not be sufficient to pay amounts due on the Notes at the

time of the acceleration resulting from such Event of Default. However, the Company and the Subsidiary Guarantors will remain liable for such payments.

Satisfaction and Discharge

The Indenture will be discharged and will cease to be of further effect as to all Notes issued thereunder, when:

(1) the Company has paid or caused to be paid all sums payable by it under the Indenture;

(2) either:

(a) all Notes that have been authenticated, except lost, stolen or destroyed Notes that have been replaced or paid and Notes for whose payment money has been deposited in trust and thereafter repaid to the Company, have been delivered to the Paying Agent for cancelation; or

(b) all Notes that have not been delivered to the Paying Agent for cancelation have become due and payable by reason of the mailing of a notice of redemption or otherwise or will become due and payable within one year and the Company has irrevocably deposited with the Trustee, in trust, money and/or U.S. Government Obligations that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount as will be sufficient, without consideration of any reinvestment of interest, to pay and discharge the entire Indebtedness in the Notes not delivered to the Paying Agent for cancelation for the principal of, premium, if any, and accrued interest on the Notes on the Stated Maturity of such payments in accordance with the terms of the Indenture and the Notes;

(3) in respect of clause 2(b), the deposit will not result in a breach or violation of, or constitute a default under, any other instrument to which the Company or any Subsidiary Guarantor is a party or by which the Company or any Subsidiary Guarantor is bound (other than with respect to the borrowing of funds to be applied concurrently to make the deposit required to effect such satisfaction and discharge and any similar concurrent deposit relating to other Indebtedness, and in each case the granting of Liens to secure such borrowings); and

(4) the Company has delivered irrevocable instructions to the Trustee under the Indenture to apply the deposited money toward the payment of the Notes at maturity or on the redemption date, as the case may be.

In addition, the Company must deliver an Officers' Certificate and an Opinion of Counsel to the Trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

Amendments and Waiver

Amendments without consent of holders

The Indenture, the Notes, the Subsidiary Guarantees, the Intercreditor Agreement or any Common Security Document may be amended, without the consent of any Holder, to:

(1) cure any ambiguity, defect, omission or inconsistency in the Indenture, the Notes, the Subsidiary Guarantees, the Intercreditor Agreement or any Common Security Document;

(2) comply with the provisions described under "— Consolidation, Merger and Sale of Assets;"

(3) evidence and provide for the acceptance of appointment by a successor Trustee or Common Security Agent;

(4) add any Subsidiary Guarantor or any Subsidiary Guarantee or release any Subsidiary Guarantor from any Subsidiary Guarantee as provided or permitted by the terms of the Indenture;

(5) provide for the issuance of Additional Notes in accordance with the limitations set forth in the Indenture;

(6) add any Subsidiary Guarantor Pledgor or release the collateral pledged by the Company or any Subsidiary Guarantor Pledgor as provided or permitted by the terms of the Indenture;

(7) add additional collateral to secure the Notes or any Subsidiary Guarantee and create or register Liens on such additional collateral;

(8) in any other case where a supplemental indenture to the Indenture is required or permitted to be entered into pursuant to the provisions of the Indenture without the consent of any Holder;

(9) effect any changes to the Indenture in a manner necessary to comply with the procedures of DTC, Euroclear, Clearstream or any other depositary for the Notes;

(10) permit Permitted Pari Passu Secured Indebtedness (including, without limitation, permitting the Trustee or the Common Security Agent to enter into any amendments to the Common Security Documents, the Intercreditor Agreement or the Indenture and take any other action necessary to permit the creation and registration of Liens on the Common Security to secure Permitted Pari Passu Secured Indebtedness, in accordance with the Indenture);

(11) conform the text of the Indenture, the Intercreditor Agreement, the Common Security Documents, the Notes or the Subsidiary Guarantees to any provision in this "Description of the Notes" to the extent that such provision in this "Description of the Notes" was intended to be a verbatim recitation of a provision of the Indenture, the Intercreditor Agreement, the Common Security Documents, the Notes or the Subsidiary Guarantees; or

(12) make any other change that does not materially and adversely affect the rights of any Holder.

Amendments with consent of holders

Amendments of the Indenture, the Notes, the Subsidiary Guarantees, the Intercreditor Agreement or any Common Security Document may be made by the Company, the Subsidiary Guarantors and the Trustee with the consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Notes, and the Holders of a majority in principal amount of the outstanding Notes may waive future compliance by the Company or the Subsidiary Guarantors with any provision of the Indenture, the Notes, the Subsidiary Guarantees or the Common Security Documents; *provided* that no such modification, amendment or waiver may, without the consent of each Holder affected thereby:

(1) change the Stated Maturity of the principal of, or any installment of interest on, any Note;

(2) reduce the principal amount of, or premium, if any, or interest on, any Note;

(3) change the currency of payment of principal of, or premium, if any, or interest on, any Note;

(4) impair the right to institute suit for the enforcement of any payment on or after the Stated Maturity (or, in the case of a redemption, on or after the redemption date) of any Note or any Subsidiary Guarantee;

(5) subordinate the Notes to any other obligation of the Company or any Subsidiary Guarantor;

(6) reduce the above-stated percentage of outstanding Notes the consent of whose Holders is necessary to modify or amend the Indenture;

(7) waive a default in the payment of principal of, premium, if any, or interest on the Notes;

(8) reduce the percentage or aggregate principal amount of outstanding Notes the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain defaults;

(9) amend, change or modify any Subsidiary Guarantee in a manner that adversely affects the Holders, except in accordance with the other provisions of the Indenture or the next paragraph;

(10) amend, change or modify any provision of any Common Security Document or the Intercreditor Agreement, or any provision of the Indenture relating to the Common Security, in a manner that adversely affects the Holders, except in accordance with the other provisions of the Indenture or the next paragraph;

(11) reduce the amount payable upon a Change of Control Offer or an Offer to Purchase with the Excess Proceeds from any Asset Sale or, change the time or manner by which a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale may be made or by which the Notes must be repurchased pursuant to a Change of Control Offer or an Offer to Purchase with the Excess Proceeds or other proceeds from any Asset Sale, unless such amendment, waiver or modification shall be in effect prior to the occurrence of a Change of Control or the event giving rise to the repurchase of the Notes under "—Certain Covenants —Limitation on Asset Sales;"

(12) change the redemption date or the redemption price of the Notes from that stated under the captions "— Optional Redemption" or "— Redemption for Taxation Reasons;"

(13) amend, change or modify the obligation of the Company or any Subsidiary Guarantor to pay Additional Amounts or amend, change or modify the provisions described under the caption "— Redemption for Taxation Reasons;" or

(14) make any change in the preceding amendment and waiver provisions.

Without the consent of the Holders of not less than 75% in aggregate principal amount of the outstanding Notes, no modification, amendment or waiver may:

(1) release any Subsidiary Guarantor from its Subsidiary Guarantee, except as provided in the Indenture; or

(2) release any Common Security, except as provided in the Indenture, the Intercreditor Agreement and the Common Security Documents.

The Trustee may rely without liability to any person on an Officers' Certificate and/or an Opinion of Counsel pursuant to the above terms, whether or not addressed to the Trustee and whether or not the legal counsel's liability in respect thereof is limited by a monetary cap or otherwise limited or excluded.

Unclaimed Money

Claims against the Company for the payment of principal of, premium, if any, or interest, on the Notes will become void unless presentation for payment is made as required in the Indenture within a period of six years.

No Personal Liability of Incorporators, Stockholders, Officers, Directors or Employees

No recourse for the payment of the principal of, premium, if any, or interest on any of the Notes or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company or any of the Subsidiary Guarantors in the Indenture, or in any of the Notes or the Subsidiary Guarantees or because of the creation of any Indebtedness represented thereby, shall be had against any incorporator, stockholder, officer, director, employee or controlling person of the Company or any of the Subsidiary Guarantors or of any successor Person thereof.

Each Holder, by accepting the Notes, waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes and the Subsidiary Guarantees. Such waiver may not be effective to waive liabilities under the federal securities laws.

Concerning the Trustee, the Agents and the Common Security Agent

The Bank of New York Mellon is to be appointed as Trustee under the Indenture and as paying agent (the "Paying Agent", including any successor paying agent), transfer agent ("Transfer Agent", including any successor transfer agent), and as registrar (the "Registrar" including any successor registrar, and together with the Paying Agent and the Transfer Agent, the "Agents" including any successor agents) with regard to the Notes. Except during the continuance of a Default, the Trustee will not be liable, except for the performance of such duties as are specifically set forth in the Indenture. If an Event of Default has occurred and is continuing, the Trustee will use the same degree of care and skill in its exercise of the rights and powers vested in it under the Indenture as a prudent person would exercise under the circumstances in the conduct of such person's own

affairs. The Trustee will be under no obligation to exercise any of its rights or power under the Indenture at the request of Holders, unless the requisite number of Holders have instructed the Trustee in writing and have offered the Trustee indemnity and/or security and/ or prefunding satisfactory to it against any loss, liability and expense.

The Indenture contains limitations on the rights of the Trustee, should it become a creditor of the Company or any of the Subsidiary Guarantors, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions with the Company and its Affiliates; *provided*, *however*, that if it acquires any conflicting interest, it must eliminate such conflict or resign.

Furthermore, each Holder, by accepting the Notes will agree, for the benefit of the Trustee, that it is solely responsible for its own independent appraisal of and investigation into all risks arising under or in connection with the Common Security Documents and has not relied on and will not at any time rely on the Trustee in respect of such risks. The Trustee is entitled to rely on all certifications received pursuant to the Indenture, the Intercreditor Agreement and/or the Common Security Documents without investigating the accuracy, authenticity and validity of those certifications.

PT. Bank CIMB Niaga, Tbk will initially act as Common Security Agent under the Common Security Documents in respect of the Security over the Common Security. The Common Security Agent, acting in its capacity as such, shall have such duties with respect to the Common Security pledged, assigned or granted pursuant to the Common Security Documents as are set forth in the Indenture, the Common Security Documents and the Intercreditor Agreement. Under certain circumstances, the Common Security Agent may have obligations under the Common Security Documents that are in conflict with the interests of the Holders. The Common Security Agent will be under no obligation to exercise any rights or powers conferred under the Indenture or any of the Common Security Documents or the Intercreditor Agreement for the benefit of the Holders unless such Holders have provided to the Common Security Agent indemnity or security satisfactory to the Common Security Agent against any loss, liability or expense.

Book-entry; Delivery and Form

The Notes will initially be issued to investors only in book-entry form. The Notes sold in reliance on Regulation S under the Securities Act will be initially in the form of one or more fully registered Global Notes (the "Regulation S Global Notes") without interest coupons, and the Notes sold in reliance on Rule 144A under the Securities Act will initially be in the form of one or more fully registered Global Notes (the "Rule 144A Global Notes") without interest coupons. The Global Notes (as defined below) will be issued and registered in the name of Cede & Co., acting as nominee for The Depository Trust Company ("DTC"), which will act as securities depositary for the Notes. The Global Notes will initially be deposited with The Bank of New York Mellon, acting as custodian for DTC.

The Regulation S Global Note and Rule 144A Global Note are referred to herein collectively as the "Global Notes".

The Notes (including any beneficial interest in a Global Note) will be subject to certain restrictions on transfer set forth in the Notes and the Indenture and will bear a legend regarding the restrictions as set forth under "Transfer Restrictions". Under certain circumstances, transfers may be made only upon receipt by the Paying Agent of a written certification (in the form provided in the Indenture). By acquisition of an interest in a Global Note, the investor is deemed to understand that the Company may receive a list of participants holding positions in its securities from one or more book-entry depositories.

On or prior to the 40th day after the later of the commencement of the offering and the date of the Indenture, a beneficial interest in a Regulation S Global Note may be transferred to a person who wishes to take delivery of such beneficial interest through a Rule 144A Global Note only upon receipt by the Paying Agent of a written certification (in the form provided in the Indenture) from the transferor to the effect that the transferor (i) reasonably believes that the transferee is a Qualified Institutional Buyer who is also a Qualified Purchaser

purchasing for its own account (or for the account of one or more Qualified Institutional Buyers over which account it exercises sole investment discretion), (ii) transfers such note in a transaction meeting the requirements of Rule 144A and (iii) has notified the transferee of the restrictions on transfer set forth under "Transfer Restrictions."

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Note without any written certification from the transferor or the transferee, and each transferee of a 144A Global Note, in making its purchase, will be subject to certain restrictions and must be able to make and will be deemed to have made certain acknowledgements, representations and agreements for itself and for each account for which it is purchasing as set forth under "Transfer Restrictions". Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note only upon receipt by the Paying Agent of a written certification (in the form provided in the Indenture) from the transferor to the effect that such transfer is being made in compliance with the restrictions set forth under "Transfer Restrictions" and in accordance with Rule 903 or 904 of Regulation S under the Securities Act or Rule 144 under the Securities Act. No representation can be made as to the availability of the exemption provided by Rule 144 for resale of an interest in a Rule 144A Global Note.

Any beneficial interest in one of the Global Notes that is transferred to an entity that takes delivery in the form of an interest in another Global Note will, upon transfer, cease to be an interest in such Global Note and become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions, if any, and other procedures applicable to beneficial interests in such other Global Note for as long as it remains such an interest.

Ownership of beneficial interests in a Global Note will be limited to persons who have accounts with DTC ("participants"), or persons who hold interests through participants. Ownership of beneficial interests in a Global Note will be shown on, and the transfer of that ownership will be effected only through, records maintained by DTC or its nominee (with respect to interests of participants) and the records of participants (with respect to interests of persons other than participants). Unless and until Notes in certificated form are issued, the only holder of the Notes will be Cede & Co., as nominee of DTC, or the nominee of a successor depositary. In considering the interests of Holders of the Notes while title to the Notes is registered in the name of a nominee of DTC, the Trustee and the Agents may (but will not be obliged to) rely conclusively upon any information made available to it by DTC as to the identity (either individually or by category) of its participants with entitlements to Notes and may (but will not be obliged to) consider such interests as if such accountholders were the holders of the Notes. None of the Trustee, the Agents or any of their respective agents will have any responsibility or be liable for any aspect of the records relating to the book-entry interests.

Qualified Institutional Buyers may hold their interests in a Rule 144A Global Note directly through DTC if they are participants in such system, or indirectly through organizations that are participants in such system. Investors may hold their interests in a Regulation S Global Note directly through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants in such systems. Euroclear and Clearstream will hold interests in the Regulations S Global Notes on behalf of their participants through DTC. Beneficial owners will be permitted to exercise their rights only indirectly through DTC, Euroclear, Clearstream and their participants.

The information in this section concerning DTC, Euroclear and Clearstream and DTC's book-entry system has been obtained from sources that the Company believes to be reliable, but the Company takes no responsibility for the accuracy thereof.

The Clearing Systems — General

DTC, Euroclear and Clearstream have advised the Company as follows:

DTC. DTC is a limited-purpose trust company organized under the laws of the State of New York, a "banking organization" within the meaning of New York Banking Law, a member of the Federal Reserve

System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities of its participants and to facilitate the clearance and settlement of securities transactions among its participants in such securities through electronic book-entry changes in accounts of its participants, thereby eliminating the need for physical movement of securities certificates. DTC's participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations, some of whom own DTC, and may include the initial purchasers. Indirect access to the DTC system is also available to others that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly. Transfers of ownership or other interests in Notes in DTC may be made only through DTC participants. In addition, beneficial owners of Notes in DTC will receive all distributions of principal of and interest on the Notes from the Trustee through such DTC participant.

Euroclear and Clearstream. Euroclear and Clearstream hold securities for participating organizations and facilitate the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in accounts of such participants.

Euroclear and Clearstream provide to their participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream interface with domestic securities markets. Euroclear and Clearstream participants are financial institutions such as underwriters, securities brokers and dealers, banks, trust companies and certain other organizations. Indirect access to Euroclear or Clearstream is also available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Euroclear or Clearstream participant, either directly or indirectly.

Initial settlement

Initial settlement for the Notes will be made in immediately available funds. All Notes issued in the form of global notes will be deposited with The Bank of New York Mellon, as custodian for DTC. Investors' interests in Notes held in book-entry form by DTC will be represented through financial institutions acting on their behalf as direct and indirect participants in DTC. As a result, Euroclear and Clearstream will initially hold positions on behalf of their participants through DTC.

Investors electing to hold their Notes through DTC (other than through accounts at Euroclear or Clearstream) must follow the settlement practices applicable to United States corporate debt obligations. The securities custody accounts of investors will be credited with their holdings against payment in same day funds on the settlement date. Investors electing to hold their Notes through Euroclear or Clearstream accounts will follow the settlement procedures applicable to conventional Eurobonds in registered form. Notes will be credited to the securities custody accounts of Euroclear Holders and of Clearstream Holders on the Business Day following the settlement date against payment for value on the settlement date.

DTC participant transactions

Purchases of Notes within the DTC system must be made by or through DTC participants, which will receive a credit for the Notes on DTC's records and on the records of Euroclear or Clearstream, if applicable. The ownership interest of each actual purchaser of Notes, a beneficial owner of an interest in a Global Note, is in turn to be recorded on the DTC participants' and indirect participants' records. Beneficial owners of interests in a Global Note will not receive written confirmation from DTC of their purchases, but they are expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the DTC participants or indirect participants through which they purchased the Notes. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of DTC participants and indirect participants acting on behalf of beneficial owners of interests in a Global Note. Beneficial owners of interests in a Global Note will not receive Notes in certificated form representing their ownership interests in the Notes unless use of the book-entry system for the Notes is discontinued.

Subject to compliance with the transfer restrictions applicable to the Notes, (i) transfers between participants in DTC will be effected in the ordinary way in accordance with DTC rules and will be settled in same-day funds,

and (ii) transfers between participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes, cross-market transfers between persons holding, directly or indirectly through DTC, on the one hand, and directly or indirectly through Euroclear or Clearstream participants, on the other, will be effected in DTC in accordance with DTC rules on behalf of the relevant European international clearing system by the relevant European depositary; however, those cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in that system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the relevant European depositary to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear and Clearstream participants may not deliver instructions directly to the European depositaries.

Because of time zone differences, credits of securities received in Euroclear or Clearstream as a result of a transaction with a person that does not hold the Notes through Euroclear or Clearstream will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Those credits or any transactions in those securities settled during that processing will be reported to the relevant Euroclear or Clearstream participants on that business day. Cash received in Euroclear or Clearstream as a result of sales of securities by or through a Euroclear participant or a Clearstream participant to a DTC participant will be received with value on the DTC settlement date, but will be available in the relevant Euroclear or Clearstream cash account only as of the business day following settlement in DTC.

Limitations on responsibilities

DTC, Euroclear and Clearstream have no knowledge of the actual beneficial owners of interests in a Global Note. DTC's records reflect only the identity of the DTC participants to whose accounts those Notes are credited, which may or may not be the beneficial owners of interests in a Global Note. Similarly, the records of Euroclear and Clearstream reflect only the identity of the Euroclear or Clearstream participants to whose accounts those Notes are credited, which also may or may not be the beneficial owners of interests in a Global Note. DTC, Euroclear and Clearstream participants and indirect participants will remain responsible for keeping account of their holdings on behalf of their customers.

DTC's procedures for notices, voting and payments

So long as DTC, or its nominee, is the registered owner or holder of a Global Note, DTC or that nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by the Global Note for all purposes under the Notes and the Indenture. No beneficial owner of an interest in a Global Note will be able to transfer that interest except in accordance with DTC's applicable procedures, in addition to those provided for under the Indenture.

DTC has advised the Company that it will take any action permitted to be taken by a Holder, including the presentation of Notes for exchange, only at the direction of one or more of its participants to whose account DTC's interests in the Global Notes are credited and only in respect of that portion of the aggregate principal amount of Notes as to which that participant or participants has or have given the direction.

Conveyance of notices and other communications by DTC to its participants, by those participants to its indirect participants, and by participants and indirect participants to beneficial owners of interests in a Global Note will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time or requirements described in the Indenture.

The Trustee or the Paying Agent will send any notices in respect of the Notes held in book-entry form to Cede & Co.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Notes unless authorized by a participant in accordance with DTC's procedures. Under its usual procedures, DTC mails

an omnibus proxy to the Company as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those participants to whose account the Notes are credited on the record date.

Payment of principal of and interest on the Notes held in book-entry form will be made to Cede & Co. or another nominee of DTC by the Paying Agent in immediately available funds. DTC's practice is to credit its participants' accounts on the relevant payment date in accordance with their respective holdings shown on DTC's records. Payments by DTC's participants and indirect participants to beneficial owners of interests in a Global Note will be governed by standing instructions and customary practices, and will be the responsibility of those participants and indirect participants and not of DTC or the Company, subject to any statutory or regulatory requirements that may be in effect from time to time. Payment of principal of and interest on the Notes or other amounts to Cede & Co. (or such other nominee of the DTC) is the responsibility of the Company, disbursement of such payments to participants is the responsibility of DTC, and disbursement of such payments to the beneficial owner of an interest in a Global Note is the responsibility of participants and indirect participants.

Although DTC, Euroclear and Clearstream are expected to follow the foregoing procedures in order to facilitate transfers of interests in a Global Note among participants of DTC, Euroclear and Clearstream, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. Neither the Company nor the Trustee or the Paying Agent will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their respective operations.

Exchange of Global Notes for certificated Notes

If DTC is at any time unwilling or unable to continue as a depositary for the Global Notes and a successor depositary is not appointed within 90 days, or if there will have occurred and be continuing a default described in the first paragraph of "Event of Default" with respect to the Notes, the Company will issue Notes in certificated form in exchange for the Global Notes. The certificated Notes delivered in exchange for beneficial interests in any Global Note will be registered in the names, and issued in minimum denominations of US$250,000 or integral multiples of US$1,000 in excess thereof, requested by or on behalf of DTC or a successor depositary (in accordance with its customary procedures). Any such exchange will be made free of charge to the beneficial owners of the Global Notes, except that a person receiving certificated Notes must bear the cost of insurance, postage, transportation and other related costs in the event that such person does not take delivery of such certificated Notes at the offices of the Paying Agent. The Notes are not issuable in bearer form. Except in the limited circumstances described above, owners of interests in the Global Notes will not be entitled to receive physical delivery of Notes in certificated form.

Any such certificated Notes issued in exchange for a beneficial interest in the Global Notes will bear the restricted legend set forth under "Transfer Restrictions" and will be subject to the applicable restrictions on transfer. No transfer of certificated Notes may be made other than to a transferee who has, prior to such transfer, provided a certification in which it makes all of the representations, warranties and agreements contained in "Transfer Restrictions", or such other representations as shall be required by the Company and delivered to the Paying Agent.

Payment of principal and interest in respect of the certificated Notes will be payable at the office or agency of the Company in New York, which will initially be the specified office of the Paying Agent, at c/o 240 Greenwich Street, New York, NY 10286, United States of America, Attention: Global Corporate Trust – PT Indika Energy Tbk.

Notices

All notices or demands required or permitted by the terms of the Notes or the Indenture to be given to or by the Holders are required to be in writing and may be given or served by being sent by prepaid courier or by being deposited, first-class postage prepaid, in the United States mails (if intended for the Company or any Subsidiary Guarantor) addressed to the Company or such Subsidiary Guarantor at the registered office of the Company; (at the corporate trust office of the Trustee) if intended for the Trustee; and (if intended for any Holder) addressed to

such Holder at such Holder's last address as it appears in the Note register. Notices and other communications may also be sent via facsimile or electronic means in accordance with the terms of the Indenture.

Any such notice or demand will be deemed to have been sufficiently given or served when so sent or deposited and, if to the Holders, when delivered in accordance with the applicable rules and procedures of DTC. Any such notice shall be deemed to have been delivered on the day such notice is delivered to DTC or if by mail, when so sent or deposited.

Consent to Jurisdiction; Service of Process

The Company and each of the Subsidiary Guarantors will irrevocably (1) submit to the non-exclusive jurisdiction of any U.S. federal or New York state court located in the Borough of Manhattan, The City of New York in connection with any suit, action or proceeding arising out of, or relating to, the Notes, any Subsidiary Guarantee, the Indenture or any transaction contemplated thereby; and (2) designate and appoint Cogency Global Inc. for receipt of service of process in any such suit, action or proceeding.

Governing Law

Each of the Notes, the Subsidiary Guarantees and the Indenture provides that such instrument will be governed by, and construed in accordance with, the laws of the State of New York without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby.

Definitions

Set forth below are defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for other capitalized terms used in this "Description of the Notes" for which no definition is provided.

"2024 Notes" means the 5.875% Senior Notes due 2024 issued by Indika Energy Capital III Pte. Ltd. and guaranteed by the Company and the subsidiary guarantors thereunder.

"2025 Notes" means the 8.25% Senior Notes due 2025 issued by Indika Energy Capital IV Pte. Ltd. and guaranteed by the Company and the subsidiary guarantors thereunder.

"Acquired Indebtedness" means Indebtedness of a Person existing at the time such Person becomes a Restricted Subsidiary or Indebtedness of a Restricted Subsidiary assumed in connection with an Asset Acquisition by such Restricted Subsidiary whether or not Incurred in connection with, or in contemplation of, the Person merging with or into or becoming a Restricted Subsidiary.

"Adjusted Treasury Rate" means, with respect to any redemption date, (i) the yield, under the heading which represents the average for the immediately preceding week, appearing in the most recently published statistical release designated "H.15(519)" or any successor publication which is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded United States Treasury securities adjusted to constant maturity under "Treasury Constant Maturities," for the maturity corresponding to the Comparable Treasury Issue (if no maturity is within three (3) months before or after May 7, 2026, yields for the two published maturities most closely corresponding to the Comparable Treasury Issue shall be determined and the Adjusted Treasury Rate shall be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month) or (ii) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per year equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date, in each case calculated on the third Business Day immediately preceding the redemption date.

"Affiliate" means, with respect to any Person, any other Person (1) directly or indirectly controlling, controlled by, or under direct or indirect common control with, such Person; (2) who is a director or officer of

such Person or any Subsidiary of such Person or of any Person referred to in clause (1) of this definition; or (3) who is a spouse or any person cohabiting as a spouse, child or step-child, parent or step-parent, brother, sister, step-brother or step-sister, parent-in-law, grandchild, grandparent, uncle, aunt, nephew and niece of a Person described in clause (1) or (2). For purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities, by contract or otherwise.

"Applicable Premium" means with respect to a Note at any redemption date, the greater of (1) 1.00% of the principal amount of such Note and (2) the excess of (A) the present value at such redemption date of (x) the redemption price of such Note on May 7, 2026 (such redemption price being described under the caption "— Optional Redemption"), plus (y) all required remaining scheduled interest payments due on such Note through May 7, 2026 (but excluding accrued and unpaid interest to such redemption date), computed using a discount rate equal to the Adjusted Treasury Rate plus 50 basis points, over (B) the principal amount of such Note on such redemption date.

"Asset Acquisition" means (1) an investment by the Company or any of its Restricted Subsidiaries in any other Person pursuant to which such Person will become a Restricted Subsidiary or shall be merged into or consolidated with the Company or any of its Restricted Subsidiaries; or (2) an acquisition by the Company or any of its Restricted Subsidiaries of the property and assets of any Person other than the Company or any of its Restricted Subsidiaries that constitute substantially all of a division or line of business of such Person.

"Asset Disposition" means the sale or other disposition by the Company or any of its Restricted Subsidiaries (other than to the Company or another Restricted Subsidiary) of (1) all or substantially all of the Capital Stock of any Restricted Subsidiary; or (2) all or substantially all of the assets that constitute a division or line of business of the Company or any of its Restricted Subsidiaries.

"Asset Sale" means any sale, transfer or other disposition (including by way of merger, consolidation or Sale and Leaseback Transaction) of any of its property or assets (including any sale or issuance of Capital Stock) in one transaction or a series of related transactions by the Company or any Restricted Subsidiary to any Person; *provided* that "Asset Sale" shall not include:

(1) sales or other dispositions of inventory, receivables and other current assets in the ordinary course of business;

(2) sales, transfers or other dispositions of assets constituting a Permitted Investment or Restricted Payment permitted to be made under the "— Limitation on Restricted Payments" covenant;

(3) sales, transfers or other dispositions of assets with a Fair Market Value not in excess of US$5.0 million (or the Dollar Equivalent thereof) in any transaction or series of related transactions;

(4) any sale, transfer, assignment or other disposition of any property, or equipment that has become damaged, worn out, obsolete or otherwise unsuitable for use in connection with the business of the Company or its Restricted Subsidiaries;

(5) any transfer, assignment or other disposition deemed to occur in connection with creating or granting any Permitted Lien;

(6) a transaction covered by the covenant under the caption "— Consolidation, Merger and Sale of Assets;"

(7) any sale, transfer or other disposition to the Company or a Restricted Subsidiary, including the sale or issuance by the Company or any Restricted Subsidiary of any Capital Stock of any Restricted Subsidiary to the Company or any Restricted Subsidiary; and

(8) any sale, transfer or other disposition of Investments in joint ventures to the extent required by, or made pursuant to, customary buy/sell arrangements between joint venture parties set forth in joint venture arrangements and similar binding arrangements; *provided* that any Net Cash Proceeds from any

such sale, transfer or other disposition shall be applied in accordance with the covenant under the caption "— Certain Covenants — Limitation on Asset Sales."

"Attributable Indebtedness" means, in respect of a Sale and Leaseback Transaction, the present value, discounted at the interest rate implicit in the Sale and Leaseback Transaction, of the total obligations of the lessee for rental payments during the remaining term of the lease in the Sale and Leaseback Transaction.

"Awak Mas Gold Project" means the design, construction, development, operation and maintenance of the gold mine project on Masmindo's gold mining concession in South Sulawesi, Indonesia.

"Average Life" means, at any date of determination with respect to any Indebtedness, the quotient obtained by dividing (1) the sum of the products of (a) the number of years from such date of determination to the dates of each successive scheduled principal payment of such Indebtedness and (b) the amount of such principal payment by (2) the sum of all such principal payments.

"Board of Directors" means the board of directors elected or appointed by the shareholders of the Company to manage the business of the Company or any committee of such board duly authorized to take the action purported to be taken by such committee.

"Board Resolution" means any resolution of the Board of Directors taking an action which it is authorized to take and adopted at a meeting duly called and held at which a quorum of disinterested members (if so required) was present and acting throughout or adopted by written resolution executed by every member of the Board of Directors.

"Borrowing Base" means, as of any date, an amount equal to (1) the face amount of all accounts receivable plus (2) inventories, in each case, owned by the Company and its Restricted Subsidiaries on a consolidated basis as of the end of the most recent month preceding such date for which internal financial statements are available.

"Business Day" means any day which is not a Saturday, Sunday, legal holiday or other day on which banking institutions in The City of New York, London, Singapore or Indonesia (or in any other place in which payments on the Notes are to be made) are authorized by law or governmental regulation to close.

"Capitalized Lease" means, with respect to any Person, any lease of any property (whether real, personal or mixed) which, in conformity with GAAP, is required to be capitalized on the balance sheet of such Person.

"Capitalized Lease Obligations" means the discounted present value of the rental obligations under a Capitalized Lease.

"Capital Stock" means, with respect to any Person, any and all shares, interests, participations or other equivalents (however designated, whether voting or non-voting) in equity of such Person, whether outstanding on the Original Issue Date or issued thereafter, including, without limitation, all Common Stock and Preferred Stock.

"Change of Control" means the occurrence of one or more of the following events:

(1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one of a series of related transaction, of all or substantially all of the properties or assets of the Company and its Restricted Subsidiaries, taken as a whole, to any "person" (within the meaning of Section 13(d) of the Exchange Act), other than one or more Permitted Holders;

(2) the Company consolidates with, or merges with or into, any Person (other than one or more Permitted Holders), or any Person (other than one or more Permitted Holders) consolidates with, or merges with or into, the Company, in any such event pursuant to a transaction in which any of the outstanding Voting Stock of the Company or such other Person is converted into or exchanged for cash, securities or other property, other than any such transaction where the Voting Stock of the Company outstanding immediately prior to such transaction is converted into or exchanged for (or continues as) Voting Stock (other than Disqualified Stock) of the surviving or transferee Person constituting a majority of the outstanding shares of Voting Stock of such surviving or transferee Person (immediately after giving effect to such issuance) and in substantially the same proportion as before the transaction;

(3) the Permitted Holders are collectively the beneficial owners of less than 30.0% of the total voting power of the Voting Stock of the Company;

(4) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act), other than the Permitted Holders, is or becomes the "beneficial owner" (as such term is used in Rule 13d-3 of the Exchange Act), directly or indirectly, of (i) 30.0% or more of the total voting power of the Voting Stock of the Company and (ii) the percentage of total voting power of such Voting Stock held by any such "person" or "group" is greater than the total voting power of the Voting Stock of the Company held beneficially by the Permitted Holders;

(5) individuals who on the Original Issue Date constituted the board of directors of the Company, together with any new directors whose election by the board of directors was approved by a vote of at least two thirds of the directors then still in office who were either directors or whose election was previously so approved, cease for any reason to constitute a majority of the board of directors of the Company then in office; or

(6) the adoption of a plan relating to the liquidation or dissolution of the Company (except as provided in the Indenture).

"Cirebon Project" means the 1 x 660 megawatt coal-fired power plant, described in the Cirebon Project Agreement, and the 1 x 1,000 megawatt coal-fired power plant, described in the Cirebon Power Purchase Agreement.

"Cirebon Power Purchase Agreement" means the agreement, dated October 23, 2015, between PT Cirebon Energi Prasarana and PT PLN (Persero), in connection with the sale of electricity by PT Cirebon Energi Prasarana, generated from its 1 x 1,000 megawatt coal-fired power plant, to PT PLN (Persero).

"Cirebon Project Agreement" means the agreement, dated May 24, 2006, among Marubeni Corporation, Korea Midland Power Co. Ltd., Tripatra E&C and Samtan Co., Ltd. to cooperate to submit a binding bid to PT PLN (Persero) to develop, finance, construct, own, operate and maintain a proposed 1 x 660 megawatt coal-fired power plant.

"Clearstream" means Clearstream Banking S.A.

"Coal Asset" means the capital stock, land rights, operating assets and development and exploration rights related to an entity or asset engaged in the exploration for and extraction of coal in Indonesia.

"Coal Contract of Work" means the Agreement, dated September 14, 1982, between Kideco and Perusahaan Negara Tambang Batubara (subsequently renamed as PT Bukit Asam (Persero) Tbk), as amended by the Amendment Agreement between Kideco and the Government of Indonesia, dated November 14, 2017, and extended by the IUPK, for sole and exclusive rights in connection with the exploration and exploitation of coal deposits in the assigned concession area in East Kalimantan, Indonesia.

"Commodity Hedging Agreement" means any spot, forward or option commodity price protection agreements or other similar agreement or arrangement designed to protect against fluctuations in commodity prices, including an agreement in the form of an offtake, supply or other similar agreement and includes any master agreement, confirmation or other document (including any credit support agreement) entered into in connection therewith.

"Common Security" means the common security shared *pari passu* in right and priority of payment with certain other creditors in respect of certain obligations of the Company and Subsidiary Guarantors in accordance with the Intercreditor Agreement, securing, or purported to be securing, directly or indirectly, the Notes or any Subsidiary Guarantee pursuant to the Common Security Documents, and shall initially consist of the Capital Stock of Tripatra Engineering, Tripatra E&C, Tripatra Singapore, IIC and Kideco held by the Company, IIC, TIME and Tripatra E&C.

"Common Security Documents" means, collectively, the pledge agreements and any other agreements or instruments that may evidence or create any security interest in favor of the Common Security Agent, any Holders or any holders of the Existing Pari Passu Secured Indebtedness in any or all of the Common Security.

"Common Stock" means, with respect to any Person, any and all shares, interests or other participations in, and other equivalents (however designated and whether voting or non-voting) of such Person's common stock or ordinary shares, whether or not outstanding at the date of the Indenture, and include, without limitation, all series and classes of such common stock or ordinary shares.

"Comparable Treasury Issue" means the U.S. Treasury security having a maturity comparable to the remaining term of the Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes from the redemption date to May 7, 2026.

"Comparable Treasury Price" means, with respect to any redemption date, if clause (ii) of the Adjusted Treasury Rate is applicable, the average of three, or such lesser number as is obtained by the Company, Reference Treasury Dealer Quotations for such redemption date.

"Consolidated Debt to EBITDA Ratio" means, on any Transaction Date, the ratio of (1) the aggregate amount of Indebtedness for borrowed money of the Company and its Restricted Subsidiaries on a consolidated basis outstanding on such Transaction Date to (2) the aggregate Consolidated EBITDA for the Four-Quarter Period with respect to such Transaction Date, in each case with such pro forma adjustments as are appropriate and consistent with the pro forma adjustments set forth in the definition of "Fixed Charge Coverage Ratio."

"Consolidated EBITDA" means, for any period, Consolidated Net Income for such period plus, to the extent such amount was deducted in calculating such Consolidated Net Income:

(1) Consolidated Interest Expense,

(2) income taxes (other than income taxes attributable to extraordinary and non-recurring gains (or losses) or sales of assets), and

(3) depreciation expense, amortization expense and all other non-cash items reducing Consolidated Net Income (other than non-cash items in a period which reflect cash expenses paid or to be paid in another period), less all non-cash items increasing Consolidated Net Income, all as determined on a consolidated basis for the Company and its Restricted Subsidiaries in conformity with GAAP;

provided that if any Restricted Subsidiary is not a Wholly Owned Restricted Subsidiary, Consolidated EBITDA shall be reduced (to the extent not otherwise reduced in accordance with GAAP) by an amount equal to (A) the amount of the Consolidated Net Income attributable to such Restricted Subsidiary multiplied by (B) the percentage ownership interest in the income of such Restricted Subsidiary not owned on the last day of such period by the Company or any of its Restricted Subsidiaries.

"Consolidated Fixed Charges" means, for any period, the sum (without duplication) of (1) Consolidated Interest Expense for such period and (2) all cash and non-cash dividends paid, declared, accrued or accumulated during such period on any Disqualified Stock of the Company or any Restricted Subsidiary or Preferred Stock of any Restricted Subsidiary held by Persons other than the Company or any Restricted Subsidiary, except for dividends payable in the Company's Capital Stock (other than Disqualified Stock) or paid to the Company or to a Restricted Subsidiary.

"Consolidated Interest Expense" means, for any period, the amount that would be included in gross interest expense on a consolidated income statement prepared in accordance with GAAP for such period of the Company and its Restricted Subsidiaries, plus, to the extent not included in such gross interest expense, and to the extent incurred, accrued or payable during such period by the Company and its Restricted Subsidiaries, without duplication, (1) interest expense attributable to Capitalized Lease Obligations, (2) amortization of debt issuance costs and original issue discount expense and non-cash interest payments in respect of any Indebtedness, (3) the interest portion of any deferred payment obligation, (4) all commissions, discounts and other fees and charges

with respect to letters of credit or similar instruments issued for financing purposes or in respect of any Indebtedness, (5) the net costs associated with Hedging Obligations (including the amortization of fees), (6) interest accruing on Indebtedness of any other Person that is guaranteed by the Company or any Restricted Subsidiary and (7) any capitalized interest, *provided* that interest expense attributable to interest on any Indebtedness bearing a floating interest rate will be computed on a pro forma basis as if the rate in effect on the date of determination had been the applicable rate for the entire relevant period.

"Consolidated Net Income" means, with respect to any specified Person for any period, the aggregate of the net income (or loss) of such Person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in conformity with GAAP; *provided* that the following items shall be excluded in computing Consolidated Net Income (without duplication):

(1) the net income (or loss) of any Person that is not a Restricted Subsidiary or that is accounted for by the equity method of accounting except that:

  (a) the Company's equity in the net income of any such Person of such period shall be included in such Consolidated Net Income up to the aggregate amount of cash actually distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend or other distribution paid to a Restricted Subsidiary, to the limitations contained in clause (3) below); and

  (b) the Company's equity in a net loss of any such Person for such period shall be included in determining such Consolidated Net Income to the extent funded with cash or other assets of the Company or Restricted Subsidiaries;

(2) the net income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is merged into or consolidated with the Company or any of its Restricted Subsidiaries or all or substantially all of the property and assets of such Person are acquired by the Company or any of its Restricted Subsidiaries;

(3) the net income (but not loss) of any Restricted Subsidiary to the extent that the declaration or payment of dividends or similar distributions by such Restricted Subsidiary of such net income is not at the time permitted by the operation of the terms of its charter, articles of association or other similar constitutive documents, or any agreement, instrument, judgment, decree, order, statute, rule or governmental regulation applicable to such Restricted Subsidiary;

(4) the cumulative effect of a change in accounting principles;

(5) any net after tax gains realized on the sale or other disposition of (a) any property or assets of the Company or any Restricted Subsidiary which is not sold in the ordinary course of its business or (b) any Capital Stock of any Person (including any gains by the Company realized on sales of Capital Stock of the Company or other Restricted Subsidiaries);

(6) any translation gains and losses due solely to fluctuations in currency values and related tax effects; and

(7) any net after-tax extraordinary or non-recurring gains.

"Consolidated Net Worth" means, at any date of determination, stockholders' equity as set forth on the most recently available quarterly consolidated balance sheet of the Company and its Restricted Subsidiaries, plus, to the extent not included, any Preferred Stock of the Company, less any amounts attributable to Disqualified Stock or any equity security convertible into or exchangeable for Indebtedness, the cost of treasury stock and the principal amount of any promissory notes receivable from the sale of the Capital Stock of the Company or any of its Restricted Subsidiaries, each item to be determined in conformity with GAAP.

"Currency Agreement" means any foreign exchange forward contract, currency swap agreement or other similar agreement or arrangement designed to protect against fluctuations in foreign exchange rates.

"Default" means any event that is, or after notice or passage of time or both would be, an Event of Default. "Disqualified Stock" means any class or series of Capital Stock of any Person that by its terms or otherwise is (1) required to be redeemed prior to the Stated Maturity of the Notes, (2) redeemable at the option of the holder of such class or series of Capital Stock at any time prior to the Stated Maturity of the Notes or (3) convertible into or exchangeable for Capital Stock referred to in clause (1) or (2) above or Indebtedness having a scheduled maturity prior to the Stated Maturity of the Notes; provided that any Capital Stock that would not constitute Disqualified Stock but for provisions thereof giving holders thereof the right to require such Person to repurchase or redeem such Capital Stock upon the occurrence of an "asset sale" or "change of control" occurring prior to the Stated Maturity of the Notes shall not constitute Disqualified Stock if the "asset sale" or "change of control" provisions applicable to such Capital Stock are no more favorable to the holders of such Capital Stock than the provisions contained in the "— Certain Covenants — Limitation on Asset Sales" and "— Repurchase of Notes upon a Change of Control" covenants and such Capital Stock specifically provides that such Person will not repurchase or redeem any such stock pursuant to such provision prior to the Company's repurchase of such Notes as are required to be repurchased pursuant to the "— Certain Covenants — Limitation on Asset Sales" and "— Repurchase of Notes upon a Change of Control" covenants.

"Dollar Equivalent" means, with respect to any monetary amount in a currency other than U.S. dollars, at any time for the determination thereof, the amount of U.S. dollars obtained by converting such foreign currency involved in such computation into U.S. dollars at the base rate for the purchase of U.S. dollars with the applicable foreign currency as quoted by Bank Indonesia or its successor on the date of determination.

"DTC" means The Depository Trust Company and its successors.

"Equity Offering" means any underwritten primary public offering or private placement of Common Stock of the Company after the Original Issue Date; provided that the aggregate gross cash proceeds received by the Company from such offering shall be no less than US$25.0 million (or the Dollar Equivalent thereof).

"EMITS" means PT Empat Mitra Indika Tenaga Surya.

"Euroclear" means Euroclear Bank SA/NV.

"Existing Issuer" means Indika Energy Capital IV Pte. Ltd, a company organized with limited liability under the laws of Singapore.

"Existing Notes" means the 2025 Notes.

"Fair Market Value" means the price that would be paid in an arm's-length transaction between an informed and willing seller under no compulsion to sell and an informed and willing buyer under no compulsion to buy, as determined in good faith by the Board of Directors, whose determination shall be conclusive if evidenced by a Board Resolution.

"Finance Entity" has the meaning set forth under sub-paragraph (16) of "Permitted Liens."

"Finance Subsidiary" means a Wholly Owned Restricted Subsidiary of the Company (i) the operations of which are primarily comprised of (a) Incurring Indebtedness to Persons other than the Company or any of its Restricted Subsidiaries from time to time to finance the operations of the Company and/or its Restricted Subsidiaries, (b) the ownership of shares of another Finance Subsidiary, and (c) other activities incidental, related to or ancillary to such operations, including activities related to the establishment or maintenance of its corporate existence; and (ii) which conducts no business and owns no material assets other than (w) any equity interests in another Finance Subsidiary or equity interests of, or Investments in, a Wholly Owned Subsidiary (a "FS Subsidiary") of the Company organized outside of Indonesia that on lends the proceeds of any Indebtedness Incurred by the Finance Subsidiary to the Company or any of its Restricted Subsidiaries, (x) intercompany loans or other securities representing the proceeds of Indebtedness described in clause (i)(a), (y) any such debt obligations upon a repurchase, redemption or other acquisition thereof and prior to cancelation thereof and (z) cash or Temporary Cash Investments.

"Fitch" means Fitch Ratings Ltd. and its affiliates.

"Fixed Charge Coverage Ratio" means, on any Transaction Date, the ratio of (1) the aggregate amount of Consolidated EBITDA for the Four-Quarter Period with respect to such Transaction Date to (2) the aggregate Consolidated Fixed Charges during such Four-Quarter Period. In making the foregoing calculation:

(a) pro forma effect shall be given to any Indebtedness or Preferred Stock Incurred, repaid or redeemed during the period (the "Reference Period") commencing on and including the first day of the Four-Quarter Period and ending on and including the Transaction Date (other than Indebtedness Incurred or repaid under a revolving credit or similar arrangement (or under any predecessor revolving credit or similar arrangement) in effect on the last day of such Four-Quarter Period), in each case as if such Indebtedness or Preferred Stock had been Incurred, repaid or redeemed on the first day of such Reference Period; *provided* that, in the event of any such repayment or redemption, Consolidated EBITDA for such period shall be calculated as if the Company or such Restricted Subsidiary had not earned any interest income actually earned during such period in respect of the funds used to repay or redeem such Indebtedness or Preferred Stock;

(b) Consolidated Interest Expense attributable to interest on any Indebtedness (whether existing or being Incurred) computed on a pro forma basis and bearing a floating interest rate shall be computed as if the rate in effect on the Transaction Date (taking into account any Interest Rate Agreement applicable to such Indebtedness if such Interest Rate Agreement has a remaining term in excess of 12 months or, if shorter, at least equal to the remaining term of such Indebtedness) had been the applicable rate for the entire period;

(c) pro forma effect shall be given to the creation, designation or redesignation of Restricted and Unrestricted Subsidiaries as if such creation, designation or redesignation had occurred on the first day of such Reference Period;

(d) pro forma effect shall be given to Asset Dispositions and Asset Acquisitions (including giving pro forma effect to the application of proceeds of any Asset Disposition) that occur during such Reference Period as if they had occurred and such proceeds had been applied on the first day of such Reference Period; and

(e) pro forma effect shall be given to asset dispositions and asset acquisitions (including giving pro forma effect to the application of proceeds of any asset disposition) that have been made by any Person that has become a Restricted Subsidiary or has been merged with or into the Company or any Restricted Subsidiary during such Reference Period and that would have constituted Asset Dispositions or Asset Acquisitions had such transactions occurred when such Person was a Restricted Subsidiary as if such asset dispositions or asset acquisitions were Asset Dispositions or Asset Acquisitions that occurred on the first day of such Reference Period;

provided that to the extent that clause (d) or (e) of this sentence requires that pro forma effect be given to an Asset Acquisition or Asset Disposition (or asset acquisition or asset disposition), such pro forma calculation shall be based upon the four full fiscal quarters immediately preceding the Transaction Date of the Person, or division or line of business of the Person, that is acquired or disposed for which financial information is available.

"Four-Quarter Period" means, as of any Transaction Date, the then most recent four fiscal quarters prior to such Transaction Date for which consolidated financial statements of the Company (which the Company will use its best efforts to compile in a timely manner) are available.

"FS Subsidiary" has the meaning set forth in the definition of "Finance Subsidiary."

"GAAP" means generally accepted accounting principles in Indonesia, as in effect from time to time. All ratios and computations contained or referred to in the Indenture shall be computed in conformity with GAAP applied on a consistent basis.

"guarantee" means any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness or other obligation of any other Person and, without limiting the generality of the foregoing, any obligation, direct or indirect, contingent or otherwise, of such Person (1) to purchase or pay (or advance or

supply funds for the purchase or payment of) such Indebtedness or other obligation of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay, or to maintain financial statement conditions or otherwise) or (2) entered into for purposes of assuring in any other manner the obligee of such Indebtedness or other obligation of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part); *provided* that the term "guarantee" shall not include endorsements for collection or deposit in the ordinary course of business. The term "guarantee" used as a verb has a corresponding meaning.

"Hedging Agreement" means any Commodity Hedging Agreement, Currency Agreement or Interest Rate Agreement.

"Hedging Obligation" of any Person means the obligations of such Person pursuant to any Commodity Hedging Agreement, Currency Agreement or Interest Rate Agreement.

"Holder" means the Person in whose name a Note is registered in the Note register.

"Incur" means, with respect to any Indebtedness or Capital Stock, to incur, create, issue, assume, guarantee or otherwise become liable for or with respect to, or become responsible for, the payment of, contingently or otherwise, such Indebtedness or Capital Stock; *provided* that (1) any Indebtedness and Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (or fails to meet the qualifications necessary to remain an Unrestricted Subsidiary) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and (2) the accretion of original issue discount shall not be considered an Incurrence of Indebtedness. The terms "Incurrence," "Incurred" and "Incurring" have meanings correlative with the foregoing.

"Indebtedness" means, with respect to any Person at any date of determination (without duplication):

(1) all indebtedness of such Person for borrowed money;

(2) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;

(3) all obligations of such Person in respect of letters of credit, bankers' acceptances or other similar instruments;

(4) all obligations of such Person to pay the deferred and unpaid purchase price of property or services, except Trade Payables;

(5) all Capitalized Lease Obligations and Attributable Indebtedness;

(6) all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided* that the amount of such Indebtedness shall be the lesser of (a) the Fair Market Value of such asset at such date of determination and (b) the amount of such Indebtedness;

(7) all Indebtedness of other Persons guaranteed by such Person to the extent such Indebtedness is guaranteed by such Person;

(8) to the extent not otherwise included in this definition, Hedging Obligations; and

(9) all Disqualified Stock issued by such Person valued at the greater of its voluntary or involuntary liquidation preference and its maximum fixed repurchase price plus accrued dividends.

The amount of Indebtedness of any Person at any date shall be the outstanding balance at such date of all unconditional obligations as described above and, with respect to contingent obligations, the maximum liability upon the occurrence of the contingency giving rise to the obligation; *provided*

(1) that the amount outstanding at any time of any Indebtedness issued with original issue discount is the face amount of such Indebtedness less the remaining unamortized portion of the original issue discount of such Indebtedness at such time as determined in conformity with GAAP,

(2) that money borrowed and set aside at the time of the Incurrence of any Indebtedness in order to pre-fund the payment of the interest on such Indebtedness shall not be deemed to be "Indebtedness" so long as such money is held to secure the payment of such interest, and

(3) that the amount of Indebtedness with respect to any Hedging Obligation shall be equal to the net amount payable if such Hedging Obligation terminated at that time due to default by such Person.

"Intercreditor Agreement" means the amended and restated intercreditor agreement dated January 8, 2013 among (i) the Company, IIC, TIME, TPEC, Existing Issuer and Indika Capital Resources Limited, (ii) Citicorp International Limited, as trustee for the 2024 Notes (which will have been repaid in full prior to the Original Issue Date), and as trustee for the Existing Notes, (iii) the agents for the Syndicated Facilities, (iv) the holders of Permitted Pari Passu Secured Indebtedness (or their representatives) and (v) PT. Bank CIMB Niaga, Tbk, as the Common Security Agent, as amended by an amendment dated April 17, 2024, and as amended and supplemented from time to time.

"Interest Rate Agreement" means any interest rate protection agreement, interest rate future agreement, interest rate option agreement, interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, interest rate hedge agreement, option or future contract or other similar agreement or arrangement designed to protect against fluctuations in interest rates.

"International Bank" means a bank or trust company which is organized under the laws of the United States of America, any state thereof, the United Kingdom or Japan.

"Investment" means:

(1) any direct or indirect advance, loan or other extension of credit to another Person;

(2) any capital contribution to another Person (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others);

(3) any purchase or acquisition of Capital Stock, Indebtedness, bonds, notes, debentures or other similar instruments or securities issued by another Person; or

(4) any guarantee of any obligation of another Person.

For the purposes of the provisions of the "Designation of Restricted and Unrestricted Subsidiaries" and "Limitation on Restricted Payments" covenants: (1) the Company will be deemed to have made an Investment in an Unrestricted Subsidiary in an amount equal to the Fair Market Value of the assets (net of liabilities owed to any Person other than the Company or a Restricted Subsidiary and that are not guaranteed by the Company or a Restricted Subsidiary) of a Restricted Subsidiary that is designated an Unrestricted Subsidiary at the time of such designation, and (2) any property transferred to or from any Person shall be valued at its Fair Market Value at the time of such transfer, as determined in good faith by the Board of Directors.

"Investment Grade" means a rating of "AAA," "AA," "A" or "BBB," as modified by a "+" or "-" indication, or an equivalent rating representing one of the four highest rating categories, by S&P or any of its successors or assigns or a rating of "Aaa," or "Aa," "A" or "Baa," as modified by a "1," "2" or "3" indication, or an equivalent rating representing one of the four highest rating categories, by Moody's, or any of its successors or assigns or the equivalent ratings of any internationally recognized rating agency or agencies, as the case may be, which shall have been designated by the Company as having been substituted for S&P or Moody's or both, as the case may be.

"IUPK" means the IUPK Continuation (*IUPK sebagai Kelanjutan Operasi Kontrak/Perjanjian*), a special mining business license, granted to Kideco by the Government of Indonesia on December 16, 2022, extending the term of Kideco's mining rights under the Coal Contract of Work.

"Lien" means any mortgage, pledge, security interest, encumbrance, lien or charge of any kind (including, without limitation, any conditional sale or other title retention agreement or lease in the nature thereof or any agreement to create any mortgage, pledge, security interest, lien, charge, easement or encumbrance of any kind).

"Masmindo" means PT Masmindo Dwi Area.

"Measurement Date" means May 8, 2007.

"Moody's" means Moody's Investors Service, Inc. and its affiliates.

"Net Cash Proceeds" means:

(1) with respect to any Asset Sale, the proceeds of such Asset Sale in the form of cash or cash equivalents or Temporary Cash Investments, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents or Temporary Cash Investments and proceeds from the conversion of other property received when converted to cash or cash equivalents or Temporary Cash Investments, net of:

   (a) brokerage commissions and other fees and expenses (including fees and expenses of counsel and investment bankers) related to such Asset Sale;

   (b) provisions for all taxes (whether or not such taxes will actually be paid or are payable) as a result of such Asset Sale without regard to the consolidated results of operations of the Company and its Restricted Subsidiaries, taken as a whole;

   (c) payments made to repay Indebtedness or any other obligation outstanding at the time of such Asset Sale that either (x) is secured by a Lien on the property or assets sold or (y) is required to be paid as a result of such sale;

   (d) appropriate amounts to be provided by the Company or any Restricted Subsidiary as a reserve against any liabilities associated with such Asset Sale, including, without limitation, pension and other post-employment benefit liabilities, liabilities related to environmental matters and liabilities under any indemnification obligations associated with such Asset Sale, all as determined in conformity with GAAP; and

(2) with respect to any issuance or sale of Capital Stock, the proceeds of such issuance or sale in the form of cash or cash equivalents, including payments in respect of deferred payment obligations (to the extent corresponding to the principal, but not interest, component thereof) when received in the form of cash or cash equivalents and proceeds from the conversion of other property received when converted to cash or cash equivalents, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts or commissions and brokerage, consultant and other fees incurred in connection with such issuance or sale and net of taxes paid or payable as a result thereof.

"Offer to Purchase" means an offer to purchase Notes by the Company from the Holders commenced by the Company mailing a notice by first class mail, postage prepaid, to the Trustee and each Holder at its last address appearing in the Note register stating:

(1) the covenant pursuant to which the offer is being made and that all Notes validly tendered will be accepted for payment on a *pro rata* basis;

(2) the date of purchase (which shall be a Business Day no earlier than 10 days nor later than 60 days from the date such notice is mailed) (the "Offer to Purchase Payment Date") and the purchase price payable to each Holder of Notes on the Offer to Purchase Payment Date;

(3) that any Note not tendered will continue to accrue interest pursuant to its terms;

(4) that, unless the Company defaults in the payment of the purchase price, any Note accepted for payment pursuant to the Offer to Purchase shall cease to accrue interest on and after the Offer to Purchase Payment Date;

(5) that Holders electing to have a Note purchased pursuant to the Offer to Purchase will be required to surrender the Note, together with the form entitled "Option of the Holder to Elect Purchase" on the reverse side of the Note completed, to the tender agent (the "Tender Agent") at the address specified in the notice prior to the close of business on the Business Day immediately preceding the Offer to Purchase Payment Date;

(6) that Holders will be entitled to withdraw their election if the Tender Agent receives, not later than the close of business on the third Business Day immediately preceding the Offer to Purchase Payment Date, a facsimile transmission or letter setting forth the name of such Holder, the principal amount of Notes delivered for purchase and a statement that such Holder is withdrawing his election to have such Notes purchased; and

(7) that Holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered; *provided* that each Note purchased and each new Note issued shall be in a principal amount of US$250,000 or integral multiples of US$1,000.

At least one Business Day prior to the Offer to Purchase Payment Date, the Company shall deposit with the Tender Agent money sufficient to pay the purchase price of all Notes or portions thereof so accepted. On the Offer to Purchase Payment Date, the Company shall (a) accept for payment on a *pro rata* basis Notes or portions thereof tendered pursuant to an Offer to Purchase; and (b) deliver, or cause to be delivered, to the Trustee all Notes or portions thereof so accepted together with an Officers' Certificate specifying the Notes or portions thereof accepted for payment by the Company. The Tender Agent shall, upon receipt of money, promptly mail (at the expense of the Company) to each Holder of Notes so accepted payment in an amount payable to such Holder on the Offer to Purchase Payment Date (and the Tender Agent may conclusively rely on the notice from the Company when making such payment), and the Company shall promptly deliver, or cause to be delivered, to the Trustee a duly executed new Note equal in principal amount to any unpurchased portion of the Note surrendered and the Trustee shall, upon receipt of such Note, authenticate and mail (at the expense of the Company) to such Holder such Note; *provided* that the purchase price for each Note purchased and each new Note issued shall be in a principal amount of US$250,000 or integral multiples of US$1,000. The Company will publicly announce the results of an Offer to Purchase as soon as practicable after the Payment Date.

The offer is required to contain or incorporate by reference information concerning the business of the Company and its Subsidiaries which the Company in good faith believes will assist such Holders to make an informed decision with respect to the Offer to Purchase, including a brief description of the events requiring the Company to make the Offer to Purchase, and any other information required by applicable law to be included therein. The offer is required to contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Offer to Purchase.

"Officer" means one of the executive officers or directors of the Company or, in the case of a Subsidiary Guarantor, one of the directors or officers of such Subsidiary Guarantor.

"Officers' Certificate" means a certificate signed by two Officers.

"Opinion of Counsel" means a written opinion from legal counsel.

"Original Issue Date" means the date on which the Notes are originally issued under the Indenture.

"Pari Passu Guarantee" means a guarantee by the Company of Indebtedness of a Finance Entity or a guarantee by any Subsidiary Guarantor Pledgor of Indebtedness of the Company or a Finance Entity; *provided* that (1) the Company or such Subsidiary Guarantor Pledgor, as the case may be, was permitted to Incur such Indebtedness under the covenant under the caption "— Limitation on Indebtedness and Preferred Stock" and (2) such guarantee by the Company ranks *pari passu* with the Notes and by such Subsidiary Guarantor Pledgor ranks *pari passu* with its Subsidiary Guarantee.

"Payment Default" means (1) any default in the payment of interest on any Note when the same becomes due and payable, (2) any default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise, (3) the failure by the Company to make or consummate a Change of Control Offer in the manner described under the caption "— Repurchase of Notes upon a Change of Control" or an Offer to Purchase in the manner described under the caption "— Limitation on Asset Sales" or (4) any Event of Default specified in clause (5) of the definition of Events of Default.

"Permitted Businesses" means (i) any business conducted or proposed to be conducted (as described in this offering memorandum) by the Company and its Restricted Subsidiaries on the Original Issue Date, (ii) the

provision of logistics, engineering, procurement and construction services for projects related to the energy sector, (iii) the exploration, extraction and trading and sale of coal, gold, bauxite and other minerals, oil and gas, and other natural resources, (iv) the construction and operation of power projects in Indonesia, (v) the provision of logistics, storage and infrastructure services, (vi) the provision of information technology ("IT") services, including software development and IT support and maintenance services, (vii) the production, trading and sale of renewable energy and bio-fuels and trading of carbon credits, (viii) the manufacture, assembly, sale and rent of electric vehicles and related equipment, (ix) the production, trading and sale of medical diagnostics, lab and other healthcare related equipment, and the provision of healthcare services, (x) financing activities of the Company and its Restricted Subsidiaries as otherwise permitted in the Indenture, and in the case of (ii) to (ix), any other business reasonably related, ancillary or complementary thereto.

"Permitted Holders" means any or all of the following:

(1) Agus Lasmono and Wiwoho Basuki Tjokronegoro;

(2) any Affiliate (other than an Affiliate as defined in clause (2) or (3) of the definition of Affiliate, except as permitted under (4) below) of the Persons specified in clause (1);

(3) any natural brother, sister, child or spouse of the Persons specified in clause (1); and

(4) any Person both the Capital Stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% by Persons specified in clauses (1), (2) and (3).

"Permitted Investment" means:

(1) any Investment by the Company or a Restricted Subsidiary in the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business or a Person which will, upon the making of such Investment, become a Restricted Subsidiary that is primarily engaged in a Permitted Business or be merged or consolidated with or into or transfer or convey all or substantially all its assets to the Company or a Restricted Subsidiary that is primarily engaged in a Permitted Business;

(2) cash or Temporary Cash Investments;

(3) payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses in accordance with GAAP;

(4) stock, obligations or securities received in satisfaction of judgments;

(5) an Investment in an Unrestricted Subsidiary consisting solely of an Investment in another Unrestricted Subsidiary;

(6) any Investment by the Company or a Restricted Subsidiary pursuant to a Hedging Obligation designed to protect the Company or Restricted Subsidiary against fluctuations in commodity prices, interest rates or foreign currency exchange rates;

(7) receivables owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms;

(8) any securities or other Investments received as consideration in, or retained in connection with, sales or other dispositions of property or assets, including Asset Sales made in compliance with the covenant described under "— Certain Covenants — Limitation on Asset Sales;"

(9) pledges or deposits (x) with respect to leases or utilities provided to third parties in the ordinary course of business or (y) otherwise described in the definition of "Permitted Liens" or made in connection with Liens permitted under the covenant described under "— Certain Covenants — Limitation on Liens;"

(10) Investments in securities of trade creditors, trade debtors or customers received pursuant to any plan of reorganization or similar arrangement upon the bankruptcy or insolvency of such trade creditor, trade debtor or customer;

(11) other Investments by the Company or a Restricted Subsidiary in any Person (other than a Restricted Subsidiary) engaged in a Permitted Business having an aggregate Fair Market Value (measured on the date each such Investment was made and without giving effect to subsequent changes in value), when taken together with all other Investments made pursuant to this clause (11) since the Original Issue Date, not to exceed 10.0% of Total Assets, plus an amount equal to the net reduction in Investments that were made after the Original Issue Date under this clause (11), (x) to the extent any such Investment is sold or otherwise liquidated or repaid for cash, the lesser of the amount of cash so received and the initial amount of such Investment under this clause (11), (y) resulting from the unconditional release of a guarantee provided by the Company or any Restricted Subsidiary of an obligation of another person, not to exceed the amount of the Investment made by the Company or a Restricted Subsidiary as a result of such guarantee and (z) resulting from such Person becoming a Restricted Subsidiary, whereupon all Investments made by the Company or any Restricted Subsidiary in such Person under this clause (11) since the Original Issue Date shall be deemed to have been made pursuant to clause (1) of the definition of "Permitted Investment;"

(12) deposits made in order to comply with statutory or regulatory obligations to maintain deposits for workers, compensation claims and other purposes specified by statute or regulation from time to time in the ordinary course of a Permitted Business;

(13) loans or advances to, or guarantees of obligations of, directors, commissioners, officers or employees of the Company or a Restricted Subsidiary in the ordinary course of business not to exceed US$2.0 million (or the Dollar Equivalent thereof) in the aggregate at any one time outstanding; and

(14) any guarantee of Indebtedness of the Company or a Restricted Subsidiary Incurred in accordance with the covenant described under the caption "— Certain Covenants — Limitation on Indebtedness and Preferred Stock."

"Permitted Liens" means:

(1) Liens for taxes, assessments, governmental charges or claims that are being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(2) statutory and common law Liens of landlords and carriers, warehousemen, mechanics, suppliers, repairmen or other similar Liens arising in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate legal or administrative proceedings promptly instituted and diligently conducted and for which a reserve or other appropriate provision, if any, as shall be required in conformity with GAAP shall have been made;

(3) Liens incurred or deposits made to secure the performance of tenders, bids, leases, statutory or regulatory obligations, bankers' acceptances, surety and appeal bonds, government contracts, performance and return-of-money bonds, reclamation and mine closure obligations (including reclamation guarantees) and other obligations of a similar nature incurred in the ordinary course of business (exclusive of obligations for the payment of borrowed money);

(4) leases or subleases granted to others that do not materially interfere with the ordinary course of business of the Company and its Restricted Subsidiaries, taken as a whole;

(5) Liens on property of, or on shares of Capital Stock or Indebtedness of, any Person existing at the time such Person becomes, or becomes a part of, any Restricted Subsidiary; *provided* that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets acquired; *provided*, *further*, that such Liens were not created in contemplation of or in connection with the transactions or series of transactions pursuant to which such Person became a Restricted Subsidiary;

(6) Liens in favor of the Company or any Restricted Subsidiary;

(7) Liens arising from the rendering of a final judgment or order against the Company or any Restricted Subsidiary that does not give rise to an Event of Default;

(8) Liens securing reimbursement obligations with respect to letters of credit that encumber documents and other property relating to such letters of credit and the products and proceeds thereof;

(9) Liens encumbering customary initial deposits and margin deposits, and other Liens that are within the general parameters customary in the industry and incurred in the ordinary course of business, in each case, securing Indebtedness under Hedging Obligations permitted by clause (e) of the second paragraph of the covenant under the caption "— Limitation on Indebtedness and Preferred Stock;"

(10) Liens existing on the Original Issue Date;

(11) Liens securing Indebtedness or other obligations covering property or assets not in excess of US$10.0 million in aggregate principal amount; *provided* that any Indebtedness secured by any such Lien under this clause (11) is non-recourse to the Company and the Restricted Subsidiaries;

(12) Liens securing Indebtedness which is Incurred to refinance secured Indebtedness which is permitted to be Incurred under clause (d) of the second paragraph of the covenant described under the caption entitled "— Certain Covenants — Limitation on Indebtedness and Preferred Stock;" *provided* that such Liens do not extend to or cover any property or assets of the Company or any Restricted Subsidiary other than the property or assets securing the Indebtedness being refinanced;

(13) Liens under the Common Security Documents;

(14) any interest or title of a lessor in the property subject to any operating lease;

(15) easements, rights-of-way, municipal and zoning ordinances or other restrictions as to the use of properties in favor of governmental agencies or utility companies that do not materially adversely affect the value of such properties or materially impair the use for the purposes of which such properties are held by the Company or any Restricted Subsidiary;

(16) Liens securing Permitted Pari Passu Secured Indebtedness that comply with each of the requirements set forth under the caption "— Security — Permitted Pari Passu Secured Indebtedness," and Liens on (a) shares of Capital Stock of a Wholly Owned Restricted Subsidiary of the Company formed to provide financing for the Company (a "Finance Entity"), (b) shares of Capital Stock of a Wholly Owned Restricted Subsidiary of a Finance Entity formed under clause (a) above and (c) intercompany loans representing Indebtedness of the Company or any Restricted Subsidiary to such Finance Entity (or to a Wholly Owned Subsidiary of such Finance Entity that is a Restricted Subsidiary), in each case Incurred to secure such Permitted Pari Passu Secured Indebtedness;

(17) Liens on any Coal Asset; *provided* that such Liens do not secure Indebtedness in excess of US$30.0 million in aggregate principal amount and the Indebtedness related to such Lien is non-recourse to the Company or any of the Company's Subsidiaries;

(18) Liens on (a) shares of Capital Stock of PT Indika Infrastruktur Investindo and Indika Power Investments Pte. Ltd. owned by the Company, (b) shares of Capital Stock of PT Cirebon Electric Power owned by each of PT Indika Infrastruktur Investindo and Indika Power Investments Pte. Ltd., (c) shares of Capital Stock of any dedicated operations and maintenance or other services company established in connection with the Cirebon Project, in each case described in clauses (a) through (c) securing Indebtedness incurred by PT Cirebon Electric Power for the financing of the Cirebon Project and (d) shares of Capital Stock of any Person (other than a Restricted Subsidiary); *provided* that any Lien under this clause (18) and any Indebtedness secured by any such Lien is permitted under the "— Limitation on Indebtedness and Preferred Stock" covenant;

(19) Liens securing Permitted Indebtedness Incurred pursuant to clause (h) of paragraph (2) under the caption entitled "— Certain Covenants — Limitation on Indebtedness and Preferred Stock;"

(20) Liens securing Permitted Indebtedness Incurred pursuant to clause (j) of paragraph (2) under the caption entitled "— Certain Covenants — Limitation on Indebtedness and Preferred Stock;"

(21) Liens securing rights of setoff in favor of a bank imposed by law or customary general terms of banks and incurred in the ordinary course of business on deposit accounts maintained with such bank and cash and Temporary Cash Investments in such accounts;

(22) (x) Liens on property or assets securing Indebtedness used or to be used to defease or satisfy and discharge the Notes; *provided* that (a) the Incurrence of such Indebtedness was not prohibited by the Indenture and (b) such defeasance or satisfaction and discharge is not prohibited by the Indenture and (y) Liens on cash and Temporary Cash Investments arising in connection with the defeasance, discharge or redemption of Indebtedness;

(23) Liens in favor of customs and revenue authorities arising by operation of law to secure payment of customs duties in connection with importation or exportation of goods in the ordinary course of business;

(24) Liens securing Permitted Priority Indebtedness;

(25) Liens on (i) Capital Stock of a Finance Subsidiary and any intercompany loans or advances from such Finance Subsidiary to the Company or any Restricted Subsidiary, (ii) Capital Stock of a Wholly Owned Subsidiary of a Finance Subsidiary and on any intercompany loans or advances made by such Wholly Owned Subsidiary to the Company or any Restricted Subsidiary; and (iii) any interest reserve, debt service reserve, debt service accrual or similar account used to service interest payments or debt obligations with respect to Indebtedness permitted to be Incurred under the covenant described under the caption "— Certain Covenants — Limitation on Indebtedness and Preferred Stock" or any escrow account holding all or any part of the proceeds of such Indebtedness;

(26) any encumbrance or restriction, including customary rights of first refusal and tag, drag and similar rights with respect to Capital Stock of any joint venture pursuant to joint venture agreements entered into in the ordinary course of business; and

(27) Liens securing Indebtedness which is permitted to be Incurred under clause (i) of the second paragraph of the covenant described under the caption entitled "— Certain Covenants — Limitation on Indebtedness and Preferred Stock;"

provided that with respect to Liens on Common Security, "Permitted Liens" will include only Liens described in paragraphs (1), (13) and (16).

"Permitted Pari Passu Secured Indebtedness" has the meaning set forth under "— Security — Permitted Pari Passu Secured Indebtedness."

"Permitted Priority Indebtedness" means any Priority Indebtedness, *provided* that, on the date of Incurrence of such Indebtedness, and after giving effect thereto and the application of the proceeds thereof, the aggregate amount of all Priority Indebtedness would be no greater than 15.0% of Total Assets.

"Person" means any individual, corporation, partnership, limited liability company, joint venture, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Preferred Stock" as applied to the Capital Stock of any Person means Capital Stock of any class or classes that by its term is preferred as to the payment of dividends, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

"Priority Indebtedness" means, without duplication, (a) any Indebtedness of any Restricted Subsidiary (other than a Subsidiary Guarantor or a Finance Subsidiary) other than (i) Indebtedness outstanding under clause (2)(c), (2)(e), 2(i) or (2)(k)(i) of the covenant described under the caption "— Certain Covenants — Limitation on Indebtedness and Preferred Stock," (ii) Indebtedness consisting of Liens described in paragraph (25) of the

definition of "Permitted Liens" and (iii) the Existing Notes, the Syndicated Facilities (so long as such Syndicated Facilities are not secured by any Lien other than Liens on the Common Security and any Liens described in paragraph (25)(iii) of the definition of "Permitted Liens") or the Notes, the guarantees of the Existing Notes, such Syndicated Facilities or the Notes, the intercompany loans with respect to the proceeds of the Existing Notes or the Notes or any Liens securing the foregoing and (b) any Indebtedness of the Company or a Subsidiary Guarantor secured by a Lien on any asset or property other than (i) the Notes and the Subsidiary Guarantees, (ii) Indebtedness outstanding under clause (2)(c), (2)(e), 2(i) or (2)(k)(i) of the covenant described under the caption "— Certain Covenants — Limitation on Indebtedness and Preferred Stock," (iii) Indebtedness of the Company or any Subsidiary Guarantor to the extent secured by Liens described in paragraph (13), (16) or (25)(iii) of the definition of "Permitted Liens," (iv) the Existing Notes, the Syndicated Facilities (so long as such Syndicated Facilities are not secured by any Lien other than Liens on the Common Security and any Liens described in paragraph (25)(iii) of the definition of "Permitted Liens") or the Notes, the guarantees of the Existing Notes, such Syndicated Facilities or the Notes, the intercompany loans with respect to the proceeds of the Existing Notes or the Notes or any Liens securing the foregoing and (v) any other Indebtedness of the Company or a Subsidiary Guarantor secured by a Lien on property or assets that also equally and ratably secures the Notes or any Subsidiary Guarantee as permitted by the Indenture.

"Rating Agencies" means (1) Fitch and (2) Moody's and (3) if Fitch or Moody's or both shall not make a rating of the Notes publicly available, a nationally recognized securities rating agency or agencies, as the case may be, selected by the Company, which shall be substituted for Fitch or Moody's or both, as the case may be.

"Rating Category" means (1) with respect to Fitch, any of the following categories: "BB," "B," "CCC," "CC," "C" and "D" (or equivalent successor categories); (2) with respect to Moody's, any of the following categories: "Ba," "B," "Caa," "Ca," "C" and "D" (or equivalent successor categories); and (3) the equivalent of any such category of Fitch or Moody's used by another Rating Agency. In determining whether the rating of the Notes has decreased by one or more gradations, gradations within Rating Categories ("+" and "-" for S&P; "1," "2" and "3" for Moody's; or the equivalent gradations for another Rating Agency) shall be taken into account (e.g., with respect to Fitch, a decline in a rating from "BB+" to "BB," as well as from "BB-" to "B+," will constitute a decrease of one gradation).

"Rating Date" means in connection with actions contemplated under the caption "— Consolidation, Merger and Sale of Assets," that date which is 90 days prior to the earlier of (x) the occurrence of any such actions as set forth therein and (y) a public notice of the occurrence of any such actions.

"Rating Decline" means in connection with actions contemplated under the caption "— Consolidation, Merger and Sale of Assets," the notification by any of the Rating Agencies that such proposed actions will result in any of the events listed below:

(a) in the event the Notes are rated by both Moody's and Fitch on the Rating Date as Investment Grade, the rating of the Notes by either Rating Agency shall be below Investment Grade;

(b) in the event the Notes are rated by either, but not both, of the Rating Agencies on the Rating Date as Investment Grade, the rating of the Notes by such Rating Agency shall be below Investment Grade; or

(c) in the event the Notes are rated below Investment Grade by both Rating Agencies on the Rating Date, the rating of the Notes by either Rating Agency shall be decreased by one or more gradations (including gradations within Rating Categories as well as between Rating Categories).

"Reference Treasury Dealer" means each of any three investment banks of recognized standing that is a primary U.S. Government securities dealer in The City of New York, selected by the Company in good faith.

"Reference Treasury Dealer Quotations" means, with respect to each Reference Treasury Dealer and any redemption date, the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Company by such Reference Treasury Dealer at 5:00 p.m. on the third Business Day preceding such redemption date.

"Replacement Assets" means, on any date, property or assets (other than current assets) of a nature or type or that are used in a Permitted Business.

"Restricted Subsidiary" means any Subsidiary of the Company other than an Unrestricted Subsidiary.

"S&P" means Standard & Poor's Ratings Services and its affiliates.

"Sale and Leaseback Transaction" means any direct or indirect arrangement relating to property (whether real, personal or mixed), now owned or hereafter acquired whereby the Company or any Restricted Subsidiary transfers such property to another Person and the Company or any Restricted Subsidiary leases it from such Person.

"SBI" means Bank Indonesia certificates.

"Senior Indebtedness" means, all Indebtedness of the Company or any Restricted Subsidiary, as relevant, whether outstanding on the Original Issue Date or thereafter created, except for Indebtedness which, in the instrument creating or evidencing the same, is expressly stated to be subordinated in right of payment to the Notes or, in respect of any Restricted Subsidiary that is a Subsidiary Guarantor, its Subsidiary Guarantee; *provided* that Senior Indebtedness does not include (1) any obligation to the Company or any Restricted Subsidiary, (2) trade payables or (3) Indebtedness Incurred in violation of the Indenture.

"Stated Maturity" means, (1) with respect to any Indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such Indebtedness is due and payable as set forth in the documentation governing such Indebtedness and (2) with respect to any scheduled installment of principal of or interest on any Indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such Indebtedness.

"Subordinated Indebtedness" means any Indebtedness of the Company or any Subsidiary Guarantor which is contractually subordinated or junior in right of payment to the Notes or any Subsidiary Guarantee, as applicable, pursuant to a written agreement to such effect.

"Subsidiary" means, with respect to any Person, any corporation, association or other business entity of which more than 50% of the voting power of the outstanding Voting Stock is owned, directly or indirectly, by such Person or one or more other Subsidiaries of such Person or any corporation, association or other business entity which is "controlled" and consolidated by such Person in accordance with GAAP.

"Subsidiary Guarantee" means any guarantee of the obligations of the Company under the Indenture and the Notes by any Subsidiary Guarantor.

"Subsidiary Guarantor" means IIC, TIME, the Tripatra Entities and any other Restricted Subsidiary which guarantees the payment of the Notes pursuant to the Indenture and the Notes; *provided* that Subsidiary Guarantor will not include any Person whose Subsidiary Guarantee has been released in accordance with the Indenture and the Notes.

"Subsidiary Guarantor Pledgor" means IIC, TIME, Tripatra E&C and any other Subsidiary Guarantor which pledges Common Security to secure the obligations of the Company under the Notes and the Indenture and of such Subsidiary Guarantor under its Subsidiary Guarantee; *provided* that a Subsidiary Guarantor Pledgor will not include any person whose pledge under the Common Security Documents has been released in accordance with the Common Security Documents, the Indenture and the Notes.

"Syndicated Facilities" means (i) the facility agreement for the US$150.0 million term loan facility dated July 17, 2019, among the Company, the Subsidiary Guarantors, the arranger, the lenders, the account banks and the security agent named therein, as amended and restated; (ii) Syndicated Facility II; and (iii) the facility agreement for the US$300.0 million term loan facility dated December 28, 2023, among the Company, the Subsidiary Guarantors, the arranger, the lenders, the account banks and the security agent named therein, as amended and restated.

"Syndicated Facility II" means the facility agreement for the US$250.0 million term loan facility dated March 2, 2023, among the Company, the Subsidiary Guarantors, the arranger, the lenders, the account banks and the security agent named therein, as amended and restated.

"Temporary Cash Investment" means any of the following:

(1) direct obligations of the United States of America, Japan, Singapore, the United Kingdom or any agency thereof or obligations fully and unconditionally guaranteed by the United States of America, Japan, Singapore, the United Kingdom or any agency thereof, in each case maturing within one year;

(2) direct obligations of the Republic of Indonesia or any agency thereof or obligations fully and unconditionally guaranteed by the Republic of Indonesia or any agency thereof, in each case maturing within one year; *provided* that the amount of such Investments outstanding at any one time, together with the amount of Investments in SBIs made under clause (3) below, shall not exceed an aggregate amount of US$25.0 million (or the Dollar Equivalent thereof);

(3) SBIs maturing within one year; *provided* that the amount of Investments in SBIs outstanding at any one time, together with the amount of Investments in Indonesian government obligations made under clause (2) above, shall not exceed an aggregate amount of US$25.0 million (or the Dollar Equivalent thereof);

(4) time deposit accounts, certificates of deposit and money market deposits maturing within 180 days of the date of acquisition thereof issued by a bank or trust company which is organized under the laws of the United States of America, any state thereof, Belgium, France, Germany, Italy, Japan, The Netherlands, Singapore, Spain, Switzerland or the United Kingdom, and which bank or trust company has capital, surplus and undivided profits aggregating in excess of US$500.0 million (or the Dollar Equivalent thereof) and has outstanding debt which is rated "A" (or such similar equivalent rating) or higher by at least one nationally recognized statistical rating organization (as defined in Section 3(a)(62) of the Exchange Act);

(5) repurchase obligations with a term of not more than 30 days for underlying securities of the types described in clause (1) above entered into with a bank or trust company meeting the qualifications described in clause (4) above;

(6) commercial paper, maturing not more than one year after the date of acquisition, issued by a corporation (other than an Affiliate of the Company) organized and in existence under the laws of the United States of America, any state thereof or any foreign country recognized by the United States of America with a rating at the time as of which any investment therein is made of "P-1" (or higher) according to Moody's and "A-1" (or higher) according to S&P;

(7) securities with maturities of six months or less from the date of acquisition issued or fully and unconditionally guaranteed by any state, commonwealth or territory of the United States of America, or by Japan, Singapore or the United Kingdom, or by any political subdivision or taxing authority thereof, and rated at least "A" by S&P and Moody's;

(8) any money market fund that has at least 95% of its assets continuously invested in investments of the types described in clauses (1), (4), (5), (6) or (7) above; and

(9) time deposit accounts, certificates of deposit and money market deposits issued by (i) any Indonesian branch of an International Bank, *provided* that such International Bank has outstanding long-term debt which is rated at least "A" by S&P and Moody's, or (ii) any bank incorporated or licensed to operate under the laws of the Republic of Indonesia whose long term debt is rated at least "A" by S&P and Moody's; *provided*, that such accounts, certificates of deposit or money market deposits, respectively, mature within 90 days of the date of acquisition thereof; *provided*, *further*, that no more than US$25.0 million (or the Dollar Equivalent thereof) may at any date of determination be made in any one such entity.

"TIME" means PT Tripatra Multi Energi.

"Total Assets" means, as of any date, the total consolidated assets of the Company and the Restricted Subsidiaries measured in accordance with GAAP as of the last day of the most recent fiscal quarter for which consolidated financial statements of the Company are available.

"Trade Payables" means, with respect to any Person, any accounts payable or any other indebtedness or monetary obligation to trade creditors created, assumed or guaranteed by such Person or any of its Subsidiaries arising in the ordinary course of business in connection with the acquisition of goods or services.

"Transaction Date" means, with respect to the Incurrence of any Indebtedness, the date such Indebtedness is to be Incurred; with respect to any Restricted Payment, the date such Restricted Payment is to be made; and with respect to any disposition of Common Security, the date such disposition is to be made.

"Tripatra E&C" means PT Tripatra Engineers and Constructors.

"Tripatra Entities" means Tripatra Engineering, Tripatra E&C and Tripatra Singapore.

"Unrestricted Subsidiary" means (1) subject to redesignation under the caption "— Certain Covenants — Designation of Restricted and Unrestricted Subsidiaries," IMN, BIG, BID, EMITS, EMIC, IEMS, EMIM, PEI and PEC; (2) any Subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board of Directors in the manner provided in the Indenture; and (3) any Subsidiary of an Unrestricted Subsidiary.

"U.S. Government Obligations" means securities that are (1) direct obligations of the United States of America for the payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the payment of which is unconditionally guaranteed as a full faith and credit obligation by the United States of America, which, in either case, are not callable or redeemable at the option of the issuer thereof at any time prior to the Stated Maturity of the Notes, and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such U.S. Government Obligation or a specific payment of interest on or principal of any such U.S. Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the U.S. Government Obligation or the specific payment of interest on or principal of the U.S. Government Obligation evidenced by such depository receipt.

"Voting Stock" means, with respect to any Person, Capital Stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such Person.

"Wholly Owned" means, with respect to any Subsidiary of any Person, the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law) by such Person or one or more Wholly Owned Subsidiaries of such Person. However, for the purposes of "— The Subsidiary Guarantees," "Wholly Owned" means the ownership of all of the outstanding Capital Stock of such Subsidiary (other than any director's qualifying shares or Investments by foreign nationals mandated by applicable law) by such Person or one or more Wholly Owned Subsidiaries of such Person.

TAXATION

The following summary is based on applicable tax laws, regulations, decisions, administrative guidelines and circulars, and practices in effect on the date of this Offering Memorandum, and is subject to changes, including changes that could have retroactive effect. The following summary does not take into account or discuss the tax laws of any jurisdiction other than the ones described below. The summary represents a general guide only. The summary is not to be regarded as advice on the tax position of any Noteholder or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The following summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of investors, some of which may be subject to special rules. Prospective purchasers in all jurisdictions are advised to consult their own tax advisors as to tax consequences applicable to the acquisition, ownership and disposition of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject.

Indonesian Taxation

The following is a summary with respect to taxes imposed by the Indonesian Government on holders of the Notes. The summary does not address any laws other than the tax laws of Indonesia in force and as they are applied in practice as of the date of this Offering Memorandum.

General

Resident Taxpayers, individual or corporate, are subject to income tax in Indonesia on a worldwide income basis.

Generally, an individual is considered to be a non-resident of Indonesia if the individual is not present in Indonesia for more than 183 days within a twelve month period. A corporation will be considered to be a non-resident of Indonesia if it is not established or domiciled in Indonesia.

In determining the residency and tax status of an individual or corporation, consideration will also be given to the provisions of any applicable double tax treaty which Indonesia has concluded with other countries. In this section, both non-resident individuals and non-resident corporations will be referred to as "Non-resident Taxpayers."

Subject to the provisions of any applicable agreement for the avoidance of double taxation (a tax treaty), Non-resident Taxpayers that derive income sourced in Indonesia from, among other things, the sale of assets situated in Indonesia or interest, royalties or dividends from Indonesia, are subject to final withholding tax on that income at a rate of 20.0%, as long as the income is not effectively connected with a permanent establishment held by the Non-resident Taxpayer in Indonesia.

If the income is effectively connected to a permanent establishment in Indonesia, then the income is part of the taxable income of the permanent establishment which is subject to corporate income tax at the rate of 22.0%. Income effectively connected with a permanent establishment is also subject to additional income tax (*i.e.*, branch profit tax) at the rate of 20.0% on the taxable income after tax or a reduced tax rate under the provisions of an applicable tax treaty.

Withholding tax

Payments of principal under the Notes are not subject to withholding tax in Indonesia, but interest income (including additional amounts) sourced from Indonesia is subject to withholding tax.

According to Indonesian regulations, notes are defined as debt securities, government debt securities, and regional bonds with a tenure of more than 12 months, issued by both government and non-government entities. Any reward received or obtained by Noteholders, in the form of interest, profit sharing, margins (gains from the disposal of Notes), other similar income, and/or discounts, are subject to a withholding tax rate of 10.0%. Premiums, discounts, and compensation related to debt return guarantees are also included in the definition of interest.

Payments in respect of interest, profit sharing, gain from a disposal of the Notes, other similar income and/or discount received by Non-resident Taxpayers will be subject to final withholding tax in Indonesia at the rate of 10.0% (or a reduced rate under a relevant applicable tax treaty) on the gross amount of such payment.

Non-resident Noteholders that are subject to Indonesian tax should consult their own tax advisors regarding the application of Indonesian withholding tax on such gains and the availability of any reduction of, or relief from, Indonesian tax pursuant to the relevant tax treaties with Indonesia.

Payments in respect of interest, profit sharing, gain from a disposal of the Notes, other similar income and/or discount received by resident Taxpayers will be subject to final withholding tax in Indonesia at the rate of 10.0% on the gross amount of such payment, except for banks and Minister of Finance-approved pension funds.

Other Indonesian taxes

There are no Indonesian estates, inheritance, succession, or gift taxes generally applicable to the acquisition, ownership or disposition of the Notes. There are no Indonesian stamp, issue, registration or similar taxes or duties payable by holders of the Notes as a result of their holding of the Notes.

Law No. 10 of 2020 regarding Stamp Duty in Indonesia imposes a requirement for a stamp duty of Rp.10,000 for agreements or documents valued above Rp.5,000,000 to ensure their legality, validity, enforceability and admissibility in court proceedings. This measure aimed at formalizing and regulating legal documents and agreements within the country.

Singapore Taxation

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore, administrative guidelines and circulars issued by the Monetary Authority of Singapore ("MAS") in force as of the date of this Offering Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, administrative guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, administrative guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Offering Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the Singapore tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore that have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own tax advisers regarding the Singapore or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasized that neither the Issuer nor any other persons involved in the offering of the Notes accepts responsibility for any Singapore tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

Interest and other payments

Subject to the following paragraphs, under Section 12(6) of the Income Tax Act, 1947 of Singapore (the "ITA"), the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore); or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for Singapore tax purposes, are generally subject to withholding tax in Singapore.

The rate at which tax is to be withheld for such payments is 15.0% (or less should a treaty apply) and is in the nature of a final tax, unless the income is derived by a non-resident from a trade, business, profession or vocation carried on or exercised in Singapore or is effectively connected with a permanent establishment in Singapore. If the income is derived by a non-resident from a trade, business, profession or vocation carried on or exercised in Singapore or is effectively connected with a permanent establishment in Singapore, the applicable tax withholding rate is 24.0%, in the case of individual non-residents, and 17.0% in the case of any other non-residents.

Certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after January 1, 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after February 17, 2006; and

(c) prepayment fees, redemption premiums and break costs from debt securities derived on or after February 15, 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession in Singapore.

It was announced in the Singapore Budget Statement 2023 and the MAS Circular FDD Cir 08/2023 "Qualifying Debt Securities ("QDS") and Primary Dealer Schemes – Extension and Refinements" issued on May 31, 2023 (the "MAS Circular") that the QDS scheme is extended by five years and will end on December 31, 2028. With effect from February 15, 2023, the condition that a QDS has to be "substantially arranged" by a Financial Sector Incentive — Bond Market Company ("FSI-BM")[6], Financial Sector Incentive — Standard Tier Company ("FSI-ST") or Financial Sector Incentive — Capital Market Company ("FSI-CM")[7] has been broadened to include the following entities ("Specified Licensed Entities"):

(i) bank or merchant bank licensed under the Banking Act 1970;

(ii) a finance company licensed under the Finance Companies Act 1967; or

(iii) a person who holds a capital markets services licence under the Securities and Futures Act 2001 to carry out regulated activities of advising on corporate finance or dealing in capital markets products.

As the issue of the Notes is jointly lead-managed by Deutsche Bank AG, Singapore Branch, Standard Chartered Bank (Singapore) Limited, Mandiri Securities Pte. Ltd. and BNI Securities Pte. Ltd., and on the basis that each of them is a Specified Licensed Entity (as defined above) at such time, the Notes issued as debt securities before December 31, 2028 would be qualifying debt securities ("QDS") for the purposes of the ITA, to which the following treatment shall apply:

(a) subject to certain prescribed conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Notes in the

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6 No company shall be approved as a FSI-BM on or after January 1, 2014 and any approvals granted before January 1, 2014 was for a period of not exceeding five years (MAS Circular FDD Cir 08/2023 "Qualifying Debt Securities ("QDS") and Primary Dealer Schemes – Extension and Refinements" issued on May 31, 2023).

7 Bonds, notes, commercial papers, certificates of deposits and AT1 instruments within the meaning of section 10I(2) of the ITA, which are arranged in accordance with regulations made for this purpose by any Financial Sector Incentive — Standard Tier Company or Financial Sector Incentive — Capital Market Company and issued during the period from January 1, 2014 to December 31, 2023 (both dates inclusive).

prescribed format within such period as the MAS may specify and such other particulars in connection with the Notes as the MAS may require and the inclusion by the Issuer in all offering documents relating to the Notes of a statement to the effect that where interest, discount, early redemption fee or redemption premium from the Notes or other income directly attributable to the Notes (collectively, the "Qualifying Income") are derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for QDS shall not apply if the non-resident person acquires the Notes using the funds and profits of such person's operations through the Singapore permanent establishment), Qualifying Income from the Notes paid by the Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have a permanent establishment in Singapore or (bb) carries on any operations in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(b) subject to certain conditions having been fulfilled (including the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Notes as the MAS may require), Qualifying Income from the Notes paid by the Issuer and derived by any company or a body of persons (as defined in the ITA) in Singapore is subject to tax at a concessionary rate of 10.0% (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(c) subject to:

(i) the Issuer including in all offering documents relating to the Notes a statement to the effect that any person whose Qualifying Income derived from the Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

(ii) the furnishing by the Issuer, or such other person as the MAS may direct, to the MAS of a return on debt securities for the Notes in the prescribed format within such period as the MAS may specify and such other particulars in connection with the Notes as the MAS may require,

payments of Qualifying Income derived from the Notes and made by the Issuer are not subject to Singapore withholding tax.

Notwithstanding the foregoing:

(a) if during the primary launch of the Notes, the Notes are issued to fewer than four persons and 50.0% or more of the issue of the Notes is beneficially held or funded, directly or indirectly, by related parties of the Issuer, the Notes would not qualify as QDS; and

(b) even if the Notes are QDS, if, at any time during the tenure of the Notes, 50.0% or more of the Notes which are outstanding at any time during the life of their issue is beneficially held or funded, directly or indirectly, by any related party(ies) of the Issuer, Qualifying Income derived from the Notes held by:

(i) any related party of the Issuer; or

(ii) any other person where the funds used by such person to acquire the Notes are obtained, directly or indirectly from any related party of the Issuer,

shall not be eligible for the Singapore tax exemption or concessionary rate of tax described above.

The term "related party," in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where a person and that other person directly or indirectly are under the control of a common person.

The terms "early redemption fee" and "redemption premium" are defined in the ITA as follows:

- "early redemption fee," in relation to debt securities, QDS or qualifying project debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities; and
- "redemption premium," in relation to debt securities, QDS or qualifying project debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity or on the early redemption of the securities.

References to "early redemption fee" and "redemption premium" in this section have the same meaning as defined in the ITA.

Pursuant to the MAS Circular, the scope of Qualifying Income under the QDS scheme with effect from February 15, 2023 would include all payments made by the issuer of the QDS on the redemption of QDS upon its maturity or on the early redemption of QDS.

Where Qualifying Income is derived from any of the Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS (subject to certain conditions) under the ITA shall not apply if such person acquires the Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose Qualifying Income derived from the Notes is not exempt from tax is required to include such income in a return of income made under the ITA. However, to the extent that the Notes are not QDSs and subject to Singapore withholding tax, then subject to the limitations set forth under the "Description of the Notes —Additional Amounts," holders of the Notes will generally be entitled to Additional Amounts with respect to such tax.

Gains on sale of the Notes

Singapore income tax generally does not apply to capital gains. Any gains considered to be in the nature of capital made from the sale of the Notes should not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or who are required to apply Singapore Financial Reporting Standard 109 — Financial Instruments ("FRS 109") or Singapore Financial Reporting Standard (International) 9 Financial Instruments ("SFRS(I) 9") (as the case may be) may for Singapore income tax purposes be required to recognize gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 109. Please see the section below on "Adoption of FRS 109 Treatment for Singapore Income Tax Purposes."

Adoption of FRS 109 or SFRS(I)9 treatment for Singapore income tax purposes

FRS 109 or SFRS(I) 9 (as the case may be) is mandatorily applicable for financial periods beginning on or after January 1, 2018, replacing FRS 39 *Financial Instruments: Recognition and Measurement* ("FRS 39"). Section 34AA of the ITA provides that the recognition of gains for tax purposes will flow from the accounting treatment (unless the gains are capital in nature). The IRAS has issued a circular entitled "Income Tax Treatment Arising from Adoption of FRS 109 — Financial Instruments" (the "FRS 109 Circular").

Holders of the Notes who may be subject to the tax treatment pursuant to FRS 109 or SFRS(I) 9 should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Goods and Services Tax

A sale of the Notes by a Goods and Services Tax ("GST") registered investor belonging in Singapore to another person belonging in Singapore is an exempt supply not subject to GST. Any GST (for example, GST on

brokerage) incurred by the investor in respect of the Notes purchased or sold by him will become an additional cost to the investor. Where the Notes are supplied by a GST-registered investor to a person belonging outside Singapore and who is outside Singapore at the time of supply, the sale is a taxable supply subject to GST at zero rate. Consequently, any GST (for example, GST on brokerage) incurred by him in the course of or furtherance of business in respect of the Notes sold by him will, subject to the provisions of the Goods and Services Tax Act 1993 of Singapore, be claimable as an input tax credit in its GST returns. Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase or sale of the Notes will be subject to GST at the prevailing rate (currently 9.0%.). Services supplied under a contract with a person belonging outside Singapore are subject to GST at zero rate on the condition that the services directly benefit a person who belongs outside Singapore or a registered person who is in Singapore.

Estate duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after February 15, 2008.

Certain U.S. Federal Income Tax Considerations

The following is a general discussion of certain U.S. federal income tax consequences relevant to U.S. Holders (as defined below) under present law of the purchase, ownership and disposition of the Notes. This general discussion applies only to U.S. Holders that acquire their Notes in this offering at their issue price and hold such Notes as capital assets within the meaning of section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), generally, property held for investment. This discussion is based on current provisions of the Code, existing final, temporary and proposed U.S. Treasury regulations promulgated thereunder (the "Treasury Regulations"), and administrative and judicial interpretations thereof, all as in effect or proposed on the date of this Offering Memorandum. All of the foregoing is subject to change, possibly with retroactive effect, or different interpretations, either of which could affect the general discussion below.

This discussion is for general information purposes only and does not address all of the tax consequences that may be relevant to specific investors in light of their particular circumstances or to investors subject to special treatment under U.S. federal income tax laws including but not limited to: banks and other financial institutions; insurance companies; pension funds; securities dealers or traders electing mark-to-market treatment; certain governmental entities; holders subject to the alternative minimum tax; regulated investment companies; real estate investment trusts; tax-exempt organizations; persons that hold the notes as a position in a "straddle" or as part of a synthetic security or "hedge," "conversion transaction" or other integrated investment; persons that have a "functional currency" other than the U.S. dollar; tax-deferred or other retirement accounts; S corporations; certain U.S. expatriates; persons that are required to report income no later than when such income is reported in an "applicable financial statement"; and investors in pass-through entities that hold Notes.

This discussion does not address the effects of any state, local or non-U.S. tax laws or non-income tax laws (such as the U.S. federal estate and gift tax).

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) owns Notes, the tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partnership owning the Notes. Such a partner or partnership considering the acquisition of the Notes should consult its own tax advisors.

As used herein, "U.S. Holder" means a beneficial owner of the Notes that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state or political subdivision thereof, or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or

- a trust that (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons (as defined in Section 7701(a)(30) of the Code (a "U.S. person")) have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

This discussion of certain U.S. federal income tax considerations is for general information only and is not tax advice. Prospective investors should consult their tax advisors concerning the tax consequences of purchasing, owning and disposing of Notes in light of their particular circumstances, including the application of the U.S. federal income tax considerations discussed below, as well as the application of the U.S. federal estate or gift tax laws, any U.S. state, local or non-U.S. tax laws, or provisions of any applicable tax treaties.

Possible application of rules governing contingent payment debt instruments

The terms of the Notes provide for payments in excess of stated interest and principal under certain circumstances as described under "Description of the Notes — Repurchase of Notes upon a Change of Control," "Description of the Notes — Additional Amounts" and "Description of the Notes — Optional redemption." Under Treasury Regulations governing contingent payment debt instruments ("CPDIs"), the possibility of a contingent payment on a Note may be disregarded if the likelihood of the contingent payment as of the issue date is "remote or incidental" or under certain other circumstances. We believe that the likelihood that Additional Amounts will be paid on the Notes or that the Notes will be repurchased upon a Change of Control or pursuant to an Optional Redemption is, in each case, remote and, therefore, we intend to take the position for U.S. federal income tax purposes that the Notes are not contingent payment debt instruments. Our position is binding on a U.S. Holder unless such holder discloses that it is taking a contrary position in the manner required by applicable Treasury Regulations. Our position is not, however, binding on the IRS and if the IRS were to successfully challenge this position, a U.S. Holder may be required to accrue income on the Notes that such U.S. Holder owns in excess of stated interest, and to treat as ordinary income rather than capital gain any income realized on the taxable disposition of such Notes. U.S. Holders are urged to consult their tax advisors regarding the potential application of the CPDI rules and the consequences thereof to the Notes. The remainder of this discussion assumes that the Notes will not be considered CPDIs.

Payments of interest

Subject to the discussion below regarding original issue discount, qualified stated interest (as defined below) paid on a Note (including any Additional Amounts and foreign withholding taxes paid with respect thereto) will be taxable to a U.S. Holder as ordinary interest income at the time it accrues or is received in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

The Notes are not expected to be issued with original issue discount ("OID") for U.S. federal income tax purposes in excess of a de minimis amount (i.e., less than 1/4 of 1 percent of the stated redemption price at maturity multiplied by the number of complete years to maturity). If the Notes are issued with de minimis OID, U.S. Holders of Notes would include such de minimis OID in income as capital gain upon disposition.

If, contrary to the Issuer's expectations, the Notes are issued with more than a de minimis amount of OID, an amount equal to the difference between their "stated redemption price at maturity" and their "issue price" would be considered OID for U.S. federal income tax purposes. The issue price of a Note generally will be the first price at which a substantial amount of the Notes are sold to the public (which does not include sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The stated redemption price at maturity of a Note generally will equal the sum of all payments required to be made under the Note other than payments of "qualified stated interest." Qualified stated interest generally is stated interest unconditionally payable (other than in debt instruments of the issuer) at least annually at a single fixed rate. A U.S. Holder of Notes issued with more than a de minimis amount of OID would be required to include in income any qualified stated interest payments in accordance with the U.S. Holder's method of tax accounting for U.S. federal income tax purposes as described above and any OID would be included in

income as it accrues in accordance with a constant yield method based on a compounding of interest, regardless of such U.S. Holder's regular method of accounting and regardless of whether cash attributable to this income is received. U.S. Holders should consult their tax advisors regarding the application of the OID rules.

Interest income earned by a U.S. Holder with respect to a Note will constitute foreign source income for U.S. federal income tax purposes, which may be relevant in calculating the U.S. Holder's foreign tax credit limitation. Subject to certain generally applicable limitations (including a minimum holding period requirement), any Indonesian tax withheld with respect to payments of interest with respect to the Notes may be treated as foreign taxes eligible for credit against a U.S. Holder's U.S. federal income tax liability. These generally applicable restrictions and conditions include new requirements adopted in Treasury Regulations promulgated in December 2021, and subject to the discussion below, there can be no assurance that any taxes imposed by Indonesia will satisfy these requirements. A recent notice from the IRS provides temporary relief from such Treasury Regulations by allowing taxpayers to apply a modified version of the Treasury Regulations for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance), provided that the taxpayer consistently applies such modified version of the Treasury Regulations and complies with specific requirements set forth in a previous notice. In the case of a U.S. Holder that either (i) is eligible for, and properly elects, the benefits of the tax treaty between Indonesia and the United States or (ii) consistently elects to apply the modified version of the Treasury Regulations in the manner described in the preceding sentence, the Indonesian tax on payments of interest generally will qualify as a creditable tax. In the case of all other U.S. Holders, the application of these requirements to the Indonesian tax on payments of interest is uncertain and we have not determined whether these requirements have been met. If the Indonesian tax is not a creditable tax for a U.S. Holder or the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes, the U.S. Holder may be able to deduct the Indonesian tax in computing the U.S. Holder's taxable income for U.S. federal income tax purposes, subject to applicable limitations and requirements. A U.S. Holder who does not elect to claim a credit for foreign tax may instead claim a deduction in respect of the tax provided the U.S. Holder elects to deduct rather than claim a credit for all foreign taxes for such taxable year. Interest paid on the Notes will be treated as either "passive category income" or "general category income" for U.S. foreign tax credit limitation purposes. The rules relating to U.S. foreign tax credits are extremely complex, and U.S. Holders are urged to consult their tax advisors regarding the availability of U.S. foreign tax credits in their particular circumstances.

Sale, exchange, redemption, or other taxable disposition

Upon the sale, exchange, redemption or other taxable disposition of the Notes, a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange, redemption or other taxable disposition (other than amounts attributable to accrued but unpaid stated interest, which amounts generally will be taxable as ordinary interest income to the extent not previously included in gross income) and the holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will equal the acquisition cost of the Note increased by the amount of OID, if any, included in the holder's gross income and decreased by the amount of any payment received from the Issuer on the Note other than a payment of qualified stated interest. Any such gain or loss generally will be U.S. source capital gain or loss. Accordingly, in the event that gain with respect to a disposition of a Note is subject to Indonesian tax as described above under "Taxation — Indonesian Taxation" a U.S. Holder may only be able to claim a U.S. foreign tax credit for the amount of Indonesian tax to the extent such U.S. Holder has other income from foreign sources. Further, due to new requirements adopted in Treasury Regulations promulgated in December 2021, there can be no assurance that any taxes imposed by Indonesia will satisfy these requirements. A recent notice from the IRS provides temporary relief from such Treasury Regulations by allowing taxpayers to apply a modified version of the Treasury Regulations for taxable years ending before the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance), provided that the taxpayer consistently applies such modified version of the Treasury Regulations and complies with specific requirements set forth in a previous notice. In the case of a U.S. Holder that either (i) is eligible for, and properly elects, the benefits of the tax treaty between Indonesia and the United States or (ii) consistently elects to apply the modified version of the Treasury Regulations in the manner described in the preceding sentence, the Indonesian tax on the

sale or other taxable disposition of the Notes generally will qualify as a creditable tax. In the case of all other U.S. Holders, the application of these requirements to the Indonesian tax on the sale or other taxable disposition of the Notes is uncertain and we have not determined whether these requirements have been met. If the Indonesian tax is not a creditable tax for a U.S. Holder or the U.S. Holder does not elect to claim a foreign tax credit for any foreign income taxes, the U.S. Holder may be able to deduct the Indonesian tax in computing the U.S. Holder's taxable income for U.S. federal income tax purposes, subject to applicable limitations and requirements. Capital gain or loss will be long term capital gain or loss if, at the time of its sale, exchange, retirement or other taxable disposition, the Note has been held for more than one year. Certain non-corporate U.S. Holders (including individuals) may be eligible for preferential tax rates in respect of long term capital gains. The deductibility of capital losses is subject to limitations under the Code. The rules relating to U.S. foreign tax credits are extremely complex, and U.S. Holders are urged to consult their tax advisors regarding the availability of U.S. foreign tax credits in their particular circumstances.

Information reporting and backup withholding

In general, payments of interest and principal on the Notes and proceeds from a sale, exchange, redemption or other taxable disposition of the Notes may be subject to information reporting to the IRS and U.S. backup withholding. Backup withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from backup withholding. U.S. Holders who are required to establish their exempt status generally must provide such certification on IRS Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and backup withholding rules.

Backup withholding is not an additional tax. Amounts withheld as backup withholding may be credited against a U.S. Holder's U.S. federal income tax liability, and a U.S. Holder may obtain a refund of any excess amounts withheld under the backup withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing any required information.

Foreign financial asset reporting

Certain U.S. Holders who are individuals are required to report information relating to an interest in the Notes, subject to certain exceptions (including an exception for Notes held in accounts maintained by certain financial institutions). U.S. Holders who fail to report required information could be subject to substantial penalties. U.S. Holders should consult their tax advisors regarding the effect, if any, of these rules on their ownership and disposition of the Notes.

THE ABOVE DISCUSSION IS NOT LEGAL ADVICE RELATING TO THE ACQUISITION, OWNERSHIP OR DISPOSITION OF THE NOTES. INVESTORS SHOULD CONSULT THEIR OWN TAX ADVISOR CONCERNING THE TAX CONSEQUENCES OF THEIR PARTICULAR SITUATION.

PLAN OF DISTRIBUTION

Subject to the terms and conditions set forth in a purchase agreement (the "Purchase Agreement") among us and Deutsche Bank AG, Singapore Branch, Standard Chartered Bank (Singapore) Limited, Mandiri Securities Pte. Ltd. and BNI Securities Pte. Ltd. as the initial purchasers (the "Initial Purchasers"), we have agreed to sell to the Initial Purchasers, and the Initial Purchasers have agreed, severally and not jointly, to purchase from us, the principal amount of the Notes set forth opposite their respective name below.

Initial Purchasers	Principal amount of Notes
Deutsche Bank AG, Singapore Branch	US$87,500,000
Standard Chartered Bank (Singapore) Limited	US$87,500,000
Mandiri Securities Pte. Ltd.	US$87,500,000
BNI Securities Pte. Ltd.	US$87,500,000
Total	**US$350,000,000**

The Purchase Agreement provides that the obligations of the Initial Purchasers to purchase the Notes are subject to approval of legal matters by counsel and to other conditions. The Initial Purchasers must purchase all the Notes if they purchase any of the Notes.

We have agreed to indemnify the Initial Purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the Initial Purchasers may be required to make because of any of those liabilities.

The Initial Purchasers propose to resell, through their respective U.S. broker-dealer affiliates, the Notes at the offering price set forth on the cover page of this Offering Memorandum (a) within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A who are also qualified purchasers (as defined in Section 2(a)(51) of the Investment Company Act) and (b) to non-U.S. persons (as defined in Regulation S, but for purposes of the definition of "U.S. person" herein shall include any person that is not a U.S. person solely by reason of Rule 902(k)(1)(viii)(B) or 902(k)(2)(i) under Regulation S) outside the United States in reliance on Regulation S. See "Transfer Restrictions." The price at which the Notes are offered may be changed at any time without notice.

The Notes and the Subsidiary Guarantees have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S, but for purposes of the definition of "U.S. person" herein shall include any person that is not a U.S. person solely by reason of Rule 902(k)(1)(viii)(B) or 902(k)(2)(i) under Regulation S) except in transactions exempt from, or not subject to, the registration requirements, of the Securities Act. See "Transfer Restrictions."

The Initial Purchasers will, at or prior to confirmation of a sale of Notes, send to each distributor (as defined in Regulation S), dealer (as defined in Section 2(a)(12) of the Securities Act) or person receiving a selling concession, fee or other remuneration that purchases Notes from it or through it until the 40th day after the completion of the distribution of such Notes a confirmation or notice to substantially the following effect:

"The Notes covered hereby (the "Covered Notes") have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), the securities laws of any state of the United States or the securities laws of any other jurisdiction and neither the Issuer nor any of the Subsidiary Guarantors has registered and does not intend to register as an investment company under the United States Investment Company Act of 1940, as amended (the "Investment Company Act"), in reliance on the exception from registration provided by Section 3(c)(7) of the Investment Company Act.

The Covered Notes and beneficial interests therein may not be offered, reoffered, sold, resold, pledged, exchanged or otherwise transferred other than (i) outside the United States, to a person that is not a "U.S. person" as defined in Regulation S under the Securities Act ("Regulation S") or "U.S. resident" for purposes of the

Investment Company Act, in accordance with Regulation S and Section 3(c)(7) of the Investment Company Act, or (ii) within the United States or to, or for the benefit of, a "U.S. person" or "U.S. resident," in accordance with the exemption from registration under Rule 144A under the Securities Act ("Rule 144A"), to a person that is both a Qualified Institutional Buyer (as such term is defined in Rule 144A) and a Qualified Purchaser as such term is defined in Section 2(a)(51)(A) under the Investment Company Act and the rules and regulations thereunder and in all events, subject to all of the same restrictions on offer and sale of securities as are applicable to an initial purchaser for the Covered Notes under the purchase agreement between the issuer of the Covered Notes and the initial purchasers for the Covered Notes then in effect. Terms used but not defined above have the meaning given to them by Regulation S and the Investment Company Act."

Each of the Issuer and the Subsidiary Guarantors have agreed that, for a period of 90 days from the date of this Offering Memorandum (the "lock-up period"), they will not, without the prior written consent of the Initial Purchasers, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce the offering of, any debt securities issued or guaranteed by them. The Issuer has also agreed that, for the lock-up period, it will not permit any of its restricted subsidiaries to, without the consent of the Initial Purchasers, offer, sell or contract to sell, or otherwise dispose of, directly or indirectly, or announce the offering of, any debt securities issued or guaranteed by such restricted subsidiaries or any of its subsidiaries. The Initial Purchasers in their sole discretion may release any of the securities subject to these lock-up agreements at any time without notice.

The Notes will constitute a new class of securities with no established trading market. Application has been made to the SGX-ST for the listing and quotation of the Notes on the SGX-ST. However, we cannot assure you that the Issuer will be able to maintain a listing of the Notes on the SGX-ST, or that, if listed, a trading market will develop. For so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore, where the Notes may be presented or surrendered for payment or redemption, in the event that a Global Note is exchanged for definitive registered Notes. In addition, in the event that a Global Note is exchanged for definitive registered Notes, an announcement of such exchange shall be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the definitive registered Notes, including details of the paying agent in Singapore. The Notes will be traded on the SGX-ST in a minimum board lot size of S$200,000 (or its equivalent in other currencies) for as long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require. We also cannot assure you that the prices at which the Notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Notes will develop and continue after this offering. The Initial Purchasers have advised us that they currently intend to make a market in the Notes as permitted by applicable law. However, the Initial Purchasers are not obligated to make a market in the Notes and any market-making activities may be discontinued at any time without notice at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for the Notes.

In connection with the offering, the Initial Purchasers may purchase and sell Notes in the open market. Purchases and sales in the open market may include short sales (or over-allotment), purchases to cover short positions and stabilizing purchases. Short sales (or over-allotments) involve secondary market sales by the Initial Purchasers of a greater number of Notes than they are required to purchase in the offering. Covering transactions involve purchases of Notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions involve bids to purchase Notes so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the Initial Purchasers for their own accounts, may have the effect of preventing or retarding a decline in the market price of the Notes. They may also cause the price of the Notes to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The Initial Purchasers may conduct these transactions in the over-the-counter market or otherwise. If the Initial Purchasers commence any of these transactions, they may discontinue them at any time.

We expect to deliver the Notes against payment for the Notes on or about the date specified in the last paragraph of the cover page of this Offering Memorandum, which will be the seventh business day following the date of the pricing of the Notes. Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally settle in two business days, purchasers who wish to trade Notes on the date of pricing or the next succeeding three business days will be required, by virtue of the fact that the Notes initially will settle in T+7, to specify alternative settlement arrangements to prevent a failed settlement.

Each Initial Purchaser or its affiliates may purchase the Notes for its own account or enter into secondary market transactions or derivative transactions relating to the Notes, including, without limitation, purchase, sale (or facilitation thereof), stock borrowing or credit or equity-linked derivatives such as asset swaps, repackagings and credit default swaps, at the same time as the offering of the Notes. Such transactions may be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Notes to which this Offering Memorandum relates (notwithstanding that such selected counterparties may also be a purchaser of the Notes). As a result of such transactions, an Initial Purchaser or its affiliates may hold long or short positions relating to the Notes. The Initial Purchasers and their respective affiliates may also engage in investment or commercial banking and other dealings in the ordinary course of business with us or our affiliates from time to time and may receive fees and commissions for these transactions. In addition to the transactions noted above, the Initial Purchasers and their respective affiliates may, from time to time, engage in other transactions with, and perform services for, us or our affiliates in the ordinary course of their business. The Initial Purchasers or their respective affiliates may also purchase Notes for asset management and/or proprietary purposes but not with a view to distribution or may hold Notes on behalf of clients or in the capacity of investment advisors. While each Initial Purchaser and its affiliates have policies and procedures to deal with conflicts of interests, any such transactions may cause an Initial Purchaser or its affiliates or its clients or counterparties to have economic interests and incentives which may conflict with those of an investor in the Notes. Each Initial Purchaser may receive returns on such transactions and has no obligation to take, refrain from taking or cease taking any action with respect to any such transactions based on the potential effect on a prospective investor in the Notes.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and any Initial Purchaser or any affiliate of an Initial Purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that Initial Purchaser or its affiliate on our behalf in such jurisdiction.

Important Notice to CMIs (including Private Banks)

This notice to CMIs (including Private Banks) is a summary of certain obligations the SFC Code imposes on CMIs, which require the attention and cooperation of other CMIs (including Private Banks). Certain CMIs may also be acting as OCs for this offering and are subject to additional requirements under the SFC Code. CMIs are informed that, unless otherwise notified, the marketing and investor targeting strategy for the offering includes institutional investors, long-only investors, sovereign wealth funds, pension funds, hedge funds, corporates, private banks/broking companies, family offices and high net worth individuals, in each case, subject to the selling restrictions set out elsewhere in this Offering Memorandum.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). CMIs should inquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Notes (except for omnibus orders where underlying investor information may need to be provided to any OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including Private Banks as the case may be) in the order book and book messages.

CMIs (including Private Banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including Private Banks) should not enter into arrangements which may result in prospective investors paying different prices for the Notes.

The SFC Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, those Managers in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Notes, Private Banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private Banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Private Banks who disclose that they are placing their order other than on a "principal" basis (i.e., they are acting as an agent) should note that such order may be considered to be an omnibus order pursuant to the SFC Code. Private Banks should be aware that placing an order on a "principal" basis may require the relevant affiliated Managers (if any) to categorize it as a proprietary order and apply the "proprietary orders" requirements of the SFC Code to such order.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the Code as having an association ("Association") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Notes and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this offering.

Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this offering.

In relation to omnibus orders, when submitting such orders, CMIs (including Private Banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- the name of each underlying investor;
- a unique identification number for each investor;
- whether an underlying investor has any "Associations" (as used in the SFC Code);
- whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and
- whether any underlying investor order is a duplicate order.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including Private Banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to the OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to the OCs. By submitting an order and providing such information to the OCs, each CMI (including Private Banks) further warrants that they and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by the OCs and/or any other third parties as may be required by the Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the Code, for the purpose of complying with the Code, during the bookbuilding process for the offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the offering. The Joint Global Coordinators and Joint Bookrunners may be asked to demonstrate compliance with their obligations under the Code, and may request other CMIs (including Private Banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including Private Banks) are required to provide the relevant Manager with such evidence within the timeline requested.

Selling Restrictions

General

We and the Initial Purchasers have not taken any action, nor will we and the Initial Purchasers take any action, in any jurisdiction that would permit a public offering of the Notes, or the possession, circulation or distribution of this Offering Memorandum or any other material relating to us, the Notes in any jurisdiction where action for that purpose is required. Accordingly, an investor may not offer or sell, directly or indirectly, any Note and may not distribute or publish either this Offering Memorandum or any other offering material or advertisements in connection with the Notes, in or from any country or jurisdiction except in compliance with any applicable rules and regulations of such country or jurisdiction.

United States

The Notes have not been and will not be registered under the Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. See "Transfer Restrictions" for a description of other restrictions on the transfer of Notes. Accordingly, the Notes are being offered and sold only to qualified institutional buyers (as defined in Rule 144A) who are also qualified purchasers (as defined in Section 2(a)(51) of the Investment Company Act) in accordance with Rule 144A and to non-U.S. persons (as defined in Regulation S) outside the United States in offshore transactions in accordance with Regulation S. Resales of the Notes are restricted as described under "Transfer Restrictions."

Until 40 days after the commencement of this offering, an offer or sale of Notes within the United States by a dealer (whether or not participating in this offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or pursuant to another exemption from registration under the Securities Act.

As used herein, the term "United States" has the meaning given to it in Regulation S.

United Kingdom

Each Initial Purchaser has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the Notes in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA and the regulations made under the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA and the regulations made under the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA and the regulations made under the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the United Kingdom has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the United Kingdom may be unlawful under the UK PRIIPs Regulation.

European Economic Area

This Offering Memorandum has been prepared on the basis that any offer of Notes in any Member State of the EEA will be made pursuant to an exemption under the Regulation (EU) 2017/1129 (the "EU Prospectus Regulation"). Neither the Issuer nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or the Initial Purchasers to publish a prospectus for such offer. Neither the Issuer nor the Initial Purchasers have authorized, nor do they authorize, the making of any offer of Notes through any financial intermediary, other than offers made by the Initial Purchasers, which constitute the final placement of the Notes contemplated in this Offering Memorandum.

The Notes may not be offered, sold or otherwise made available to any retail investor in the EEA. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

- a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended "MiFID II"); or
- a customer within the meaning of Directive 2016/97/EU (the "IDD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
- not a qualified investor as defined in the EU Prospectus Regulation; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Hong Kong

Each Initial Purchaser represents, warrants and agrees that:

(i) it has not offered or sold and will not offer or sell in the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"), by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

Indonesia

The offering of the Securities does not constitute a public offering or private placement in Indonesia under the Indonesian Capital Markets Law and OJK Rule No. 30. This Offering Memorandum may not be distributed in Indonesia and the Securities may not be offered or sold in Indonesia or to Indonesian citizens wherever they are domiciled or to residents of Indonesia, in a manner which constitutes a public offering or private placement of the Securities under the laws and regulations of Indonesia, including OJK Rule No. 30.

Japan

The Notes offered in this Offering Memorandum have not been registered under the Financial Instruments and Exchange Act of Japan. The Notes have not been offered or sold and will not be offered or sold, directly or

indirectly, in Japan or to or for the account of any resident of Japan, except (i) pursuant to an exemption from the registration requirements of the Financial Instruments and Exchange Act and (ii) in compliance with any other applicable requirements of Japanese law.

Singapore

This Offering Memorandum has not been and will not be registered as a prospectus with the MAS under the SFA. Accordingly, each Initial Purchaser has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore.

Any reference to the "SFA" is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

TRANSFER RESTRICTIONS

General

The Notes have not been and will not be registered under the Securities Act, or any state securities laws or the securities laws of any other jurisdiction and may not be offered, sold, pledged or transferred in the United States or to U.S. persons as defined in Regulation S under the Securities Act ("Regulation S") or U.S. residents for purposes of the United States Investment Company Act of 1940, as amended (the "Investment Company Act") and the rules and regulations thereunder (each such person who is a U.S. person or U.S. resident, a "U.S. Person" (but for purposes of the definition of "U.S. Person" herein shall include also any person that is not a U.S. person solely by reason of Rule 902(k)(1)(viii)(B) or 902(k)(2)(i) in Regulation S under the Securities Act)) except pursuant to an exception from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered, nor does it intend to register, under the Investment Company Act in reliance on the exception provided pursuant to Section 3(c)(7) thereof. The Notes will be offered and sold (a) outside the United States to persons who are not U.S. Persons (each, a "Non-U.S. Person") pursuant to the requirements of Regulation S ("Regulation S Notes") and (b) within the United States or to U.S. Persons, in the case of initial sale of the Notes to the initial purchasers, sales of the Notes by the Issuer to investors, or sales by the Issuer to the initial purchasers for resale to investors, pursuant to the exemption from registration provided by Section 4(a)(2) of the Securities Act, and subsequent to initial issuance, in reliance on Rule 144A under the Securities Act ("Rule 144A Notes").

The Global Notes will be issued and registered in the name of Cede & Co., acting as nominee for DTC, which will act as securities depositary for the Notes. The Global Notes will initially be deposited with The Bank of New York Mellon, acting as custodian for DTC. No purchase, sale or transfer of a Rule 144A Global Note or beneficial interest therein shall be effective other than through the Paying Agent, on its books and records, to a purchaser/transferee that is both (a) a "qualified institutional buyer" as defined in Rule 144A under the Securities Act (a "QIB"), and (b) a "qualified purchaser" as defined in Section 2(a)(51)(A) under the Investment Company Act and the rules and regulations thereunder (a "QP"), acting for its own account or the account of another QP which is a QIB, and meets the other requirements set forth herein under "Transfer Restrictions." By its purchase of a Note (or a beneficial interest therein), the purchaser or other transferee shall be deemed to agree that it may resell or otherwise transfer such Note (or beneficial interest therein) to a U.S. Person or in the United States only if such person is both a QIB and a QP and meets the other requirements set forth herein under "Transfer Restrictions." Sales and transfers of beneficial interests in the Notes shall include participations and other arrangements pursuant to which any other person or intermediary shall be entitled to a beneficial interest therein or payments made with respect thereto. Sales and other transfers of Regulation S Notes outside the United States to Non-U.S. Persons will be made in transactions meeting the requirements of Regulation S.

Interests in the Notes may not be reoffered, resold, pledged or otherwise transferred unless pursuant to, or in transactions exempt from or not subject to the registration requirements of, the Securities Act and any other applicable securities laws.

The Notes and related documentation may be amended or supplemented from time to time to modify the restrictions on and procedures for sales, resales and other transfers of the Notes to reflect any change in applicable law or regulation (or the interpretation thereof) or in practices relating to the resale or transfer of securities such as the Notes generally; provided that such modification shall not adversely affect the ability of the Issuer and/or a Subsidiary Guarantor to rely on the exception from registration provided by Section 3(c)(7) of the Investment Company Act, while it intends to so rely. Each holder of any Note or owner of a beneficial interest therein shall be deemed, by its acceptance thereof, to have agreed to any such amendment or supplement.

Any purported sale or transfer of a Note (or beneficial interest therein) which is not made in compliance with the restrictions set forth herein shall be void and will not be honored by the Issuer. The Issuer shall be entitled to require any holder of a Note (or beneficial interest therein) who is a U.S. Person or in the United States that is determined not to have been both a QIB and a QP and not to have met the other requirements set forth under "Transfer Restrictions" herein at the time of acquisition of such Note (or such beneficial interest) to sell such Note (or such beneficial interest therein) (within 30 days after notice of the sale requirement is given) to

either (i) a person that is both a QIB and a QP (and meets the requirements set forth under "Transfer Restrictions") in a transaction meeting the requirements of Rule 144A, or (ii) a person that is a Non-U.S. Person (and meets the other requirements set forth under "Transfer Restrictions") in an offshore transaction meeting the requirements of Regulation S. Alternatively, the Issuer shall be entitled to redeem such Note (upon 30 days' notice to the holder thereof) in an amount equal to the outstanding principal amount of such Note plus accrued interest.

Notes which are represented by a Rule 144A Global Note will only be transferable in accordance with the rules and procedures for the time being of DTC and in accordance with the Indenture, and Notes which are represented by a Regulation S Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear and/or Clearstream, Luxembourg and in accordance with the Indenture.

Restrictions and representations

No purchase, sale or transfer of a Note may be made if such purchase, sale or transfer would require registration of the Issuer and/or a Subsidiary Guarantor as an "investment company" under the Investment Company Act or would have an adverse impact on the Issuer's and/or a Subsidiary Guarantor's ability to rely on the exception from registration provided by Section 3(c)(7) thereunder, while it intends to so rely. The Paying Agent shall be provided upon request with a certificate of an officer of the Issuer as to compliance with this restriction in connection with any transfer of a Note.

Purchases, sales or transfers of interests in a Regulation S Global Note to a U.S. Person, shall be made by delivery of an interest in a Rule 144A Global Note and shall be limited to purchases, sales or transfers made pursuant to the provisions hereof and of the Indenture. Beneficial interests in a Regulation S Global Note may only be held through Euroclear and Clearstream, Luxembourg.

Any sale or transfer of an interest in a Rule 144A Global Note or a Rule 144A Note to a U.S. Person that is not a QIB and a QP, shall be null and void and shall not be given effect for any purpose, and the Paying Agent shall hold any funds conveyed by the intended purchaser or transferee of such interest in such Rule 144A Global Note or such Rule 144A Note in trust for the seller or transferor and shall promptly reconvey such funds to such Person in accordance with the written instructions thereof delivered to the Paying Agent at its address listed on the back cover of this offering memorandum.

Rule 144A Notes

Each initial purchaser, and each subsequent purchaser or transferee, of Rule 144A Notes (or a beneficial interest therein) taking delivery in the form of a Rule 144A Note or a beneficial interest therein, by its acceptance thereof, shall be deemed to represent, acknowledge and agree to, in each case for the benefit of each of the Issuer, the Paying Agent, the initial purchasers and the seller or transferor thereof, as follows:

(i) it, and each person for which it is acting, is a QIB that is a QP, and is acquiring the Notes (or beneficial interests therein) for its own account or for the account or accounts of one or more other persons, each of which is a QIB and a QP;

(ii) it, and each person for which it is acting, is aware that the sale, resale, pledge, exchange or other transfer of the Notes (or beneficial interests therein) is being made in a transaction that is exempt from the registration requirements of the Securities Act pursuant to Section 4(a)(2) thereof or in a transaction meeting the requirements of Rule 144A;

(iii) it, and each person for which it is acting, is not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of issuers unaffiliated with such broker-dealer;

(iv) it, and each person for which it is acting, is not a participant-directed employee plan, such as a 401(k) plan, or a trust holding the assets of such plan, unless the investment decisions with respect to such plan are made solely by the fiduciary, trustee or sponsor of such plan;

(v) it, and each account for which it is purchasing or otherwise acquiring such Notes (or beneficial interests therein), will purchase, hold or transfer at least US$250,000 of the Notes (or beneficial interests therein);

(vi) it, and each person for which it is acting, was not capitalized, recapitalized or operated for the purpose of investing in the Notes and/or other securities of the Issuer (unless all of the beneficial owners of such entity's securities are both QIBs and QPs);

(vii) if it, or any person for which it is acting, is an investment company excepted from the Investment Company Act pursuant to Section 3(c)(1) or Section 3(c)(7) thereof (or a foreign investment company under Section 7(d) thereof relying on Section 3(c)(1) or 3(c)(7) with respect to its holders that are U.S. persons) and was formed on or before April 30, 1996, it has received the consent of its beneficial owners who acquired their interests on or before April 30, 1996, with respect to its treatment as a QP in the manner required by Section 2(a)(51)(C) of the Investment Company Act and the rules promulgated thereunder;

(viii) it, and each person for which it is acting, is not a partnership, common trust fund, or corporation, special trust, pension fund or retirement plan, or other entity, in which the partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners, as the case may be, may designate the particular investments to be made, or the allocation thereof unless all such partners, beneficiaries, beneficial owners, participants, shareholders or other equity owners are both QIBs and QPs;

(ix) it, and each person for which it is acting, has not invested more than 40.0% of its assets in the Notes (or beneficial interests therein) and/or other securities of the Issuer or a Subsidiary Guarantor after giving effect to the purchase of the Notes (or beneficial interests therein) (unless all of the beneficial owners of such entity's securities are both QIBs and QPs);

(x) it, and each person for which it is acting, understands that the Issuer and each Subsidiary Guarantor will not register as an investment company under the Investment Company Act and that the Issuer and/or the Subsidiary Guarantors are relying on Section 3(c)(7) of the Investment Company Act in so doing. It, and each person for which it is acting, also understands and agrees that the Issuer and the Paying Agent shall have the right to request and receive such additional documents, certifications, representations and undertakings, from time to time, as the Issuer and/or the Subsidiary Guarantors may deem necessary in order to comply with applicable legal requirements;

(xi) it, and each person for which it is acting, understands that any sale or transfer to a person that does not comply with the requirements set forth in these paragraphs (i) through (xiv) will be null and void ab initio and not honored by the Issuer;

(xii) it, and each person for which it is acting, agrees that the Issuer shall be entitled to require any holder of a Rule 144A Note (or any holder of a beneficial interest therein) that is determined not to have been both a QIB and a QP (and to have met the other requirements set forth herein) at the time of acquisition of such Rule 144A Note (or such beneficial interest) to sell such Rule 144A Note (or such beneficial interest therein), or alternatively the Issuer shall be entitled to redeem such Rule 144A Note (or such beneficial interest) in accordance with the provisions described below;

(xiii) it, and each person for which it is acting, understands that the Issuer may receive a list of the participants from DTC or any other depositary holding beneficial interests in the Global Notes; and

(xiv) it, and each person for which it is acting, will provide notice of these transfer restrictions to any subsequent transferees and agrees not to act as a swap counterparty or other type of intermediary whereby any other party will acquire an economic interest or beneficial interest in the Note acquired or reoffer, resell, pledge or otherwise transfer the Notes or any beneficial interest therein, to any person except to a person that (x) meets all of the requirements in paragraphs (i) through this paragraph (xiv) and (y) agrees not to subsequently transfer the Notes or any beneficial interest therein except in accordance with these transfer restrictions.

The Issuer shall be entitled to require any holder of a Rule 144A Note (or beneficial interest therein) that is determined not to have been both a QIB and a QP (and to meet the other requirements set forth in (i) through (xiv) above) at the time of acquisition of such Note (or such beneficial interest), to sell such Note (or such beneficial interest) (within 30 days after notice of the sale requirement is given) to either, (a) a person that is both a QIB and a QP (and meets the other requirements set forth above) taking delivery in the form of an interest in a Rule 144A Note in a transaction meeting the requirements of Rule 144A, or (b) a person that is a Non-U.S. Person (and meets the other requirements set forth below under "Regulation S Notes") acquiring a beneficial interest in a Regulation S Note in an offshore transaction meeting the requirements of Regulation S. If such holder (or beneficial owner) fails to effect the sale within such 30-day period, the Issuer shall cause such holder's Note (or beneficial interest therein) to be transferred in a commercially reasonable sale (conducted in accordance with Sections 9-610, 9-611 and 9-627 of the Uniform Commercial Code as applied to securities that are sold on a recognized market or that may decline speedily in value) to a person that (x) if such person is taking delivery in the form of a Rule 144A Note, is both a QIB and a QP (and meets the other requirements set forth above), or (y) if such person is taking delivery in the form of a Regulation S Note, is a Non-U.S. Person (and meets the other requirements below under "Regulation S Notes") acquiring a beneficial interest in a Regulation S Global Note in an offshore transaction meeting the requirements of Regulation S. Alternatively, the Issuer shall be entitled to redeem such Note (upon 30 days' notice to the holder thereof) in an amount equal to the outstanding principal amount of such Note plus accrued and unpaid interest.

In addition to the restrictions set forth above, each initial purchaser, and each subsequent purchaser or transferee, of a Note taking delivery in the form of a Rule 144A Note or a beneficial interest therein, by acceptance thereof, shall be deemed to represent, acknowledge and agree to, in each case for the benefit of each of the Issuer, the Paying Agent, the initial purchasers and the seller or transferor thereof, as follows:

(i) it understands that the Notes are being offered only in transactions not involving any public offering within the meaning of the Securities Act and will not be registered under the Securities Act, and may be reoffered, resold or pledged or otherwise transferred only (A)(i) to a person whom the purchaser reasonably believes is a person that is both a QIB and a QP purchasing for its own account or for the account of a person that is both a QIB and a QP as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Regulation S and (B) in accordance with all applicable securities laws of the states of the United States, the provisions of the Indenture and the legend on such Notes;

(ii) it is not purchasing the beneficial interests in the Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. It understands that an investment in the Notes involves certain risks, including the risk of loss of its entire investment in the Notes under certain circumstances. It and each person for whom it is acting, has had access to the offering memorandum and such additional financial and other information concerning the Issuer and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the beneficial interest in the Notes, including an opportunity to ask questions of and request information from the Issuer and the initial purchasers and to verify the accuracy of the information included or incorporated by reference herein that the Issuer or the initial purchasers could provide without unreasonable effort or expense. It understands and acknowledges that it must be prepared to hold its beneficial interest in the Note until maturity and that no representation has been made as to availability of any exemption under the Securities Act or any state securities laws or securities laws of any other jurisdiction for resale of the beneficial interests in the Notes;

(iii) it is aware that, except as otherwise provided in the Indenture, the Notes being sold to it will be represented by one or more Rule 144A Global Notes and that beneficial interests therein may be held only through the Paying Agent as a participant in DTC;

(iv) if a beneficial interest in a Rule 144A Note is transferred to a Non-U.S. Person that is acquiring such Note in an offshore transaction in compliance with Regulation S under the Securities Act, the transferee will take such beneficial interest in the form of a beneficial interest (in the denomination so transferred) in a Regulation S Note;

(v) if a beneficial interest in a Regulation S Note is transferred to a person that is both a QIB and a QP in a transaction exempt from the registration requirements of the Securities Act pursuant to Rule 144A or pursuant to Section 4(a)(2), as the case may be, (in which case the transferor will inform the transferee that the transfer is being made in reliance on Rule 144A or Section 4(a)(2) of the Securities Act, as the case may be), the transferee will take such beneficial interest in the form of a beneficial interest (in the denomination so transferred) in a Rule 144A Note;

(vi) it is not, and for so long as it holds any beneficial interest in any Notes it will not, be a Benefit Plan Investor;

(vii) no transfer of a Note will be effective, and neither the Paying Agent nor the Issuer will recognize any such transfer, if it is made to a Benefit Plan Investor and such transfer shall be null and void ab initio. The Issuer maintains the right to cause the resale or redemption of any such interest, in accordance with and subject to the terms set forth below;

(viii) in connection with the purchase or transfer of the Notes: (A) none of the Issuer, the Trustee, the Paying Agent or each initial purchaser, is acting as a fiduciary or financial or investment adviser for the holder; (B) it is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Trustee, the Paying Agent or each initial purchaser other than any such representations of the Issuer as may be specifically set forth in the offering memorandum, and any representations expressly set forth in a written agreement with such party; (C) none of the Issuer, the Trustee, the Paying Agent or each initial purchaser has given to the holder (directly or indirectly through any other person) any assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect, consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Notes; (D) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction) based upon its own judgment and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer, the Trustee, the Paying Agent or each initial purchaser; (E) it has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (F) it is a sophisticated investor;

(ix) the Notes will bear the applicable legends as set forth in the exhibits to the Indenture;

(x) for so long as the Issuer and/or a Subsidiary Guarantor relies on the exception from the Investment Company Act provided by Section 3(c)(7) and the Notes are held through DTC, the Notes shall bear the legends applicable to the Rule 144A Notes and Regulation S Notes, such legends shall not be removed and the Issuer shall provide the information needed for a QIB to transfer the Notes pursuant to Rule 144A; and

(xi) any purported purchase, sale or transfer of a Note not in accordance with the restrictions set forth under this heading "Rule 144A Notes" shall be null and void ab initio and shall not be given effect for any purpose.

The Issuer shall be entitled to require any holder of a Note (or a beneficial interest therein), the sale or transfer to which resulted in such Note (or beneficial interest therein) being held by a Benefit Plan Investor, to sell such Note (or beneficial interest therein) to a person that (a) if such person is taking delivery in the form of an interest in a Rule 144A Note, is either both a QIB and a QP (and meets the other requirements set forth above), or (b) if such person is taking delivery in the form of an interest in a Regulation S Note, is a Non-U.S. Person (and meets the other requirements set forth under "Regulation S Notes" below) acquiring a beneficial interest in the Regulation S Note in an offshore transaction meeting the requirements of Regulation S, and, in each case, such person is not a Benefit Plan Investor. If such holder (or beneficial owner) fails to effect the sale

within such 30-day period, the Issuer shall cause such holder's Note (or beneficial interest therein) to be transferred in a commercially reasonable sale (conducted in accordance with Sections 9-610, 9-611 and 9-627 of the Uniform Commercial Code as applied to securities that are sold on a recognized market or that may decline speedily in value) to a person meeting the requirements of the previous sentence. Alternatively, the Issuer shall be entitled to redeem such Note (upon 30 days' notice to the holder thereof) in an amount equal to the outstanding principal amount of such Note plus accrued and unpaid interest.

Regulation S Notes

Each initial purchaser and each subsequent purchaser or transferee of Notes or a beneficial interest therein taking delivery in the form of a Regulation S Note (or a beneficial interest therein), by acceptance thereof, shall be deemed to represent, warrant, acknowledge and agree to, in each case for the benefit of the Issuer, the Paying Agent, the initial purchaser and the seller or transferor thereof, as follows:

(i) it is a Non-U.S. Person acquiring the Notes (or a beneficial interest therein) in an offshore transaction meeting the requirements of Regulation S and in a principal amount of not less than US$250,000 (or its dollar equivalent in other currencies);

(ii) it understands that any resale or other transfer of the Notes or beneficial interests therein in the United States or to U.S. Persons to any person other than a person who is both a QIB and a QP, taking delivery in the form of a Rule 144A Note or a beneficial interest therein, and meets the other requirements set forth above under "Rule 144A Notes," shall not be permitted; and

(iii) it understands that it, and each person for which it is acting, agrees that the Issuer shall be entitled to require the holder of any Regulation S Note (or beneficial interest therein) that is determined not to have been a Non-U.S. Person acquiring such Note (or beneficial interest therein) in an offshore transaction at the time of acquisition of such Note (or such beneficial interest), to sell such Note (or such beneficial interest) or, alternatively, to permit the Issuer to redeem such Note, in accordance with the provisions set forth below.

The Issuer shall be entitled to require any holder of a Regulation S Note (or beneficial interest therein) that is determined not to have been a Non-U.S. Person (and to meet the other requirements set forth above) at the time of acquisition of such Note (or such beneficial interest), to sell such Note (or such beneficial interest) (within 30 days after notice of the sale requirement is given) to either, (a) a person that is both a QIB and a QP (and meets the other requirements set forth under "Rule 144A Notes" above) taking delivery in the form of an interest in a Rule 144A Note in a transaction meeting the requirements of Rule 144A, or (b) a person that is a Non-U.S. Person (and meets the other requirements set forth above) acquiring a beneficial interest in a Regulation S Note in an offshore transaction meeting the requirements of Regulation S. If such holder (or beneficial owner) fails to effect the sale within such 30-day period, the Issuer shall cause such holder's Note (or beneficial interest therein) to be transferred in a commercially reasonable sale (conducted in accordance with Sections 9-610, 9-611 and 9-627 of the Uniform Commercial Code as applied to securities that are sold on a recognized market or that may decline speedily in value) to a person that (x) if such person is taking delivery in the form of an interest in a Rule 144A Note, is both a QIB and a QP (and meets the other requirements set forth above under "Rule 144A Notes"), or (y) if such person is taking delivery in the form of an interest in a Regulations S Note, is a Non-U.S. Person (and meets the other requirements set forth above) acquiring a beneficial interest in the Regulation S Note in an offshore transaction meeting the requirements of Regulation S. Alternatively, the Issuer shall be entitled to redeem such Note (upon 30 days' notice to the holder thereof) in an amount equal to the outstanding principal amount of such Note plus accrued and unpaid interest.

In addition to the restrictions set forth above, each initial purchaser and each subsequent purchaser or transferee of a Note or a beneficial interest therein taking delivery in the form of a Regulation S Note (or a beneficial interest therein), by acceptance thereof, shall be deemed to represent, warrant, acknowledge and agree with the Issuer, the Paying Agent, each initial purchaser and the seller or transferor thereof, as follows:

(i) it understands that the Notes are being offered only in transactions not involving any public offering within the meaning of the Securities Act and will not be registered under the Securities Act, and may

be reoffered, resold or pledged or otherwise transferred only (A)(i) to a person whom the purchaser reasonably believes is a person that is both a QIB and a QP purchasing for its own account or for the account of a person that is both a QIB and a QP as to which the purchaser exercises sole investment discretion in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Regulation S and (B) in accordance with all applicable securities laws of the states of the United States, the provisions of the Indenture and the legend on such Notes;

(ii) it is not purchasing the beneficial interests in the Notes with a view toward the resale, distribution or other disposition thereof in violation of the Securities Act. It understands that an investment in the Notes involves certain risks, including the risk of loss of its entire investment in the Notes under certain circumstances. It and each person for whom it is acting, has had access to the offering memorandum and such additional financial and other information concerning the Issuer and the Notes as it deemed necessary or appropriate in order to make an informed investment decision with respect to its purchase of the beneficial interest in the Notes, including an opportunity to ask questions of and request information from the Issuer and each initial purchaser and to verify the accuracy of the information included or incorporated by reference herein that the Issuer or the initial purchasers could provide without unreasonable effort or expense. It understands and acknowledges that it must be prepared to hold its beneficial interest in the Note until maturity and that no representation has been made as to availability of any exemption under the Securities Act or any state securities laws or securities laws of any other jurisdiction for resale of the beneficial interests in the Notes;

(iii) it is aware that, except as otherwise provided in the Indenture, the Notes will be represented by one or more Regulation S Global Notes, and that beneficial interests therein may be held only through Euroclear or Clearstream, Luxembourg;

(iv) if a beneficial interest in a Rule 144A Note is transferred to a Non-U.S. Person that is acquiring such Note in an offshore transaction in compliance with Regulation S under the Securities Act, the transferee will take such beneficial interest in the form of a beneficial interest (in the denomination so transferred) in a Regulation S Note;

(v) if a beneficial interest in a Regulation S Note is transferred to a person that is both a QIB and a QP and meets the other requirements set forth above under "Rule 144A Notes" in a transaction exempt from the registration requirements of the Securities Act pursuant to Rule 144A or pursuant to Section 4(a)(2), as the case may be, (in which case the transferor will inform the transferee that the transfer is being made in reliance on Rule 144A or Section 4(a)(2) of the Securities Act, as the case may be), the transferee will take such beneficial interest in the form of a beneficial interest (in the denomination so transferred) in a Rule 144A Note;

(vi) it is not, and for so long as it holds any beneficial interest in any Notes it will not, be a Benefit Plan Investor;

(vii) no transfer of a Note will be effective, and neither the Paying Agent nor the Issuer will recognize any such transfer, if it is made to a Benefit Plan Investor and such transfer shall be null and void ab initio. The Issuer maintains the right to cause the resale or redemption of any such interest, in accordance with and subject to the terms set forth below;

(viii) in connection with the purchase of the Notes: (A) none of the Issuer, the Trustee, the Paying Agent or each initial purchaser, is acting as a fiduciary or financial or investment adviser for the holder; (B) it is not relying (for purposes of making any investment decision or otherwise) upon any advice, counsel or representations (whether written or oral) of the Issuer, the Trustee, the Paying Agent or each initial purchaser other than any such representations of the Issuer as may be specifically set forth in the offering memorandum, and any representations expressly set forth in a written agreement with such party; (C) none of the Issuer, the Trustee, the Paying Agent or each initial purchaser has given to the holder (directly or indirectly through any other person) any assurance, guarantee, or representation whatsoever as to the expected or projected success, profitability, return, performance, result, effect,

consequence or benefit (including legal, regulatory, tax, financial, accounting or otherwise) as to an investment in the Notes; (D) it has consulted with its own legal, regulatory, tax, business, investment, financial and accounting advisers to the extent it has deemed necessary, and it has made its own investment decisions (including decisions regarding the suitability of any transaction) based upon its own judgment and upon any advice from such advisers as it has deemed necessary and not upon any view expressed by the Issuer, the Trustee, the Paying Agent or the initial purchasers; (E) it has evaluated the rates, prices or amounts and other terms and conditions of the purchase and sale of the Notes with a full understanding of all of the risks thereof (economic and otherwise), and it is capable of assuming and willing to assume (financially and otherwise) those risks; and (F) it is a sophisticated investor;

(ix) the Notes will bear the applicable legends as set forth in the exhibits to the Indenture;

(x) for so long as the Issuer relies on the exception from the Investment Company Act provided by Section 3(c)(7) and the Notes are held through DTC, the Notes shall bear the legends applicable to the Rule 144A Notes and Regulation S Notes, such legends shall not be removed and the Issuer shall provide the information needed for a QIB to transfer the Notes pursuant to Rule 144A; and

(xi) any purported transfer of a Note not in accordance with the restrictions set forth under this heading "Regulation S Notes" shall be null and void ab initio and shall not be given effect for any purpose.

The Issuer shall be entitled to require any holder of a Note (or a beneficial interest therein), the transfer to which resulted in such Note (or a beneficial interest therein) being held by a Benefit Plan Investor to sell such Note (or beneficial interest therein) to a person that delivers a certification to the Issuer and the Paying Agent (a) if such person is taking delivery in the form of an interest in a Rule 144A Note, that such person is either both a QIB and a QP (and meets the other requirements set forth under "Rule 144A Notes" above), or (b) if such person is taking delivery in the form of an interest in a Regulation S Note, that such person is a Non-U.S. Person (and meets the other requirements set forth under this heading "Regulation S Notes") acquiring a beneficial interest in the Regulation S Note in an offshore transaction meeting the requirements of Regulation S, and, in each case, such person is not a Benefit Plan Investor. If such holder (or beneficial owner) fails to effect the sale within such 30-day period, the Issuer shall cause such holder's Note (or beneficial interest therein) to be transferred in a commercially reasonable sale (conducted in accordance with Sections 9-610, 9-611 and 9-627 of the Uniform Commercial Code as applied to securities that are sold on a recognized market or that may decline speedily in value) to a person meeting the requirements of the previous sentence. Alternatively, the Issuer shall be entitled to redeem such Note (upon 30 days' notice to the holder thereof) in an amount equal to the outstanding principal amount of such Note plus accrued and unpaid interest.

Legends

Unless determined otherwise by the Issuer in accordance with applicable law, the Notes will bear the legends set forth below, as appropriate:

Each Rule 144A Global Note will bear the following legend:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER (AS DEFINED HEREIN) OR ITS PAYING AGENT (AS DEFINED HEREIN) FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

UNLESS AND UNTIL THIS CERTIFICATE IS EXCHANGED IN WHOLE OR IN PART FOR NOTES IN DEFINITIVE FORM, THIS CERTIFICATE MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY

DTC TO A NOMINEE THEREOF OR BY A NOMINEE THEREOF TO DTC OR ANOTHER NOMINEE OF DTC OR BY DTC OR ANY SUCH NOMINEE TO A SUCCESSOR OF DTC OR A NOMINEE OF SUCH SUCCESSOR. THE PAYING AGENT SHALL REGISTER AND RECORD ALL TRANSFERS OF BENEFICIAL INTERESTS IN RULE 144A GLOBAL NOTES HELD THROUGH DTC. NO TRANSFER OF A RULE 144A GLOBAL NOTE MAY BE EFFECTED OTHER THAN THROUGH THE PAYING AGENT, ON ITS BOOKS AND RECORDS, AS THE HOLDER OF THE RULE 144A GLOBAL NOTE REGISTERED WITH DTC.

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND PT INDIKA ENERGY TBK (THE "ISSUER") HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), IN RELIANCE ON THE EXCEPTION FROM THE DEFINITION OF "INVESTMENT COMPANY" PROVIDED BY SECTION 3(C)(7) THEREOF. BENEFICIAL INTERESTS IN THIS NOTE MAY BE SOLD, REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") OR SECTION 4(A)(2) OF THE SECURITIES ACT TO A PERSON THAT THE SELLER REASONABLY BELIEVES IS BOTH A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A) (A "QUALIFIED INSTITUTIONAL BUYER" OR "QIB") AND A "QUALIFIED PURCHASER" (AS DEFINED IN SECTION 2(A)(51)(A) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER) (A "QUALIFIED PURCHASER" OR "QP"), PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER THAT IS ALSO A QUALIFIED PURCHASER OR (B) TO A PERSON THAT IS NEITHER A U.S. PERSON (AS DEFINED IN REGULATION S OF THE SECURITIES ACT ("REGULATION S") (BUT FOR PURPOSES OF THE DEFINITION OF "U.S. PERSON" HEREIN SHALL INCLUDE ALSO ANY PERSON THAT IS NOT A U.S. PERSON SOLELY BY REASON OF RULE 902(K)(1)(VIII)(B) OR 902(K)(2)(I) IN REGULATION S UNDER THE SECURITIES ACT) NOR A U.S. RESIDENT (FOR THE PURPOSES OF THE INVESTMENT COMPANY ACT) (A "NON-U.S. PERSON"), IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S TAKING AN INTEREST IN A REGULATION S GLOBAL NOTE AND (C) IN EACH CASE (1) UPON DELIVERY OF ALL CERTIFICATIONS, OPINIONS AND OTHER DOCUMENTS THAT THE ISSUER OR THE PAYING AGENT MAY REQUIRE AND (2) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. EACH INITIAL PURCHASER, AND EACH SUBSEQUENT PURCHASER OR TRANSFEREE, OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN), BY ACCEPTANCE HEREOF, SHALL BE DEEMED TO REPRESENT, ACKNOWLEDGE AND AGREE, FOR THE BENEFIT OF EACH OF THE ISSUER, THE PAYING AGENT, THE INITIAL PURCHASERS AND THE SELLER OR TRANSFEROR THEREOF, AS FOLLOWS:

(I) IT, AND EACH PERSON FOR WHICH IT IS ACTING, IS A "QUALIFIED INSTITUTIONAL BUYER" ("QIB") AS DEFINED IN RULE 144A ("RULE 144A") UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), THAT IS A "QUALIFIED PURCHASER" ("QP") AS DEFINED IN SECTION 2(A)(51)(A) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER AND IS ACQUIRING THE NOTES (OR BENEFICIAL INTERESTS THEREIN) FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OR ACCOUNTS OF ONE OR MORE OTHER PERSONS, EACH OF WHICH IS A QIB AND A QP;

(II) IT, AND EACH PERSON FOR WHICH IT IS ACTING, IS AWARE THAT THE SALE, RESALE, PLEDGE, EXCHANGE OR OTHER TRANSFER OF THIS NOTE (OR BENEFICIAL INTERESTS THEREIN) IS BEING MADE IN A TRANSACTION THAT IS EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PURSUANT TO SECTION 4(A)(2) THEREOF OR IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A;

(III) IT, AND EACH PERSON FOR WHICH IT IS ACTING, IS NOT A BROKER-DEALER WHICH OWNS AND INVESTS ON A DISCRETIONARY BASIS LESS THAN US$25.0 MILLION IN SECURITIES OF ISSUERS UNAFFILIATED WITH SUCH BROKER-DEALER;

(IV) IT, AND EACH ACCOUNT FOR WHICH IT IS PURCHASING OR OTHERWISE ACQUIRING THIS NOTE (OR BENEFICIAL INTERESTS THEREIN), WILL PURCHASE, HOLD OR TRANSFER AT LEAST US$250,000 OF THE NOTES (OR BENEFICIAL INTERESTS THEREIN);

(V) IT, AND EACH PERSON FOR WHICH IT IS ACTING, WAS NOT FORMED, REFORMED OR RECAPITALIZED FOR THE PURPOSE OF INVESTING IN THE NOTES AND/OR OTHER SECURITIES OF THE ISSUER (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE BOTH QIBS AND QPS);

(VI) IF IT, OR ANY PERSON FOR WHICH IT IS ACTING, IS AN INVESTMENT COMPANY EXCEPTED FROM THE INVESTMENT COMPANY ACT PURSUANT TO SECTION 3(C)(1) OR SECTION 3(C)(7) THEREOF (OR A FOREIGN INVESTMENT COMPANY UNDER SECTION 7(D) THEREOF RELYING ON SECTION 3(C)(1) OR 3(C)(7) WITH RESPECT TO ITS HOLDERS THAT ARE U.S. PERSONS) AND WAS FORMED ON OR BEFORE APRIL 30, 1996, IT HAS RECEIVED THE CONSENT OF ITS BENEFICIAL OWNERS WHO ACQUIRED THEIR INTERESTS ON OR BEFORE APRIL 30, 1996, WITH RESPECT TO ITS TREATMENT AS A QP IN THE MANNER REQUIRED BY SECTION 2(A)(51)(C) OF THE INVESTMENT COMPANY ACT AND THE RULES PROMULGATED THEREUNDER;

(VII) IT, AND EACH PERSON FOR WHICH IT IS ACTING, IS NOT A PARTNERSHIP, COMMON TRUST FUND, OR CORPORATION, SPECIAL TRUST, PENSION FUND OR RETIREMENT PLAN, OR OTHER ENTITY, IN WHICH THE PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS, PARTICIPANTS, SHAREHOLDERS OR OTHER EQUITY OWNERS, AS THE CASE MAY BE, MAY DESIGNATE THE PARTICULAR INVESTMENTS TO BE MADE, OR THE ALLOCATION THEREOF UNLESS ALL SUCH PARTNERS, BENEFICIARIES, BENEFICIAL OWNERS, PARTICIPANTS, SHAREHOLDERS OR OTHER EQUITY OWNERS ARE BOTH QIBS AND QPS;

(VIII) IT, AND EACH PERSON FOR WHICH IT IS ACTING, HAS NOT INVESTED MORE THAN 40.0% OF ITS ASSETS IN THE NOTES (OR BENEFICIAL INTERESTS THEREIN) AND/OR OTHER SECURITIES OF THE ISSUER AFTER GIVING EFFECT TO THE PURCHASE OF THIS NOTE (OR BENEFICIAL INTERESTS THEREIN) (UNLESS ALL OF THE BENEFICIAL OWNERS OF SUCH ENTITY'S SECURITIES ARE BOTH QIBS AND QPS);

(IX) IT, AND EACH PERSON FOR WHICH IT IS ACTING, UNDERSTANDS THAT THE ISSUER WILL NOT REGISTER AS AN INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT AND THAT THE ISSUER IS RELYING ON THE EXCEPTION PROVIDED PURSUANT TO SECTION 3(C)(7) OF THE INVESTMENT COMPANY ACT IN SO DOING. IT, AND EACH PERSON FOR WHICH IT IS ACTING, ALSO UNDERSTANDS AND AGREES THAT THE ISSUER AND THE PAYING AGENT SHALL HAVE THE RIGHT TO REQUEST AND RECEIVE SUCH ADDITIONAL DOCUMENTS, CERTIFICATIONS, REPRESENTATIONS AND UNDERTAKINGS, FROM TIME TO TIME, AS THE ISSUER MAY DEEM NECESSARY IN ORDER TO COMPLY WITH APPLICABLE LEGAL REQUIREMENTS;

(X) IT, AND EACH PERSON FOR WHICH IT IS ACTING, UNDERSTANDS THAT ANY SALE OR TRANSFER TO A PERSON THAT DOES NOT COMPLY WITH THE REQUIREMENTS SET FORTH IN THESE PARAGRAPHS (I) THROUGH (XIV) WILL BE NULL AND VOID AB INITIO AND NOT HONORED BY THE ISSUER;

(XI) IT, AND EACH PERSON FOR WHICH IT IS ACTING, AGREES THAT THE ISSUER SHALL BE ENTITLED TO REQUIRE ANY HOLDER OF A RULE 144A NOTE (OR ANY HOLDER OF A

BENEFICIAL INTEREST THEREIN) THAT IS DETERMINED NOT TO HAVE BEEN BOTH A QIB AND A QP (AND TO HAVE MET THE OTHER REQUIREMENTS SET FORTH HEREIN) AT THE TIME OF ACQUISITION OF SUCH RULE 144A NOTE (OR SUCH BENEFICIAL INTEREST) TO SELL SUCH RULE 144A NOTE (OR SUCH BENEFICIAL INTEREST THEREIN), OR ALTERNATIVELY THE ISSUER SHALL BE ENTITLED TO REDEEM SUCH RULE 144A NOTE (OR SUCH BENEFICIAL INTEREST) IN ACCORDANCE WITH THE PROVISIONS DESCRIBED BELOW;

(XII) IT, AND EACH PERSON FOR WHICH IT IS ACTING, UNDERSTANDS THAT THE ISSUER MAY RECEIVE A LIST OF THE PARTICIPANTS FROM DTC OR ANY OTHER DEPOSITARY HOLDING BENEFICIAL INTERESTS IN THE GLOBAL NOTES; AND

(XIII) IT, AND EACH PERSON FOR WHICH IT IS ACTING, WILL PROVIDE NOTICE OF THESE TRANSFER RESTRICTIONS TO ANY SUBSEQUENT TRANSFEREES AND AGREES NOT TO ACT AS A SWAP COUNTERPARTY OR OTHER TYPE OF INTERMEDIARY WHEREBY ANY OTHER PARTY WILL ACQUIRE AN ECONOMIC OR BENEFICIAL INTEREST IN THE NOTES ACQUIRED OR TO REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THE RULE 144A NOTES OR ANY BENEFICIAL INTEREST THEREIN, TO ANY PERSON EXCEPT TO A PERSON THAT (X) MEETS ALL OF THE REQUIREMENTS IN PARAGRAPHS (I) THROUGH THIS PARAGRAPH (XIV) AND (Y) AGREES NOT TO SUBSEQUENTLY TRANSFER THE NOTES OR ANY BENEFICIAL INTEREST THEREIN EXCEPT IN ACCORDANCE WITH THESE TRANSFER RESTRICTIONS.

THE ISSUER SHALL BE ENTITLED TO REQUIRE ANY HOLDER OF A RULE 144A NOTE (OR BENEFICIAL INTEREST THEREIN) THAT IS DETERMINED NOT TO HAVE BEEN BOTH A QIB AND A QP (AND TO MEET THE OTHER REQUIREMENTS SET FORTH IN (I) THROUGH (XIII) ABOVE) AT THE TIME OF ACQUISITION OF SUCH NOTE (OR SUCH BENEFICIAL INTEREST), TO SELL SUCH NOTE (OR SUCH BENEFICIAL INTEREST) (WITHIN 30 DAYS AFTER NOTICE OF THE SALE REQUIREMENT IS GIVEN) TO EITHER, (A) A PERSON THAT IS BOTH A QIB AND A QP (AND MEETS THE OTHER REQUIREMENTS SET FORTH ABOVE) TAKING DELIVERY IN THE FORM OF AN INTEREST IN A RULE 144A NOTE IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, OR (B) A PERSON THAT IS A NON-U.S. PERSON ACQUIRING A BENEFICIAL INTEREST IN A REGULATION S NOTE IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S. IF SUCH HOLDER (OR BENEFICIAL OWNER) FAILS TO EFFECT THE SALE WITHIN SUCH 30-DAY PERIOD, THE ISSUER SHALL CAUSE SUCH HOLDER'S NOTE (OR BENEFICIAL INTEREST THEREIN) TO BE TRANSFERRED IN A COMMERCIALLY REASONABLE SALE (CONDUCTED IN ACCORDANCE WITH SECTIONS 9-610, 9-611 AND 9-627 OF THE UNIFORM COMMERCIAL CODE AS APPLIED TO SECURITIES THAT ARE SOLD ON A RECOGNIZED MARKET OR THAT MAY DECLINE SPEEDILY IN VALUE) TO A PERSON THAT (X) IF SUCH PERSON IS TAKING DELIVERY IN THE FORM OF A RULE 144A NOTE, IS BOTH A QIB AND A QP (AND MEETS THE OTHER REQUIREMENTS SET FORTH ABOVE), OR (Y) IF SUCH PERSON IS TAKING DELIVERY IN THE FORM OF A REGULATION S NOTE, IS A NON-U.S. PERSON ACQUIRING A BENEFICIAL INTEREST IN A REGULATION S GLOBAL NOTE IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S. ALTERNATIVELY, THE ISSUER SHALL BE ENTITLED TO REDEEM SUCH NOTE (UPON 30 DAYS' NOTICE TO THE HOLDER THEREOF) IN AN AMOUNT EQUAL TO THE OUTSTANDING PRINCIPAL AMOUNT OF SUCH NOTE PLUS ACCRUED AND UNPAID INTEREST.

IN ADDITION TO THE RESTRICTIONS SET FORTH ABOVE, EACH INITIAL PURCHASER, AND EACH SUBSEQUENT PURCHASER OR TRANSFEREE, OF THIS NOTE OR A BENEFICIAL INTEREST HEREIN SHALL BE DEEMED TO REPRESENT, ACKNOWLEDGE AND AGREE TO, FOR THE BENEFIT OF EACH OF THE ISSUER, THE PAYING AGENT, THE INITIAL PURCHASERS AND THE SELLER OR TRANSFEROR THEREOF, AS FOLLOWS:

IT IS NOT, AND FOR SO LONG AS IT HOLDS ANY BENEFICIAL INTEREST IN ANY NOTES WILL NOT BE A BENEFIT PLAN INVESTOR AS DEFINED FOR PURPOSES OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA").

Each Regulation S Global Note shall bear the following legend:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND PT INDIKA ENERGY TBK (THE "ISSUER") HAS NOT BEEN REGISTERED UNDER THE UNITED STATES INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), IN RELIANCE ON THE EXCEPTION FROM THE DEFINITION OF "INVESTMENT COMPANY" PROVIDED BY SECTION 3(C)(7) THEREOF. BENEFICIAL INTERESTS IN THIS NOTE MAY BE SOLD, REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO A PERSON THAT IS NEITHER A U.S. PERSON (AS DEFINED IN REGULATION S OF THE SECURITIES ACT ("REGULATION S") (BUT FOR PURPOSES OF THE DEFINITION OF "U.S. PERSON" HEREIN SHALL INCLUDE ALSO ANY PERSON THAT IS NOT A U.S. PERSON SOLELY BY REASON OF RULE 902(K)(1)(VIII)(B) OR 902(K)(2)(I) IN REGULATION S UNDER THE SECURITIES ACT) NOR A U.S. RESIDENT (FOR THE PURPOSES OF THE 1940 ACT) (A "NON-U.S. PERSON"), IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S TAKING AN INTEREST IN A REGULATION S GLOBAL NOTE OR (B) IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") OR SECTION 4(A)(2) OF THE SECURITIES ACT TO A PERSON THAT THE SELLER REASONABLY BELIEVES IS BOTH A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A) (A "QUALIFIED INSTITUTIONAL BUYER" OR "QIB") AND A "QUALIFIED PURCHASER" (AS DEFINED IN SECTION 2(A)(51)(A) OF THE INVESTMENT COMPANY ACT AND THE RULES AND REGULATIONS THEREUNDER) (A "QUALIFIED PURCHASER" OR "QP"), PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER THAT IS ALSO A QUALIFIED PURCHASER (AND MEETS THE OTHER REQUIREMENTS OF A PURCHASER OF AN INTEREST IN A RULE 144A NOTE SET FORTH IN THE INDENTURE) AND (C) IN EACH CASE (1) UPON DELIVERY OF ALL CERTIFICATIONS, OPINIONS AND OTHER DOCUMENTS THAT THE ISSUER OR THE PAYING AGENT MAY REQUIRE AND (2) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION.

EACH INITIAL PURCHASER AND EACH SUBSEQUENT PURCHASER OR TRANSFEREE OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN), BY ACCEPTANCE HEREOF, SHALL BE DEEMED TO HAVE REPRESENTED, ACKNOWLEDGED AND AGREED TO, WITH THE ISSUER, THE PAYING AGENT, THE INITIAL PURCHASERS AND THE SELLER OR TRANSFEROR HEREOF, AS FOLLOWS:

(I) IT IS A NON-U.S. PERSON ACQUIRING THE NOTES (OR A BENEFICIAL INTEREST THEREIN) IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S AND IN A PRINCIPAL AMOUNT OF NOT LESS THAN US$250,000 (OR ITS DOLLAR EQUIVALENT IN OTHER CURRENCIES);

(II) IT UNDERSTANDS THAT ANY RESALE OR OTHER TRANSFER OF THE NOTES OR BENEFICIAL INTERESTS THEREIN IN THE UNITED STATES OR TO U.S. PERSONS TO ANY PERSON OTHER THAN A PERSON WHO IS BOTH A QIB AND A QP, TAKING DELIVERY IN THE FORM OF A RULE 144A NOTE OR A BENEFICIAL INTEREST THEREIN, AND MEETS

THE OTHER REQUIREMENTS OF A PURCHASER OF A RULE 144A NOTE SET FORTH IN THE INDENTURE, SHALL NOT BE PERMITTED; AND

(III) IT UNDERSTANDS THAT IT, AND EACH PERSON FOR WHICH IT IS ACTING, AGREES THAT THE ISSUER SHALL BE ENTITLED TO REQUIRE THE HOLDER OF ANY REGULATION S NOTE (OR BENEFICIAL INTEREST THEREIN) THAT IS DETERMINED NOT TO HAVE BEEN A NON-U.S. PERSON ACQUIRING SUCH NOTE (OR BENEFICIAL INTEREST THEREIN) IN AN OFFSHORE TRANSACTION AT THE TIME OF ACQUISITION OF SUCH NOTE (OR SUCH BENEFICIAL INTEREST), TO SELL SUCH NOTE (OR SUCH BENEFICIAL INTEREST) OR, ALTERNATIVELY, TO PERMIT THE ISSUER TO REDEEM SUCH NOTE, IN ACCORDANCE WITH THE PROVISIONS SET FORTH BELOW.

THE ISSUER SHALL BE ENTITLED TO REQUIRE ANY HOLDER OF A REGULATION S NOTE (OR BENEFICIAL INTEREST THEREIN) THAT IS DETERMINED NOT TO HAVE BEEN A NON-U.S. PERSON (AND TO MEET THE OTHER REQUIREMENTS SET FORTH ABOVE) AT THE TIME OF ACQUISITION OF SUCH NOTE (OR SUCH BENEFICIAL INTEREST), TO SELL SUCH NOTE (OR SUCH BENEFICIAL INTEREST) (WITHIN 30 DAYS AFTER NOTICE OF THE SALE REQUIREMENT IS GIVEN) TO EITHER, (A) A PERSON THAT IS BOTH A QIB AND A QP (AND MEETS THE OTHER REQUIREMENTS OF A PURCHASER OF A RULE 144A NOTE SET FORTH IN THE INDENTURE) TAKING DELIVERY IN THE FORM OF AN INTEREST IN A RULE 144A NOTE IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, OR (B) A PERSON THAT IS A NON-U.S. PERSON (AND MEETS THE OTHER REQUIREMENTS SET FORTH ABOVE) ACQUIRING A BENEFICIAL INTEREST IN A REGULATION S NOTE IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S. IF SUCH HOLDER (OR BENEFICIAL OWNER) FAILS TO EFFECT THE SALE WITHIN SUCH 30-DAY PERIOD, THE ISSUER SHALL CAUSE SUCH HOLDER'S NOTE (OR BENEFICIAL INTEREST THEREIN) TO BE TRANSFERRED IN A COMMERCIALLY REASONABLE SALE (CONDUCTED IN ACCORDANCE WITH SECTIONS 9-610, 9-611 AND 9-627 OF THE UNIFORM COMMERCIAL CODE AS APPLIED TO SECURITIES THAT ARE SOLD ON A RECOGNIZED MARKET OR THAT MAY DECLINE SPEEDILY IN VALUE) TO A PERSON THAT (X) IF SUCH PERSON IS TAKING DELIVERY IN THE FORM OF AN INTEREST IN A RULE 144A NOTE, IS BOTH A QIB AND A QP (AND MEETS THE OTHER REQUIREMENTS OF A PURCHASER OF A RULE 144A NOTE SET FORTH IN THE INDENTURE), OR (Y) IF SUCH PERSON IS TAKING DELIVERY IN THE FORM OF AN INTEREST IN A REGULATIONS S NOTE, IS A NON-U.S. PERSON (AND MEETS THE OTHER REQUIREMENTS SET FORTH ABOVE) ACQUIRING A BENEFICIAL INTEREST IN THE REGULATION S NOTE IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S. ALTERNATIVELY, THE ISSUER SHALL BE ENTITLED TO REDEEM SUCH NOTE (UPON 30 DAYS' NOTICE TO THE HOLDER THEREOF) IN AN AMOUNT EQUAL TO THE OUTSTANDING PRINCIPAL AMOUNT OF SUCH NOTE PLUS ACCRUED AND UNPAID INTEREST.

IN ADDITION TO THE RESTRICTIONS SET FORTH ABOVE, EACH INITIAL PURCHASER, AND EACH SUBSEQUENT PURCHASER OR TRANSFEREE, OF THIS NOTE (OR A BENEFICIAL INTEREST HEREIN), BY ACCEPTANCE HEREOF, SHALL BE DEEMED TO REPRESENT, ACKNOWLEDGE AND AGREE TO, FOR THE BENEFIT OF EACH OF THE ISSUER, THE PAYING AGENT, THE INITIAL PURCHASERS AND THE SELLER OR TRANSFEROR THEREOF, AS FOLLOWS:

IT IS NOT, AND FOR SO LONG AS IT HOLDS ANY BENEFICIAL INTEREST IN ANY NOTES WILL NOT BE A BENEFIT PLAN INVESTOR AS DEFINED FOR PURPOSES OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA").

All Global Notes, whether Rule 144A or Regulation S shall bear the following legend:

IN ADDITION TO THE RESTRICTIONS SET FORTH ABOVE, EACH INITIAL PURCHASER, AND EACH SUBSEQUENT PURCHASER OR TRANSFEREE, OF THIS NOTE OR A BENEFICIAL INTEREST HEREIN, BY ACCEPTANCE HEREOF, SHALL BE DEEMED TO REPRESENT, ACKNOWLEDGE AND

AGREE TO, FOR THE BENEFIT OF EACH OF THE ISSUER, THE PAYING AGENT, THE INITIAL PURCHASERS AND THE SELLER OR TRANSFEROR THEREOF, AS FOLLOWS:

(I) IT UNDERSTANDS THAT THE NOTES ARE BEING OFFERED ONLY IN TRANSACTIONS NOT INVOLVING ANY PUBLIC OFFERING WITHIN THE MEANING OF THE SECURITIES ACT AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT, AND MAY BE REOFFERED, RESOLD OR PLEDGED OR OTHERWISE TRANSFERRED ONLY (A)(I) TO A PERSON WHOM THE PURCHASER REASONABLY BELIEVES IS A PERSON THAT IS BOTH A QIB AND A QP PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A PERSON THAT IS BOTH A QIB AND A QP AS TO WHICH THE PURCHASER EXERCISES SOLE INVESTMENT DISCRETION IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (II) IN AN OFFSHORE TRANSACTION COMPLYING WITH REGULATION S AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES, THE PROVISIONS OF THE INDENTURE AND THE LEGEND ON SUCH NOTES;

(II) IT IS NOT PURCHASING THE BENEFICIAL INTERESTS IN THE NOTES WITH A VIEW TOWARD THE RESALE, DISTRIBUTION OR OTHER DISPOSITION THEREOF IN VIOLATION OF THE SECURITIES ACT. IT UNDERSTANDS THAT AN INVESTMENT IN THE NOTES INVOLVES CERTAIN RISKS, INCLUDING THE RISK OF LOSS OF ITS ENTIRE INVESTMENT IN THE NOTES UNDER CERTAIN CIRCUMSTANCES. IT AND EACH PERSON FOR WHOM IT IS ACTING, HAS HAD ACCESS TO THE OFFERING MEMORANDUM AND SUCH ADDITIONAL FINANCIAL AND OTHER INFORMATION CONCERNING THE ISSUER AND THE NOTES AS IT DEEMED NECESSARY OR APPROPRIATE IN ORDER TO MAKE AN INFORMED INVESTMENT DECISION WITH RESPECT TO ITS PURCHASE OF THE BENEFICIAL INTEREST IN THE NOTES, INCLUDING AN OPPORTUNITY TO ASK QUESTIONS OF AND REQUEST INFORMATION FROM THE ISSUER AND THE INITIAL PURCHASERS AND TO VERIFY THE ACCURACY OF THE INFORMATION INCLUDED OR INCORPORATED BY REFERENCE HEREIN THAT THE ISSUER OR THE INITIAL PURCHASERS COULD PROVIDE WITHOUT UNREASONABLE EFFORT OR EXPENSE. IT UNDERSTANDS AND ACKNOWLEDGES THAT IT MUST BE PREPARED TO HOLD ITS BENEFICIAL INTEREST IN THE NOTE UNTIL MATURITY AND THAT NO REPRESENTATION HAS BEEN MADE AS TO AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT OR ANY STATE SECURITIES LAWS OR SECURITIES LAWS OF ANY OTHER JURISDICTION FOR RESALE OF THE BENEFICIAL INTERESTS IN THE NOTES;

(III) IT IS AWARE THAT THE NOTES BEING SOLD WITHIN THE UNITED STATES OR TO U.S. PERSONS WILL BE REPRESENTED BY ONE OR MORE RULE 144A GLOBAL NOTES AND THAT BENEFICIAL INTERESTS THEREIN MAY BE HELD ONLY THROUGH THE PAYING AGENT AS A PARTICIPANT IN DTC;

(IV) IF A BENEFICIAL INTEREST IN A RULE 144A NOTE IS TRANSFERRED TO A NON-U.S. PERSON THAT IS ACQUIRING SUCH NOTE IN AN OFFSHORE TRANSACTION IN COMPLIANCE WITH REGULATION S UNDER THE SECURITIES ACT, THE TRANSFEREE WILL TAKE SUCH BENEFICIAL INTEREST IN THE FORM OF A BENEFICIAL INTEREST (IN THE DENOMINATION SO TRANSFERRED) IN A REGULATION S NOTE;

(V) IF A BENEFICIAL INTEREST IN A REGULATION S NOTE IS TRANSFERRED TO A PERSON THAT IS BOTH A QIB AND A QP IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT PURSUANT TO RULE 144A OR PURSUANT TO SECTION 4(A)(2), AS THE CASE MAY BE, (IN WHICH CASE THE TRANSFEROR WILL INFORM THE TRANSFEREE THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A OR SECTION 4(A)(2) OF THE SECURITIES ACT, AS THE

CASE MAY BE), THE TRANSFEREE WILL TAKE SUCH BENEFICIAL INTEREST IN THE FORM OF A BENEFICIAL INTEREST (IN THE DENOMINATION SO TRANSFERRED) IN A RULE 144A NOTE;

(VI) NO TRANSFER OF A NOTE WILL BE EFFECTIVE, AND NEITHER THE PAYING AGENT NOR THE ISSUER WILL RECOGNIZE ANY SUCH TRANSFER, IF IT IS MADE TO A BENEFIT PLAN INVESTOR (AS DEFINED FOR PURPOSES OF ERISA) AND SUCH TRANSFER SHALL BE NULL AND VOID AB INITIO. THE ISSUER MAINTAINS THE RIGHT TO CAUSE THE RESALE OR REDEMPTION OF ANY SUCH INTEREST, IN ACCORDANCE WITH AND SUBJECT TO THE TERMS SET FORTH BELOW;

(VII) IN CONNECTION WITH THE PURCHASE OF THE NOTES: (A) NONE OF THE ISSUER, THE TRUSTEE, THE PAYING AGENT OR EACH INITIAL PURCHASER, IS ACTING AS A FIDUCIARY OR FINANCIAL OR INVESTMENT ADVISER FOR THE HOLDER; (B) IT IS NOT RELYING (FOR PURPOSES OF MAKING ANY INVESTMENT DECISION OR OTHERWISE) UPON ANY ADVICE, COUNSEL OR REPRESENTATIONS (WHETHER WRITTEN OR ORAL) OF THE ISSUER, THE TRUSTEE, THE PAYING AGENT OR EACH INITIAL PURCHASER OTHER THAN ANY SUCH REPRESENTATIONS OF THE ISSUER AS MAY BE SPECIFICALLY SET FORTH IN THE OFFERING MEMORANDUM, AND ANY REPRESENTATIONS EXPRESSLY SET FORTH IN A WRITTEN AGREEMENT WITH SUCH PARTY; (C) NONE OF THE ISSUER, THE TRUSTEE, THE PAYING AGENT OR EACH THE INITIAL PURCHASER HAS GIVEN TO THE HOLDER (DIRECTLY OR INDIRECTLY THROUGH ANY OTHER PERSON) ANY ASSURANCE, GUARANTEE, OR REPRESENTATION WHATSOEVER AS TO THE EXPECTED OR PROJECTED SUCCESS, PROFITABILITY, RETURN, PERFORMANCE, RESULT, EFFECT, CONSEQUENCE OR BENEFIT (INCLUDING LEGAL, REGULATORY, TAX, FINANCIAL, ACCOUNTING OR OTHERWISE) AS TO AN INVESTMENT IN THE NOTES; (D) IT HAS CONSULTED WITH ITS OWN LEGAL, REGULATORY, TAX, BUSINESS, INVESTMENT, FINANCIAL AND ACCOUNTING ADVISERS TO THE EXTENT IT HAS DEEMED NECESSARY, AND IT HAS MADE ITS OWN INVESTMENT DECISIONS (INCLUDING DECISIONS REGARDING THE SUITABILITY OF ANY TRANSACTION PURSUANT TO THE AGREEMENT) BASED UPON ITS OWN JUDGMENT AND UPON ANY ADVICE FROM SUCH ADVISERS AS IT HAS DEEMED NECESSARY AND NOT UPON ANY VIEW EXPRESSED BY THE ISSUER, THE TRUSTEE, THE PAYING AGENT OR EACH INITIAL PURCHASER; (E) IT HAS EVALUATED THE RATES, PRICES OR AMOUNTS AND OTHER TERMS AND CONDITIONS OF THE PURCHASE AND SALE OF THE NOTES WITH A FULL UNDERSTANDING OF ALL OF THE RISKS THEREOF (ECONOMIC AND OTHERWISE), AND IT IS CAPABLE OF ASSUMING AND WILLING TO ASSUME (FINANCIALLY AND OTHERWISE) THOSE RISKS; AND (F) IT IS A SOPHISTICATED INVESTOR;

(VIII) FOR SO LONG AS THE ISSUER RELIES ON THE EXCEPTION FROM THE INVESTMENT COMPANY ACT PROVIDED BY SECTION 3(C)(7) AND THE NOTES ARE HELD THROUGH DTC, THE NOTES SHALL BEAR THE LEGENDS APPLICABLE TO THE RULE 144A NOTES AND REGULATION S NOTES, SUCH LEGENDS SHALL NOT BE REMOVED AND THE ISSUER SHALL PROVIDE THE INFORMATION NEEDED FOR A QIB TO TRANSFER THE NOTES PURSUANT TO RULE 144A; AND

(IX) ANY PURPORTED TRANSFER OF A NOTE NOT IN ACCORDANCE WITH THE ABOVE REQUIREMENTS SHALL BE NULL AND VOID AB INITIO AND SHALL NOT BE GIVEN EFFECT FOR ANY PURPOSE. THE ISSUER SHALL BE ENTITLED TO REQUIRE ANY HOLDER OF A NOTE (OR A BENEFICIAL INTEREST THEREIN), THE TRANSFER TO WHICH RESULTED IN SUCH NOTE (OR BENEFICIAL INTEREST THEREIN) BEING HELD BY A BENEFIT PLAN INVESTOR (AS DEFINED FOR PURPOSES OF ERISA), TO SELL SUCH NOTE (OR BENEFICIAL INTEREST THEREIN) TO A PERSON THAT (A) IF SUCH PERSON IS

TAKING DELIVERY IN THE FORM OF AN INTEREST IN A RULE 144A NOTE, IS BOTH A QIB AND A QP (AND MEETS THE OTHER REQUIREMENTS SET FORTH ABOVE), OR (B) IF SUCH PERSON IS TAKING DELIVERY IN THE FORM OF AN INTEREST IN A REGULATION S NOTE, IS A NON-U.S. PERSON ACQUIRING A BENEFICIAL INTEREST IN THE REGULATION S NOTE IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S, AND, IN EACH CASE, SUCH PERSON IS NOT A BENEFIT PLAN INVESTOR (AS DEFINED FOR PURPOSES OF ERISA). IF SUCH HOLDER (OR BENEFICIAL OWNER) FAILS TO EFFECT THE SALE WITHIN SUCH 30-DAY PERIOD, THE ISSUER SHALL CAUSE SUCH HOLDER'S NOTE (OR BENEFICIAL INTEREST THEREIN) TO BE TRANSFERRED IN A COMMERCIALLY REASONABLE SALE (CONDUCTED IN ACCORDANCE WITH SECTIONS 9-610, 9-611 AND 9-627 OF THE UNIFORM COMMERCIAL CODE AS APPLIED TO SECURITIES THAT ARE SOLD ON A RECOGNIZED MARKET OR THAT MAY DECLINE SPEEDILY IN VALUE) TO A PERSON MEETING THE REQUIREMENTS OF THE PREVIOUS SENTENCE. ALTERNATIVELY, THE ISSUER SHALL BE ENTITLED TO REDEEM SUCH NOTE (UPON 30 DAYS' NOTICE TO THE HOLDER THEREOF) IN AN AMOUNT EQUAL TO THE OUTSTANDING PRINCIPAL AMOUNT OF SUCH NOTE PLUS ACCRUED AND UNPAID INTEREST.

IMPORTANT INFORMATION FOR U.S. INVESTORS

As described more fully below, there are certain restrictions regarding the Notes which affect potential U.S. investors. These restrictions are (i) prohibitions on participation in this offering by persons in circumstances which would cause us to be required to be registered as an investment company under the Investment Company Act and by persons that are subject to Title I of ERISA or Section 4975 of the U.S. Tax Code or substantially similar laws and (ii) restrictions on the ownership of Notes by such persons following the offer.

Eligible Investors

The Notes are being offered (A) in the United States or to, or for the account or benefit of, U.S. persons in minimum amounts of US$250,000 (or its equivalent in Rupiah), only to persons who are both "qualified institutional buyers" as defined in Rule 144A under the Securities Act and "qualified purchasers" as defined in the Investment Company Act, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (B) outside the United States to investors that are not U.S. persons or persons acquiring for the account or benefit of U.S. persons and which are deemed to have made the representations set forth immediately below, in offshore transactions pursuant to Regulation S. In addition, Notes may not be acquired in the offer, and should not otherwise be acquired, by any Benefit Plan Investor. A description of the transfer restrictions applicable to the Notes initially sold in the United States or to, or for the account or benefit of, U.S. persons is set forth below in "Transfer Restrictions."

Transfer Restrictions

The Notes have not been and will not be registered under the Securities Act, or any state securities laws or the securities laws of any other jurisdiction and may not be offered, sold, pledged or transferred in the United States or U.S. Persons except pursuant to an exception from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered, nor does it intend to register, under the Investment Company Act in reliance on the exception provided pursuant to Section 3(c)(7) thereof.

The Notes will be offered and sold (a) outside the United States to Non-U.S. Persons pursuant to the requirements of Regulation S ("Regulation S Notes") and (b) within the United States or to U.S. Persons, in the case of initial sale of the Notes to the initial purchasers, sales of the Notes by the Issuer to investors, or sales by the Issuer to the initial purchasers for resale to investors, pursuant to the exemption from registration provided by Section 4(a)(2) of the Securities Act, and subsequent to initial issuance, in reliance on Rule 144A under the Securities Act ("Rule 144A Notes"). A description of the transfer restrictions applicable to the Notes initially sold in the United States or to, or for the account or benefit of, U.S. Persons is set forth in "Transfer Restrictions."

Benefit Plan Investor Considerations

As described below, investors that are subject to Title I of ERISA or Section 4975 of the U.S. Tax Code or any Similar Law will not be permitted to acquire Notes.

General

The following is a summary of certain considerations associated with the purchase of the Notes by a Benefit Plan Investor. This summary is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the Notes on behalf of, or with the assets of, any employee benefit plan, consult with their counsel to determine whether such employee benefit plan is subject to Title I of ERISA, Section 4975 of the U.S. Tax Code or any Similar Law.

Section 3(42) of ERISA provides that the term "plan assets" has the meaning assigned to it by such regulations as the U.S. Department of Labor may prescribe, except that under such regulations the assets of any entity shall not be treated as plan assets if, immediately after the most recent acquisition of any equity interest in

the entity, less than 25% of the total value of each class of equity interests in the entity is held by Benefit Plan Investors (as defined below). Section 3(42) of ERISA and regulations issued under ERISA (collectively, the "Plan Asset Regulations") generally provide that when a plan subject to Title I of ERISA or Section 4975 of the U.S. Tax Code (an "ERISA Plan"), acquires an equity interest in an entity that is neither a "publicly offered security" (as defined in the Plan Asset Regulations) nor a security issued by an investment company registered under the Investment Company Act, the ERISA Plan's assets include both the equity interest and an undivided interest in each of the underlying assets of the entity unless it is established either that equity participation in the entity by Benefit Plan Investors is not significant or that the entity is an "operating company" in each case as defined in the Plan Asset Regulations. For purposes of the Plan Asset Regulations, an equity interest is any interest is an entity other than an instrument that constitutes debt under applicable local law and that has no substantial equity features. It is anticipated that the Notes will constitute equity interests for purposes of the Plan Asset Regulations. Equity participation in an entity by Benefit Plan Investors will not be significant if they hold, in the aggregate, less than 25% of the value of any class of equity interests of such entity, excluding equity interests held by any person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the entity or who provides investment advice for a fee (direct or indirect) with respect to such assets, and any affiliates of such person (a "Controlling Person"). Section 3(42) of ERISA provides, in effect, that for purposes of the Plan Asset Regulations, the term "benefit plan investor" means an ERISA Plan or an entity whose underlying assets are deemed to include "plan assets" under the Plan Asset Regulations (for example, an entity 25% or more of the value of any class of equity interests of which is held by Benefit Plan Investors and which does not satisfy another exception under the Plan Asset Regulations).

It is anticipated that (i) the Notes will not constitute "publicly offered securities" for purposes of the Plan Asset Regulations, (ii) we will not be an investment company registered under the Investment Company Act and (iii) we will not qualify as an operating company within the meaning of the Plan Asset Regulations. Accordingly, we will use commercially reasonable efforts to prohibit ownership of the Notes by Benefit Plan Investors. We intend to impose such restrictions based on deemed representations. However, no assurance can be given that Benefit Plan Investors will not invest in the Notes and that such investment will not be "significant" for purposes of the Plan Asset Regulations.

Plan asset consequences

If our assets were deemed to be "plan assets" of an ERISA Plan whose assets were invested in us, this would result, among other things, in (i) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by us, and (ii) the possibility that certain transactions that we and our subsidiaries might enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA and/or Section 4975 of the U.S. Tax Code and might have to be rescinded.

A non-exempt prohibited transaction, in addition to imposing potential liability upon fiduciaries of the ERISA Plan, may also result in the imposition of an excise tax under the U.S. Tax Code upon a "party in interest" (as defined in ERISA), or "disqualified person" (as defined in the U.S. Tax Code), with whom the ERISA Plan engages in the transaction.

Governmental plans, certain church plans and non-U.S. plans, while not subject to Title I of ERISA or Section 4975 of the U.S. Tax Code, may nevertheless be subject to Similar Laws.

Fiduciaries of such plans should consult with their counsel before purchasing or holding any shares. Because of the foregoing, the Notes may not be purchased or held by any person investing assets of any Benefit Plan Investor.

Representations and warranties

In light of the foregoing, by accepting an interest in any Notes, each investor will be deemed to have represented and warranted, or will be required to represent and warrant in writing, that no portion of the assets used to purchase or hold its interest in the Notes constitutes or will constitute the assets of any Benefit Plan Investor.

SUMMARY OF CERTAIN DIFFERENCES BETWEEN IFAS AND U.S. GAAP

Our Consolidated Financial Statements included in this Offering Memorandum has been prepared and presented in conformity with IFAS, which differs in certain respects from U.S. GAAP. The matters described below summarizes certain differences between IFAS and U.S. GAAP that may be material. We are responsible for preparing the summary below. We have not prepared a complete reconciliation of our Consolidated Financial Statements and related footnote disclosures between IFAS and U.S. GAAP and have not quantified such differences. Accordingly, we cannot assure you that the following summary of differences between IFAS and U.S. GAAP is complete.

In making an investment decision, investors must rely upon their own examination of our Company and its subsidiaries, the terms of the offering and the financial information contained herein. Management has not quantified the effects of the differences discussed below. Accordingly, no assurance can be provided to investors that our Consolidated Financial Statements would not be materially different if prepared in accordance with U.S. GAAP. Potential investors should consult their own professional advisors for an understanding of the differences between IFAS and U.S. GAAP and how those differences might affect the financial information herein.

Leases

IFAS defines a lease as a contract or part of a contract that conveys the right to control the use of an asset (the underlying asset) for a period of time in exchange for consideration. However, the standard cannot be applied to leases of biological assets, leases of licenses of intellectual property, leases to explore for or use minerals, oil, natural gas and similar non-regenerative resources, rights held by lessees under licensing agreements and service concession arrangements. A single accounting (recognition and measurement) model is applied to all leases in which the reporting entity acts in its capacity as lessee. This single accounting model is similar to the finance lease classification under U.S. GAAP.

Under U.S. GAAP, a contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Arrangements conveying the right to control the use of inventory, intangible assets and asset under construction are not accounted as leases. Lessee accounting under U.S. GAAP maintains the two-class system which classifies a lease as a finance or operating lease.

IFAS allows a lessee to not apply the lease accounting guidance to leases of low-value assets. Whether the underlying asset is of low-value is based on the value of the asset when it is new, regardless of the age of the asset being leased. In addition, the assessment is not affected by the size, nature or circumstances of the lessee, nor whether the leases of low-value assets are, in aggregate or individually, material to the lessee. If a lessee subleases an asset, or expects to sublease an asset, the head lease does not qualify as a lease of a low-value asset. If a lessee elects not to apply the lease accounting guidance, no right-of-use asset or lease liability is recognized, and lease payments are generally expensed on a straight-line basis over the lease term. U.S. GAAP does not provides recognition exemption for leases based on the value of the underlying asset.

Both IFAS and U.S. GAAP provide an exemption allowing a lessee to not apply the lease accounting to short-term lease, by class of underlying asset. IFAS defines a short-term lease as a lease that has a lease term of twelve months or less and does not include a purchase option. U.S. GAAP defines a short-term lease as a lease that has a lease term of twelve months or less and does not include a purchase option that a lessee is reasonably certain to exercise. If a lessee makes a policy election not to apply the respective lease accounting guidance, no right-of-use asset or lease liability is recognized, and lease payments are generally expensed on a straight-line basis over the lease term.

Under IFAS, a lessor classifies a lease as either an operating or finance lease at inception date. The classification depends on whether substantially all the risks and rewards incidental to ownership of the underlying asset have been transferred. IFAS does not provide a practical expedient for a lessor to not separate lease and non-lease components.

Under U.S. GAAP, a lessor classifies a lease as either an operating or finance lease at commencement date. A lease is classified as a finance lease if it meets any one of the lease classification criteria. A finance lease is

further classified as a sales-typed lease or direct financing lease. A lessor can elect the practical option of making a policy election, by class of underlying assets, to not separate the lease and associated non-lease component in a contract if certain criteria are met. If the contract meets the required criteria, and the non-lease component is the predominant component, the lessor accounts for the combined component as a single performance obligation under revenue standards. Otherwise, the combined component is accounted for as a single lease component.

Impairment of Long-lived Assets and Long-lived Assets Held for Disposal and Intangible Assets Subject to Amortization (excluding goodwill, intangible assets that have not been used and with infinite useful lives)

IFAS uses a one-step impairment test, where the carrying amount of an asset is compared with the recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal or the asset's value in use. Fair value less costs of disposal represents the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less costs of disposal. The main difference with U.S. GAAP is that the transaction cost is deducted from the fair value computation under IFAS, whereas the subtraction of transaction cost is prohibited under U.S. GAAP. Value in use represents entity-specific future pretax cash flows discounted to present value by using a pretax, market-determined rate that reflects the current assessment of the time value of money and the risks specific to the asset for which the cash flow estimates have not been adjusted.

Reversal on impairment loss would be recognized if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment test was carried out. Reversal of impairment loss will be immediately recognized on profit or loss, except for assets measured using the revaluation model.

U.S. GAAP requires a two-step impairment test. In the first step, the entity tests the long-lived asset or asset group for recoverability by comparing the carrying amount of the long-lived asset or asset group with the sum of the undiscounted future cash flows and the eventual disposal of the asset. If the carrying amount of the long-lived asset or asset group is determined to be greater than the sum of the undiscounted future cash flows, the entity will need to perform the second step. In the second step, if the long-lived asset or asset group fails the recoverability test in the first step, the entity must record an impairment expense for the difference between the carrying amount and the fair value of the long-lived asset or asset group. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value should be based on the assumptions of market participants and not those of the reporting entity.

If an impairment loss is recognized, the adjusted carrying amount of the long-lived or intangible asset is its new cost to be depreciated over its remaining useful life. Reversal of previously recognized impairment losses is prohibited.

Under U.S. GAAP, an entity should include the cash flows associated with value beyond proved and probable reserves ("VBPP") in estimates of future cash flows (both undiscounted and discounted) used for determining whether a mining asset is impaired, and that estimated cash flows should also include the estimated cash outflows required to develop and extract the VBPP. An entity should also consider the effects of anticipated fluctuations in the market price of minerals when estimating future cash flows (both undiscounted and discounted) used for determining whether a mining asset is impaired. Estimates of those effects shall be consistent with estimates of a market participant. Generally, an entity should consider all available information including current prices, historical averages, and forward pricing curves. Those marketplace assumptions typically should be consistent with an entity's operating plans and financial projections underlying other aspects of the impairment analysis. It generally would be inappropriate for an entity to use a single factor such as the current price or a historical average as a surrogate for estimating future prices without considering other information that a market participant would consider. VBPP is a specific guidance under U.S. GAAP. IFAS do not have a similar specific standard.

Inventories

Under IFAS, the cost of inventory is determined using the first-in, first-out ("FIFO") or weighted average method. The use of last-in, first-out ("LIFO") is prohibited. Inventories are stated at the lower of acquisition cost

or net realizable value. The net realizable value is the estimated selling price at the reporting date reduced by the estimated expense incurred in connection with selling the product. Write-downs taken to reduce inventories to the lower of cost or net realizable value are reversed for subsequent increases in value, to the extent of the original carrying value.

Under U.S. GAAP, a variety of inventory costing methodologies such as LIFO, FIFO, and/or weighted-average cost are permitted. Inventories that are measured by methods other than LIFO and retail inventory methods shall be measured at lower of cost and realizable value. Write-downs taken to reduce inventories to the lower of cost or net realizable value are not reversed for subsequent increase in value.

Joint Arrangement

Under IFAS, a joint arrangement is a contractual agreement whereby two or more parties undertake an economic activities that is subject to joint control. IFAS classifies joint arrangements into two types: joint operations and joint ventures.

Under IFAS, a party in the joint venture accounts for its interest as an investment and shall account for that investment using the equity method, whereas a party in a joint operation accounts the assets, liabilities, revenues and expenses relating to its interests in accordance with the relevant IFAS. Furthermore, proportionate consolidation is no longer permitted.

Under U.S. GAAP, the term joint venture refers only to jointly controlled entities, where the arrangement is carried on through a separate vehicle. Another form is the corporate joint venture which is a corporation owned and operated by a small group of businesses as a separate and specific business or project for the mutual benefit of the members of the group.

Under U.S. GAAP, a joint arrangement is not defined. However, a jointly controlled entity, for which all significant decisions regarding finance, development, sales or operations require the approval of two or more of the owners, would generally be able to apply the equity method of accounting. A joint ventures ("JV") must be separately assessed if it is a variable interest entity ("VIE"). If the JV is not a VIE, the venture applies the equity method to recognize the investment in a jointly controlled entity. Proportionate consolidation is generally not permitted. If the joint venture is within the scope of a VIE model, careful consideration is required to assess whether consolidation is required. Jointly controlled operations not primarily conducted through a legal entity are addressed under collaborative arrangement. There is no specific guidance on jointly controlled assets outside of a legal entity; however, U.S. GAAP guidance on collaborative arrangements contain specific requirements, including that participants to a collaborative arrangement consider the revenue recognition principal-agent criteria when evaluating the reporting for costs incurred and revenue generated from transactions with third parties.

Pension Costs — Defined Benefit Plan

Under IFAS, the remeasurement component is recognized in Other Comprehensive Income ("OCI"). This component consists of (i) actuarial gains and losses, (ii) the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset), and (iii) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset). Subsequently, gains and losses from the remeasurement component will not be reclassified in profit or loss. The standard no longer requires that the amounts recognized in OCI be immediately moved to retained earnings; they can also remain in a specific reserve or 'other' reserves within equity.

All past service costs are to be recognized immediately in net income when the plan is amended or when the entity recognizes related restructuring costs (in the event of a curtailment). Unvested past service costs may not be spread over a future service period. Curtailments that reduce benefits are no longer disclosed separately, but are considered as part of the past service costs. Curtailment gains and losses are recognized in the net income when the event that causes the curtailment occurs.

Net interest cost or income is calculated by applying the discount rate to the defined benefit liability and asset of the plan. The discount rate shall be determined by reference to market yields on high corporate bonds in

the same currency as the benefit to be paid with a duration similar to that of the benefit obligation. The defined benefit asset or liability is the surplus or deficit which is recognized on the balance sheet subject to the asset ceiling test. Plan assets should always be measured at fair value.

A settlement gain or loss is recognized as net income when the settlement occurs. A settlement gain or loss is calculated as the difference between the settlement price and the present value of the settled obligation. Under U.S. GAAP, an entity may record gains and losses either through (i) the deferral method (i.e., the corridor approach) and recycle amounts in excess of the corridor through net periodic benefit cost over an amortization period, or (ii) a systematic method that results in faster recognition. These gains and losses will be recorded within the statement of operations as components of net periodic benefit cost. Gains and losses include (i) the differences between actual and expected return on assets, and (ii) changes in the measurement of the benefit obligation.

Prior service costs are recognized in OCI in the period incurred and are subsequently amortized as a net periodic pension cost over the future service period of active employees. However, if all or almost all of the plan participants are inactive, prior service costs are amortized over the remaining life expectancy of those participants. A prior service credit is used first to reduce any remaining prior service cost included in accumulated OCI. Any remaining prior service credit is amortized as a component of net periodic pension cost.

Under U.S. GAAP, curtailment gains are recognized when realized (i.e., once the terminations have occurred or the plan amendment is adopted). U.S. GAAP requires certain offsets of unamortized gains/losses in a curtailment but does not permit *pro rata* recognition of the remaining unamortized gains/losses.

In determining discount rate, U.S. GAAP states that the selected discount rate should reflect the rates at which the benefits can be effectively settled. Entities may look to the rate of return on high-quality, fixed income investments with similar durations to those of the benefit obligation or the rate implicit in current prices of annuity contracts that could be used to settle the obligation to establish the discount rate. U.S. GAAP does not provide guidance for condition when a deep market in high-quality corporate bonds does not exist. Expected return on plan assets is determined based on the market-related value of the plan assets, which is either fair value or a calculated value that incorporates asset-related gains and losses over a period of no more than five years.

Plan assets shall be measured at fair value less cost to sell. Settlement (gain or loss) is recognized as profit or loss when the event that relieves the obligation for the pension benefit occurs.

Deferred Exploration and Development Costs

IFAS permits an entity to develop an accounting policy for recognition of exploration and evaluation expenditures. As such, an entity may defer exploration and evaluation costs incurred in an area of interest associated with a potential mineral deposit and a valid mining right and, when either: (i) the costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale, or (ii) exploration activities in the area of interest that have not yet reached a stage permitting reasonable assessments of the existence or otherwise of economically recoverable reserves and active and significant operations in or in relation to the area of interest are continuing. The reporting entity also needs to demonstrate that active and significant exploration of the area of interest is continuing to substantiate deferral. Expenditures related to the development of ore body shall not be recognized as exploration and evaluation assets.

Under U.S. GAAP, costs incurred before mineralization are expensed. U.S. GAAP prohibits capitalization of exploration and evaluation costs until feasibility study are completed and permits are in place. Costs are capitalized when it has been determined that an ore body can be economically developed, which requires the completion of a feasibility study. The time between initial acquisition and full evaluation of a property's potential is variable and is determined by several factors, including the location relative to existing infrastructure, the property's stage of development, geological controls and ore prices. If an ore body is determined to be economically mineable, acquisition and development costs are amortized when production begins using the units-of-production method based on proved and probable reserves.

Amortization — Deferred Exploration and Development Costs, Mining Properties and Property, Plant and Equipment

Under IFAS, the amortization method used shall reflect the pattern in which the asset's future economic benefits are expected to be consumed by the entity. If that pattern cannot be determined reliably, the straight-line method shall be used. The amortization charge for each period shall be recognized in profit or loss unless this or another standard permits or requires it to be included in the carrying amount of another asset. A variety of amortization methods can be used, including the straight-line method, the diminishing balance method and the units of production method. The method used is selected on the basis of the expected pattern of consumption of the expected future economic benefits embodied in the asset and is applied consistently from period to period, unless there is a change in the expected pattern of consumption of those future economic benefits.

If the units-of-production method is used, the amortization rate each year should be based on the reasonable reserves which could be produced until the end of the exploitation period of that area of interest. If the amortization is based on the passage of time, then the estimated economic useful life should not be longer than the exploitation period. The exploitation period is based on the permission to mine.

Under U.S. GAAP, amortization of deferred development expenditures, mining properties, plant and equipment is computed using the units-of-production method over the estimated proved and probable reserves or the economic useful life of the equipment if shorter. In certain limited circumstances, the straight-line method may be used if the impact is substantially similar to the units-of-production method. Units-of-production depreciation rates are revised whenever there is an indication of the need for revision. The revisions are accounted for prospectively as changes in accounting estimates.

Rehabilitation Costs and Asset Retirement Obligations

IFAS requires that management's best estimate of the costs of dismantling and removing the item or restoring the site on which it is located be recorded when an obligation exists. The estimate is to be based on a present obligation (legal or constructive) that arises as a result of the acquisition, construction or development of a long-lived asset. If it is not clear whether a present obligation exists, the entity may evaluate the evidence under a more-likely-than-not threshold. This threshold is evaluated in relation to the likelihood of settling the obligation. The measurement of the liability is based on the present value of the expenditure expected to be required to settle the obligation. The anticipated cash flows are discounted using a pre-tax discount rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability (for which the cash flow estimates have not been adjusted) if the effect is material. The estimated liability shall be reviewed at the end of each reporting period and adjusted to reflect the current best estimates. The carrying amount of the liability increases in each period to reflect the passage of time with said increase recognized as a borrowing cost in profit or loss. According to ISAK 9, Change in Existing Decommissioning, Restoration and Similar Liabilities, changes to the amount of retirement obligation that was initially capitalized in the related asset are due to: (i) changes in the estimated timing or amount of the cash outflows, (ii) changes to the discount rate, or (iii) an increase that reflects the passage of time (also referred to as the unwinding of the discount), which shall be adjusted to the carrying value of the related asset. Adjustments may result in an increase in the carrying amount of an asset beyond its recoverable amount. An impairment loss would result in such circumstances. Adjustments may not reduce the carrying amount of an asset to a negative value. Once the carrying value reaches zero, further reductions are recorded in profit or loss.

Under U.S. GAAP, asset retirement obligations ("ARO") are recorded at fair value and are based upon the legal obligation that arises as a result of an acquisition, construction, or development of a long-lived asset. The use of a credit-adjusted, risk-free rate is required for the discounting purposes when an expected present-value technique is used for estimating the fair value of the liability. The guidance also requires an entity to measure changes in the liability for an ARO due to (i) passage of time by applying an interest method of allocation to the amount of the liability at the beginning of the period and (ii) revisions to either the timing or the amount of the original estimate of undiscounted cash flow. The interest rate used for measuring that change would be the credit-adjusted, risk-free rate that existed when the liability, or portion thereof, was initially measured. In addition,

changes to the undiscounted cash flows are recognized as an increase or a decrease in both the liability for an ARO and the related asset retirement cost. Upward revisions are discounted by using the current credit-adjusted, risk-free rate. Downward revisions are discounted by using the credit-adjusted, risk-free rate that existed when the original liability was recognized. If an entity cannot identify the prior period to which the downward revision relates, it may use a weighted average, credit-adjusted, risk-free rate to discount the downward revision to estimated future cash flows.

Revenue Recognition

Under both IFAS and U.S. GAAP, revenue is recorded based on a converged revenue recognition standard. The standards are broadly applicable to all revenue transactions with customers (with some limited scope exceptions such as for insurance contracts, financial instruments and leases). The core principle of the standard is that an entity shall recognizes revenue to record the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognizes revenue in accordance with IFAS core principles by applying the following steps: (i) identifying the contract(s) with a customer, (ii) identifying the performance obligations in the contract, (iii) determining the transaction price, (iv) allocating the transaction price to the performance obligations in the contract, and (v) recognizing revenue when (or as) the entity satisfies a performance obligation.

Under IFAS and U.S. GAAP, one of the criteria for a contract to be in the scope of the model is that the consideration to which the entity will be entitled in exchange for the good or service that will be transferred to the customer must be probable of collection. IFAS defines probable as "more likely than not." Under U.S. GAAP, probable is defined as "likely."

IFAS does not provide explicit guidance on shipping and handling activities performed after control of a good has been transferred. An entity is required to assess whether shipping and handling activities are to be considered as a separate performance obligation. U.S. GAAP includes explicit guidance on shipping and handling activities and allows an entity to elect to account for shipping and handling activities performed after the control of a good has been transferred to the customer either as a fulfillment cost or a separate performance obligation.

Under both IFAS and U.S. GAAP, an entity is required to capitalize costs to obtain and/or fulfill a contract, provided certain criteria are met. Any capitalized costs are amortized, with the expense recognized on a systematic basis that is consistent with the entity's transfer of the related good or service to the customer. Any asset recorded by the entity is subject to an assessment of impairment at the end of each reporting period. IFAS requires an entity to reverse impairment losses on capitalized costs to obtain and/or fulfill a contract when impairment conditions no longer exist or have improved. However, the increased carrying value of the asset must not exceed the amount that would have been determined (net of amortization) if no impairment had been recognized previously. Under U.S. GAAP, reversal of impairment losses is prohibited for all costs to obtain and/or fulfill a contract.

Deferred Taxes

Under IFAS, deferred income tax is provided using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. Current enacted or substantially enacted tax rates are used to determine deferred income tax. Deferred tax assets relating to future tax benefits and the carry forward of unused tax losses are recognized to the extent that it is probable that future taxable profit will be available against which the future tax benefits and unused tax losses can be utilized. Deferred taxes should be recognized for exchange gains or losses related to foreign non-monetary assets and liabilities that are remeasured into the functional currency amount determined by using the historical exchange rate and the relevant tax base, which may have been affected by exchange rate changes or tax indexing.

Under U.S. GAAP, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on temporary differences between the financial statement

and tax bases of assets and liabilities and tax credits available for income tax purposes using enacted tax rates in effect for the period in which the differences are expected to reverse. Deferred tax assets are recognized in the statements of financial position at full value, but are reduced by a valuation allowance if based on the weight of available evidence it is "more likely than not" that some portion, or all, of the deferred tax assets will not be realized. In determining whether a valuation allowance is necessary, an entity may not generally consider future anticipated income in measuring the valuation allowance if that entity has a history of losses.

When the functional currency of an entity differs from the local currency (usually the tax currency), recording deferred taxes on temporary differences in non-monetary assets and liabilities that result from either (i) exchange rate changes on remeasurement or (ii) adjustments to the tax base from indexing, is prohibited.

Uncertain Tax Positions

Under IFAS, tax assets or liabilities arising from uncertain tax treatment should be assessed using a probable recognition threshold. If the tax authority is unlikely to accept the tax treatment of an entity, the effect of the tax uncertainty is reflected in measuring current or deferred tax by using the most likely amount or the expected value. Probable is defined as more likely than not.

U.S. GAAP prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a position taken or expected to be taken in a tax return. Uncertain tax positions are recognized and measured using a two-step process, first determining whether a benefit may be recognized and subsequently measuring the amount of the benefit. Tax benefits from uncertain tax positions can be recognized only if it is more likely than not that the tax position is sustainable based on its technical merits. Uncertain tax positions are evaluated at the individual tax position level. The tax position is measured by using a cumulative probability model: the largest amount of tax benefit that is greater than 50.0% likely of being realized upon ultimate settlement.

Accounting for Derivatives

Under IFAS, a derivative does not have a requirement that the notional amount or payment provision be included, but in practice one of these characteristics usually exists. IFAS does not include a requirement for net settlement within the definition of a derivative. It only requires settlement at a future date. Contracts to purchase, sell, or use nonfinancial items are only accounted for as derivatives if they can be settled net in cash or with another financial instrument. Settling contracts net is broadly defined and is not restricted to the ability to net-settle in cash.

U.S. GAAP states that one of the defining characteristics of a derivative instrument is that it has one or more underlying, one or more notional amounts or payment provisions or both. Further, to meet the definition of a derivative, a financial instrument or other contract must require or permit net settlement.

In terms of measurement of derivatives, day one gains or losses cannot be recognized under IFAS unless supported by appropriate observable current market transactions or if all of the inputs into the valuation model used to derive the day one difference are observable. Under U.S. GAAP, day one gains and losses are permitted even if fair value is derived from unobservable inputs.

Intangible Assets

Under IFAS, an entity shall use either the cost model or revaluation model for the subsequent measurement of intangible assets. The entity may only use the revaluation model if the assets have an active market. Under the revaluation model, the intangible asset is carried at a revalued amount, which is the fair value on the revaluation date less any subsequent accumulated amortization and any subsequent accumulated impairment losses.

Under U.S. GAAP, intangible assets are measured at historical costs (less accumulated amortization and impairments) and no revaluation of intangible assets is permitted (other than for impairments).

Under IFAS, internally generated intangible assets are classified into research phase costs and development phase costs. Costs in the research phase are always expensed. Costs in the development phase are capitalized if all criteria required are demonstrated.

Under U.S. GAAP, both research costs and development costs for internally generated software are expensed as incurred. However, costs incurred in the application development stage are capitalized whereas all other costs are expensed as incurred.

Under IFAS, the requirement of presenting mineral rights as property, plant and equipment or intangible assets is not specifically addressed. Most mining companies record it as part of intangible assets.

Under U.S. GAAP, mineral rights are accounted as tangible asset, rather than intangible assets.

Loans to (from) Related Parties and Shareholders and Imputed Interest

IFAS requires loan made to (from) shareholders to be recognized initially at fair value, estimated by discounting the future loan repayments using a rate based on the rate the borrower would pay to an unrelated lender for a loan with similar conditions. The difference between the loan amount and the fair value (discount or premium) should be recorded as an investment in the parent's financial statement (as a component of the overall investment in the subsidiary) and a component of equity in the subsidiary's financial statements. Subsequently, the loan should be measured at amortized cost, using the effective interest method. This involves "unwinding" the discount such that, at repayment, the carrying value of the loan equals the amount to be repaid. The unwinding of the discount should be reported as interest income or expense.

Under U.S. GAAP, loans made to (from) shareholders or ultimate parent companies for which repayment is effected by dividends declared by the lender to the same shareholders or for which there is no intention to repay in cash are accounted for as capital transactions of the lender and the borrowing entity. Accordingly, the reported amount of loans to (from) related parties would reduce the amount reported for net shareholders' equity, similar to a dividend, by the lender and be recorded as a capital contribution by the borrowing entity. No interest income or expense would be recognized.

Under U.S. GAAP, imputing interest is generally required when an entity is a party to a note that bears interest other than market rate of interest. When the fair value of the note is established (based on a market transaction with similar terms), the difference between the fair value and the face amount constitutes an adjustment of the stated interest rate, if any. The difference should be treated as a premium or discount and amortized as interest over the life of the note using the effective interest rate.

Consolidation

Under IFAS, a parent controls a subsidiary when the parent is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those through its power over the subsidiary. Power is defined as the existing rights that give the current ability to direct the relevant activities.

In assessing control, a parent should consider the purpose and design of the subsidiary in order to identify the relevant activities, how decisions about the relevant activities are made, who has the current ability to direct those activities, and who receives returns from those activities. Relevant activities are defined as activities of the subsidiary that significantly affect the subsidiary's returns. IFAS also requires that in order for an entity or investor with decision making to have control, it must act as a principal and not as an agent.

In assessing the power of a parent, only substantive rights held by the parent and those held by others are considered. It is considered substantive when the holder has the practical ability to exercise the right and will benefit from it as well. If a party has potential voting rights, such potential voting rights should be included in the assessment of control if they are substantive.

In addition, power without a majority of voting rights (de facto power) and protective rights are also considered in evaluating whether the rights give an investor power over an investee.

Under U.S. GAAP, there are two models for determining when consolidation is appropriate are the VIE and voting interest entity models. All entities are first evaluated to determine whether they are VIEs. If an entity is determined not to be a VIE, it is assessed on the basis of voting and other decision-making rights under the voting interest model.

Under the VIE model, a reporting entity has a controlling financial interest if it has both (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance and (ii) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits of the VIE that could potentially be significant to the VIE. Careful consideration is required when assessing the impact of potential voting rights to determine which party has the power to direct the most significant activities of the VIE. Interest held by related parties may result in the consolidation of the VIE by one of the related parties involved with the VIE, even if none of the parties individually have power over the VIE.

Under the voting interest entity models, a controlling financial interest is defined as ownership of a majority voting interest in another entity that may exist in other contracts or arrangements outside of a majority voting interest. The impact of potential voting rights is not required to be considered to determine whether a controlling financial interest exist as only actual voting rights are considered.

The concept of de facto power does not exist under U.S. GAAP. However, the voting interest model acknowledges the "effective control" concept where control may exist with less than 50 percent ownership, when contractually supported.

Stripping Costs

Under IFAS, to the extent that the benefit from the stripping activity is realized in the form of inventory produced, the entity shall account for the costs of that stripping activity in accordance with the principles of IFAS 14 "Inventories." To the extent the benefit has improved access to the ore, the entity shall recognize these costs as a non-current asset, if the criteria below are met:

- it is probable that the future economic benefit will flow to the entity;
- the entity can identify the component of the ore body for which access has been improved; and
- the costs relating to the stripping activity associated with that component can be measured reliably.

When the costs of the stripping activity asset and the inventory produced are not separately identifiable, the entity shall allocate the production stripping costs by using an allocation basis that is based on a relevant production measure.

Under U.S. GAAP, stripping costs incurred during the production phase of a mine are variable production costs that should be included in the costs of the inventory produced (that is, extracted) during the period that the stripping costs are incurred. The production phase of a mine is deemed to have begun when saleable minerals are extracted (produced) from an ore body, regardless of the level of production. However, the production phase does not commence with the removal of *de minimis* saleable mineral material that occurs in conjunction with the removal of overburden or waste material for the purpose of obtaining access to an ore body.

Business Combination

Definition of a business

Under IFAS, a business generally consists of inputs, processes applied to these inputs and the ability to create output.

Under U.S. GAAP, an entity is required to determine whether substantially all of the fair value of gross assets acquired (or disposed) is concentrated in a single identifiable asset or a group of similar identifiable assets. If that threshold is reached, the set is not a business. A business includes, at a minimum, an input and a substantive process that together contribute to the ability to create outputs.

Acquired contingencies

Under IFAS, the acquiree's contingent liabilities are recognized separately at the acquisition date, if there are present obligations that result from a past event and their fair values can be measured reliably. The contingent liabilities are measured subsequently at the higher of the amount initially recognized less the cumulative amortization recognized under the revenue guidance, if appropriate, or the best estimate of the amount required to settle the present obligation at the end of the reporting period. Contingent assets are not recognized.

Under U.S. GAAP, acquired assets and liabilities subject to contractual contingencies are recognized at fair value if fair value can be determined during the measurement period. If fair value cannot be determined, companies should typically account for the acquired contingencies using guidance under ASC 450 "Contingencies." An acquirer shall develop a systematic and rational basis for subsequently measuring and accounting for assets and liabilities arising from contingencies depending on their nature.

Goodwill — assignment/allocation and impairment

Under IFAS, goodwill is allocated to a cash generating unit ("CGU") or group of CGUs depending on which one is expected to benefit from the goodwill. Goodwill impairment testing is performed under a one-step approach, where the recoverable amount of the CGU of group of CGUs (i.e., the higher of its fair value less cost to sell and its value in use) is compared with its carrying amount. Any impairment loss is recognized in operating results as the excess of the carrying amount over the recoverable amount. The impairment loss is allocated first to goodwill and then on a pro-rata basis to other assets of the CGU or group of CGUs to the extent that the impairment loss exceeds the book value of goodwill.

Under U.S. GAAP, goodwill is assigned to an entity's reporting unit, which is an operating segment or one level below an operating segment (component) depending on which one is expected to benefit from the goodwill. Prior to December 15, 2019, goodwill impairment testing was performed at least once a year under a two-step approach. The entity could first assess qualitative factors to determine whether it was more likely than not that the fair value of a reporting unit was less than its carrying amount. If an entity concluded that was the case, it was required to perform the first step of the goodwill impairment test. If it concluded otherwise, it could stop. The two-step goodwill impairment test was performed as follows:

(i) The fair value and the carrying amount of the reporting unit, including goodwill, was compared. If the fair value of the reporting unit was less than the carrying amount, step 2 was completed to determine the amount of the goodwill impairment loss, if any.

(ii) Goodwill impairment was measured as the excess of the carrying amount of goodwill over its implied fair value. The implied fair value of goodwill (calculated in the same manner that goodwill was determined in a business combination) was the difference between the fair value of the reporting unit and the fair value of the various assets and liabilities included in the reporting unit.

An entity must record goodwill impairment charges if a reporting unit's carrying value exceeds its fair value. The impairment charge is based on the difference between the carrying value and the fair value, and is limited to the amount of goodwill allocated to that unit; thus, the new guidance eliminated the second step from goodwill impairment testing. Companies continue to have the option of performing a qualitative assessment of goodwill impairment. However, if an entity performs a qualitative assessment of its goodwill and fails, it must proceed with quantitative impairment testing.

Any loss recognized is not permitted to exceed the carrying amount of the goodwill. The impairment charge is included in operating income.

Non-controlling interests

Under IFAS, an entity has an option, on a transaction-by-transaction basis, to measure non-controlling interests at their proportion of the fair value of the identifiable assets or at full fair value. The use of the full fair value option results in full goodwill being recorded on both the controlling and non-controlling interest. In addition, no gains or losses will be recognized in earnings for transactions between the parent company and the non-controlling interest, unless control is lost.

Under U.S. GAAP, non-controlling interests are measured at fair value. In addition, no gains and losses are recognized in earnings for transactions between parent company and the non-controlling interests, unless control is lost.

Financial instruments

Under IFAS, financial assets are classified into one of three measurement categories: (i) amortized cost, (ii) FVOCI and (iii) FVTPL.

A financial asset is classified as measured at amortized cost if it is held within a held-to-collect business model and its contractual cash flows are solely payments of principal and interest ("SPPI") on the principal amount outstanding. A financial asset is classified as measured at FVOCI if it is held within a held-to-collect-and-sell business model and the contractual cash flows meet the SPPI criteria. Investments in equity instrument fail the SPPI criteria and are generally measured at FVTPL.

Financial liabilities are generally classified into two measurement categories: (i) amortized cost or (ii) FVTPL. Financial liabilities classified as FVTPL are further subcategorized as held for trading or designated as at FVTPL on initial recognition.

The expected credit loss ("ECL") model in the financial instruments standard covers financial assets measured at amortized cost, investment in debt instruments measured at FVOCI, certain loan commitments and financial guarantee contracts issued, lease receivables and contract assets. Investments in equity instruments are outside the scope of the ECL requirements. Impairment is recognized using an expected loss model, which means that it is not necessary for a loss event to occur before an impairment loss is recognized. The measurement bases in general approach of the ECL model are 12-month ECLs and lifetime ECLs, depending on whether the credit risk on a financial instrument has increased significantly since initial recognition. ECLs are measured in a way that reflects the following: (i) a probability-weighted amount determined by evaluating a range of possible outcomes, (ii) the time value of money, and (iii) reasonable and supportable information about past events, current conditions and forecasts of future economic conditions. An entity is required to continually assess whether a significant increase in credit risk has occurred. The ECL measurement must reflect the time value of money. The entity should discount the cash flows that it expects to receive at the effective interest rate determined at initial recognition, or an approximation thereof, in order to calculate ECL.

Under U.S. GAAP, debt instrument and marketable equity securities are classified into one of three categories: (i) held for trading, (ii) available for sale and (iii) held to maturities. Held for trading and available for sale are carried at fair value, while held to maturities are recorded at amortized costs. These categories do not include equity securities not quoted in active market. Classification categories for financial liabilities are not prescribed. A loan is either measured at amortized cost or classified as held for sale.

Under U.S. GAAP, an entity is generally required to measure equity securities at FVTNI unless it elects to: (i) measure qualifying equity securities that do not have a readily determinable fair value at cost less impairment, plus or minus qualifying observable price changes, or (ii) apply a practical expedient in qualifying circumstances to measure the fair value of investments in certain entities that calculate net asset value share as of the measurement date.

Derivative securities classified as trading and instruments for which the fair value through profit or loss option has been elected are initially measured at fair value. Available for sale securities are initially measured at fair value with no inclusion of transaction costs. Other financial instruments are initially measured at cost.

A number of impairment models exist for various types of financial instruments not measured at fair value through net income (i.e., assets measured at amortized cost or at fair value through other comprehensive income). These models recognize impairments when losses have been incurred (incurred loss model). For loans, impairment losses should be recognized when, based on all available information, it is probable that a loss has been incurred based on events and conditions existing at the date of the financial statements. Losses are not to be recognized before it is probable that they have been incurred, even though it may be probable or expected based on past experience that losses will be incurred in the future.

Under IFAS, the effective interest rate is computed based on the contractual cash flows over the contractual term of the loan, except for (i) certain loans that are part of a group of prepayable loans and (ii) purchased loans for which there is evidence of credit deterioration. If estimated payments for certain groups of prepayable loans

are revised, an entity may adjust the net investment in the group of loans, on the basis of a recalculation of the effective yield to reflect actual payments to date and anticipated future payments, to the amount that would have existed had the new effective yield been applied since the loans' origination/acquisition, with a corresponding charge or credit to interest income.

Under U.S. GAAP, the effective interest rate is based on the estimated cash flows that are expected to be received over the expected life of a loan by considering all of the loan's contractual terms but not expected credit losses. If estimated receipts are revised, the carrying amount is adjusted to the present value of the future estimated cash flows, discounted at the financial asset's original effective interest rate (cumulative catch-up approach). The resulting adjustment is recognized within profit or loss.

Hedge accounting

Under both IFAS and U.S. GAAP, hedge accounting is voluntary and, if elected, allows an entity to measure assets, liabilities and firm commitments selectively on a basis different from that otherwise stipulated in IFAS, or to defer recognition in profit or loss of gains or losses on derivatives. There are three hedge accounting models: (i) fair value hedges of fair value exposures, (ii) cash flow hedges of cash flow exposures and (iii) net investment hedges of foreign currency exposures on net investments in foreign operations. Hedge accounting is permitted only when specific requirements related to documentation and effectiveness are met.

Effectiveness testing is conducted on both a prospective and a retrospective basis. A hedge is highly effective if changes in the fair value or cash flows of the hedged item attributable to the hedged risk are offset by changes in the fair value or cash flows of the hedging instrument within a range of 80.0% to 125.0%.

Under U.S. GAAP, effectiveness testing is conducted on both a prospective and a retrospective basis. A hedge is highly effective if changes in the fair value or cash flows of the hedged item attributable to the hedged risk are offset by changes in the fair value or cash flows of the hedging instrument. The range of 80.0% to 125.0% is not specified in U.S. GAAP.

LEGAL MATTERS

Certain legal matters with respect to the Notes will be passed upon for the Issuer and the Subsidiary Guarantors by Sidley Austin LLP as to matters of New York law and U.S. federal securities law, Assegaf Hamzah & Partners as to matters of Indonesian law and Allen & Gledhill LLP as to matters of Singapore law. Certain legal matters will be passed upon for the Initial Purchasers by Shearman & Sterling LLP as to matters of U.S. federal and New York law and Ginting & Reksodiputro as to matters of Indonesian law.

INDEPENDENT PUBLIC ACCOUNTANTS

Our consolidated financial statements as of and for the years ended December 31, 2023, 2022 and 2021 included in this Offering Memorandum, have been audited by Imelda & Rekan (an affiliate of Deloitte Southeast Asia Ltd, a member of Deloitte Asia Pacific Limited and of the Deloitte Network), independent public accountants, as stated in their report included in this Offering Memorandum.

INDEPENDENT MINING AND GEOLOGICAL CONSULTANTS

Our coal reserves and resources figures presented in this Offering Memorandum are estimates that have been prepared by PT. RungePincockMinarco ("RPM"), an independent mining consultant. RPM has provided, and is expected to continue to provide, mining consulting services to us. RPM has given and not withdrawn its consent to the issue of this Offering Memorandum with the inclusion herein of their name and all references thereto and to the inclusion of the Kideco Resources and Reserves Statement, attached as Appendix A to this Offering Memorandum, and the information derived from the report, in the form and context in which it appears in this Offering Memorandum.

Our gold ore reserves figures presented in this Offering Memorandum are estimates that have been prepared by AMC Consultants Pty Ltd ("AMC"), an independent mining consultant. AMC has provided mining consulting services to us. AMC has given and not withdrawn its consent to the issue of this Offering Memorandum with the inclusion herein of their name and all references thereto and to the inclusion of the Awak Mas Ore Reserve Statement, attached as Appendix B to this Offering Memorandum, and the information derived from the report, in the form and context in which it appears in this Offering Memorandum.

Our gold mineral resources figures presented in this Offering Memorandum are estimates that have been prepared by Cube Consulting Pty Ltd ("Cube") and by PT Geo Fix Indonesia ("Geo Fix"), independent geological consultants. Each of Cube and Geo Fix has provided geological consulting services to us. Cube has given and not withdrawn its consent to the issue of this Offering Memorandum with the inclusion herein of their name and all references thereto and to the inclusion of the Awak Mas 2021 Mineral Resource Statement, attached as Appendix C to this Offering Memorandum, and the information derived from the report, in the form and context in which it appears in this Offering Memorandum. Geo Fix has given and not withdrawn its consent to the issue of this Offering Memorandum with the inclusion herein of their name and all references thereto and to the inclusion of the Awak Mas 2023 Mineral Resource Statement, attached as Appendix D to this Offering Memorandum, and the information derived from the report, in the form and context in which it appears in this Offering Memorandum.

MINING INDUSTRY EXPERT

The information contained in the section "Industry Overview" in this Offering Memorandum, including all statistics and data therein, was prepared by Wood Mackenzie, independent industry consultants and experts in the coal mining industry and the gold market. Wood Mackenzie has given and not withdrawn their written consent to the issue of this Offering Memorandum with the inclusion herein of their name and all references thereto and to the inclusion of the "Industry Overview" section in this Offering Memorandum, in the form and context in which it appears, and to act in such capacity in relation thereto. The "Industry Overview" section does not include all of the information that may be important for an investment decision.

RATINGS

The Notes are expected to be assigned a rating of "Ba3" by Moody's and "BB-" by Fitch. The credit ratings accorded the Notes reflect the rating agencies' assessment of the likelihood of timely payment of the principal of, and interest on, the Notes. The ratings are not a recommendation to purchase, hold or sell the Notes inasmuch as such ratings do not comment as to market price or suitability for a particular investor. We cannot assure you that the ratings will remain in effect for any given period or that the ratings will not be revised by the rating agencies in the future if, in their judgment, circumstances so warrant. See "Risk Factors — Risks Relating to the Offering, the Notes, the Subsidiary Guarantees and the Common Security — The ratings assigned to the Notes may be lowered or withdrawn entirely in the future."

GLOSSARY

2012 JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 edition) prepared by the JORC of The Australasian Institute of Mining and Metallurgy, Australasian Institute of Geoscientists and Minerals Council of Australia. The standards of the 2012 JORC Code substantially comply with those required by the SEC. It sets out the minimum standards, recommendations and guidelines for public reporting of exploration results, mineral resources and ore reserves in Australasia
AI	Artificial intelligence.
Air-dried basis	Inclusion of inherent moisture only.
Argus ICI Index	The leading coal price reference used by Indonesian coal buyers and sellers, as well as the Government for spot trades, tax calculations, financial and investment analysis, strategic reporting and production planning. It is also used to compute the Indonesian domestic coal price.
Ash	Impurities consisting of iron, alumina and other incombustible matters that are contained in coal. Ash is the inorganic residue remaining after the combustion of coal, which affects the burning characteristics of coal. Since ash increases the weight of coal, it adds to the cost of handling and can affect the burning characteristics of coal.
As-received basis	Analytical data calculated to the condition of the sample as it arrived at the laboratory, before processing or conditioning.
Bank Cubic Meter or BCM	A cubic meter of rock or material in situ before it is extracted.
Barge	A long and large, usually flat-bottomed, boat that is towed by tugboats.
Bituminous coal	The most common type of coal, with energy content of more than 5,400 kcal/kg gar. Bituminous coal is a soft, dense and black coal containing large amounts of carbon, often with well-defined bands of bright and dull material. It is used primarily as fuel in steam-electric power generation, with substantial quantities also used for heat and power applications in manufacturing and the making of coke.
Blasting	The process of reducing a solid body, such as rock, to fragments for excavation by using an explosive. Blasting is most often used in mining, quarrying and civil engineering. Conventional blasting operations include drilling holes, placing a charge and detonator in each hole, detonating the charge and clearing away the broken material.
C&F	Cost and freight; i.e., CIF terms with no insurance.
CAGR	Compound annual growth rate.
Calorific value or CV	A coal sample's energy content measured as the heat released on complete combustion in air or oxygen, usually expressed as the amount of heat (measured in kilo calories) per unit weight of coal (measured in kilograms) or (kcal/kg).

CIF	Cost, insurance and freight, an agreed term of sale where a seller covers the costs, insurance and freight against the possibility of loss or damage to a buyer's order while it is in transit to an export port.
Coal	A readily combustible black or brownish-black rock with a composition, including inherent moisture, which consists of more than 50% by weight and more than 70% by volume of carbonaceous material. It is formed from plant remains that have been compacted, hardened, chemically altered and metamorphosed by heat and pressure over time.
Coal blending	Mixing coal in predetermined or controlled quantities to adjust the chemicals or burning characteristics of the resulting coal or to produce a more uniform product.
"Coal Contract of Work" or "CCoW"	*Perjanjian Karya Pengusahaan Pertambangan Batubara*; a work agreement on coal mining operation between a mining operator company and the Government.
Coal seam	Coal deposits occur in layers in a bed of coal lying between a roof and floor with each layer called a "seam."
Coke	A hard, dry carbon substance produced by heating coal to a very high temperature in the absence of air and used in the manufacture of iron and steel.
Coking coal	Also known as metallurgical coal, coking coal is a grade of coal that is suitable for creating good-quality coke, an essential input for the production of steel. Coking coal is low in ash, moisture and phosphorous content and its rank is usually bituminous.
Competent Person	A minerals industry professional responsible for the preparation and/or signing off of reports on exploration results and mineral reserves and resources estimates and who is accountable for the prepared reports.
Concentrate	A powdery product containing higher concentrations of minerals resulting from ore grinding, magnetic separation, flotation or other processing techniques, which as a semi-finished product would need to be further processed, such as by smelting, to effect recovery of metal.
Crusher	A machine for crushing rocks to smaller grain size.
Deposit	A body of mineralization containing a sufficient average grade of tin to warrant further exploration and/or development expenditure.
dmt	Dry metric tonne, a unit of measurement with the same mass value as a metric tonne, but the material has been dried to decrease the moisture level.
Dozer ripping	A method of excavating earth using heavy machinery. The ripper is the long claw-like device on the back of the bulldozer. Rippers can come as a single (single Shank/giant ripper) or in groups of two or more (multi shank rippers).
Drilling	A technique or process of making a circular hole in the ground with a drilling machine, which typically occurs to obtain a cylindrical cone

	as a sample of ore. Alternatively, blasthole drilling is a technique used to create a hole to house an explosive charge in preparation for blasting a zone of rock.
DWT	Deadweight tonnage, a measure of how much weight a ship can carry, excluding the ship's own weight.
E&C services	Engineering and construction management services.
EPC services	Engineering, procurement and construction services.
ESG	Environmental, social and corporate governance.
EV	Electric vehicle.
Exploration	Activity to prove the location, volume and quality of a deposit.
FEED	Front end engineering and design.
Feed coal	Unprocessed coal which is fed into the processing plant.
FOB	Free On Board, an agreed term of coal sale where the coal is delivered by the seller to the point of shipment, which include barge (i.e. FOB barge) or mother vessel (i.e. FOB mother vessel). The buyer arranges and pays for the transportation (and insurance thereof) of the coal. The responsibility of the seller ceases when the coal is delivered to the agreed point of shipment.
Fossil fuel	Fuel such as coal, petroleum or gas formed from the fossil remains of organic material.
globalCOAL Newcastle Index	A benchmark price for seaborne thermal coal in the Asia-Pacific region.
Gross-as-received or GAR	A calculation of calorific value of a coal with moisture as received or total moisture ("TM"). The calculation is based on the conversion from the air-dried-basis value. The calculation pursuant to said conversion is dependent on the specific moisture content of the coal.
Grade	The relative amount of valuable elements or minerals contained in a parcel of ore material.
GW	Gigawatt.
HBA	*Harga Batubara Acuan*, a monthly reference price published by the Government which is used to determine the minimum price of coal sales.
Hectare	A unit of area equal to 10,000 square meters, or approximately 2,471 acres.
HHV	Higher heating value.
ICT	Information and communications technology, a broader term for information technology (IT) but with a focus on communication technologies including the internet, wireless networks, cell phones, computers, software, middleware, video-conferencing, social networking and other media applications and services that enable users to access, store, transmit and manipulate information.
Inherent moisture	The moisture that is stored within the pores of individual particles and can only be removed using thermal methods.

IOT	Internet of Things.
ISO	International Organization for Standardization.
IUP	*Izin Usaha Pertambangan*, a mining permit issued by the Government that is required to carry out mining activities.
JORC	The Australasian Joint Ore Reserves Committee, which is sponsored by the Australian mining industry and its professional organization.
Kcal/kg	Kilocalorie per kilogram.
Kg	Kilogram.
KP	*Kuasa Pertambangan*; a mining authorization under Indonesia's Old Mining Law and subject to amendments under Indonesia's Mining Law.
KK	*Kontrak Karya*; a contract of work for mining of coal or minerals under Indonesia's Old Mining Law and subject to amendments under Indonesia's Mining Law.
Km	Kilometer.
Lignite	The lowest rank of coal, often referred to as brown coal, used almost exclusively as fuel for steam-electric power generation. It is brownish-black and has a high inherent moisture content, sometimes as high as 45.0% percent.
LNG	Liquefied natural gas.
Low-rank coal	Coal which is low in carbon but high in hydrogen and oxygen content with an energy content of less than 4,500 kcal/kg gar.
Mineralization	An area with discontinuous distribution belts of minerals, including the occurrence of deposits, mine sites and alteration of Waste rock. It is a key indicator for further exploration of minerals.
moisture content	The amount of moisture in coal, expressed as a percentage of the weight of the coal. The moisture content of coal varies by the type of coal, the region where it is mined and the location of coal within a seam. In general, high moisture content decreases the calorific value and energy content and increases the weight of the coal. Two types of moisture can be found in coal, including (a) free or surface moisture, which can be removed by exposure to air, and (b) inherent moisture, which is trapped in the coal and can be removed by heating the coal.
MW	Megawatt.
MWp	Megawatt peak.
Nitrogen	A gas formed in high-temperature environments, such as coal combustion, that is a harmful pollutant that contributes to acid rain.
O&M services	Operation and maintenance services.
Ocean-going vessel	A commercial ship, such as a container ship, bulk carrier, general cargo ship or passenger ship, that is designed and equipped to travel on the open sea.
Open-cut mining	A mining method designed to extract minerals that lie near the surface. Overburden is removed to expose the minerals for mining.

	Rock covering the minerals is blasted and removed by large draglines or electric shovels and trucks.
Open-pit mining	A mining method which involves removing the overlying strata or overburden and extracting the coal.
Ore	Mineral bearing rock which can be mined and treated profitably under current or immediately foreseeable economic conditions.
Overburden	Any material, consolidated or unconsolidated, such as layers of earth and rock, that overlies a coal seam. In surface mining operations, overburden is removed prior to coal extraction.
Oz	Ounce or ounces.
Processing	The process which in general refers to the extraction of usable portions of ore by using physical and chemical methods.
Rank	Classification of coal based on the degree of transformation of the original plant material to carbon.
Raw coal	Coal that has been brought to the surface, before it has been processed.
Reclamation	The process of restoring the environment to its original state following mining activities by restoring topsoil and planting vegetation. The process commonly includes "recontouring" or reshaping the land to its approximate original appearance, restoring topsoil and planting native grass and ground covers. Reclamation operations are usually underway before the mining of a particular site is completed. Reclamation is regulated by applicable local law.
Recovery rate	The percentage of coal that can be recovered from the coal deposits at an existing mine.
Refining	The final stage of the process of refining crude coal products to a pure or very pure end-product.
Rehabilitation	Revegetation of mining disturbed areas by planting an appropriate mixture of trees, shrubs and ground covers.
ROM	Run of mine; usually the typical quality of coal that is extracted prior to any act of enhancing coal such as washing, crushing or screening. The term is used loosely and can be applied on a pit-by-pit basis and is typically also used to refer to the processing and raw stockpile areas. ROM coal is usually ready for sale upon extraction and does not require any washing.
Stockpile	A stockpile is a pile or storage location for bulk materials, forming part of the bulk material handling process.
Strip or strip ratio	The strip ratio is the number of bank cubic meters of overburden needing removal to access one tonne of coal. A strip ratio of 4:1 means that four bank cubic meters of overburden must be stripped to produce one metric tonne of coal. Strip ratios vary based primarily on geological characteristics of the "in situ" coal and the depth at which deposits lie.
Sub-bituminous coal	Dull black coal that ranks between lignite and bituminous coal with energy content of between 4,500 kcal/kg GAR and 5,400 kcal/kg GAR.

Sulfur	One of the elements present, in varying quantities, in coal that contributes to environmental degradation when coal is burned. Sulfur dioxide is produced as a gaseous by-product of coal combustion.
Sulfur content	Coal is commonly described by its sulfur content due to the importance of sulfur to customers concerned about compliance with environmental regulations. "Low sulfur" coal has a variety of definitions, but typically is used to describe coal consisting of 1.0% or less sulfur.
Thermal coal	Coal used in thermal plants to generate electricity.
TNi	Tonnes of nickel contained in ferronickel.
Tonne	Tonne or metric ton is a metric unit of mass equal to 1,000 kilograms or approximately 2,204.6 pounds.
Total moisture	The entire amount of water stored within a porous medium.
TWh	Terrawatt-hours.
Underground mining	The extraction of coal or its products from rock strata by underground mining methods such as room-and-pillar mining, shortwall (continuous mines) mining and longwall mining.
VCU	Verified carbon unit.
Volatile matter	Those substances, other than water, that are given off as gas or vapor when coal is heated under certain prescribed conditions to produce coking coal.
Volatility	The percentage of volatile matter contained in coal. The volatility of coking coal determines the percentage of feed coal that actually becomes coke, known as coke yield. The lower the volatile fraction, the higher the coke yield. Volatile matter is measured on a dry mineral matter-free basis.
Washing	The removal or reduction of impurities from coal.
wmt	Wet metric tonne, a unit of measurement with the same mass value as a metric tonne, for materials with slurry or liquid components.

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PT. INDIKA ENERGY Tbk
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

AND INDEPENDENT AUDITOR'S REPORT

PT. INDIKA ENERGY Tbk AND ITS SUBSIDIARIES
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PT INDIKA ENERGY Tbk
AND SUBSIDIARIES
DIRECTORS' STATEMENT LETTER
RELATING TO THE RESPONSIBILITY ON THE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2023, 2022 AND 2021

We the undersigned:

1.	Name	:	M. Arsjad Rasjid P.M.
	Office Address	:	Mitra Building 3rd Floor Jl. Jend Gatot Subroto Kav. 21, Jakarta
	Domicile as stated in ID card	:	Jl. Bangka XI No. 82 RT/RW: 009/001 Kel. Bangka Kec. Mampang Prapatan Jakarta Selatan
	Phone number	:	(+62) (21) 25579888
	Position	:	President Director
2.	Name	:	Retina Rosabai
	Office Address	:	Mitra Building 3rd Floor Jl. Jend Gatot Subroto Kav. 21, Jakarta
	Domicile as stated in ID card	:	Puri Bintaro PB 8 No. 4 RT/RW:001/009. Kel. Sawah Baru, Kec. Ciputat, Tangerang Selatan
	Phone number	:	(+62) (21) 25579888
	Position	:	Director

state that:

1. We are responsible for the preparation and presentation of the consolidated financial statements;
2. The consolidated financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;
3. a. All information contained in the consolidated financial statements is complete and correct;
   b. The consolidated financial statements do not contain misleading material information or facts, and do not omit material information and facts;
4. We are responsible for the Company and its subsidiaries internal control system.

This statement letter has been made truthfully.

Jakarta, April 12, 2024

President Director	Director
M. Arsjad Rasjid P.M.	Retina Rosabai

PT Indika Energy Tbk.
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Independent Auditor's Report

No. 00181/2.1265/AU.1/02/0565-2/1/IV/2024

The Stockholders, Boards of Commissioners and Directors

PT. Indika Energy Tbk

Opinion

We have audited the accompanying consolidated financial statements of PT. Indika Energy Tbk and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2023, 2022 and 2021, and the consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policies information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Indonesian Financial Accounting Standards.

Basis for Opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements paragraph of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

MAKING AN IMPACT THAT MATTERS since 1845

Imelda & Rekan

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Impairment of goodwill from acquisition of KJA

As at December 31, 2023, the carrying amount of goodwill of US$ 649,164,208, which included goodwill of US$ 635,124,678 arising from the acquisition of KJA, accounted for approximately 20% of the Group's consolidated total assets.

Goodwill is required to be assessed for impairment annually and when circumstances indicate that the carrying value may be impaired. Management performed an impairment assessment on goodwill from the acquisition of KJA and determined the recoverable amount using the value-in-use ("VIU") model. This model involves significant judgements and estimates from management in respect of discount rates and annual growth rate.

Given the complexity and judgment nature of the impairment testing, management engaged an independent external valuer to estimate the VIU.

We identified the impairment of goodwill from the acquisition of KJA as a key audit matter due to the significance of this balance in the Group's consolidated financial statements and the estimation of recoverable amount involves complex and subjective management's judgement on key variables and market conditions.

The Group's disclosures on the impairment of goodwill from the acquisition of KJA are set out in Notes 4 and 24 to the consolidated financial statements.

How the matter was addressed in the audit

We performed the following audit procedures:

- Obtained an understanding of the controls relevant to our audit and assessed the design and implementation of such relevant controls in respect of the goodwill impairment assessment process.
- Assessed the competence, capability and objectivity of the independent external valuer engaged by management.
- Engaged an auditor's internal specialist to test and challenge management's significant assumptions used in the VIU model, especially the discount rate. Our procedures include comparing those assumptions to the underlying contracts/agreements, external sources of information, market data and historical performance.
- Checked the mathematical accuracy of the calculations and agreed the financial information used with the detailed management approved business plans to assess the reasonableness of the cash flows used in the model.
- Performed retrospective testing on the reasonableness of the business plan by comparing the prior year plan with the actual results for the current year.
- Assessed whether the overall VIU was within the acceptable range by performing sensitivity analysis on the results of management's impairment testing.
- Assessed the appropriateness of the related disclosures in the consolidated financial statements.

Other Matter

In connection with the proposed debt offering, PT. Indika Energy Tbk reissued its consolidated financial statements for the years ended December 31, 2023, 2022 and 2021. We have previously issued our independent auditor's report No. 00119/2.1265/AU.1/02/0565-2/1/III/2024 dated March 28, 2024 on the consolidated financial statements for the year ended December 31, 2023, and No. 00084/2.1265/AU.1/02/0565-1/1/III/2023 dated March 27, 2023 on the consolidated financial statements for the year ended December 31, 2022, and No. 00101/2.1265/AU.1/02/0556-3/1/III/2022 dated March 30, 2022 on the consolidated financial statements for the year ended December 31, 2021, with unmodified opinion. There are no significant differences in these consolidated financial statements from those accompanying our previously issued reports, except for the additional disclosures described in Notes 52 and 59i-k to these consolidated financial statements.

This report has been prepared solely for inclusion in the offering memorandum in connection with PT. Indika Energy Tbk and its subsidiaries' proposed debt offering and is not intended to be and should not be used for any other purposes.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of such consolidated financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

IMELDA & REKAN

Muhammad Irfan
Public Accountant License No. AP.0565

April 12, 2024

00181

PT. INDIKA ENERGY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023, 2022 AND 2021

	Notes	December 31, 2023	December 31, 2022	December 31, 2021
		US$	US$	US$
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	5	449,204,420	1,155,539,134	867,404,826
Other financial assets - current maturities	6	133,654,475	25,367,386	55,124,177
Trade accounts receivable	7			
Related parties - net of allowance for credit losses of nil as of December 31, 2023, 2022 and 2021	51	80,612,755	71,860,522	74,610,819
Third parties - net of allowance for credit losses of US$ 645,382 as of December 31, 2023 (December 31, 2022: US$ 736,752 and December 31, 2021: US$ 683,635)		262,997,390	462,464,072	411,219,647
Contract asset	8	19,506,377	4,919,983	1,798,930
Current maturities of other accounts receivable	9			
Related parties	51	-	2,621,962	-
Third parties - net of allowance for credit losses of nil as of December 31, 2023 (December 31, 2022: US$ 2,227,568 and December 31, 2021: US$ 1,500,000)		32,372,076	26,397,403	31,335,968
Inventories - net of allowance for decline in value of US$ 1,207,125 as of December 31, 2023 (December 31, 2022: US$ 2,514,634 and December 31, 2021: US$ 2,383,211)	10	51,339,007	60,591,597	43,740,074
Prepaid taxes	11	72,734,833	23,586,535	20,803,881
Biological asset		414,271	-	-
Derivative assets	25	689,188	-	-
Other current assets	12	116,575,208	169,488,788	137,685,266
		1,220,100,000	2,002,837,382	1,643,723,588
Non-current assets held-for-sale	13	264,002,477	-	448,226,774
Total Current Assets		1,484,102,477	2,002,837,382	2,091,950,362
NONCURRENT ASSETS				
Other financial assets - net of current maturities	6	113,457,446	76,536,252	63,981,345
Other accounts receivable - net of current maturities	9			
Related parties - net of allowance for credit losses of US$ 2,749,668 as of December 31, 2023 (December 31, 2022: US$ 2,694,429 and (December 31, 2021: US$ 1,778,598)	51	20,375,957	20,585,854	10,213,675
Third parties		5,078,780	20,654,542	8,788,667
Bearer plants - immature plantations	14	9,750,025	584,448	258,622
Investments in associates	15	264,581,258	241,629,064	138,198,372
Claims for tax refund - net of provision of claims for tax refund of US$ 29,847,534 as of December 31, 2023 (December 31, 2022: US$ 29,272,901 and December 31, 2021: nil)	16	23,526,588	25,576,353	66,769,765
Exploration and evaluation assets - net of impairment losses of US$ 21,338,795 as of December 31, 2023, 2022 and 2021	17	102,123,524	104,711,711	90,714,559
Mining properties - net of accumulated amortization of US$ 23,208,373 as of December 31, 2023 (December 31, 2022: US$ 41,195,825 and (December 31, 2021: US$ 33,946,950) and allowance for impairment losses of nil as of December 31, 2023 (December 31, 2022 and 2021: US$ 10,934,214)	18	5,707,631	29,903,659	11,303,291
Stripping activity assets		-	2,894,709	7,013,261
Property, plant and equipment - net of accumulated depreciation of US$ 517,983,511 as of December 31, 2023 (December 31, 2022: US$ 545,805,433 and December 31, 2021: US$ 510,179,528) and allowance for impairment losses of US$ 2,581,733 as of December 31, 2023 (December 31, 2022 and 2021: US$ 11,619,347)	21	307,121,122	220,651,079	239,328,940
Right-of-use assets - net of accumulated depreciation of US$ 54,409,759 as of December 31, 2023 (December 31, 2022: US$ 52,445,417 and December 31, 2021: US$ 48,956,733)	22	16,964,411	3,826,429	3,832,851
Intangible assets - net of accumulated amortization of US$ 748,667,649 as of December 31, 2023 (December 31, 2022 : US$ 784,032,178 and December 31, 2021 : US$ 647,498,750) and allowance for impairment losses of US$ 30,889,820 as of December 31, 2023 (December 31, 2022: US$ 124,566,703 and December 31, 2021: US$ 123,888,679)	23	36,761,135	110,348,195	239,419,749
Goodwill - net of impairment losses of nil as of December 31, 2023 (December 31, 2022: US$ 56,745,531 and December 31, 2021: US$ 85,724,092)	24	649,164,208	649,164,208	648,036,713
Refundable deposits		2,489,197	2,416,222	1,757,820
Deferred tax assets	46	25,581,704	29,080,571	26,753,724
Derivative assets	25	-	2,880,715	-
Advances and other noncurrent assets	20	46,316,927	49,590,649	43,155,385
Total Noncurrent Assets		1,628,999,913	1,591,034,660	1,599,526,739
TOTAL ASSETS		3,113,102,390	3,593,872,042	3,691,477,101

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

PT. INDIKA ENERGY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2023, 2022 AND 2021

	Notes	December 31, 2023	December 31, 2022	December 31, 2021
		US$	US$	US$
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term loans	26	58,409,213	50,538,098	58,122,340
Trade accounts payable	27			
Related parties	51	4,077,079	5,824,241	5,691,528
Third parties		273,893,283	336,723,273	291,896,466
Contract liabilities	8	10,572,038	16,581,292	11,272,664
Taxes payable	28	15,518,704	544,149,673	304,333,276
Other accounts payable - third parties		52,992,973	16,031,293	13,515,367
Accrued expenses	29	133,480,871	135,593,149	93,657,517
Advances from third party customers		15,643,267	7,186,845	5,794,196
Dividends payable		10,743	10,527	13,528
Current maturities of long-term liabilities				
Long-term loans - third parties	30	58,297,225	50,156,453	67,500,000
Lease liabilities	32	7,870,164	4,411,235	1,001,063
Bonds payable - net	33	304,359,120	11,720,490	15,552,951
		935,124,680	1,178,926,569	868,350,896
Liabilities directly related to non-current assets held for sale	13	47,365,177	-	267,413,000
Total Current Liabilities		982,489,857	1,178,926,569	1,135,763,896
NONCURRENT LIABILITIES				
Long-term liabilities - net of current maturities				
Long-term loans	30			
Related party	51	1,253,300	-	-
Third parties		104,275,570	91,225,010	81,568,303
Convertible loans	31	20,092,531	7,538,295	-
Lease liabilities	32	8,450,249	1,401,770	2,651,336
Bonds payable - net	33	528,922,780	880,010,701	1,229,590,712
Other long-term liability - third party		439,668	8,160,737	-
Provision for mine rehabilitation, mine closure and decommissioning	34	43,265,139	38,687,331	35,241,633
Deferred tax liabilities	46	12,253,706	25,127,407	88,590,083
Derivative liabilities	25,31	8,109,675	-	1,640,340
Contingent consideration obligation	53	-	-	206,269,350
Employee benefits	35	26,412,465	22,620,259	26,447,783
Total Noncurrent Liabilities		753,475,083	1,074,771,510	1,671,999,540
Total Liabilities		1,735,964,940	2,253,698,079	2,807,763,436
EQUITY				
Capital stock - Rp 100 par value per share				
Authorized - 17,000,000,000 shares				
Subscribed and paid-up and treasury shares - 5,210,192,000 shares				
as of December 31, 2023, 2022 and 2021	36	56,892,154	56,892,154	56,892,154
Additional paid-in capital	37	253,826,135	253,826,135	253,826,135
Other components of equity		(12,109,145)	(9,236,583)	34,739,171
Treasury shares	1c,36	(359,945)	(359,945)	(359,945)
Retained earnings				
Appropriated	58	11,378,431	5,312,496	5,312,496
Unappropriated		923,214,754	882,849,440	412,988,522
Total equity attributable to owners of the Company		1,232,842,384	1,189,283,697	763,398,533
Non-controlling interests	38	144,295,066	150,890,266	120,315,132
Total Equity		1,377,137,450	1,340,173,963	883,713,665
TOTAL LIABILITIES AND EQUITY		3,113,102,390	3,593,872,042	3,691,477,101

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

PT. INDIKA ENERGY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	Notes	2023	2022	2021
		US$	US$	US$
REVENUES	39,51	3,026,839,190	4,334,910,725	3,069,161,119
COST OF CONTRACTS AND GOODS SOLD	40,51	(2,474,863,205)	(2,884,098,670)	(2,151,039,318)
GROSS PROFIT		551,975,985	1,450,812,055	918,121,801
Equity in net profit of associates	15	22,876,701	31,174,667	27,880,564
Amortization of intangible assets	23	(37,635,675)	(136,071,528)	(135,946,869)
Selling, general and administrative expenses	41	(239,780,249)	(240,725,758)	(145,401,075)
Investment income	42,51	20,195,064	9,302,646	4,270,293
Finance costs	43	(85,551,070)	(103,531,626)	(104,860,082)
Final tax	45	(7,551,575)	(8,875,640)	(6,774,116)
Fair value changes on embedded derivative of convertible loan		1,349,559	-	-
Fair value changes on contingent consideration obligation	53	-	46,269,350	(41,792,882)
Others - net	44	12,551,894	(38,016,938)	(13,390,150)
PROFIT BEFORE TAX		238,430,634	1,010,337,228	502,107,483
INCOME TAX EXPENSE	46	(87,387,543)	(499,561,131)	(294,689,659)
PROFIT FOR THE YEAR FROM CONTINUING OPERATION		151,043,091	510,776,097	207,417,824
DISCONTINUED OPERATION				
LOSS FOR THE YEAR FROM DISCONTINUED OPERATION	13	-	-	(144,101,228)
PROFIT FOR THE YEAR		151,043,091	510,776,097	63,316,596
OTHER COMPREHENSIVE (LOSS) INCOME				
Item that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefits obligation, net of tax	35,38	(911,971)	576,208	2,197,639
Items that may be reclassified subsequently to profit or loss:				
Cumulative translation adjustments	38	1,205,695	(2,130,303)	1,140,291
Unrealized (loss) gain on derivative financial instrument (hedging reserve)	15,25,38	(3,897,534)	55,685,225	13,892,183
Unrealized (loss) gain on investment stated at fair value through other comprehensive income	38	(448,949)	(802,020)	9,664,444
Total other comprehensive income for the year, net of tax from continuing operation		(4,052,759)	53,329,110	26,894,557
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		146,990,332	564,105,207	90,211,153
PROFIT FOR THE YEAR ATTRIBUTABLE TO:				
Owners of the Company	47	119,683,800	452,676,558	57,719,504
Non-controlling interests	38	31,359,291	58,099,539	5,597,092
Total		151,043,091	510,776,097	63,316,596
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:				
Owners of the Company		116,811,238	468,309,201	77,814,923
Non-controlling interests		30,179,094	95,796,006	12,396,230
Total		146,990,332	564,105,207	90,211,153
EARNINGS PER SHARE	47			
Basic - from continued operation		0.0230	0.0869	0.0317
Basic - from discontinued operation			-	(0.0206)

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

PT. INDIKA ENERGY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

					Other Components of Equity												
	Notes	Capital stock	Additional paid-in capital	Treasury shares	Unrealized gain (loss) on derivative financial instrument (hedging reserve)	Other capital - employee stock option	Cumulative translation adjustments	Remeasurement of defined benefits liability in accordance with PSAK 24, Employee Benefits	Shares reffoat	Cumulative unrealized gain (loss) on investment stated at fair value through other comprehensive income	Difference in value of equity transactions with non-controlling interests	Other equity	Retained earnings		Equity attributable to owners of the Company	Non-controlling interests	Total equity
													Appropriated	Unappropriated			
		US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Balance as of January 1, 2021		56,892,154	253,826,135	(359,945)	(17,821,225)	7,816,296	(2,347,039)	1,383,957	57,184,360	2,376,038	(2,087,585)	(31,861,050)	5,312,496	355,269,018	685,583,610	181,713,784	867,297,394
Profit for the year		-	-	-	-	-	-	-	-	-	-	-	-	57,719,504	57,719,504	5,597,092	63,316,596
Other comprehensive income																	
Remeasurement of defined benefits obligation	33,37	-	-	-	-	-	-	2,197,639	-	-	-	-	-	-	2,197,639	-	2,197,639
Unrealized gain on derivative financial instrument (hedging reserve)	14,24,37	-	-	-	7,093,045	-	-	-	-	-	-	-	-	-	7,093,045	6,799,138	13,892,183
Cumulative translation adjustments	37	-	-	-	-	-	1,140,291	-	-	-	-	-	-	-	1,140,291	-	1,140,291
Unrealized gain on investment stated at fair value through other comprehensive income	37	-	-	-	-	-	-	-	-	9,664,444	-	-	-	-	9,664,444	-	9,664,444
Total comprehensive income		-	-	-	7,093,045	-	1,140,291	2,197,639	-	9,664,444	-	-	-	57,719,504	77,814,923	12,396,230	90,211,153
Non-controlling interest from acquisition of subsidiary, PT Indika Multi Properti	37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53,853	53,853
Non-controlling interest from establishment of subsidiary, PT Empat Mitra Indika Tenaga Surya		-	-	-	-	-	-	-	-	-	-	-	-	-	-	933,168	933,168
Non controlling interest from divestment of a subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(49,865,903)	(49,865,903)
Dividends of subsidiaries	37	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(24,916,000)	(24,916,000)
Balance as of December 31, 2021		56,892,154	253,826,135	(359,945)	(10,728,180)	7,816,296	(1,206,748)	3,581,596	57,184,360	12,040,482	(2,087,585)	(31,861,050)	5,312,496	412,988,522	763,398,533	120,315,132	883,713,665
Profit for the year		-	-	-	-	-	-	-	-	-	-	-	-	452,676,558	452,676,558	58,099,539	510,776,097
Other comprehensive income (loss)																	
Remeasurement of defined benefits obligation	35,38	-	-	-	-	-	-	576,208	-	-	-	-	-	-	576,208	-	576,208
Unrealized gain on derivative financial instrument (hedging reserve)	15,25,38	-	-	-	17,988,758	-	-	-	-	-	-	-	-	-	17,988,758	37,696,467	55,685,225
Cumulative translation adjustments	38	-	-	-	-	-	(2,130,303)	-	-	-	-	-	-	-	(2,130,303)	-	(2,130,303)
Unrealized loss on investment stated at fair value through other comprehensive income	38	-	-	-	-	-	-	-	-	(802,020)	-	-	-	-	(802,020)	-	(802,020)
Total comprehensive income (loss)		-	-	-	17,988,758	-	(2,130,303)	576,208	-	(802,020)	-	-	-	452,676,558	468,309,201	95,796,006	564,105,207
Acquisition of additional shares in PT Cirebon Energi Prasarana	38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36,577,500	36,577,500
Acquisition of subsidiary in PT PT Energi Makmur Buana	38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,653,792	1,653,792
Acquisition of subsidiary in PT PT Foxconn Indika Motor	38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,669,556	1,669,556
Difference in value of equity transactions with non-controlling interests in PT Telaga Mas Kalimantan	38	-	-	-	-	-	-	-	-	-	-	(2,424,037)	-	-	(2,424,037)	-	(2,424,037)
Advance share capital received from non-controlling interest	38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,790,207	4,790,207
Divestment of subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	-	-	(64,911,927)	(64,911,927)
Transfer of other equity related to share reffoat directly to retained earnings		-	-	-	-	-	-	-	(57,184,360)	-	-	-	-	57,184,360	-	-	-
Dividends of subsidiaries	38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(45,000,000)	(45,000,000)
Dividend	58	-	-	-	-	-	-	-	-	-	-	-	-	(40,000,000)	(40,000,000)	-	(40,000,000)
Balance as of December 31, 2022		56,892,154	253,826,135	(359,945)	7,260,578	7,816,296	(3,337,051)	4,157,804	-	11,238,462	(2,087,585)	(34,285,087)	5,312,496	882,849,440	1,189,283,697	150,890,266	1,340,173,963
Profit for the year		-	-	-	-	-	-	-	-	-	-	-	-	119,683,800	119,683,800	31,359,291	151,043,091
Other comprehensive income (loss)																	
Remeasurement of defined benefits obligation	35,38	-	-	-	-	-	-	(911,971)	-	-	-	-	-	-	(911,971)	-	(911,971)
Unrealized loss on derivative financial instrument (hedging reserve)	15,25,38	-	-	-	(2,618,029)	-	-	-	-	-	-	-	-	-	(2,618,029)	(1,279,505)	(3,897,534)
Cumulative translation adjustments	38	-	-	-	-	-	1,106,387	-	-	-	-	-	-	-	1,106,387	99,308	1,205,695
Unrealized loss on investment stated at fair value through other comprehensive income	38	-	-	-	-	-	-	-	-	(448,949)	-	-	-	-	(448,949)	-	(448,949)
Total comprehensive income		-	-	-	(2,618,029)	-	1,106,387	(911,971)	-	(448,949)	-	-	-	119,683,800	116,811,238	30,179,094	146,990,332
Acquisition of additional shares in PT Cotrans Asia	1d, 38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,171,542	2,171,542
Appropriation retained earnings	58	-	-	-	-	-	-	-	-	-	-	-	6,065,935	(6,065,935)	-	-	-
Establishment of PT Bioneer Indika Group	1d, 23, 38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000,000	2,000,000
Divestment of subsidiary	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(4,163,725)	(4,163,725)
Dividends of subsidiaries	38	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(36,782,111)	(36,782,111)
Dividend	58	-	-	-	-	-	-	-	-	-	-	-	-	(73,252,551)	(73,252,551)	-	(73,252,551)
Balance as of December 31, 2023		56,892,154	253,826,135	(359,945)	4,642,549	7,816,296	(2,230,664)	3,245,833	-	10,789,513	(2,087,585)	(34,285,087)	11,378,431	923,214,754	1,232,842,384	144,295,066	1,377,137,450

See accompanying notes to consolidated financial statements which are an integral part of the consolidated financial statements.

PT. INDIKA ENERGY Tbk AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023, 2022 AND 2021

	2023	2022	2021
	US$	US$	US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from customers	3,188,456,528	4,295,779,712	3,280,729,991
Cash paid to suppliers	(1,885,845,177)	(2,226,705,719)	(2,086,721,277)
Cash paid to directors, commissioners and employees	(110,493,945)	(100,534,981)	(106,683,730)
Payments of royalty to Government	(656,880,200)	(624,139,034)	(342,052,756)
Cash generated from operations	535,237,206	1,344,399,978	745,272,228
Receipt from claims for tax refund	25,133,877	35,238,318	34,395,500
Interest received	14,767,555	4,933,553	4,828,252
Finance costs paid	(81,455,121)	(92,228,498)	(98,528,551)
Payment of claims for tax refund	(16,425,834)	-	(33,868,929)
Income and other taxes paid	(676,339,319)	(366,267,903)	(167,015,409)
Net Cash (Used in) Provided by Operating Activities	(199,081,636)	926,075,448	485,083,091
CASH FLOWS FROM INVESTING ACTIVITIES			
Withdrawal of other financial assets	31,238,043	35,097,601	46,938,213
Proceeds from sale of property, plant and equipment	276,827	295,716	5,461,488
Dividends received	11,621,200	26,011,554	21,930,295
Payment for exploration and evaluation assets and mining property	(4,348,309)	(43,291,620)	(6,192,034)
Increase in investments in associates	(26,850,124)	(50,055,138)	(2,537,030)
Loan given to related parties	-	(13,605,287)	-
Proceeds of other accounts receivable from related parties	1,440,000	3,820,000	1,761,207
Proceeds of other accounts receivable from third parties	-	5,042,577	-
Acquisition of subsidiaries net off cash acquired	6,460,672	(12,245,324)	(46,473,838)
Acquisition of intangible assets	(2,200,531)	(1,928,757)	(11,607,007)
Proceed from non-current asset held for sale, less transaction costs	22,310,049	-	-
Payment of advances and other noncurrent assets	(5,643,079)	(16,104,839)	(6,390,510)
Proceeds of advances and other noncurrent assets	-	1,051,229	-
Proceeds from divestment of a subsidiary	-	146,215,160	41,172,751
Placement of other financial assets	(198,035,550)	(19,044,575)	(24,663,696)
Payment for convertible loan receivables	(7,242,665)	-	-
Acquisitions of property, plant and equipment	(112,446,865)	(28,421,319)	(67,209,288)
Net Cash (Used in) Provided by Investing Activities	(283,420,332)	32,836,978	(47,809,449)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of short-term loans and long-term loans	227,163,476	82,565,934	8,462,000
Proceeds from convertible loan	20,350,000	-	-
Proceeds from advance for share capital from non-controlling interests	1,719,401	43,019,865	-
Payments of bonds payable and premium	(63,185,000)	(358,600,121)	-
Payment of bond issuance cost	-	-	(1,588,522)
Payment of bank loan transaction cost	(3,974,360)	-	-
Payment of dividends by subsidiaries to non-controlling interests	(39,686,553)	(45,000,000)	(24,916,000)
Dividend payment	(73,252,551)	(40,000,000)	-
Payments of short-term loans, long-term loans, contingent consideration obligation and lease liabilities	(193,818,799)	(347,282,930)	(112,194,623)
Net Cash Used in Financing Activities	(124,684,386)	(665,297,252)	(130,237,145)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(607,186,354)	293,615,174	307,036,497
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,155,539,134	867,404,826	651,193,109
Effects of changes in foreign exchange rate	1,085,262	(5,480,866)	(1,499,436)
CASH AND CASH EQUIVALENTS AT END OF YEAR	549,438,042	1,155,539,134	956,730,170

See accompanying notes to consolidated financial statements
which are an integral part of the consolidated financial statements.

1. GENERAL

a. Establishment and General Information

PT. Indika Energy Tbk. (the "Company") was established based on Notarial Deed No. 31 dated October 19, 2000 by Hasanal Yani Ali Amin, S.H., public notary in Jakarta. The Deed of Establishment was approved by the Minister of Justice and Human Rights of the Republic of Indonesia in his Decree No. C-13115 HT.01.01.TH.2001 dated October 18, 2001, and was published in State Gazette No. 53, Supplement No. 6412 dated July 2, 2022. The Company's Deed has been amended several times, and most recent amendment is related to amendment and re-appointment of composition of Board of Commissioners and Board of Directors of the Company as reflected in the Deed No. 11 dated April 19, 2023 by Aryanti Artisari, S.H., M.KN, Notary in South Jakarta. Such amendment has been received by the Ministry of Law and Human Rights of the Republic of Indonesia based on Receipt of Notification to Amendment of the Company's Data No. AHU-AH.01.09-0118385 dated May 15, 2023.

In accordance with Article 3 of the Company's Articles of Association, the scope of its activities is mainly to engage in trading, construction, mining, transportation and services. The Company started its commercial operations in 2004. As of December 31, 2023, the Group had total number of employees of 3,579 (including 1,673 non-permanent employees) (December 31, 2022: 3,916 (including 1,564 non-permanent employees); December 31, 2021: 7,593 (including 1,865 non-permanent employees)).

The Company is domiciled in Jakarta, and its head office is located at Mitra Building, 11th Floor, Jl. Jenderal Gatot Subroto Kav. 21, Jakarta.

As at December 31, 2023, 2022 and 2021, the Company's management consisted of the following:

President Commissioner	:	Agus Lasmono
Vice President Commissioner	:	Richard Bruce Ness
Commissioner	:	Indracahya Basuki
Independent Commissioners	:	Farid Harianto
		Eko Putro Sandjojo
President Director	:	M. Arsjad Rasjid P.M *)
Vice President Director	:	Azis Armand
Director	:	Retina Rosabai
Director	:	Purbaja Pantja
Director	:	Kamen Kamenov Palatov

*) The Company's President Director, M. Arsjad Rasjid P.M., has submitted leave request outside the responsibility for the next 6-8 months starting from September 27, 2023, which has been accepted and approved by the Company's Board of Commissioners. At the same time, he also has granted his Power of Attorney (POA) to the Vice President Director. The Company's board of directors (BOD) agrees that, unless otherwise governed under the POA, all duties and authorities of the BOD during his leave shall be done in accordance with the provisions and particularly under Article 15 of the Company's Article of Association and with reference to the Segregation of Duties of the BOD. He has ended his leave and returned to duty effective on March 25, 2024.

As at December 31, 2023, 2022 and 2021, the chairman and members of the audit committee are as follows:

Chairman	: Eko Putro Sandjojo
Members	: Osman Sitorus
	: Harry Ponto
	Suhardi Alius
	Tonyadi Halim

As of December 31, 2023, the Company's Corporate Secretary is Adi Pramono.

As of December 31, 2023, the Company's Head of Internal Audit is Einstein Erlangga.

b. Public Offering of Shares of the Company

On June 2, 2008, the Company obtained the notice of effectivity from the Chairman of the Capital Markets and Financial Institution Supervisory Agency in his Letter No. S-3398/BL/2008 for its public offering of 937,284,000 shares. On June 11, 2008, these shares were listed on the Indonesia Stock Exchange.

As of December 31, 2023, 2022 and 2021, all of the Company's 5,210,192,000 outstanding shares were listed on the Indonesia Stock Exchange.

c. Share Buyback of the Company

On April 8, 2020, the Company announced that it is planning to do buyback of its shares which have been issued and listed in Indonesia Stock Exchange with reference to OJK Rule No. 2/POJK.04/2013 on Buyback of Shares in Significantly Fluctuating Market Conditions and OJK Circular Letter No. 3/SEOJK.04/2020 on Other Conditions Constituting Significantly Fluctuating Market Conditions Allowing for Buyback of Shares ("SEOJK No. 3/SEOJK.04/2020"). Share buyback will be conducted by the Company, in the amount of up to US$ 20,000,000 or equivalent to Rp 300,000,000,000 assuming that United States Dollar to Indonesia Rupiah exchange rate of Rp 15,000.

According to SEOJK No. 3/SEOJK.04/2020, the Company is allowed to conduct buy back of its shares for a maximum of 20% (twenty percent) of the paid-up capital provided that at least 7.5% (seven point five percent) of its issued and paid-up capital continue to be held by the public. The share buyback will be conducted gradually within three months effective from April 9, 2020 until July 8, 2020. The share buyback transaction will be executed through Indonesia Stock Exchange.

The Company has appointed PT Mandiri Sekuritas to conduct the share buyback.

The share buyback will be executed on the price of which is lower or as the closing price on previous trading day.

Following the Company's announcement in April 2020 of its plan to do share buyback, the Company has subsequently completed 7,500,000 share buy back in July 2020, at the price ranging from Rp 680 to Rp 700 per share totaling to Rp 5,206,807,413 (equivalent to US$ 359,945) (including tax and brokerage fees).

Outstanding treasury shares as of December 31, 2023, 2022 and 2021 was 7,500,000 shares.

d. Subsidiaries

The Company has ownership interest, directly or indirectly, in the following subsidiaries:

Name of Entities	Domicile	Nature of Business	Percentage of Ownership			Start of Commercial Operations	Total Assets Before Elimination		
			December 31, 2023	December 31, 2022	December 31, 2021		December 31, 2023	December 31, 2022	December 31, 2021
							US$	US$	US$
PT Indika Inti Corpindo (IIC) and subsidiaries	Jakarta	Investment and general trading	99.99%	99.99%	99.99%	1998	1,711,632,044	2,216,723,208	2,517,853,485
PT Citra Indah Prima (CIP) and subsidiaries *)	Jakarta	Investment	99.92%	99.92%	99.92%	On liquidation process	99,141	99,160	1,287,712
PT Sindo Resources (SR) *)	Jakarta	Mining	-	-	89.93%	Effectively liquidated on June 15, 2022	-	-	65
PT Melawi Rimba Minerals (MRM) *)	Jakarta	Mining	-	-	89.93%	Effectively liquidated on June 15, 2022	-	-	-
Indika Capital Pte. Ltd. (ICPL) and subsidiary *)	Singapore	Marketing and investment	99.99%	99.99%	99.99%	2009	691,076,980	728,710,813	1,183,722,316
Indika Capital Resources Limited (ICRL) *)	British Virgin Islands	Financing	99.99%	99.99%	99.99%	2009	4,076,350	5,685,410	28,629,127
PT Kideco Jaya Agung (KJA) *)	Jakarta	Mining	91.00%	91.00%	91.00%	1982	675,565,209	1,270,002,481	902,927,586
PT Indy Properti Indonesia (IPY)	Jakarta	Development, services and trading	100%	100%	100%	2015	2,178,510	2,281,132	1,538,236
PT Indika Indonesia Resources (IIR) and subsidiaries	Jakarta	Mining and trading	100%	100%	100%	2009	351,706,174	388,452,065	255,758,088
PT Mitra Energi Agung (MEA) *)	East Kalimantan	Coal Mining	60%	60%	60%	Dormant	2,917	2,861	3,852
Indika Capital Investments Pte. Ltd (ICI) *)	Singapore	Coal and mineral trading and general trading activities	100%	100%	100%	2015	114,112,946	138,604,146	128,914,491
PT Multi Tambangjaya Utama (MUTU) *)	Central Kalimantan	Coal Mining	100%	100%	100%	2012	225,745,044	228,148,577	106,197,714
Indika Energy Trading Pte. Ltd. (IETPL) and subsidiary *)	Singapore	Coal and mineral trading and general trading activities	60%	60%	60%	2016	30,802,128	41,951,410	47,328,318
PT Indika Energi Trading (IET) *)	Jakarta	Trading	100%	100%	100%	2019	5,400,647	5,148,948	4,834,121
PT Tripatra Multi Energi (TIME) and subsidiaries	Jakarta	Trading, development, industrial, agriculture, printing, workshop, transportation and services	100%	100%	100%	2012	471,015,698	556,299,246	453,306,577

Name of Entities	Domicile	Nature of Business	Percentage of Ownership			Start of Commercial Operations	Total Assets Before Elimination		
			December 31, 2023	December 31, 2022	December 31, 2021		December 31, 2023	December 31, 2022	December 31, 2021
							US$	US$	US$
PT Tripatra Multi Energi (TIME) and subsidiaries	Jakarta	Trading, development, industrial, agriculture, printing, workshop, transportation and services	100%	100%	100%	2012	471,015,698	556,299,246	453,306,577
PT Tripatra Engineers and Constructors (TPEC) and subsidiaries	Jakarta	Provision of consultancy services, construction business and trading	100%	100%	100%	1989	217,163,116	298,498,815	304,497,917
Tripatra (Singapore) Pte. Ltd (TS) *) and subsidiary	Singapore	Investment	100%	100%	100%	2006	16,973,259	27,375,134	27,665,467
Tripatra Investment Limited (TRIL) *)	British Virgin Islands	Investment	100%	100%	100%	2007	15,722,452	15,646,198	15,601,269
PT Tripatra Engineering (TPE)	Jakarta	Consultation services for construction, industry and infrastructure	100%	100%	100%	1971	41,686,662	45,715,361	32,697,529
PT Indika Multi Energi Internasional (IMEI) and subsidiary *)	Jakarta	Trading, development, industrial, agriculture, printing,workshop, transportation and services	100%	100%	100%	2023	149,925,699	137,618,506	24,706,345
PT Prasarana Energi Indonesia (PEI) and subsidiary **)	Jakarta	Trading, development, industrial, agriculture, printing,workshop, transportation and services	25%	25%	25%	2023	149,924,318	138,300,705	24,663,988
PT Prasarana Energi Cirebon (PEC) *)	Jakarta	Trading, development, industrial, agriculture, printing,workshop, transportation and services	25%	25%	25%	2023	149,552,689	137,922,188	24,240,400
Indika Power Investments Pte. Ltd. (IPI)	Singapore	Investment	100%	100%	100%	2006	59,701,636	63,917,590	68,735,100
PT Indika Infrastruktur Investindo (III)	Jakarta	Investment	100%	100%	100%	2007	20,002,457	20,931,547	19,690,582
PT Indika Energy Infrastructure (IEI) and subsidiaries	Jakarta	Trading, development and services	100%	100%	100%	2010	202,005,101	171,246,648	213,590,272
PT Interport Mandiri Utama (IMU) and subsidiaries *)	Jakarta	Management services and trading	100%	100%	100%	2020	197,015,954	165,048,799	171,896,778

Name of Entities	Domicile	Nature of Business	Percentage of Ownership			Start of Commercial Operations	Total Assets Before Elimination		
			December 31, 2023	December 31, 2022	December 31, 2021		December 31, 2023	December 31, 2022	December 31, 2021
							US$	US$	US$
PT Indika Logistic & Support Services (ILSS) *)	Jakarta	Port operation	100%	100%	100%	2011	46,707,378	48,580,298	62,825,160
PT Interport Mandiri Abadi (IMA) and subsidiaries *)	Jakarta	General trading, rental services and leasing, professional, scientist and technical services, real estate, finance services and insurance, and holding company activities	100%	100%	100%	2020	98,703,444	106,213,717	93,113,022
PT Interport Patimban Agung	Jakarta	providing consulting for transportation and others management, head office activities and trading based on fee or contract	100%	100%	100%	Development stage	29,351	50,819	259,040
PT Kariangau Gapura Terminal Energi (KGTE)	Jakarta	Transportation management services, trading and other services	100%	100%	100%	2020	98,679,720	106,179,900	93,082,621
PT Jatim Gapura Terminal Energi (JGTE)	Jakarta	Mining, Excavation ,Transportation	100%	100%	100%	Development stage	350,410	350,410	350,410
PT Cotrans Asia (CTA)	East Kalimantan	Coal transportation and transshipment service	54.8%	-	-	2004	36,222,473	-	-
PT Indika Multi Niaga (IMN) and subsidiary *)	Jakarta	Transportation management services, trading and other services	100%	100%	100%	2019	2,125,823	1,331,624	963,181
PT Mitra Baruna Nusantara (MBN) *)	Jakarta	Stevedoring services	100%	100%	100%	Development stage	441,442	906,635	238,956
PT Elang Mas Andalan (EMA), previously PT Interport Praba Prasarana	Jakarta	Transportation management services	100%	100%	100%	Development stage	14,224	14,674	715,496
PT POSB Reksabumi Indonesia (PRI)	Jakarta	Waste management services	100%	100%	100%	2016	704,717	670,989	573,783
PT Pusat Sarana Baruna (PSB)	Jakarta	Specific port management	100%	100%	100%	2019	12,415,746	10,997,097	12,278,329
Indo Energy Finance II B.V. (IEF BV II) and subsidiary	Netherlands	Financing	-	-	100%	Effectively liquidated on January 10, 2022	-	-	4,264,954
Indo Energy Capital II B.V. (IEC BV II) *)	Netherlands	Financing	-	-	100%	Effectively liquidated on January 7, 2022	-	-	2,483,043
Indika Energy Capital Pte. Ltd. (IECPL) and subsidiaries	Singapore	Business and management consultancy services	100%	100%	100%	2017	797,043,934	866,107,308	1,228,571,915
Indika Energy Capital II Pte. Ltd. (IECPL II) *)	Singapore	Business and management consultancy services	-	100%	100%	Effectively liquidated on October 10, 2023	-	-	327,312
Indika Energy Capital III Pte. Ltd. (IECPL III) *)	Singapore	Business and management consultancy services	100%	100%	100%	2017	255,143,527	287,189,908	540,561,207
Indika Energy Capital IV Pte. Ltd. (IECPL IV) *)	Singapore	Business and management consultancy services	100%	100%	100%	2020	541,416,507	578,407,499	700,823,623

Name of Entities	Domicile	Nature of Business	Percentage of Ownership			Start of Commercial Operations	Total Assets Before Elimination		
			December 31, 2023	December 31, 2022	December 31, 2021		December 31, 2023	December 31, 2022	December 31, 2021
							US$	US$	US$
PT Indika Multi Properti (IMP) and subsidiaries	Jakarta	Constructions, real estate and trading	100%	100%	100%	2019	66,289,677	37,930,647	32,766,561
PT Jaya Bumi Paser (JBP) *)	Jakarta	Agricultural, plantation and farming services	99%	99%	99%	Development stage	19,250,457	5,082,187	571,721
PT Mahabharata Dharma Ekatama (MDE) *)	Jakarta	Services	99%	99%	99%	Development stage	-	-	-
PT Pan Indo Resources (PIR) and subsidiary *)	Jakarta	Services	99%	99%	99%	Development stage	-	-	974,457
PT Telaga Mas Kalimantan (TMK) *)	East Kalimantan	Forest exploitation	95.6%	79%	79%	Development stage	2,052,435	1,377,947	974,219
PT Diva Perdana Pesona (DPP)	Jakarta	Development, mining, trading, industrial, transportation, agricultural/farming/plantation, printing, workshop and services	75%	75%	75%	Development stage	307,835	349,873	191,418
PT Trisetia Citagraha (TCG)	Jakarta	Forest exploitation	80%	80%	80%	2021	942,255	813,499	657,010
PT Laras Ekosistem Organik (Laras)	Jakarta	Other management consultation activities, coffee, tea and cacao trading	100%	-	-	Development stage	5,147,108	-	-
PT Indika Digital Teknologi (IDT) and subsidiaries	Jakarta	Services, general trading, printing and other services	100%	100%	100%	2018	42,349,109	33,787,482	26,289,970
PT Zebra Cross Teknologi (ZCT) *)	Jakarta	Providing information and communication services, professional, scientific and technical services, construction, processing industry, general trading and retail and rental and lease wihout option, manpower, travelling agent and other supporting activities	100%	100%	100%	2018	44,555	127,889	1,556,452
PT Xapiens Teknologi Indonesia (XTI) *)	Jakarta	Digital technology services	100%	100%	100%	2019	13,246,374	9,772,947	8,835,388
Indika Ventures Pte. Ltd. (IDV) *)	Singapore	Management consultancy services	100%	100%	100%	2019	29,079,005	27,595,646	16,140,975
PT Indika Tenaga Baru (ITB) and subsidiaries	Jakarta	Procurement of electricity, gas, steam/ hot water and air, trading, professional, scientific and technical activities and lease without any option, labor, travel agent and other support business.	100%	100%	100%	2021	16,371,365	11,944,710	2,632,313

Name of Entities	Domicile	Nature of Business	Percentage of Ownership			Start of Commercial Operations	Total Assets Before Elimination		
			December 31, 2023	December 31, 2022	December 31, 2021		December 31, 2023	December 31, 2022	December 31, 2021
							US$	US$	US$
PT Empat Mitra Indika Tenaga Surya (EMITS) (Note 15)	Jakarta	Providing consultation services related to solar power installation project; providing building construction for solar power project; operation and maintenance of electricity installation; lease of solar power plant or electricity installation; and activities related to IPP solar power plant	-	51%	51%	2021	-	11,951,502	1,939,128
PT Indika Empat Mitra Surya (IEMS)	Jakarta	Operating lease, technical installation and wholesale trading	-	51%	-	Development stage	-	-	-
PT Empat Mitra Indika Cahaya (EMIC) (Note 15)	Jakarta	Operating lease, technical installation and wholesale trading	-	51%	-	2022	-	640,423	-
PT Indika Mineral Investindo (IMI) and subsidiary	Jakarta	Trading and vehicle repair maintenance; rental services and leasing; professional; scientist and technical services; mining; finance service and insurance; and other services	100%	100%	100%	2019	253,785,174	150,675,019	85,059,608
Nusantara Resources Limited (Nusantara) and subsidiary	Australia	Mining and mineral exploration	100%	100%	100%	Development Stage	203,375,573	107,382,010	82,174,616
Salu Siwa Pty Limited (SSPL)	Australia	Investment	100%	100%	100%	Development Stage	6,375,000	6,375,000	-
PT Masmindo Dwi Area (Masmindo)	South Sulawesi	Gold mining	100%	100%	100%	Development Stage	188,757,153	92,543,143	66,739,009
PT Rockgeo Energi Nusantara (REN)	Jakarta	Transportation and selling of metal mineral commodities	100%	100%	100%	2021	5,201,628	5,498,292	2,302,084
PT Perkasa Investama Mineral (PIM) and subsidiaries	Jakarta	General trading metal and metal ore, management consultancy acvtivities, general trading of solid fuel, liquid fuel and gas, trading based on fee or contract	100%	100%	-	2022	16,973,925	16,538,395	-
PT Mekko Metal Mining (MMM)	Jakarta	Bauxite mining	100%	100%	-	2022	16,584,707	16,367,133	-
PT Perkasa Alumina Indonesia (PAI)	Jakarta	Non-ferrous base metal manufacturing industry	100%	100%	-	Development Stage	833,199	769,317	-
PT Solusi Mobilitas Indonesia (SMI) and subsidiaries	Jakarta	Professional, scientific and technical activities, manufacturing industry, general trading and retail, procurement of electricity, gas, steam/ hot water and air, and lease without any option, labor, travel agent and other support business	100%	100%	-	2022	77,409,991	29,754,647	-
PT Ilectra Motor Group (IMG) and subsidiaries	Jakarta/ Jakarta	Professional, scientific and technical activities, manufacturing industry, general trading and retail, procurement of electricity, gas, steam/ hot water and air, and lease without any option, labour, travel agent and other support business	100%	100%	-	2022	52,199,423	21,643,052	-

Name of Entities	Domicile	Nature of Business	Percentage of Ownership			Start of Commercial Operations	Total Assets Before Elimination		
			December 31, 2023	December 31, 2022	December 31, 2021		December 31, 2023	December 31, 2022	December 31, 2021
							US$	US$	US$
PT Electra Mobilitas Indonesia (EMI)	Jakarta	Trading, professional, scientific and technical activities	100%	100%	100%	2022	32,982,505	16,528,297	1,013,673
PT Electra Distribusi Indonesia (EDI)	Jakarta	General trading business industry, mainly for two- wheeler motor vehicle and its related spare parts and accessories	100%	100%	-	2022	17,358,315	2,058,702	-
PT Electra Auto Indonesia (EAI)	Jakarta	Retail trading business for two-wheeler motor vehicle and its spare parts or accessories and (2) repair maintenance for twowheeler motor vehicles.	100%	100%	-	2022	6,408,273	1,454,446	-
PT Mitra Motor Group (MMG) and subsidiaries	Jakarta	Professional, scientific and technical activities, manufacturing industry, general trading and retail, procurement of electricity, gas, steam/ hot water and air, and lease without any option, labor, travel agent and other support business.	100%	100%	-	Development Stage	9,813,700	7,910,573	-
PT Foxconn Indika Motor (FIM)	Jakarta	Conduct manufacturing business for four or more wheels vehicle and Conduct manufacturing of batterv.	60%	60%	-	Development Stage	559,588	901,350	-
PT Energi Makmur Buana	Jakarta	Manufacturing industry, procurement of electricity, gas, steam/hot water and cold air, wholesale and retail trade, repair and maintenance of cars and motorbikes, construction of electric chargers and procurement of electric buses.	51%	51%	-	2015	8,119,084	2,078,736	-
PT Kalista Nusa Armada/ and subsidiaries	Jakarta	(1) leasing activities, labor, travel agent and other supporting business activities; (2) trading, repair and maintenance for vehicle and motorcycles and (3) procurement of electricity, gas, steam/ hot water, and cold air	100%	-	-	2023	10,794,142	-	-
PT Kalista Rotom Orbita (KRO)	Jakarta	(1) leasing activities, labor, travel agent and other supporting business activities; (2) trading, repair and maintenance for vehicle and motorcycles and (3) procurement of electricity, gas, steam/ hot water, and cold air	100%	-	-	2023	4,565	-	-
PT Kalista Soter Hastia (KSH)	Jakarta	(1) leasing activities, labor, travel agent and other supporting business activities; (2) trading, repair and maintenance for vehicle and motorcycles and (3) procurement of electricity, gas, steam/ hot water, and cold air	100%	-	-	2023	10,574,708	-	-
PT Kalista Nayara Dayautama (KND)	Jakarta	(1) leasing activities, labor, travel agent and other supporting business activities; (2) trading, repair and maintenance for vehicle and motorcycles and (3) procurement of electricity, gas, steam/ hot water, and cold air	100%	-	-	2023	276,916	-	-

Name of Entities	Domicile	Nature of Business	Percentage of Ownership			Start of Commercial Operations	Total Assets Before Elimination		
			December 31, 2023	December 31, 2022	December 31, 2021		December 31, 2023	December 31, 2022	December 31, 2021
							US$	US$	US$
PT Industri Baterai Nusantara (IBN) and subsidiaries	Jakarta	(1) manufacturing industry covering manufacturing of all batteries for electric vehicles; (2) professional, scientific and technical activities and (3) trading, repair and maintenance for vehicle and motorcycles	100%	-	-	Development Stage	-	-	-
PT Manufaktur Teknologi Baterai (MTB)	Jakarta	Battery industry for electric vehicles, including manufacturing of all batteries for electric vehicles	100%	-	-	Development Stage	-	-	-
PT Indika Medika Nusantara (IMAN) and subsidiaries	Jakarta	Management consultancy services, manufacturing business for medical equipment and pharmaceutical drug, wholesale trading for medical equipment and pharmaceutical drug, and other healthcare supporting service.	100%	100%	-	Development Stage	4,085,817	620	-
PT Indika Bioneer Group (BIG) ***)	Jakarta	Professional, science and technical activities, namely other management consulting services, specifically in health sector	50%	-	-	Development Stage	3,897,483	-	-
PT Indika Bioneer Diagnostika (BID) ***)	Jakarta	Distribution of medical equipment.	50%	-	-	Development Stage	3,963,965	-	-

*) Indirect ownership

**) On August 1, 2016, IMEI and IEI, both subsidiaries, entered into Sales and Purchase Deed (SPD) with PT Imeco Multi Prasarana (Imeco), a related party, for 2,099 shares owned by IMEI and 1 share owned by IEI in PEI, which in total represents 75% of ownership in PEI. After the signing of the SPD, IMEI effectively retained 25% of share ownership in PEI. Based on the contractual agreement between IMEI and Imeco, IMEI has sufficiently dominant voting interests and the power to appoint and remove the majority of the board of directors and board of commissioners of PEI that has the power to direct and supervise the relevant activities of PEI. For the actions that require Shareholders approval, the voting requirements is 80% meaning that IMEI should also approve the relevant actions. Therefore it was assessed that IMEI has control over PEI, although it legally owns only 25% ownership interest.

***) BIG, a joint venture between the Company and Bioneer Corporation Korea established in 2023, is operationally directed by the Company in year 2023 and therefore being consolidated to the Company.

Year 2023

Establishment of subsidiaries

i. PT Indika Bioneer Group ("BIG")

On January 11, 2023, the Company's subsidiary, which is 100% directly and indirectly owned by the Company, namely PT Indika Medika Nusantara ("IMAN"), has established a joint venture company with Bioneer Corporation namely PT Bioneer Indika Group ("BIG"). IMAN and Bioneer Corporation each has 50% share ownership in BIG. Establishment of BIG had been stated through Deed of Establishment No. 24 dated January 11, 2023 which was made before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and ratified by the Ministry of Law and Human Rights of Republic of Indonesia through Decree No. AHU-0002375.AH.01.01.TAHUN 2023 dated January 11, 2023.

BIG will conduct business related to professional, science and technical activities, namely other management consulting services, specifically in health sector.

IMAN's participation in BIG is the Group's step to expand and diversify its business activities to health sector in Indonesia.

ii. PT Indika Bioneer Diagnostika ("BID")

On January 25, 2023, BIG and IMAN have established a new company namely PT Bioneer Indika Diagnostika ("BID"), with a total paid-up capital of Rp 31,494,000,000 or equivalent to US$ 2,002,034 where BIG owned 99.97% ownership in BID. Establishment of BID had been stated through Deed of Establishment No. 35 dated January 19, 2023 which was made before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and ratified by the Ministry of Law and Human Rights of Republic of Indonesia through Decree No. AHU-0005905.AH.01.01.TAHUN 2023 dated January 25, 2023.

BID will conduct business in distribution of medical equipment.

Establishment of BID by BIG and IMAN is the Group's step to expand and diversify its business activities to health sector in Indonesia.

iii. PT Empat Mitra Indika Mentari ("EMIM")

EMITS together with ITB, subsidiaries of the Company, established a new subsidiary namely PT Empat Mitra Indika Mentari ("EMIM") as evidenced by Deed No. 3 dated April 3, 2023 made before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and approved by the Ministry of Laws and Human Rights through its Decree AHU-0028698.AH.01.01.TAHUN 2023 dated April 12, 2023.

The authorized capital in EMIM is Rp 40,000,000,000 while the issued and paid-up capital are Rp 10,000,000,000 or equivalent to US$ 671,682 which are issued through 10,000 shares where 9,999 shares amounting to Rp 9,999,000,000 are owned by EMITS and 1 share amounting to Rp 1,000,000 is owned by ITB.

EMIM engages in the business of operating lease and construction.

iv. PT Kalista Nusa Armada ("KALISTA")

SMI together with IEI, subsidiaries of the Company, established a new subsidiary namely PT Kalista Nusa Armada ("KALISTA") as evidenced by Deed No. 20 dated May 11, 2023 made before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and approved by the Ministry of Laws and Human Rights through its Decree AHU-0034393.AH.01.01.TAHUN 2023 dated May 12, 2023.

The authorized capital in KALISTA is Rp 64,000,000,000 while the issued and paid-up capital is Rp 16,000,000,000 or equivalent to US$ 1,086,809 which are issued through 16,000 shares where 15,999 shares amounting to Rp 15,999,000,000 are owned by SMI and 1 share amounting to Rp 1,000,000 is owned by IEI.

KALISTA engages in (1) leasing activities, labor, travel agent and other supporting business activities; (2) trading, repair and maintenance for vehicle and motorcycles and (3) procurement of electricity, gas, steam/ hot water, and cold air.

v. PT Kalista Rotom Orbita ("KRO")

KALISTA together SMI, subsidiaries of the Company, established a new subsidiary namely PT Kalista Rotom Orbita ("KRO") as evidenced by Deed No. 10 dated July 7, 2023 made before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and approved by the Ministry of Laws and Human Rights through its Decree No. AHU-0051236.AH.01.01 dated July 14, 2023.

The authorized capital in KRO is Rp 60,000,000,000 while the issued and paid-up capital is Rp 16,000,000,000 or equivalent to US$ 1,068,233 which are issued through 16,000 shares where 15,999 shares amounting to Rp 15,999,000,000 are owned by KALISTA and 1 share amounting to Rp 1,000,000 is owned by SMI.

KRO engages in (1) leasing activities, labor, travel agent and other supporting business activities; (2) trading, repair and maintenance for vehicle and motorcycles and (3) procurement of electricity, gas, steam/ hot water, and cold air.

vi. PT Kalista Soter Hastia ("KSH")

KALISTA together with SMI, subsidiaries of the Company, established a new subsidiary namely PT Kalista Soter Hastia ("KSH") as evidenced by Deed No. 11 dated July 7, 2023 made before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and approved by the Ministry of Laws and Human Rights through its Decree No. AHU-0051240.AH.01.01 dated July 14, 2023.

The authorized capital in KSH is Rp 150,000,000,000 while the issued and paid-up capital is Rp 37,500,000,000 or equivalent to US$ 2,503,672 which are issued through 37,500 shares where 37,499 shares amounting to Rp 37,499,000,000 are owned by KALISTA and 1 share amounting to Rp 1,000,000 is owned by SMI.

KSH engages in (1) leasing activities, labor, travel agent and other supporting business activities; (2) trading, repair and maintenance for vehicle and motorcycles and (3) procurement of electricity, gas, steam/ hot water, and cold air.

vii. PT Kalista Nayara Dayautama ("KND")

KALISTA together with SMI, subsidiaries of the Company, established a new subsidiary namely PT Kalista Nayara Dayautama ("KND") as evidenced by Deed No. 37 dated September 21, 2023 made before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and approved by the Ministry of Laws and Human Rights through its Decree No. AHU-0071928.AH.01.01.TAHUN 2023 dated September 22, 2023.

The authorized capital in KND is Rp 240,000,000,000 while the issued and paid-up capital is Rp 60,000,000,000 or equivalent to US$ 3,896,863 which are issued through 60,000 shares where 59,999 shares amounting to Rp 59,999,000,000 are owned by KALISTA and 1 share amounting to Rp 1,000,000 is owned by SMI.

KND engages in (1) leasing activities, labor, travel agent and other supporting business activities; (2) trading, repair and maintenance for vehicle and motorcycles and (3) procurement of electricity, gas, steam/ hot water, and cold air.

viii. PT Industri Baterai Nusantara ("IBN")

SMI together with IEI, subsidiaries of the Company, established a new subsidiary namely PT Industri Baterai Nusantara ("IBN") as evidenced by Deed No. 40 dated September 22, 2023 made before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and approved by the Ministry of Laws and Human Rights through its Decree No. AHU-0071936.AH.01.01.TAHUN 2023 dated September 22, 2023.

The authorized capital in IBN is Rp 180,000,000,000 while the issued and paid-up capital is Rp 45,000,000,000 or equivalent to US$ 2,922,647 which are issued through 45,000 shares where 44,999 shares amounting to Rp 44,999,000,000 are owned by SMI and 1 share amounting to Rp 1,000,000 is owned by IEI.

IBN engages in (1) manufacturing industry covering manufacturing of all batteries for electric vehicles; (2) professional, scientific and technical activities and (3) trading, repair and maintenance for vehicle and motorcycles.

ix. PT Manufaktur Teknologi Baterai ("MTB")

IBN together with SMI, subsidiaries of the Company, established a new subsidiary namely PT Manufaktur Teknologi Baterai ("MTB") as evidenced by Deed No. 41 dated September 25, 2023 made before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and approved by the Ministry of Laws and Human Rights through its Decree No. AHU-0072469.AH.01.01.TAHUN 2023 dated September 25, 2023.

The authorized capital in MTB is Rp 180,000,000,000 while the issued and paid-up capital is Rp 45,000,000,000 or equivalent to US$ 2,925,307 which are issued through 45,000 shares where 44,999 shares amounting to Rp 44,999,000,000 are owned by IBN and 1 share amounting to Rp 1,000,000 is owned by SMI.

MTB engages in running battery industry for electric vehicles, including manufacturing of all batteries for electric vehicles.

x. PT Laras Ekosistem Organik ("Laras")

On November 2, 2023, PT Indika Multi Properti and PT Indika Inti Corpindo have established a company namely PT Laras Ekosistem Organik (Laras).

Establishment of Laras had been stated through Deed of Establishment No. 05 dated November 1, 2023 which was made before Ungke Mulawanti, SH., M. Kn., Notary in Bekasi, and ratified by the Ministry of Law and Human Rights of Republic of Indonesia through Decree No. AHU 0083552.AH.01.01.TAHUN 2023 dated November 2, 2023. IMP holds 99.99% of shares in Laras or equivalent to Rp 14,999,999,000 and IIC holds 0.01% shares of Laras or equivalent to Rp 1,000,000.

Laras will conduct business activities for other management consultation activities, coffee, tea and cacao trading.

Year 2022

Establishment of subsidiaries

i. PT Foxconn Indika Motor ("FIM")

On September 22 , 2022, the Company's subsidiary, which is 100% directly and indirectly owned by the Company, namely PT Mitra Motor Group ("MMG"), has established a joint venture company with Foxteq Singapore Pte. Ltd. namely PT Foxconn Indika Motor ("FIM"). Establishment of FIM had been stated through Deed of Establishment No. 19 dated September 22, 2022 which was made before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and ratified by the Ministry of Law and Human Rights of Republic of Indonesia through Decree No. AHU-0065652.AH. 01.01.Tahun 2022 dated September 22, 2022. MMG owns 60% of share ownership or equivalent to Rp 39,000,000,000 or equivalent to US$ 2,479,181 in FIM, while the remaining of 40% or equivalent to Rp 26,000,000,000 or equivalent to US$ 1,652,788 was owned by Foxteq Singapore Pte. Ltd.

FIM will conduct business among others as follows:

a. Conduct manufacturing business for four or more wheels vehicle and
b. Conduct manufacturing of battery.

ii. PT Indika Empat Mitra Surya ("IEMS")

EMITS together with ITB, subsidiaries of the Company, established a new subsidiary PT Indika Empat Mitra Surya ("IEMS") as evidenced by Deed No. 22 dated March 30, 2022 made before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi and approved by the Ministry of Laws and Human Rights through its Decree No. AHU-0022835.AH.01.01.Tahun 2022 dated March 30, 2022.

The authorized capital in IEMS is Rp 40,000,000,000 or equivalent to US$ 2,542,750 while the issued and paid-up capital are Rp 10,000,000,000 which are issued through 10,000 shares where 9,999 shares amounting to Rp 9,999,000,000 are owned by EMITS and 1 share amounting to Rp 1,000,000 is owned by ITB.

IEMS engages in the business of operating lease, technical installation and wholesale trading.

iii. PT Empat Mitra Indika Cahaya ("EMIC")

EMITS together with ITB, subsidiaries of the Company, established a new subsidiary PT Empat Mitra Indika Cahaya ("EMIC") as evidenced by Deed No. 23 dated March 30, 2022 made before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi and approved by the Ministry of Laws and Human Rights through its Decree No. AHU-0022835.AH.01.01. Tahun 2022 dated March 30, 2022.

The authorized capital in EMIC is Rp 40,000,000,000 or equivalent to US$ 2,542,750 while the issued and paid-up capital are Rp 10,000,000,000 which are issued through 10,000 shares where 9,999 shares amounting to Rp 9,999,000,000 are owned by EMITS and 1 share amounting to Rp 1,000,000 is owned by ITB.

EMIC engages in the business of operating lease, technical installation and wholesale trading.

iv. PT Solusi Mobilitas Indonesia ("SMI")

The Company together with IEI, a wholly owned subsidiary of the Company, established a new subsidiary, PT Solusi Mobilitas Indonesia ("SMI"). The establishment of SMI is evidenced by Deed No. 19 dated March 25, 2022 drawn up before Ungke Mulawanti, S.H., M.Kn., Notary in Kabupaten Bekasi, and has been approved by the Minister of Law and Human Rights through its Decree No. AHU-0021734.AH.01.01.TAHUN 2022 dated March 25, 2022.

Authorized and subscribed capital of the Company and IEI each are 49,999 shares amounting to Rp 49,999,000,000 or equivalent to US$ 3,178,373 and 1 share amounting to Rp 1,000,000, respectively.

SMI is involved in the following business industry: (1) professional, scientific and technical activities, (2) manufacturing industry, (3) general trading and retail, (4) procurement of electricity, gas, steam/ hot water and air, and (5) lease without any option, labor, travel agent and other support business.

In April 2022, shareholders of SMI agreed to increase the subscribed and paid-up capital of SMI to Rp 53,000,000,000, wherein 52,999 shares (or equivalent to Rp 52,999,000,000) belongs to the Company and the remaining 1 share (equivalent to Rp 1,000,000 or equivalent to US$ 3,369,080) belongs to IEI. Such change was notarized through deed No. 36 dated April 27, 2022 of Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and was received by MOLHR pursuant to the Acceptance of Information No. AHU-AH.01.03-0234757 on April 29, 2022 and was registered in Legal Entities Administration System of the MOLHR through Company registered No. AHU-0086594.AH.01.11.TAHUN 2022 on the same date.

v. PT Ilectra Motor Group ("IMG")

SMI together with IEI, wholly owned subsidiaries of the Company, established a new subsidiary, PT Ilectra Motor Group ("IMG"). The establishment of IMG is evidenced by Deed No. 24 dated March 31, 2022 drawn up before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and has been approved by the Minister of Law and Human Rights through its Decree No. AHU-0023207.AH.01.01. TAHUN 2022 dated March 31, 2022.

Authorized capital of IMG is Rp 200,000,000,000, with subscribed and paid-up capital of Rp 50,000,000,000, wherein 49,999 shares are owned by SMI amounting to Rp 49,999,000,000 and 1 share owned by IEI amounting to Rp 1,000,000.

IMG is involved in the following business industry: (1) professional, scientific and technical activities, (2) manufacturing industry, (3) general trading and retail, (4) procurement of electricity, gas, steam/ hot water and air, and (5) lease without any option, labour, travel agent and other support business.

In April 2022, shareholders of IMG agreed to increase the subscribed and paid-up capital of IMG to Rp 53,000,000,000, wherein 52,999 shares (or equivalent to Rp 52,999,000,000) belongs to SMI and the remaining 1 share (equivalent to Rp 1,000,000 or equivalent to US$ 3,369,080) belongs to IEI. Such change was notarized through deed No. 37 dated April 27, 2022 of Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and was received by MOLHR pursuant to the Acceptance of Information No. AHU-AH.01.03.0238197 on May 18, 2022 and was registered in Legal Entities Administration System of the MOLHR through Company registered No. AHU-0091464.AH.01.11.TAHUN 2022 on the same date.

In June 2022, shareholders of IMG agreed to increase the authorized capital of IMG to Rp 200,002,822,941 or equivalent to US$ 12,713,929, while at the same time increasing the subscribed and paid-up capital to Rp 163,114,992,875 from Rp 53,000,000,000, by issuing 19,875 B series shares, which were fully subscribed by SMI. Such change was notarized through deed No. 1 dated June 2, 2022, of Ungke Mulawanti, S.H., M.Kn., and was approved by MOLHR on the same date.

vi. PT Electra Distribusi Indonesia ("EDI")

IMG together with SMI, wholly owned subsidiaries of the Company, established a new subsidiary, PT Electra Distribusi Indonesia ("EDI"). The establishment of EDI is evidenced by Deed No. 34 dated April 27, 2022 drawn up before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and has been approved by the Minister of Law and Human Rights through its Decree No. AHU-0030068.AH.01.01.TAHUN 2022 dated April 28, 2022.

Authorized capital of EDI is Rp 4,000,000,000, with subscribed and paid-up capital of Rp 1,000,000,000, wherein 999 shares are owned by IMG amounting to Rp 999,000,000 and 1 share owned by SMI amounting to Rp 1,000,000.

EDI is involved in general trading business industry, mainly for two- wheeler motor vehicle and its related spare parts and accessories.

vii. PT Electra Auto Indonesia ("EAI")

EDI together with SMI, wholly owned subsidiaries of the Company, established a new subsidiary, PT Electra Auto Indonesia ("EAI"). The establishment of EAI is evidenced by Deed No. 38 dated April 28, 2022 drawn up before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and has been approved by the Minister of Law and Human Rights through its Decree No. AHU-0030446.AH.01.01.TAHUN 2022 dated April 29, 2022.

Authorized capital of EAI is Rp 4,000,000,000, with subscribed and paid-up capital of Rp 1,000,000,000, wherein 999 shares are owned by EDI amounting to Rp 999,000,000 and 1 share owned by SMI amounting to Rp 1,000,000.

EAI is involved in (1) retail trading business for two-wheeler motor vehicle and its spare parts or accessories and (2) repair maintenance for two-wheeler motor vehicles.

viii. PT Mitra Motor Group ("MMG")

SMI together with IEI, wholly owned subsidiaries of the Company, established a new subsidiary, PT Mitra Motor Group ("MMG"). The establishment of MMG is evidenced by Deed No. 18 dated June 17, 2022 drawn up before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and has been approved by the Minister of Law and Human Rights through its Decree No. AHU-0040350.AH.01.01.TAHUN 2022 dated June 20, 2022.

Authorized capital of MMG is Rp 40,000,000,000, with subscribed and paid-up capital of Rp 10,000,000,000, wherein 9,999 shares are owned by SMI amounting to Rp 9,999,000,000 and 1 share owned by IEI amounting to Rp 1,000,000.

MMG is involved in the following business industry: (1) professional, scientific and technical activities, (2) manufacturing industry, (3) general trading and retail, (4) procurement of electricity, gas, steam/ hot water and air, and (5) lease without any option, labor, travel agent and other support business.

ix. PT Indika Medika Nusantara ("IMAN")

The Company together with IEI, wholly owned subsidiary of the Company, established a new subsidiary, PT Indika Medika Nusantara ("IMAN"). The establishment of IMAN is evidenced by Deed No. 4 dated November 9, 2022 drawn up before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi, and has been approved by the Minister of Law and Human Rights through its Decree No. AHU-0078421.AH.01.01.TAHUN 2022 dated November 10, 2022.

Authorized capital of IMAN is Rp 160,000,000,000, with subscribed and paid-up capital of Rp 40,000,000,000, wherein 39,999 shares are owned by the Company amounting to Rp 39,999,000,000 and 1 share owned by IEI amounting to Rp 1,000,000.

IMAN is involved in the following business industry: (1) management consultancy services, (2) manufacturing business for medical equipment and pharmaceutical drug, (3) wholesale trading for medical equipment and pharmaceutical drug, and (4) other healthcare supporting service.

Participation in IMAN by the Company and IEI is the Company's group step to expand its business activities to healthcare sector.

Acquisition of subsidiary

i. On January 17, 2022, IMP signed a Share and Purchase Agreement with regards to restructuring TMK's ownerships with (i) PIR with ownership of 550,000 shares (representing 55% ownership by PIR in TMK), (ii) MDE with ownership of 250,000 shares (representing 25% ownership by MDE in TMK), and (iii) MEP with ownership of 155,949 shares (representing 15.6% ownership by MEP in TMK). Agreed selling price for the above transaction amounted to Rp 95,594,900,000 (equivalent to US$ 6,699,477). The above transactions have been reported to the Minister of Law and Human Rights (MOLHR) on January 19, 2022. IMP has effective direct ownerships of TMK of 95.6%.

   The real net cash outflow made to third parties for the above transactions was Rp 53,472,900,000, wherein Rp 11,848,000,000 (equivalent to US$ 827,839) was made in advance during year 2021 and the remaining of Rp 41,624,900,000 (equivalent to US$ 2,799,139) was made in 2022.

ii. IMI and PT Cipta Optima Andhika ("COA") signed a Conditional Sale and Purchase Agreement dated August 29, 2022, wherein COA agreed to sell its 100% share ownership in PT Perkasa Investama Mineral (PIM), consisting of 23,000 series A shares and 3,833 series B shares, to IMI. The sale and purchase of 100% shares in PIM had been completed on September 26, 2022 through Deed of Shares Sale and Purchase No. 22 of Ungke Mulawanti, S.H., M.Kn., notary in Bekasi dated September 26, 2022 by and between COA and IMI. Total transaction price for the above shares amounted to Rp 74,899,000,000 (equivalent to US$ 5,000,000).

   The initial accounting for this acquisition was accounted for using the purchase method based on the fair value of the identifiable net assets of PIM, based on its September 30, 2022 consolidated financial statements. As of the acquisition date, fair value of PIM's identifiable net assets amounted to US$ 4,167,644, mainly consisted of (1) cash of US$ 74,198; (2) Other assets of US$ 16,005,041; (3) total liabilities of US$ 14,725,263; (4) intangible assets of US$ 3,607,267 (Note 23) and deferred tax liabilities of US$ 793,599.

   The above initial accounting for acquisition results in goodwill of US$ 832,356 (Note 24), consisted of (1) consideration transferred amounted Rp 74,899,000,000 (equivalent to US$ 5,000,000) and (2) fair value of identifiable net assets acquired amounted to US$ 4,167,644.

   The fair value of intangible assets was estimated by applying the income approach, with Multiple Period Excess Earning method, and were determined by Kantor Jasa Penilai Publik (KJPP) Aditya Iskandar & Rekan, an independent appraiser. Discount rate used on the intangible asset was 14.32%.

   Post-acquisition in September 2022, contribution from PIM to the consolidated revenues and expenses were not considered significant as PIM has just started its production commercially.

   Further, IMI injected US$ 4,000,000 to PIM for newly issued shares of PIM.

   Intangible assets represent identifiable assets and are recognized separately from goodwill, which resulted from the bauxite license agreement. Intangible assets are amortized using the straight-line method over the period from the commercial operation date until the expiration of the license.

   A deferred tax liability resulting from the acquisition was measured using PIM's tax rate. The estimated increase in deferred tax liabilities arise primarily from the fair value adjustment for non-deductible intangible assets, which were recognized in accordance with PSAK.

   Net cash outflow on the acquisition amounted to:

	US$
Net cash outflow on the acquisition	(9,000,000)
Cash and cash equivalents acquired	74,198
Total	(8,925,802)

On March 24, 2023, IEI and IMI have signed a Share Sale and Purchase Agreement in relation to sale of IMI's 0.0011% ownership in PT Perkasa Investama Mineral to IEI. IMI's share that is sold to IEI is 1 Series A share, with selling price of Rp 1,000,000.

iii. On October 17, 2022, PT Mitra Motor Group ("MMG"), a subsidiary, has invested in PT Energi Makmur Buana ("EMB"), a company engaged in distribution of electric four wheelers vehicles business ("Share Subscription"). Share Subscription conducted by MMG was through conversion of loan in the amount of Rp 20,000,000,000 or equivalent to US$ 1,302,338, granted by MMG to EMB based on Mandatory Convertible Loan dated September 16, 2022. After the Share Subscription, MMG has 14,572 shares (representing 51% ownership) in EMB, while the other 14,000 shares (representing 49% ownership) is owned by PT Buana Auto Sejahtera.

This Share Subscription was stated in notarial deed No. 19 dated October 17, 2022, made before Ungke Mulawanti, S.H., M.Kn., which obtained approval from the Ministry of Law and Human Rights of the Republic of Indonesia ("MOLHR") No. AHU-0075337.AH.01.02.Tahun 2022 dated October 18, 2022 and its notification has been received by MOLHR based on its decree No. AHU-AH.01.03-0303424 dated October 18, 2022.

This Share Subscription serves as the Group's step to expand its business activities to electric vehicles sector, especially four-wheelers electric vehicles, in Indonesia.

This acquisition was accounted for using the purchase method based on the fair value of the identifiable net assets of EMB, based on September 30, 2022 financial statements. As of the acquisition date, fair value of identifiable net assets acquired of EMB amounted to Rp 51,831,183,752 (equivalent to US$ 3,375,086), which consisted of:

	September 30, 2022	September 30, 2022
	Rp	US$
Asset		
Cash and cash equivalents	12,008,481,661	781,955
Advance to vendors	10,033,940,013	653,379
Deferred charges	8,053,500,000	524,419
Other current assets	1,955,133,984	127,312
Property, plant and equipment - net	2,927,600,000	190,636
Intangible assets (Note 23)	21,000,000,000	1,367,520
Other non-current assets	579,071,166	37,643
Liabilities		
Trade accounts payable	27,500,000	1,791
Taxes payable	10,642,489	693
Other current liabilities	68,180,583	4,440
Deferred tax liabilities	4,620,220,000	300,854
Net assets	51,831,183,752	3,375,086

The acquisition results in gain from a bargain purchase of Rp 6,433,903,714 (equivalent to US$ 418,956), consisted of (1) consideration transferred amounted Rp 20,000,000,000 (equivalent to US$ 1,302,338); (2) noncontrolling interest amounted to Rp 25,397,280,038 (equivalent to US$ 1,653,792); and (3) fair value of identifiable net assets acquired amounted to Rp 51,831,183,752 (equivalent to US$ 3,375,086).

The fair value of intangible assets was estimated by applying the income approach, with Multiple Period Excess Earning method, and were determined by Kantor Jasa Penilai Publik (KJPP) Aditya Iskandar & Rekan, an independent appraiser. Discount rate used on the intangible asset was 11.26%.

As of the acquisition date, EMB was not yet at commercial operation stage hence there were no revenue contribution from EMB in 2022. Net loss of EMB included in the consolidated profit or loss amounted to US$ 148,051 in 2022.

Intangible assets represent identifiable assets and are recognized separately from goodwill, which resulted from the distribution agreement. Intangible assets are amortized using the straight-line method over the period from the commercial operation date until the expiration of the distribution contract.

A deferred tax liability resulting from the acquisition was measured using EMB's tax rate. The estimated increase in deferred tax liabilities arise primarily from the fair value adjustment for non-deductible intangible assets, which were recognized in accordance with PSAK.

Net cash outflow on the acquisition amounted to:

	US$
Net cash outflow on the acquisition	(1,302,338)
Cash and cash equivalents acquired	781,955
Total	(520,383)

Year 2021

Establishment of subsidiaries

i. PT Indika Tenaga Baru ("ITB")

The Company together with PT Indika Energy Infrastructure ("IEI"), a wholly owned subsidiary of the Company, established a new subsidiary, PT Indika Tenaga Baru ("ITB"). The establishment of ITB is evidenced by Deed No. 2 dated February 3, 2021 drawn up before Ungke Mulawanti, Notary in Kabupaten Bekasi, and has been approved by the Minister of Law and Human Rights through its Decree No. AHU-0008434.AH.01.01.Tahun 2021 dated February 4, 2021.

ITB is involved in the following business industry: (1) procurement of electricity, gas, steam/ hot water and air, (2) trading, (3) professional, scientific and technical activities and (4) lease without any option, labor, travel agent and other support business.

In April 2021, the Company and IEI transferred 12,499 shares (representing 49.996%) amounting to Rp 12,499,000,000 (equivalent to US$ 875,954) and 1 share (representing 0.004%) amounting to Rp 1,000,000 (equivalent to US$ 70) of ITB, respectively, to PT Tripatra Multi Energi ("TIME"). After the transfer, the Company and TIME each own 50% of ownership in ITB. The above change was reflected in Deed of ITB No. 21 dated April 26, 2021 made before Ungke Mulawanti, SH., M.Kn., Notary in Bekasi which notification had been approved by the Ministry of Law and Human Rights of the Republic of Indonesia through a Decree No. AHU-AH.01.03-0270088 dated April 27, 2021.

ii. PT Interport Patimban Agung ("IPA")

On February 1, 2021, PT Interport Patimban Agung ("IPA") was established with issued capital of Rp 125,000,000 (equivalent to US$ 8,902), in which IMU has 99.2% ownership while the 0.8% ownership belongs to ILSS. The approval for establishment of IPA was obtained from Minister of Law and Human Rights (MOLHR) on February 9, 2021. In accordance with its Articles of Association, IPA's scope of activities is providing consulting for transportation and others management, head office activities and trading based on fee or contract.

iii. PT Electra Mobilitas Indonesia ("EMI")

The Company together with IEI, established PT Electra Mobilitas Indonesia ("EMI"). The establishment of EMI is notarized by Deed No. 3 dated April 5, 2021 drawn up before Ungke Mulawanti, Notary in Kabupaten Bekasi, and has been approved by the Minister of Law and Human Rights through its Decree No. AHU-0023580.AH.01.01.TAHUN 2021 dated April 6, 2021.

Authorized and subscribed capital of EMI are 39,999 shares owns by the Company amounting to Rp 39,999,000,000 (equivalent to US$ 2,803,208) and 1 share owns by IEI amounting to Rp 1,000,000 (equivalent to US$ 70), respectively.

EMI's line of business are general trading of two-wheelers and its auto-parts, and auto-parts and components for car.

iv. PT Empat Mitra Indika Tenaga Surya ("EMITS")

ITB together with Fourth Partner Energy Singapore Pte. Ltd. ("4PEL") established PT Empat Mitra Indika Tenaga Surya ("EMITS"). The establishment of EMITS is notarized by Deed No. 2 dated March 3, 2021 drawn up before Ungke Mulawanti, Notary in Kabupaten Bekasi, and has been approved by the Minister of Law and Human Rights through its Decree No. AHU-0015614.AH.01.01.TAHUN 2021 dated March 4, 2021.

Authorized and subscribed capital of EMITS is Rp 111,912,000,000 (equivalent to US$ 7,822,182) and Rp 27,978,000,000 (equivalent to US$ 1,955,546), respectively, wherein from the total subscribed capital, ITB's portion of shares is Rp 14,269,000,000 (or equivalent to 51.001%), while the remaining belongs to 4PEL.

EMITS is involved in the following business industry: (1) providing consultation services related to solar power installation project; (2) providing building construction for solar power project; (3) operation and maintenance of electricity installation; (4) lease of solar power plant or electricity installation; and (5) activities related to IPP solar power plant.

Establishment of EMITS is part of the Company's business expansion to renewable energy sector, specifically related to solar power plant activities in Indonesia.

Acquisition of subsidiary

i. PT Diva Perdana Pesona ("DPP")

Based on circular resolution dated March 17, 2021, in lieu of an extraordinary general meeting shareholder of PT Diva Perdana Pesona ("DPP") which was stated in a Notarial Deed No. 8 dated March 17, 2021, IMP subscribed 900 shares or representing 60% ownership of DPP, with transaction value of Rp 13,941,000,000 (equivalent to US$ 963,042). The above transactions was reported to MOLHR on March 18, 2021.

On March 19, 2021, IMP subscribed additional shares of DPP, by signing a Deed of Share Purchase Agreement with regards to sale of 135 shares (representing 9% ownership) owned by PT North Auto Mega and 90 shares (representing 6% ownership) owned by PT Gemilang Indo Raya in DPP at a total agreed selling price of Rp 7,809,000,000 (equivalent to US$ 539,445).

DPP owns license for industrial forest plantation ("HTI") business in the province of Kutai Timur, East Kalimantan measuring approximately 29,485 ha.

The initial accounting for this acquisition was accounted for using the purchase method based on the book value of the identifiable net assets of DPP, based on its March 31, 2021 financial statements. As of the acquisition date, book value of DPP's identifiable net assets amounted to Rp 6,409,448,232 (eqivalent to US$ 442,764), consisted of (1) cash of Rp 236,882,012 (equivalent to US$ 16,364) (2) Other noncurrent assets of Rp 2,887,005,000 (equivalent to US$ 199,434) (3) intangible assets (after netting-off with the deferred tax liability) of Rp 17,228,025,012 (equivalent to US$ 1,190,109) and (4) total liabilities of Rp 13,942,463,792 (equivalent to US$ 963,143). The fair value of intangible assets was estimated by applying the income approach, with Multiple Period Excess Earning method, and were determined by Public Appraisal Service Office (KJPP) Suwendho Rinaldy & Rekan, an independent appraiser. Discount rate used on the intangible asset was 14.2%.

The acquisition result in goodwill of Rp 10,095,331,061 (equivalent to US$ 697,384), consisted of (1) consideration transferred amounted Rp 13,941,000,000 (equivalent to US$ 963,042) (2) non-controlling interest amounted to Rp 2,563,779,293 (equivalent to US$ 177,106) and (3) fair value of identifiable net assets acquired amounted to Rp 6,409,448,232 (equivalent to US$ 442,764).

Post-acquisition in March 2021, contribution from DPP to the consolidated revenues and expenses was not considered significant as DPP has yet to produce commercially.

ii. PT Trisetia CitaGraha (TCG)

On December 29, 2021, IMP signed a Deed of Share Purchase Agreement ("SPA") between PT Karya Sukses Unggulan ("KSU") and PT Intan Citra Perkasa ("ICP") with regards to sale of 4,353 shares and 1,979 (representing 55.0% and 25.0% ownership by KSU and ICP in PT Trisetia CitaGraha ("TCG")) at an agreed selling price of Rp 50,000,000,000 (equivalent to US$ 3,453,016). The above transactions have been reported to MOLHR on December 30, 2021.

TCG is a company that owns license for Forestry concession rights in Central Kalimantan with Decision Letter No. SK.395/Menhut-II/2006 and total area 28,200 ha. until February 2022. In 2020, the Company's received an extension license for Forestry concession rights (IUPHHK-HA) based on Decision Letter No. SKK.477/menlhk/Setjen/HPL.0/12/2020 with total area +/- 24,287 ha at East Barito Regency, Central Kalimantan Province for 28 years, starting from February 2022 until February 2050.

This acquisition was accounted for using the purchase method based on the fair value of the identifiable net assets of TCG, based on December 31, 2021 financial statements. As of the acquisition date, fair value of identifiable net assets acquired of TCG amounted to Rp 39,664,780,395 (equivalent to US$ 2,786,035), mainly consisted of (1) cash of Rp 448,278,683 (equivalent to US$ 31,487); (2) receivable of Rp 574,430,287 (equivalent to US$ 40,348) (3) other current assets of Rp 290,946,177 (equivalent to US$ 20,436) (4) other non-current assets of Rp 9,021,776,063 (equivalent to US$ 633,685) (5) intangible assets (after netting-off with the deferred tax liability) of Rp 30,204,127,789 (equivalent to US$ 2,121,523) determined for TCG's forestry license and (3) total liabilities of Rp 874,778,604 (equivalent to US$ 61,444). The fair value of intangible assets was estimated by applying the income approach, with Multiple Period Excess Earning method, and were determined by Kantor Jasa Penilai Publik (KJPP) Suwendho Rinaldy & Rekan, an independent appraiser. Discount rate used on the intangible asset was 14.2%.

The acquisition results in goodwill of Rp 18,268,175,684 (equivalent to US$ 1,224,188), consisted of (1) consideration transferred amounted Rp 50,000,000,000 (equivalent to US$ 3,453,016); (2) non-controlling interest amounted to Rp 7,932,956,079 (equivalent to US$ 557,207); and (3) fair value of identifiable net assets acquired amounted to Rp 39,664,780,395 (equivalent to US$ 2,786,035).

iii. PT Rockgeo Energi Nusantara ("REN")

IMI and IIR signed a Conditional Sale and Purchase Agreement dated November 26, 2021 with PT Citra Optima Andhika ("COA") and Syaifullah Abrar ("Syaifullah") for the sale and purchase of 100% shares in PT Rockgeo Energi Nusantara ("REN"). The sale and purchase of the 100% shares in REN had been completed on December 13, 2021 through (i) Deed of Shares Sale and Purchase No. 15 of Ungke Mulawanti, SH, notary in Bekasi dated December 13, 2021 by and between COA and IMI and (ii) Deed of Shares Sale and Purchase No. 16 of the same notary dated December 13, 2021 by and between Syaifullah and IMI. Total transaction price for the above shares amounted to Rp 29,000,000,000 (equivalent to US$ 2,020,765).

This transaction serves as the Company's strategic initiative for diversification and its step to enter into the Nickel Ore trading.

The acquisition results in goodwill of Rp 28,881,632,946 (equivalent to US$ 2,012,519), consisted of (1) consideration transferred amounted Rp 29,000,000,000 (equivalent to US$ 2,020,765) and (2) fair value of identifiable net assets acquired amounted to Rp 118,367,054 (equivalent to US$ 8,246).

iv. PT Telaga Mas Kalimantan ("TMK")

On December 13, 2021, IMP and PT Mahabharata Eka Paksi ("MEP") signed a Share and Purchase Agreement with regards to (i) additional ownership of 3,018 shares (representing 5.25% ownership by MEP in PIR) to IMP at an agreed selling price of Rp 3,018,000,000 (equivalent to US$ 209,904), and (ii) additional ownership of 1,059 shares (representing 5.25% ownership by MEP in MDE) to IMP at an agreed selling price of Rp 1,059,000,000 (equivalent to US$ 73,654). The above transactions have been reported to the Minister of Law and Human Rights (MOLHR) on December 16, 2021. Effective indirect ownerships of PT Telaga Mas Kalimantan increases from 75% to 79%.

v. Nusantara Resources Limited ("Nusantara")

On October 6, 2021, the Company through its subsidiary, namely PT Indika Mineral Investindo ("IMI"), has acquired all the issued shares of Nusantara Resources Limited ("Nusantara") (other than the shares that the Company or IMI has already owned) by way of a Scheme of Arrangement as governed under the Australian Corporations Act 2001 (Cth) ("Transaction") (Note 53). Conditions precedent described in Note 53 have been fulfilled and the Transaction has obtained (i) approval from general meeting of shareholders of Nusantara on September 22, 2021, and (ii) approval from Australian court on September 24, 2021.

For this transaction, IMI has paid AUD 0.35 cash per share for the remaining 168,041,107 shares in Nusantara (including shares issued on the exercise of performance rights) with total amount of AUD 58,814,387 or equivalent to US$ 42,775,750.

Upon completion of Transaction, Nusantara was delisted from Australian Securities Exchange with effect from close of trading on October 7, 2021.

Prior to control being obtained, the Company has 27.75% direct and indirect ownership interest in Nusantara, which is accounted for using the equity method. As part of accounting for the business combination, IMI remeasures any previously held interest at fair value and takes this amount into account in the determination of gain from bargain purchase. The fair value of previously held interest was determined based on the considerations transferred for the 72.25% ownership in Nusantara. Any resultant gain or loss is recognised in profit or loss.

Loss on revaluation from fair value of IMI's previously held ownership interest in Nusantara is as follows:

	US$
Fair value of 27.75% ownership interest in Nusantara and 25% ownership in Masmindo previously held	36,164,504
Less: carrying amount of investment in Nusantara and Masmindo as of September 30, 2021	38,806,615
Loss recognized in profit or loss	(2,642,111)

On the effective date of the acquisition, the Company directly and indirectly owns 100% of Nusantara's ownership interest.

As of September 30, 2021, the fair value of the identifiable net assets of Nusantara was US$ 92,129,130, based on the consolidated financial statements of September 30, 2021. The identifiable net assets of Nusantara including intangible assets amounted to US$ 15,580,232, which is estimated to be by applying the income approach, using the greenfield discounted cash flow method and determined by the Public Appraisal Service Office (KJPP) Ruky, Safrudin & Partners, an independent appraiser.

The following are the measurements for the assumptions and inputs in calculating the fair value:

- Cost of equity : 8.6% – 8.8%
- Gold price at operational period ranges from US$ 1,407 – US$ 1,552 per Oz
- WACC : 7.6% - 7.8%
- Discount rate on intangible assets: 8.1%- 8.3%

As of the acquisition date, accounting and determination of fair value of identifiable net assets acquired of Nusantara is as follows:

	US$
Asset	
Cash and cash equivalents	3,573,709
Other accounts receivable	402,258
Property, plant and equipment	704,118
Exploration and evaluation assets (Note 17)	71,252,524
Other noncurrent assets	616,288
Intangible assets (Note 23)	15,580,233
Total	92,129,130
Liabilities	
Other accounts payable	739,352
Deferred payment	14,773,695
Other current liabilities	25,192
Deferred tax liabilities	3,427,651
Total	18,965,890
Net assets	73,163,240

Goodwill from the acquisition of Nusantara is determined as follows:

	US$
Cash considerations paid	42,775,750
Fair value of 27.75% ownership interest in Nusantara and 25% ownership in Masmindo previously held	36,164,504
Total	78,940,254
Less: Fair value of the identifiable net assets acquired	73,163,240
Goodwill	5,777,014

As of the acquisition date, Nusantara and its subsidiary, Masmindo were not yet at production stage, hence no revenue contribution from Nusantara in 2021. Net loss of Nusantara and its subsidiary included in the consolidated profit or loss amounted to US$ 1,108,662 in 2021.

Had the business combination been affected on January 1, 2021, the profit for the year attributable to owners of the Company would have included additional loss of US$ 4,843,997. The management considers these pro-forma numbers to represent an approximate measure of the combined the Company and its subsidiaries on an annualized basis.

Intangible assets represent identifiable assets and are recognized separately from goodwill, which resulted from the Gold Contract of Work owned by Masmindo, a subsidiary of Nusantara until year 2050. Intangible assets are amortized using the straight-line method over the period from the production date until the expiration of the Contract of Work.

A deferred tax liability resulting from the acquisition was measured using Masmindo's tax rate. The estimated increase in deferred tax liabilities arise primarily from the fair value adjustment for non-deductible intangible assets, which were recognized in accordance with PSAK.

Net cash outflow on the acquisition amounted to:

	US$
Net cash outflow of the acquisition	42,775,750
Cash and cash equivalents acquired	(3,573,709)
Total	39,202,041

e. Subsidiaries collateralized to bonds and loan facilities

The Company's direct and indirect ownership in IIC, TPE, TPEC, TS, IECPL III, IECPL IV and KJA were used as security for the bonds payable on first priority basis (Note 33), which was shared pari passu with the Company's syndicated loans (Notes 30 and 53).

The share ownership in IPI was used as collateral in relation to a related party's loan facility (Note 53).

The Company's indirect ownership in CEPR was pledged with PT Bank Mizuho Indonesia (Note 53).

f. Restructuring under common control

The Group finalized several common control transactions to be able to integrate and optimize services to clients and to support business development:

Year 2023

On February 13, 2023, PT Interport Mandiri Utama ("IMU") signed Share Sales and Purchase Agreement relating to shares in PT Cotrans Asia ("CTA") with PT Tripatra Engineers and Constructors ("TPEC"), wherein TPEC agreed to sell its 1,800 shares (representing 45% of ownership) in CTA to IMU and IMU agreed to purchase the shares at the transaction price of Rp 31,950,000,000 or equivalent to US$ 2,113,095.

On February 13, 2023, PT Interport Mandiri Utama ("IMU") signed Share Sales and Purchase Agreement relating to shares in CTA with PT Kalimantan Citra Bara ("KCB"), wherein KCB agreed to sell its 392 shares (representing 9.8% of ownership) in CTA to IMU and IMU agreed to purchase the shares at the transaction price of Rp 6,958,000,000 or equivalent to US$ 460,185.

Year 2022

PT Electra Mobilitas Indonesia ("EMI")

On July 4, 2022, the Company entered into Share Sales and Purchase Agreement with PT Ilectra Motor Group (a subsidiary) ("IMG") wherein (1) the Company agreed to sell its 39,999 shares in EMI to IMG at a selling price of Rp 40.5 billion or equivalent to US$ 2,574,534 and (2) IMG agreed to reimburse advance for share capital of Rp 10 billion, which was injected by the Company in EMI.

Such Share Sales and Purchase Agreement was notarized under deed No. 3 dated July 4, 2022, of Ungke Mulawanti, S.H., M.Kn., notary public in Bekasi.

g. Purchase of shares from non-controlling interest of subsidiary

On September 15, 2017, IIR and IETPL, both subsidiaries, entered into Sales and Purchase Agreement (SPA) with PT Mitra Paramarta Prima ("MPP") as non-controlling interest, for 300 shares and 900 shares owned by MPP in IET, respectively, which in total represents 40% of ownership in IET.

On the same date, ICI, with 60% ownership in IET, entered into Sales and Purchase Agreement (SPA) with IETPL, related party, for 1,800 shares owned by ICI in IET.

After the signing of the SPA, IETPL and IIR effectively retained 90% and 10% of share ownership in IET, respectively.

Based on the SPA, total purchase price of shares by IIR and IETPL amounted to Rp 1,200,000,000 (equivalent to US$ 85,076). No gain or loss recognized from the above transaction which was accounted for as an equity transaction.

The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid amounting to US$ 932,505 was recognized in other component of equity.

On November 29, 2018, ICI entered into agreement with Prime Empire Investments Pte. Ltd. for acquisition of 2,625,000 shares of MUTU for US$ 9,900,000. The transaction was approved by The Ministry of Energy and Mineral Resources (ESDM) based on its letter No. 176/30/MEM.B/2019 dated May 13, 2019. On July 17, 2019, all conditions precedents have been fulfilled. After the effective of this transaction, the Company has fully owned MUTU, through IIR with 85% of ownership and ICI with 15% of ownership.

The difference between the amount recognized by which the non-controlling interest are adjusted and the fair value of the consideration paid amounting to US$ 33,492,429 was recognized in other component of equity.

h. Coal Contract of Work ("CcoW")

MUTU is a CcoW Company in the Province of Central Kalimantan with working area of approximately 24,970 hectares (ha). The CcoW was signed in 1997 with the Government of the Republic of Indonesia.

The following terms and conditions, among others, are set forth in the CcoW:

- MUTU acts as a Government Contractor and is granted the sole right in exploring, mining, purifying and processing, transporting and selling resources found in South, North and East, Province of Barito, Central Kalimantan with total exploration area of 24,970 hectares (Ha).
- Upon completion of the construction of facilities, MUTU's operating period shall be for 30 years commencing on the first mining operation, or such longer period as the Minister of Mines and Energy of the Republic of Indonesia may approve. MUTU commenced its 30-year operating period on May 4, 2009.
- MUTU is entitled to 86.5% of the total coal produced with the remaining 13.5% being the Government's share of production.
- MUTU is responsible to finance its exploration and general survey activities in the mining area and is obliged to pay taxes and/or other penalties to the Government and costs with regard to the mining activities.
- MUTU is entitled to fully control and has sole management on all of the activities mentioned in the agreement, and take full responsibility and bear all risks in accordance with the terms and conditions of the agreement. MUTU is also allowed to employ related or third party registered sub-contractors, to perform various mining activities deemed necessary by MUTU, including the construction of the facilities, as well as provision of technical, managerial and administration services.

On September 18, 2014, MUTU signed a Memorandum of Understanding with the Government of the Republic of Indonesia regarding the amendment to the CcoW, documenting the result of discussion, among others:

- MUTU may maintain an area of 24,970 Hectares (Ha),
- After the expiration of CcoW, the Government may grant Special Mining Operation Permit to MUTU, as much as two periods gradually, each for ten years period,
- MUTU is required to fulfill its obligation on corporate income tax, value added tax, and local taxes in accordance with CcoW,
- The Government is entitled to 13.5% production royalty in cash based on FOB (free on board) price or the price at MUTU's final loading facility (at sale point),
- In case the Government needs coal (in kind), the Government's share of 13.5% must be given by MUTU in the form of coal (in kind),
- In case MUTU conducted underground mining activities or produced low quality coal, the Government's share may be reconsidered based on new feasibility study submitted by MUTU and approved by the Government,
- Obligation in domestic coal processing,
- Divestment of obligation for foreign capital investment companies,
- Use of local labor, domestic products and services.

MUTU is estimated to have an aggregate of 40.6 million tons of coal reserves and 75.2 million tons of coal resources, based on management estimates. MUTU was not in production when acquired in 2012. However, MUTU resumed its production in July 2016, following an upgrade of certain mining infrastructures. MUTU's total coal production for the year ended December 31, 2023 was 1,496,622 MT, with accumulated production of approximately 9,905,972 MT effective from the date it resumed production on July 2016.

In 2017, management of IIR has reconsidered its strategies on MUTU's coal productions for both thermal and coking coal, by putting into considerations the coal prices, stripping ratios, expected capital expenditures, and the related coal licenses, and has therefore decided to postpone the coking coal production and recomputed its expected recoverable amount from its cash generating unit, MUTU.

The recoverable amount of this cash generating unit is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a period until 2031, and a discount rate of 11% per annum. Major assumptions in developing the cash flow projections are fuel price and coal selling price, referenced to certain benchmark in line with coal quality of MUTU, and assumed to grow steadily at 2.23% per annum.

The recoverable amount of the cash-generating unit is less than its carrying amount as of December 31, 2017, hence an impairment loss of US$ 170,394,142 was recognized. The impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the unit and then to the other assets of the unit prorate on the basis of the carrying amount of each asset in the unit. Details of impairment allocation to goodwill and other assets is as follows:

	US$
Goodwill	56,745,431
Intangible assets	93,676,883
Mining properties	10,934,214
Property, plant and equipment	9,037,614
Total	170,394,142

On January 17, 2018, MUTU entered into an Amendment of Work Agreement on Coal Mining Concession with the Government of the Republic of Indonesia. Some of the changes contained in the Amendment are as follows:

- Fixed Fees or Deadrent follows the applicable regulations (PP No. 9 of 2012), for the production phase is US$ 4 per hectare.

- Land and Building Tax using the applicable law with the following tax base (PER 32 Year 2012).

  Sales Value of Taxable Object (NJOP) x 40% x 0.5%.

  The NJOP classification for land and buildings are determined by the Regulation of Minister of Finance while the determination of NJOP at the mine site is based on comparison with the price around the mine site.

  NJOP Production Land is determined by multiplying the net proceeds of the mine production by the Capitalisation Figures determined by the Decree of the Director General of Taxes (For the Year 2014 in accordance with KEP Dirjen No. 33 Year 2014 of 10.25).

- Local Taxes and Levies in accordance with the provisions of laws and regulations in the field of Local Taxes and Levies, as well as changes, additions, and/or substitutes.

- The Operation Period may be extended by the Minister in the form of a Special Mining Operation Permit, may be renewed twice each for ten years by applying for the continuation of mining operations at the earliest 2 years and no later than 6 months before the expiration of the production operation period.

i. Production Operation Mining Business Permit

Based on the Decree of the Regent of Kutai Timur No. 540.1/K.641/ITK/VII/2012 dated June 6, 2012, MEA was granted a Production Operation Mining Business Permit for 20 years for 3,650 ha, located in the Kutai Timur Regency, East Kalimantan Province. However, as of the issuance date of the consolidated financial statements, MEA is still under exploration stage to determine its coal reserve.

j. Coal Cooperation Agreement

KJA's activities are governed by the provisions of the Coal Cooperation Agreement ("Coal Agreement") No. J2/Ji.DU/40/82 which was entered by KJA and PT Tambang Batubara Bukit Asam ("PTBA"), formerly Perusahaan Negara Tambang Batubara, and approved by the Minister of Mines and Energy on September 14, 1982.

Under the terms of the Coal Agreement, KJA acts as the contractor of PTBA responsible for coal mining operations in an area located in East Kalimantan where PTBA has exclusive authority to mine.

KJA commenced its 30-year operating period on March 14, 1993.

Based on Presidential Decree No. 75/1996 dated September 25, 1996, and an amendment to the Coal Agreement between PTBA and KJA on June 27, 1997, all rights and obligations of PTBA under the Coal Agreement were transferred to the Government of the Republic of Indonesia (the "Government of Indonesia" or the "Government") represented by the Minister of Mines and Energy (now Minister of Energy and Mineral Resources - "MoEMR") with effect from July 1, 1997.

Significant financial provisions of the Coal Agreement include:

i. Entitlements under the agreement

Under the terms of the Coal Agreement, KJA is entitled to:

- Maintain its accounting records in United States Dollars ("US$" or "U.S. Dollars"); and
- Take 86.5% of the total coal produced from the final production processes established by KJA and available for sale hereunder in each calendar year, whilst the Government reserves and retains the remaining portion, i.e. 13.5% as its share of the total production hereunder.

ii. Dead rent

Pursuant to the Coal Agreement, KJA shall pay dead rent to the Government in half- yearly installments during the term of the Coal Agreement which is recoverable by KJA as operating costs. Dead rent is to be calculated with reference to the number of hectares included in the Coal Agreement area in accordance with the rates stipulated in the Coal Agreement for each period/stage of operation.

iii. Initial cost

KJA shall pay to the Government the sum of US$ 500,000 within 30 days of signing the Coal Agreement as a contribution to the Government's initial costs. This cost has been charged to pre-operating expenses.

iv. Equipment

KJA shall finance the cost of purchasing materials, supplies, plant and equipment (the "Equipment") and this Equipment shall become the property of the Government when landed at the Indonesian port of import or purchased locally.

v. Corporate income taxes

Corporate income taxes in respect of the annual profits of KJA should be computed in accordance with the prevailing laws and regulations in Indonesia except that during the first full ten years from and after commencement of the operating period the annual corporate tax rate shall only be 35% of the taxable income and during the remainder of the operating period thereafter the corporate tax rate shall only be 45% of the taxable income.

The computation of corporate tax should follow the rules of computation of corporate tax as provided for in Annexure D of the Coal Agreement.

KJA has the right to an investment allowance of 20% of the total investment claimable over four years, i.e. at a rate of 5% a year from the taxable income.

vi. Divestment of foreign interest

KJA ensure that its shares owned by foreign investors are offered either for sale or issuance to the Government of Indonesia, Indonesians, or Indonesian companies controlled by Indonesians in each year after commencement of the operating period as set out in the CCow. By the end of the tenth full calendar year of the operation period, the cumulative amount to be offered for sale reached 51%. As at December 31, 2023, 2022 and 2021, 91% of shares are held by Indonesian shareholders.

vii. Other financial obligations and taxes

The CCoW further provided that the Company paid the Government the following taxes and levies:

- Withholding taxes on:
  - Dividends, interest and royalties on patent rights paid by KJA at a rate of 10%;
  - Remuneration of KJA's employees. Expatriates who are employed or engaged by KJA and who remain in Indonesia for more than 90 days, in the aggregate within any calendar year, shall be liable in Indonesia for personal income tax on remuneration paid to them for services rendered in Indonesia;
  - Other payments made by KJA including but not limited to fees for technical services based on the prevailing laws and regulations in Indonesia at a rate of 10%.
- Regional Development Contribution ("IPEDA") and other regional taxes, fees or impositions shall be paid in the form of annual lump sum payments which amount to US$ 100,000 each year commencing from the commencement of the construction period. The figure of US$ 100,000 will be adjusted every two years according to the deflator published by the International Bank for Reconstruction and Development ("IBRD").
- Sales Tax on services rendered to KJA is in accordance with prevailing laws and regulations in Indonesia, but at rates not exceeding 5% from the assessable basis.
- Stamp duty on loan agreements with financial institutions, for use in Indonesia, up to a maximum rate of one per thousand (1/1000) of the total amount of the loan mentioned in the loan agreement.
- With the exception of taxes specified in the CCow, the Government is required to pay and hold KJA harmless from all present and future Indonesian taxes, duties, rentals and royalties.

The second amendment to the CCoW was entered between KJA and the Government of the Republic of Indonesia represented by MoEMR dated November 14, 2017. Significant amended items of the CCoW are as follows:

- Reductions of CCoW area to 47,500 hectares from the current 50,921 hectares;
- KJA may apply for continuation of mining operation for two periods of ten years in the form of a Special Mining Business License;
- The Government shall be entitled to 13.5% of the production in cash from the Free on Board price (FOB) or local price (at sale point) in the end loading point owned by KJA at Tanah Merah Coal Terminal. The payment for the Government share shall be made in accordance with applicable laws and regulation on non-state revenue;
- IPEDA and other local taxes or levies in the form of annual lump sum payment in the amount of Rp 50,129,829,120 for year 2023 and 2022;
- KJA will pay all applicable taxes set forth in Article 11.2 from the CCoW (i.e. corporate income tax, IPEDA, sales tax, stamp duty, import duty and excise, dead rent, royalty on coal) including regional taxes, duties, and non-tax state revenue in accordance with applicable laws and regulations;

  In the case that KJA paid Vehicle Fuel Tax, KJA compensated the Vehicle Fuel Tax against the Government's share of 13.5% as soon as 60 days after the payment of the Vehicle Fuel Tax by KJA.

In case that KJA paid the types of taxes, duties and non-tax state revenue under the provisions of the laws and regulations of taxation, duties and non-tax state revenue issued after this Amendment is signed, KJA compensated taxes, duties and non-tax state revenue on the Government's Share of 13.5% as soon as 60 days after the payment of tax, duties and non-tax state revenue by KJA.

KJA operates six active mines at its concession areas, where aggregate probable and proved coal reserves were estimated to be 569 million tons and the total estimated coal resources, including coal reserves, were 1,625 million tons as of December 31, 2017, according to a JORC compliant report prepared by PT Runge Pincock Minarco dated January 30, 2019. Such JORC report was further updated by the same consultant through its report dated March 17, 2020, wherein total coal resources and reserves of KJA were estimated at 1,550 million tons and 531 million tons as at December 31, 2019. KJA's total coal production for the year ended December 31, 2023 was 30.1 million tons, with accumulated production of approximately 676.7 million tons as at December 31, 2023 effective from its commercial production in 1993.

k. Special Mining Business License

On December 16, 2022, the MoEMR granted The Special Mining Business License ("IUPK") as a Continuation of the Contract/Agreement to Operate, which is valid until March 13, 2033 and can be extended in accordance with prevailing regulation.

Upon obtaining the IUPK as a Continuation of the Contract/Agreement to Operate, the provisions on taxation and/or Non-Tax State Revenues (PNBP) will be implemented by KJA in accordance with prevailing regulations starting January 1, 2023.

Based on IUPK, KJA may do operation production on mining areas covering an area of 33,887 hectares located in Paser district, East Kalimantan, Indonesia.

Significant financial provisions of the IUPK include:

Dead rent

KJA shall pay dead rent with rate in accordance with applicable laws of Non-Tax State Revenue from Ministry of Energy and Mineral Resources that prevail when IUPK as Continuation of the Contract/Agreement issued.

Production fees or royalty

Production fees rate or royalty are in accordance with applicable laws of Non-Tax State Revenue from Ministry of Energy and Mineral Resources.

State-Owned Assets

The rate of State-Owned Assets utilization from ex CCoW is calculated with 0.21% multiplied by the sales price.

Non-Tax State Revenue

Non-Tax State Revenue from sale of mining results per tonne is calculated based on the following requirements:

i. For the sale of coal using the higher price between:

   - Lower price between coal benchmark prices or coal price index at the time of transaction; and
   - Actual price or the price that should be received by seller,

   Non-Tax State Revenue is calculated by:

   - Coal Benchmark Price (HBA) < US$ 70 per tonne, rate of 14% is multiplied with sales price less production fees or royalty less utilization rate of State-Owned Assets ex CCoW from production result per tonne.
   - HBA ≥ US$ 70 per tonne until < US$ 80 per tonne, rate of 17% is multiplied with sales price less production fees or royalty less utilization rate of State-Owned Assets ex CCoW from production result per tonne.
   - HBA ≥ US$ 80 per tonne until < US$ 90 per tonne, rate of 23% is multiplied with sales price less production fees or royalty less utilization rate of State-Owned Assets ex CCoW from production result per tonne.
   - HBA ≥ US$ 90 per tonne until < US$ 100 per tonne, rate of 25% is multiplied with sales price less production fees or royalty less utilization rate of State-Owned Assets ex CCoW from production result per tonne.
   - HBA ≥ US$ 100 per tonne, rate of 28% is multiplied with sales price less production fees or royalty less utilization rate of State-Owned Assets ex CCoW from production result per tonne.

ii. For the sale of coal using price in accordance with laws and regulation in Mineral and Coal Mining in certain cases, Non-Tax State Revenue is calculated with rate of 14% multiplied with sales price less production fees or royalty less utilization rate of State-Owned Assets ex CCoW from production result per tonne.

Central and local government shares

Non-Tax State Revenue consists of central government share amounting 4% from IUPK holder net income and local government share amounting 6% from IUPK holder net income.

Corporate income tax

Corporate income taxes in respect of the annual profits of KJA should be computed in accordance with the prevailing laws and regulations in Indonesia with the corporate tax rate 22% of the taxable income.

Currency

KJA as IUPK holder maintains its accounting records in in United States Dollar (U.S. Dollar or US$) as required under the CCoW for one fiscal year after IUPK as a Continuation of the Contract/Agreement issued.

After one fiscal year, KJA will submit written notice regarding the usage of United States Dollar (U.S. Dollar or US$) as accounting currency in accordance with prevailing tax laws and regulation.

Other taxation provisions

Other prevailing taxation provisions are as follow:

i. Withholding taxes are in accordance with laws and regulation of income tax.
ii. Value Added Tax is in accordance with with laws and regulation of Value Added Tax.
iii. Carbon Tax is in accordance with with laws and regulation of Carbon Tax.
iv. Stamp Duty is in accordance with with laws and regulation of Stamp Duty.
v. Import duty and export duty are in accordance with with laws and regulation of customs.
vi. Customs are in accordance with with laws and regulation of Customs.
vii. Local Taxes and Retributions are in accordance with with laws and regulation of Local Taxes and Retributions.

I. Gold Contract of Work

Masmindo is engaged in the gold and silver (and its associated mineral) mining activities in a Contract of Work (CoW) area as approved by the Government of the Republic of Indonesia, with working area of 14,390 hectares in Latimojong District, Luwu Regency, South Sulawesi Province, Indonesia. The CoW was granted to Masmindo on February 19, 1998, and an amendment to closely align the CoW to prevailing regulations was signed on March 13, 2018.

On June 17, 2015, Masmindo obtained Approval on Final Feasibility Study Techno-economy Report based on the decision of Ministry of Energy and Mineral Resources Republic of Indonesia, Directorate General Mineral and Coal ("ESDM") No. 1082/30/DBM/2015. On May 17, 2017, Masmindo obtained Final Approval on Feasibility Study based on the decision of ESDM No. 1056/30/DJB2017. On July 9, 2019, Masmindo obtained Approval on Addendum of Feasibility Study based on the decision of ESDM No. 1160/31.02/DBM.PE/2019.

On April 20, 2022, Masmindo obtained approval on addendum of feasibility study based on the decision of ESDM No. T-1000/MB.04/DBM.PE/2022.

On April 12, 2017, Masmindo obtained AMDAL Approval and Environmental Permit based on the Governor of South Sulawesi Decree No. 3/M.02a.NP/P2T/03/2017 and Decree No. 2/M.02b.P/P2T/03/2017, respectively. On October 17, 2019, Masmindo obtained Addendum AMDAL Approval and Environmental Permit based on the Governor of South Sulawesi Decree No. 14/M.02a/PTSP/2019 and Decree No. 15/M.02b/PTSP/2019, respectively.

On June 20, 2017, Masmindo obtained construction permit for 3 (three) years based on the Decree of Minister of Energy and Mineral Resources Republic of Indonesia No. 318.K/30/DJB/2017.

On January 16, 2018, Masmindo's construction period was merged to the operation and production period based on the Decree of Minister of Energy and Mineral Resources Republic of Indonesia No. 171.K/30/DJB/2018.

m. Employee and Management Stock Option Program

In February 2008, the stockholders approved the Employee and Management Stock Option Program (EMSOP). Issuance and distribution of options related to the EMSOP program will be implemented in 3 stages. Eligible participants in the EMSOP will be announced by Board of Directors at the latest 14 days prior to the issuance of options during each stage. The total options amounted to 104,142,000 or 2% of the post-IPO issued and paid-up shares allocated to three stages: first and second stages with 31,242,500 each and third stage with 41,657,000 options.

The options are non-transferable and non-tradeable. Each of the option distributed in each stage is valid for 5 years as of the date of its issuance. The options are subject to a one year vesting period, during which the participant is not able to exercise the option.

The exercise price for the option will be determined based on the Listing Rule No. 1-A, as attached to the Decree of the Board of Directors of Indonesia Stock Exchange (IDX) No. KEP-305/BEJ/07-2004 dated July 19, 2004, which regulates that the exercise price is at least 90% of the average price of the shares during a 25-days period prior to the Company's announcement to IDX at the start of an exercise window. There will be at most, two exercise period per year.

Based on Director's Decision Letter No. 234/IE-BOD/VIII/2009 dated August 11, 2009 to the Director of Indonesia Stock Exchange, the Directors of the Company have agreed on the exercise price of Rp 2,138. The fair value of the option is estimated on the grant date using the Black - Scholes Option Pricing model. Key assumptions used in calculating the fair value of the options were as follows:

Risk - free interest rate	:	9.67%
Option period	:	5 years
Expected stock price volatility	:	69.80%
Expected dividend	:	5.30%

There are no compensation expenses for employee and management stock option during the year ended December 31, 2023, 2022 and 2021.

As of December 31, 2023, 2022 and 2021, other components of equity for employee stock options amounted to US$ 7,816,296.

2. ADOPTION OF NEW AND REVISED STATEMENTS OF FINANCIAL ACCOUNTING STANDARDS ("PSAK") AND INTERPRETATIONS OF PSAK ("ISAK")

a. Amendments/ Improvements to Standards Effective in the Current Year

In the current period, the Group has applied a number of amendments/ improvements to PSAK that are relevant to its operations and effective for accounting period beginning on or after January 1, 2023. The adoption of these amendments/ improvements does not result in changes to the Group's accounting policies and has no material impact to disclosures or on the amounts recognized in the current period and prior years consolidated financial statements.

- PSAK 1 (amendment) Presentation of Financial Statements: Disclosure of Accounting Policies
- PSAK 16 (amendment) Property, Plant and Equipment: Proceeds before Intended Use
- PSAK 25 (amendment) Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates
- PSAK 46 (amendment) Income Taxes: Deferred Tax related to Assets and Liabilities Arising from a Single Transaction

b. Standard and Amendments/ Improvements to Standards Issued not yet Adopted

At the date of authorization of these consolidated financial statements, the following standard, interpretation and amendments to PSAK relevant to the Group were issued but not effective, with early application permitted:

Effective for periods beginning on or after January 1, 2024

- PSAK 1 (amendment) Presentation of financial statements: Classification of Liabilities as Current or Non-current
- PSAK 73 (amendment) Leases: Lease Liability in a Sale and Leaseback
- PSAK 1 (amendment) Presentation of financial statements: Non-current Liabilities with Covenants
- PSAK 2 (amendment) Statement of cash flows and PSAK 60 (amendment) Financial Instruments: Disclosures : Supplier Finance Arrangements

Effective for periods beginning on or after January 1, 2025

- PSAK 74 Insurance Contracts
- PSAK 74 (amendment) Insurance Contracts: Initial application of PSAK 74 and PSAK 71 - Comparative Information
- PSAK 10 (amendment) The effects of changes in foreign exchange rates: Lack of Exchangeability

As of the issuance date of the consolidated financial statements, the effects of adopting these amendments and interpretations on the consolidated financial statements are not known nor reasonably estimable by management.

Beginning January 1, 2024 references to the individual PSAKs and ISAKs will be changed as published by Dewan Standar Akuntasi Keuangan Ikatan Akuntan Indonesia ("DSAK – IAI").

3. MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of Compliance

The consolidated financial statements of the Group have been prepared in accordance with Indonesian Financial Accounting Standards.

b. Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below, and using accrual basis except for the consolidated statement of cash flow at the end of each reporting date.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of PSAK 53 Share-based Payment, leasing transactions that are within the scope of PSAK 73, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in PSAK 14 Inventories or value in use in PSAK 48.

The consolidated statements of cash flows are prepared using the direct method with classifications of cash flows into operating, investing and financing activities.

The directors have, at the time of approving the consolidated financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the consolidated financial statements.

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Group. Control is achieved where the Company has the power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including (i) the size of the Company's holding of voting rights relative to the size and dispersion of holding of the other vote holders; (ii) potential voting rights held by the Company, other vote holders or other parties; (iii) rights arising from other contractual arrangements; and (iv) any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Company and the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

When necessary, adjustment are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling stockholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Changes in the Group's ownership interest in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interest in the subsidiaries. Any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Group lose control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interest. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable accounting standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under PSAK 71, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

d. Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group, to the former owners of the acquiree, and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value, except that:

- Deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognized and measured in accordance with PSAK 46 Income Taxes and PSAK 24 Employee Benefits, respectively;

- Liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquirer are measured in accordance with PSAK 53 at the acquisition date; and

- Assets (or disposal groups) that are classified as held for sale in accordance with PSAK 58 Non-current Assets Held for Sale and Discontinued Operations and are measured inaccordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquire (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after the reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in profit or loss as gain from a bargain purchase.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination.

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognized in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and the resulting gain or loss, if any, is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interests were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amount recognized as of that date.

e. Business Combination Under Common Control

Business combination of entities under common control that qualifies as a business are accounted for under pooling of interest method where assets and liabilities acquired in the business combination are recorded by the acquirer at their book values.

The difference between the transfer price and the book value is presented as Additional Paid-in Capital and is not recycled to profit and loss when control is lost.

The pooling of interest method is applied as if the entities had been combined from the period in which the merging entities were placed under common control.

f. Foreign Currency Transactions and Translation

The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group are presented in United States of America Dollar (U.S. Dollar or US$), which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of each Group entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognized in profit or loss in the period in which they arise except for:

- Exchange differences on foreign currency borrowing relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowing;

- Exchange differences on transaction entered into in order to hedge certain foreign currency risks;

- Exchange differences on monetary items receivable from or payable to a foreign currency operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items; and

- Exchange differences arising on the retranslation of non-monetary items carried at fair value, of which gains and losses are recognized in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognized in other comprehensive income.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into U.S. Dollar using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

The books of accounts of the following subsidiaries and associates are maintained in their functional currency, which is the Indonesian Rupiah (Rp):

- PT Cirebon Power Services,
- PT Cotrans Asia,
- PT Indy Properti Indonesia,
- PT POSB Reksabumi Indonesia,
- PT Indika Digital Teknologi,
- PT Zebra Cross Teknologi,
- PT Xapiens Teknologi Indonesia,
- PT Indika Multi Properti,
- PT Pan Indo Resources,
- PT Mahabharata Dharma Ekatama,
- PT Telaga Mas Kalimantan,
- PT Jaya Bumi Paser,
- PT Diva Perdana Pesona
- PT Trisetia Citagraha
- PT Sumber Multi Energi Penajam,
- PT Interport Patimban Agung,
- PT Indika Tenaga Baru,
- PT Empat Mitra Indika Tenaga Surya,
- PT Electra Mobilitas Indonesia,
- PT Solusi Mobilitas Indonesia,
- PT Ilectra Motor Group,
- PT Electra Distribusi Indonesia,
- PT Electra Auto Indonesia,
- PT Mitra Motor Group,
- PT Foxconn Indika Motor,
- PT Energi Makmur Buana,
- PT Indika Medika Nusantara,
- PT Perkasa Investama Mineral,
- PT Mekko Metal Mining,
- PT Bioneer Indika Group,
- PT Bioneer Indika Diagnostika,
- PT Empat Mitra Indika Mentari,
- PT Kalista Nusa Armada,
- PT Kalista Rotom Orbita,
- PT Kalista Soter Hastia,
- PT Kalista Nayara Dayautama,
- PT Industri Baterai Nusantara and
- PT Manufaktur Teknologi Baterai.

g. Transactions with Related Parties

A related party is a person or entity that is related to the Group (the reporting entity):

a. A person or a close member of that person's family is related to a reporting entity if that person:

   i. has control or joint control over the reporting entity;

   ii. has significant influence over the reporting entity; or

   iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

b. An entity is related to the reporting entity if any of the following conditions applies:

   i. The entity, and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

   ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

   iii. Both entities are joint ventures of the same third party.

   iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

   v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity, or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

   vi. The entity is controlled or jointly controlled by a person identified in (a).

   vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or a parent of the entity).

   viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Significant transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the consolidated financial statements.

h. Financial Instrument

Financial assets and financial liabilities are recognized on the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVTOCI"):

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the foregoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- To present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- To designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortized cost of a financial asset before adjusting for any loss allowance.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI.

For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset.

For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognized in profit and loss.

Financial Assets at FVTOCI

Fair value of investments classified as FVTOCI is determined in the manner described in Note 50. Such investments are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these investments as a result of foreign exchange gains and losses (see below), impairment gains or losses (see below), and interest income calculated using the effective interest method (see above) are recognised in profit or loss. The amounts that are recognised in profit or loss are the same as the amounts that would have been recognised in profit or loss if these investments had been measured at amortised cost. All other changes in the carrying amount of these investments are recognised in other comprehensive income. When these investments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL, specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designate an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group have not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognized in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial asset and is included in the “other gains and losses” line item.

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically:

- For financial assets measured at amortized cost that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the “others-net” line item;

- For debt instruments measured at FVTOCI that are not part of a designated hedging relationship, exchange differences on the amortized cost of the debt instrument are recognized in profit or loss in the “others-net” line item. Other exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

- For financial assets measured at FVTPL that are not part of a designated hedging relationship, exchange differences are recognized in profit or loss in the "others-net" line item; and

- For equity instruments measured at FVTOCI, exchange differences are recognized in other comprehensive income in the investments revaluation reserve.

See hedge accounting policy regarding the recognition of exchange differences where the foreign currency risk component of a financial asset is designated as a hedging instrument for a hedge of foreign currency risk.

Impairment of financial assets

The Group recognised a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortized cost. No impairment loss is recognized for contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognizes lifetime ECL for trade receivable and contract assets. The expected credit losses on these financial assets are estimated using a provision matrix based on historical credit loss experience of the Group, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 months ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compare the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortized cost;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- significant increases in credit risk on other financial instruments of the same debtor; and

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

a. the financial instrument has a low risk of default;

b. the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

c. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers Information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group) as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets are generally not recoverable.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower
- a breach of contract, such as a default or past due event
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty
- having granted to the borrower a concession(s) that the lender(s) would not otherwise consider
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expect to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables, finance lease receivables, investment in convertible promissory notes and amounts due from customers are each assessed as a separate group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors;
- Nature of collaterals for finance lease receivables; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

If the Group have measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measure the loss allowance at an amount equal to 12 months ECL at the current reporting date.

The Group recognise an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance.

Derecognition of financial assets

The Group derecognise a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognise their retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Financial Liabilities and Equity Instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Compound instruments

The component parts of compound instruments (convertible loans) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recorded as a liability on an amortized cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

A conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognized and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognized in equity will be transferred to "additional paid-in capital". Where the conversion option remains unexercised at the maturity date of the convertible notes, the balance recognized in equity will be transferred to retained earnings/others equity. No gain or loss is recognized in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible loans are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognized directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortized over the lives of the convertible notes using the effective interest method.

Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, and financial guarantee contracts issued by the Group, are measured in accordance with the specific accounting policies set out below.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is 1) contingent consideration of an acquirer in a business combination to which PSAK 22 applies, 2) held for trading, or 3) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and PSAK 71 permits the entire combined contract to be designated as at FVTPL.

Subsequent measurement of financial liabilities at FVTPL

Financial liabilities at FVTPL were measured at fair value, with any gains or losses arising on changes in fair value recognized in profit or loss to the extented that they are not part of a designated hedging relationship (see Hedge accounting policy). The net gain or loss recognized in profit or loss incorporates any interest paid on the financial liability and is included in the "other gains and losses" line item (Note 44) in profit or loss.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognized in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

Financial liabilities measured at amortized cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortized cost using the effective interest method.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortized cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortized cost of the instruments. These foreign exchange gains and losses are recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship. For those which are designated as a hedging instrument for a hedge of foreign currency risk, foreign exchange gains and losses are recognized in other comprehensive income and accumulated in a separate component of equity.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognized in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the financial liabilities are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

When the Group exchanges with the existing lender one debt instrument into another one with the substantially different terms, such exchange is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, the Group accounts for substantial modification of terms of an existing liability or part of it as an extinguishment of the original financial liability and the recognition of a new liability. It is assumed that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective rate is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. If the modification is not substantial, the difference between: (1) the carrying amount of the liability before the modification; and (2) the present value of the cash flows after modification is recognized in profit or loss as the modification gain or loss within other gains and losses.

i. Derivative financial instruments

The Group enters into interest-rate swap derivative financial instruments to manage its exposure to interest rate risk. The Group also enters into coal futures to management coal price risk.

Derivatives are recognised initially at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivatives are not offset in the financial statements unless the Group has both legal right and intention to offset. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months.

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not due to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

j. Hedge Accounting

The Group enters into derivative financial instruments – interest rate swaps to manage its exposure to interest rate.

At the inception of the hedge relationship, the Group documented the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documented whether the hedging instrument was highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Note 25 sets out details of the fair values of the derivative instruments used for hedging purposes.

Cash flow hedges

The effective portion of changes in the fair value of derivatives that were designated and qualified as cash flow hedges was recognized in other comprehensive income and accumulated under the heading of cash flow hedging reserve. The gain or loss relating to the ineffective portion was recognized immediately in profit or loss, and is included in the "other gains and losses – net" line item.

Amounts previously recognized in other comprehensive income and accumulated in equity were reclassified to profit or loss in the periods when the hedged item was recognized in profit or loss, in the same line of the consolidated statement of profit or loss and other comprehensive income as the recognized hedged item. However, when the hedged forecast transaction resulted in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity were transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting was discontinued when the Group revoked the hedging relationship, when the hedging instrument expired or was sold, terminated, or exercised, or it no longer qualified for hedge accounting. Any gain or loss recognized in other comprehensive income and accumulated in equity at that time remained in equity and was recognized when the forecast transaction was ultimately recognized in profit or loss. When a forecast transaction was no longer expected to occur, the gain or loss accumulated in equity was recognized immediately in profit or loss.

k. Netting of Financial Assets and Financial Liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Groups has a legally enforceable right to set off the recognized amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

l. Cash and Cash Equivalents

For cash flow presentation purposes, cash and cash equivalents consist of cash on hand and in banks and all unrestricted investments with maturities of three months or less from the date of placement.

m. Interest in Joint Operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangements, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When the Group undertakes their activities under joint operations, the Group as a joint operator recognizes in relation to their interest in a joint operation:

- Their assets, including their share of any assets held jointly;
- Their liabilities, including their share of any liabilities incurred jointly;
- Their revenue from the sale of their share of the output arising from the joint operation;

- Their share of the revenue from the sale of the output by the joint operation; and
- Their expenses, including its share of any expenses incurred jointly.

Group account for the assets, liabilities, revenues and expenses relating to their interest in a joint operation in accordance with the PSAKs applicable to the particular assets, liabilities, revenues and expenses.

When the Group transactions with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group are considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognized in the Group' consolidated financial statements only to the extent of other parties' interests in the joint operation.

When the Group transactions with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognize their share of the gains and losses until they resell those assets to a third party.

n. Investments in Associates and Joint Ventures

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results of operations and assets and liabilities of associates incorporated in these consolidated financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case, it is accounted for in accordance with PSAK 58 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, an investment in an associate or a joint venture initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture) the Group discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. Any excess of the cost of acquisition over the Group's share of the net fair value of identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss in the period in which the investment is acquired.

The requirements of PSAK 48 Impairment of Assets ("PSAK 48") are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with PSAK 48, as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with PSAK 48 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures any retained investment at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with PSAK 71. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part of interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture. There is no remeasurement to fair value upon such changes in ownership interests.

When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognized in other comprehensive income relating to that reduction in ownership interest (if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities).

When the Group entity transacts with an associate or a joint venture, profits and losses resulting from the transactions with the associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of its interest in the associate or joint venture that are not related to the Group.

o. Inventories

Coal inventories are recognized at the lower of cost and net realizable value. Cost, which includes an appropriate allocation of material costs, labor costs and overhead costs related to mining activities, is determined using the weighted average method. Net realizable value is the estimated sales price in the ordinary course of business, less estimated costs of completion and costs necessary to make the sale.

Spare parts and supplies, diesel fuel and fuel, lubricants and blasting materials are stated at cost or net realizable value, whichever is lower. Cost for spare parts and supplies as well as lubricants are determined using the weighted average method while diesel fuel and fuel are determined using the First-in-First-out (FIFO) method. The provision for obsolete and slow moving inventories is determined on the basis of estimated future usage of individual inventory items. Supplies of maintenance materials are charged to cost of contracts and goods sold and operating expenses in the period in which they are used.

p. Prepaid Expenses

Prepaid expenses are amortized over their beneficial periods using the straight-line method.

q. Property, Plant and Equipment

Property, Plant and Equipment other than bearer plants

Property, plant and equipment are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Depreciation is recognized so as to write off the cost of assets less residual values using the straight-line method based on the estimated useful lives of the assets as follows:

	Years
Buildings infrastructure, leasehold and improvements	5 - 30
Office furniture, fixtures and other equipment	2 - 10
Motor vehicles	3 - 8
Machinery and equipment	4 - 20
Vessels	15 - 18
Plant, equipment, heavy equipment and vehicles	3 - 8

Certain component of plant, equipment and vehicle are depreciated using hourly utilization basis over their estimated operating life.

Land is stated at cost and is not depreciated.

The cost of maintenance and repairs is charged to profit or loss as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, plant and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Construction in-progress is stated at cost and transferred to the respective property, plant and equipment account when completed and ready for use.

Bearer Plants

Bearer plants are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period. Bearer plants are classified into immature bearer plants and mature bearer plants that are used and expected to bear agricultural produce for more than one period.

Immature bearer plants are stated at acquisition costs which include costs incurred for field preparation, planting, fertilizing, and maintenance, and allocation of other indirect costs based on planted hectares. When the plantations mature, the accumulated costs are reclassified to mature bearer plants. In general, a calliandra bearer plants takes about 12 to 15 months to reach maturity from the time of planting the seedlings to the field.

Depreciation of mature bearer plants commences in the year when the plantations mature using the straight-line method over the estimated productive life of 12 years. Calliandra are considered mature within 12 to 15 months after planting and generating.

r. Asset Held for Sale and Discontinued Operation

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of derecognition.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents (a) a separate major line of business or geographical area of operations, (b) is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or (c) is a subsidiary acquired exclusively with a view to resale.

s. Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognise the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group use the incremental borrowing rate specific to the leasee.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable under residual value guarantees;
- The exercise price of purchase options, if it is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consollidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. The right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incur an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, to the extent the costs are related to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies PSAK 48 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the impairment of assets policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Others-net' in the consolidated statement of profit or loss.

As a practical expedient, PSAK 73 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to some of vessels.

Leases for which the Group is a lessor are classified as operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a operating leases.

Rental income from operating leases is recognized on a straight-line basis over the terms of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognized on a straight-line basis over the lease term.

Sale and leaseback

When the Group transfers an asset to another entity and leases that asset back, the Group accounts for the transfer contract and th lease, by first applying the requirements of PSAK 72 when a performance obligation is satisfied to determine whether the transfer of the asset is accounted for as a sale.

If the transfer of asset satisfies the requirements of PSAK 72 to be accounted for as a sale, the transaction is accounted for as follows:

- The Group measures the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right-of-use assets retained by the Group. Accordingly, the Group recognizes only the amount of any gain or loss that relates to the rights transferred.

If the fair value of the consideration for the sale of an asset does not equal the fair value of the asset, or if the payments for the lease are not at market rates, the Group makes the following adjustments to measure the sale proceeds at fair value:

- Any below-market terms accounted for as a prepayment of lease payments; and
- Any above-market terms accounted for as additional financing provided by the lessor to the lessee.

If the transfer of asset does not satisfy the requirements of PSAK 72 to be accounted for as a sale, the Group continues to recognize the transferred asset and recognizes a financial liability equal to the transfer proceeds.

t. Intangible Assets

Intangible assets acquired in a business combination are identified and recognized separately from goodwill when they satisfy the definition of an intangible asset and their fair value can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses.

Intangible assets are amortized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets, comprising of mining rights, system development and computer software, and others include all direct costs related to preparation of the asset for its intended use and is amortized over 4 to 30 years using the straight-line method.

u. Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or group of cash-generating units) expected to benefit from the synergies of the combination. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in profit or loss in the consolidated statement of profit or loss and other comprehensive income. An impairment loss recognized for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described in Note 3n.

v. Intangible Assets - Land rights

The legal cost of land rights upon acquisition of the land is recognized as part of the cost of land under property, plant and equipment.

The cost of renewal or extension of legal rights on land is recognized as an intangible asset and amortized over the period of land rights as stated in the contract or economic life of the asset, whichever is shorter.

w. Impairment of Non-Financial Assets Except Goodwill

At the end of each reporting period, the Group review the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss or possibility to reverse the impairment that was previously recorded. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimate the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of the non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately against earnings.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase (see Note 3q above).

Accounting policy for impairment of financial assets is discussed in Note 3h; while impairment for goodwill is discussed in Note 3u.

x. Exploration and Evaluation Assets

Exploration and evaluation activity involves the search for mineral resources, determination of the technical feasibility and assessment of the commercial viability of the mineral resource.

Exploration and evaluation expenditures comprise of costs that are directly attributable to:

- acquisition of rights to explore;
- topographical, geological, geochemical and geophysical studies;
- exploratory drilling;
- trenching and sampling; and
- activities involved in evaluating the technical feasibility and commercial viability of extracting mineral resources.

Exploration and evaluation expenditures related to an area of interest is written off as incurred, unless they are capitalized and carried forward, on an area of interest basis, provided one of the following conditions is met:

(i) the costs are expected to be recouped through successful development and exploitation of the area of interest or, alternatively, by its sale; or

(ii) exploration activities in the area of interest have not yet reached the stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in or in relation to the area of interest are continuing.

Capitalized costs include costs directly related to exploration and evaluation activities in the relevant area of interest. General and administrative costs are allocated to an exploration or evaluation asset only to the extent that those costs can be related directly to operational activities in the relevant area of interest.

Exploration and evaluation assets are recorded at cost less impairment charges. As the asset is not available for use, it is not depreciated.

Exploration and evaluation assets are assessed for impairment if facts and circumstances indicate that impairment may exist. Exploration and evaluation assets are also tested for impairment once commercial reserves are found, before the assets are transferred to mining properties.

y. Mining Properties

When further development expenditures are incurred on a mining property after the commencement of production, the expenditures are carried forward as part of the mining property when it is probable that additional future economic benefits associated with the expenditure will flow to the Group. Otherwise these expenditures are classified as a cost of production.

Mining properties (including exploration, evaluation and development expenditures, and payments to acquire mineral rights and leases) are amortized using the units-of-production method, with separate calculations being made for each area of interest. The units-of-production basis results in an amortization charge proportional to the depletion of the proved and probable reserves.

Mining properties are tested for impairment in accordance with the policy described in Note 3w.

z. Stripping Activity Assets

In open pit mining operations, overburden and other waste materials must be removed to access ore from which minerals can be extracted economically. The process of removing overburden and waste materials is referred to as “stripping”.

During the development of a mine (or pit), before production commences, stripping costs are capitalized as part of the cost of construction of the mine (or pit) and are subsequently amortized over the life of the mine (or pit) on a units of production basis.

During the production phase the following three criteria must be met in order for stripping costs to qualify for capitalization as a stripping activity asset:

- it must be probable that there will be an economic benefit in a future accounting period because the stripping activity has improved access to the orebody;

- it must be possible to identify the "component" of the ore body for which access has been improved; and

- it must be possible to reliably measure the costs that relate to the stripping activity.

A "component" is a specific section of the orebody that is made more accessible by the stripping activity. It will typically be a subset of the larger orebody that is distinguished by a separate useful economic life.

Production phase stripping can give rise to two benefits: the extraction of ore in the current period and improved access to ore which will be extracted in future periods. When the cost of stripping which has a future benefit is not distinguishable from the cost of producing current inventories, the stripping cost is allocated to each of these activities based on a relevant production measure using a life of component strip ratio. The ratio divides the tonnage of waste mined for the component for the period either by the quantity of ore mined for the component or by the quantity of minerals contained in the ore mined for the component. In some operations, the quantity of ore is a more appropriate basis for allocating costs, particularly where there are significant byproducts. Stripping costs for the component are deferred to the extent that the current period ratio exceeds the life of component ratio. The stripping activity asset is depreciated on a "units of production" basis based on expected production of either ore or contained minerals over the life of the component unless another method is more appropriate.

The life of component ratios are based on the ore reserves of the mine (and for some mines, other mineral resources) and the annual mine plan; they are a function of the mine design and therefore changes to that design will generally result in changes to the ratios. Changes in other technical or economic parameters that impact the ore reserves (and for some mines, other mineral resources) may also have an impact on the life of component ratios even if they do not affect the mine design. Changes to the ratios are accounted for prospectively.

Stripping activity assets are presented separately on the consolidated statements of financial position. Amortization of deferred stripping costs is included in "Costs of Contracts and Goods Sold".

aa. Provision

Provisions are recognized when the Group have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

bb. Revenue and Expense Recognition

Sale of coal

The Group earns revenue by mining and subsequently selling coal by local and export to customers under a range of commercial terms.

Revenue from the sale of coal is recognized at the point in time when control has been transferred to the customer, no further work or processing is required by the Group, the quantity and quality of the goods has been determined with reasonable accuracy, and collectability is reasonably assured. This is generally when title passes.

The majority of the Group's sales agreements specify that title passes when the product is delivered to the destination specified by the customer, which is typically the vessel on which the product will be shipped. Within each contract to sell a commodity product, each unit of product shipped is a separate performance obligation. Revenue is generally recognized at the contracted price at this reflects the stand-alone selling price.

The Group sells certain of its coal on a CIF (Cost, Insurance and Freight) Incoterm, which means that the Group is responsible for providing freight and insurance services after the date at which title of the goods passes. The Group therefore has separate performance obligation for freight and insurance service provided for sale of coal under CIF Incoterm. Freight and insurance revenue is allocated from the overall contract price at its stand-alone selling price (where observable) or otherwise at its estimated cost plus margin. The recognition of freight and insurance revenue is deferred, where significant, until the product is delivered rather than when the product is shipped.

In determining revenue recognition, the Group perform the following transaction analysis:

1. Identify contracts with customers that meet all the following criteria:
   - The parties to the contract have approved the contract,
   - The Group can identify each party's rights regarding the goods and services to be transferred,
   - The Group can identify the payment terms for the goods or services to be transferred,
   - The contract has commercial substance, and
   - It is probable that the Group will collect the consideration in exchange for the goods or services to be transferred to the customers;

2. Identify performance obligations;

3. Determine the transaction price;

4. Allocate the transaction price to performance obligations; and

5. Recognise revenue.

The Group recognise revenue when the performance obligation has been satisfied by transferring a promised goods or services to the customer.

Revenue is measured based on the consideration specified in the contract and excludes amounts collected on behalf of third parties.

Rendering of services

The Group generates revenue from the provision of mining services, including contract mining, overburden removal, and coal haulage to the mining sector. The Group also generates revenue from providing logistics and support services to the oil and gas sector.

The Group enters into short- and long-term service contracts with customers. Under the terms of the contracts, the Group enhances assets which the customers control or the customers simultaneously receive and consume the benefit of the Group's performance. Revenue from service contracts is therefore recognized over time based on the stage of completion of the contract at the end of the reporting period.

The stage of completion may be determined based on methods that can reasonably measure the services performed. Depending on nature of the service contracts the methods may include:

a. Surveys of work performed;

b. Value of work completed determined based on schedule of rates for each of the activities performed which identify value for the work performed and hence the value of the revenue to be recognized;

c. Services performed to date as a percentage of total services to be performed; or

d. The proportion of contract costs incurred for work performed to date relative to the estimated total contract costs.

Revenue from construction contracts

The Group enters into long-term construction contracts with customers. The performance obligation is usually the entire project, as provided for in the contract, given that the different services are highly interdependent, integrated, and are aimed at transferring the project to the customer as a whole, representing the combined output for which the customer has contracted.

Under the terms of the contracts, the Group enhances assets which the customers control. Revenue from construction contracts is therefore recognized over time on a cost–to–cost input method, i.e. based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Management considers that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations for long-term construction contracts of the Group.

Where the outcome of a performance obligation cannot be reasonably measured, and the costs incurred in satisfying the performance obligation are expected to be recoverable, the revenue is recognized only to the extent of the costs incurred.

When it is probable that the cost incurred in satisfying a performance obligation will exceed the contract revenue, the expected loss is recognized immediately.

There is not considered to be a significant financing component in construction contracts as the average credit term is 30 days.

If performance obligation is not satisfied over time in a construction contract with customer, the Group satisfies the performance obligation at a point in time. Revenue is recognized when a promised asset or service is transferred to a customer and the customer obtains control on that asset.

The Group presents its contract balances, on a contract-by-contract basis, in a net contract asset or liability position, separately from its trade receivables. Contract assets and trade receivables are both rights to consideration in exchange for goods or services that the Group has transferred to a customer; however, the classification depends on whether such right is only conditional on the passage of time (trade receivables) or if it is also conditional on something else (contract assets), such as the satisfaction of further performance obligations under the contract. A contract liability is the cumulative amount received and contractually receivable by the Group that exceeds the right to consideration resulting from the Group's performance under a given contract.

Other trading

Revenue is measured based on the consideration specified in the contract and excludes amounts collected on behalf of third parties. The Group satisfies the performance obligation at a point in time. Revenue is recognized when a promised asset or service is transferred to a customer and the customer obtains control on that asset.

Interest revenue

Interest revenue was recognized used the effective interest method.

Expenses

Expenses were recognized when incurred.

cc. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

dd. Employee Benefits

Defined post-employment benefits

The Group provide defined post-employment benefits to their employees in accordance with Labor Law. No funding has been made by the Group to the defined benefit plans.

The cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the consolidated statement of financial position with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected as a separate item under other components of equity and will not be reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements)
- Net interest expense or income
- Remeasurement

The Group present the first two components of defined benefit costs in profit or loss. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the consolidated statement of financial position represents the actual deficit or surplus in the Group' defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Other long-term benefits

The cost of providing long-term benefits is determined using the Projected Unit Credit Method. Past service cost and actuarial gains or losses are recognized immediately in profit or loss.

The long-term employee benefits obligation recognized in the consolidated statements of financial position represents the present value of the long-term employee benefits obligation.

ee. Employee and Management Stock Option Program

Employee and Management Stock Option Program (EMSOP), an equity-settled share based payment arrangement, is measured at the fair value of the equity instrument at grant date. The fair value determined at grant date is expensed on a straight-line basis over the vesting period, based on management estimate of equity instruments that will eventually vest. At reporting dates, management revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimate, if any, is recognized in profit and loss over the remaining vesting period, with a corresponding adjustment in Stock Option account under equity.

ff. Income Tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit to the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary differences arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognized if the temporary differences arises from the initial recognition of goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on the tax rates (and tax laws) that have been enacted, or substantively enacted, by the end of the reporting period.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of their assets and liabilities.

The carrying amount of deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items that are recognized outside of profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognized outside of profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Deferred tax assets and liabilities are offset when there is legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities when there is an intention to settle its current tax assets and current tax liabilities on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

gg. Final Tax

Tax expense on revenues from construction services, vessels and office rental are subject to final tax which is recognized proportionately based on the revenue recognized in the current period. The difference between the final tax paid and current tax expense in profit or loss is recognized as prepaid tax or tax payable. Prepaid final tax is presented separately from final tax payable.

hh. Earnings per Share

Basic earnings per share is computed by dividing net income attributable to owners of the Company by the weighted average number of shares outstanding during the year.

Diluted earnings per share is computed by dividing profit or loss attributable to owners of the Company by the weighted average number of shares outstanding as adjusted for the effects of all dilutive potential ordinary shares.

ii. Segment Information

Operating segments are identified on the basis of internal reports about components of the Group that are regularly reviewed by "the chief operating decision maker" in order to allocate resources to the segments and to assess their performances.

An operating segment is a component of an entity:

a) that engages in business activities from which it may earn revenue and incur expenses (including revenue and expenses relating to the transaction with other components of the same entity);

b) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decision about resources to be allocated to the segments and assess its performance; and

c) for which discrete financial information is available.

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of their performance is more specifically focused on the category of each product.

The accounting policies used in preparing segment information are the same as those used in preparing the consolidated financial statements.

jj. Estimated Liability for Environmental Management and Reclamation

Restoration, rehabilitation and other environmental costs incurred during the production phase of exploration are expensed as part of production costs.

The Group have certain obligations to restore and rehabilitate mining areas following the completion of production. Such obligations are accrued, so that the accrual will be adequate to meet those obligations once the production process is fully completed. Changes in estimated restoration and environmental costs to be incurred are accounted for on a prospective basis over the remaining life of the mine.

The environmental obligations consist of costs associated with mine reclamation during mine operation, mine closure and decommissioning and demobilisation of facilities and other closure activities.

Provision for estimated costs of mine reclamation and mine closure is recorded when: the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated.

Provision is measured at the present value of expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised in profit or loss under finance charges. Changes in the estimated timing or amount of the expenditure or discount rate are accounted for as a change in the corresponding capitalised costs. At the time where a reduction in the provision is greater than the undepreciated capitalised cost of the related assets, the capitalised cost is reduced to nil and the remaining adjustment is recognised in profit or loss.

Provision for decommissioning, demobilisation and restoration provides for legal obligations associated with the retirement of a tangible long-lived asset that results from the acquisition, construction or development and/or the normal operation of a long-lived asset. The retirement of a long-lived asset includes its sale, abandonment, recycling or disposal in some other manner, other than temporary removal from service.

For environmental issues that may not involve the retirement of an asset, where the Company is a responsible party and it is determined that a liability exists, and amounts can be quantified, the Company accrues for the estimated liability. In determining whether a liability exists in respect of such environmental issues, the Company applies the criteria for liability recognition under applicable accounting standards.

kk. Sharing of production

As stipulated in the Coal Agreement, the Government of Indonesia is entitled to take 13.5% of KJA's total coal produced from the final production processes established by KJA. Since 1997, KJA has delivered the Government of Indonesia's share of production in cash, in accordance with its Joint Sales Contract with the Government of Indonesia which has been made based on Presidential Decree No. 75/1996 dated September 25, 1996.

On September 29, 2017, KJA and the Government of Indonesia signed a new Joint Sales Contract which is effective from October 1, 2017.

With the issuance of IUPK as a Continuation of the Contract/Agreement term, the Government of Indonesia is entitled to take 14%-28% of KJA's total coal produced and 14% for sales in certain cases.

KJA recognises the Government's share as part of sales revenue, and the obligation to make payment to the Government on an accrual basis as royalty expense as part of cost of sales. The amount of the cash payment has been determined by deducting certain expenses from the sales amount.

4. CRITICAL ACCOUNTING JUDGMENT AND ESTIMATES

In the application of the Group's accounting policies, which are described in Note 3, Management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgments in Applying Accounting Policies

Apart from those involving estimation (see below), there are no critical judgments that the management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are discussed below:

Calculation of Loss Allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each others.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit echancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Intangible asset and goodwill impairment

Acquisition accounting requires extensive use of accounting estimates to allocate the purchase price to the reliable fair market values of the assets and liabilities purchased, including intangible assets. Under PSAK No. 22, “Business Combinations”, goodwill is not amortized and is subject to an annual impairment testing.

Impairment test is performed when certain impairment indicators are present. In case of goodwill and intangible assets, such asset is subject to annual impairment test and whenever there is an indication that such asset may be impaired; management uses its judgment and assumptions in estimating the recoverable value and determining the amount of impairment. Those assumptions include among others, discount rate and annual revenue growth.

The carrying amount of intangible asset and goodwill is disclosed in Notes 23 and 24.

Employee Benefits Obligation

The determination of post-employment benefits obligation is dependent on selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rate and rate of salary increase. While it is believed that the Group’s assumptions are reasonable and appropriate, significant differences in actual experience or significant changes in assumptions may materially affect the Group’s employment benefit obligations. Details of post-employment benefits obligation are disclosed in Note 35.

Construction Contracts in Progress Measured at Percentage-of-Completion

The determination of percentage of completion of construction contracts in progress is dependent on the judgment and estimations of the engineers. Even it is believed that the subsidiaries assumptions are reasonable and appropriate, significant differences in actual experience or significant change in assumptions may materially affect the Group’s revenue recognition. The items in the consolidated financial statements related to construction contracts are disclosed in Notes 8 and 39.

5. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Cash on hand			
U.S. Dollar	1,570,115	1,554,132	1,572,481
Rupiah	1,043,730	896,582	1,048,898
Singapore Dollar	373,013	363,924	369,854
Qatar Riyal	1,925	-	-
Australian Dollar	1,665	339	363
Indian Rupee	1,020	-	-
Cash in banks - third parties			
Rupiah			
PT Bank Mandiri (Persero) Tbk	61,952,089	66,014,552	33,725,189
PT Bank Sulselbar	5,162,244	1,892,739	-
PT Bank DBS Indonesia	4,481,031	-	-
PT Bank Rakyat Indonesia (Persero) Tbk	3,476,025	114,169	295,673
PT Bank Negara Indonesia (Persero) Tbk	2,658,619	2,368,389	2,429,471
PT Bank OCBC NISP Tbk	252,880	-	-
PT Bank Central Asia Tbk	168,910	17,602	2,118,388
Standard Chatered Bank	159,562	46,702	523,465
PT Bank Artha Graha International Tbk	156,274	131,698	143,541
PT Bank UOB Indonesia	128,067	123,762	200,031
The Hongkong and Shanghai Banking Corporation Limited	107,896	273,119	688,027
PT Bank Danamon Indonesia Tbk	97,457	-	-
PT Bank Woori Saudara Indonesia 1906 Tbk	59,349	58,848	62,508
PT Bank KB Bukopin Tbk	31,204	541,114	-
PT Bank Syariah Indonesia Tbk	18,689	37,406	-
PT Bank DKI	18,457	-	-
PT Bank KEB Hana Indonesia	14,631	14,413	15,657
PT Bank CIMB Niaga Tbk	6,972	-	-
Citibank, N.A	2,358	2,311	3,486
PT Bank Pembangunan Daerah Kalimantan Tengah	-	3,171	3,503
U.S. Dollar			
PT Bank Mandiri (Persero) Tbk	98,184,295	302,515,068	189,198,183
PT Bank Rakyat Indonesia (Persero) Tbk	85,545,534	67,515,665	93,163,936
United Overseas Bank Ltd.	44,226,532	-	-
PT Bank UOB Indonesia	32,833,358	340,745,036	222,526,120
Citibank, Singapura	8,236,553	1,625,552	1,443,566
UBS AG	4,856,760	6,229,434	39,503,745
PT Bank Negara Indonesia (Persero) Tbk	4,530,352	1,433,270	2,004,289
DBS Bank Ltd.	3,449,028	3,188,946	2,078,957
Standard Chartered Bank	2,131,736	53,160,057	43,950,498
PT Bank Artha Graha International Tbk	886,704	881,060	880,728
The Hongkong and Shanghai Banking Corporation Limited	473,138	1,970,707	7,186,828
PT Bank Woori Saudara Indonesia 1906 Tbk	383,876	376,525	370,876
JP Morgan Chase Bank, N. A.	93,673	93,690	929,706
PT Bank DBS Indonesia	89,586	-	-
PT Bank KB Bukopin Tbk	45,240	-	-
Citibank, N.A.	35,404	204,163,330	103,868,670
PT Bank KEB Hana Indonesia	34,819	34,965	134,775
PT Bank Central Asia Tbk	30,802	30,850	30,898
Forward	368,011,572	1,058,419,127	750,472,310

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Forward	368,011,572	1,058,419,127	750,472,310
Singapore Dollar			
UBS AG	585,554	221	219
DBS Bank Ltd.	331,659	637,074	678,333
Standard Chartered Bank	11,145	7,770	88,843
PT Bank UOB Indonesia	-	846,366	383,515
Australian Dollar			
The Hongkong and Shanghai Banking Corporation Limited	78,800	101,606	102,490
Euro			
PT Bank Negara Indonesia (Persero) Tbk	983,287	84,943	62,419
Citibank , N.A	-	-	27,405
PT Bank Mandiri (Persero) Tbk	-	3,029	3,239
JPY			
PT Bank Negara Indonesia (Persero) Tbk	2,357,015	1,650,181	26,508
Time deposits - Third Parties			
Rupiah			
PT Bank Rakyat Indonesia (Persero) Tbk	11,783,714	-	-
PT Bank Syariah Indonesia Tbk	11,092,372	100	-
PT Bank Negara Indonesia (Persero) Tbk	8,236,208	16,778,753	26,870,222
PT Bank Mandiri (Persero) Tbk	5,385,518	3,034,076	20,460,518
PT BPR Bina Dana Cakrawala	1,371,784	1,279,509	1,346,760
PT Bank Artha Graha International Tbk	200,000	-	-
PT Bank Danamon Indonesia Tbk	64,868	-	-
PT Bank UOB Indonesia	-	524,958	23,026,303
U.S. Dollar			
PT Bank Artha Graha International Tbk	10,050,000	250,000	250,000
PT Bank Negara Indonesia (Persero) Tbk	8,587,055	774,165	9,872,798
PT Bank Rakyat Indonesia (Persero) Tbk	7,562,624	12,358,995	17,298,540
UBS AG	6,078,817	12,612,866	12,029,613
PT Bank Mandiri (Persero) Tbk	3,327,730	12,941,771	3,769,152
PT Bank Mandiri (Persero) Tbk, Singapore branch	2,070,783	3,000,000	-
PT Bank KB Bukopin Tbk	800,000	-	-
Citibank, N.A	200,000	200,000	200,000
PT Bank KEB Hana Indonesia	-	30,000,000	-
PT Bank Woori Saudara Indonesia 1906 Tbk	-	-	400,000
Australian Dollar			
The Hongkong and Shanghai Banking Corporation Limited	33,915	33,624	35,639
Total	449,204,420	1,155,539,134	867,404,826
Cash and cash equivalents in disposal group held-for-sale (Note 13)	100,233,622	-	89,325,344
Cash and cash equivalent in the consolidated statements of cash flows	549,438,042	1,155,539,134	956,730,170
Interest rates per annum on time deposits			
Rupiah	2.25% - 5.00%	2.25% - 3.00%	2.25% - 3.00%
U.S. Dollar	1.00% - 5.60%	0.20% - 0.60%	0.25% - 0.60%
Australian Dollar	0.01%	0.01%	0.01%

6. OTHER FINANCIAL ASSETS

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Time deposits - third parties			
U.S. Dollar			
PT Bank Mandiri (Persero) Tbk	2,264,648	3,452,858	2,150,000
PT Bank Negara Indonesia (Persero) Tbk	19,047	1,248,571	-
PT Bank UOB Indonesia	-	1,248,571	-
Investments in third parties			
U.S. Dollar			
Mandiri Securities Pte. Ltd.	43,465,509	-	-
PT Majoris Asset Management (MAM)	12,898,157	12,427,249	13,089,313
Rupiah			
MTN PT Bank Mandiri (Persero) Tbk	-	1,271,375	1,401,639
Restricted investment - third parties			
JPMorgan Chase Bank, N.A., Singapore branch	-	-	29,162,070
Restricted cash in banks - third parties			
Rupiah			
PT Bank Mandiri (Persero) Tbk	656,289	6,324,776	5,786,866
PT Bank Negara Indonesia (Persero) Tbk	-	129,583	142,860
PT Bank Rakyat Indonesia (Persero) Tbk (Note 53)	-	81,999	89,545
U.S. Dollar			
PT Bank Mandiri (Persero) Tbk (Note 53)	61,441,215	10,421,869	2,827,025
PT Bank UOB Indonesia (Note 53)	56,947,946	2,871,038	2,520,000
PT Bank Rakyat Indonesia (Persero) Tbk (Note 53)	46,539,883	61,625,749	61,536,204
Citibank, N.A (Note 53)	22,879,227	-	-
PT Bank Woori Saudara Indonesia 1906 Tbk (Note 53)	-	800,000	400,000
Total	247,111,921	101,903,638	119,105,522
Less current maturities	133,654,475	25,367,386	55,124,177
Other non-current financial assets	113,457,446	76,536,252	63,981,345
Interest rates per annum			
Time deposits			
U.S. Dollar	1.00% - 2.00%	0.2% - 1.25%	0.06% - 0.6%
Rupiah	2.25%	2.5% - 3%	3.60%
Medium term note			
Rupiah	-	8.57%	8.57%

For purpose of impairment assessment, the investments in debt securities are considered to have low credit risk as the counterparties to these instruments have a minimum BBB- credit rating. Accordingly, for the purpose of impairment assessment for these debts instruments, the loss allowance is measured at an amount equal to 12-months ECL.

In determining the ECL, management has taken into account the historical default experience, the financial position of the counterparties, as well as the future prospects of the industries in which the issuers of these debt instruments obtained from economic expert reports, financial analyst reports and considering various external sources of actual and forecast economic information, as appropriate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for these financial assets.

Gain or impairment loss on financial instruments measured at amortised cost is recognised in profit or loss, with a corresponding adjustment to their carrying amount through the loss allowance account. Management believes that the ECL for other financial assets is not material.

Guarantee deposits for bank loans

Time deposits in PT Bank Mandiri (Persero) Tbk amounting to US$ 2,150,000 (2022 and 2021: US$ 2,150,000, repectively) has a term of one month and was used as collateral for credit facilities obtained by TPEC from the same bank (Note 53).

Bank accounts in PT Bank Mandiri (Persero) Tbk, PT Bank Negara Indonesia (Persero) Tbk and PT Bank UOB Indonesia amounting to nil, respectively (December 31, 2022: US$ 1,302,858, US$ 1,248,571 and US$ 1,248,571, respectively and December 31, 2021: nil), are bank accounts of KGTE which are restricted related to the syndicated loan facility obtained by KGTE from the same banks (Note 30).

Guarantee deposits for KGTE's syndicated loans were released by banks on October 6, 2023, following the full repayment of loan by KGTE on September 25, 2023.

Investments in third parties

Mandiri Securities Pte. Ltd.

As of December 31, 2023, IECPL III and IECPL IV placed funds for investments of US$ 42,266,000 and US$ 1,241,000, respectively and appoints Mandiri Securities Pte. Ltd. as fund manager and PT Bank Mandiri (Persero) Tbk as the custodian.

As of December 31, 2023, unamortized premium on these investments amounted to US$ 40,018 and US$ 1,473, respectively.

MAM

ICPL and TS placed several investments in MAM as fund manager. Custodian bank for ICPL and TS' investments are DBS.

The net assets value of the other financial assets with MAM are as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
ICPL	-	8,348,911	8,629,028
TS	12,898,157	4,078,338	4,460,285
Total	12,898,157	12,427,249	13,089,313

Total realized and unrealized gain (loss) related to investments in MAM was disclosed in Note 42. Unrealized gain (loss) were recognized on the fair value from these investments.

MAM was appointed to manage the Group funds, to balance the portfolio within the designated guidelines by buying and selling debt instruments and equity.

In December 2023, ICPL has withdrawn all of its investment funds in MAM.

Total realized and unrealized gain in 2023 for investments in Mandiri Securities Pte. Ltd. and MAM amounted to US$ 646,322 (2022 and 2021: loss amounting to US$ 662,064 and US$ 519,812, respectively) (Note 42).

MTN PT Bank Mandiri (Persero) Tbk

In July 2018, TIME invested Rp 20,000,000,000 (equivalent to US$ 1,271,375 as of December 31, 2022 (December 31, 2021: US$ 1,401,639)) in Subordinated Medium Term Note (MTN) issued by PT Bank Mandiri (Persero) Tbk. The MTN was rated as AAA by PT Pemeringkat Efek Indonesia (Pefindo). Interest on the MTN is 8.57% per annum, paid on a quarterly basis, starting from October 31, 2018. The MTN matured in July 2023.

Restricted investment - third parties

JPMorgan Chase Bank, N.A., Singapore Branch (JPMS)

As required in the Uncommitted Banking Facilities signed between the Company and JPMS for the issuance of SBLC by JPMS related to CEPR project (Note 53), the Company placed a structured investment with JPMS in July 2018, as a security to the SBLC and was restricted until March 9, 2022. The investment earns an interest at Federal Funds Overnight Rate minus 0.15% per annum, credited on a monthly basis. Aside to the monthly interest, such investment is linked to Index J.P.Morgan Efficient Plus DS5, with final valuation on February 4, 2022. Principal of the investment, together with the performance of the Index were distributed to the Company on March 9, 2022.

7. TRADE ACCOUNTS RECEIVABLE

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
a. By Debtors:			
Related Parties (Note 51)	80,612,755	71,860,522	74,610,819
Third Parties			
BP Berau Ltd.	20,933,013	68,080,156	51,753,027
Others (each below US$ 5 million)	18,706,844	14,309,510	6,353,019
Sale of coal			
Foreign customers	121,212,134	271,460,964	136,667,061
Domestic customers	71,882,297	59,744,309	172,139,334
Other trading			
Domestic customers	30,908,484	40,459,858	29,947,502
Foreign customers	-	9,146,027	15,043,339
Total	263,642,772	463,200,824	411,903,282
Allowance for credit losses	(645,382)	(736,752)	(683,635)
Net	262,997,390	462,464,072	411,219,647
Total	343,610,145	534,324,594	485,830,466
b. Based on currency			
U.S. Dollar	221,524,838	395,429,327	358,057,734
Rupiah	122,730,689	139,632,019	128,456,367
Total	344,255,527	535,061,346	486,514,101
Allowance for credit losses	(645,382)	(736,752)	(683,635)
Net	343,610,145	534,324,594	485,830,466

There is no outstanding retention receivable as of December 31, 2023, 2022 and 2021.

As at January 1, 2021, trade receivables from contracts with customers amounted to US$ 462,353,774 (net of loss allowance for credit losses of US$ 6,293,961).

Trade accounts receivable from customers on sale of goods and services has credit period of 30 days (2022: 30 days and 2021: 30 to 150 days, respectively). No interest is charged on trade accounts receivable.

Allowance for credit losses for trade accounts receivable has been measured at an amount equal to lifetime ECL. The ECL on trade accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.

When applying a provision matrix to the Group's trade accounts receivable, the population of individual trade accounts receivable were aggregated into groups of receivables that share similar credit risk characteristics, determined based on the Group revenue stream. The trade accounts receivable are grouped into energy services, energy resources, energy infrastructure, logistic and infrastructure, mineral, green business, digital ventures and other revenue.

The following table details the risk profile of trade receivables based on the Group's provision matrix.

Provision matrix

	December 31, 2023					
		Past due				
	Not past due	< 30 days	31 – 90 days	91 – 180 days	> 181 days	Sub Total
	US$	US$	US$	US$	US$	US$
Expected credit loss rate	*)	*)	*)	*)	3.89%	
Estimated total gross carrying amount at default	241,776,105	74,664,383	7,254,254	3,972,435	16,588,350	344,255,527
Lifetime ECL	-	-	-	-	(645,382)	(645,382)
Total						343,610,145

*) Close to zero

	December 31, 2022					
		Past due				
	Not past due	< 30 days	31 – 90 days	91 – 180 days	> 181 days	Sub Total
	US$	US$	US$	US$	US$	US$
Expected credit loss rate	*)	*)	*)	*)	7.00%	
Estimated total gross carrying amount at default	406,730,131	97,711,591	10,401,367	9,690,960	10,527,297	535,061,346
Lifetime ECL	-	-	-	-	(736,752)	(736,752)
Total						534,324,594

*) Close to zero

	December 31, 2021					
		Past due				
	Not past due	< 30 days	31 – 90 days	91 – 180 days	> 181 days	Sub Total
	US$	US$	US$	US$	US$	US$
Expected credit loss rate	*)	*)	*)	*)	2.30%	
Estimated total gross carrying amount at default	351,691,955	60,487,270	19,324,125	25,315,072	29,695,679	486,514,101
Lifetime ECL	-	-	-	-	(683,635)	(683,635)
Total						485,830,466

*) Close to zero

The movements in allowance for credit losses are as follows:

	2023	2022	2021
	US$	US$	US$
Balance at beginning of year	736,752	683,635	6,293,961
Allowance for losses recognized in profit or loss during the period on:			
- Assets originated, net of those derecognized due to settlement	-	91,312	617,000
- Assets derecognized and reversal allowance	-	-	(3,341,000)
Divestment of MBBS (Note 13d)	-	-	(1,432,673)
Transfer to non-current assets held for sale (Note 13c)	-	-	(1,502,325)
Translation adjustment	(91,370)	(38,195)	48,672
Balance at end of year	645,382	736,752	683,635

Management believes that allowance for credit losses is adequate.

As of December 31, 2023, 2022 and 2021, TPEC's trade accounts receivable from CSTS Joint Operation, BP Berau Ltd., and PT PLN (Persero) were used as collateral for bank loans obtained by TPEC from PT Bank Mandiri (Persero) Tbk. (Note 26).

As of December 31, 2023 and 2022, TPE's trade accounts receivable from PT Pertamina Hulu Rokan was used as collateral for loans PT Bank Mandiri (Persero) Tbk (Note 26).

As of December 31, 2022, all trade accounts receivable from the operational of fuel tank was used as collateral for syndicated loans obtained by KGTE (Note 30).

8. CONTRACT ASSET AND LIABILITIES

TPEC have entered into various agreements with related parties and third parties for the provision of various construction related services (Note 53).

	December 31, 2023	December 31, 2022	December 31, 2021	January 1, 2021
	US$	US$	US$	US$
Construction contract assets - current	19,506,377	4,919,983	1,798,930	1,692,846
Construction contract liabilities - current	(10,572,038)	(16,581,292)	(11,272,664)	(17,447,646)

Contract Assets

Amounts relating to contract assets are balances due from customers under construction contracts that arise when the Group receives payments from customers in line with a series of performance related milestones. The Group will previously have recognized a contract asset for any work performed. Any amount previously recognized as a contract asset is reclassified to trade accounts receivables at the point at which it is invoiced to the customer.

Management estimates the loss allowance on contract assets at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the customer's industry. None of the amounts due from customers at the end of the reporting period is past due and no history of write off for contract assets. Therefore, management assessed that there is no ECL allowance that should be made for contract asset.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the contract assets.

Contract Liabilities

Contract liabilities relating to construction contracts are balances due to customers under construction contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

There were no significant changes in the contract liability balance during the reporting period.

The following table shows how much of the revenue recognized in these current reporting period relates to brought-forward contract liabilities. There was no revenue recognized in the current reporting period that related to performance obligations that were satisfied in a prior year.

The Group's revenue recognized that was included in the contract liability balance at the beginning of the period:

	2023	2022	2021
	US$	US$	US$
Amount related to construction cost	16,581,292	11,272,664	17,447,646

9. OTHER ACCOUNTS RECEIVABLE

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
a. By Debtors:			
Related parties - net (Note 51)	20,375,957	23,207,816	10,213,675
Third parties			
Vehicle fuel tax ("PBBKB") receivable	9,552,486	18,149,394	14,433,010
PT Bara Jaya Utama	5,078,780	6,277,993	8,384,130
Istar Resources Co., Ltd.	5,873,007	5,087,500	7,447,296
Claim for royalty	5,083,657	1,268,222	5,795,329
Others (each below US$ 5 million)	11,862,926	18,496,404	5,564,870
Total	37,450,856	49,279,513	41,624,635
Less allowance for credit losses	-	(2,227,568)	(1,500,000)
Total third parties	37,450,856	47,051,945	40,124,635
Less current maturities	(32,372,076)	(26,397,403)	(31,335,968)
Other accounts receivable - net of current maturities	5,078,780	20,654,542	8,788,667
Total	57,826,813	70,259,761	50,338,310
b. Based on currency			
U.S. Dollar	33,383,151	46,791,720	13,338,827
Rupiah	24,443,662	25,695,609	38,499,483
Total	57,826,813	72,487,329	51,838,310
Allowance for credit losses	-	(2,227,568)	(1,500,000)
Net	57,826,813	70,259,761	50,338,310

The movements in allowance for credit losses are as follows:

	2023	2022	2021
	US$	US$	US$
Balance at beginning of year	2,227,568	1,500,000	1,736,075
Allowance for losses recognized in profit or loss during the period on:			
- Assets originated, net of those derecognized due to settlement	-	727,568	-
- Write-off	(1,500,000)	-	-
- Recovery	-	-	(236,075)
Transfer to non-current asset held for sale (Note 13b)	(727,568)	-	-
Balance at end of year	-	2,227,568	1,500,000

Management estimates the loss allowance on other receivables at an amount equal to lifetime ECL, taking into account the historical default experience and the future prospects of the customer's industry.

Management believes that allowance for credit losses on other accounts receivable is adequate.

Vehicle fuel tax ("PBBKB") receivable

The PBBKB tax receivables represents the balance of PBBKB paid by KJA which can be offset against royalty.

Based on the letter from Directorate General of Taxation ("DGT") dated August 11, 2016, which informed the follow-up actions from the meeting result between Ministry of Finance, MoEMR, Financial and Development Supervisory Board ("BPKP") and Audit Board of Republic of Indonesia, the Government has agreed that the PBBKB can be offset against royalty payable.

PT Bara Jaya Utama

On December 4, 2020, PT Bara Jaya Utama ("BJU"), one of ICI's supplier has been declared under the suspension payment of its debt by the Commercial of Surabaya District Court No. 14/Pdt.Sus-PKPU/2020/PN.Niaga.Sby.

Upon such decision, ICI has submitted its receivables in the amount of Rp 128,220,659,673. The debt will then be paid by BJU to ICI within a period of 8 years starting in 2022 with a predetermined portion of annual payments and will be paid monthly in an equal portion. As of December 31, 2023, the remaining receivables is US$ 5,078,780 (December 31, 2022: US$ 6,277,993 and 2021: US$ 8,384,130).

10. INVENTORIES

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Coal	22,915,424	46,905,108	33,601,003
Motor vehicles	9,567,847	58,185	-
Spare parts and supplies	6,173,046	7,740,940	6,796,125
Lubricants and blasting materials	5,229,539	518,357	487,015
Goods in transit	4,128,948	1,081,290	-
Diesel and fuels	3,850,739	6,226,085	5,239,142
Bauxite	310,028	56,700	-
Others	370,561	519,566	-
Total	52,546,132	63,106,231	46,123,285
Allowance for decline in value	(1,207,125)	(2,514,634)	(2,383,211)
Net	51,339,007	60,591,597	43,740,074

Changes in the allowance for decline in value are as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Beginning balance	2,514,634	2,383,211	2,671,785
Additions	124,277	131,423	240,561
Write-off	(1,431,786)	-	-
Transfer to non-current asset held for sale (Note 13c)	-	-	(529,135)
Ending balance	1,207,125	2,514,634	2,383,211

Management believes that the allowance for decline in value of inventories is adequate.

As of December 31, 2023, majority of the inventories, except for coal, diesel and fuels, have been insured against all risks with the total coverage of US$ 12,139,344 (December 31, 2022 and 2021: US$ 11,416,016 and US$ 9,713,901, respectively), excluding some inventories which are insured in lump-sum basis with insurance for property and equipment (Note 21).

Management believes that the insurance coverage is adequate to cover possible losses on the inventories insured.

The decline in the value of inventories was recognized as deduction to the cost of inventories and charged to expenses.

In 2023, inventories recognized in expenses and was recorded as cost of contracts and goods sold amounted to US$ 741,416,227 (2022 and 2021: US$ 1,274,175,991 and US$ 1,054,447,401, respectively).

11. PREPAID TAXES

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Income tax Articles 4(2), 15, 22, 23			
Subsidiaries	3,644,778	5,134,830	3,312,579
Corporate Income Tax			
Company (Note 46)	108,779	-	-
Subsidiaries			
2023 (Note 46)	18,477,069	-	-
2020	79,321	210,929	212,623
Value Added Tax (VAT) - net			
KJA	32,032,394	-	-
SMI and subsidiaries	9,342,390	1,869,457	-
IMI and subsidiaries	4,334,145	-	-
TPE, TPEC and CSTS JO	3,402,853	5,815,557	6,316,648
IEI and subsidiaries	468,365	578,385	1,181,381
MUTU and IIR	-	7,843,363	8,880,958
EMITS and subsidiaries	-	1,000,803	-
Others (each below US$ 1 million)	844,739	1,133,211	899,692
Total	72,734,833	23,586,535	20,803,881

12. OTHER CURRENT ASSETS

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Advances			
Projects	43,052,814	97,419,594	74,444,402
Purchase of coal	20,623,380	23,845,830	33,106,008
Advance royalty payments	10,076,364	20,658,543	19,570,599
Others (each below US$ 2 million)	19,181,160	15,707,394	1,252,471
Investment in convertible promissory note			
Third parties			
Damon Motors Inc	5,149,589	-	-
Forest Plateau Pte. Ltd.	5,000,000	-	-
PT Exelly Elektrik Indonesia	973,015	-	-
Others	1,521,448	-	-
Prepaid expenses			
Insurance	1,874,635	339,391	1,073,174
Rent - current maturities	1,357,581	2,012,552	3,168,710
Others	5,931,334	8,572,736	4,327,712
Deposits	1,833,888	932,748	742,190
Total	116,575,208	169,488,788	137,685,266

Advance for projects mainly represents advances for participation and business expansion and advances for trading as well as advances to vendors related to work projects.

Advances for purchase of coal represent advance payments made by ICI and IETPL, subsidiaries.

Advance for royalties payment to the Government are mainly advance payments made by KJA.

13. NON-CURRENT ASSETS HELD-FOR-SALE AND DISCONTINUED OPERATION

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Property, plant and equipment (Note 21)	5,650,064	-	-
Divestment of MUTU	258,352,413	-	-
Divestment of PTRO	-	-	448,226,774
Total	264,002,477	-	448,226,774

a. Property, plant and equipment

On April 17, 2023, IMU and PT AGPA Refinery Complex (AGPA) entered into Conditional Sale and Purchase Agreement (CSPA), wherein IMU intends to sell its land measuring 292,193 square meters located in Kariangau Balikpapan, East Kalimantan, including all fixtures attached and affixed to the land, at a selling price of US$ 26,534,045 (equivalent to Rp 397,771,874,920). The CSPA defines 3 stages of payments, wherein each stage will be received, depending on the fulfilment of certain terms and conditions as further detailed in the CSPA.

On July 12, 2023 and October 2, 2023, IMU received the first and second stage of payments amounting to Rp 132,485,682,841 (equivalent to US$ 8,796,022) and Rp 57,530,045,056 (equivalent to US$ 3,705,400), respectively, excluding value added tax.

Following receipts of such payments, IMU entered into deed sale and purchase agreement with AGP, wherein IMU effectively sold 133,041 m3 land along with the building on October 19, 2023. Gain recognized from the transaction was US$ 9,230,947.

As of December 31, 2023, the remaining asset committed for sale was presented as part of non-current asset held for sale with carrying amount of US$ 5,650,064.

b. Divestment of MUTU

On September 22, 2023, PT Indika Indonesia Resources ("IIR") and Indika Capital Investment Pte. Ltd. ("ICI"), both as Sellers, have entered into a Conditional Sale and Purchase Agreement with PT Petrindo Jaya Kreasi Tbk. ("PJK") and/or its associates, as the purchaser, with regards to the proposed sale of all shares of IIR and ICI in PT Multi Tambangjaya Utama ("MUTU") to PJK ("CSPA").

With regards to the CSPA, (i) the Sellers wish to sell all of their 2,263,030,000 shares representing the Company's 100% indirect ownership in MUTU to PJK (Share Sale) and (ii) ICI wishes to assign all of its rights and obligations under the Marketing Services Agreement to PJK (Assignment of Marketing Rights, along with the Share Sale, Proposed Transaction).

Agreed consideration for the Proposed Transaction is in the total amount of US$ 218,000,000.

The completion of the Proposed Transaction shall be subject to compliance of a number of conditions precedents as governed under the CSPA., including approval from the Ministry of Energy and Mineral Resources of the Republic of Indonesia.

The Company believes that the Proposed Transaction is made in accordance with the Company's diversification strategy and to ensure that the Company focuses on the implementation of sustainability of the business activities of the Company.

On October 2, 2023, IIR received advance payment of Rp 154,518,000,000 (equivalent to US$ 10,000,000) from PJK for the Proposed Transaction.

On February 26, 2024, IIR and ICI have completed the sale of MUTU's shares transaction (Note 59).

As governed under the CSPA, the completion of the shares sale and purchase of MUTU and the transfer of Marketing Rights Agreement of ICI to PJK shall also be subject to further leakage assessment conducted by an independent third party financial consultant which is jointly appointed by IIR and PJK.

Major classes of assets and liabilities of MUTU as of December 31, 2023 are as follows:

	Amount US$
Cash and cash equivalents	100,233,622
Other financial assets	23,002,656
Trade accounts receivable - net	12,665,030
Other accounts receivable	9,569
Inventories	7,824,408
Prepaid taxes*)	15,609,546
Other current assets	1,431,049
Exploration and evaluation assets - net	8,974,570
Mining properties - net	13,475,360
Stripping activity assets	1,096,078
Property, plant and equipment - net	35,254,156
Right-of-use-assets - net	378,801
Intangible assets - net	38,354,366
Refundable deposit	43,202
Total asset classified as held-for-sale	258,352,413

	Amount US$
Trade accounts payable	(7,281,507)
Other accounts payable	(560,920)
Accrued expenses	(24,405,701)
Taxes payable	(6,828,889)
Other current liabilities	(9,895)
Employee benefit obligation	(559,283)
Deferred tax liabilities	(6,101,474)
Provision for mine rehabilitation, mine closure and decommissioning	(1,238,708)
Other non-current liabilities	(378,800)
Total liabilities classified as held-for-sale	(47,365,177)
Net assets of disposal group	210,987,236

*) Prepaid taxes include land and building tax (PBB) amounted to US$ 2,323,817. In June 2023, MUTU received a Notice of Tax Due (SPPT) for 2023 land and building tax amounting to Rp 83,799,848,588, which was different from MUTU's calculation. MUTU has made payments for the SPPT in November and December 2023. MUTU did not agree with the SPPT and filed a appeal to the tax court in December 2023 for a value of Rp 35,823,970,929 or the equivalent of US$ 2,323,817. As of the date of issuance of these consolidated financial statements, the appeal process is still ongoing.

c. Divestment of PTRO

The Company and PT Caraka Reksa Optima ("CARA") signed a Conditional Sale and Purchase Agreement with regards to the proposed sale of all Company's shares in Petrosea to CARA on February 18, 2022 with an effective date on February 25, 2022 (the "CSPA"), following signing of a term sheet on October 28, 2021 which was amended on December 24, 2021.

Under the CSPA, the Company intends to sell all of its 704,014,200 shares representing the Company's 69.80% ownership in PTRO (the "Proposed Transaction") at estimated selling price of equal to Rupiah amount of US$ 146,580,000. On February 25, 2022, the Company received a non-refundable deposit of Rp 35,887,500,000 (equivalent to US$ 2,500,000).

Completion of the Proposed Transaction will be subject to fulfillment of conditions precedents as governed under the CSPA.

The Proposed Transaction as mentioned above has been disclosed to Otoritas Jasa Keuangan ("OJK") and Bursa Efek Indonesia ("BEI") on March 1, 2022.

This Proposed Transaction serves as the Company's strategic initiative as one of the Company's diversification strategies.

On July 28, 2022, the Company and CARA have closed the sale and purchase transactions for 69.8% shares in PTRO, wherein the PTRO shares have been crossed to CARA and the Company has received the remaining selling price in Rupiah equivalent to US$ 144,080,000. The total consideration received amounting to US$ 146,580,000 is equivalent to the net assets of the disposal group as of July 28, 2022, accordingly the Group did not recognize any gain/loss on the sale of PTRO shares in 2022.

Other equity of US$ 57,184,360, representing the difference between proceeds from share refloat in 2012 and carrying amount of the investment, was transferred directly to retained earnings when the Company divested all of its shares in PTRO.

Write-down of goodwill and property, plant and equipment

Immediately before the classification of PTRO as assets held for sale and discontinued operation, the recoverable amount was estimated for goodwill and property, plant and equipment and no impairment loss was recognised.

Following the classification, a write-down of US$ 79,960,887 was recognised to reduce the carrying amount of the assets in the disposal group to their fair value less costs to sell. The impairment losses are first allocated to reduce the carrying amount of goodwill allocated to the disposal group amounting to US$ 28,978,661 and then to the property, plant and equipment amounting to US$ 50,982,226.

Major classes of assets and liabilities of PTRO as of December 31, 2021 are as follows:

	Amount US$
Cash and cash equivalents	89,325,344
Other financial assets	24,400,046
Trade accounts receivable - net	59,055,818
Other accounts receivable	1,135,931
Inventories	9,075,013
Contract asset	559,670
Prepaid taxes	6,578,000
Claims for tax refund	3,481,184
Prepaid expenses - current portion	2,769,334
Other current assets	2,526,264
Property, plant and equipment - net	178,172,306
Right-of-use asset	38,526,171
Goodwill	781,196
Intangible assets - net	28,169,800
Other non-current assets	3,670,697
Total assets	448,226,774
Trade accounts payable	(64,670,016)
Other accounts payable	(1,661,382)
Dividends payable	(316,939)
Taxes payable	(11,741,894)
Accrued expenses	(19,445,319)
Contract liabilities	(477,971)
Long-term loans - third party	(103,031,065)
Lease liabilities	(32,786,591)
Derivative liabilities	(268,563)
Employee benefit obligation	(22,971,646)
Deferred tax liabilities - net	(10,041,614)
Total liabilities	(267,413,000)
Net assets of disposal group	180,813,774

Loss from discontinued operation including PTRO's consolidated loss in 2021, is as follows:

	Amount US$
Revenue	415,737,205
Direct costs	(341,174,984)
General and administrative expenses	(29,810,923)
Interest income	2,236,979
Finance costs	(5,575,018)
Final tax expense	(1,723,365)
Other losses - net	1,631,708
Profit before tax	41,321,602
Income tax expense	(7,380,520)
Profit for the period from discontinued operation	33,941,082
Loss on remeasurement to fair value less cost-to-sell	(79,960,887)
Loss from discontinued operation	(46,019,805)

Cash flows from discontinued operation

	Amount US$
Net cash inflows from operating activities	109,637,000
Net cash outflows from investing activities	(77,559,000)
Net cash outflows from financing activities	(76,890,000)
Net cash outflows	(44,812,000)

d. Divestment of MBSS

As of September 30, 2021, management of the Group has resolved to dispose MBSS and was already in the final phase of negotiation with a buyer, and hence therefore presented the related asset and liabilities of MBSS as a disposal group. Write-down of US$ 101,947,572 recognized on September 30, 2021 to reduce the carrying amount of the assets in the disposal group to their fair value less costs to sell. The impairment losses are first allocated to reduce the carrying amount of goodwill allocated to the disposal group amounting to US$ 33,730,009 and then to the property, plant and equipment amounting to US$ 68,217,563.

On October 8, 2021, IEI and PT Galley Adhika Arnawa ("Galley") has completed the sale transaction of MBSS shares, where the control of MBSS passed to Galley. Final selling price per share was Rp 660 (equivalent to US$ 0.05), based on Indicative Selling Price converted using Jakarta Interbank Spot Dollar Rate (JISDOR) rate as of October 5, 2021 or equivalent to US$ 41,172,751 for the whole 51% interest ownership being divested.

As of the date of disposal, the analysis of assets and liabilities over which control was lost is as follows:

	Amount US$
Cash and cash equivalents	36,421,934
Trade accounts receivable - net	9,562,401
Inventories	3,209,512
Prepaid taxes	1,014,533
Other current assets	1,198,728
Property, plant and equipment - net	61,830,562
Other non-current assets	353,338
Trade accounts payable	(910,573)
Other accounts payable	(2,943)
Accrued expenses	(729,799)
Taxes payable	(63,874)
Long-term bank loans	(15,921,374)
Employee benefit obligation	(3,511,591)
Net assets disposed of	92,450,854

The profit or loss and cash flows from discontinued operations for the nine-month period ended September 30, 2021 are as follows:

	Amount US$
Revenue	53,763,344
Direct costs	(42,754,143)
General and administrative expenses	(5,978,398)
Interest income	270,476
Finance costs	(446,788)
Final tax expense	(662,883)
Other gains and Profites - net	(325,459)
Profit before tax	3,866,149
Income tax expense	-
Profit after tax of discontinued operation	3,866,149
The Company's portion of profit (loss) in MBSS	
Loss on divestment	(101,947,572)
Loss for the period from discontinued operation	(98,081,423)

Cash flows from discontinued operation

	Amount US$
Net cash inflows from operating activities	14,560,719
Net cash outflows from investing activities	(3,777,846)
Net cash outflows from financing activities	(9,551,153)
Net cash outflows	1,231,720

Net cash inflows received from disposal of MBSS transaction amounted to US$ 41,172,751.

14. BEARER PLANTS – IMMATURE PLANTATIONS

	January 1, 2021	Additions	December 31, 2021	Additions	December 31, 2022	Additions	December 31, 2023
	US$	US$	US$	US$	US$	US$	US$
Kaliandra	-	258,622	258,622	325,826	584,448	9,165,577	9,750,025

Bearer plant – immature plantation reflect costs incurred in connection with the development of the plantations (*tanaman kaliandra merah*) such as land preparation, planting, fertilizing and other maintenance activities carried out until the plantation matures.

15. INVESTMENTS IN ASSOCIATES

Name of entity	Principal activity	Domicile	Percentage of ownership interest and voting power held by the Company and its subsidiaries December 31,			Carrying amount December 31,		
			2023	2022	2021	2023	2022	2021
			%	%	%	US$	US$	US$
Investment in associates:								
PT Cirebon Energi Prasarana (CEPR)	Coal-fired power plant	Cirebon - West Java	6.25%	6.25%	6.25%	148,513,424	136,887,090	22,936,973
PT Cirebon Electric Power (CEP)	Coal-fired power plant	Cirebon - West Java	20%	20%	20%	75,727,509	77,548,116	74,729,449
PT Sea Bridge Shipping (SBS)	Domestic goods shipment	Jakarta	46%	46%	46%	19,816,690	19,937,944	28,967,063
PT Natura Aromatik Nusantara (NAN)	Essential oil industry	Solo - West Java	46%	-	-	11,738,247	-	-
PT Mitra Samudra Indonesia (MSI)	Wholesale and retail trading, information and communication as well as professional, scientific and technical activities	Jakarta	30.1%	30.1%	30.1%	1,814,028	1,650,709	2,334,332
PT Narada Sahara Kencana (ADX)	Digital services and advertising	Jakarta	22.5%	22.5%	-	1,119,517	1,106,964	-
PT Cirebon Power Services (CPS)	Operation and maintenance of facilities and power tools	Cirebon - West Java	20%	20%	20%	327,718	212,342	232,057
PT Sumber Multi Energi Penajam (SMEP)	Trading, energy and construction	Jakarta	49%	49%	49%	-	154,321	174,412
PT Cotrans Asia (CTA)	Coal transportation and transhipment service	East Kalimantan	-	45%	45%	-	4,131,578	8,621,388
PT Pelabuhan Patimban Internasional	Transportation and warehousing	Jakarta	29%	29%	29%	-	-	202,698
PT Intan Resources Indonesia (IRI)	Coal trading and mining consulting	Jakarta	43.3%	43.3%	43.3%	-	-	-
Total						259,057,133	241,629,064	138,198,372
Investment in joint venture:								
PT Empat Mitra Indika Tenaga Surya	Solar panel power plant	Jakarta	51%	-	-	5,524,125	-	-
Total						264,581,258	241,629,064	138,198,372

Effective since February 2023, PT Cotrans Asia became the subsidiary of the Company (Note 1), hence its financial position as of December 31, 2023 was not presented herein. Profit and loss of PT Cotrans Asia covered one-month period of year 2023 before PT Cotrans Asia was acquired and consolidated by the Company.

Changes in investments in associates are as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Carrying amount at beginning of year	241,629,064	138,198,372	159,001,882
Additions	11,689,347	49,830,632	2,537,030
Changes in investment (Note 1d)	(4,131,578)	-	(38,806,615)
Equity in net profit of associates	22,876,701	31,174,667	27,880,564
Dividends	(11,520,000)	(28,962,011)	(21,930,295)
Share in other comprehensive income of associates:			
Unrealized (loss) gain on derivative financial instrument (hedging reserve)	(1,706,007)	51,164,170	10,016,282
Remeasurement of defined benefits obligation	-	1,669	(6,828)
Translation adjustment	219,606	221,565	(493,648)
Carrying amount at end of year	259,057,133	241,629,064	138,198,372

Summarized financial information in respect of the Group's material associates is set out below. The summarized financial information below represent amounts shown in the associate's financial statements prepared in accordance with Indonesian Financial Accounting Standards.

	December 31, 2023				December 31, 2022			December 31, 2021		
	CEPR	CEP	SBS	NAN	CEPR	CEP	SBS	CEPR	CEP	SBS
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Current assets	265,113,892	120,524,282	19,848,689	11,201,359	256,336,863	143,661,680	15,472,355	252,117,445	149,700,668	29,630,033
Non-current assets	2,350,473,602	395,502,710	27,401,431	6,405,981	2,388,572,786	402,166,206	29,400,621	2,089,362,291	438,277,634	34,565,589
Current liabilities	90,235,730	32,550,045	3,214,866	1,187,607	244,454,326	57,034,739	1,279,048	178,370,729	38,218,158	1,024,470
Non-current liabilities	1,931,298,070	104,839,402	955,485	1,664,176	1,852,906,963	101,052,567	250,571	2,071,361,113	176,112,899	199,276

	2023				2022			2021		
	CEPR	CEP	SBS	NAN	CEPR	CEP	SBS	CEPR	CEP	SBS
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Revenue	333,080,201	203,042,695	30,133,929	19,471,158	250,385,285	222,346,888	26,189,770	262,933,710	239,116,477	26,259,504
Profit before tax	68,812,081	27,155,111	14,882,876	294,082	75,560,618	53,392,337	6,740,099	76,608,884	45,060,170	9,756,859
Profit for the year	53,329,363	20,896,960	11,731,539	294,082	58,683,507	41,404,466	5,360,482	55,485,825	34,921,632	8,217,412
Total comprehensive income for the year	46,505,336	20,896,960	11,731,539	294,082	259,731,331	43,354,048	5,347,716	150,871,192	35,872,396	8,217,412
Dividends declared during the year	-	30,000,000	12,000,000	-	-	30,000,000	25,000,000	-	58,000,000	13,000,000

Reconciliation of the above summarized financial information to the carrying amount of the interest in CEP, SBS, CEPR, and NAN measured using the equity method recognized in the consolidated financial statements:

	December 31, 2023				December 31, 2022			December 31, 2021		
	CEPR	CEP	SBS	NAN	CEPR	CEP	SBS	CEPR	CEP	SBS
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Net assets of the associate	594,053,694	378,637,545	43,079,769	14,755,557	547,548,360	87,740,580	43,343,357	91,747,893	373,647,245	62,971,877
Percentage of the Group ownership interest	25%	20%	46%	46%	25%	20%	46%	25%	20%	46%
Excess of the cost of acquisition over IMP's share of the net fair value of identifiable assets and liabilities of NAN at acquisition date	-	-	-	4,950,691	-	-	-	-	-	-
Equity attributable to the Group representing carrying amount of the Group's interest	148,513,424	75,727,509	19,816,690	11,738,247	136,887,090	77,548,116	19,937,944	22,936,973	74,729,449	28,967,063

Aggregate information of associates that are not individually material:

	2023	2022	2021
	US$	US$	US$
Group's share in (loss) profit of associates	(166,818)	5,757,075	5,842,291
Group's share in other comprehensive income (loss) of associates	3,819	1,669	(75,771)
Group's share in total comprehensive (loss) income of associates	(162,999)	5,758,744	5,766,520

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Aggregate carrying amount of Group's interest in these associates	3,261,263	7,255,914	11,564,887

Summarized financial information in respect of the Group associates that are not individually material is set out below.

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Current assets	6,499,059	21,230,263	42,220,104
Non-current assets	131,259,396	134,518,071	80,969,743
Current liabilities	3,176,285	15,689,830	19,367,208
Non-current liabilities	154,243,988	131,863,797	44,944,942

	2023	2022	2021
	US$	US$	US$
Revenue	13,674,547	91,835,039	85,342,245
(Loss) profit before tax	(10,552,295)	6,040,624	13,427,114
(Loss) profit for the year	(10,721,759)	4,886,206	13,156,541
Total comprehensive (loss) income for the year	(10,122,493)	4,894,550	12,779,406
Dividends declared by associates that are not individually material during the year	-	25,847,917	9,667,322

PT Cirebon Energi Prasarana

CEPR was established in line with the Coal-fired Power Plant development project at the capacity of 1 x 1000 MW located at Cirebon, West Java ("Project") and started commercial operation since May 19, 2023.

On October 21, 2015, following the participation of other sponsors in CEPR, namely Marubeni Corporation, Samtan Co. Ltd., Korea Midland Power Co. Ltd. and Chubu Electric Power Co. Ltd., PEC's ownership in CEPR has been diluted to 25%. On August 1, 2016, the Group effective interest in CEPR was further diluted from 25% to 6.25%.

PEC injected additional equity to CEPR at the amount of US$ 48,770,000 on January 11, 2022. For the purpose of funding such equity contribution, PEC obtained additional capital contribution from PEI and IMECO, proportionate with PEI and IMECO's ownership in PEC.

Contribution provided by PEC was made proportionate to its ownership in CEPR, hence its ownership in CEPR remains at 6.25%.

PT Cirebon Electric Power

The Company's indirect ownership in CEP through IPI and III was used as collateral to a related party's loan facility (Note 53).

Based on Directors meeting of CEP on September 25, 2023, CEP resolved and declared interim dividend at the amount of US$ 2,000,000. III and IPI's portion of such dividend are US$ 100,000 and US$ 300,000, respectively. Such dividend has been received in September 2023.

Based on Directors meeting of CEP on March 8, 2023, CEP resolved and declared dividend at the amount of US$ 28,000,000. III and IPI's portion of such dividend are US$ 1,400,000 and US$ 4,200,000, respectively.

Based on directors meeting of CEP on September 23, 2022, CEP resolved and declared dividend at the amount of US$ 12,000,000. III and IPI's portion of such dividend is US$ 600,000 and US$ 1,800,000, respectively. Such dividend was fully paid in October 2022.

Based on directors meeting of CEP on April 18, 2022, CEP resolved and declared dividend at the amount of US$ 18,000,000. III and IPI's portion of such dividend are US$ 900,000 and US$ 2,700,000, respectively. Such dividend was fully paid in April 2022.

Based on directors meeting of CEP on February 25, 2021, CEP resolved and declared dividend at the amount of US$ 28,000,000. III and IPI's portion of such dividend are US$ 1,400,000 and US$ 4,200,000, respectively. Such dividend was fully paid in March 2021.

Based on directors meeting of CEP on September 8, 2021, CEP resolved and declared dividend at the amount of US$ 30,000,000. III and IPI's portion of such dividend are US$ 1,500,000 and US$ 4,500,000, respectively. Such dividend was fully paid in September 2021.

PT Sea Bridge Shipping

In October 2008, TPEC established SBS, a company engaged in domestic goods shipment. TPEC has 46% ownership interest. SBS is domiciled in East Kalimantan and started its commercial operations in 2008.

Based on Annual General Meeting of Shareholders of SBS on April 13, 2023, the shareholders approved among other things payment of dividend at the amount of US$ 12,000,000 from its year 2022 results, with the following payment schedules:

- US$ 5,000,000 in April 2023
- US$ 7,000,000 in October 2023

TPEC's portion of such dividend was US$ 5,520,000.

Based on Annual General Meeting of Shareholders of SBS on March 31, 2022, the shareholders approved among other things payment of dividend at the amount of US$ 25,000,000 from its year 2021 results, with the following payment schedules:

- US$ 13,000,000 in April 2022
- US$ 6,000,000 in June 2022
- US$ 6,000,000 in October 2022

TPEC's portion of such dividend was US$ 11,500,000.

Based on Annual General Meeting of Shareholders of SBS on March 24, 2021, the shareholders approved among other things payment of dividend at the amount of US$ 13,000,000 from its year 2020 results, with the following payment schedules:

- US$ 7,000,000 in March 2021
- US$ 6,000,000 in October 2021

TPEC's portion of such dividend was US$ 5,980,000. Such dividend was fully paid in October 2021.

PT Natura Aromatik Nusantara

On January 19, 2023, PT Indika Multi Properti ("IMP"), as one of the Company's subsidiary, has participated into PT Natura Aromatik Nusantara ("NAN"), a limited liability company engaged in the essential oil industry ("Share Participation"). The Share Participation by IMP is conducted by way of subscription of new shares issued by NAN and shares purchase from the existing shareholders, with a total transaction value of Rp 179,618,500,580 or equivalent to US$ 11,689,347. Upon effectiveness of the Share Participation, IMP owns 46% shares in NAN.

This Share Participation is stated in Notarial Deed No. 30 dated January 19, 2023, made before Ungke Mulawanti, S.H., M.Kn., Notary in Bekasi. Such deed has also obtained approval from the Ministry of Law and Human Rights of the Republic of Indonesia ("MOLHR") through Decree No. AHU-0004013.AH.01.02.Tahun 2023 dated January 20, 2023 and its notification has been received by MOLHR based on Decree No. AHU-AH.01.03-0010795 and No. AHU-AH.01.09-0027597 dated January 20, 2023.

This Share Participation is made as a strategic step of the Group to expand its business activities to essential oil industry, in Indonesia.

As of Share Participation date, fair value of NAN's identifiable net assets consisted of:

	Fair value of the net assets acquired Total
	US$
Fair value of the net assets acquired:	
Cash and bank	25,588
Trade receivable third parties	2,193,826
Inventories	4,771,085
Other current assets	971,785
Fixed assets	7,214,966
Intangible assets	4,523,750
Other non-current assets	1,809,132
Bank loan	(2,618,782)
Trade payable	(2,262,099)
Other liabilities	(569,776)
Deferred tax liabilities	(1,410,222)
Total net assets	14,649,253
Percentage of the Company's ownership interest	46%
The Company's ownership interest in NAN	6,738,656
Goodwill	4,950,691
Carrying amount of the Company's interest in NAN	11,689,347

The fair value of NAN's identifiable net assets was determined by Kantor Jasa Penilai Publik (KJPP) Suwendho Rinaldy & Rekan, an independent appraiser.

Equity in net income of NAN includes the amortization of the excess of the acquisition cost over the interest in net assets of NAN of US$ 135,278 in year 2023.

PT Mitra Samudra Indonesia ("MSI")

Based on the Deed of Share Subscription Agreement No. 22 dated December 16, 2021 from Ungke Mulawanti, S.H., M.Kn., IMU has acquired 55 shares owned by PT Mitra Samudra Indonesia (representing 30.1%) amounting to Rp 33,500,000,000 (equivalent to US$ 2,334,332).

PT Narada Sahara Kencana ("ADX")

On March 1, 2022, Indika Ventures Pte. Ltd. ("IDV"), a subsidiary of the Company, has made investment in PT Narada Sahara Kencana ("ADX"), a limited company involved in digital and advertisement services, through the following mechanisms:

i. Conversion of convertible loan owned by IDV based on Mandatory Convertible Loan Agreement dated April 24, 2020 of Rp 8,000,000,000 (equivalent to US$ 523,922) for 12.5% share ownership in ADX (Note 20), and

ii. Investment in new shares issued by ADX of Rp 7,500,000,000 (equivalent to US$ 536,710) or equivalent to 10% share ownership in ADX.

After the above mentioned two transactions, IDV owns 22.5% share ownership in ADX.

PT Cirebon Power Services

The Company's indirect ownership in CPS was used as collateral to a related party's loan facility.

Based on unanimous written resolutions of the shareholders of CPS, the shareholders approved distribution of dividend from 2022 retained earnings at the amount of Rp 10,500,000,000 (equivalent to US$ 678,207). On October 14, 2022, IPI and III as shareholders of 15% and 5% ownership in CPS received US$ 101,731 (equivalent to Rp 1,574,999,342) and US$ 33,910 (equivalent to Rp 524,994,620), respectively.

PT Sumber Multi Energi Penajam

On June 4, 2020, TIME and PT Sumber Energi Surya Nusantara (SESNA) established PT Sumber Multi Energi Penajam (SMEP) with issued capital of Rp 1,169,000,000 (equivalent to US$ 82,527). The establishment of SMEP was approved by MOLHR on June 9, 2020.

TIME and EMITS signed a Share Transfer Agreement as reflected in Deed No. 62 dated December 23, 2021 governing the transfer of 573 shares owned by TIME in SMEP. Total transaction price was Rp 4,709,000,000 (equivalent to US$ 328,313), including transfer of shareholder loan previously provided by TIME to SMEP at the amount of Rp 2,220,313,037 (equivalent to US$ 161,477), including outstanding interest receivable.

PT Cotrans Asia

In June 2007, TPEC acquired 1,800 shares or 45% ownership in CTA, a company engaged in coal transportation and transshipment service. CTA is domiciled in East Kalimantan and started its commercial operations in 2004.

Based on Annual General Meeting of Shareholders of CTA on April 11, 2022, the shareholders approved among other things payment of dividend at the amount of Rp 150,000,000,000 (equivalent to US$ 10,454,419) from its year 2021 results, with the following payment schedules:

- Rp 100,000,000,000 in April 2022
- Rp 50,000,000,000 in July 2022

TPEC's portion of such dividend was Rp 67,500,000,000 (equivalent to US$ 4,704,488) and paid in July 2022.

Based on Annual General Meeting of Shareholders of CTA on March 24, 2021 the shareholders approved among other things payment of dividend at the amount of Rp 140,000,000,000 (equivalent to US$ 9,667,322) from its year 2020 results, with the following payment schedules:

- Rp 100,000,000,000 in March 2021
- Rp 40,000,000,000 in October 2021

TPEC's portion of such dividend was Rp 63,000,000,000 (equivalent to US$ 4,350,295). Such dividend was fully paid in October 2021.

Based on Circular Resolution of Shareholders in lieu of Extraordinary General Meeting of Shareholders dated December 19, 2022, the shareholders of CTA approved payment of special dividend at the amount of Rp 43,000,000,000 (equivalent to US$ 2,751,120) from its retained earnings. TPEC's portion of such dividend was Rp 19,350,000,000 (equivalent to US$ 1,238,004) and was fully received on December 26, 2022.

Based on Resolution of Directors and Board of Commissioners of CTA dated December 21, 2022, it was approved to declare interim dividend of Rp 187,000,000,000 (equivalent to US$ 11,964,171) from its year 2022 results. TPEC's portion of such dividend was Rp 84,150,000,000 (equivalent to US$ 5,383,877), wherein Rp 107,000,000,000 (equivalent to US$ 6,845,809) was paid out on December 26, 2022 and the remaining to be distributed at the latest on March 31, 2023.

On February 13, 2023, the Company through PT Interport Mandiri Utama ("IMU") acquired additional 9.8% ownership interest in CTA which resulted to CTA being accounted for as a subsidiary (Note 1).

Based on Annual General Meeting of Shareholders of CTA on April 10, 2023, the shareholders approved among other things payment of final dividend at the amount of Rp 26,000,000,000 from its year 2022 results, on top of Rp 187 billion declared as interim dividend in December 2022 and special dividend of Rp 43 billion in December 2022.

PT Pelabuhan Patimban Internasional (PPI)

As of December 31, 2023 and 2022, IPA's share of losses in PPI's comprehensive income exceeded its interest in PPI, therefore discontinue recognizing its share of further losses. In accordance therewith, the Group did not recognize IPA's share in net comprehensive loss of PPI amounting to US$ 10,112,063 (2022: US$ 7,600,156).

PT Intan Resources Indonesia

IIC owns 866 shares, which represents 43.3% of ownership interest in IRI, a company engaged in coal trading and mining consultancy. IRI is domiciled in Jakarta and is currently under liquidation process.

The carrying amount of investment in IRI is nil as of December 31, 2023, 2022 and 2021.

Investment in joint venture

PT Empat Mitra Indika Tenaga Surya

In March 2021, ITB together with Fourth Partner Energy Singapore Pte. Ltd. ("FPES") established PT Empat Mitra Indika Tenaga Surya ("EMITS").

Authorized and subscribed capital of EMITS is Rp 111,912,000,000 (equivalent to US$ 7,822,182) and Rp 27,978,000,000 (equivalent to US$ 1,955,546), respectively, wherein from the total subscribed capital, ITB's portion of shares is Rp 14,269,000,000 or equivalent to 51.001%), while the remaining belongs to FPES.

EMITS is involved in the following business industry: (1) providing consultation services related to solar power installation project; (2) providing building construction for solar power project; (3) operation and maintenance of electricity installation; (4) lease of solar power plant or electricity installation; and (5) activities related to IPP solar power plant.

Prior to October 2023, based on the agreement between the shareholders of EMITS, ITB as a majority shareholders of EMITS shall have the right to directing the operational decisions that will be made by EMITS. Currently, EMITS intends to develop its Utility Solar Power Project. Considering that the Utility Solar Power Project requires commitment of the Shareholders to undertake each of their participation, the participation of EMITS into Utility Solar Power Project requires joint decision of the Shareholders to ensure their participation into the relevant project(s) and such joint decision agreement takes effect since October 1, 2023.

Effective from October 2023, EMITS became the associate of the Company, hence the Company's portion of EMITS' net assets as of December 31, 2023 was presented in this note, while equity in net profit of associates only covered the Company's equity portion of EMITS's profit or loss within the period from October 1, 2023 to December 31, 2023.

The summarized financial information below represents amounts shown in the joint venture's financial statements in accordance with PSAK:

	December 31, 2023
	US$
Current assets	14,784,494
Non-current assets	10,356,663
Current liabilities	2,997,401
Non-current liabilities	11,312,138

	2023 1 year
	US$
Revenue	3,011,387
Loss before tax	(3,807,875)
Loss for the year	(3,424,303)
Total comprehensive loss for the year	(4,003,590)

Reconciliation of the above summarized financial information to the carrying amount of the interest in the joint venture recognized in the consolidated financial statements:

	2023
	US$
Net assets of the joint venture	10,831,618
Proportion of the Group's ownership interest in the joint venture	51.0%
Carrying amount of the Group's interest in the joint venture	5,524,125

16. CLAIMS FOR TAX REFUND

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Company	-	-	39,726,609
TPEC and TPE	23,526,588	25,576,353	27,043,156
Total	23,526,588	25,576,353	66,769,765

The Company

As of reporting date, the Company has outstanding tax claims being process for the following fiscal years:

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Fiscal year			
2019	-	-	9,938,380
2018	-	-	11,695,186
2017	-	-	9,007,310
2016	-	-	9,085,733
Total	-	-	39,726,609

Fiscal year 2019

In April 2021, the Company received several tax assessment letters (SKPKB) and tax notice letter (STP) in regards with its tax obligation for fiscal year 2019, as follows:

Description of tax	Fiscal year	Currency	Underpayment (including interest and penalty)	Currency	Amount appealed by the Company	Company's response	US$ equivalent December 31, 2021
Income tax article 26 *)	2019	Rp	129,208,145,925	Rp	-	File objection	9,055,158
SKPKB Value added tax *)	2019	Rp	12,594,801,834	Rp	-	File objection	882,668
STP Value added tax	2019	Rp	7,897,808	Rp	-	File objection	553
							9,938,380

*) See Note 59 for events after the reporting period

In 2022, Directorate General of Taxation ("DGT") has rejected the Company's objection for value added tax and withholding tax article 26 related to fiscal year 2019. The Company provided full provision on its claim for tax refund, while at the same time also filed appeal against DGT's rejection over value added tax and income tax article 26.

Fiscal years 2018 and 2017

In February 2021, the Company received several tax assessments letters in regards with its tax obligation for fiscal years 2017 and 2018. From March 30, 2022 to December 31, 2022, DGT has also issued decision letters in response to the Company's objection letters, which partially granted the Company's objection, hence the new tax obligation including penalty and interest was decreased.

Description of tax	Fiscal year	Currency	Underpayment (including interest and penalty)	Currency	Amount appealed by the Company	Company's response	US$ equivalent December 31, 2021	New Tax Obligation after DGT's Responses on the Company's Objection
Corporate income tax **)	2017	US$	498,315	US$	- 3,461,798	File objection	498,316	US$ 209,082 The tax refund of Rp 3,681,677,982 (equivalent to US$ 256,509) has been fully received by the Company in June 2022
Income tax article 21	2017	Rp	40,868,479	Rp	40,868,479	Agree with the assessment	-	
Income tax article 26 *)**)	2017	Rp	553,574,780,751	Rp	-	File objection	8,169,093	Rp 116,564,876,750
Value added tax **)	2017	Rp	5,456,950,274	Rp	-	File objection	339,901	Rp 2,660,477,523 The tax refund of Rp 2,796,472,750 has been fully received by the Company in April 2022
Corporate income tax **)	2018	US$	1,712,903	US$	- 462,750	File objection	1,712,903	US$ 941,463 The tax refund of Rp 11,236,792,126 (equivalent to US$ 771,440) has been fully received by the Company in June 2022
Income tax article 26 **)	2018	Rp	140,016,331,149	Rp	-	File objection	9,812,617	Rejected all the Company's objection
Value added tax **)	2018	Rp	2,420,971,240	Rp	-	File objection	169,666	Rejected all the Company's objection
							20,702,496	

*) From the total assessment of Rp 553,574,780,751 (equivalent to US$ 38,448,033) made by tax office, the Company partly paid Rp 114,059,475,780 (equivalent to US$ 7,921,599) in March 2021 and Rp 2,505,400,969 (equivalent to US$ 174,101) in June 2021.
**) See Note 59 for events after the reporting period

The Company is again filing appeal against all decisions and responses of DGT to the Company's objection.

In 2022, the Company provided full provision on its claim for tax refund, while at the same time also filed appeal against all decisions and responses of DGT to the Company's objection.

Fiscal year 2016

In March 2018, DGT issued tax assessment letters and tax collection letters in relation to the tax audit of all the Company's tax obligation for fiscal year 2016. Details of the tax assessment letters and tax collection letters including interest and penalty are as follows:

Tax Type	Amount assessed by DGT		Amount approve by Company		Amount appealed		Amount approved by Tax Court		US$ equivalent December 31, 2021
	US$	Rp	US$	Rp	US$	Rp	US$	Rp	US$
Corporate income tax	2,394,490	-	5,772	-	2,388,718	-	-	-	2,388,718
Income tax article 26	-	89,812,574,378	-	-	-	89,812,574,378	-	-	6,294,240
Value added tax	-	5,401,751,879	-	31,793,710	-	5,369,958,169	-	137,970,000	376,337
Value added tax	-	381,360,897	-	4,111,424	-	377,249,473	-	-	26,438
	2,394,490	95,595,687,154	5,772	35,905,134	2,388,718	95,559,782,020	-	137,970,000	9,085,733

The Company filed an appeal against the tax assessment letter and tax collection letters in April 2018. In December 2020, Tax Court has decided the case of corporate income tax and most of the value added tax in favor of the DGT. The same decision followed for the case of income tax article 26 in January 2021. The Company has filed an appeal to Tax Supreme Court, which has further decided the case of corporate income tax, value added tax and income tax article 26 for April 2016 in favor of DGT. In 2022, the Company provided full provision on its remaining claim for tax refund for fiscal year 2016.

TPEC and TPE

TPEC and TPE recorded CSTS JO's claims for tax refund at 28% and 2%, respectively, of total claims according to their participating portion.

As of reporting date, the CSTS JO has outstanding tax claims being process for the following fiscal years:

		Total claimed			TPEC's portion			TPE's portion			
Type of tax letter	Tax period	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022	December 31, 2021	Current status
		US$	US$	US$	US$	US$	US$	US$	US$	US$	
STP	July - December 2017	-	-	107,275	-	-	30,037	-	-	2,146	Tax refund has been fully received in 2022
STP	July - December 2018	-	197,641	455,996	-	55,330	127,679	-	3,952	9,120	Tax refund received in 2023 amounted US$ 193,865, CSTS JO decided to write off the remaining claim balance
STP	Januari and June 2019	-	40,892	13,569	-	11,450	3,799	-	818	271	Tax refund fully received in 2023
STP	April - May 2019	141,038	313,911	342,022	39,491	87,895	95,766	2,821	6,278	6,840	Filled an appeal to supreme court in June 2023 for the remaining tax claim
STP	July - December 2019	-	152,671	2,042,999	-	42,745	572,040	-	3,053	40,860	Tax refund received in 2023 amounted US$ 135,906, CSTS JO decided to write off the remaining claim balance
STP	January - March 2020	789,805	786,133	140,619	221,145	220,117	39,373	15,796	15,723	2,812	Tax penalty claim would be claimed after final court judgement or objection
STP	April - May 2020	3,742,253	3,724,856	4,151,634	1,047,831	1,042,960	1,162,458	74,845	74,497	83,033	Filed an appeal to the tax court in 2023
STP	June 2020	698,208	694,963	8,343,837	195,498	194,590	2,336,274	13,964	13,899	166,877	Tax penalty claim would be claimed after final court judgement or objection
STP	July - October 2020	17,252,051	17,233,760	21,746,071	4,830,574	4,825,453	6,088,900	345,041	345,041	434,921	Filled an appeal to the taxt court in 2023
STP	July - October 2020	961,702	957,231	868,283	269,277	268,026	243,119	19,235	19,145	17,366	Tax penalty claim would be claimed after final court judgement or objection
STP	November - December 2020	-	371,223	12,356,175	-	103,942	3,459,729	-	7,104	247,124	Tax and tax penalty refund fully received in 2023
STP	January - June 2021	-	1,123,929	23,085,012	-	314,700	6,463,804	-	22,479	461,700	Tax and tax penalty refund fully received in 2023
STP	July - December 2021	111,109	110,593	16,490,362	31,111	30,960	4,617,301	2,222	2,212	329,807	Tax penalty claim would be claimed after final court judgement or objection
STP	January - October 2022	-	59,546,832	-	-	16,673,052	-	-	1,190,932	-	Tax refund fully received in January, April and August 2023
STP	January - December 2022	188,720	-	-	52,842	-	-	3,774	-	-	Tax penalty claim would be claimed after final court judgement or objection
STP	January - October 2023	54,537,073	-	-	15,270,380	-	-	1,090,741	-	-	Submitted request to claim VAT refund in 2023
	Total				21,958,149	23,871,220	25,240,279	1,568,439	1,705,133	1,802,877	

KJA

KJA has received the following Notification of Tax Due ("SPPT"), Underpayment of Coal Production Fund ("DHPB") and Tax Collection Letter ("STP") on Land and Building Tax ("PBB"):

Fiscal Year	Assessed amount based on SPPT/STP	Amount Paid	Status as of date of financial report
2014 (SPPT)	Rp 17,345,308,291 equivalent to US$ 1,280,286	Rp 17,345,308,291 equivalent to US$ 1,280,286	Tax Court has approved the lawsuit claimed by KJA on November 21, 2017. KJA has received the tax refund for SPPT PBB period 2014, 2010-2013 and 2015 on May 17, 2018. The amount received is US$ 1,518,047 after being compensated by the Underpayment Assessment Letter of Corporate Income Tax (SKPKB) in 2013, Value Added Tax (PPN) in December 2013, Tax Collection Letter (STP) of VAT in December 2013 and 50% of SPPT PBB period 2016 and 2017 amounting to US$ 1,897,321. The difference in this transaction was charged to profit or loss. On December 6, 2017, DJP filed a judicial review to the Supreme Court. As of the issuance date of the financial statements, KJA is still awaiting a decision from the Supreme Court.

17. EXPLORATION AND EVALUATION ASSETS

	December 31, 2023				
	Beginning balance	Addition	Deduction	Transfer to non current assets held for sale (Note 13b)	Ending balance
	US$	US$	US$	US$	US$
NUS	98,350,757	3,772,767	-	-	102,123,524
IIR	17,012,796	-	-	-	17,012,796
KJA	420,732	-	(420,732)	-	-
MEA	4,325,999	-	-	-	4,325,999
MUTU	5,940,222	3,034,348	-	(8,974,570)	-
Total	126,050,506	6,807,115	(420,732)	(8,974,570)	123,462,319
Allowance for impairment losses	(21,338,795)				(21,338,795)
Net carrying amount	104,711,711				102,123,524

	December 31, 2022				
	Beginning balance	Addition	Deduction	Reclassification (Note 18)	Ending balance
	US$	US$	US$	US$	US$
NUS	74,618,921	23,731,836	-	-	98,350,757
IIR	17,012,796	-	-	-	17,012,796
KJA	12,554,456	-	(4,506,791)	(7,626,933)	420,732
MEA	4,325,999	-	-	-	4,325,999
MUTU	3,541,182	2,399,040	-	-	5,940,222
Total	112,053,354	26,130,876	(4,506,791)	(7,626,933)	126,050,506
Allowance for impairment losses	(21,338,795)				(21,338,795)
Net carrying amount	90,714,559				104,711,711

	December 31, 2021				
	Beginning balance	Additions due to acquisition of subsidiary (Note 1d)	Addition	Reclassification (Note 18)	Ending balance
	US$	US$	US$	US$	US$
NUS	-	71,252,524	3,366,397	-	74,618,921
IIR	17,012,796	-	-	-	17,012,796
KJA	9,095,261	-	3,459,195	-	12,554,456
MEA	4,325,999	-	-	-	4,325,999
MUTU	2,993,130	-	1,295,446	(747,394)	3,541,182
Total	33,427,186	71,252,524	8,121,038	(747,394)	112,053,354
Allowance for impairment losses	(21,338,795)				(21,338,795)
Net carrying amount	12,088,391				90,714,559

In 2023, borrowing costs capitalized to exploration and evaluation assets amounted to US$ 3,314,615 with annual capitalized rate at 7.09%.

In view that its coal assets in MEA and Baliem project are not economically viable, management of IIR and MEA has decided to provide full provision for impairment on those assets amounting to US$ 21,338,795 in December 2015.

18. MINING PROPERTIES

This account represents costs transferred from exploration and evaluation assets related to an area of interest, technical feasibility and commercial viability of which are demonstrable, and subsequent costs to develop the mine to the production phase.

	January 1, 2023	Additions	Reclassification (Note 21)	Transfer to non current assets held for sale (Note 13b)	December 31, 2023
	US$	US$	US$	US$	US$
Cost	82,033,698	855,809	(8,905,335)	(45,068,168)	28,916,004
Accumulated amortization	(41,195,825)	(2,683,303)	12,161	20,658,594	(23,208,373)
Allowance for impairment losses	(10,934,214)	-	-	10,934,214	-
Net carrying amount	29,903,659				5,707,631

	January 1, 2022	Additions due to acquisitions of subsidiary (Note 1d)	Additions	Reclassification (Note 17)	December 31, 2022
	US$	US$	US$	US$	US$
Cost	56,184,455	14,694,570	3,527,740	7,626,933	82,033,698
Accumulated amortization	(33,946,950)	(422)	(7,248,453)	-	(41,195,825)
Allowance for impairment losses	(10,934,214)	-	-	-	(10,934,214)
Net carrying amount	11,303,291				29,903,659

	January 1, 2021	Additions	Reclassification (Note 17)	December 31, 2021
	US$	US$	US$	US$
Cost	52,794,184	2,642,877	747,394	56,184,455
Accumulated amortization	(32,416,537)	(1,530,413)	-	(33,946,950)
Allowance for impairment losses	(10,934,214)	-	-	(10,934,214)
Net carrying amount	9,443,433			11,303,291

Amortization expenses were charged to cost of contracts and goods sold (Note 40).

Management of IIR has made a provision for impairment of mining properties (Note 1h).

19. JOINT OPERATIONS

Chiyoda Corporation, PT Chiyoda International Indonesia, PT Saipem Indonesia and PT Suluh Ardhi Engineering

On October 27, 2014, TPEC and TPE entered into an unincorporated joint operation agreement with Chiyoda Corporation, PT Chiyoda International Indonesia, PT Saipem Indonesia and PT Suluh Ardhi Engineering known as the CSTS Joint Operation ("CSTS JO") in which joint control is exercised.

TPE and TPEC's portion in CSTS JO altogether is 30%, while internally they agreed to split the portion by 25.5%:4.5% for Front End Engineering Design (FEED) and 2%:28% for Engineering, Procurement and Construction (EPC) project.

On October 29, 2014, BP Berau Ltd and CSTS JO signed the contract for Front End Engineering Design (FEED) of Tangguh LNG Expansion Project, effective on December 5, 2014, to deliver FEED, plans and estimates for EPC contract, and submitting the tender for EPC contract of Tangguh LNG Expansion Project.

On August 25, 2016, BP Berau Ltd and CSTS JO signed contract EPC of Tangguh LNG Expansion Project, which has been amended several times, last through amendment No. 5 dated September 5, 2022. As of December 31, 2023, the physical progress of this project is 99.91%.

The summarized financial information below represents amounts shown in the joint operation's financial statements:

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Total assets	474,375,583	730,968,360	689,455,008
Total liabilities	604,391,206	860,979,048	825,847,941

	2023	2022	2021
	US$	US$	US$
Total revenue	513,775,699	818,765,228	738,429,264
Total expenses	513,780,635	947,297,624	726,492,923

20. ADVANCES AND OTHER NON-CURRENT ASSETS

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Investment in shares of stock			
Third parties			
Alpha JWC Ventures IIC. P.	14,791,349	15,014,598	13,747,280
Alpha Kenangan	6,718,742	6,670,326	6,733,187
Kreasi Media Indonesia L.P.	2,920,311	3,068,365	-
Trendlines Agrifood Fund Pte Ltd	1,541,269	1,143,504	865,876
Shift4Good S.A.S	1,171,050	-	-
Others	1,211	1,211	1,561,389
Advance for project	14,668,148	18,208,280	11,684,041
Advances for purchase of property, plant and equipment	-	-	6,753,378
Investment in convertible promissory note			
Third parties			
Damon Motors Inc	-	5,040,000	-
PT Narada Sahara Kencana (Note 15)	-	-	523,922
Others (each below US$ 2 million)	4,504,847	444,365	1,286,312
Total	46,316,927	49,590,649	43,155,385

Advances for project

Advances for projects mainly represent payments of advances for cooperation and new business development by the Company, IMP and IIR.

Advances for purchase of property, plant and equipment

This account mainly represents advance for purchase of land by IMU. In September 2019, IMU entered into a Conditional Sale and Purchase Agreement ("CSPA") with PT Dermaga Perkasapratama ("DPP"), wherein DPP agreed to sell a piece of land located in Kariangau measuring 179,143 m2 to IMU at a selling price of US$ 6,120,036. Such CSPA required IMU to settle the selling price within 5 days after signing of the agreement. As of December 31, 2022, such advance was reclassifed as property, plant and equipment.

Investment in Convertible Promissory Note - Damon Motors Inc.

On November 25, 2022, SMI as a subsidiary of the Company invested and participated in Damon Motors Inc (Damon), a Canadian company which is engaged in manufacturing and development, marketing and distribution of two wheeler electric vehicle. Such participation was made through investment in convertible promissory note at the amount of US$ 5,000,000 ("Promissory Note"). Interest rate on such Promissory Note is 8% per annum and such Promissory Note will mature on June 30, 2024.

If Damon Motors Inc issues securities in any transaction, such unpaid Promissory Note and related interest will be converted into shares with valuation at of maximum amount of US$ 350 million. And in the event where Damon Motors Inc conducts initial public offering (IPO), then the Promissory Note will be automatically converted into listed shares at the same price or lower than Discounted Conversion Rate, as further agreed in the Promissory Note Agreement.

Effective June 30, 2023, SMI and Damon entered into an amendment agreement which amend among others (1) interest rate from 8% to 12%, wherein interest to be paid on October 1, 2023 and at maturity date and (2) valuation cap to be revised to US$ 125,000,000.

21. PROPERTY, PLANT AND EQUIPMENT

	January 1, 2023	Additions	Addition due to acquisition of subsidiary (Note 1)	Deductions	Translation adjustments	Transfer to non current assets held for sale (Note 13a)	Transfer to non current assets held for sale (Note 13b)	Reclassifications (Note 18)	December 31, 2023
	US$	US$	US$	US$	US$	US$	US$	US$	US$
At cost:									
Direct acquisitions									
Land	48,390,094	333,137	9,990	(3,270,475)	-	(4,755,777)	(168,551)	-	40,538,418
Buildings, infrastructure, leasehold and improvements	300,477,419	7,662,061	147,230	(3,741,945)	112,141	(981,658)	(55,028,859)	8,867,567	257,513,956
Office furniture, fixtures and other equipment	58,941,375	5,736,740	236,729	(405,371)	46,523	(25,558)	(2,016,555)	-	62,513,883
Vessels	533,124	-	-	(185,273)	-	-	-	-	347,851
Motor vehicles	13,411,730	10,059,447	336,590	(649,668)	74,152	-	(817,014)	-	22,415,237
Machinery and equipment	188,349,142	1,922,648	-	(2,693,411)	5,691	-	(5,885,663)	37,768	181,736,175
Plant, equipment, heavy equipment and vehicles	143,727,415	23,687,589	2,009,364	(3,250,504)	(21,699)	-	(1,020,690)	-	165,131,475
Construction in-progress	24,245,560	87,834,018	-	(25,014)	448,613	-	(15,013,806)	-	97,489,371
Total	778,075,859	137,235,640	2,739,903	(14,221,661)	665,421	(5,762,993)	(79,951,138)	8,905,335	827,686,366
Accumulated depreciation:									
Direct acquisitions									
Buildings, infrastructure, leasehold and improvements	213,190,621	3,907,069	101,834	(3,605,972)	(36,251)	(92,163)	(28,482,122)	11,558	184,994,574
Office furniture, fixture and other equipment	37,325,058	4,997,217	179,967	(404,627)	34,524	(20,766)	(1,680,803)	-	40,430,570
Vessels	533,124	-	-	(185,273)	-	-	-	-	347,851
Motor vehicles	6,054,363	2,041,386	146,395	(632,752)	(9,509)	-	(715,067)	-	6,884,816
Machinery and equipment	144,974,853	1,506,012	-	(2,693,401)	101	-	(3,885,771)	603	139,902,397
Plant, equipment, heavy equipment and vehicles	143,727,414	3,971,312	1,880,628	(3,250,504)	(9,942)	-	(895,605)	-	145,423,303
Sub-total	545,805,433	16,422,996	2,308,824	(10,772,529)	(21,077)	(112,929)	(35,659,368)	12,161	517,983,511
Allowance for impairment losses	11,619,347	-	-	-	-	-	(9,037,614)		2,581,733
Net Carrying Amount	220,651,079								307,121,122

	January 1, 2022	Additions	Addition due to acquisition of subsidiary (Note1)	Deductions	Translation adjustments	Reclassifications	December 31, 2022
	US$	US$	US$	US$	US$	US$	US$
At cost:							
Direct acquisitions							
Land	41,290,578	7,099,517	-	-	-	-	48,390,094
Buildings, infrastructure, leasehold and improvements	280,854,071	1,640,414	-	(3,077,466)	(366,327)	21,426,729	300,477,419
Office furniture, fixtures and other equipment	55,281,364	2,147,310	5,740	(1,170,699)	(738,879)	3,416,539	58,941,375
Vessels	589,862	-	-	(56,738)	-	-	533,124
Motor vehicles	7,308,195	6,822,629	-	(1,028,896)	227,268	82,534	13,411,730
Machinery and equipment	187,447,611	557,111	-	(4,038,545)	(39,073)	4,422,038	188,349,142
Heavy equipment, equipment and vehicles	152,363,750	1,179,346	44,116	(10,083,878)	544,676	(320,595)	143,727,415
Construction in-progress	35,992,386	21,413,701	-	(2,875,251)	(609,714)	(29,675,562)	24,245,560
Total	761,127,815	40,860,027	49,856	(22,331,474)	(982,049)	(648,317)	778,075,859
Accumulated depreciation:							
Direct acquisitions							
Buildings, infrastructure, leasehold and improvements	182,925,013	33,361,275	-	(3,077,466)	(18,201)	-	213,190,621
Office furniture, fixture and other equipment	33,668,744	4,695,224	428	(1,164,803)	125,466	-	37,325,058
Vessels	585,424	4,438	-	(56,738)	-	-	533,124
Motor vehicles	5,778,655	1,025,988	-	(1,022,852)	272,571	-	6,054,363
Machinery and equipment	135,510,074	13,503,938	-	(4,038,545)	(614)	-	144,974,853
Heavy equipment, equipment and vehicles	151,711,618	1,965,051	487	(9,964,673)	14,932	-	143,727,415
Sub-total	510,179,528	54,555,913	914	(19,325,077)	394,155	-	545,805,433
Allowance for impairment losses	11,619,347	-	-	-	-	-	11,619,347
Net Carrying Amount	239,328,940						220,651,079

	January 1, 2021	Additions	Deductions	Translation adjustments	Transfer to non current assets held for sale (Note 13c)	Divestment of a subsidiary (Note 13d)	Reclassifications	December 31, 2021
	US$	US	US$	US$	US$	US$	US$	US$
At cost:								
Direct acquisitions								
Land	44,902,320	-	(10,404)	-	(15,539,029)	(165,187)	12,102,877	41,290,578
Buildings, infrastructure, leasehold and improvements	347,162,298	1,897,831	(42,036,911)	1,371	(30,939,155)	(5,618,734)	10,387,371	280,854,071
Office furniture, fixtures and other equipment	63,888,662	1,407,433	(396,142)	(1,034)	(9,146,837)	(1,353,039)	882,321	55,281,364
Vessels	337,186,652	-	(17,231,684)	-	-	(324,465,510)	5,100,404	589,862
Motor vehicles	8,162,629	411,232	(634,373)	(922)	-	(630,371)	-	7,308,195
Machinery and equipment	184,238,633	3,205,041	(1,464,177)	-	-	-	1,468,114	187,447,611
Heavy equipment, equipment and vehicles	674,423,563	395,362	(17,595,578)	96,711	(546,208,108)	(500,105)	41,751,905	152,363,750
Construction in-progress	45,408,424	76,015,069	-	(13,503)	(28,633,637)	(918,783)	(55,865,184)	35,992,386
Total	1,705,373,181	83,331,968	(79,369,270)	82,623	(630,466,766)	(333,651,729)	15,827,808	761,127,815
Accumulated depreciation:								
Direct acquisitions								
Buildings, infrastructure, leasehold and improvements	225,768,468	12,674,169	(40,525,342)	146	(11,865,825)	(3,126,603)		182,925,013
Office furniture, fixture and other equipment	37,626,702	5,385,484	(332,453)	(8,230)	(7,731,999)	(1,270,761)		33,668,744
Vessels	190,638,858	15,054,925	(12,536,241)	-	-	(192,572,118)		585,424
Motor vehicles	6,417,335	567,235	(577,948)	(16,523)	-	(611,444)		5,778,655
Machinery and equipment	130,346,026	6,105,657	(941,609)	-	-	-	-	135,510,074
Heavy equipment, equipment and vehicles	481,738,368	58,301,748	(17,516,424)	17,995	(381,714,410)	(333,823)	11,218,164	151,711,618
Sub-total	1,072,535,757	98,089,218	(72,430,016)	(6,612)	(401,312,234)	(197,914,749)	11,218,164	510,179,528
Allowance for impairment losses	18,847,101	119,199,788	(1,538,898)	-	(50,982,226)	(73,906,418)	-	11,619,347
Net Carrying Amount	613,990,323							239,328,940

Depreciation expense was allocated to the following:

	2023	2022	2021
	US$	US$	US$
Cost of contracts and goods sold (Note 40)	13,845,528	50,505,653	27,697,103
Selling, general and administrative expense (Note 41)	2,577,468	4,050,260	1,589,434
Discontinued operation (Note 13)	-	-	68,802,681
Total	16,422,996	54,555,913	98,089,218

Details of the gain on disposal of property, plant and equipment are as follows:

	2023	2022	2021
	US$	US$	US$
Proceeds	12,778,249	4,058,898	5,461,488 *)
Net carrying amounts	(3,449,132)	(3,006,397)	(5,400,356)
Gain on disposal (Note 44)	9,329,117	1,052,501	61,132

*) *net realizable value consisted of sale of property, plant and equipment amounting to US$ 295,716 and disposals of construction in-progress which were charged back to customers amounting to US$ 2,440,444 and sale of property, plant and equipment which payments had been received in advance but released in the current year amounting to US$ 1,322,738.*

Details of construction in-progress as of December 31, 2023, are as follows:

	December 31, 2023		
	Percentage of Completion	Accumulated Costs	Estimated Year of Completion
		US$	
Buildings, infrastructure, leasehold and improvements	80 - 95%	19,333,170	2024
Machinery and equipment	80 - 95%	70,533,513	2024
Heavy equipment, equipment and vehicles	80 - 95%	7,622,688	2024
Total		97,489,371	

Management does not foresee any events that may prevent the completion of the constructions in-progress.

In 2023, borrowing costs capitalized to construction in progress amounted to US$ 3,815,347 with annual capitalized rate at 7.09%.

In accordance with the Coal Agreement of KJA, property, plant and equipment of KJA amounting to US$ 2,421,745 as at December 31, 2022 (December 31, 2021: US$ 37,029,016), recorded in these consolidated financial statements remain as the property of the Government of Indonesia. However, KJA has an exclusive right to use the assets over the Coal Agreement period, or their useful lives, whichever is lesser.

Based on IUPK as a Continuation of Contract/ Agreement, KJA has the right to utilise all State-Owned Assets which had been acquired during the CCoW period in accordance with the prevailing laws and regulations.

Building Use Rights (HGB)

The Company owns several pieces of land located in Bintaro, South Tangerang measuring 40,343 square meters with Building Use Rights (HGB) for certain periods expiring between 2038 to 2040.

ILSS owns several pieces of land located in Kariangau, East Kalimantan measuring 32,880 square meters with HGB for a period of 30 years and expiration date in 2025.

IMU owns several pieces of land located in Kariangau, East Kalimantan measuring 517,310 square meters with HGB for a period of 20 to 30 years and expiration dates ranging from 2025 until 2041.

TPEC owns several pieces of land located in Jakarta with HGB for 20 years until 2029.

TPE owns land located in Banyuraden Village, Subdistrict of Gamping, District of Sleman, Yogyakarta with HGB until 2044.

Management believes that there will be no difficulty in the extension of the land rights since all the lands were acquired legally and supported by sufficient evidence of ownership.

Property, plant and equipment used as collateral

TPE

On June 21, 2018, by Letter No. TPE/041/VI/2018, TPE agreed to use as collateral the asset in form of two plots of land (HGB No. 00467 and HGB No. 00468) to Bank Mandiri for working capital credit facility granted to TPEC.

On December 31, 2023, fiduciary security over vehicles with net book value fo US$ 3,666,651 (December 31, 2022: US$ 5,001,599) was used as collateral for TPE's loans from PT Bank Mandiri (Persero) Tbk (Note 26).

KGTE and IMU

KGTE and IMU's property, plant and equipment amounting to US$ 87,510,891 were used as collateral to KGTE's outstanding syndicated bank loan to PT Bank Mandiri (Persero) Tbk, PT Bank Negara Indonesia (Persero) Tbk and PT Bank UOB Indonesia (Note 30).

Property, plant and equipment and certain right-of-use assets, except land, are insured with various insurance companies against fire, theft and other possible risks, as follows:

Insurance company	Currency	Sum insured December 31, 2023	December 31, 2022	December 31, 2021
PT Asuransi Cakrawala Proteksi	Rp	261,146,753,809	123,363,156,203	428,506,679,395
PT Asuransi Sinar Mas	Rp	90,648,010,000	77,581,510,000	-
PT Asuransi Multi Artha Guna Tbk	Rp	71,008,151,755	70,511,356,260	93,174,981,979
PT Asuransi Central Asia	Rp	10,838,558,000	-	-
PT Asuransi Astra Buana	Rp	5,732,262,000	5,732,262,000	-
PT Asuransi Artarindo	Rp	5,257,257,788	-	-
PT MNC Asuransi Indonesia	Rp	4,018,200,000	7,624,000,000	3,605,800,000
PT Asuransi Wahana Tata	Rp	3,822,910,000	-	-
PT Asuransi Malacca Trust Wuwungan Indonesia	Rp	2,470,350,000	-	-
PT Lippo General Insurance Tbk	Rp	184,680,000	3,048,100,925	-
PT Asuransi Candi Utama	Rp	46,629,713	1,412,500,000	-
PT KB Insurance Indonesia	Rp	-	38,491,020,000	-
PT Asuransi Harta Aman Pratama Tbk	Rp	-	3,086,921,962	-
PT Sompo Insurance Indonesia	Rp	-	1,010,000,000	-
PT Asuransi Etiqa Internasional Indonesia	Rp	-	196,795,495	1,237,000,000
PT Asuransi Allianz Utama Indonesia	Rp	-	-	3,514,500,000
PT Asuransi Cakrawala Proteksi	US$	245,549,115	493,028,579	664,753,166
PT Asuransi Tripakarta	US$	22,499,934	-	-
PT Asuransi Malacca Trust Wuwungan Indonesia	US$	20,145,425	9,817,051	-
PT Asuransi Central Asia	US$	18,749,945	18,641,750	14,351,024
PT Asuransi Jasa Raharja Putera	US$	16,499,952	-	-
PT Asuransi Jasa Indonesia	US$	14,999,956	-	-
PT Asuransi Wahana Tata	US$	13,078,221	11,654,871	7,175,512
PT Asuransi Tugu Pratama Indonesia	US$	11,249,967	-	-
PT Asuransi Marsh Indonesia	US$	37,505	-	-
PT Asuransi Candi Utama	US$	-	22,370,100	35,482,476
PT Asuransi Harta Aman Pratama Tbk	US$	-	14,913,400	17,938,779
PT Asuransi Multi Artha Guna Tbk	US$	-	-	21,980,271

Management believes that the insurance coverages are adequate to cover possible losses on the related assets insured.

As of December 31, 2023, property, plant and equipment includes assets with acquisition cost of US$ 482,758,390 (December 31, 2022 and 2021: US$ 508,408,904 and US$ 286,609,596, respectively), that are fully depreciated but still in use.

Impairment of property, plant and equipment

MUTU

In 2017, management of MUTU made a provision of impairment on its property, plant and equipment. Total impairment loss charged to profit or loss in 2017 amounted to US$ 9,037,614.

TPEC

In 2019, the impairment loss of building amounted to US$ 872,991.

MEA

In 2015, management of IIR viewed that its coal assets in MEA are not economically viable at the respective coal market condition and therefore decided to provide full provision for impairment on its property, plant and equipment. Total impairment loss charged to profit or loss in 2015 amounted to US$ 1,654,009.

Management believes that the allowance for impairment of property, plant, and equipment is adequate.

22. RIGHT-OF-USE ASSETS

The Group leases several assets including office space, plant, equipment and vehicles and parcels of land. The average lease term is 2 - 15 years.

The Group has options to purchase certain heavy equipment for a nominal amount at the end of the lease term. The Group's obligations are secured by the lessors' title to the leased assets for such leases.

The reconciliation of right-of-use assets and lease liabilities by major classifications was as follows:

	January 1, 2023	Additions	Addition due to acquisition of subsidiary (Note 1)	Deductions	Translation	Transfer to non current assets held for sale (Note 13b)	December 31, 2023
	US$	US$	US$	US$	US$	US$	US$
At cost:							
Building and improvements	5,257,960	2,436,483	-	(117,851)	(5,712)	(267,470)	7,303,410
Motor vehicles	6,602,752	361,889	-	-	(9,010)	(1,719,634)	5,235,997
Office furniture, fixtures and other equipment	6,149,985	8,425	-	(7,858)	-	-	6,150,552
Plant, equipment, heavy equipment and vehicles	38,041,886	21,191,683	23,287,679	(24,409,347)	-	(5,646,953)	52,464,948
Construction in progress	219,263	-	-	-	-	-	219,263
Total	56,271,846	23,998,480	23,287,679	(24,535,056)	(14,722)	(7,634,057)	71,374,170
Accumulated depreciation:							
Building and improvements	5,052,640	1,995,117	-	(102,411)	914	(164,080)	6,782,180
Motor vehicles	6,259,968	621,970	-	-	(131)	(1,484,793)	5,397,014
Office furniture, fixtures and other equipment	4,062,667	93,769	-	(7,858)	-	-	4,148,578
Plant, equipment, heavy equipment and vehicles	37,070,142	8,656,093	22,371,482	(24,409,347)	-	(5,606,383)	38,081,987
Total	52,445,417	11,366,949	22,371,482	(24,519,616)	783	(7,255,256)	54,409,758
Net Carrying Amount	3,826,429						16,964,411

	January 1, 2022	Additions	Deductions	Reclassification	Translation	December 31, 2022
	US$	US$	US$	US$	US$	US$
At cost:						
Building and improvements	5,401,779	-	69,881	-	(73,938)	5,257,960
Motor vehicles	5,974,672	990,793	362,713	-	-	6,602,752
Office furniture, fixtures and other equipment	6,149,985	-	-	-	-	6,149,985
Heavy equipment, equipment and vehicles	35,043,886	7,232,225	4,645,241	648,317	(237,300)	38,041,886
Construction in progress	219,263	-	-	-	-	219,263
Total	52,789,585	8,223,018	5,077,835	648,317	(311,238)	56,271,846
Accumulated depreciation:						
Building and improvements	4,216,915	903,736	39,736	-	(28,275)	5,052,640
Motor vehicles	5,897,076	505,059	142,167	-	-	6,259,968
Office furniture, fixtures and other equipment	3,910,171	152,496	-	-	-	4,062,667
Heavy equipment, equipment and vehicles	34,932,571	5,139,039	2,892,750	-	(108,718)	37,070,142
Total	48,956,733	6,700,329	3,074,653	-	(136,993)	52,445,417
Net Carrying Amount	3,832,851					3,826,429

	January 1, 2021	Additions	Deductions	Reclassifications	Transfer to non current assets held for sale (Note 13c)	December 31, 2021
	US$	US$	US$	US$	US$	US$
At cost:						
Land	3,450,130	-	-	-	(3,450,130)	-
Building and improvements	5,441,269	-	22,490	-	(17,000)	5,401,779
Motor vehicles	5,107,119	884,777	17,224	-	-	5,974,672
Office furniture, fixtures and other equipment	5,886,367	263,618	-	-	-	6,149,985
Heavy equipment, equipment and vehicles	123,939,659	3,924,175	1,945,455	(15,544,000)	(75,330,493)	35,043,886
Construction in progress	357,275	182,000	-	(284,000)	(36,012)	219,263
Total	144,181,819	5,254,570	1,985,169	(15,828,000)	(78,833,635)	52,789,585
Accumulated depreciation:						
Land	1,091,644	230,000	-	-	(1,321,644)	-
Building and improvements	2,856,624	1,377,518	5,334	-	(11,893)	4,216,915
Motor vehicles	3,904,626	2,015,946	23,496	-	-	5,897,076
Office furniture, fixtures and other equipment	882,540	3,027,631	-	-	-	3,910,171
Heavy equipment, equipment and vehicles	72,914,865	13,650,260	1,440,627	(11,218,000)	(38,973,927)	34,932,571
Total	81,650,299	20,301,354	1,469,456	(11,218,000)	(40,307,464)	48,956,733
Net Carrying Amount	62,531,520					3,832,851

Depreciation expense was allocated to the following:

	2023	2022	2021
	US$	US$	US$
Cost of contracts and goods sold (Note 40)	8,759,316	3,524,411	3,836,177
Selling, general and administrative expenses (Note 41)	2,607,633	3,175,918	2,691,486
Discontinued operation (Note 13)	-	-	13,773,691
Total	11,366,949	6,700,329	20,301,354

For the year ended December 31, 2023, certain leases expired. The expired contracts were replaced by new leases for identical underlying assets. This resulted in additions to right-of- use assets of US$ 23,998,480 within the period (December 31, 2022 and 2021: US$ 8,223,018 and US$ 5,254,570, respectively).

Some leases of buildings or warehouses and plant, equipment and vehicles contain extension options exercisable by the Group before the end of the non-cancellable contract period. The extension options held are exercisable only by the Group. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses this assessment if there is a significant event or significant change in circumstances within its control.

23. INTANGIBLE ASSETS

	January 1, 2023	Additions	Transfer to non current assets held for sale (Note 13b)	December 31, 2023
	US$	US$	US$	US$
At cost				
Acquisition of subsidiaries:				
KJA	701,662,765	-	-	701,662,765
MUTU	205,508,478	-	(205,508,478)	-
MEA	65,071,555	-	-	65,071,555
Masmindo	15,580,233	-	-	15,580,233
IMP	12,230,987	-	-	12,230,987
PIM	3,607,267	-	-	3,607,267
BIG (Note 1)	-	2,072,816	-	2,072,816
EMB	1,367,520	-	-	1,367,520
Sub-total	1,005,028,805	2,072,816	(205,508,478)	801,593,143
System development and computer software	12,377,038	2,106,018	(1,351,360)	13,131,696
Other intangible asset	1,541,233	52,532	-	1,593,765
Total	1,018,947,076	4,231,366	(206,859,838)	816,318,604
Accumulated amortization				
Acquisition of subsidiaries:				
KJA	669,196,349	32,466,416	-	701,662,765
MUTU	69,440,445	3,976,943	(73,417,388)	-
MEA	34,859,758	-	-	34,859,758
IMP	776,419	443,328	-	1,219,747
PIM	-	264,754	-	264,754
BIG	-	192,865	-	192,865
EMB	-	291,369	-	291,369
Sub-total	774,272,971	37,635,675	(73,417,388)	738,491,258
System development and computer software	9,759,207	1,814,948	(1,411,201)	10,162,954
Other intangible asset	-	13,437	-	13,437
Total	784,032,178	39,464,060	(74,828,589)	748,667,649
Allowance for impairment losses	124,566,703	-	(93,676,883)	30,889,820
Net Carrying Amount	110,348,195			36,761,135

	January 1, 2022	Additions	December 31, 2022
	US$	US$	US$
At cost			
Acquisition of subsidiaries:			
KJA	701,662,765	-	701,662,765
MUTU	205,508,478	-	205,508,478
MEA	65,071,555	-	65,071,555
Masmindo	15,580,233	-	15,580,233
IMP	12,230,987	-	12,230,987
PIM (Note 1)	-	3,607,267	3,607,267
EMB (Note 1)	-	1,367,520	1,367,520
Sub-total	1,000,054,018	4,974,787	1,005,028,805
System development and computer software	10,753,160	1,623,878	12,377,038
Other intangible asset	-	1,541,233	1,541,233
Total	1,010,807,178	8,139,898	1,018,947,076
Accumulated amortization			
Acquisition of subsidiaries:			
KJA	537,552,303	131,644,046	669,196,349
MUTU	65,463,501	3,976,944	69,440,445
MEA	34,859,758	-	34,859,758
IMP	325,881	450,538	776,419
Sub-total	638,201,443	136,071,528	774,272,971
System development and computer software	9,297,307	461,900	9,759,207
Total	647,498,750	136,533,428	784,032,178
Allowance for impairment losses	123,888,679	678,024	124,566,703
Net Carrying Amount	239,419,749		110,348,195

	January 1, 2021	Additions	Transfer to non current assets held for sale (Note 13c)	Divestment of subsidiary (Note 13d)	Desember 31, 2021
	US$	US$	US$	US$	US$
At cost					
Acquisition of subsidiaries:					
KJA	701,662,765	-	-	-	701,662,765
MUTU	205,508,478	-	-	-	205,508,478
MBSS	131,029,823	-	-	(131,029,823)	-
MEA	65,071,555	-	-	-	65,071,555
Masmindo	-	15,580,233	-	-	15,580,233
Petrosea	1,405,622	-	(1,405,622)	-	-
MIP	222,237	-	(222,237)	-	-
IMP	7,985,304	4,245,683	-	-	12,230,987
Sub-total	1,112,885,784	19,825,916	(1,627,859)	(131,029,823)	1,000,054,018
System development and computer software	38,176,685	9,840,644	(36,853,367)	(410,802)	10,753,160
Total	1,151,062,469	29,666,560	(38,481,226)	(131,440,625)	1,010,807,178
Accumulated amortization					
Acquisition of subsidiaries:					
KJA	405,908,259	131,644,044	-	-	537,552,303
MUTU	61,486,557	3,976,944	-	-	65,463,501
MBSS	107,631,640	-	-	(107,631,640)	-
MEA	34,859,758	-	-	-	34,859,758
Petrosea	1,405,622	-	(1,405,622)	-	-
MIP	210,694	11,543	(222,237)	-	-
IMP	-	325,881	-	-	325,881
Sub-total	611,502,530	135,958,412	(1,627,859)	(107,631,640)	638,201,443
System development and computer software	16,650,083	1,388,254	(8,683,567)	(57,463)	9,297,307
Total	628,152,613	137,346,666	(10,311,426)	(107,689,103)	647,498,750
Allowance for impairment losses	147,286,863	-	-	(23,398,184)	123,888,679
Net Carrying Amount	375,622,993				239,419,749

Amortization expense was allocated to the following:

	2023	2022	2021
	US$	US$	US$
Recognized separately in profit or loss	37,635,675	136,071,528	135,946,869
Selling, general and administrative expenses (Note 41)	1,683,343	461,900	1,388,254
Cost of contracts and goods sold (Note 40)	145,042	-	-
Discontinued operation (Note 13c)	-	-	11,543
Total	39,464,060	136,533,428	137,346,666

KJA

The intangible assets pertain to mining rights (CCoW) of Kideco which expired in March 2023, hence such asset was also fully amortized as of March 31, 2023.

MUTU

The intangible assets (mining rights) resulted from the acquisition of MUTU, a company engaged in the business of mining activities with CCoW area located in the North and South Barito - Central Kalimantan.

Fair value of the intangible assets was based on a valuation report prepared by an independent appraiser. The valuation is based on income approach with Excess Earnings method.

The intangible assets include costs amounting to US$ 9.2 million with regard to purchase of Distribution Rights and Obligations to support MUTU's sale of coal.

In 2017, management of MUTU made a provision for impairment on intangible assets amounting to US$ 93,676,883.

MEA

The intangible assets resulted from the acquisition of MEA, a company engaged in business of mining activities under Mining Coal Exploration Permit located in the East Kutai – East Kalimantan.

Fair value of the intangible assets was based on a valuation report prepared by an independent appraiser. The valuation is based on income approach with Excess Earnings method.

In the view that its coal assets in MEA project are not economically viable at the current coal market condition, management of IIR has decided to provide full provision for impairment on those assets at end of 2015 amounting to US$ 30,211,797.

Masmindo

The intangible assets (mining rights) resulted from the acquisition of Masmindo, a company engaged in the business of gold mining activities with CCoW area located in the South Sulawesi.

Fair value of the intangible assets was based on a valuation report prepared by an independent appraiser. The valuation is based on income approach using Greenfield Discounted Cashflow method.

IMP

The intangible assets is in the form of Forest Utilization Rights resulted from the acquisition of TMK and JBP, a company engaged in the business of forest exploitation with total area of 82,805 Ha and 23,590 Ha located in East Kalimantan.

Fair value of the intangible assets was based on a valuation report prepared by an independent appraiser. The valuation is based on income approach using Multiple Period Excess Earnings method.

PT Perkasa Investama Mineral (PIM)

The intangible assets (mining rights) resulted from the acquisition of PIM, which has two subsidiaries, namely PT Mekko Metal Mining (MMM) and PT Perkasa Alumina Indonesia. Such mining rights refer to bauxite mining license owned by MMM, located in West Kalimantan and is valid until May 2032.

Fair value of the intangible assets was based on a valuation report prepared by an independent appraiser. The valuation is based on income approach using Multiple Period Excess Earnings method.

PT Bioneer Indika Group

The intangible asset pertains to exclusive distribution agreement related to sales of diagnostic molecular products, provided by Bioneer Corporation as non-cash capital injection in PT Bioneer Indika Group.

Fair value of the intangible assets was based on a valuation report prepared by an independent appraiser. The valuation is based on income approach using Multiple Period Excess Earnings.

PT Energi Makmur Buana (EMB)

The intangible assets resulted from the acquisition of EMB and was referred to distributorship agreement entered between EMB and a third party, where EMB was appointed as distributor for the third party's products in the territory of Indonesia.

Fair value of the intangible assets was based on a valuation report prepared by an independent appraiser. The valuation is based on income approach using Multiple Period Excess Earnings method.

PT Zebra Cross Teknologi

During year 2022, PT Zebra Cross Teknologi has made provision for impairment on its internal developed software program at the amount of US$ 678,023.

24. GOODWILL

This account represents the excess of acquisition cost over the Company's interest in the fair value of the net assets of subsidiaries net of accumulated impairment.

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Cost			
PT Kideco Jaya Agung	635,124,678	635,124,678	635,124,678
Nusantara Resources Ltd	5,777,014	5,777,014	5,777,014
PT Telaga Mas Kalimantan	3,200,930	3,200,930	3,200,930
PT Rockgeo Energi Nusantara	2,012,519	2,012,519	2,012,519
PT Trisetia CitaGraha	1,224,188	1,224,188	1,224,188
PT Perkasa Investama Mineral (PIM) (Note 1)	832,356	832,356	-
PT Diva Perdana Pesona	697,384	697,384	697,384
PT Mekko Metal Mining	295,139	295,139	-
Total	649,164,208	649,164,208	648,036,713
Movement in net carrying amount:			
Beginning balance	649,164,208	648,036,713	701,815,473
Addition	-	832,356	9,711,105
Addition due to acquisition of PIM	-	295,139	-
Divestment of subsidiary (Note 13d)	-	-	(33,730,009)
Transfer to non current assets held for sale (Note 13c)	-	-	(29,759,856)
Ending balance	649,164,208	649,164,208	648,036,713

In accordance with the Group's accounting policy, goodwill is tested for impairment annually (Note 3u). For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (CGU).

The Group used an income approach to assess the impairment value of certain CGUs. The income approach is predicated upon the value of the future cash flows that a business will generate going forward based on the respective CGU's mining license. The Discounted Cash Flow method was used which involves projecting cash flows and converting them to a present value equivalent through discounting. The discounting process uses a rate of return that is commensurate with the risk associated with the business or asset and the time value of money of 10.05% in 2023 (2022 and 2021: 12.79% and 5.82% - 7.19%, respectively).

As of December 31, 2023, 2022 and 2021 any reasonably possible change to the discount rate and revenue growth applied to the value-in-use calculation is not likely to cause the recoverable amount of goodwill on the acquisition of KJA to be below the carrying amount. Upon completion of the impairment assessment, management has concluded that there is adequate headroom, accordingly there were no impairment losses recognized in 2023, 2022 and 2021.

25. DERIVATIVE FINANCIAL INSTRUMENTS

Interest Rate Swap

The Company has entered into interest swap agreements (IRS) with PT Bank Mandiri (Persero) Tbk, Standard Chartered Bank Jakarta Branch, and MUFG Bank Ltd., Jakarta Branch ("MUFG") on a portion of its debt to reduce the impact of changes in interest rates on its floating rate syndicated loans (Note 20).

On November 13, 2020, the Company, MUFG and PT Bank UOB Indonesia ("UOB") entered into International Swaps and Derivatives Association ("ISDA") Novation Agreement, wherein MUFG wishes to transfer by novation to UOB, and UOB wishes to accept the transfer by novation of, all the rights, liabilities, duties and obligations of MUFG under and in respect of all interest rate swap agreements previously entered between the Company and MUFG.

Under the interest rate swap contracts, the Company agree to exchange the differences between fixed and floating rate interest amounts calculated on agreed notional principal amounts. The terms of the swap agreements match the terms of the underlying debt. Exposure to counterparty credit risk is considered low because these agreements have been entered into with major creditworthy institutions with strong credit ratings, and they are expected to perform fully under the terms of the agreements.

The estimated fair values of the Company's derivative assets and liabilities designated and effective as hedging instruments carried at fair value are summarized below:

	December 31, 2023		December 31, 2022	
	Total notional	Fair value	Total notional	Fair value
	US$	US$	US$	US$
Interest rate swap				
PT Bank Mandiri (Persero) Tbk	28,500,000	410,054	52,250,000	1,814,723
Standard Chartered Bank, Jakarta branch	16,500,000	279,134	30,250,000	1,065,992
Total fair value	45,000,000	689,188	82,500,000	2,880,715
Presented in the consolidated statement of financial position as:				
Current assets		689,188		2,880,715

	December 31, 2021	
	Total notional	Fair value
	US$	US$
Interest rate swap		
PT Bank Mandiri (Persero) Tbk	96,250,000	1,097,939
Standard Chartered Bank, Jakarta branch	41,250,000	466,633
PT Bank UOB Indonesia	12,500,000	75,768
Total fair value	150,000,000	1,640,340
Presented in the consolidated statement of financial position as:		
Noncurrent liabilities		(1,640,340)

On January 5, 2022, the Company made full early repayment of its outstanding US$ 37,500,000 syndicated loan to UOB and PT Bank Mandiri (Persero) Tbk (Note 30). Concurrently, the Company also terminated its interest rate swap transactions entered with the same banks to hedge the interest rate risk on such syndicated loans. Unwinding cost incurred was US$ 446,750.

Fuel Swap

On August 24, 2020, KJA entered into an agreement with Standard Chartered Bank ("SCB") in relation with fuel swap derivative assets with total notional quantity of 225,000 barrels. On December 7, 2021, KJA extended the agreement with total notional quantity of 25,000 barrels per transaction until June 30, 2022. This derivative by KJA is based on the price GASOIL 10PPM – FOB SINGAPORE – PLATTS ASIA-PACIFIC and the transaction is not hedges. As of December 31, 2023, derivative assets amounted to US$ nil (December 31, 2022 and 2021: US$ nil and US$ nil, respectively).

Realized profit recognized in profit or loss for the year ended December 31, 2023 amounted to US$ nil (December 31, 2022: US$ 8,353,700 and 2021: US$ 2,586,200). Realized gain is presented as part of "others – net" in profit or loss (Note 44).

26. SHORT-TERM LOANS

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Bank loans			
Rupiah			
PT Bank Mandiri (Persero) Tbk,Jakarta branch	21,903,404	23,614,850	19,932,707
PT Bank OCBC NISP Tbk	392,184	-	-
Standard Chartered Bank, Jakarta branch	274,787	-	-
U.S. Dollar			
PT Bank Mandiri (Persero) Tbk, Jakarta branch	29,942,969	-	-
Standard Chartered Bank, Jakarta branch	3,872,042	2,797,716	-
PT Bank KB Bukopin Tbk	1,703,186	-	-
PT Bank Mandiri (Persero) Tbk, Singapore branch	-	15,000,000	10,000,000
Subtotal	58,088,572	41,412,566	29,932,707
Other loans			
U.S. Dollar			
PT Saipem Indonesia	-	3,008,913	14,484,515
PT Chiyoda International Indonesia	-	3,573,087	12,197,486
Subtotal	-	6,582,000	26,682,001
Accrued interest	320,641	2,543,532	1,507,632
Total	58,409,213	50,538,098	58,122,340

Bank Loans

Details of the above facilities are as follows:

Creditors	Entities	Type of facilities	Currency	Maximum facility	Agreement date	Maturity date	Interest rate per annum	December 31, 2023	December 31, 2022	December 31, 2021
								US$	US$	US$
PT Bank Mandiri (Persero) Tbk, Jakarta branch	The Company	Working capital loan	US$	50,000,000	October 10, 2023	June 3 - 28, 2024	SOFR 1 month + 1.5% + 0.26161%	29,942,969	-	-
	TPEC	Working capital loan	US$	28,000,000	November 2, 2022	November 13, 2025	JIBOR 1 month + 4%	17,475,350	18,080,224	19,932,707
	TPE	Term loan	Rp	99,000,000,000	September 22, 2022	September 23, 2024	JIBOR 3 months + 4.55%	4,428,054	5,534,626	-
Standard Chartered Bank, Jakarta branch		Short-term Loans	US$	7,000,000	November 2, 2022	January 5 - 15, 2024	Cost of Fund + 2.25%	2,830,000	600,000	-
	EMI		Rp					274,787	-	-
		Import invoice financing	US$	10,000,000	November 2, 2022	January 4 - March 28, 2024	Cost of Fund + 2%	1,042,042	2,197,716	-
PT Bank KB Bukopin Tbk	EMB	Uncomitted LC or SKBDN	US$	20,000,000	October 2, 2023	October 2, 2024	SOFR + 3%	1,703,186	-	-
PT Bank OCBC NISP Tbk	XTI	Uncomitted demand loan	Rp	35,000,000,000	October 17, 2023	October 16, 2024	8%	392,184	-	-
PT Bank Mandiri (Persero) Tbk, Singapore branch	ICI	Working capital loan	US$	30,000,000	October 20, 2017	April 15, 2024	SOFR + 2.25%	-	15,000,000	10,000,000
Total principal loan								58,088,572	41,412,566	29,932,707
Accrued interest								320,641	143,217	26,341
Total								58,409,213	41,555,783	29,959,048

Credit facility agreements with PT Bank Mandiri (Persero) Tbk Jakarta and Singapore branch, PT Bank OCBC NISP Tbk, and PT Bank KB Bukopin Tbk contain certain covenants to maintain financial ratios (Note 53). As of December 31, 2023, the Company and relevant subsidiaries have complied with these covenants.

ICI

The credit facility agreement contains certain covenants to maintain financial ratios (Note 53). As of December 31, 2022 and 2021, ICI has complied with these covenants.

On January 30, 2023, ICI has fully repaid its US$ 15,000,000 outstanding loan.

PT Saipem Indonesia (“Saipem”) dan PT Chiyoda International Indonesia (“Chiyoda”)

In 2020, TPEC entered into Memorandum of Understanding (MOU) with PT Saipem Indonesia (Saipem) and PT Chiyoda International Indonesia (Chiyoda) related to payments on behalf of Tripatra with respect to its contribution to the cash injection to CSTS JO.

Loans from Saipem and Chiyoda were denominated in US$, bearing interest at 4% above LIBOR 6 months per annum. TPEC should repay the loan and its interest immediately at any time on demand so that the loan is classified as short-term loans. These loans facilities are available until April 30, 2023.

On March 16, 2023, TPEC has settled all its outstanding loans to PT Saipem Indonesia and PT Chiyoda International Indonesia, including all the accrued interests, at a total amount of US$ 9,039,758.

27. TRADE ACCOUNTS PAYABLE

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
a. By creditor			
Related party (Note 51)	4,077,079	5,824,241	5,691,528
Third parties			
Local suppliers	254,849,201	282,669,398	244,347,381
Foreign suppliers	19,044,082	54,053,875	47,549,085
Total third parties	273,893,283	336,723,273	291,896,466
Total	277,970,362	342,547,514	297,587,994
b. By currency			
Rupiah	122,284,647	147,645,458	177,026,098
U.S. Dollar	155,679,841	194,856,873	120,361,673
Australian Dollar	3,789	45,183	-
Euro	2,085	-	-
Malaysia Ringgit	-	-	171,858
Singapore Dollar	-	-	22,530
Poundsterling	-	-	5,835
Total	277,970,362	342,547,514	297,587,994

Trade accounts payable to sub-contractors and purchase of goods and services transactions from third parties has credit terms of 14 to 60 days. No interest is charged to the trade accounts payable.

28. TAXES PAYABLE

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Current tax (Note 46)			
The Company			
2022	-	65,294	-
2021	-	-	14,205
Subsidiaries			
2023	2,750,889	-	-
2022	-	529,489,309	-
2021	-	-	289,318,812
Income tax			
Article 4(2)	183,555	365,922	1,565,494
Article 15	186,100	130,720	156,266
Article 21	4,066,796	3,843,447	3,154,162
Article 22	9,366	66,179	18,495
Article 23	1,061,181	2,052,605	1,826,154
Article 25	578,431	2,534,922	1,911,510
Article 26	1,457,421	1,089,960	1,421,339
Value added tax	5,224,965	724,250	3,940,794
Sales tax	-	3,787,065	1,006,045
Total	15,518,704	544,149,673	304,333,276

29. ACCRUED EXPENSE

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Royalty payable to government	43,811,037	2,001,971	-
PNBP for central and local government's share	27,017,740	-	-
Construction and sub-contractors expenses	25,385,804	24,094,090	21,238,177
Salaries, employees' incentives and bonus	17,373,806	26,204,495	13,074,138
Watershed/ *Daerah Aliran Sungai* ("DAS") rehabilitation obligation	10,030,000	3,167,713	11,296,238
Compensation Domestic Market Obligation ("DMO")	-	19,233,726	2,152,738
Others (each below US$ 10 million)	9,862,484	60,891,154	45,896,226
Total	133,480,871	135,593,149	93,657,517

30. LONG-TERM LOANS

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Related party (Note 51)	1,253,300	-	-
Third parties			
Bank loans and financial institution			
U.S. Dollar			
Syndicated Loans	107,000,000	139,200,000	150,000,000
PT Bank DBS Indonesia	59,225,000	3,300,000	-
Total	166,225,000	142,500,000	150,000,000
Unamortized cost	(3,878,400)	(1,216,523)	(931,697)
Accrued interest	226,195	97,986	-
Total	162,572,795	141,381,463	149,068,303
Less current maturities	(58,297,225)	(50,156,453)	(67,500,000)
Long-term loans - net	104,275,570	91,225,010	81,568,303
Schedule of principal repayment			
In the first year	59,015,000	50,800,000	67,500,000
In the second year	20,900,000	57,600,000	37,500,000
In the third year and onwards	86,310,000	34,100,000	45,000,000
Total	166,225,000	142,500,000	150,000,000
Interest rates per annum			
U.S. Dollar	5.75% - 7.89%	2.07% - 3.47%	1.90%

Details of long-term loan facilities are as follows:

Name of creditors	Entities	Type of facility	Maximum facility	Agreement date	Maturity date of facility	Interest rate per annum	December 31, 2023	December 31, 2022	December 31, 2021
			US$				US$	US$	US$
Syndicated loan	The Company	Financing credit	250,000,000	March 2, 2023	March 2, 2028	SOFR + (2.25%-2.5%)	62,000,000	-	-
	The Company	Financing credit	150,000,000	July 17, 2019	June 30, 2024	SOFR 3 Months + 1.67% - 1.85% + 0.26161%	45,000,000	82,500,000	112,500,000
	The Company	Financing credit	75,000,000	December 31, 2018	December 31, 2023	LIBOR 3 Months 1.85%	-	-	37,500,000
	KGTE	Financing credit	70,000,000	December 29, 2021	December 29, 2026	SOFR + 2.5% + 0.26161%	-	56,700,000	-
PT Bank DBS Indonesia	KGTE	Financing credit	50,000,000	September 20, 2023	March 28, 2027	SOFR 3 Months + 1.3%	46,725,000	-	-
	JBP	Capital expenditure facility (amortizing term loan)	22,500,000	April 18, 2022	April 18, 2027	SOFR + 2.25%	12,500,000	3,300,000	-
Subtotal							166,225,000	142,500,000	150,000,000
Unamortized cost							(3,878,400)	(1,216,523)	(931,697)
Accrued interest							226,195	97,986	-
Total							162,572,795	141,381,463	149,068,303

Syndicated Loans

US$ 250,000,000 facility

In 2023, the Company obtained US$ 250,000,000 credit facility from PT Bank Mandiri (Persero) Tbk. (“Bank Mandiri”), PT Bank Negara Indonesia (Persero) Tbk. (“Bank BNI”), PT Bank UOB Indonesia (“UOB”), PT Bank DBS Indonesia (“DBS”) and PT Bank KB Bukopin Tbk. (“KB Bukopin”) (Note 53). As of December 31, 2023, the Company has drawn US$ 62,000,000 from this facility. The loan will be repaid on installment basis, based on payment schedule as agreed in the loan facility.

The credit facility agreement contains certain covenants to maintain financial ratios. As of December 31, 2023, the Company has complied with these covenants.

US$ 150,000,000 facility

In 2019, the Company made a full drawndown from its US$ 150,000,000 facility provided by PT Bank Mandiri (Persero) Tbk, Citibank, N.A., Jakarta and Standard Chartered Bank, Singapore Branch (Note 53). The loan will be repaid on installment basis, based on payment schedule as agreed in the loan facility.

The credit facility agreement contains certain covenants to maintain financial ratios. As of December 31, 2023, 2022 and 2021, the Company has complied with these covenants.

In 2023, the Company has made a payment of US$ 37,500,000 and the balance of the loan facility as of December 31, 2023 amounted to US$ 45,000,000.

US$ 75,000,000 facility

The Company made several drawndowns from its US$ 75,000,000 facility provided by PT Bank Mandiri (Persero) Tbk, MUFG Bank, Ltd., Jakarta Branch and ICICI Bank Limited, Singapore Branch. In March 2020, the facility has been fully utilized by the Company.

The loan is repaid on installment basis based on payment schedule as agreed in the loan facility.

In September 2020 and October 2020, portion of MUFG and ICICI in the US$ 75,000,000 syndicated loan were transferred to PT Bank UOB Indonesia (“UOB”) and PT Bank Mandiri (Persero) Tbk (“Mandiri”), respectively.

On January 5, 2022, the Company made full early repayment of its outstanding US$ 37,500,000 syndicated loan to UOB and Mandiri.

The credit facility agreement contains certain covenants to maintain financial ratios. As of December 31, 2021, the Company has complied with these covenants.

US$ 70,000,000 facility

On December 29, 2021 KGTE and PT Bank UOB Indonesia, PT Bank Mandiri (Persero) Tbk., and PT Bank Negara Indonesia (Persero) Tbk., has signed credit agreement No.55 of Ariani L. Rachim, S.H., public notary in Jakarta. Credit agreement with PT Bank UOB Indonesia amounting to US$ 23,000,000, PT Bank Mandiri (Persero) Tbk., amounting to US$ 24,000,000 and PT Bank Negara Indonesia (Persero) Tbk., amounting to US$ 23,000,000 with interest rate of 2.5% plus three months LIBOR until December 2026. This facility aims to repayment intercompany loan to Indika Capital Pte.Ltd. (ICPL). On January 4, 2022, KGTE made full drawdown from this facility. Related to this loan, KGTE is required to place restricted deposit in PT Bank Mandiri (Persero) Tbk., PT Bank Negara Indonesia (Persero) Tbk., and PT Bank UOB Indonesia totaling US$ 3,800,000.

The credit facility agreement contains certain covenants to maintain financial ratios. On September 25, 2023, KGTE has fully paid the remaining loan balance of US$ 50,050,000 and all collateral that KGTE had pledged was returned.

PT Bank DBS Indonesia

US$ 50,000,000 facility

On September 20, 2023, KGTE obtained new loan facility from PT Bank DBS Indonesia at the amount of US$ 50,000,000, which has been fully drawn within the same month.

The credit facility agreement contains certain covenants to maintain financial ratios (Note 53). As of December 31, 2023, KGTE has complied with these covenants.

As of December 31, 2023, total outstanding loan amounted to US$ 46,725,000.

US$ 22,500,000 facility

Up to December 31, 2023, JBP has drawdown a loan of US$ 12.5 million (December 31, 2022: US$ 3.3 million) from credit facility provided by DBS Bank Ltd (Note 53).

The credit facility agreement contains certain covenants to maintain financial ratios (Note 53). As of December 31, 2023 and 2022, JBP has complied with these covenants.

31. CONVERTIBLE LOAN

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Principal loan			
Convertible Loan Series A	7,500,000	7,500,000	-
Convertible Loan Series B	20,350,000	-	-
Subtotal	27,850,000	7,500,000	-
Fair value changes on embedded derivative of convertible loan	(9,459,234)	-	-
Unwinding expense	1,701,765	-	-
Accrued interest	-	38,295	-
Total	20,092,531	7,538,295	-

Convertible Loan Series A

On May 19, 2022, the Company together with its subsidiaries, PT Solusi Mobilitas Indonesia ("SMI") and PT Indika Energy Infrastructure ("IEI"), signed a joint investment agreement with Alpha JWC III, L.P. and/or its affiliates and Sino Key Limited ("Investor Series A") for two-wheelers electric vehicle sector through investment in PT Ilectra Motor Group ("IMG") ("Proposed Transaction").

With reference to the Proposed Transaction, Investor Series A agreed to provide a convertible loan amounting to US$ 7,500,000 or its equivalent in Rupiah at the date of the drawdown by IMG to Investor Series A, as governed under the Convertible Loan Agreement executed by and between SMI, Investor Series A and IMG dated May 19, 2022 ("Convertible Loan Series A").

The maturity date of the convertible loan agreement is 6 years from the date of the convertible loan agreement ("Agreement") which can be extended for up to 10 years from the date of the Agreement ("Maturity Date").

The parties agree that in so for so long as the loan is in the form of the convertible loan, it shall be subject to interest at the rate of 1% per annum, exclusive from tax. Such interest shall only become due and payable when IMG is obliged to perform repayment, as further explained in the paragraph below.

Investor Series A have the right to demand a repayment of the Convertible Loan Series A and a corresponding amount of interest from IMG, in the event of (i) the convertible loan has not been converted on or before the Maturity Date; or (ii) at any time after any occurrence of event of default as defined in the Agreement.

The Convertible Loan Series A in aggregate will be convertible into shares representing (directly and indirectly) 21.44% of the total issued and paid-up capital of IMG on a fully diluted and as converted basis. The embedded conversion option was valued at US$ 4,351,754 as of May 19, 2022 and US$ 3,235,835 as of December 31, 2023. Fair value changes on embedded derivative of convertible loan series A was recognized directly in consolidated profit and loss for year 2022.

Convertible Loan Series B

On August 17, 2023, SMI dan IEI, with the Series B Investors, Alpha JWC Ventures II, L.P, Sino Key Limited, HH-CTBC, and Brama One Ventures Limited entered into additional joint investment agreement or referred to as Convertible Loan Agreement Series B. The Lead Investor for Series B is Sino Key Limited.

This Agreement related to additional convertible loan, amounting to US$ 20,350,000, bearing interest rate of 1% per annum, excluding tax ("Convertible Loan Series B"). The maturity date of the convertible loan agreement is May 19, 2028 and can be extended by Investor Series B until unspecified date or before May 19, 2032.

The parties agree that in so for so long as the loan is in the form of the convertible loan, it shall be subject to interest at the rate of 1% per annum, exclusive from tax. Such interest shall only become due and payable when IMG is obliged to perform repayment, as further explained in the paragraph below.

Investor Series B have the right to demand a repayment of the Convertible Loan Series B and a corresponding amount of interest from IMG, in the event of (i) the convertible loan has not been converted on the Maturity Date; or (ii) upon termination of the agreement following to event of default as governed under the agreement.

On August 28, 2023, the shareholder and Investor Series A and Investor Series B entered into Amended and Restated Investment Agreement that combined both Convertible Loan Series A and Convertible Loan Series B Agreement, therefore after the amendment, total transaction value was US$ 27,850,000 or its equivalent in Rupiah determined based on withdrawal date submitted by the Group to Investors ("Total Loan"). Total Loan will be convertible into shares representing (directly and indirectly) 62.50% of the total issued and paid-up capital of IMG on a fully diluted and as converted basis.

The embedded conversion option was valued at US$ 5,107,480 as of August 28, 2023 and US$ 4,873,840 as of December 31, 2023. Fair value changes on embedded derivative of convertible loan series B was recognized directly in consolidated profit and loss for the year.

32. LEASE LIABILITIES

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Maturity analysis			
Year 1	9,368,144	5,258,458	2,831,826
Year 2	6,480,640	503,461	872,747
Year 3	2,018,929	94,355	-
Total	17,867,713	5,856,274	3,704,573
Deferred interest expense	(1,547,300)	(43,269)	(52,174)
Total	16,320,413	5,813,005	3,652,399
Current maturities	(7,870,164)	(4,411,235)	(1,001,063)
Noncurrent lease liabilities	8,450,249	1,401,770	2,651,336

As of December 31, 2023, 2022 and 2021, all lease liabilities were additional liabilities relating to right-of-use assets recognized.

33. BONDS PAYABLE

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Senior Notes VI, year 2017	293,566,000	322,877,000	575,000,000
Senior Notes VII, year 2020	534,064,000	567,938,000	675,000,000
Unamortized bond issuance costs and discount	(5,284,220)	(10,804,299)	(20,409,288)
Accrued interest - current	10,936,120	11,720,490	15,552,951
Net	833,281,900	891,731,191	1,245,143,663
Presented in consolidated statements of financial position as:			
Current liabilities	304,359,120	11,720,490	15,552,951
Noncurrent liabilites	528,922,780	880,010,701	1,229,590,712
Total	833,281,900	891,731,191	1,245,143,663

Senior Notes VI, US$ 575,000,000

On November 9, 2017, Indika Energy Capital III Pte. Ltd. (IECPL III), an indirectly wholly owned subsidiary, issued Senior Notes VI ("Notes VI") amounting to US$ 575,000,000, priced at 98.594%. The Notes will mature in November 2024 and bears interest at 5.875% per annum, payable semiannually on May 9 and November 9, commencing May 9, 2018. The Notes are listed on the Singapore Stock Exchange. In relation to the issuance of the Notes VI, Citicorp International Limited acted as "Trustee", while the Company, IIC, TPE, TPEC and TS acted as Guarantors.

The Notes VI are secured on a first priority basis by a lien on the following collaterals:

- Pledges of TPE and TPEC's shares owned by the Company, TIME and IIC;
- Pledge of the Company's investments in shares of stock of IECPL III and IIC;
- Pledge of the Company's and IIC's investments in shares of stock of KJA;
- Pledge of TPEC's investments in shares of stock of TS;
- The above pledge of shares collaterals are shared pari passu with Notes VII and certain syndicated loans (Note 53); and
- A security interest in IECPL III's right under the Intercompany Loans. As of reporting dates, all the intercompany loans are eliminate for consolidation purpose.

IECPL III will be entitled at its option to redeem all or any portion of the Notes VI. At any time prior to November 9, 2021, IECPL III will be entitled at its option to redeem up to 35% of the Notes VI with the net proceeds of one or more equity offerings at a redemption price of 105.875%. At any time prior to November 9, 2021, IECPL III will be entitled at its option to redeem the Notes VI, in whole but not in part, at redemption price equal to 100% plus the applicable premium, as further determined in the Notes VI indenture. At any time on or after November 9, 2021, IECPL III may redeem in whole or in part of the Notes VI at a redemption price specifically described in the Notes VI indenture.

In relation to the Notes VI, the Company and certain subsidiaries are restricted to, among others, perform the following:

- Incur additional indebtedness and issue preferred stock;
- Declare dividends on capital stock or purchase or redeem capital stock;
- Make investments or other specified "Restricted Payments";
- Issue or sell capital stock of restricted subsidiaries;
- Guarantee indebtedness;
- Sell assets;
- Create any lien;
- Enter into sale and leaseback transactions;
- Enter into agreements that restrict the restricted subsidiaries' and KJA's ability to pay dividends and transfer assets or make inter-issuer loans;
- Enter into transactions with equity holders or affiliates;
- Effect a consolidation or merger; or
- Engage in different business activities.

These covenants, including the above restrictions, are subject to a number of important qualifications and exceptions as described in the Notes VI Indenture.

Proceeds of the Notes VI were used to fund the KJA Share Purchase (other than the contingent consideration) and the fees and expenses related thereto.

On June 8, 2022, IECPL III announced that it has commenced an offer to purchase ("Tender Offer") for cash up to US$ 200,000,000 of the Notes VI issued by IECPL III. Expiration date of the Tender Offer falls on July 7, 2022, while settlement date is on July 14, 2022.

On July 7, 2022, IECPL III has successfully purchased US$ 183,967,000 of the Notes VI at a purchase price of US$ 184,974,253. The Tender Offer, including outstanding accrued interest on the purchased Senior Notes, were fully settled on July 14, 2022.

IECPL III through the Company has repurchased US$ 28,637,000 of the Notes VI from open market and has arranged to cancel the Senior Notes accordingly on July 15, 2022. Balance of outstanding the Notes VI after the cancellation and Tender Offer was US$ 362,396,000. The cancellation for Notes VI was effective on August 3, 2022.

For the period starting from July 1, 2022 to October 12, 2022, IECPL III through the Company has repurchased US$ 29,019,000 of Notes VI from open market and has arranged to cancel the Notes VI accordingly on October 12, 2022. Such cancellation was effective on October 19, 2022 and outstanding balance of Notes VI after the cancellation was US$ 333,377,000.

During the fourth quarter of year 2022, IECPL III directly and indirectly through the Company has repurchased US$ 10,500,000 of Notes VI from open market and has arranged to cancel the Notes VI accordingly on December 6, 2022. Such cancellation was effective on December 9, 2022 and outstanding balance of Notes VI after the cancellation was US$ 322,877,000.

In 2023, IECPL III has repurchased US$ 29,311,000 of Notes VI from open market and has arranged to cancel the Notes VI accordingly, which becomes effective on September 21, 2023. Outstanding balance of Notes VI after the cancellation was US$ 293,566,000.

As of December 31, 2023, the Notes VI have been assigned a rating of "Ba3" with stable outlook by Moody's and "BB-" with stable outlook by Fitch.

Senior Notes VII, US$ 675,000,000

On October 22, 2020, Indika Energy Capital IV Pte. Ltd. (IECPL IV), an indirect wholly owned subsidiary of the Company, issued Senior Notes amounting to US$ 450,000,000. The Notes will mature in October 2025 and bears interest at 8.25% per annum, payable semiannually on April 22 and October 22, commencing April 22, 2021. On November 4, 2020, IECPL IV issued additional Senior Notes amounting to US$ 225,000,000, to be consolidated and form a single series with the US$ 450,000,000 Notes described above. Both Senior Notes will be referred herein as Notes VII.

The Notes VII are listed on the Singapore Stock Exchange. In relation to the issuance of the Notes VII, Citicorp International Limited acted as trustee, while the Company, IIC, TIME, TPE, TPEC and TS acted as Guarantors.

The Notes VII are secured on a first priority basis by a lien on the following collaterals:

- Pledges TPE and TPEC's shares owned by the Company, TIME and IIC;
- Pledge of the Company's investments in shares of IECPL IV and IIC;
- Pledge of the Company's and IIC's investment in shares of stock of KJA;
- Pledge of TPEC's investments in TS; The above pledge of shares collaterals are shared pari passu with Notes VI and certain syndicated loans (Note 53); and
- A security interest in IECPL IV's right under the Intercompany Loans. As of reporting dates, all the intercompany loans are eliminated for consolidation purposes.

IECPL IV will be entitled at its option to redeem all or any portion of the Notes VII. At any time prior to October 22, 2022, IECPL IV will be entitled at its option to redeem up to 35% of the Notes VII with the net proceeds of one or more equity offerings at a redemption price of 108.25%. At any time prior to October 22, 2022, IECPL IV will be entitled at its option to redeem the Notes VII, in whole but not in part, at redemption price equal to 100% plus the applicable premium, as further determined in the Notes VII indenture. At any time on or after October 22, 2022, IECPL IV may redeem in whole or in part of the Notes VII at redemption price specifically described in the Notes VII indenture.

In relation to the Notes VII, the Company and certain subsidiaries are restricted to conduct certain transactions, as further described in the Notes VII Indenture. These covenants, including the above restrictions, are subject to a number of important qualifications and exceptions as described in the Notes VII Indenture.

Net proceeds of the Notes VII, after deducting the relevant transaction costs, were used to (i) redeem in full the outstanding Notes IV in the aggregate principal amount of US$ 285,000,000; (ii) redeem in full the outstanding Notes V in the aggregate principal amount of US$ 265,000,000; and (iii) fund the plans to expand non-coal related businesses as well as settlement of debt of the Company and/or its subsidiaries.

As of December 31, 2023, the Notes VII have been assigned a rating of "Ba3" with stable outlook by Moody's and "BB-" with stable outlook by Fitch.

On June 8, 2022, IECPL IV announced that it has commenced an offer to purchase ("Tender Offer") for cash up to US$ 50,000,000 of the Notes VII issued by IECPL IV. Expiration date of the Tender Offer falls on July 7, 2022, while settlement date is on July 14, 2022.

On July 7, 2022, IECPL IV purchased US$56,571,000 of the Notes VII at a purchase price of US$56,712,428. The Tender Offer, including outstanding accrued interest on the purchased Senior Notes, were fully settled on July 14, 2022.

On July 15, 2022, IECPL IV has repurchased and cancelled US$ 19,550,000 of the Notes VII, hence total outstanding the Notes VII after Tender Offer and cancellation was US$ 598,879,000. The cancellation for Notes VII was effective on August 3, 2022.

During the fourth quarter of year 2022, IECPL IV directly and indirectly through the Company has repurchased US$ 30,941,000 of Notes VII from open market and has arranged to cancel the Notes VII accordingly on December 6, 2022. Such cancellation was effective on December 9, 2022 and outstanding balance of Notes VII after the cancellation was US$ 567,938,000.

In 2023, IECPL IV has repurchased US$ 33,874,000 of Notes VII from open market and has arranged to cancel the Notes VII accordingly, which becomes effective on November 20, 2023. Outstanding balance of Notes VII after the cancellation was US$ 534,064,000.

The finance costs incurred for the bonds payable in 2023 amounted to US$ 65,397,797 (2022: US$ 78,413,140 and 2021: US$ 89,468,750) (Note 43).

As of December 31, 2023, 2022 and 2021, management believes that the Group have complied with all covenants required by the bond holders of the above Notes.

34. PROVISION FOR MINE REHABILITATION, MINE CLOSURE AND DECOMMISSIONING

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Beginning balance	38,687,331	35,241,633	33,032,580
Additions	6,637,510	4,714,893	4,265,085
Realization	(820,994)	(2,092,525)	(1,701,815)
Transfer to non current assets held for sale (Note 13b)	(1,238,708)	-	-
Translation adjustment	-	(29,583)	(1,660)
Changes in assumptions	-	698,520	(493,311)
Accretion	-	154,393	140,754
Ending balance	43,265,139	38,687,331	35,241,633

35. EMPLOYEE BENEFITS

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Post-employment benefits	25,634,750	21,961,221	25,657,250
Long service leave	777,715	659,038	790,533
Total	26,412,465	22,620,259	26,447,783

The Group provide post-employment benefits for their qualifying employees in accordance with prevailing regulations. The number of employees entitled to the benefits is 3,579 as of December 31, 2023 (December 31, 2022 and 2021: 3,916 and 6,131, respectively).

The defined benefit pension plan typically exposes the Group to actuarial risks such as interest rate risk, longevity risk and salary risk.

Interest Risk

A decrease in the bond interest rate will increase the plan liability.

Longevity Risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of the plan participants during their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

Amounts recognized as expense in the consolidated statements of profit or loss and other comprehensive income in respect of these post-employment benefits are as follows:

	2023	2022	2021
	US$	US$	US$
Current service costs	4,040,249	3,331,140	7,766,118
Interest costs	1,379,203	1,118,430	2,456,152
Benefits paid in period excess payment	485,450	815,371	176,292
Past service cost	(343,731)	(3,264,681)	(1,874,175)
Total	5,561,171	2,000,260	8,524,387
Remeasurement on the net defined benefit liability:			
Actuarial losses (gain) arising from changes in demographic and financial assumptions	1,273,903	(837,683)	(2,165,062)
Actuarial losses (gain) arising from changes in experience adjustments	(104,709)	98,955	(652,424)
Components of defined benefit costs recognized in other comprehensive loss	1,169,194	(738,728)	(2,817,486)
Total	6,730,365	1,261,532	5,706,901

The amounts recognized in the consolidated statements of financial position arising from the Group obligations with respect to these post-employment benefits and their movements are as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Opening balance of present value of unfunded obligations	21,961,221	25,657,250	47,899,811
Current service costs	4,040,249	3,331,140	7,766,118
Addition due to acquisition of a subsidiary (Note 1)	375,818	-	-
Gain in foreign exchange	(405,110)	(2,308,676)	(224,189)
Interest costs	1,379,203	1,118,430	2,456,152
Remeasurement on the net defined benefit liability:			
Actuarial loss (gain) arising from changes in demographic and financial assumptions	1,273,903	(837,683)	(2,165,062)
Actuarial (gain) losses arising from changes in experience adjustments	(104,709)	98,955	(652,424)
Past service costs	(343,731)	(3,264,681)	(1,874,175)
Benefits paid	(1,982,811)	(1,833,514)	(1,065,744)
Transfer to asset held for sale (Notes 13b and 13c)	(559,283)	-	(22,971,646)
Divestment of a subsidiary (Note 13d)	-	-	(3,511,591)
Closing balance of present value of unfunded obligations	25,634,750	21,961,221	25,657,250

The cost of providing post-employment benefits as of December 31, 2023, 2022 and 2021 is calculated by independent actuaries. The actuarial valuation was carried out using the projected unit credit method and using the following key assumptions:

	December 31, 2023	December 31, 2022	December 31, 2021
Discount rate per annum	6.35% - 7.10%	6.35% - 7.60%	6.35% - 7.60%
Salary increment rate per annum	6% - 10%	5.5% - 10%	8% - 10%
Mortality rate	100% TMI4/CSO' 80	100% TMI4/CSO' 80	100% TMI4/CSO' 80
Disability rate	5% TMI4/10% CSO' 80	5% TMI4/10% CSO' 80	5% TMI4/10% CSO' 80
Resignation rate	3% - 12% per annum until age 25 -40 years then decreasing linearly to 0% at 54-55 years	3% - 12% per annum until age 25 -40 years then decreasing linearly to 0% at 54-55 years	3% - 12% per annum until age 25 -40 years then decreasing linearly to 0% at 54-55 years
Normal retirement age	55 - 56	55 - 56	55 - 56

Significant actuarial assumptions for the determination of post-employment benefits obligation are discount rate and expected salary increase rate. The sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

- If the discount rate is 1% higher, the post-employment benefits obligation as at December 31, 2023 would decrease by US$ 2,051,519 (December 31, 2022 and 2021: US$ 1,514,352 and US$ 1,782,999, respectively), while decrease by 1% in the discount rate would increase the post-employment benefit obligation as at December 31, 2023 by US$ 2,438,020 (December 31, 2022 and 2021: US$ 1,131,470 and US$ 1,332,193, respectively).

- If the expected salary incremental rate is 1% higher, the post-employment benefits obligation as at December 31, 2023 would increase by US$ 2,442,941 (December 31, 2022 and 2021: US$ 1,098,380 and US$ 1,293,232, respectively), while decrease by 1% in the salary incremental rate would decrease the post-employment benefits obligation as at December 31, 2023 by US$ 2,043,635 (December 31, 2022 and 2021: US$ 1,513,798 and US$ 1,782,346, respectively).

The sensitivity analysis presented above may not be representative of the actual change in the post-employment benefits obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the post-employment benefits obligation has been calculated using projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the post-employment benefits obligation recognized in the consolidated statement of financial position.

The Group's post-employment benefits obligation is unfunded, causing benefit payments in the future when due, which is correlated with the cash availability in the Group. The Group will also concentrate on managing risk by focusing on efficient cash flow management and further strengthening the non-coal business holdings.

The average duration of the benefit obligation at December 31, 2023, 2022 and 2021 is ranging from 5 until 20 years.

36. CAPITAL STOCK AND TREASURY SHARES

Name of Stockholders	December 31, 2023 and 2022 Number of Shares (Rp 100 par value per share)	Percentage of Ownership	Total Paid-up Capital US$
PT Indika Inti Investindo	1,968,882,699	37.84%	21,499,012
PT Teladan Resources	1,463,155,591	28.12%	15,976,777
Agus Lasmono	10,156,000	0.20%	110,897
Indracahya Basuki	1,403,500	0.03%	15,325
M. Arsjad Rasjid P.M.	1,208,000	0.02%	13,191
Azis Armand	1,208,000	0.02%	13,191
PT Indika Mitra Holdiko	10	0.00%	0.11
Public shares (each below 5%)	1,756,678,200	33.76%	18,903,816
Total outstanding shares	5,202,692,000	100.00%	56,532,209
Treasury shares (Note 1c)	7,500,000	-	359,945
Total subscribed and paid-up capital	5,210,192,000	100.00%	56,892,154

Name of Stockholders	December 31, 2021 Number of Shares (Rp 100 par value per share)	Percentage of Ownership	Total Paid-up Capital US$
PT Indika Inti Investindo	1,968,882,699	37.84%	21,499,012
PT Teladan Resources	1,596,977,091	30.70%	17,438,027
Agus Lasmono	10,156,000	0.20%	110,897
Indracahya Basuki	1,403,500	0.03%	15,325
M. Arsjad Rasjid P.M.	1,208,000	0.02%	13,191
Azis Armand	1,208,000	0.02%	13,191
Richard Bruce Ness	810,000	0.02%	8,845
PT Indika Mitra Holdiko	10	0.00%	0.11
Public shares (each below 5%)	1,622,046,700	31.18%	17,433,722
Total outstanding shares	5,202,692,000	100.00%	56,532,209
Treasury shares (Note 1c)	7,500,000	-	359,945
Total	5,210,192,000	100.00%	56,892,154

37. ADDITIONAL PAID-IN CAPITAL

	Paid-in capital in excess of par	Share issuance cost	Employee stock option	Difference in Value of Restructuring Transaction between Entitites Under Common Control	Other paid-in capital	Total
	US$	US$	US$	US$	US$	US$
Issuance of 833,142,000 Company's shares through Initial Public Offering in 2008	254,633,211	(15,745,526)	-	-	-	238,887,685
Additional paid-in capital in 2011 through exercise of employee and management stock options	-	-	1,097,573	-	-	1,097,573
Difference in Value of Restructuring between Transaction Entities Under Common Control (SINTRES)	-	-	-	10,862,663	-	10,862,663
Other paid-in capital	-	-	-	-	2,978,214	2,978,214
Balance as of December 31, 2023, 2022 and 2021	254,633,211	(15,745,526)	1,097,573	10,862,663	2,978,214	253,826,135

In 2004, the Company acquired 99.959% shares of stock of PT Indika Inti Corpindo (IIC). The acquisition was a transaction with an entity under common control as IIC has the same majority stockholder as the Company with ownership interest of 99.959%. The difference between the acquisition cost and the net assets acquired amounting to US$ 10,862,663 was presented as "Difference in Value of Restructuring Transaction between Entities Under Common Control" under equity.

38. NON-CONTROLLING INTERESTS AND OTHER COMPREHENSIVE INCOME

a. Non-controlling interests

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Balance at beginning of year	150,890,266	120,315,132	181,713,784
Share in profit of subsidiaries in the current year	31,359,291	58,099,539	5,597,092
Acquisition of additional shares in CTA	2,171,542	-	-
Unrealized gain (loss) on derivative financial instrument (hedging reserve)	(1,279,505)	37,696,467	6,799,138
Advance payment of non-controlling interest	-	4,790,207	-
Dividend of subsidiaries	(36,782,111)	(45,000,000)	(24,916,000)
Non-controlling interest from establishment of subsidiary in BIG	2,000,000	-	-
Non-controlling interest from divestment of a subsidiary	(4,163,725)	(64,911,927)	(49,865,903)
Acquisition of additional shares in CEPR	-	36,577,500	-
Non-controlling interest from acquisition of subsidiary in FIM	-	1,669,556	-
Non-controlling interest from acquisition of subsidiary in EMB	-	1,653,792	-
Translation adjustment	99,308	-	
Non-controlling interest from acquisition of subsidiary in IMP	-	-	53,853
Non-controlling interest from establishment of subsidiary in EMITS	-	-	933,168
Total	144,295,066	150,890,266	120,315,132

Summarized financial information in respect of each of the subsidiaries that has material non-controlling interest is set out below. The summarized financial information below represents amounts before intragroup eliminations.

	KJA			PEI		
	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$	US$	US$	US$
Current assets	534,514,832	1,134,589,183	749,209,037	1,165,783	1,176,461	1,250,535
Noncurrent assets	141,050,377	135,413,298	153,718,549	148,758,535	137,124,243	23,413,453
Total Assets	675,565,209	1,270,002,481	902,927,586	149,924,318	138,300,704	24,663,988
Current liabilities	291,744,253	708,894,492	471,116,489	72,804	71,081	82,176
Noncurrent liabilities	56,964,545	49,917,879	46,602,242	-	-	-
Total Liabilities	348,708,798	758,812,371	517,718,731	72,804	71,081	82,176

	KJA			PEI		
	2023	2022	2021	2023	2022	2021
	US$	US$	US$	US$	US$	US$
Income	2,223,318,212	3,008,807,941	2,196,888,185	13,341,644	13,991,387	14,144,096
Expenses	(2,007,651,911)	(2,382,826,686)	(1,770,525,153)	(19,263)	(72,760)	(55,588)
Profit for the period	215,666,301	625,981,255	426,363,032	13,322,381	13,918,627	14,088,508
Profit attributable to:						
Owners of the Company	215,666,301	625,981,255	426,363,032	13,317,098	13,913,130	14,082,867
Non-controlling interests	-	-	-	5,283	5,497	5,641
Profit for the period	215,666,301	625,981,255	426,363,032	13,322,381	13,918,627	14,088,508
Other comprehensive income attributable to:						
Owners of the Company	-	-	-	(1,699,816)	50,257,263	9,056,748
Non-controlling interests	-	-	-	(674)	-	3,624
Total comprehensive income for the period	215,666,301	625,981,255	426,363,032	11,621,891	64,175,890	23,148,880
Total comprehensive income attributable to:						
Owners of the Company	215,666,301	625,981,255	426,363,032	11,617,282	64,170,393	23,139,615
Non-controlling interests	-	-	-	4,609	5,497	9,265
Total comprehensive income for the period	215,666,301	625,981,255	426,363,032	11,621,891	64,175,890	23,148,880
Dividends paid to non controlling interests	36,000,000	45,000,000	22,500,000	-	-	-
Net cash inflow (outflow) from:						
Operating activities	(222,505,354)	878,613,919	522,438,559	(18,672)	(30,619)	(18,909)
Investing activities	(20,958,433)	(14,709,806)	(20,653,641)	-	(48,770,000)	-
Financing activities	(400,516,453)	(500,577,977)	(252,483,973)	-	48,770,000	-

Dividend

Based on Annual General Meeting of Shareholders of KJA dated March 17, 2023, it is approved that KJA will distribute final dividend from its 2022 financial performance at the amount of US$ 600,000,000, including interim dividend of US$ 200,000,000 declared in September 2022.

Such dividend will be paid in two stages, wherein US$ 150,000,000 in March 2023 and the remaining in May 2023.

NCI's portion of such final dividend was US$ 36,000,000.

Based on Meeting of Shareholders of KJA dated September 7, 2022, it is approved that KJA will distribute interim dividend from its 2022 financial performance at the amount of US$ 200,000,000. Such dividend was paid on September 23, 2022. NCI's portion of such interim dividend was US$ 18,000,000.

Based on Meeting of Shareholders of KJA dated March 29, 2022, it is approved that KJA will distribute final dividend from its 2021 financial performance at the amount of US$ 450,000,000 (including interim dividend of US$ 150,000,000 distributed in November 2021). Such dividend will be paid in two stages, April 2022 of US$ 100,000,000 and the remaining of US$ 200,000,000 in July 2022.

NCI's portion of such final dividend was US$ 27,000,000.

Based on Meeting of Shareholders of KJA dated November 1, 2021, it is approved that KJA will distribute interim dividend from its 2021 financial performance at the amount of US$ 150,000,000. Such dividend was paid on November 30, 2021. NCI's portion of such interim dividend was US$ 13,500,000.

Based on Annual General Meeting of Shareholders of KJA, on March 24, 2021, the shareholders approved among other things payment of dividend at the amount of US$ 100,000,000 from its 2020 financial performance. NCI's portion of such dividend was US$ 9,000,000. Dividends were fully paid in November 2021.

Based on the Annual General Meeting of Shareholders on April 30, 2021, Petrosea's stockholders approved the distribution of cash dividends for 2020 amounting to US$ 8,000,000. Non-controlling portion of such dividend amounted to US$ 2,416,000. Dividends were paid on June 3, 2021.

b. Other component of equity

i. Cumulative translation adjustments

Exchange differences relating to the translation of the net assets of the subsidiaries using different functional currency other than the Group presentation currency (i.e. U.S. Dollar) are recognized directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of those subsidiaries.

ii. Other comprehensive income

	2023			2022			2021		
	Amount before tax	Tax benefit (expense)	Amount after tax	Amount before tax	Tax benefit (expense)	Amount after tax	Amount before tax	Tax benefit (expense)	Amount after tax
	US$	US$	US$	US$	US$	US$	US$	US$	US$
Other comprehensive income:									
Remeasurement of defined benefits obligation	(1,169,194)	257,223	(911,971)	738,728	(162,520)	576,208	2,817,486	(619,847)	2,197,639
Cumulative translation adjustments	1,545,763	(340,068)	1,205,695	(2,731,158)	600,855	(2,130,303)	1,461,912	(321,621)	1,140,291
Unrealized gain (loss) on derivative financial instruments (hedging reserve)	(4,996,838)	1,099,304	(3,897,534)	71,391,314	(15,706,089)	55,685,225	17,810,491	(3,918,308)	13,892,183
Unrealized gain (loss) on investment stated fair value through other comprehensive income	(575,576)	126,627	(448,949)	(1,028,231)	226,211	(802,020)	12,390,313	(2,725,869)	9,664,444
Other comprehensive income for the year	(5,195,845)	1,143,086	(4,052,759)	68,370,653	(15,041,543)	53,329,110	34,480,202	(7,585,645)	26,894,557

39. REVENUES

	2023	2022	2021
	US$	US$	US$
Contracts and services revenues			
BP Berau Ltd.	168,268,657	242,013,416	189,151,394
PT Exxon Mobil Indonesia	28,155,578	27,301,638	22,518,744
PT Pertamina Hulu Rokan	16,906,606	6,731,313	-
CSTS Joint Operation	12,225,079	18,141,639	23,039,466
Star Energy Geothermal Salak, Ltd.	2,402,052	14,725,178	2,541,232
PT Cabot Indonesia	1,673,026	9,880,275	791,727
PT Riau Andalan Pulp and Paper	-	6,356,875	-
Others (each below US$ 5 million)	45,062,535	33,022,745	23,652,161
Subtotal	274,693,533	358,173,079	261,694,724
Sales of coal			
Foreign customers	2,174,671,257	3,346,302,679	2,081,696,057
Domestic customers	478,477,381	511,651,255	606,626,522
Subtotal	2,653,148,638	3,857,953,934	2,688,322,579
Other trading			
Foreign customers	51,436,853	53,267,016	62,963,323
Domestic customers	47,560,166	65,516,696	56,180,493
Subtotal	98,997,019	118,783,712	119,143,816
Total	3,026,839,190	4,334,910,725	3,069,161,119

4.88% in 2023 (2022 and 2021: 2.20% and 3.66%, respectively) of the above total revenues were made to related parties (Note 51).

The following table details revenue based on the Group's operation segment:

	2023	2022	2021
	US$	US$	US$
Energy resources	2,662,224,471	3,784,524,619	2,688,322,579
Energy services	220,553,683	284,091,470	224,502,964
Logistic and infrastructure	38,890,268	33,652,265	27,536,164
Green business	11,107,445	9,829,021	-
Digital ventures	8,412,529	6,797,570	7,409,536
Mineral	6,094,070	8,531,155	971,187
Others	79,556,724	207,484,625	120,418,689
Total	3,026,839,190	4,334,910,725	3,069,161,119

The following table details revenue based on timing of revenue recognition:

	2023	2022	2021
	US$	US$	US$
At a point in time	2,752,145,657	4,024,269,018	2,844,653,601
Over time	274,693,533	310,641,707	224,507,518
Total	3,026,839,190	4,334,910,725	3,069,161,119

None of the revenues to third party customers represented more than 10% of the total consolidated revenues.

40. COST OF CONTRACTS AND GOODS SOLD

	2023	2022	2021
	US$	US$	US$
Sub-contractors, installations, communications supplies expense and other direct costs	837,477,540	946,265,103	816,467,460
Royalty	711,196,678	617,627,213	313,504,767
Materials	336,107,198	556,818,650	366,317,698
Fuel	183,855,162	233,810,927	132,438,912
Consumables	98,363,182	118,625,606	130,658,243
Handling	93,220,267	83,598,702	100,857,669
Salaries, wages and allowances	61,991,206	52,802,612	48,055,515
Rental, repairs and maintenance	56,241,901	104,105,911	54,751,237
Depreciation and amortization (Notes 18, 21, 22 and 23)	25,433,189	61,278,517	33,063,693
Environment and reclamation expenses	25,174,273	15,586,266	45,306,186
Decrease (increase) in coal inventory	20,617,828	(9,186,933)	(5,409,247)
Travel and transportation	7,505,940	9,061,387	31,152,919
Professional fees	2,113,168	15,342,391	14,370,539
Insurance	4,804,984	2,063,484	12,727,417
Others (each below US$ 5 million)	10,760,689	76,298,834	56,776,310
Total	2,474,863,205	2,884,098,670	2,151,039,318

In 2023, 2022 and 2021, there is no purchase transaction that represents more than 10% of the total consolidated revenues.

41. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	2023	2022	2021
	US$	US$	US$
Salaries, wages, and employee benefits	64,701,465	76,217,280	51,927,841
Marketing and commissions expense	46,588,788	66,452,852	36,378,157
PNBP for central and local government's share	27,017,740	-	-
Professional fees	24,454,060	23,998,360	12,064,608
Rental	14,058,702	10,514,716	8,275,316
Depreciation and amortization (Notes 21, 22 and 23)	6,868,444	7,688,078	5,669,174
Surveyor charge	5,011,307	3,483,357	3,463,239
Travel and transportation	3,559,292	2,527,734	1,804,631
License and permit	2,168,350	1,901,614	1,356,930
Insurance	1,356,972	1,020,710	1,132,947
Donation	1,201,791	2,882,583	1,938,870
Others (each below US$ 1 million)	42,793,338	44,038,474	21,389,362
Total	239,780,249	240,725,758	145,401,075

42. INVESTMENT INCOME

	2023	2022	2021
	US$	US$	US$
Interest income:			
Current and other bank accounts	7,754,807	4,562,178	3,445,625
Time deposits	7,295,921	1,331,236	1,288,442
Investment in third parties	1,923,299	-	-
Loans to related party (Note 51)	980,671	904,231	56,038
Total interest income	17,954,698	6,797,645	4,790,105
Total realized and unrealized gain (loss) on investment in third parties (Note 6)	646,322	(662,064)	(519,812)
Purchase of investment below par (Note 6)	856,718	3,167,065	-
Others	737,326	-	-
Total	20,195,064	9,302,646	4,270,293

43. FINANCE COSTS

	2023	2022	2021
	US$	US$	US$
Interest expense on bonds payable (Note 33)	65,397,797	78,413,140	89,468,750
Interest on bank loans and long-term loans (Notes 26, 30 and 53)	13,036,944	9,215,090	8,275,262
Amortization of bonds issuance costs and discount (Note 33)	5,520,079	9,604,989	5,283,935
Premium on early redemption of Senior Notes (Note 33)	-	1,148,681	-
Others (each below US$ 1 million)	1,596,250	5,149,726	1,832,135
Total	85,551,070	103,531,626	104,860,082

44. OTHERS – NET

	2023	2022	2021
	US$	US$	US$
Gain on disposal of property, plant and equipment (Note 21)	9,329,117	1,052,501	61,132
Fuel handling	8,351,981	13,889,391	4,216,650
Motor vehicle fuel tax ("PBBKB")	5,102,037	-	-
Changes in the fair value of biological assets	418,571	-	-
Loss on foreign exchange - net	(335,658)	(16,608,152)	(2,955,984)
Taxes and dues	(406,942)	(36,843,355)	-
Foreign witholding tax	(5,590,447)	(6,633,035)	(6,689,144)
Demurage net off dispatch	(7,707,007)	(5,024,935)	(947,407)
Realized profit from fuel swap (Note 25)	-	8,353,700	2,586,200
Miscellaneous - net	3,390,242	3,796,947	(9,661,597)
Total	12,551,894	(38,016,938)	(13,390,150)

45. FINAL TAX

Final tax is derived from the Company, IPY, TPE, TPEC, IMP, CTA, EMITS and ILSS which is related to income from office rental, construction contracts and coal transhipment services.

46. INCOME TAX

Income tax of the Group consists of the following:

	2023	2022	2021
	US$	US$	US$
Current tax	90,641,322	566,852,707	371,812,766
Deferred tax*)	(3,253,779)	(67,291,576)	(79,550,421)
Adjustment recognized in the current year relating to prior year's income taxes	-	-	2,427,314
Total income tax expense - net	87,387,543	499,561,131	294,689,659

*) Including adjustment due to changes in tax rates (refer to information for Tax Rates)

Current Tax

A reconciliation between profit before tax per consolidated statements of profit or loss and other comprehensive income and taxable income (fiscal loss) is as follows:

	2023	2022	2021
	US$	US$	US$
Profit before tax per consolidated statements of profit or loss and other comprehensive income	238,430,634	1,010,337,228	502,107,483
Less: Profit before tax of the subsidiaries	298,484,122	1,177,185,453	634,137,502
Loss before tax - the Company	(60,053,488)	(166,848,225)	(132,030,019)
Temporary differences:			
Salaries and benefits	(8,573,479)	14,357,324	125,880
Post-employment benefits	(16,168)	(53,352)	(125,448)
Interest income	(784,997)	(1,367,613)	-
Difference between commercial and fiscal depreciation	517,381	204,475	136,080
Total	(8,857,263)	13,140,834	136,512

	2023	2022	2021
	US$	US$	US$
Nondeductible expenses (nontaxable income):			
Salaries and benefits	(30,022)	9,235,846	1,931,552
Final tax expense	197,407	-	7,806,545
Interest income subjected to final tax	(1,341,745)	(154,001)	(147,509)
Income subject to final tax - net	1,931,602	80,068,890	(797,391)
Fair value changes on contingent liabilities	-	(46,269,350)	41,792,882
Interest expense	36,784,764	50,761,975	63,522,088
Others	30,979,114	60,501,045	17,914,290
Total	68,521,120	154,144,405	132,022,457
(Fiscal loss) taxable income	(389,631)	437,014	128,950

Under the Taxation Laws in Indonesia, the Company submits tax returns on a self-assessment basis. Fiscal losses can be utilized against the taxable income for a period of five years subsequent to the year the fiscal loss was incurred.

Underpayment (overpayment) of corporate income tax is computed as follows:

	2023	2022	2021
	US$	US$	US$
Current tax expense			
The Company	-	96,143	28,369
Subsidiaries	90,641,322	566,756,564	371,784,397
Total	90,641,322	566,852,707	371,812,766
Less prepaid taxes			
The Company			
Article 22	-	7,284	-
Article 23	108,779	23,565	14,164
Subsidiaries			
Article 22 and 23	33,800,681	1,435,936	1,096,703
Article 25	56,957,275	35,831,319	81,368,882
Transfer to non current assets held for sale (Note 13b)	15,609,546	-	-
Total prepaid taxes	106,476,281	37,298,104	82,479,749
(Overpayment) underpayment of corporate income tax	(15,834,959)	529,554,603	289,333,017
Overpayment of corporate income tax (Note 11)			
The Company	108,779	-	-
Subsidiaries	18,477,069	-	-
Total overpayment of corporate income tax	18,585,848	-	-
Underpayment of corporate income tax (Note 28)			
The Company	-	65,294	14,205
Subsidiaries	2,750,889	529,489,309	289,318,812
Total underpayment of corporate income tax	2,750,889	529,554,603	289,333,017

Deferred Tax

The details of the subsidiaries' deferred tax assets (liabilities) including effect in changes of tax rates are as follows:

Deferred Tax Assets

This account represents deferred tax assets of subsidiaries as follows:

	December 31, 2023	December 31, 2022*)	December 31, 2021
	US$	US$	US$
Subsidiaries			
Property, plant and equipment	1,070,358	(2,632,921)	(8,087,522)
Trade accounts receivable	46,834	141,087	190,055
Post-employment benefits	2,198,289	2,671,786	5,926,061
Environmental, reclamation, loss on disposal	8,519,560	7,284,361	13,421,175
Accrued expenses	5,420,012	10,244,868	13,089,449
Fiscal loss	7,742,438	6,677,934	1,906,006
Other	584,213	4,693,456	308,500
Deferred tax assets - net	25,581,704	29,080,571	26,753,724

*) including adjustment of KJA's tax rate from 45% to 22% amounting to US$ 23,074,391.

Deferred Tax Liabilities

This account represents deferred tax liabilities of subsidiaries after deducting the deferred tax assets of the same business entity as follows:

	December 31, 2023	December 31, 2022*)	December 31, 2021
	US$	US$	US$
Subsidiaries			
Intangible assets	8,803,845	22,836,448	87,568,132
Property, plant and equipment	-	-	(930,850)
Investment revaluation reserve	2,209,900	2,182,505	1,701,082
Convertible loan	1,323,839	-	-
Others	(83,878)	108,454	251,719
Deferred tax liabilities - net	12,253,706	25,127,407	88,590,083

*) including adjustment of KJA's tax rate on intangible assets and fair value adjustment on property and equipment at acquisition from 45% to 22% at the amount of US$ 6,940,184.

A reconciliation between the tax expense and the amount computed by applying the tax rates to loss before tax is as follows:

	2023	2022	2021
	US$	US$	US$
Loss before tax - Company	(60,053,488)	(166,848,225)	(132,030,019)
Tax at applicable tax rate	(13,211,767)	(36,706,610)	(29,046,604)
Tax effect of nondeductible expenses (nontaxable income):			
Fair value changes on contingent liabilities	-	(10,179,257)	9,194,434
Salaries and benefits	(6,605)	2,031,886	1,717,440
Final tax expense	43,430	837,461	50,122
Interest income subjected to final tax	(295,184)	(33,880)	(32,452)
Income subject to final tax - net	424,952	17,615,156	(175,426)
Interest expense	8,092,648	11,167,634	13,974,859
Others	6,815,405	12,472,770	4,376,028
Total	15,074,646	33,911,770	29,105,005
Tax effect of the unrecognized temporary differences and fiscal loss	(1,862,879)	(2,890,983)	30,033
Tax expense - Company	-	(96,143)	(28,368)
Adjustment recognized in the current period relating to prior period's income taxes	-	-	(2,427,314)
Tax expense - subsidiaries	(87,387,543)	(499,464,988)	(292,233,977)
Total tax expense	(87,387,543)	(499,561,131)	(294,689,659)

Tax Rates

On March 31, 2020, the Government issued Government Regulation in Lieu of Law No. 1 Year 2020 concerning “State Financial Policies and Financial System Stability For Handling the COVID-19 Pandemic and/or in Facing Threats that Endanger the National Economy and/or Financial System Stability” (“Perpu”). This Perpu, among others, regulates the adjustment of corporate income tax rate for domestic tax payers and permanent establishments to become 22% in the 2020 and 2021 fiscal years and 20% starting from 2022 fiscal year.

In accordance with the Harmonization of Tax Law No. 7 of 2021 that was approved on October 7, 2021, starting on fiscal year 2022, the corporate income tax rate will be 22% instead of 20% as previously determined. Accordingly, deferred tax assets and liabilities have been adjusted to the tax rates that are expected to apply at the period when the asset is realized or liability is settled, based on the tax rates enacted.

Under the CCoW, KJA’s tax rate is 35% for the first ten full years of the operating period and 45% for the remainder of the operating period. Accordingly, all deferred tax assets and liabilities have been measured at 45% until the end of CCoW period.

Based on IUPK as a Continuation of Contract/Agreement, KJA’s tax rate is 22%. Accordingly, all deferred tax assets and liabilities have been measured at 22%.

Tax Facility

KGTE

In March 2020, the Minister of Finance of the Republic of Indonesia approved the application for a reduction of KGTE's corporate income tax and decided:

a. reduction of corporate income tax of 100% for a period of 5 (five) years from the tax year KGTE operates commercially;

b. 50% reduction in corporate income tax for a period of 2 (two) years from the end of the 100% income tax reduction;

c. exemption from withholding and collection of taxes by third parties on income received by KGTE for a period of 5 (five) years from the tax year of KGTE's commercial operations.

47. EARNINGS PER SHARE

Below is the data used for the computation of basic and diluted earnings per share:

	2023	2022	2021
	US$	US$	US$
Profit for the year attributable to owners of the Company	119,683,800	452,676,558	57,719,504
Earnings used in the calculation of basic earnings per share	119,683,800	452,676,558	57,719,504
Profit for the year from discontinued operations used in the calculation of basic earnings per share from discontinued operation	-	-	(107,414,553)
Earnings used in the calculation of basic earnings per share from continuing operations	119,683,800	452,676,558	165,134,057
Weighted average number of ordinary shares for the purposes of basic earnings per share	5,202,692,000	5,202,692,000	5,202,692,000

The Company has no potential dilutive ordinary shares in 2023, 2022 and 2021.

48. CATEGORIES AND CLASSES OF FINANCIAL INSTRUMENTS

	Financial assets at amortized cost	Financial assets at fair value through profit or loss (FVTPL)	Financial assets at fair value through other comprehensive income (FVTOCI)	Financial liabilites at amortized cost	Derivatives designated as hedge instrument under Cash flow hedge	Lease liabilities	Compound instrument	Total
	US$	US$	US$	US$	US$	US$	US$	US$
December 31, 2023								
Current Financial Assets								
Cash and cash equivalents	446,212,952	-	-	-	-	-	-	446,212,952
Other financial assets	120,756,318	12,898,157	-	-	-	-	-	133,654,475
Trade accounts receivable								
Related parties	80,612,755	-	-	-	-	-	-	80,612,755
Third parties	262,997,390	-	-	-	-	-	-	262,997,390
Other accounts receivable - current maturities								
Third parties	32,372,076	-	-	-	-	-	-	32,372,076
Derivative assets	-	-	-	-	689,188	-	-	689,188
Other current assets	-	-	-	-	-	-	12,644,052	12,644,052
Deposits	1,833,888	-	-	-	-	-	-	1,833,888
Non-current Financial Assets								
Other noncurrent financial assets	113,457,446	-	-	-	-	-	-	113,457,446
Other accounts receivable - net of current maturities								
Related parties	20,375,957	-	-	-	-	-	-	20,375,957
Third parties	5,078,780	-	-	-	-	-	-	5,078,780
Investment in shares of stock	-	-	27,143,932	-	-	-	-	27,143,932
Refundable deposits	2,489,197	-	-	-	-	-	-	2,489,197
Current Financial Liabilities								
Short-term loans	-	-	-	58,409,213	-	-	-	58,409,213
Trade accounts payable								
Related party	-	-	-	4,077,079	-	-	-	4,077,079
Third parties	-	-	-	273,893,283	-	-	-	273,893,283
Other accounts payable to third parties	-	-	-	52,992,973	-	-	-	52,992,973
Accrued expenses	-	-	-	133,480,871	-	-	-	133,480,871
Dividends payable	-	-	-	10,743	-	-	-	10,743
Current maturities of long-term liabilities								
Long-term loans	-	-	-	58,297,225	-	-	-	58,297,225
Lease liabilities	-	-	-	-	-	7,870,164	-	7,870,164
Bonds payable - net	-	-	-	304,359,120	-	-	-	304,359,120
Non-current Financial Liabilities								
Long-term liabilities - net of current maturities								
long-term loans								
Third parties	-	-	-	104,275,570	-	-	-	104,275,570
Related party	-	-	-	1,253,300	-	-	-	1,253,300
Convertible loan	-	-	-	-	-	-	20,092,531	20,092,531
Lease liabilities	-	-	-	-	-	8,450,249	-	8,450,249
Bonds payable - net	-	-	-	528,922,780	-	-	-	528,922,780
Utang jangka panjang lainnya - pihak ketiga	-	-	-	439,668	-	-	-	439,668
Provision for mine rehabilitation, mine closure and decommissioning	-	-	-	43,265,139	-	-	-	43,265,139
Total	1,086,186,759	12,898,157	27,143,932	1,563,676,964	689,188	16,320,413	32,736,583	

	Financial assets at amortized cost	Financial assets at fair value through profit or loss (FVTPL)	Financial assets at fair value through other comprehensive income (FVTOCI)	Financial liabilites at amortized cost	Derivatives designated as hedge instrument under Cash flow hedge	Lease liabilities	Compound instrument	Total
	US$	US$	US$	US$	US$	US$	US$	US$
December 31, 2022								
Current Financial Assets								
Cash and cash equivalents	1,152,724,157	-	-	-	-	-	-	1,152,724,157
Other financial assets	11,668,762	13,698,624	-	-	-	-	-	25,367,386
Trade accounts receivable								
Related parties	71,860,522	-	-	-	-	-	-	71,860,522
Third parties	462,464,072	-	-	-	-	-	-	462,464,072
Other accounts receivable - current maturities								
Related parties	2,621,962	-	-	-	-	-	-	2,621,962
Third parties	26,397,403	-	-	-	-	-	-	26,397,403
Deposits	932,748	-	-	-	-	-	-	932,748
Non-current Financial Assets								
Other noncurrent financial assets	76,536,252	-	-	-	-	-	-	76,536,252
Other accounts receivable - net of current maturities								
Related parties	20,585,854	-	-	-	-	-	-	20,585,854
Third parties	20,654,542	-	-	-	-	-	-	20,654,542
Investment in shares of stock	-	-	25,898,004	-	-	-	-	25,898,004
Refundable deposits	2,416,222	-	-	-	-	-	-	2,416,222
Derivative assets	-	-	-	-	2,880,715	-	-	2,880,715
Current Financial Liabilities								
Short-term loans	-	-	-	50,538,098	-	-	-	50,538,098
Trade accounts payable								
Related party	-	-	-	5,824,241	-	-	-	5,824,241
Third parties	-	-	-	336,723,273	-	-	-	336,723,273
Other accounts payable - third parties	-	-	-	16,031,293	-	-	-	16,031,293
Accrued expenses	-	-	-	135,593,149	-	-	-	135,593,149
Dividends payable	-	-	-	10,527	-	-	-	10,527
Current maturities of long-term liabilities								
Long-term loans	-	-	-	50,156,453	-	-	-	50,156,453
Lease liabilities	-	-	-	-	-	4,411,235	-	4,411,235
Bonds payable - net	-	-	-	11,720,490	-	-	-	11,720,490
Non-current Financial Liabilities								
Long-term liabilities - net of current maturities								
long-term loans	-	-	-	91,225,010	-	-	-	91,225,010
Convertible loan	-	-	-	-	-	-	7,538,295	7,538,295
Lease liabilities	-	-	-	-	-	1,401,770	-	1,401,770
Bonds payable - net	-	-	-	880,010,701	-	-	-	880,010,701
Other long-term liability - third party	-	-	-	8,160,737	-	-	-	8,160,737
Provision for mine rehabilitation, mine closure and decommissioning	-	-	-	38,687,331	-	-	-	38,687,331
Total	1,848,862,496	13,698,624	25,898,004	1,624,681,303	2,880,715	5,813,005	7,538,295	

	Financial assets at amortized cost	Financial assets at fair value through profit or loss (FVTPL)	Financial assets at fair value through other comprehensive income (FVTOCI)	Financial liabilites at amortized cost	Financial liabilities at fair value through profit or loss (FVTPL)	Derivatives designated as hedge instrument under Cash flow hedge	Lease liabilities	Total
	US$	US$	US$	US$	US$	US$	US$	US$
December 31, 2021								
Current Financial Assets								
Cash and cash equivalents	864,413,230	-	-	-	-	-	-	864,413,230
Other financial assets	40,633,225	14,490,952	-	-	-	-	-	55,124,177
Trade accounts receivable								
Related parties	74,610,819	-	-	-	-	-	-	74,610,819
Third parties	411,219,647	-	-	-	-	-	-	411,219,647
Other accounts receivable - current maturities - third parties	31,335,968	-	-	-	-	-	-	31,335,968
Deposits	742,190	-	-	-	-	-	-	742,190
Non-current Financial Assets								
Other noncurrent financial assets	63,981,345	-	-	-	-	-	-	63,981,345
Other accounts receivable - net of current maturities								
Related parties	10,213,675	-	-	-	-	-	-	10,213,675
Third parties	8,788,667	-	-	-	-	-	-	8,788,667
Investment in shares of stock	-	523,922	22,907,732	-	-	-	-	23,431,654
Refundable deposits	1,757,820	-	-	-	-	-	-	1,757,820
Current Financial Liabilities								
Short-term loans	-	-	-	58,122,340	-	-	-	58,122,340
Trade accounts payable								
Related party	-	-	-	5,691,528	-	-	-	5,691,528
Third parties	-	-	-	291,896,466	-	-	-	291,896,466
Other accounts payable - third parties	-	-	-	13,515,367	-	-	-	13,515,367
Accrued expenses	-	-	-	93,657,517	-	-	-	93,657,517
Dividends payable	-	-	-	13,528	-	-	-	13,528
Current maturities of long-term liabilities								
Long-term loans	-	-	-	67,500,000	-	-	-	67,500,000
Lease liabilities	-	-	-	-	-	-	1,001,063	1,001,063
Bonds payable - net	-	-	-	15,552,951	-	-	-	15,552,951
Non-current Financial Liabilities								
Long-term liabilities - net of current maturities								
long-term loans	-	-	-	81,568,303	-	-	-	81,568,303
Lease liabilities	-	-	-	-	-	-	2,651,336	2,651,336
Bonds payable - net	-	-	-	1,229,590,712	-	-	-	1,229,590,712
Provision for mine rehabilitation, mine closure and decommissioning	-	-	-	35,241,633	-	-	-	35,241,633
Contingent consideration obligation	-	-	-	-	206,269,350	-	-	206,269,350
Derivative liabilities	-	-	-	-	-	1,640,340	-	1,640,340
Total	1,507,696,586	15,014,874	22,907,732	1,892,350,345	206,269,350	1,640,340	3,652,399	

49. FINANCIAL RISK AND CAPITAL MANAGEMENT

a. Financial risk management objectives and policies

The Group's overall financial risk management and policies seek to ensure that adequate financial resources are available for the operation and development of their business, while managing their exposure to foreign currency risk, interest rate risk, price risk, credit and liquidity risks. The Groups operate within defined guidelines that were approved by Directors.

i. Foreign currency risk management

The Group functional currency is U.S. Dollar. The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

Details of monetary assets and liabilities denominated in foreign currencies are disclosed in Note 54.

Foreign currency sensitivity analysis

The Group sensitivity against the relevant foreign currencies is 2% on December 31, 2023 (2022 and 2021: 4% and 3%, respectively). Had the U.S. Dollar weakened/strengthened by 2% in 2023 (2022 and 2021: 4% and 3%), with all other variables held constant, profit after tax for the year then ended December 31, 2023 would decrease/increase US$ 402,118 (2022 and 2021: US$ 3,538,590 and US$ 5,198,387, respectively). 2% as at December 31, 2023 (2022 and 2021: 4% and 3%, respectively) are the sensitivity rates used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items denominated in currencies other than U.S. Dollar.

The management believes that the sensitivity analysis is unrepresentative of the inherent foreign currency risk because the exposure at the end of the reporting period does not reflect the exposure during the period.

ii. Interest rate risk management

The interest rate risk exposure relates to the amount of assets or liabilities which are subject to a risk that a movement in interest rates will adversely affect the profit after tax. The risk on interest income is limited as the Group only intends to keep sufficient cash balances to meet operational needs. On interest expenses, majority of the Group debt are fixed rate instruments. The Group sometimes borrows at variable rates and uses interest rate swaps as cash flow hedges of future interest payments, which have the economic effect of converting borrowings from floating rates to fixed rates. The interest rate swaps allow the Group to raise long-term borrowings at floating rates and swap them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly. Under the interest rate swaps, the group agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts. Further details of the interest rate swaps can be found in Note 25. Approvals from Directors and Commissioners as well as Treasury Committee must be obtained before committing the Group to any of the instruments to manage the interest rate risk exposure.

The sensitivity analysis have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's profit for the year then ended December 31, 2023 would decrease/ increase by US$ 874,823 (December 31, 2022 and 2021: US$ 717,259 and US$ 4,109,412, respectively). This is mainly attributable to the Group exposure to interest rates on its variable rate borrowings.

The Group exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk table.

iii. Price risks management

The Group are exposed to equity price risks arising from equity investments. Equity investments are held for strategic rather than trading purposes. The Group do not actively trade these investments.

The Group face commodity price risk because coal is a commodity product traded in world coal markets. Prices for coal are generally based on international coal indices as benchmarks, which tend to be highly cyclical and subject to significant fluctuations. As a commodity product, global coal prices are principally dependent on the supply and demand dynamics of coal in the world export market. The Group have not entered into coal pricing agreements to hedge its exposure to fluctuations in the coal price but may do so in the future. However, in order to minimize the risk, coal prices are negotiated and agreed every year with customer.

iv. Credit risk management

The Group develops and maintains its credit risk gradings to categorize exposures according to their degree of risk of default. The Group uses its own trading records to rate its major customers and other debtors.

The Group current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Company has no realistic prospect of recovery.	Amount is written off

The Group has adopted procedures in extending credit terms to customers and in monitoring its credit risk. The Group only grants credit to creditworthy counterparties. Cash is held with creditworthy institutions and is subject to immaterial credit loss.

Although the Group's credit exposure is concentrated mainly in Indonesia, it has no significant concentration of credit risk with any single customer or group of customers.

Further details of credit risks on trade and other accounts receivable and contract assets are disclosed in Notes 7, 8 and 9.

v. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with Directors, which have built an appropriate liquidity risk management framework for the management of the Group short, medium and long-term funding and liquidity management requirements. The Group manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Group maintains sufficient funds to finance ongoing working capital requirements, whereas the funds are placed in cash and deposit and cash dividend is also received every year.

Liquidity and interest rate risk tables

The following tables detail the Group remaining contractual maturity for non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Weighted average effective interest rate	Less than 1 month	1-3 months	> 3 months to 1 year	> 1-5 years	Total
	%	US$	US$	US$	US$	US$
December 31, 2023						
Non-interest bearing						
Trade accounts payable		263,981,904	12,166,535	1,821,923	-	277,970,362
Other accounts payable to third parties		-	-	52,992,973	-	52,992,973
Accrued expenses		133,480,871	-	-	-	133,480,871
Dividends payable		10,743	-	-	-	10,743
Provision for mine rehabilitation, mine closure and decommissioning		-	-	-	43,265,139	43,265,139
Variable interest rate instruments						
Short-term loans	6.80% - 10.96%	11,800,937	15,299,621	35,482,625	-	62,583,183
Long-term loans	5.75% - 7.89%	11,128,626	22,257,252	55,159,329	112,568,679	201,113,886
Lease liabilities	2.05% - 2.70%	-	-	7,870,164	8,450,249	16,320,413
Fixed interest rate instruments						
Convertible loan	1.00%	-	-	-	20,293,456	20,293,456
Bonds payable	5.88% - 8.25%	-	-	304,359,120	528,922,780	833,281,900
Total		420,403,081	49,723,408	457,686,134	713,500,303	1,641,312,926

	Weighted average effective interest rate	Less than 1 month	1-3 months	> 3 months to 1 year	> 1-5 years	Total
	%	US$	US$	US$	US$	US$
December 31, 2022						
Non-interest bearing						
Trade accounts payable		327,131,339	4,510,318	10,905,857	-	342,547,514
Other accounts payable to third parties		-	-	16,031,293	-	16,031,293
Accrued expense		135,593,149	-	-	-	135,593,149
Provision for mine rehabilitation, mine closure and decommissioning		-	-	-	38,687,331	38,687,331
Dividends payable		10,527	-	-	-	10,527
Variable interest rate instruments						
Short-term loans	6.55% - 10.62%	-	-	55,311,794	-	55,311,794
Long-term loans	5.52% - 6.24%	-	-	51,889,201	104,595,554	156,484,755
Lease liabilities	2.05% - 2.70%	-	-	4,516,223	1,435,132	5,951,355
Fixed interest rate instruments						
Convertible loan	1.00%	-	-	7,538,295	-	7,538,295
Bonds payable	5.88% - 8.25%	-	-	11,720,490	880,010,701	891,731,191
Total		462,735,015	4,510,318	157,913,153	1,024,728,718	1,649,887,204

	Weighted average effective interest rate	Less than 1 month	1-3 months	> 3 months to 1 year	> 1-5 years	Total
	%	US$	US$	US$	US$	US$
December 31, 2021						
Non-interest bearing						
Trade accounts payable		287,874,259	2,369,688	7,344,047	-	297,587,994
Other accounts payable		-	-	13,515,367	-	13,515,367
Accrued expense		93,657,517	-	-	-	93,657,517
Provision for mine rehabilitation, mine closure and decommissioning		-	-	35,241,633	-	35,241,633
Dividends payable		13,528	-	-	-	13,528
Contingent consideration obligation		-	-	-	206,269,350	206,269,350
Variable interest rate instruments						
Short-term loans	2.14 - 7.75%	-	-	60,996,490		60,996,490
Long-term loans	2.05% - 2.70%			69,103,125	83,505,550	152,608,675
Lease liabilities	2.29% - 3.32%	-	-	1,029,143	2,725,706	3,754,849
Fixed interest rate instruments						
Bonds payable	5.88% - 8.25%	-	-	16,651,767	1,316,461,296	1,333,113,063
Total		381,545,304	2,369,688	203,881,572	1,608,961,902	2,196,758,465

The following table details the Group expected maturity for non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group liquidity risk management as the liquidity is managed on a net asset and liability basis.

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	Total
	%	US$	US$	US$	US$	US$	US$
December 31, 2023							
Non-interest bearing							
Cash on hand		2,991,468	-	-	-	-	2,991,468
Other financial assets		-	-	12,898,157	43,465,509		56,363,666
Trade accounts receivable		316,440,488	7,254,254	19,915,403	-	-	343,610,145
Deposits		-	-	-	1,833,888	-	1,833,888
Other accounts receivable							-
Advance and other non-current assets					46,316,927		46,316,927
Refundable deposits					2,489,197		2,489,197
Variable interest rate instruments							
Cash in bank	0.25% - 3.00%	369,367,564	-	-	-	-	369,367,564
Other financial assets	0.06% - 0.6%	-	118,606,318	69,991,937	-	-	188,598,255
Fixed interest rate instruments							
Other accounts receivable	4 - 7%	-	-	-	-	-	-
Time deposits	0.06% - 3.60%	-	76,845,388	-	-	-	76,845,388
Other financial asset	8.57%	-	-	2,150,000	-	-	2,150,000
Total		688,799,520	202,705,960	104,955,497	94,105,521	-	1,090,566,498
December 31, 2022							
Non-interest bearing							
Cash on hand		2,814,977	-	-	-	-	2,814,977
Other financial assets		-	-	82,255,014	-	-	82,255,014
Trade accounts receivable		103,234,164	9,510,825	421,579,605	-	-	534,324,594
Deposits		-	-	932,748	-	-	932,748
Other accounts receivable		-		7,813,190	8,428,153	16,030,939	32,272,282
Advance and other non-current assets		-	-	-	31,000,865	-	31,000,865
Refundable deposits		-	-	-	2,416,222	-	2,416,222
Variable interest rate instruments							
Cash in bank	0.25% - 3.00%	1,076,144,111	-	-	-	-	1,076,144,111
Other financial assets	0.06% - 0.6%	-	1,275,571	12,468,259	-	-	13,743,830
Fixed interest rate instruments							
Other accounts receivable	4 - 7%	-	-	-	15,197,602	-	15,197,602
Time deposits	0.06% - 3.60%	-	95,505,152	-	-	-	95,505,152
Other financial asset	8.57%	-	-	-	6,459,915	-	6,459,915
Total		1,182,193,252	106,291,548	525,048,816	63,502,757	16,030,939	1,893,067,313

	Weighted average effective interest rate	Less than 1 month	1-3 months	3 months to 1 year	1-5 years	More than 5 years	Total
	%	US$	US$	US$	US$	US$	US$
December 31, 2021							
Non-interest bearing							
Cash on hand		2,991,596	-	-	-	-	2,991,596
Other financial assets		-	-	73,302,500	-	-	73,302,500
Trade accounts receivable		412,179,225	19,324,125	54,327,116	-	-	485,830,466
Deposits		-	-	-	742,190	-	742,190
Other accounts receivable		-	-	25,926,838	10,213,675	8,788,667	44,929,180
Advance and other non-current assets		-	-	-	23,444,442	-	23,444,442
Refundable deposits		-	-	-	1,757,820	-	1,757,820
Variable interest rate instruments							
Cash in bank	0.25% - 4.50%	769,701,606				-	769,701,606
Other financial assets	0.06% - 0.6%	-	1,406,264	13,132,508	29,258,305	-	43,797,077
Fixed interest rate instruments							
Other accounts receivable	4 %	-	-	-	5,430,767	-	5,430,767
Time deposits	0.00% - 4.50%	-	115,100,728	-	-	-	115,100,728
Other financial asset	8.57%	2,334,255	-	-	-	-	2,334,255
Total		1,187,206,682	135,831,117	166,688,962	70,847,198	8,788,667	1,569,362,627

b. Capital management

The Group manage their capital to ensure that they will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's strategy remains unchanges from 2020.

The capital structure of the Group consists of debt, which includes the borrowings disclosed in Notes 26, 30, 31, 32 and 33, cash and cash equivalents (Note 5), held-for-trading investment at fair value through profit or loss, time deposit (Note 6) and equity attributable to owners of the Company, comprising of issued capital (Note 36), additional paid-in capital (Note 37), retained earnings and other components of equity.

The gearing ratio are as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Debt			
Short-term loans	58,409,213	50,538,098	58,122,340
Long-term loans	163,826,095	141,381,463	149,068,303
Convertible loan	20,092,531	7,538,295	-
Lease liabilities	16,320,413	5,813,005	3,652,399
Bonds payable - net	833,281,900	891,731,191	1,245,143,663
Total debt	1,091,930,152	1,097,002,052	1,455,986,705
Cash and cash equivalents	449,204,420	1,155,539,134	867,404,826
Other financial assets	247,111,921	101,903,638	119,105,522
Debt (cash) - net	395,613,811	(160,440,720)	469,476,357
Equity	1,377,137,450	1,340,173,963	883,713,665
Net debt (cash) to equity ratio	29%	(12%)	53%

50. FAIR VALUE MEASUREMENTS

Fair value of financial instruments carried at amortized cost

Except as detailed in the following table, management considers that the carrying amounts of financial assets and financial liabilities recorded in the consolidated financial statements approximate their fair values because they have either short-term maturities or carry market interest rate:

		December 31, 2023		December 31, 2022		December 31, 2021	
	Hierarchy level	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
		US$	US$	US$	US$	US$	US$
Bonds payable - net	Level 1	833,281,900	829,450,311	891,731,191	949,582,000	1,245,143,663	1,288,237,000
Convertible loan	Level 2	20,092,351	27,850,000	7,538,295	7,538,295	-	-

Fair value of bonds payable is based on available quoted price from exchange.

Fair value measurements recognized in the consolidated statement of financial position

Financial instrument measured at fair value subsequent to initial recognition pertains to investment in portfolio, which is classified as at fair value through profit or loss (Note 6).

Investment in shares of stock to unlisted third parties which are classified as investment at fair value through other comprehensive income (Notes 6 and 20) falls into Level 2 of the fair value hierarchy.

Contingent liablitiy consideration obligation was measured at fair value based on the options in the Share Purchase Agreement between the Company and Samtan (Note 53). Contingent liability consideration obligation fall into Level 2 of the fair value hierarchy.

Derivative financial instruments were measured at fair value and fall into Level 2 of the fair value hierarchy. Valuation technic used is discounted cash flow, wherein future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties.

The fair value hierarchy are as follow:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability,either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There was no transfer between Levels 1 and 2 during the period.

51. NATURE OF RELATIONSHIPS AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationships

a. PT Indika Inti Investindo and PT Teladan Resources are the majority stockholders of the Company.

b. Related parties which have the same majority stockholder as the Company:

- PT Power Jawa Barat
- PT Marmitria Land

c. Related parties which are associates of the Company's subsidiaries:
- PT Cotrans Asia (an associate until January 2023) (Note 1)
- PT Sea Bridge Shipping
- PT Cirebon Electric Power
- PT Cirebon Power Services
- PT Cirebon Energi Prasarana
- Nusantara Resources Ltd (an associate up until October 7, 2021) (Note 1d)
- PT Masmindo Dwi Area (an associate up until October 7, 2021) (Note 1d)
- PT Sumber Multi Energi Penajam
- PT Narada Sahara Kencana
- PT Pelabuhan Patimban Internasional
- PT Mitra Samudra Indonesia
- PT Natura Aromatik Nusantara
- PT Intan Resources Indonesia
- PT Empat Mitra Indika Tenaga Surya and subsidiaries since October 1, 2023 (Note 15)

d. CSTS Joint Operation is joint operations between TPEC, TPE and third party (Note 19).

e. Key management personnel includes Commissioners and Directors of the Company.

f. PT Imeco Multi Prasarana (IMECO) is a related party because one of the main shareholders of the Company is also the key management in IMECO.

g. Yayasan Indika Untuk Indonesia (Indika Foundation) is a related party because the Company has some key management personnel in common with Indika Foundation.

The Group policy as regards to terms and conditions of transactions with related parties are made as at conditions as those done with third parties.

Transactions with Related Parties

In the normal course of business, the Group entered into certain transactions with related parties including, among others, the following:

a. Total remuneration of commissioners and directors of the Company are as follows:

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Commissioners			
Short-term benefits	1,863,524	1,704,543	1,029,290
Directors			
Short-term benefits	6,369,380	6,228,988	3,171,505
Total	8,232,904	7,933,531	4,200,795

b. ILSS provides service to CSTS Joint Operation as subcontractor for Marshalling and Stevedoring Project in Gresik, Surabaya.

TPEC and TPE provides personnel for the job Tangguh Expansion Project EPC to CSTS JO as their own portion.

KJA generates coal sales to PT Cirebon Electric Power and PT Cirebon Energi Prasarana.

TPEC entered into an agreement with SMEP, for Project Kideco in which TPEC will provide Project Manager Team.

TIME has unbilled receivable to CEP related to fee of driver service that is reimbursable.

Trade Accounts Receivable (Note 7)

	Amount			Percentage to total assets		
	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$			
CSTS Joint Operation	55,244,673	58,756,923	61,170,135	1.78%	1.63%	1.66%
PT Cirebon Electric Power	11,915,768	12,881,108	13,362,248	0.38%	0.36%	0.36%
PT Cirebon Energi Prasarana	13,255,991	-	-	0.43%	-	-
PT Empat Mitra Indika Tenaga Surya	196,323	-	-	0.01%	-	-
PT Mitra Samudra Indonesia	-	222,491	78,436	-	0.01%	0.00%
Total	80,612,755	71,860,522	74,610,819	2.59%	2.00%	2.02%
Less allowance for credit losses	-	-	-	-	-	-
Total	80,612,755	71,860,522	74,610,819	2.59%	2.00%	2.02%

Revenues (Note 37)

	Amount			Percentage to total revenues		
	2023	2022	2021	2023	2022	2021
	US$	US$	US$			
PT Cirebon Electric Power	69,799,815	73,844,121	89,228,525	2.31%	1.70%	2.91%
PT Cirebon Energi Prasarana	65,194,624	3,176,376	-	2.15%	0.07%	-
CSTS Joint Operation	12,225,080	18,141,639	23,039,466	0.40%	0.42%	0.75%
PT Empat Mitra Indika Tenaga Surya	310,651	-	-	0.01%	-	-
PT Sea Bridge Shipping	19,662	-	-	0.00%	-	-
Total	147,549,832	95,162,136	112,267,991	4.88%	2.20%	3.66%

c. Details of the trade accounts payable and balances with related parties are as follows:

Trade Accounts Payable (Note 27)

	Amount			Percentage to total liabilities		
	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$			
PT Sea Bridge Shipping	4,077,079	-	-	0.23%	-	-
PT Cotrans Asia	-	5,824,241	5,691,528	-	0.26%	0.20%
Total	4,077,079	5,824,241	5,691,528	0.23%	0.26%	0.20%

Provision of Services

Since consolidated with the Company in February 2023 until December 31, 2023, CTA purchased coal loading and transshipment services from PT Sea Bridge Shipping at the amount of US$ 26,566,642 (Note 53).

d. The Group entered into other transactions with related parties. Details of transactions and balances are as follows:

Other Accounts Receivable (Note 9)

The Group provided loans to related parties and also made advance payments of expenses for related parties, as follows:

	Amount			Percentage to total assets		
	December 31, 2023	December 31, 2022	December 31, 2021	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$			
PT Cirebon Energi Prasarana	15,752,174	14,779,663	292,333	0.51%	0.41%	0.01%
PT Cirebon Electric Power	4,506,882	5,946,882	9,765,449	0.14%	0.17%	0.26%
PT Power Jawa Barat	2,749,668	2,694,429	1,778,598	0.09%	0.07%	0.05%
PT Empat Mitra Indika Tenaga Surya	88,696	-	-	0.00%	-	-
PT Cotrans Asia	-	2,288,475	-	-	0.06%	-
PT Sumber Multi Energi Penajam (Note 15)	-	163,816	155,893	-	0.00%	0.00%
Others	28,205	28,980	-	0.00%	0.00%	-
Total	23,125,625	25,902,245	11,992,273	0.74%	0.72%	0.32%
Less allowance for credit losses	(2,749,668)	(2,694,429)	(1,778,598)	(0.09%)	(0.07%)	(0.05%)
Net	20,375,957	23,207,816	10,213,675	0.65%	0.65%	0.27%
Less current maturities	-	(2,621,962)	-	-	(0.07%)	-
Non-current maturities of other accounts receivable from related parties - net	20,375,957	20,585,854	10,213,675	0.65%	0.58%	0.27%

	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$
Balance at beginning of year	2,694,429	1,778,598	2,694,429
Translation adjustment	55,239	915,831	(915,831)
Balance at end of year	2,749,668	2,694,429	1,778,598

Management believes that the allowance for credit losses on other accounts receivable from related parties is adequate.

PT Cirebon Energi Prasarana (CEPR)

In 2017, CEPR entered into Shareholder Bridge Loan (SBL) Agreements with its shareholders wherein the shareholders agreed to provide bridge loans to CEPR, proportionate with their percentage of ownership in CEPR. PEC, as a 25% shareholder in CEPR, granted bridge loans in the total amount of US$ 7,275,000 bearing interest at 4% per annum. The loan is used to finance CEPR's project cost and expenses.

The Company, as a sponsor and owns indirectly 6.25% ownership in CEPR, granted several bridge loans in the total amount of US$ 3,431,256, bearing interest at 4% per annum. The loan is used to finance CEPR's project cost and expenses.

Upon achieving its Financial Close on November 9, 2017 ("Financial Closing") with its senior lenders, a consortium between Japan Bank for International Cooperation (JBIC), Nippon Export and Investment Insurance (NEXI) and Korea Exim Bank (KEXIM), CEPR fully paid all principal outstanding loan from the Company and PEC. The interest accruing on the loans remained outstanding and were converted to a new loan agreement, bearing interest at 4% per annum.

In February 2022, the Company provided loan at the amount of US$ 13,593,750 to CEPR, bearing an interest at 7% per annum. The loan will mature at the earlier of 25th anniversary from the date of the loan agreement or February 9, 2047. Prepayment of loan is allowed, as further agreed in the agreement. The loan provided by the Company above was made proportionate to its effective ownership in CEPR.

PT Cirebon Electric Power (CEP)

The Company paid certain amount of fund to Mizuho Bank Ltd. to secure the Debt Service Reserve Requirement (DSRR) for CEP's project financing facility. Such transaction was recorded as part of other accounts receivable from CEP. Due to fluctuation in interest rate reference for CEP's loan, the DSRR amount required from the Company has been revised several times, with latest outstanding balance of US$ 4,505,449 as of December 31, 2023 (December 31, 2022: US$ 5,945,449 and 2021: US$ 9,765,449).

PT Power Jawa Barat (PJB)

PJB is a project for coal-fired power plant located in Bojonegoro, Banten (formerly West Java) owned by related party of one of the Commissioners of the Company, working together with third parties to build such power plant prior to the economic crisis in 1998.

Other accounts receivable from PJB mainly represents receivable arising from expenses of PJB paid in advance by the Company.

Since 2009, management decided to provide full provision on its accounts receivable from PJB after considering the condition of the project which has no significant progress.

PT Cotrans Asia (Cotrans)

As of December 31, 2022, other accounts receivable from Cotrans represents outstanding dividend receivable (Note 15).

CSTS Joint Operation

During 2022 and 2021, TPEC provided cash injection to CSTS JO. Amount recorded has been eliminated against accounts payable absorption for TPEC and TPE's portion from CSTS JO.

Interest Income on Loans to Related Parties (Note 42)

	Amount			Percentage to total investment income		
	2023	2022	2021	2023	2022	2021
	US$	US$	US$			
PT Cirebon Energi Prasarana	970,774	893,356	7,957	4.81%	9.60%	0.19%
PT Sumber Multi Energi Penajam	9,897	10,875	-	0.05%	0.12%	0.00%
Yayasan Indika Untuk Indonesia	-	-	48,081	-	-	1.13%
Total	980,671	904,231	56,038	4.86%	9.72%	1.32%

Yayasan Indika Untuk Indonesia

The Company provided intercompany loan to Yayasan Indika Untuk Indonesia ("Indika Foundation") at the amount of Rp 13,881,750,000 (equivalent to US$ 984,172), bearing interest at 8.5% per annum. Based on the agreement, loan principal together with the interest will mature in April 2021 but was further extended to May 2021.

The loan was fully repaid by Indika Foundation in May 2021.

Interest on short-term loan from related parties

In 2020, TPEC entered into MOU with PT Saipem Indonesia (Saipem) and PT Chiyoda International Indonesia (Chiyoda) related to payments on behalf of Tripatra with respect to its contribution to the cash injection to CSTS JO.

Loans from Saipem and Chiyoda were denominated in US$, bearing interest at 4% above LIBOR 6 months per annum (Note 26). Loans were fully settled on March 16, 2023.

	Amount			Percentage to total investment income		
	2023	2022	2021	2023	2022	2021
	US$	US$	US$			
PT Saipem Indonesia	30,246	499,836	744,242	0.04%	0.48%	0.71%
PT Chiyoda International Indonesia	25,470	420,914	626,730	0.03%	0.41%	0.60%
Total	55,716	920,750	1,370,972	0.07%	0.89%	1.31%

Office Space Rental

In March 2019, the Company entered into office rent extension agreement with PT Marmitria Land (ML), wherein the Company and ML agreed to fix the rental fee for the next five years. The Company has paid the rental fee at the amount of Rp 52,900,000,000 (equivalent to US$ 3,713,844). This rental payment has been reclassified to right-of-use assets based on PSAK 73 on January 1, 2020.

Some other subsidiaries rent office building from ML, which was recorded as part of right-of-use assets based on PSAK 73. Total rent expense to ML in 2023 amounted to US$ 1,662,092 (2022 and 2021: US$ 1,129,810 and US$ 1,017,738, respectively).

Long-term loans (Note 30)

On July 29, 2022, TIME signed a loan agreement with EMITS, wherein EMITS agrees to provide loan facility amounting to Rp 36,284,480,500 to TIME for a maximum period of 15 years after Commercial Operation Date (COD). The loan bears interest at 6.5% per annum. As of December 31, 2023, outstanding loan principal and accrued interest amounted to Rp 18,010,339,173 (equivalent to US$ 1,168,289) and Rp 1,310,529,739 (equivalent to US$ 85,011), respectively.

Since EMITS was deconsolidated from the Company in October 2023 until December 31, 2023, interest expense recorded by TIME on the above loan amounted to US$ 20,166.

Supply Agreement

On May 19, 2022, TIME entered into supply agreement with EMITS with effective date from January 7, 2022, wherein EMITS agreed to supply and deliver certain equipment to TIME in accordance with specification, terms and schedule as further specified in the agreement. Agreed price for such equipment was Rp 16,258,271,066, inclusive of all taxes, fees and costs.

In accordance with the agreement, warranty period of the equipment shall commence from the delivery of the equipment to TIME and/or its contractors and until 25 years after commercial operation of the system.

Operating Lease Agreement

On March 24, 2022, EMITS has signed an Operating Lease Agreement with PSB. Based on this agreement, PSB will lease equipment for the solar panel photovoltaic from EMITS. The implementation of this Agreement is business activity of EMITS as lessor, and therefore this transaction is exempted from obligation to obtain fairness opinion.

52. SEGMENT INFORMATION

PSAK 5 (Revised 2009) requires operating segments to be identified on the basis of internal reports on components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segments and to assess their performance.

For management reporting purposes, the Group are principally organized based on (1) energy (covering energy services, energy resources and energy infrastructure) and (2) other portfolio (covering logistic infrastructure, minerals, green business, digital ventures and others).

In 2023, management has again reviewed each subsidiary based on its expected performance and contribution to the above segment reporting and determined the following reportable segments with some minor adjustments for the 2022 and 2021 comparative information:

Energy

- **Energy services**

  Group's core businesses in this sector are Tripatra. Through Tripatra, Group provides engineering, procurement and construction services, operations and maintenance and logistic services.

- **Energy resources**

  KJA is Group's core asset in this sector and is the third largest producer of coal in Indonesia based on production volume. In this segment, Group is also supported by MUTU and coal trading, represented by ICI and IETPL.

- **Energy infrastructure**

  The 660 megawatt power generation plant (PGP) in Cirebon, West Java (CEP) and the 1,000 megawatt in Cirebon (CEPR) represent Group's investments in this sector. Interport Group, including KGTE also contributed to this segment, however starting 2021, Interport Group is classified as logistic and infrastructure.

Other portfolio holdings

In this pillar, Group has logistic infrastructure, minerals, green business, digital ventures, and others.

- **Logistic and infrastructure**

  Starting 2021, Interport Group contributes to this sector, which is mainly backed up by the operations of ILSS and KGTE. ILSS engages in logistic and port management and provides logistics to support power plant operations. Its services include ship to ship operations (transshipment), tug and barge operations, jetty operation and maintenance, coal stockpile management, balance of plant, plant and heavy-duty equipment operation and maintenance, and waste handling.

  ILSS also holds port business entities license from the government, which enable ILSS to operate any port in Indonesia.

  KGTE engages in terminal fuel storage. On April 12, 2018, KGTE signed a storage facility service agreement with PT ExxonMobil Lubricants Indonesia, which fuel storage has been commercially operated in November 2020.

  Starting 2023, SBS, our associate entity engaged in the domestic good shipment serving for KJA and CTA, is included in this segment reporting for management analysis.

- **Mineral**

  In this sector, the Company is backed up by IMI. IMI made a strategic investment in gold mining company Nusantara Resources Limited and PT Masmindo Dwi Area.

  In addition to Nusantara and PT Masmindo Dwi Area, mineral sector is also backed-up by two subsidiaries, namely (1) PT Rockgeo Energi Nusantara, which is active in nickel trading and (2) newly acquired subsidiaries in year 2022, PT Perkasa Investama Mineral (PIM). PIM has two subsidiaries, which are PT Mekko Metal Mining (engaged in bauxite mining) and PT Perkasa Alumina Indonesia (engaged in non-ferrous base metal manufacturing industry).

- **Green business**

  EMITS and TIME, which provides a one-stop-shop renewable energy solutions platform for Indonesia's commercial and industrial sectors, is one of the contributor for this segment.

  IMG Group is developing 2-wheels electric vehicle business and MMG Group which develops 4-wheels electric vehicle business in Indonesia, prospecting the large domestic market opportunities for this sector. In addition, this is also aligned with the Net Zero Emission roadmap established by government that aims to boost 2-wheels and 4-wheels.

  In 2023, some subsidiaries, namely Kalista, KSH, KND, KRO, IBN and MTB are established to support this segment. Kalista group support EV leasing for companies, while IBN and MTB are established to conduct battery business for motor vehicles, conduct management consulting services, wholesale trade in motorcycles and cars, related parts and accessories.

  IMP has developed more than 160,000 ha industrial forest area, located in East and Central Kalimantan. IMP develops wood pellets for biomass (for co-firing) with effective area for plantation area of more than 13,000 ha.

  The development is part of Indika Energy's actions to achieve Net Zero Emission by 2050 and to also contributed to create a more sustainable Indonesia.

- **Digital ventures**

  Main contributor in this sector is Xapiens.

  Xapiens delivers Enterprise ICT services to companies resulting in better productivity by among others, developing and managing enterprise applications, system integration and solutions, as well as providing protection through its information technology and operational technology cyber security services.

- **Others**

  IMAN, BIG dan BID, established by the Company in 2023 which focus on distribution for healthcare equipment, is one of the supports for this segment.

  IECPL, IECPL III and IECPL IV are included in this segment.

  IPY which provides management and building services for office building in Bintaro is included in this segment.

  ICPL has some trading for steel scrap, nickel and transportation equipment, which revenues and performances are included in this segment.

	December 31, 2023									
	Energy			Other Portfolio Holdings						
	Energy services	Energy resources	Energy infrastructure	Logistic and infrastructure	Mineral	Green business	Digital ventures	Others	Elimination	Consolidated
	US$	US$	US$					US$	US$	US$
Revenues										
External sales	220,553,683	2,662,224,471	-	38,890,268	6,094,070	11,107,445	8,412,529	79,556,724	-	3,026,839,190
Inter-segment sales	2,269,446	472,664	-	75,712,141	-	1,936,645	8,524,775	2,676,985	(91,592,656)	-
Total Revenues	222,823,129	2,662,697,135	-	114,602,409	6,094,070	13,044,090	16,937,304	82,233,709	(91,592,656)	3,026,839,190
Segment result	25,050,980	497,818,082	-	31,258,374	1,549,253	(215,401)	2,431,510	2,548,595	(8,465,408)	551,975,985
Equity in net profit of associates	-	-	17,605,512	5,689,620	-	(430,985)	12,554	-	-	22,876,701
Amortization of intangible assets	-	(36,448,650)	-	-	(264,754)	(729,406)	-	(192,865)	-	(37,635,675)
Selling, general and administrative expenses	(16,495,156)	(152,673,327)	(83,085)	(11,731,699)	(8,408,979)	(26,631,568)	(1,865,739)	(33,113,085)	11,222,389	(239,780,249)
Investment income	8,862,162	6,917,585	282,055	1,498,689	263,954	3,115,133	26,134	123,057,779	(123,828,427)	20,195,064
Finance cost	(2,888,911)	(4,268,278)	(5,327)	(7,730,570)	(2,426,662)	(4,264,390)	(31,338)	(180,063,887)	116,128,293	(85,551,070)
Final tax	(6,150,584)	-	-	(609,651)	-	(328,754)	(28)	(462,558)	-	(7,551,575)
Fair value changes on embedded derivative of convertible loan	-	-		-	-	1,349,559	-	-	-	1,349,559
Others - net	1,344,928	(17,262,081)	(670,564)	14,174,972	(472,860)	710,918	(235,548)	(4,392,143)	19,354,272	12,551,894
Profit (loss) before tax	9,723,419	294,083,331	17,128,591	32,549,735	(9,760,048)	(27,424,894)	337,545	(92,618,164)	14,411,119	238,430,634
Tax benefit (expense)	(1,433,451)	(83,762,148)	-	(2,134,687)	58,309	218,170	(333,736)	-	-	(87,387,543)
Profit for the year										151,043,091
Attributable to:										
Owners of the Company										119,683,800
Non-controlling interest										31,359,291
Total Consolidated Profit										151,043,091
Segment Assets	305,375,837	1,303,206,431	416,608,001	453,090,688	378,894,286	334,619,635	66,710,209	4,075,072,610	(4,220,475,307)	3,113,102,390
Segment Liabilities	41,852,038	40,932,661	-	81,512,950	145,981,494	96,443,797	445,251	985,579,403	(300,817,442)	1,091,930,152
Unallocated Liabilities	159,238,698	407,687,262	155,609	25,458,617	56,555,127	47,423,057	9,273,848	1,212,504,978	(1,274,262,408)	644,034,788
Total Consolidated Liabilities	201,090,736	448,619,923	155,609	106,971,567	202,536,621	143,866,854	9,719,099	2,198,084,381	(1,575,079,850)	1,735,964,940
Other information										
Addition to property, plant and equipment, right-of-use assets and system development and computer software										163,340,138
Depreciation expense										27,789,945
Amortization on bond issuance cost and discount										5,520,079

	December 31, 2022									
	Energy			Other Portfolio Holdings						
	Energy services	Energy resources	Energy infrastructure	Logistic and infrastructure	Mineral	Green business	Digital ventures	Others	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Revenues										
External sales	284,091,470	3,784,524,619	-	33,652,265	8,531,155	9,829,021	6,797,570	207,484,625	-	4,334,910,725
Inter-segment sales	22,512,545	77,020,497	-	1,025,264	-	3,435,575	8,563,991	2,506,921	(115,064,793)	-
Total Revenues	306,604,015	3,861,545,116	-	34,677,529	8,531,155	13,264,596	15,361,561	209,991,546	(115,064,793)	4,334,910,725
Segment result	18,412,764	1,415,324,908	-	14,208,298	456,227	4,533,832	2,849,780	12,758,331	(17,732,085)	1,450,812,055
Equity in net profit of associates	-	-	23,039,185	8,106,759	-	(20,091)	48,814	-	-	31,174,667
Amortization of intangible assets	-	(136,071,528)	-	-	-	-	-	-	-	(136,071,528)
Selling, general and administrative expenses	(13,769,712)	(166,579,743)	(56,414)	(7,057,439)	(3,604,934)	(16,825,021)	(1,868,287)	(42,742,176)	11,777,968	(240,725,758)
Investment income	1,205,519	1,492,846	18,091	1,746,615	480,235	295,777	58,928	146,753,159	(142,748,524)	9,302,646
Finance cost	(1,765,174)	(4,915,255)	(975)	(3,723,428)	(3,268,703)	(477,578)	(65,951)	(230,836,156)	141,521,594	(103,531,626)
Final tax	(7,726,992)	-	-	(463,283)	-	(337,130)	(378)	(347,857)	-	(8,875,640)
Fair value changes on contingent consideration obligation	-	46,269,350		-	-	-	-	-	-	46,269,350
Others - net	(3,410,863)	12,589,929	(39,989)	3,853,560	(886,635)	(723,764)	(724,283)	(43,709,266)	(4,965,627)	(38,016,938)
Profit (loss) before tax	(7,054,458)	1,168,110,507	22,959,898	16,671,082	(6,823,810)	(13,553,975)	298,623	(158,123,965)	(12,146,674)	1,010,337,228
Tax benefit (expense)	(351,650)	(502,318,340)	-	1,086,054	-	3,159,071	(541,479)	(594,787)	-	(499,561,131)
Profit for the year										510,776,097
Attributable to:										
Owners of the Company										452,676,558
Non-controlling interest										58,099,539
Total Consolidated Profit										510,776,097
Segment Assets	342,084,467	1,635,380,155	137,618,506	245,547,875	280,540,324	156,118,180	60,816,750	4,934,959,033	(4,199,193,248)	3,593,872,042
Segment Liabilities	45,659,525	86,933,953	-	63,701,734	45,299,467	5,924,821	116,867	928,642,225	(129,814,638)	1,046,463,954
Unallocated Liabilities	239,234,692	836,516,451	95,818	13,507,437	75,714,591	34,320,536	7,421,164	1,443,166,671	(1,442,743,235)	1,207,234,125
Total Consolidated Liabilities	284,894,217	923,450,404	95,818	77,209,171	121,014,058	40,245,357	7,538,031	2,371,808,896	(1,572,557,873)	2,253,698,079
Other information										
Addition to property, plant and equipment, right-of-use assets and system development and computer software										50,706,923
Depreciation expense										61,256,242
Amortization on bond issuance cost and discount										9,604,989

	December 31, 2021									
	Energy			Other Portfolio Holdings						
	Energy services	Energy resources	Energy infrastructure	Logistic and infrastructure	Mineral	Green business	Digital ventures	Others	Elimination	Consolidated
	US$	US$	US$	US$	US$	US$	US$	US$	US$	US$
Revenues										
External sales	224,502,964	2,688,322,579	-	27,536,164	971,187	-	7,409,536	120,418,689	-	3,069,161,119
Inter-segment sales	7,111,436	-	-	37,325,775	-	-	7,493,345	3,559,309	(55,489,865)	-
Total Revenues	231,614,400	2,688,322,579	-	64,861,939	971,187	-	14,902,881	123,977,998	(55,489,865)	3,069,161,119
Segment result	(5,997,848)	912,870,068	-	10,083,137	40,026	(45,700)	2,288,733	2,688,902	(3,805,517)	918,121,801
Equity in net profit of associates		-	20,407,367	9,076,991	(1,575,908)	(27,886)	-	-	-	27,880,564
Amortization of intangible assets	-	(135,620,988)	-	-	-	(325,881)	-	-	-	(135,946,869)
Selling, general and administrative expenses	(17,194,091)	(97,879,339)	(129,506)	(9,162,589)	(1,840,084)	(5,822,514)	(2,388,514)	(24,423,375)	13,438,937	(145,401,075)
Investment income	11,458,255	2,083,183	24,629	441,973	20,848	154,209	950,616	170,878,608	(181,742,028)	4,270,293
Finance cost	(2,051,203)	(5,840,549)	(1,421)	(4,979,494)	(14,669)	2,846	(68,992)	(263,773,689)	171,867,089	(104,860,082)
Final tax	(6,259,717)	-	-	(73,148)	-	-	(1,151)	(440,100)	-	(6,774,116)
Fair value changes on contingent consideration obligation	-	(41,792,882)	-	-	-	-	-	-	-	(41,792,882)
Others - net	(191,872)	13,929,602	(1,306,422)	5,029,754	165,433	(8,700)	6,339	(59,768,488)	28,754,204	(13,390,150)
Profit (loss) before tax	(20,236,476)	647,749,095	18,994,647	10,416,624	(3,204,354)	(6,073,626)	787,031	(174,838,142)	28,512,685	502,107,483
Tax benefit (expense)	(110,798)	(295,770,228)	1,101,361	-	(7,451)	612,758	(458,476)	(56,825)	-	(294,689,659)
Profit for the year from continued operation										207,417,824
Loss for the year from discontinued operations										(144,101,228)
Profit for the year										63,316,596
Attributable to:										
Owners of the Company										57,719,504
Non-controlling interest										5,597,092
Total Consolidated Profit										63,316,596
Segment Assets	374,577,276	1,437,326,155	112,855,207	390,191,504	205,056,045	98,617,288	51,528,562	5,327,984,867	(4,306,659,803)	3,691,477,101
Segment Liabilities	72,714,201	70,217,246	-	75,587,711	2,209,857	272,003	1,185,911	1,422,501,134	(188,701,358)	1,455,986,705
Unallocated Liabilities	221,777,662	601,315,281	10,961,522	32,586,602	52,501,132	15,005,755	8,997,791	2,419,913,900	(2,011,282,914)	1,351,776,731
Total Consolidated Liabilities	294,491,863	671,532,527	10,961,522	108,174,313	54,710,989	15,277,758	10,183,702	3,842,415,034	(2,199,984,272)	2,807,763,436
Other information										
Non-current assets held-for-sale										448,226,774
Liabilities directly related to non-current assets held for sale										267,413,000
Addition to property, plant and equipment, right-of-use assets and system development and computer software										98,427,182
Depreciation expense										118,390,572
Amortization on bond issuance cost and discount										5,283,935

Geographic Segment

The Company and its domestic subsidiaries mainly operate in Indonesia. Subsidiaries outside of Indonesia are mainly involved in investment and financing activities. Total assets and revenues from these subsidiaries are not material as compared to the consolidated total assets and consolidated total revenues, respectively. Therefore, the Group did not present information on geographical area segments.

Customers which represent more than 10% of the total consolidated revenues are disclosed in Note 39.

53. COMMITMENTS AND CONTINGENCIES SIGNIFICANT AGREEMENTS

a. On July 17, 2019, the Company signed a US$ 150,000,000 Facility Agreement ("Facility Agreement"), together with (i) subsidiaries of the Company, namely IIC, TPEC, TPE, TRIS, as original guarantors, (ii) Standard Chartered Bank (Singapore) Limited, ("SCB"), Citibank, N.A., Jakarta Branch ("Citibank") and PT Bank Mandiri (Persero) Tbk. ("Mandiri") as the arranger (whether acting individually or collectively, (iii) SCB, Citibank, and Mandiri as original lenders, and (iv) Mandiri as agent, account bank, and security agent.

Subsequently after signing of the Facility Agreement, the Company and TIME signed accession form dated October 21, 2020 and informed Mandiri as agent to the facility that TIME will act as the guarantor to the facility.

Under the Facility Agreement, Mandiri, SCB and Citibank committed to provide US$ 150,000,000 loans ("Total Commitment") to the Company, with allocation of US$ 95,000,000, US$ 25,000,000 and US$ 30,000,000, respectively. The loans shall be used to (1) pay part of the outstanding principal, premium, and/ or accrued interest outstanding under the existing bonds payable, pursuant to the liability management exercise and (2) pay fees, expenses and costs incurred in connection with this Facility Agreement.

The Company shall repay the aggregate loans in quarterly installments starting from December 31, 2019, based on the installment payment each of 2.5% up to December 31, 2021, each of 3.75% up to December 31, 2022 and each of 6.25% up to March 31, 2024, and remaining amount on final repayment date, which is the earlier between 5th anniversary from the signing date or June 30, 2024. The Facility Agreement also governs provision on the mandatory prepayment if by December 31, 2022, the CCOW Extension Event has not occurred, in form and substance satisfactory to the Agent.

The loans bear interest at LIBOR plus 1.85% per annum for Indonesian Lenders and plus 1.67% per annum for Lenders with tax residence outside Indonesia. Interest is paid on a quarterly basis.

The loans are secured by pledge of the Company's shares in IIC, KJA, TPEC and TPE; TPEC's shares in TRIS; IIC's shares in KJA; and an Account Pledge by the Company. The Company shall also be restricted to sell, transfer, or dispose its direct or indirect shares in KJA which shall cause its ownership to be less than 65% of the total shares in KJA.

The Facility Agreement contains certain terms and conditions that require the Company to fulfill, among others, as follows:

- Maintain Fixed Charge Coverage Ratio at the minimum of 2.50:1.00;
- Maintain Consolidated Debt to EBITDA not more than 3.75:1.00; and
- Maintain Priority Indebtedness not more than 15% of the Total Assets;

The financial covenant on the above three bullet points will be tested on the last day of June and December each year ("Testing Date") and calculation is based on the period of twelve months that ends on the relevant Testing Date.

For the provided facility, the Company was charged an upfront fee of US$ 1,125,000 and coordinating fee of US$ 500,000 by Lenders; an agent fee of US$ 25,000 per annum by Mandiri; an account bank and agency fee of US$ 20,000 per annum by Mandiri.

In August 2019, the Company has fully drawdown US$ 150,000,000 from the provided facility.

On December 31, 2022, the Company and Mandiri, as agent, entered into amended and restated agreement with major changes, among other things, as follows:

- The loan bears interest at Term SOFR plus 1.85% per annum for Indonesian Lenders and plus 1.67% per annum for Lenders with tax residence outside Indonesia plus credit adjustment spread.

- In the provision on mandatory prepayment, CCOW Extension Event was extended from December 31, 2022 to March 13, 2023.

b. On December 6, 2017, the Company entered into a Share Transfer Deed with ST International Co. Ltd. ("Samtan"), as stated in Deed No. 16 drawn up before Mala Mukti, S.H., LLM., Notary in Jakarta ("Samtan SPA"), to purchase 40% from the total 49% ownership interest of Samtan in KJA. On the same day, IIC entered into an Acquisition Deed with PT Muji Inti Utama ("MIU"), as stated in Deed No. 17, drawn up before Mala Mukti, S.H., LLM., Notary in Jakarta ("MIU SPA"), to purchase the whole 5% ownership interest of MIU in KJA ("MIU SPA", and together with Samtan SPA hereinafter referred to as "Sale and Purchase Deed"). With the execution of the Sale and Purchase Deed, the Company directly and indirectly owns 91% shares in KJA.

In Samtan SPA, the total share price is approximately US$ 450,000,000 paid on the execution of this Samtan SPA, and additional price (as further defined in the Samtan SPA) as contingent payment, to be paid by the Company to Samtan either in cash (Cash Election) or through transfer of share equal to 25% of the fully paid up and issued share capital of KJA on a fully diluted basis at the time of such share transfer (Share Election).

On November 23, 2022, the Company has made payment to Samtan at the amount of US$ 160,000,000, as full settlement of the contingent liability.

Upon payment of the contingent liability on November 23, 2022, the Company recognized a reversal of contingent consideration obligation at the amount of US$ 46,269,350 as fair value changes on contingent consideration obligation.

As of December 31, 2021, fair value of the contingent consideration obligation amounted to US$ 206,269,350, computed based on the conditions of the terms (“Options”) in Samtan SPA. After the fair value of each Option has been obtained, the probability of occurrence of each Option is applied in order to determine the value of the contingent consideration obligation in its entirety. The fair value of each option is estimated mainly by using a discounted cash flow model, which assumed a market interest rate. The Company appointed Public Appraiser Office Stefanus Tonny Hardi & Rekan (KJPP STH) to assist management in the valuation of the contingent consideration obligation as of December 31, 2021.

c. In relation to the CEPR Project (“Power II”), PT Cirebon Energi Prasarana (CEPR) has signed a Common Agreement dated April 18, 2017 (the Original Common Agreement), made among others, by (i) CEPR, (ii) Japan Bank for International Cooperation, (iii) The Export-Import Bank of Korea; (iv) banks and financial institutions named under schedule 1 (the Lenders) of the Original Common Agreement, (v) Mizuho Bank, Ltd., and (vi) PT Bank Mizuho Indonesia. The Original Common Agreement has been amended and restated on November 3, 2017 under an amendment and restatement agreement (A&R Agreement) (the Original Common Agreement as amended and restated by the A&R Agreement shall be referred to as, the Common Agreement).

As required in the Common Agreement, the Company has executed an Equity Support Agreement (“ESA”) dated April 18, 2017 made between (i) PT Imeco Inter Sarana (IIS), (ii) the Company, (iii) PT Imeco Multi Infrastruktur, (iv) PT Imeco Multi Prasarana, (v) PT Indika Energy Infrastructure (IEI), (vi) PT Indika Multi Energi Internasional (IMEI), (vii) PT Prasarana Energi Indonesia (PEI), (viii) PEC, and (ix) Mizuho Bank, Ltd., pursuant to which, the Company and IIS provides payment undertakings in relation to the payment obligation of CEPR based on the Common Agreement, provided that the aggregate obligation of the Company and IIS shall not exceed the percentage of obligation set out under the ESA.

In relation to the ESA and as one of the conditions precedent in the Common Agreement, PEC has entered into a deed of share pledge agreement No. 62 dated April 20, 2017 drawn up before Liestiani Wang, S.H., M.Kn. (the Share Pledge) with PT Bank Mizuho Indonesia as pledgee (the Pledgee) and CEPR. Pursuant to the Share Pledge, PEC has pledged is present and future shares in CEPR to secure CEPR’s payment obligation under the Common Agreement.

As one of the conditions precedent under the Common Agreement, the Company has also entered into a special share undertaking agreement dated April 18, 2017 (the Special Share Undertaking Agreement) made between (i) Marubeni Corporation, (ii) Korea Midland Power Co., Ltd., (iii) Samtan, (iv) JERA Co., Inc., (v) IIS, (vi) the Company (vii) all shareholders named in the Special Share Undertaking Agreement, (viii) CEPR, and (ix) Mizuho Bank, Ltd., pursuant to which the Company together with the other sponsors and shareholders provide certain undertakings regarding their ownership (direct or indirect) in CEPR.

d. On December 20, 2017, the Company signed a Loan Facility for Special Transaction Agreement with PT Bank Mandiri (Persero) Tbk ("Mandiri"), wherein the Company obtained revolving working capital facility from Mandiri amounting to US$ 50,000,000 ("Facility"). The Facility shall be used to finance the cash flow gap to support the operational activities of the Group.

The facility has been amended several times, with latest on October 10, 2023, where the maturity date has been extended until October 9, 2024.

Based on the amended agreement, the working capital facility:

a. bears interest rate at SOFR plus credit adjustment spread, plus 1.5% (Previously: 3 months LIBOR plus 1.95%).

b. contains certain terms and conditions that require the Company to fulfill, among others, as follows:

- Ensure that on each testing date, Consolidated Net Debt to EBITDA ratio shall not exceed 3.75:1;
- Ensure that on each testing date, Fixed Charge Coverage Ratio (FCCR) shall not be less than 2.5:1;
- Ensure that on each testing date, Priority Indebtedness not more than 15% of the Total Assets;
- Provide written notification to Mandiri within 5 working days after a new investment made by the Company; acquisition, merger or divestment; and change in the Company's board of directors and commissioners;
- Restricted to act as guarantor and pledge its assets, except when they are required by bond indentures existing before this working capital facility;
- Restricted to change the Company's shareholder composition which will result in change of control, as further described in the amendment facility.

The financial covenant on the above three bullets points will be tested on a semiannual basis and calculation is based on the last four quarters period.

As of December 31, 2023, total outstanding loan from the above facility was US$ 29,942,969 (December 31, 2022: US$ nil; December 31, 2021: US$ nil).

e. The lenders, pursuant to the Common Agreement and Facility Agreement amongst CEP and certain parties defined as lenders, require the Company as a sponsor and III and IPI as shareholders of CEP to enter into Equity Support Agreement dated March 8, 2010 with Mizuho Corporate Bank, Ltd., as offshore security and administrative agent, and agree on the following:

1. Sponsor agrees to guarantee payment of and, shall cause to contribute to CEP 20% of any unfunded base equity required to be contributed to CEP, as specified in the Common Agreement.

2. Sponsor agrees to give a guarantee payment and willing to do a payment to CEP of 20% from unfunded contingent equity required to be contributed to CEP, as specified in the Common Agreement.

3. Sponsor agrees to issue standby letter of credit to secure payment in the event of PLN force majeure in the amount specified in the agreement.

4. Sponsor agrees to give a guarantee payment of tax support amount, as defined in the agreement.

The agreement contains certain covenants that the Company is required to fulfill.

Based on Share Charge Agreement dated March 12, 2010, the Company agreed to use the following as collateral:

i. All of the Company's share in Indika Power Investment Pte. Ltd. (IPI).

ii. All dividends, interest and other money paid or payable in respect of all of the Company's shares in IPI and all other rights, benefits and proceeds in respect of or derived from all the Company's shares in IPI, in favour of Mizuho Corporate Bank, Ltd, as "offshore security agent", all its present and future rights, titles and interest in and to the above collateral, and in each case for the payment and discharge of loan of CEP from Japan Bank for International Cooperation including all cost and expenses to indemnify the offshore security agent.

Based on Share Pledge Agreement dated March 12, 2010, the Company shall pledge all of its shares through IPI and III in CEP, including any future shares. The Company has further pledged additional share pledge of IPI and III in CEP on February 28, 2019.

f. On April 12, 2018, the Company and PT ExxonMobil Lubricants Indonesia (EMLI) entered into Fuel Sales and Purchase Agreement (Fuel SPA), wherein the Company agrees to source its needs of fuels only from EMLI. The Fuel SPA also among others covers the requirement for quality and quantity of purchase as well as pricing terms. The Fuel SPA will expire on December 31, 2039, extended for an additional 10 years at mutually agreed terms between both parties.

On April 12, 2018, the Company and EMLI entered into Marketing Assistance Program Agreement (as amended from time to time) with EMLI, wherein EMLI agrees to provide an incentive to the Company in form of marketing assistance program (MAP), valid until December 31, 2039. Based on the agreement, EMLI will disburse MAP fund to the Company in the amount of US$ 10,000,000, to be disbursed in Indonesian Rupiah equivalent and with payment term in accordance with achievement of certain terms and condition, as specifically detailed in the MAP agreement.

The MAP agreement also specifies certain minimum products volume purchase required to be made by the Company, and regulates consequences, should the Company fails to fulfil such minimum requirement.

In 2020, the Company has achieved terms and conditions required for the first and second stage of billing, and through its subsidiaries billed US$ 7,597,390 to EMLI and recognized as part of others – net, during the second half of 2020. Revenue from the remaining MAP fund was recognized in 2021.

g. Aside to the facility for Special Transaction Agreement provided by PT Bank Mandiri (Persero) Tbk ("Mandiri") in Note 53d, the Company also obtained few other facilities from Mandiri, as follows:

Facility	Information	Amount
Bank Guarantee consist of:	• Maximum facility	US$ 30,000,000
(i) Bid bond	• Maximum facility	US$ 30,000,000
(ii) Performance bond	• Maximum facility	US$ 30,000,000
(iii) Advance payment bonds	• Maximum facility	US$ 30,000,000
(iv) Payment bond	• Maximum facility	US$ 30,000,000
(v) Maintenance bond	• Maximum facility	US$ 30,000,000
(vi) Retention bond	• Maximum facility	US$ 30,000,000
(vii) Custom bond	• Maximum facility	US$ 30,000,000

Such facility is a global line facility which can be used by certain subsidiaries, as specifically agreed in the amended agreement.

As of December 31, 2023, PT POSB Reksabumi Indonesia and ILSS (both are subsidiaries) have utilized Rp 206,714,064 and Rp 14,449,007,581, respectively, from the global NCL facility or equivalents to US$ 13,409 and US$ 937,274, respectively.

In October 2023, PT POSB Reksabumi Indonesia has utilized additional performance bond guarantee of Rp 142,500,000 from the facility, wherein such guarantee is valid from September 15, 2023 until March 30, 2024. The Company has also utilized Rp 74,800,000,000 performance bond guarantee from the same facility, which is valid from October 13, 2023 until May 9, 2024.

h. On January 21, 2022, the Company signed Memorandum of Understanding together with PT Industri Baterai Indonesia ("IBC"), Hon Hai Precision Co. Ltd. ("Foxconn") and Gogoro Inc. ("Gogoro") to collaborate in the development of sustainable new energy ecosystem in Indonesia through investment in battery and electric vehicle and other supporting industries. Such collaboration between government and private sector will be implemented through Build - Operate - Localize ("BOL") cooperation scheme in Indonesia.

i. On March 2, 2023, the Company has signed a US$ 250,000,000 Credit Facility Agreement ("Facility Agreement") with (i) the Company's subsidiaries, namely PT Indika Inti Corpindo, PT Tripatra Multi Energi, PT Tripatra Engineering, PT Tripatra Engineers and Constructors, and Tripatra (Singapore) Pte. Ltd. as initial guarantors (ii) PT Bank Mandiri (Persero) Tbk. ("Bank Mandiri"), PT Bank Negara Indonesia (Persero) Tbk. ("Bank BNI"), PT Bank UOB Indonesia ("UOB"), PT Bank DBS Indonesia ("DBS"), PT Bank KB Bukopin Tbk. ("KB Bukopin"), acting individually or jointly as arrangers (iii) Bank BNI as agent (iv) Bank Mandiri as Guarantee Agent, and (v) Bank Mandiri and Bank BNI, respectively acting as Account Bank.

The Facility has a term of 5 years and will be paid on installment basis, based on schedule as further detailed in the Facility Agreement. The loan was charged with interest at SOFR plus 2.5%, payable on a quarterly basis.

The Facility Agreement is guaranteed on a pari passu basis based on the terms of the Indenture for the 5.875% Senior Notes amounting to US$ 575,000,000 and the 8.250% Senior Notes amounting to US$ 675,000,000.

This Facility Agreement will be used to fund the development and construction of the Awak Mas Project of PT Masmindo Dwi Area.

The Facility Agreement has terms and condition which require the Company to fulfill, including maintaining certain financial ratios.

- Ensure that on each testing date, Consolidated Net Debt to EBITDA ratio shall not exceed 3.75:1;
- Ensure that on each testing date, Fixed Charge Coverage Ratio (FCCR) shall not be less than 2.5:1;
- Ensure that on each testing date, Priority Indebtedness not more than 15% of the Total Assets;

Testing date of the above financial covenant is on the last day of March, June, September and December. Calculation is based on the last four quarters period.

As of issuance date of these consolidated financial statements, the Company has made a drawdown of US$ 62 million of the provided facility.

j. On December 28, 2023, the Company signed a US$ 300,000,000 Facility Agreement ("Facility Agreement"), together with (i) subsidiaries of the Company, namely IIC, TIME, TPEC, TPE, TRIS, as original guarantors, (ii) PT Bank Negara Indonesia (Persero) Tbk ("BNI") and PT Bank Mandiri (Persero) Tbk. ("Mandiri") as the arranger (whether acting individually or collectively, (iii) BNI as agent, (iv) Mandiri as security agent and (v) BNI and Mandiri as account bank.

Under the Facility Agreement, Mandiri and BNI committed to provide US$ 300,000,000 loans ("Total Commitment") to the Company, with allocation of each US$ 150,000,000.

The loans shall be used to (1) fund the full repayment of Notes VI and for the payment of any premiums or accrued interest in relation to the Notes VI; (2) fund open market repurchase of Note VII and for the payment of any premiums or accrued interest in relation to Note VII; and (3) pay fees, expenses and costs incurred in connection with this Facility Agreement.

The Company shall repay the aggregate loans in quarterly installments starting from March 31, 2024, based on installment schedules as further detailed in the Facility Agreement until final repayment date, which is the earlier between 5th anniversary from the signing date or December 31, 2028.

The loans bear interest at SOFR 3 months plus 1.55% per annum. Interest is paid on a quarterly basis.

The loans are secured by pledge of the Company's shares in IIC, KJA, TPEC and TPE; TPEC's shares in TRIS; IIC's shares in KJA; and an Account Pledge by the Company. The Company shall also be restricted to sell, transfer, or dispose its direct or indirect shares in KJA which shall cause its ownership to be less than 65% of the total shares in KJA. Except in case of such disposition which is required pursuant to a government order, regulation or other directive, the Consolidated Debt to EBITDA Ratio upon such disposal would not be greater than 3.00 to 1.00.

The Facility Agreement contains certain terms and conditions that require the Company to fulfill, among others, as follows:

- Maintain Fixed Charge Coverage Ratio at the minimum of 2.50:1.00;
- Maintain Consolidated Net Debt to EBITDA not more than 3.75:1.00; and
- Maintain Priority Indebtedness not more than 15% of the Total Assets;

The financial covenant on the above three bullet points will be tested on the last day of March, June, September and December each year ("Testing Date") and calculation is based on the period of twelve months that end on the relevant Testing Date.

As of December 31, 2023, the Company has not drawn any loan from the provided facility.

In March 2024, the Company entered into the first amendment agreement to extend the availability period of the facility and to change the first repayment date to June 30, 2024.

k. TPEC has construction work and construction consultant services commitments with several customers as follows:

No.	Project	Contract value		Owner	Period expected	
					Start of project	End of project
1	Onshore LNG Engineering, Procurement and Construction (EPC) Contract for Tangguh Expansion Project	USD IDR EUR JPY	2,436,061,053 31,929,869,039,538 294,416,663 21,196,498,508	BP Berau, Ltd	August 25, 2016	August 1, 2025
2	Fuel Terminal Facility Improvement TMCT	USD	4,887,500	PT Kideco Jaya Agung	August 1, 2023	April 30, 2024
3	Jasa Konstruksi Terintegrasi Proyek Infrastruktur Swalang, Phase 2 - Procurment	USD	548,729	PT Multi Tambangjaya Utama	November 1, 2022	June 30, 2024
4	Mobile Power Plant Nias (25 MW) - O&M	IDR USD	84,155,589,874 7,249,692	PT PLN (Persero)	November 9, 2019	November 9, 2024
5	Engineering, Procurement and Construction Contract for the Salak Power Plant Upgrade	USD	20,690,000	Star Energy Geothermal Salak, Ltd	June 17, 2021	March 16, 2025
6	FEED Phase 2 of Upstream CPF Facilities & Wellpad (Package 1) Elk-Antelope Development, Papua LNG Development Project (Total PNG)	USD	6,225,668	Papua LNG Development Pte. Ltd	March 6, 2023	May 6, 2025
7	Engineering, Procurement & Construction Dayung Facility Optimization (DFO) Project	USD	7,847,502	Medco E&P Grissik, Ltd	July 28, 2023	January 27, 2026
8	EPC Pembangunan SP ABG Stage 1 di Lapangan Akasia Bagus	USD	63,900,000	PT Pertamina EP	November 23, 2023	May 15, 2026
9	Engineering, Procurement and Construction Contract for the Chrysalis Project	IDR	700,000,000,000	PT Shell Manufacturing Indonesia	September 22, 2023	October 22, 2027
10	EPC CONTRACT of Revamp Ammonia Plant-2 Project	IDR	840,000,000,000	PT Pupuk Kalimantan Timur	November 24, 2023	November 24, 2027

l. As of December 31, 2023, TPEC has credit facilities from PT Bank Mandiri (Persero) Tbk, as follows:

Facility	Information	Amount
Working Capital Loan	• Maximum facility	US$ 28,000,000
	• Interest rate per annum	USD - SOFR 1 month + 3.7% IDR - JIBOR 1 month + 4% During covenant breach USD - SOFR 1month + 3.95% IDR - JIBOR 1 month + 4.25%
	• Structuring fee	US$ 24,350
Non-cash loans	• Maximum facility	US$ 235,000,000
	• Type	Bank guarantee, Letter of credit
	• Structuring fee	US$ 45,000
	• Provision for bank guarantee	0.35% - 0.75%
	• Provision for letter of credit	0.125% flat

TPEC is restricted to, among other things: transfer assets used as collateral, obtain new credit facilities from other financial institution except in the normal course of business and transfer its rights and obligations in this loan agreement to another party without written consent from the Bank. TPEC is also required to maintain financial ratios as stipulated in the agreement.

The above non-cash loan facilities may also be used by TPE with joint limit of a US$ 235 million. As of December 31, 2023, non cash loan facility in form of bank guarantee and letter of credit used by TPEC for certain projects amounted to US$ 102,993,605 (December 31, 2022: US$ 88,892,859; December 31, 2021: US$ 93,249,106).

The working capital loan facilities contain a covenant stating that TPEC is required to maintain certain financial ratio covenant, being: debt-to-equity ratio of maximum 250%, current ratio of minimum 110% and debt service coverage ratio of minimum 2 times.

TPEC meet all financial ratio covenant as of December 31, 2023. TPEC does not meet its minimum current ratio and debt service coverage ratio as of December 31, 2022 and 2021. On January 20, 2023 and January 21, 2022, TPEC has submitted a waiver request for those financial ratio requirement and Bank Mandiri has agreed and granted the waiver request for the testing date of December 31, 2022 and 2021, respectively.

Working capital loan facilities used by TPEC as of December 31, 2023 amounted to US$ 17,475,350 (December 31, 2022: US$ 18,080,224; December 31, 2021: US$ 19,932,707).

Non cash loan facilities used by TPEC as of December 31, 2023 amounted to US$ 111,482,731 (December 31, 2022: US$ 92,867,507; December 31, 2021: US$ 94,372,127).

m. As of December 31, 2023, TPEC has credit facilities and treasury facilities from The Hongkong and Shanghai Banking Corporation Limited with combined limit amounting to US$ 5 million with sub limits as follows:

Facility	Information	Amount
Documentary Credit	• Maximum facility • Commission	US$ 5,000,000 0.25% per quarter, minimum US$ 50/Rp 750,000
Deferred Payment Credit	• Maximum facility • Commission	US$ 5,000,000 0.25% per quarter, minimum US$ 50/Rp 750,000
Clean Import Loan 1:	• Maximum facility • Commission • Interest (USD)	US$ 5,000,000 or eq. Rp 65,000,000,000 7% per annum (floating rate) below Bank's BLI 4% per annum (floating rate) below Bank's BLI
Bank Guarantee	• Maximum facility • Commission	US$ 5,000,000 0.75% per annum, minimum US$ 50/Rp 1,700,000
consist of: (i) Tender Bonds	• Maximum facility • Commission	US$ 5,000,000 0.75% per annum, minimum US$ 50
(ii) Performance bonds	• Maximum facility • Commission	US$ 5,000,000 0.75% per annum, minimum US$ 50
(ii) Advance Payment Bonds	• Maximum facility • Commission	US$ 5,000,000 0.75% per annum, minimum US$ 50
Supply Chain Solutions	• Type • Interest rate	Uncommitted & Unadvised Rp: TL2 - 5.1% per annum USD: TL2 - 8.65% per annum
Treasury Facility	• Maximum facility • Maximum maturity	US$ 5,000,000 1 year

Credit facility from HSBC is a continuing agreement and remains valid unless HSBC cancel the facility.

TPEC shall maintain its current ratio at a minimum of 1.0 times and gearing ratio at a maximum of 1.0 times. TPEC shall also maintain a minimum cash balance of US$ 5 million at the end of the fiscal year. TPEC complied with these requirements.

As of December 31, 2023, HSBC bank guarantee facilities used by TPEC amounted to US$ 782,054 (December 31, 2022: US$ 2,250,000; December 31, 2021: nil).

n. As of December 31, 2023, TPE has consulting services commitments for construction work as follows:

No.	Project	Contract value		Owner	Period expected	
					Start of project	End of project
1	Onshore LNG Engineering, Procurement and Construction (EPC) Contract for Tangguh Expansion Project (melalui CSTS JO / by CSTS JO)	USD IDR EUR JPY	2,436,061,053 31,929,869,039,538 294,416,663 21,196,498,508	BP Berau Ltd.	August 25, 2016	August 1, 2025
2	Pekerjaan Rekayasa, Jasa Pengadaan dan Manajemen Konstruksi (Engineering, Procurement Services & Construction Management/EPCM) TPPI Revamp Project	IDR	74,475,600,000	PT Trans-Pacific Petrochemical Indotama	October 27, 2022	April 26, 2024
3	Jasa Pengawasan Konstruksi Utara-Paket A	IDR	669,950,000,000	PT Pertamina Hulu Rokan	May 27, 2022	May 26, 2025

o. As of December 31, 2023, TPE has credit facilities from PT Bank Mandiri (Persero) Tbk (the "Bank") as follows:

Facility	Information	Amount
Non cash loan	• Maximum facility	US$ 235,000,000
	• Type	Bank guarantee, Letter of credit
	• Structuring fee	US$ 45,000
	• Provision for bank guarantee	0.35% - 0.75%
	• Provision for letter of credit	0.125% flat
Term loan	• Maximum facility	Rp 99,000,000,000
	• Interest rate per annum	JIBOR 3 months + 4.55%
	• Upfront fee	0.5% of facility limit

TPE is restricted to, among other things: transfer assets used as collateral, obtain new credit facilities from other financial institution except in the normal course of business and transfer its rights and obligations in this loan agreement to another party without written consent from the Bank. TPE is also required to maintain financial ratios as stipulated in the agreement.

Non cash loan facility is owned by TPEC, can also be used by TPE with joint limit of US$ 235 million. As of December 31, 2023, non cash loan facility in form of bank guarantee used by TPE for certain projects amounted to US$ 8,489,126 (2022: US$ 3,974,648; 2021: US$ 1,123,021).

Term loan facility used by TPE as of December 31, 2023 amounted to IDR 68 billion (equivalent to US$ 4,428,054) (2022: Rp 87 billion, equivalent to US$ 5,534,626; 2021: nil).

p. On May 3, 2021, PT Mekko Metal Mining ("Mekko"), PT Perkasa Investama Mineral ("PIM") and PT Petrosea Tbk ("the Contractor") have executed a Cooperation Agreement for a development of bauxite mining project in which PIM act as Mekko's payment guarantor. Such Cooperation Agreement has been amended several times, with latest amendment on July 15, 2022.

Execution of the Cooperation Agreement is secured by a Pledge of Share Agreement dated May 3, 2021 where PIM has pledged its 51% ownership in Mekko to the Contractor as a security of its obligation to the Contractor. On July 20, 2022, PIM and Mekko has submitted a notification to the Contractor to pay Rp 17,221,673,163 (equivalent to US$ 1,094,760) to release 5% of PIM's share in Mekko pledged to the Contractor. Further to such payment, PIM, Mekko and the Contractor has signed an Amendment to Pledge of Share Agreement on August 15, 2022 to state such release, thus remaining of PIM's shares in Mekko pledged to the Contractor is 46%.

On August 31, 2023, Mekko, PIM, and the Contractor has agreed to enter into Statement Letter for Termination of Cooperation Agreement. For the termination, Mekko shall pay for the Settlement Obligation to the Contractor in the amount of US$ 6,000,000, which will be divided into 3 payment terms each for US$ 2,000,000 with payment schedule at the latest for Phase 1 on October 30, 2023, for Phase 2 on June 30, 2024, and for Phase 3 on November 30, 2024 with condition that the Contractor has to release the pledge of shares.

q. On July 26, 2022, Masmindo and the Contractor entered into Construction and Project Management Works Contract No. 330-800-CN-CCC-0005 ("CPM Contract") for construction of all Non-Processing Infrastructure. This is an open book contract where Masmindo could have control over costs and performance and the CPM Contract will be based on actual costs of the Contractor under agreed estimated total cost of Rp 1,658,331,309,400 (equivalent to US$ 105,418,048), including 8% margin of the Contractor. The commencement date under the CPM Contract shall be 28 days after issuance of Notice Proceed ("NTP") by Masmindo which shall fulfil Conditions Precedent as stipulated in the Contract and shall be no longer that April 30, 2023.

On December 29, 2022, the CPM Contract has been amended through the Amendment I, which among others change the latest date for issuing the NTP to 30 April 2023 and introduce the concept of Limited Notice to Proceed ("LNTP") to be issued by Masmindo to the Contractor.

On December 30, 2022, Masmindo has issued the LNTP to the Contractor with maximum aggregate amount of payments including VAT amounted to Rp 160,885,530,716 (equivalent US$ 10,227,292), where such amount and any payment under the LNTP shall form part of the contract price in the EPC Contract.

On April 3, 2023, Masmindo has issued the Notice of Extension of LNTP to the Contractor, allowing the latest date for issuing the NTP to be by July 30, 2023.

On August 23, 2023, EPC Contract has been further amended through the Amendment II, which allows the latest date for issuing the NTP to be January 1, 2024.

On August 24, 2023, Masmindo has issued the LNTP Extension No.2 to extend the period for execution of Limited Scope of Work until December 31, 2023 and change the maximum aggregate amount of payments including VAT under the LNTP to Rp 313,633,859,536, where such amount and any payment under the LNTP shall form part of the contract price in the EPC Contract.

On November 10, 2023, Masmindo has issued the NTP with the Commencement Date to commence the Works on December 8, 2023.

r. On August 17, 2023, Masmindo and PT Petrasys Teknologi Indonesia ("Petrasys") has entered into Cooperation Agreement for Exploration of Tarra Deposit. Petrasys will perform all the geological Works and provide full funding for the Works until the amount of US$ 4,000,000. Masmindo will pay compensation to Petrasys for the delivery of the result of the Work.

s. On June 1, 2017, ICI obtained credit facility from PT Bank Negara Indonesia (Persero) Tbk, Singapore branch with combined credit limit of US$ 5,000,000. This loan agreement has been amended on June 15, 2023, and valid until March 20, 2024. Details of facilities after amendments are as follows:

Facility	Maximum facility	Interest rate	Period
Letter of Credit Facility	US$ 7.5 million	-	90 days
Trust Receipt Facility	US$ 7.5 million	2.25% above LIBOR per annum	45 days
Invoicing Facility	US$ 7.5 million	2.25% above LIBOR per annum	90 days

As of the date of these consolidated financial statements, this agreement is in the process of extension by ICI and the bank.

t. On June 12, 2023, ICI obtained a working capital credit facility in the form of invoice financing from Lembaga Pembiayaan Ekspor Indonesia, with a limit of US$ 30,000,000. Such facility bears interest rate of 2.20% + SOFR 3 months, with a maximum repayment period of 120 days. This credit facility is valid for 12 months from the date of the credit agreement.

Such credit facility contains certain financial covenants that requires ICI to fulfil, among others:

- Debt to Equity Ratio should be less than or equal to 300%
- Debt Service Coverage Ratio should be equal to or greater than 100%
- Ratio of total accounts receivable and advance payments, compared to accounts payable and short-term bank loan should be equal or greater than 100%

As of December 31, 2023, the balance of loan to LPEI amounted to US$ 7,000,000.

u. MUTU, as a coal producer, has entered into a number of coal mining agreements. Under the agreements, MUTU is required to pay contractors a rental fee and a service fee, calculated on a monthly basis, based on a formula which includes the amount of raw coal transported and overburden mined and transported. The contractors will provide the equipment, machineries, appliances and other supplies necessary and also in some instances may use MUTU's equipment for performing the mining and transportation services and are required to meet certain minimum production requirements.

MUTU has also entered into coal barging, transport and transshipment agreements with contractors to provide coal transportation services from MUTU's main area to certain port destinations and to provide floating crane services from the contractors' barge to customer vessels. MUTU is required to pay contractors a service fee, calculated on a monthly basis, based on a formula which includes the amount of coal transported.

Contractor	Agreement type	Agreement date	Contract period end
PT Indoraya Megah Tehnik	Coal hauling and road maintenance from raw coal stockpile to port stockpile	July 1, 2019	Assessment in every 3 months
PT Mandiri Herindo Adiperkasa	Coal hauling and road maintenance from raw coal stockpile to port stockpile	May 2, 2019	December 31, 2026
PT Habco Primatama	Coal transport and hauling	January 1, 2023	December 31, 2026
PT Riung Mitra Lestari	Stripping of overburden and mining of coal	July 16, 2021	December 31, 2026

v. On October 20, 2017, ICI obtained a credit facility from PT Bank Mandiri (Persero) Tbk., Singapore Branch with maximum facility of US$ 30 million. This credit facility is obtained by ICI to finance its trading activities and/or its general for working capital requirement. This loan has been amended on February 13, 2023 and valid until April 15, 2024. Details of facilities after amendments are as follows:

Facility	Maximum facility	Interest rate or commission	Period
Working capital facility	US$ 40 million	2.5% above SOFR per annum	180 days
Irrevocable Sight Import Letters of Credit Facility	US$ 40 million	1/16% per month or US$ 40, whichever is higher	-
Irrevocable Sight Import Letters of Credit Facility, for usage only by related company, Indika Energy Trading Pte Ltd ("IETPL")	US$ 10 million	1/16% per month or US$ 40, whichever is higher	-
Trust Receipt Financing Facility	US$ 10 million	2.5% above SOFR per annum	45 days

The agreement covering certain covenant which required ICI to fulfill, among other things:
a. ICI is not allowed to change the composition of shareholders without approval from Bank Mandiri;
b. ICI submits a copy of the agreement with respect to the contract of purchase and sale with the supplier and the seller within 30 days from the effective date of the agreement;
c. Debt Equity Ratio (ratio of its total interest bearing debt to total equity) shall not exceed 3:1 and the ratio of EBITDA to interest expense shall not be less than 1.5:1.

As of December 31, 2022, ICI has complied with these covenants.

On January 30, 2023, ICI has fully repaid the loan amounted to US$ 15,000,000.

w. On September 14, 2017, IETPL entered into a Coal Business Cooperation Agreement with Bellridge Holding Limited (BHL) for one year, where BHL plans to invest in coal business industry on behalf of IETPL. Related to this transaction, IETPL paid US$ 18,000,000 recorded as advance for purchase of coal, which IETPL will obtain the profit sharing and respective principal amount from BHL. As of December 31, 2023, the balance of this transaction amounted to US$ 9,665,995 (December 31, 2022: US$ 11,771,397; December 31, 2021: US$ 13,962,921) was recorded in other current asset account.

x. On September 9, 2016, ILSS entered into an agreement with PT Cikarang Listrindo Tbk (CL), a power plant company, to provide coal handling management services for CL's power plant located in Babelan, Bekasi. The agreement expires within 5 years. On March 26, 2021, ILSS signed Addendum No. 6 with CL, which changes the validity period of the agreement into up to March 25, 2022, with contract value Rp 137 billion. On December 30, 2021, ILSS received Notification Letter regarding Contract Extension for Coal Handling Management Services Site Plan PLTU Babelan for period of April 26, 2022 - April 25, 2027.

y. On April 12, 2018, KGTE signed storage facility service agreement with PT Exxonmobil Lubricants Indonesia (Exxon) for 20 years contract duration plus 10 years extension possibility. KGTE will serve fuel storage service dedicated to Exxon. Based on storage facility agreement as mentioned above, KGTE built fuel storage tanks with capacity of 96,000 m3 located in Balikpapan, East Kalimantan and Exxon will pay fixed fee and throughput fee as compensation.

z. On December 29, 2020, Ministry of Transportation of Republic of Indonesia through Directorate General of Sea Transportation has appointed Patimban Consortium as Executing Entity Public Private Partnership of Patimban Port in West Java Province ("Patimban Project"). Concession period is 40 years from stage 1 operation date, while members of the consortium are:

1. PT CT Corp Infrastruktur Indonesia ("CT")
2. ILSS, the Company's fully owned subsidiary ("ILSS")
3. PT U Connectivity Services ("UCS")
4. PT Terminal Petikemas Surabaya ("TPS")

Patimban Consortium aims to create Patimban Port as a smart port that are modern and efficient where technology becomes integral part to the management of Patimban Project.

Subsequently the Parties established PT Pelabuhan Patimban Internasional based on Notarial Deed No. 1 of Dedy Syamri, S.H. dated February 5, 2021 with the shareholders' composition as follow:

Name of Stockholders	Number of Shares	Percentage of Ownership	otal Paid-up Capital
			Rp
PT CT Corp Infrastruktur Indonesia (CT)	3,200,000	32.00%	3,200,000,000
PT Indika Logistic & Support Services	2,900,000	29.00%	2,900,000,000
PT U Connectivity Services (UCS)	2,900,000	29.00%	2,900,000,000
PT Terminal Petikemas Surabaya (TPS)	1,000,000	10.00%	1,000,000,000
Total	10,000,000	100.00%	10,000,000,000

On March 17, 2021, an agreement of *Kerjasama antara Pemerintah dengan Badan Usaha* ("KPBU") was signed between the Director General of Sea Transportation and PT Pelabuhan Patimban Internasional (PPI), which is a joint consortium between IMU, CT, UCS and TPS.

After this PPP Agreement becomes effective, PPI officially becomes the operator that will manage the Patimban Port and is expected to provide excellent service and be able to manage the port as efficiently as possible so that it can contribute to reducing national logistics costs significantly.

On May 3, 2021, ILSS sold its 29% ownership in PT Pelabuhan Patimban Internasional to PT Interport Patimban Agung in amount of Rp 2,900,000,000 or equivalent to US$ 184,349.

aa. On August 12, 2020, IMN and PT FH Bertling Logistic Indonesia signed a service agreement related to FH Bertling's activities at the Interport Business Park (IBP) location, Balikpapan, East Kalimantan. IMN shall provide services to Bonded Logistics Center services to client. This agreement is valid for 5 years starting from March 1, 2020 to March 31, 2024.

bb. On March 1, 2020, PSB and PT FH Bertling Logistics Indonesia entered into provision of port and storage services agreement with duration valid until March 2024.

On October 6, 2022, PSB sent a Notification Letter regarding early termination of Agreement to FH Bertling. Effective date of termination was November 6, 2022

cc. On April 15, 2021, PSB and PT Exxonmobil Lubricants Indonesia entered into and agreement that PSB provides throughput services with duration valid until April 14, 2022.

On May 30, 2022, PSB and Exxonmobil Lubricants Indonesia signed an amendment to the Agreement to extend contract period up to April 14, 2023.

On April 15, 2023, PSB and Exxonmobil Lubricants Indonesia signed an amendment to the Agreement to extend contract period up to April 14, 2024.

dd. On November 3, 2021, PRI, Chevron Makassar Ltd., and Chevron Rapak Ltd., signed an agreement for the provision of temporary storage for hazardous waste materials in West Seno onshore facility. This agreement is valid for 3 years starting from November 3, 2021 to November 2, 2024 with the total contract amounted to Rp 4,134,281,286.

ee. PSB signed an agreement with Exxonmobil Lubricants Indonesia regarding the Provision of Fuel Transport Services. This agreement is valid from February 4, 2022 until February 3, 2024 with contract value amounted Rp 86,142,600,000.

ff. On December 2021, KGTE signed Lease Agreement on Storage Tank at Jalan Deli Number 8 Tanjung Emas Port – Semarang with PT Pelindo Energi Logistik and PT ExxonMobil Lubricants Indonesia. Following up the Lease Agreement on Storage Tank at Jalan Deli Number 8 Tanjung Emas Port – Semarang, KGTE signed a Commercial Agreement with Exxonmobil Lubricants Indonesia on February 23, 2022, where KGTE as inventory management service provider and fuel storage permit holder. This agreement is valid from February 23, 2022 until February 22, 2024 with contract value amounted US$ 600,000.

gg. On March 27, 2023, ILSS and the Class I Harbormaster and Port Authority Office of Balikpapan, Directorate General of Sea Transpartation, Ministry of Transportation of the Republic of Indonesia signed a concession agreement regarding the provision and/or port services in Balikpapan with a concession period of 31 years from the date this agreement was signed.

hh. CTA entered into agreements with PT Sea Bridge Shipping (SBS), an associate, wherein SBS performs services to load the coal from loading point at Tanah Merah Coal Transshipment (TMCT), transport the coal to the transshipment point at Teluk Adang and loading and unloading the coal from barges to the mother vessels. The agreements are valid until March 31, 2026.

ii. CTA entered into agreements with PT Sea Bridge Shipping (SBS), an associate, wherein SBS will perform ship charter services for the Charterer's project activities of coal transportation. The agreements are valid until March 31, 2026.

jj. On January 1, 2021, CTA and PT Karunia Lintas Samudera (KLS) entered into an agreement with wherein KLS perform services to load the coal from loading point at Tanah Merah Coal Transshipment (TMCT) and transport the coal to the transshipment point at Teluk Adang. This agreement valid until March 31, 2024.

kk. On May 3, 2019, CTA entered into an agreement with PT Mitrabahtera Segara Sejati Tbk (MBSS) wherein MBSS perform services to load the coal from loading point at Tanah Merah Coal Transshipment (TMCT) and transport the coal to the transshipment point at Teluk Adang. This agreement valid until March 31, 2024.

ll. On April 1, 2023, CTA entered into an agreement with PT Kartika Samudra Adijaya (KSA) wherein KSA perform services to load the coal from loading point at Tanah Merah Coal Transshipment (TMCT) and transport the coal to the transshipment point at Teluk Adang. This agreement valid until September 30, 2023. And this agreement has been extended again until December 2023.

mm. On October 13, 2023, PSB and PT ExxonMobil Lubricants Indonesia signed a transfer and facility services agreement with a term of 17 years with the possibility of an additional 10 year extension. Based on the agreement, PSB will build a fuel storage bunker facility located in Balikpapan, East Kalimantan and Exxon will pay a fixed fee and throughput fee as compensation. The fixed fee paid when the agreement is signed is US$ 500,000 and then the fixed fee paid in the first month of commencement date, for 12 consecutive months is US$ 41,665.

nn. CSTS Joint Operation (CSTS JO) as the contractor of BP Tangguh Expansion Project has appointed IMU as its subcontractor for Marshalling and Stevedoring Project in Gresik, Surabaya based on Letter of Award dated on December 5, 2016 after winning tender process. The duration of this project is around 4 years and has been started in mid of January 2017 with project value amounted Rp 146,348,211,418 or equivalent to US$ 9,303,173. On October 5, 2017, the agreement was revised related the project value changes amounted to Rp 98,438,875,430 or equivalent to US$ 6,257,636.

On March 2, 2021, IMU and CSTS Joint Operations (CSTS JO) extended the contract until May 31, 2021 and total project value is not exceed Rp 100,810,082,109 or equivalent to US$ 6,408,371.

On June 8, 2021, IMU signed amendment No. 5 Frame Agreement for Receiving and Stevedoring for Material direct to Jetty at Maspion Port with CSTS Joint Operations (CSTS JO). For the period until December 31, 2021 with contract value of Rp 106,339,108,812 or equivalent to US$ 6,759,844.

On February 2, 2022, IMU signed amendment No.6 Frame Agreement for Receiving and Stevedoring for Material direct to Jetty at Surabaya Hub with CSTS Joint Operations (CSTS JO). IMU and CSTS Joint Operations (CSTS JO) agreed to amended contract value to Rp 115,615,776,636 or equivalent to US$ 7,350,186. This agreement valid until December 31, 2022.

On November 8, 2023, IMU signed amendment No. 13 Frame Agreement for Receiving and Stevedoring for Material direct to Jetty at Surabaya Hub with CSTS Joint Operations (CSTS JO). IMU and CSTS Joint Operations (CSTS JO) agreed to amended contract value to Rp 131,497,707,477 or equivalent to US$ 8,529,950. This agreement valid until December 31, 2023.

oo. On September 20, 2023, KGTE and PT DBS Indonesia signed banking facility agreement No. 224/STC-DBS/IX/1-2/2023 with a loan value of US$ 50,000,000 with an interest rate of 1.30% plus three months SOFR until March 2027. This loan is used to pay off credit with PT Bank Mandiri (Persero) Tbk, PT Bank Negara Indonesia (Persero) Tbk and PT Bank UOB Indonesia. On September 25, 2023 KGTE has withdrawn all banking facilities.

The agreement required KGTE to manage and maintain on semi annually basis:
a. Debt to EBITDA Ratio at the maximum 3.50x;
b. Debt service ratio at least 1.10x;
c. Debt to Equity Ratio of KGTE at the maximum 2.67x; and
d. Debt to Equity Ratio of IMU at the maximum 2.0x.

pp. On April 30, 2020, KJA signed a credit facility agreement with PT Bank UOB Indonesia ("UOB") wherein KJA is provided with the following facilities:

- Multi Option Trade Facility with maximum facility of US$ 30,000,000, covering:

  1. Uncommitted Bill Export Purchase Buyer ("BEP") Facility.

     BEP that denominated in Rupiah bears interest per annum at JIBOR plus 1.75%, while US$ denominated BEP bears LIBOR plus 1.5% per annum. Maximum tenor for BEP facility is 3 months from drawdown.

  2. Uncommitted Bank Guarantee ("BG") Facility for issuance of performance bond and bid bond.

     Issuance of BG will be charged fee of 0.5% per annum, with minimum amount of US$ 50.

- Uncommitted FX Facility with maximum facility of US$ 20,000,000.

Maximum limit of the above two facilities is US$ 50,000,000. The facility is valid for one year and will be automatically extended for successive 1 year period unless the bank terminates by giving KJA at least 1 month advance notice.

As of December 31, 2023, KJA has used this BG facility in relation to sales contract amounting to Rp 38,143,250,000 or equivalent to US$ 2,470,578 (December 31, 2022: Rp 35,033,600,000 or equivalent to US$ 2,246,896; December 31, 2021: Rp 81,652,841,000 or equivalent to US$ 5,718,787).

qq. On May 11, 2020, KJA signed Master Credit Facility Agreement with Citibank, N.A. wherein KJA is provided with revolving credit facilities covering working capital facility, overdraft facility and trade loan facility up to an initial amount of US$ 20,000,000. The facility is valid for one year and will be automatically extended for successive 1 year period unless the bank terminates by giving KJA at least 30 calendar days advance notice.

The loan has a 3-month maximum tenor and bears interest of LIBOR plus 1.75%, payable on a quarterly basis.

As of December 31, 2023, KJA has used this credit facility and paid it.

rr. KJA has a bank guarantee in relation to sales contracts with PT Bank Woori Saudara Indonesia 1906 Tbk ("Woori") as of December 31, 2023 amounting to US$ nil (December 31, 2022: US$ 800,000 and December 31, 2021: US$ 400,000).

KJA also has a bank guarantee in relation to sales contracts with PT Bank UOB Indonesia as of December 31, 2023 amounting to US$ 2,600,000 (December 31, 2022: US$ 2,871,038 and December 31, 2021: US$ 2,520,000), PT Bank Mandiri (Persero) Tbk amounting to US$ 3,943,000 as of December 31, 2023 (December 31, 2022: US$ 9,803,509 and December 31, 2021: US$ 2,152,880), and with PT Bank Rakyat Indonesia Tbk amounting to US$ nil as of December 31, 2023 (December 31, 2022: US$ 82,000 and December 31, 2021: nil).

ss. As at December 31, 2023, KJA has outstanding purchase orders which mainly from purchasing spareparts, amounting to US$ 16,677,730 (December 31, 2022: US$ 15,872,571 and December 31, 2021: US$ 9,087,466).

tt. Ministerial Regulation No. 194/2012

On December 6, 2012, the Ministry of Finance issued Ministerial Regulation No. 194/2012 ("PMK-194") that governs procedures for the collection, remittance and reporting of Sales Tax and treatment of VAT and/or luxury-goods sales tax ("LST") on first generation of CCoW contractors which become effective starting on January 1, 2013.

PMK-194 stipulates that the contractors must collect, remit and report Sales Tax on the Utilisation of services. PMK-194 reinforces Sales Tax on first generation of CCOW based on VAT Law No. 8/1983. Previously, this Sales Tax obligation was only mentioned in each CCOW. PMK-194 also stipulates that VAT and/or LST is not collected on the delivery of VAT-able goods and/or services by a VAT-able entrepreneur to the CCOW contractors.

The Sales Tax collection base is the sales price or reimbursement value. A list of the types of services and/or goods subject to Sales Tax along with the applicable Sales Tax rate is provided in PMK-194. As of December 31, 2023, the Company's Sales Tax payable amounted to US$ nil (December 31, 2022: US$3,787,065 and December 31, 2021: US$ 4,413,039).

KJA has complied with the requirements of this regulation.

uu. Forestry obligations

Based on PPKH OP as issued on February 20, 2023, No. SK.149/Menlhk/Setjen/PLA.0/2/2023, KJA has obligation to pay State's Non- Tax Revenue from Utilization of Forest Area ("PNBP-PKH") each year in accordance with prevailing laws and regulation.

On December 31, 2023, KJA has paid the obligation of PNBP-PKH for the year 2023 amounting to Rp 70,031,468,500 or equivalent to US$ 4,681,561 (December 31, 2022: Rp 71,813,962,500 or equivalent to US$ 5,007,598 and December 31, 2021: Rp 71,338,925,000 or equivalent to US$ 4,938,317).

KJA has complied with the requirements of this regulation.

vv. Provision of Forest Resources ("PSDH") and Reforestation Fund ("DR") obligations

Based on Government Regulation No 23 of 2021 concerning Forestry Management and Minister of Forestry Regulation No. 8 of 2021 concerning Forest Administration and Preparation of Forest Management Plans and Forest Utilization in Protected Forests and Production, it is regulated that activities in forest area shall be subject to a levy for substitute benefit value of forest utilization and DR and forest rehabilitation, also supporting documents according to the applicable tariffs in the regulation of the Minister of Forestry.

ww. Watershed/ Daerah Aliran Sungai ("DAS") rehabilitation obligation

On November 5, 2019, KJA received the Minister of Environment and Forestry's decree No. SK.9320/Menlhk-PDASHL/KTA/DAS.1/2019 concerning the determination of planting location for the rehabilitation of watersheds.

Based on SK.9320/Menlhk-PDASHL/KTA/ DAS.1/2019, a planting location for the rehabilitation of the watershed area of 13,260 (thirteen thousand two hundred and sixty) hectares was established under the name of PT Kideco Jaya Agung which is located in the Park Area National Kutai in the Sangatta watershed and Mahakam watershed in South Sangatta District, Muara Kaman District and Rantau Pulung District, East Kutai Regency and Kutai Kartanegara Regency, East Kalimantan Province.

On May 21, 2021, KJA received the Decree of the Minister of Environment and Forestry No. SK. 3924/Menlhk-PDASHL/KTA/ DAS.1/5/2021 concerning Amendments to the Decree of the Minister of Environment and Forestry No. SK.9320/Menlhk-PDASHL/KTA/DAS.1/11/2019 dated November 5, 2019 stipulating the location of planting for watershed rehabilitation on behalf of PT Kideco Jaya Agung. SK decision 3924/Menlhk- PDASHL/KTA/DAS.1/5/2021 amending of SK.9320/Menlhk-PDASHL/KTA/DAS.1/11/2019, stipulating the location of planting for watershed rehabilitation covering an area of 13,438 (thirteen thousand four hundred thirty eight) hectare.

On March 10, 2022, KJA received the Decree of the Minister of Environment and Forestry No. SK. 1632/Menlhk- PDASRH/KTA/DAS.1/3/2022 concerning Second Amendments to the Decree of the Minister of Environment and Forestry No. SK.9320/Menlhk- PDASHL/KTA/DAS.1/11/2019 stipulating the location of planting for watershed rehabilitation on behalf of PT Kideco Jaya Agung. This Decree revokes SK decision of the Minister of Environment and Forestry No. 3924/Menlhk-PDASHL/KTA/DAS.1/5/2021 and its attached map.

As of December 31, 2023, KJA has started land preparation, hatchery and planting activities and has made provisions for the river flow rehabilitation of US$ 10,846,013 (2022: US$ 12,680,250 and 2021: US$ 11,296,238).

xx. Mining service contract

In running the mining operation, KJA has entered into a number of agreements with contractors to provide mining services to KJA such as overburden removal, coal loading, coal hauling and coal transport. Under the agreements, KJA is required to pay contractors a service fee and contractors will provide all plant, equipment, machinery, appliances and other items necessary for performing the mining services.

In addition to that, KJA has also entered into barging and coal handling agreements with contractors in relation to floating cranes and coal transshipment services from KJA's coal terminal to customer vessels. The mining equipment and coal handling service contracts extend for periods of between 1-9 years.

yy. Mining Law No. 4/2009

On December 16, 2008, the Indonesian Parliament passed Mining Law No. 4/2009 which received the assent of the President on January 12, 2009. The Coal Contract of Work ("CCoW") system under which the Company operates will no longer be available to investors. While Mining Law No. 4/2009 indicates that existing CoWs, such as the Company's CCoW, will be honoured, the transition provisions stated in Mining Law No. 4/2009 are unclear and will require clarification in Government Regulations these include:

- The CCoW transition provisions. Mining Law No. 4/2009 notes that existing CCoWs will be valid until their expiration. However, it also states that existing CCoWs within one year must be amended to conform with the provisions of Mining Law No. 4/2009 (other than terms related to State Revenue – which is not defined, but presumably includes royalties and taxes); and
- The requirement for CCoW holders who have already commenced some form of activity to, within one year of enactment of Mining Law No. 4/2009, submit a mining activity plan for the entire contract area.

Related to the divestment obligation of foreign controlling shareholders, on December 6, 2017 Samtan Co. Ltd. that previously hold 49% of equity shares in KJA has divested 40% of its shares to PT Indika Energy Tbk, a domestic company. After such a divestment, the Company and its subsidiary is the controlling shareholder of the Company.

KJA is closely monitoring the progress of the implementing regulations for Mining Law No. 4/2009 and will consider the impact on its operations, if any, as these regulations are issued.

On November 14, 2017, KJA and the Government of the Republic of Indonesia represented by MoEMR has signed the second amendment of the CCoW.

Management believes that KJA has complied with the requirements of the regulations mentioned above.

zz. Mining Law No. 3/2020

On June 10, 2020, the Indonesia Parliament issued Mining Law No. 3/2020 as an amendment to Law No. 4/2009 concerning Mineral and Coal Mining. KK and CCoW are guaranteed an extension to IUPK as a Continuation of Contract/ Agreement Operations after fulfilling the requirements with the following provisions:

a. CCoW that have not received an extension are guaranteed to get 2 (two) extensions in the form of IUPK as a Continuation of Contract/Agreement to Operate, each for a maximum period of 10 (ten) years as a continuation of operations after the end of the CCoW by considering efforts to increase revenue of the country.

b. IUPK that have obtained the first extension are guaranteed to be given a second extension in the form of IUPK as a Continuation of Contract/Agreement to Operate for a maximum period of 10 (ten) years as a continuation of operations with taking into account efforts to increase income state.

aaa. Government Regulation No. 96/2021

On September 9, 2021, the Government stipulated and promulgated Government Regulation No. 96 Year 2021 concerning Implementation of Mineral and Coal Mining Business Activities regarding IUPK as Continuation Contract/ Agreement to Operate as follows:

i. To obtain an IUPK as a Continuation of Contract/Agreement to Operate, the holder of the CCoW must submit an application to the Minister within a maximum period of 5 years or at the latest 1 year before the CCoW ends.

ii. IUPK as a continuation of the Contract/Operation Agreement is granted with the provisions according to the term of CCoW and the first extension for 10 (ten) years.

iii. The Minister in granting the IUPK as a Continuation of the Contract/Agreement to Operate by considering operations, optimizing potential reserves or coal in the context of conserving Coal from Areal IUPK (“WIUPK”) for the Production Operation stage, and national interests.

iv. In granting the IUPK as a Continuation the Contract/Agreement to Operate, the Government will consider the operation and optimization of potential reserves, and PKP2B holders must meet the administrative, technical, environmental and financial requirements.

GR No. 96 year 2021 revokes GR No. 23 Year 2010, GR No. 24 Year 2012, GR No. 1 Year 2014, GR No. 77 year 2014 and GR No. 1 Year 2017, and declared its entirety to be invalid.

On October 4 and October 29, 2021, KJA has submitted plan for development and/or utilization of domestic coal and RPSW.

On January 25, 2022, KJA received approval from MoEMR related to plan for the Development and/or Utilization of Coal.

On February 21, 2022, KJA has submitted its application for obtaining its first IUPK as a Continuation of Contract/Agreement Operation.

On December 16, 2022, the MoEMR granted the IUPK as a Continuation of the Contract/ Agreement to Operate, which is valid until March 13, 2033 and can be extended in accordance with prevailing regulation.

Upon obtaining the IUPK as a Continuation of the Contract/Agreement to Operate, the provisions on taxation and/or Non-Tax State Revenues (PNBP) will be implemented by KJA in accordance with prevailing regulations starting January 1, 2023.

bbb. MoEMR Ministerial Regulation No. 7/2017

On January 11, 2017, MoEMER issued a Ministerial Regulation No, 7/2017 ("MR No. 7") on the Procedures for the Setting of Benchmark Prices for Mineral and Coal Sales, as amended by Ministerial Regulation No. 19/2018 dated March 8, 2018 ("MR No. 19"), which regulates that the sale of coal shall be conducted with reference to the benchmark price issued by the Government.

On January 5, 2018, the MoEMR issued a Ministerial Decision No. 23 K/30/MEM/2018 regarding Determination of Minimum Percentage of Coal Sales for Domestic Affairs Year 2018, as revoked by Minister of Energy and Mineral Resources Decree No. 267.K/MB.01/MEM.B/2022 concerning Meeting Domestic Coal Needs and Minister of Energy and Mineral Resources Decree No. 399.K/MB.01/MEM.B/2023 concerning Amendments to the Decree of the Minister of Energy and Mineral Resources No. 267.K/MB.01/MEM.B/2022 concerning Meeting Domestic Coal Needs.

On October 12, 2022, MoEMR issued decision No. T-479/MB.05/MEM.B/2022 regarding the DMO implementation for 2022. The new DMO requirement is 25% of total coal produce approved by Government amounted to 8,750,000 MT. Total coal produce approved by government for 2022 period is 35,000,000 MT. For the year ended on December 31, 2022, the Company has sold 9,612,680 MT of coal to domestic market.

On January 4, 2023, MoEMR issued Approval RKAB Year 2023 No. T-33/MB.05/DJB.B/2023 regarding the Domestic Market Obligation ("DMO") implementation for 2023. The new DMO requirement is 25% of total coal produce approved by Government amounted to 7,750,000 MT. Total coal produce approved by government for 2023 period is 31,000,000 MT. For the year ended on December 31, 2023, KJA has sold 9,077,783 MT of coal to domestic market.

KJA has fulfilled the DMO requirement for period of 2023, 2022 and 2021.

ccc. Ministerial Regulation No. 25/2018

In May 2018, MoEMR issued Ministerial Regulation No. 25/2018 ("PM No. 25/2018") concerning Mineral and Coal Mining Concession that has been amended several times with Ministerial Regulation No. 17/2020, which stipulates that coal sales must be carried out with reference to the coal benchmark price as determined by the Government. This regulation revokes some regulations including Ministerial Regulation No. 17/2010.

On November 21, 2022, MoEMR issued Ministerial Decree of MoEMR Republic of Indonesia No. 267.K/MB.01/MEM.B/2022 Year 2022 regarding Fulfillment of Domestic Coal Obligation as amended by Minister of Energy and Mineral Resources Decree No. 399.K/MB.01/MEM.B/2023 concerning Amendments to the Decree of the Minister of Energy and Mineral Resources No. 267.K/MB.01/MEM.B/2022 concerning Fulfillment of Domestic Coal Needs, which takes effect from November 17, 2023. This regulation regulates the selling price of coal for the provision of electricity for the public interest at US$ 70/MT in accordance with the specifications and the reference coal price.

Management believes that KJA has complied with the requirements of the regulations mentioned above.

ddd. Government Regulation No. 15/2022

On April 11, 2022, the Government of Indonesia has promulgated Government Regulation No. 15 of 2022 concerning Tax Treatment and/or Non-Tax State Revenue in the Coal Mining Business Sector ("GR No. 15").

For CCoW holders, the provisions for taxation and non-tax revenue are applied in accordance with the CCoW provisions until the end of the CCoW period.

After obtaining an IUPK as a continuation operation of the contract/agreement, the provisions for taxation, non-tax state revenue and regional income are applied in accordance with the provisions of Article 16 GR No. 15.

eee. Government Regulation No. 78/2010

On December 20, 2010, the Government of Indonesia released an implementing regulation for Law No. 4/2009, i.e. Government Regulation No. 78/2010 ("GR No. 78") that deals with reclamation and post-mining activities for both IUP-Exploration and IUP-Production Operation holders. This regulation updates Ministerial Regulation No. 18/2008 issued by the MoEMR on May 29, 2008.

An IUP-Exploration holder, among other requirements, must include a reclamation plan in its exploration work plan and budget and provide a reclamation guarantee in the form of a time deposit placed at a state-owned bank.

An IUP-Production Operation holder, among other requirements, must (1) prepare a five- year reclamation plan; (2) prepare a post- mining plan; (3) provide a reclamation guarantee that may be in the form of a joint account or time deposit placed at a state-owned bank, a bank guarantee, or an accounting reserve (if eligible); and (4) provide a post-mine guarantee in the form of a time deposit at a state-owned bank.

The requirement to provide reclamation and post-mine guarantees does not release the IUP holder from the requirement to perform reclamation and post-mine activities.

The transitional provisions in GR No. 78 make it clear that Coal Cooperation Agreement holders are also required to comply with this regulation.

In 2012, KJA received several letters from DGMCG which approved KJA's mine closure plan. Based on a letter from DGMCG No. 558/30/DJB/2012 dated February 7, 2012, KJA should provide a post-mine guarantee for Roto and Samurangau Area starting from 2014 to 2023. This letter has been amended by Agreement Letter of Postmining Plan Amendment PT Kideco Jaya Agung No. B- 346/MB.07/DJB.T/2022 dated January 24, 2022. As of December 31, 2023, KJA has placed a post-mine guarantee in the form of time deposit amounting to US$ 39,547,088 (December 31, 2022: US$ 24,936,409 and December 31, 2021: US$ 38,127,689) for Roto and Samurangau area.

In addition, based on letter No. 3164/30/ DJB/2012 dated September 18, 2012, KJA should provide a post-mine guarantee for the Susubang-Uko Area starting from 2013 to 2016.

On September 11, 2019, MoEMR released letter No. 1528/37/DJP/2019 related to amendment of post-mine guarantee for the Susubang-Uko area starting from 2019 – 2021. As of December 31, 2023, KJA has placed a post-mine guarantee in the form of time deposits amounting to US$ 2,852,805 (December 31, 2022: US$ 10,909,623 and December 31, 2021: US$ 2,852,805) for Susubang-Uko area.

On May 3, 2018, MoEMR promulgated Minister of Energy and Mineral Resources Regulation No. 26 of 2018 concerning Implementation of Good Mining Principles and Supervision of Mineral and Coal Mining, which among other things regulates the implementation of reclamation, consideration of the future value of post-mining costs and determination of accounting reserves.

Prior to KJA's implementation of the regulation No. 26/2018, the reclamation guarantee reserve in the form of accounting reserve has been recorded at equity with a total amount of US$ 4,519,201.

As of December 31, 2023, KJA has placed a time deposit in relation to reclamation guarantee amounting to US$ 19,457,578 (2022: US$ 25,779,717 and 2021: US$ 20,645,255).

fff. Government Regulation No. 36/2023

On July 12, 2023, the Government of Indonesia released a regulation regarding Devisa Hasil Ekspor from utilizing, managing, and processing of natural resources (DHE SDA) which effective on August 1, 2023. This regulation requires mining exporter to deposit DHE SDA into Indonesia's financial system through Lembaga Pembiayaan Ekspor Indonesia or bank. Placement of DHE SDA is required for exporter with export amount on Pemberitahuan Pabean Ekspor (PPE) minimum US$ 250,000 or equivalent. DHE SDA placement is required at least 30% for minimum three months placement in Current Account DHE SDA.

Management believes that KJA and MUTU have complied with the requirements of the regulations mentioned above.

As of December 31, 2023, total DHE SDA placement by KJA and MUTU amounted by US$ 118,470,904 (Note 6) and US$ 17,029,104 (Note 13b), respectively.

ggg. On April 18, 2022, JBP and PT Bank DBS Indonesia ("DBS") signed new term loan facility to support capital expenditure with combined credit limit of US$ 27,500,000. The details of facilities provided are as follows:

Facility	Maximum facility	Interest rate or commission	Period
Capital expenditure Facility (Amortizing term loan)	US$ 22.5 million	2.5% above SOFR per annum	5 years
Letter of Credit Facility	US$ 5 million	-	1 year

The agreement covering certain covenant which required JBP to fulfill, among other things:

- Not allowed to change the composition of shareholders, receive new loan from other parties, change the type of business and legal form, transfer the material asset without approval from DBS Bank.

- Manage and maintain on semi annually basis:

  i. Net debt to equity ratio at the minimum 3:1 (Total Debt minus cash divide with equity) at JBP level;
  ii. Net debt to EBITDA at the minimum 3.75 x at Indika Energy's consolidated level;
  iii. Fixed Charge Coverage Ration at the minimum 2.50 x at Indika Energy's consolidated level.

- Not allowed to subordinate the loan/facility.

As of December 31, 2023, JBP has utilized loan facility from DBS, and made drawdown of US$ 12.5 million (December 31, 2022: US$ 3.3 million).

hhh. On November 2, 2022, PT Electra Mobilitas Indonesia ("EMI") signed Uncommitted Facility Offering Letter with Standard Chartered Bank Indonesia ("SCB"), which consist of the following facilities:

Facility	Information	Amount
Import Invoice Financing	• Facility limit • Commission • Tenor	US$ 10,000,000 2% over Bank's Cost of Fund 120 days from financing date
Short-term Loans	• Facility limit • Commission • Tenor	US$ 7,000,000 2.25% over Bank's Cost of Fund 30 30 days
Import LCs - Secured	• Facility limit • LC issuance fee • LC acceptance fee	US$ 10,000,000 0.4% per annum, with minimum fee of US$100 1.0% per annum, with minimum fee of US$100
Import LCs - Unsecured	• Facility limit • LC issuance fee • LC acceptance fee	US$ 10,000,000 0.4% per annum, with minimum fee of US$100 1.0% per annum, with minimum fee of US$100
Import Loan	• Facility limit • Commission • Tenor	US$ 10,000,000 2% over Bank's Cost of Fund 120 days from financing date
Bond and guarantees	• Facility limit	US$ 5,000,000

Total combined limit facility is US$ 10,000,000.

The facility contains certain terms and conditions that require EMI to fulfill, as further detailed in the facility letter.

As of December 31, 2023, EMI has utilized US$ 1,042,042 from Import Invoice Financing facility (December 31, 2022: US$ 2,197,716) and US$ 3,104,787 from Short-term Loan facility (December 31, 2022: US$ 600,000).

iii. On April 15, 2023, PT Energi Makmur Buana, a subsidiary ("EMB") and Edison Motors Co. Ltd. ("Edison") have signed and entered into a Distribution Agreement wherein EMB acts as Distributor for electric bus of Edison ("Edison Bus") and is entitled to import and distribute the Edison Bus in the Territory as stipulated in the Distribution Agreement. The Distribution Agreement is effective for five years.

In accordance with the Distribution Agreement, it is agreed that title of Edison Bus shall pass to EMB as Distributor upon receipt of full payment of the price quoted by Edison.

jjj. On October 24, 2023, EMB and Hyundai Motor Company ("HMC") have signed and entered into a Distribution Agreement where EMB act as Distributor for electric bus of Hyundai ("Hyundai Bus") and entitled to import and distribute the Hyundai Bus in the Territory as stipulated in the Distribution Agreement. The Distribution Agreement is effective until December 31, 2025.

kkk. On October 2, 2023, EMB and PT Bank KB Bukopin Tbk ("Bukopin") entered into facility agreement, wherein Bukopin agreed to provide EMB with the following facilities:

- Uncommitted LC or SKBDN at the amount of US$ 20,000,000 or its equivalent in other currencies, valid 12 months effective from signing of the facility. Issuance cost is 0.25% per month of LC or SKBDN issued (minimum of US$ 50), while acceptance cost is 1.5% per annum for each issuance of the acceptance (minimum of US$ 50).

- Uncommitted working capital facility at the amount of US$ 20,000,000 or its equivalent in other currencies, valid 12 months effective from signing of the facility. The loan bears interest rate at 3-months SOFR plus 3%, payable monthly, while the principal is paid at the latest on the maturity date of the facility. The loan is used to finance electric vehicle and commercial vehicle.

The combined limit facility for LC/SKBDN and working capital is US$ 20,000,000.

The facility contains certain covenants that require EMB to fulfill, including some ratios measured based on the financial performance at the Company's consolidation level.

As of December 31, 2023, EMB has utilized US$ 1,703,186 of the LC/SKBDN facility.

lll. On October 17, 2023, PT Xapiens Teknologi Indonesia ("XTI") signed facility agreement with PT Bank OCBC NISP Tbk ("OCBC"), wherein OCBC agreed to provide the following facilities to XTI:

Facility	Type of Facility	Amount	Repayment	Interest	Guarantee	Interest payment method
Commited Term loan 1	To finance purchase of material related to long term contracts with PT Pos Indonesia	Rp15,000,000,000	March 31, 2029 with 36 monthly installments where first installment starts on the next month after end of 3-month grace period	8.5% per month, floating based on Bank's cost of fund referred to Bank Indonesia's interest rate	Fiducia on XTI's accounts receivable from PT Pos Indonesia up to the amount of Rp 18,750,000,000	Monthly basis
Commited Term loan 1	To finance purchase related to long-term contracts of XTI	Rp20,000,000,000	60 months for each project (excluding nine months grace period from first drawdown) or based on maturity date of the contract pr project period (whichever earlier) with monthly installments starting from end of grace period)	8.5% per month, floating based on Bank's cost of fund referred to Bank Indonesia's interest rate	Fiducia on XTI's accounts receivable from PT Pos Indonesia up to the amount of Rp 25,000,000,000	Monthly basis
Uncomitted demand loan	To finance routine working capital related to projects	Rp35,000,000,000	October 16, 2024 (12 months)	8% per month, floating based on Bank's cost of fund referred to Bank Indonesia's interest rate	Fiducia on XTI's accounts receivable from PT Pos Indonesia up to the amount of Rp 43,750,000,000	In accordance with the dates determinded further in the agreement
Uncomitted Bank Guarantee (BG) Standby Letter of Credit (SBLC)	To facilitate guarantee (and counter guarantee) for XTI's projects	Rp10,000,000,000	October 16, 2024	Issuance fee of BG/SBLC: 0.5% per anum for each issuance of BG/SBLC	-	-

The facility contains certain covenants, including maintaining certain financial ratios, as further detailed in the agreement.

mmm. On July 26, 2022, PT Masmindo Dwi Area ("Masmindo") and the Contractor entered into Engineering, Procurement and Construction Contract No. 330-800-CN-CCC-0004 ("EPC Contract"), wherein under this contract, risk rests with Contractor to deliver the EPC works related to the processing plant at a fixed lumpsum contract price of Rp 1,237,582,690,770 (equivalent to US$ 78,671,584). The contract price and schedule will be subject to variation of time and rise and fall restricted to imported equipment and fuel. The commencement date under the EPC Contract shall be 28 days after issuance of Notice to Proceed by Masmindo, subject to the fulfilment of several conditions precedent stipulated in the EPC Contract, but shall be no longer than April 30, 2023.

On December 29, 2022, EPC contract has been amended through the Amendment I, which among others change the latest date for issuing the NTP to 30 April 2023 and introduce the concept of Limited Notice to Proceed ("LNTP") to be issued by Masmindo to the Contractor.

On December 30, 2022, Masmindo has issued the LNTP to the Contractor with maximum aggregate amount of payments including VAT amounted to Rp 243,455,471,661 where such amount and any payment under the LNTP shall form part of the contract price in the EPC Contract.

On April 3, 2023, Masmindo has issued the Notice of Extension of LNTP to the Contractor, allowing the latest date for issuing the NTP to be by July 30, 2023.

On August 23, 2023, EPC Contract has been further amended through the Amendment II, which allows the latest date for issuing the NTP to be January 1, 2024.

On August 24, 2023, Masmindo has issued the LNTP Extension No. 2 to extend the period for execution of Limited Scope of Work until December 31, 2023 and change the maximum aggregate amount of payments including VAT under the LNTP to Rp 629,994,152,600, where such amount and any payment under the LNTP shall form part of the contract price in the EPC Contract.

On November 10, 2023, Masmindo has issued the NTP with the Commencement Date to commence the Works on December 8, 2023.

nnn. On December 22, 2023, KJA signed Credit Facility Agreement Talangan Dana Devisa Hasil Ekspor Sumber Daya Alam ("DHE SDA") and Treasury Line with PT Bank Mandiri (persero) Tbk wherein the Company is provided with revolving credit facilities covering working capital facility related with DHE-SDA placement obligation with maximum facility of Rp 2,000,000,000,000. The facility is valid for one year.

The loan bears interest of 0.5% per annum above the interest rate of Current Escrow Account DHE SDA which becomes collateral.

ooo. On December 12, 2018, the Company entered into a Subscription Agreement with Nusantara Resources Limited, governing the terms and conditions for the Company's staged investment in Nusantara, i.e. the first subscription of 30,607,162 shares amounting AUD 7,039,647 equivalent to US$ 5,113,053 completed in December 2018 and second subscription of 2,780,260 shares amounting AUD 639,460 equivalent to US$ 456,848 completed in January 2019 (the Subscription Agreement).

The Subscription Agreement also grants 16,693,711 options by Nusantara to the Company, which an be exercised, subject to Nusantara's shareholder approval, at AUD 0.35 per option up until November 30, 2020 (the Indika Initial Options). The exercise of the Indika Initial Option has been done in the General Meeting of Shareholder of Nusantara in April 2020.

On February 25, 2020, the Company through its subsidiary IMI has entered into a Share Subscription Agreement ("Agreement") with Nusantara Resources Limited ("Nusantara") and PT Masmindo Dwi Area, Nusantara's wholly-owned subsidiary ("Masmindo") in relation to the Awak Mas Gold Project. Based on the Agreement, IMI will invest up to US$ 40,000,000 into Masmindo in two tranches, subject to certain conditions. In tranche 1, IMI will subscribe 25% shares in Masmindo for the amount of US$ 15,000,000, which is subject to conditions, among others, (a) approval by Nusantara's shareholders meeting which is scheduled in April 2020 ("Nusantara GMS") and (b) approval by the Ministry of Energy and Mineral Resources ("MoEMR"). In tranche 2, IMI has the option to subscribe additional 15% shares in Masmindo for the amount of US$ 25,000,000, subject to the (a) approval by Nusantara GMS, (b) approval by MoEMR and (c) Masmindo's approval for mining.

Upon closing of the Agreement, the Company will own 56.7% direct and indirect interest in Masmindo.

In addition to the Agreement, each of the Company and Petrosea also signed Options Agreements with Nusantara, wherein Nusantara agrees to grant the following options:
- 10 million share options to the Company, which are exercisable until December 1, 2022 at a price of AUD 0.61 per share; and
- 10 million share options to Petrosea, exercisable in two tranches, being (i) 3 million share options that are exercisable until July 2022 at a price of AUD 0.45 per share and (ii) 7 million share options, exercisable until July 2024 at a price of AUD 0.45 per share.

Beside this Option Agreement, the Company still maintains the initial option on a 1 to 2 pro rate basis to the share subscription that can be exercisable on or before November 30, 2020 at a price of AUD 0.35 per share.

ppp. On June 27, 2021, the Company entered into a binding Scheme Implementation Deed with Nusantara Resources Limited ("NUS") with regards to the intention of the Company to acquire all of the issued shares of NUS (other than the shares that it has already owned) by way of a Scheme of Arrangement as governed under the Australian Corporations Act 2001 (Cth) ("Proposed Transaction").

The Company shall pay AUD 0.35 cash per share for the remaining 168,041,107 shares at NUS that have not been owned by the Company (including shares issued on the exercise of performance rights).

The Proposed Transaction shall be subject to compliance of the following conditions, among others: (i) approval by NUS shareholders at a general meeting expected to be held in September 2021, (ii) Australian court approval and (iii) fulfillment of conditions under documents related to the Proposed Transaction.

54. MONETARY ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

At December 31, 2023, 2022 and 2021, the Group had monetary assets and liabilities in foreign currencies as follows:

		December 31, 2023		December 31, 2022		December 31, 2021	
		Foreign Currency	Equivalent in US$	Foreign Currency	Equivalent in US$	Foreign Currency	Equivalent in US$
Assets							
Cash and cash equivalents	IDR	1,821,106,077,728	118,130,908	1,481,136,149,263	94,153,973	1,611,850,205,968	112,961,640
	JPY	3,316,818	2,357,015	2,208,024	1,650,181	30,531	26,508
	SGD	1,712,991	1,301,371	2,503,336	1,855,355	2,060,022	1,520,764
	EUR	884,409	983,287	82,805	87,972	82,342	93,063
	AUD	166,892	114,380	201,559	135,569	191,050	138,492
	QAR	7,024	1,925	-	-	-	-
	INR	84,971	1,020	-	-	-	-
Other financial assets	IDR	10,117,351,224	656,289	318,316,501,842	20,234,982	105,889,001,895	7,420,910
Trade accounts receivable	IDR	1,892,016,301,624	122,730,689	2,196,551,290,889	139,632,019	1,832,944,543,005	128,456,367
Other accounts receivable	IDR	376,823,508,808	24,443,663	404,217,625,179	25,695,609	549,349,315,424	38,499,483
Other current assets	IDR	49,827,841,856	3,232,216	36,998,415,333	2,351,943	14,660,988,836	1,027,471
Prepaid taxes	IDR	839,976,879,688	54,487,343	369,276,258,330	23,474,430	296,850,682,008	20,803,881
Claim for tax refund	IDR	362,685,880,608	23,526,588	404,105,132,798	25,688,458	952,738,110,634	66,769,765
Total Assets			351,966,694		334,960,491		377,718,344
Liabilities							
Short-term loan	IDR	347,944,901,000	22,570,375	371,485,205,350	23,614,850	284,419,895,847	19,932,707
Trade accounts payable	IDR	1,885,140,118,152	122,284,647	2,322,610,703,573	147,645,458	1,717,441,313,845	120,361,673
	AUD	5,529	3,789	67,177	45,183	-	-
	EUR	1,875	2,085	-	-	-	-
	MYR	-	-	-	-	717,850	171,858
	GBP	-	-	-	-	4,336	5,835
	SGD	-	-	-	-	30,519	22,530
Taxes payable	IDR	196,828,636,040	12,767,815	33,873,917,663	2,153,323	89,782,377,355	6,292,126
Other accounts payable to third parties	IDR	212,716,535,216	13,798,426	41,927,824,547	2,665,299	72,338,062,134	5,069,594
Accrued expenses	IDR	1,246,518,906,232	80,858,777	186,822,086,390	11,876,046	155,978,117,982	10,931,254
	SGD	-	-	-	-	43,890	32,401
Dividend payable	IDR	165,614,088	10,743	165,600,237	10,527	193,031,100	13,528
Provision for mine rehabilitation, mine closure and decommissioning	IDR	666,975,382,824	43,265,139	608,590,403,961	38,687,331	502,863,094,561	35,241,637
Employment benefit obligation	IDR	407,174,560,440	26,412,465	355,839,294,329	22,620,259	377,383,547,866	26,447,783
Total Liabilities			321,974,261		249,318,276		224,522,926
Total Net Monetary Assets			29,992,433		85,642,215		153,195,418

At December 31, 2023, 2022 and 2021, the conversion rates used by the Group and the prevailing rates on April 12, 2024 are as follows:

	April 12, 2024	December 31, 2023	December 31, 2022	December 31, 2021
	US$	US$	US$	US$
Foreign currency				
IDR	0.0001	0.0001	0.0001	0.0001
SGD	0.7423	0.7597	0.7412	0.7382
AUD	0.6592	0.6854	0.6726	0.7249
EUR	1.0855	1.1118	1.0624	1.1302
GBP	-	-	1.2031	1.3456
MYR	-	-	0.2261	0.2394
JPY	0.0066	0.0071	0.0075	0.0081
QAR	0.2740	0.2750	-	-
INR	0.0120	0.0120	-	-

In relation with fluctuation of US$ against foreign currencies, the Group recorded net loss on foreign exchange of US$ 335,658 in 2023 (2022: loss of US$ 16,608,152 and 2021: loss of US$ 2,955,984).

55. SUPPLEMENTAL DISCLOSURES ON NONCASH INVESTING ACTIVITIES

Group have non-cash activities that were not presented in the consolidated statements of cash flows with details as follows:

	2023	2022	2021
	US$	US$	US$
Increase in others payable through invoicing facility	11,655,089	-	-
Increase in other accounts receivable from related parties through short-term loan	-	-	15,038,038
Additions to property, plant and equipment through other payable	30,474,105	5,685,330	31,877,971
Additions right of use assets through lease liabilities	23,998,480	8,223,018	5,254,570
Addition exploration and evaluation assets and mining properties through payable	2,000,000	-	4,571,881

56. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	January 1, 2023	Financing cashflows - net	Non-cash: Amortization of transaction cost and foreign exchange impact	Non-cash: Interest capitalization to principal	Non-cash: Effect of EMITS deconsolidation	Non-cash: Noncash changes	Transfer to non current assets held for sale (Note 13b)	December 31, 2023
	US$	US$	US$	US$	US$	US$	US$	US$
Short-term loans	50,538,098	21,361,799	923,844	(2,213,484)	(16,856,133)	4,655,089	-	58,409,213
Long- term loans	141,381,463	21,003,941	1,312,482	128,209	-	-	-	163,826,095
Convertible loan	7,538,295	20,350,000	-	1,663,470	-	(9,459,234)	-	20,092,531
Lease liabilities	5,813,005	(11,742,123)	133,883	(1,504,031)	-	23,998,480	(378,801)	16,320,413
Bonds payable	891,731,191	(63,185,000)	5,520,079	(784,370)	-	-	-	833,281,900
	1,097,002,052	(12,211,383)	7,890,288	(2,710,206)	(16,856,133)	19,194,335	(378,801)	1,091,930,152

	January 1, 2022	Financing cashflows - net	Non-cash: Amortization of transaction cost and foreign exchange impact	Non-cash: Interest capitalization to principal	Non-cash: Noncash changes	December 31, 2022
	US$	US$	US$	US$	US$	US$
Short-term loans	58,122,340	(101,595,292)	(2,040,597)	1,051,647	95,000,000	50,538,098
Long- term loans	149,068,303	(8,531,782)	746,956	97,986	-	141,381,463
Convertible loan	-	7,500,000	-	38,295	-	7,538,295
Lease liabilities	3,652,399	(1,379,785)	(4,682,627)	-	8,223,018	5,813,005
Bonds payable	1,245,143,663	(356,354,540)	9,604,989	(3,495,856)	(3,167,065)	891,731,191
Fees and premium of bonds payable *)	-	(2,245,581)	-	-	-	(2,245,581)
Contingent consideration obligation	206,269,350	(160,710,137)	-	710,137	(46,269,350)	-
	1,662,256,055	(623,317,117)	3,628,721	(1,597,791)	53,786,603	1,094,756,471

*) Fees and premium related to bonds payable tender offer (Note 33)

	January 1, 2021	Financing cashflows - net	Transfer to non current assets held for sale (Note 13)	Non-cash: Amortization of transaction cost and foreign exchange impact	Non-cash: Interest capitalization to principal	Non-cash: Noncash changes	December 31, 2021
	US$	US$	US$	US$	US$	US$	US$
Short-term loans	65,972,114	(11,969,679)	(27,910,000)	-	3,701,227	28,328,678	58,122,340
Long- term loans	340,033,100	(72,003,000)	(120,556,803)	-	-	1,595,006	149,068,303
Lease liabilities	50,944,364	(19,759,944)	(32,786,591)	-	-	5,254,570	3,652,399
Bonds payable	1,239,816,122	-	-	(14,506,603)	20,409,288	(575,144) *)	1,245,143,663
	1,696,765,700	(103,732,623)	(181,253,394)	(14,506,603)	24,110,515	34,603,110	1,455,986,705

*) Reversal of bond issuance cost accrual

57. CURRENT ECONOMIC CONDITION

Based on historical data, coal prices are very volatile. Continued fluctuation of coal price in the future may affect Group's and/or its customers' operations. In addition, the effects of the economic situation on the financial condition of the customers have increased the credit risk inherent in the receivables from customers. In addition, there is an uncertain risk from Indonesian government policy in mining regulation.

Changes in the economic condition is dependent on global economic conditions, which is beyond the Group's control. It is not possible to determine the future effect the economic condition may have on the Group's liquidity and earnings, including the effect flowing through from its investors, customers and suppliers.

The management believes that the Group has adequate resources to continue its operations for the near future. Accordingly, the Group continues to adopt the going concern basis in preparing the consolidated financial statements.

58. UNAPPROPRIATED RETAINED EARNINGS AND CASH DIVIDENDS

a. Based on Annual General Meeting of Shareholders of the Company dated April 19, 2023, it was approved among other things, as follow:

- Distribution of final dividend at the amount of US$ 113,169,140 representing 25% of the Company's year 2022 consolidated profit for the year attributable to owners of the Company (including US$ 40,000,000 interim dividend paid in August 2022). Remaining unpaid dividend of US$ 73,169,140 will be paid in Indonesian Rupiah using middle rate of Bank Indonesia as of April 18, 2023 of Rp 14,773. Dividend per share is rounded up to Rp 208.

- Appropriation retained earnings of US$ 6,065,935 as an additional to the Company's mandatory reserve fund to comply with Article 70 Law No. 40 of 2007 as last amended by Law No. 11 of 2020 concerning Job Creation. Total Company's appropriated retained earnings after the above is US$ 11,378,431.

b. Based on resolutions of Directors and Board of Commissioners dated August 3, 2022, the Company's directors approved distribution of interim dividend for financial year 2022 at the amount of US$ 40,000,000 (equivalent to Rp 595,520,000,000) or Rp 114.46 per share. Such dividend was fully paid on August 30, 2022.

59. EVENTS AFTER THE REPORTING PERIOD

a. On January 17, 2024, Indika Ventures Pte. Ltd., a wholly owned subsidiary of the Company, had signed a Convertible Note with Falaina Pte. Ltd. (Falaina) amounting to US$ 3,000,000. Subscription to this Convertible Note is secured with share charge over 7,725,000 shares held by Mr. Sivachantiran Belasamy, a shareholder of Falaina, which represents 30% of total shares in Falaina.

b. On January 22, 2024, the Company received several tax assessment letters (SKPKB) in regards with its tax obligation for fiscal year 2020, as follows:

- Value added tax at the amount of Rp 1,031,416,538, plus penalty of Rp 773,562,404.

- Withholding tax article 26 at the amount of Rp 91,838,072,919, plus penalty of Rp 39,916,612,219.

SKPKB related to value added tax was charged as direct expense in January 2024. As of the issuance date of the consolidated financial statements, Management of the Company is in the process of filing objection letter in regards with the SKPKB for withholding tax article 26.

c. On January 25, 2024, Tax Court has concluded for the cases of the Company's value added tax (VAT) for fiscal year 2017 until 2019 and has issued decision letter dated February 5, 2024, stating that the Company's VAT underpayment for the three fiscal years amounted to Rp 15,449,068,854, as compared to Rp 17,676,250,598 assessed by the directorate general of taxation (DGT) and paid by the Company.

On February 1, 2024, Tax Court has concluded for the cases of the Company's withholding tax article 26 (WHT) for fiscal year 2017 until 2019 and has issued decision letter dated February 13, 2024, stating that the Company's WHT underpayment for the three fiscal years amounted to Rp 241,739,180,996, as compared to Rp 385,789,353,823 assessed by the DGT and paid by the Company.

On February 1, 2024, Tax Court has concluded for the cases of the Company's corporate income tax (CITR) for fiscal year 2017 until 2018 and has issued decision letter dated February 13, 2024, stating that the Company's CITR overpayment for the two fiscal years amounted to US$ 654,624, as compared to tax underpayment of US$ 1,150,545 assessed by the DGT and paid by the Company.

In March 2024, the Company has received all claims for tax refund based on decision from Tax Court.

d. On January 26, 2024, IMG had signed Convertible Loan Agreement with PT Zeze Ajuwel Tambang ("PT ZAT") amounting to US$ 2,500,000. This convertible loan agreement is a continuation of the Convertible Loan Series B and has the same terms with the Convertible Loan Series B (Note 31).

The maturity date of the convertible loan agreement is May 19, 2028 and can be extended until unspecified date or before May 19, 2032. The loan of PT ZAT will be convertible into shares representing (directly and indirectly) 1.9% of the total issued and paid-up capital of IMG on a fully diluted and as converted basis.

Following signing of the Convertible Loan Agreement, PT ZAT had also signed Deed of Adherence to the Amended and Restated Investment Agreement of IMG dated August 28, 2023 ("ARIA") on January 26, 2024.

e. On February 26, 2024, PT Indika Indonesia Resources (IIR) and Indika Capital Investments Pte. Ltd. (ICI), subsidiaries, have completed sale of all IIR's and ICI's shares in PT Multi Tambangjaya Utama (MUTU) amounting to 2,263,030,000 shares, representing 100% ownership in MUTU, to PT Petrindo Jaya Kreasi Tbk. (PJK) and/or its affiliates (Sale of Shares), as a continuation of the completion of all the conditions precedent in the Conditional Sale and Purchase Agreement dated September 22, 2023 (Note 13), including approval from Ministry of Mines and Energy of the Republic of Indonesia (ESDM) for Sale of Shares through its letter dated February 15, 2024. Total transaction amount for Sale of Shares is US$ 203,000,000.

Further, ICI and PJK also have completed the transfer of all ICI's rights and obligations under the Marketing Service Agreement to PJK for a consideration of US$ 15,000,000 effective on March 4, 2024.

As governed under the CSPA, the completion of the shares sale and purchase of MUTU and the transfer of Marketing Rights Agreement of ICI to PJK shall also be subject to further leakage assessment conducted by an independent third party financial consultant which is jointly appointed by IIR and PJK.

f. On March 27, 2024, PT Indika Multi Properti ("IMP") and PT Laras Ekosistem Organik ("Laras"), the Company's subsidiaries, have conducted additional shares acquisition in PT Natura Aromatik Nusantara ("NAN"), an associate (Note 15), from the original shareholders, Novotel International Care Extracts Limited ("NICE"), PT Esensi Natura Nusantara ("ENN"), Modiwati Karunia Mulia ("MKM"), Yohannes Setyawan ("YS"), and Mafruhin Joko Nugroho ("MJN") ("Additional Shares Acquisition"). Prior to Additional Shares Acquisition, IMP hold 46.001% shares in NAN.

The Additional Shares Acquisition was conducted with the following details:

IMP purchased NICE's shares in the amount of 34.567% with the transaction value of US$ 8,130,378, based on Deed of Share Transfer No. 40 dated 27 March 2024, made before Notary Ungke Mulawanti, SH, MKn;

IMP purchased ENN's shares in the amount of 17.101% with the transaction value of Rp 63,388,285,680 as equivalent to US$ 4,018,801, based on Deed of Share Transfer No. 41 dated March 27, 2024, made before Notary Ungke Mulawanti, SH, MKn;

IMP purchased MKM's shares in the amount of 0.863% with the transaction value of Rp 3,197,247,318 as equivalent to US$ 202,705, based on Deed of Share Transfer No. 42 dated March 27, 2024, made before Notary Ungke Mulawanti, SH, MKn;

IMP purchased YS' shares in the amount of 0.791% with the transaction value of Rp 2,930,811, as equivalent to US$ 185,813, based on Deed of Share Transfer No. 43 dated March 27, 2024, made before Notary Ungke Mulawanti, SH, MKn; and

Laras purchased MJN's shares in the amount of 0.647% with the transaction value of Rp 2,397,933,654 as equivalent to US$ 152,028, based on Deed of Share Transfer No. 44 dated March 27, 2024, made before Notary Ungke Mulawanti, SH, MKn.

Upon effectiveness of the Additional Shares Acquisition, IMP owns 99.353% shares in NAN and LARAS owns 0.647% shares in NAN.

This Additional Shares Acquisition is made as a strategic step of the Company's group to diversify its business activities into green businesses.

g. Based on Annual General Meeting of Shareholders of KJA dated March 28, 2024, it is approved that KJA will distribute dividend from its 2023 financial performance at the amount of US$ 185,000,000.

Such dividend will be paid in four stages, wherein US$ 50,000,000 paid in April 2024 and US$ 45,000,000 each in June, August and October 2024.

h. On March 5, 2024, KGTE and PT ExxonMobil Lubricants Indonesia (Exxon) entered into a facility services agreement, wherein KGTE agrees to provide and operate a terminal and related facilities (which are different from the terminals and facilities under the ExxonMobil-KGTE Agreement), including storage tanks, docks, pipes for receiving, storing, and shipping products and providing related services in Kariangau, East Kalimantan. As compensation, Exxon will pay a fixed fee and throughput fee. Fixed fee will be paid starting the first month of the commencement date, for 12 consecutive months of US$ 41,665. This agreement is effective from the commencement date and will remain in effect for the next 17 years.

i. In March 2024, IIR signed a conditional sales and purchase agreement (CSPA) for all of its entire 60.0% shares or amounting to 3,060 (three thousand sixty) shares, in PT Mitra Energi Agung (MEA). The total consideration for the 100% stake in MEA is Rp 25,000,000,000. The completion of the sale is subject to fulfilment of certain terms and condition, as further stipulated under the CSPA.

Currently, MEA does not have active production operations in its coal mining concession and has suspended exploration activities at the concession since 2014.

j. On April 2, 2024, IECPL III made an announcement to redeem all the outstanding Note VI (Note 33) at a redemption price equal to 100.0% of the principal amount thereof plus accrued and unpaid interest, if any, to (but not including) the Redemption Date, which falls on May 3, 2024.

k. In April 2024, PT Runge Pincock Minarco released an updated report for Kideco's coal resource and reserve as of December 31, 2023, wherein resources were estimated at 1,449 million tons and reserves at 468.2 million tons.

60. MANAGEMENT'S RESPONSIBILITY AND APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

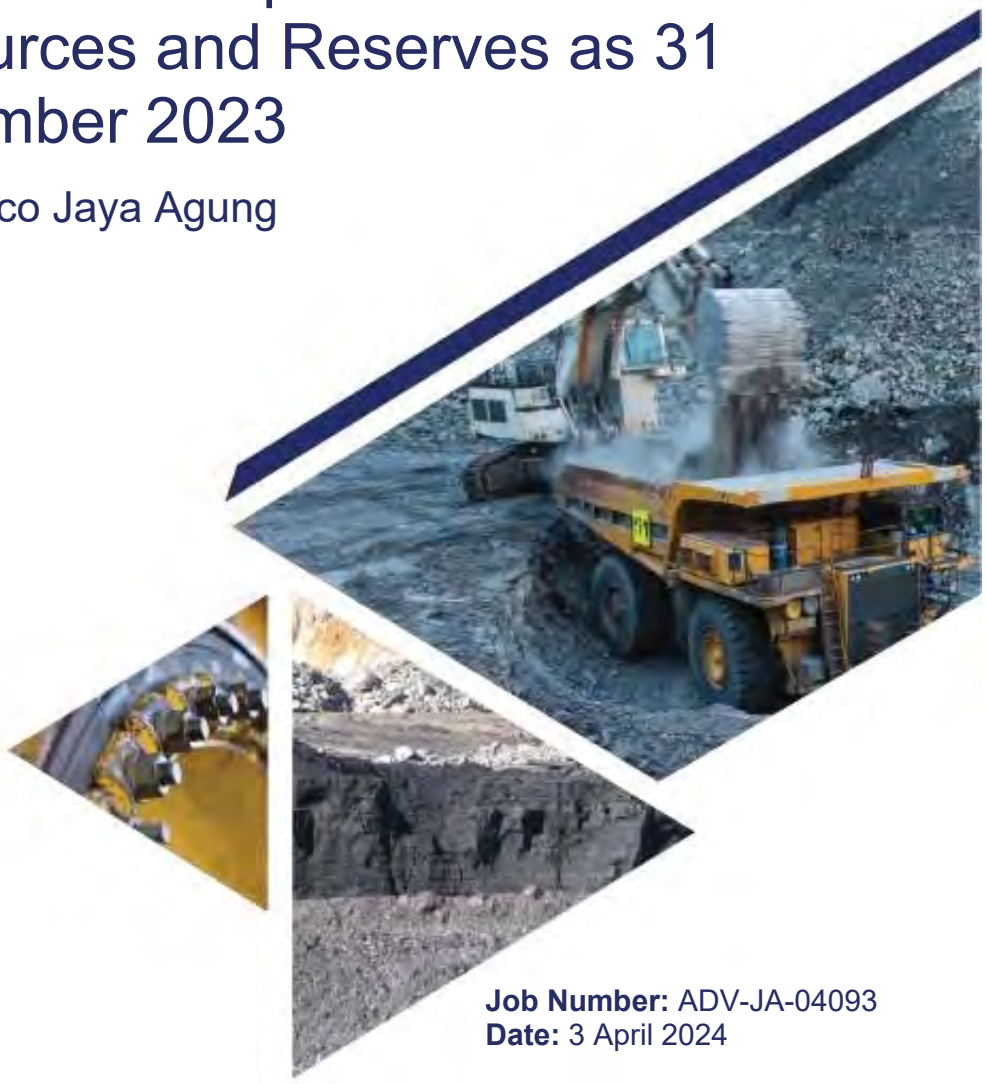
The preparation and fair presentation of the consolidated financial statements on pages 1 to 177 were the responsibilities of the management, and were approved by the Company's Directors and authorized for issue on April 12, 2024.

APPENDIX A — KIDECO RESOURCES AND RESERVES STATEMENT

RPMGLOBAL

Statement of Open Cut Coal Resources and Reserves as 31 December 2023

PT. Kideco Jaya Agung



Job Number: ADV-JA-04093
Date: 3 April 2024

DOCUMENT CONTROL SHEET

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PT. Kideco Jaya Agung	
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Statement of Open Cut Coal Resources and Reserves as 31 December 2023	3 April 2024
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Authorisations				
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	Shaun Ayshford	Principal Geologist		28 March 2024
	Gusti Sumardika	Practice Lead – Mine Engineer		27 March 2024
	Greg Eissenmenger	Executive Consultant		2 April 2024
	Dave McMillan	General Manager		2 April 2024
Approved By	Tim Knight	President Director		3 April 2024

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Executive Summary

PT. RungePincockMinarco ("RPM") was commissioned by PT. Kideco Jaya Agung ("Kideco") to prepare an independent estimate (hereafter referred to as the "Statement") of the Open Cut Coal Resources and Reserves within the Kideco (the "Project") mining concessions, located in the province of Kalimantan Timur, Indonesia. The Statement reports the Coal Resources and Reserves as of 31 December 2023 and has been undertaken in accordance with the requirements of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – 2012 Edition (the "JORC Code"), prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia ("The JORC Code").

The Project consists of the Roto Samurangau and Susubang Mines, which are located 120 km by road southwest of Balikpapan. The Project has been operating since 1993, with the mine producing in excess of 68 Mt of sub-bituminous coal in the last two years. This production was from the two main areas, Roto and Samurangau, as well as the smaller Susubang pit concession. The Roto deposit is sub-divided into four main blocks: Roto North (RTN), Roto Middle (RTM), Roto South A-F (RTS A-F), and Roto South G (RTS G). The Samurangau deposit is further sub-divided into two blocks, Samurangau ABC (SM ABC) in the north and Samurangau D (SM D) in the south. Suwi, an exploration area in Kideco, located south of Samurangau, was also incorporated into the review.

This Statement has estimated Coal Resources and Coal Reserves within the Roto-Samurangau and Susubang-Uko concessions. Previously, Kideco had title to two other concessions in the area, Samu-Biu and Pinang Jatus. These two concessions have insufficient geological information and have been relinquished since 2022.

The Project area is located within the Paser Sub-Basin. The coal seams occur in the Warukin Formation of the Miocene age. The Roto mining blocks are structurally complex and straddle steep anticlinal and synclinal structures, with dips ranging from 10 to 90 degrees. Samurangau has a gentler synclinal structure with 10 to 20 degree dips that steepen to up to 60 degrees in the northern and western parts. Suwi is located south of Samurangau with two different coal series: western, which has gently dipping coal (at an average of 10 degrees), and eastern, steeply dipping coal (at an average of 75 degrees). Susubang lies on the eastern flank of a synclinal structure with relatively steep dips of 55 to 80 degrees.

More than 60 seams with multiple sub-seams or seam splits have been identified at the Roto pits with individual average true thickness of up to 26.7 m. A total of 88 seams and sub-seams have been identified at Samurangau, the main seams having an individual average thickness of up to 13.0 m. At Suwi, a total of 58 seams and sub-seams have been identified, with the main seams having an individual average thickness of up to 15.6 m. At the Susubang area, 78 seams and sub-seams have been identified with an individual average true thickness of up to 13.0 m.

Kideco coal seams are typically low Ash (averaging between 2.7% to 7.3% on an air-dried basis (adb)), low Sulphur (averaging 0.12% adb), and with an average Total Moisture (TM) ranging from 20.0% to 30.8%. The Calorific Value (CV), however, varies between deposits, by block and by seam.

The Roto deposit shows an overall decrease in CV value from north towards south. Roto North has the highest CV value (average 5,445 kcal/kg gross as received (gar)). Roto South A-F averages 5,015 kcal/kg (gar), Roto South G averages 4,860 kcal/kg (gar), and Roto Middle averages 4,725 kcal/kg (gar). Samurangau has an average of 4,465 kcal/kg (gar), Suwi has the lowest CV with an average of 4,310 kcal/kg (gar), and Susubang averages 5,110 kcal/kg (gar).

The Kideco Resource areas have been subject to detailed drilling, with the majority of drill lines at 100 m to 200 m spacing in the current and future mining areas. Additional drilling since 2020 was completed at Roto Middle, Roto South, Samurangau, and Susubang. Most drilling is typically more than 100 m deep, with several deeper holes drilled up to 522 m deep. Geophysical logging of holes has been conducted in the majority of the drill holes.

RPM is of the opinion that the geological database and geological models are adequate for Coal Resource estimation in accordance with JORC. Coal Resources have been estimated from the geological model prepared by Kideco and RPM geologists based on the drill hole data available as of the end of December 2023. The current Statement does not include Roto North Block, as the area is considered mined out.

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The Coal Resources at Kideco are estimated to total **1,449 Mt**, of which **201 Mt** are classed as Inferred, **484 Mt** are classed as Indicated, and the balance of **764 Mt** is classed as Measured. The Coal Resources are summarised in **Table ES1**. Note that totals have been rounded to reflect the accuracy of the estimates.

Table ES1 Kideco Open Cut Coal Resources Summary as of 31 December 2023

Area / Block	Coal Resources (Million Tonnes)				TM %	CV (kcal/kg)	Ash %	TS %	RD
	Inferred	Indicated	Measured	Total	(ar)	(gar)	(adb)	(adb)	In Situ
Inferred Resources									
Roto South A-F	17			17	22.5	5,055	3.4	0.1	1.27
Roto South G (Biu)	0			0	26.1	4,750	4.4	0.18	1.26
Roto Middle	33			33	27.6	4,635	4.9	0.13	1.27
Samurangau ABC	136			136	30.2	4,445	4.8	0.14	1.24
Samurangau D	9			9	30.5	4,545	5.5	0.19	1.27
Suwi	3			3	29.9	4,280	7.0	0.15	1.25
Susubang	3			3	19.4	5,070	7.3	0.17	1.28
Sub Total/ Average	**201**	**0**	**0**	**201**	**29.0**	**4,540**	**4.8**	**0.14**	**1.25**
Indicated Resources									
Roto South A-F		50		50	22.5	5,025	3.1	0.1	1.27
Roto South G (Biu)		2		2	23.1	4,735	6.5	0.14	1.27
Roto Middle		110		110	26.5	4,700	3.3	0.12	1.25
Samurangau ABC		221		221	29.9	4,490	3.9	0.13	1.25
Samurangau D		87		87	29.2	4,560	3.9	0.12	1.25
Suwi		4		4	29.8	4,335	5.6	0.14	1.25
Susubang		10		10	19.5	5,050	7.2	0.15	1.28
Sub Total/ Average	**0**	**484**	**0**	**484**	**28.0**	**4,615**	**3.8**	**0.12**	**1.25**
Measured Resources									
Roto South A-F			41	41	23	4,985	3.1	0.11	1.27
Roto South G (Biu)			6	6	23.3	4,900	3.7	0.15	1.27
Roto Middle			99	99	26.5	4,780	2.7	0.11	1.26
Samurangau ABC			360	360	31.6	4,380	3.7	0.12	1.25
Samurangau D			232	232	29.5	4,545	3.5	0.11	1.25
Suwi			0	0					
Susubang			26	26	20.3	5,140	4.7	0.13	1.28
Sub Total/ Average	**0**	**0**	**764**	**764**	**29.4**	**4,545**	**3.5**	**0.12**	**1.25**
Grand Total/ Average	**201**	**484**	**764**	**1,449**	**28.9**	**4,570**	**3.8**	**0.12**	**1.25**

Notes:

1. *The Statement of JORC Coal Resources for Kideco has been compiled by Mr Oki Wijayanto, a full-time employee of RPM and a Registered Member of the Australian Institute of Mining and Metallurgy. Mr Wijayanto has sufficient experience relevant to the style of coal and type of deposit under consideration and to the activity he has undertaken to qualify as a Competent Person as defined in the JORC Code.*
2. *All Coal Resources figures reported in the table above represent estimates as of 31 December 2023. Coal Resource estimates are not precise calculations, depending on the interpretation of limited information on the occurrence's location, shape, continuity, and available sampling results.*
3. *The figures reported are rounded, which may result in small tabulation errors.*
4. *Resources are reported inclusive of Reserves.*
5. *Coal Resources have been estimated in accordance with the JORC Code (2012) and Australian Guidelines for Estimation and Classification of Coal Resources (2014).*
6. *Resources are reported on a 100% equity basis.*
7. *RPM evaluated the reasonable prospect for eventual economic extraction using the open cut mining method for the Resources through a pit optimisation process. An economic pit shell was used to limit the reported Resources based on operating costs outlined in Section 8 and a benchmark coal price of USD 138 per tonne for 6,322 kcal/kg gar energy, adjusted based on the coal quality estimated for the deposit. This price is based on a historical and future benchmark price. Different overall slopes were applied based on the mining area in the optimisation process. The average depth of deep drilling was also used as a lower limit to the Resources limits. This parameter ensured the continuity of coal seams within the selected optimisation results, resulting in an average SR of approximately 6:1 for the whole RTM-SM area, 9.7:1 in RTS A-G area, 9.6:1 in Suwi, and 13.4:1 in Susubang area.*

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RPM has performed a Resource Risk Assessment for the Coal Resource estimate as at of 31 December 2023 based on Risk Management AS/NZS 4360:1999. No major issues were found in the geological interpretation, Resource model dataset, geological model, permits, and constraints. Therefore, the risk associated with an unreliable Resource estimate is low.

RPM has identified several opportunities based on the findings of the provided data as follows:

- Coal density is still based on limited data, hence a default RD adb value was used.
- A total of 16 recent drillholes were excluded in Susubang northeast area due to verticality data issues.
- Limited drill holes in southern RTM and the area between RTM and SM.
- Limited drill holes in the southwest portion of SM ABC.
- Limited drill holes in the east and west parts of Suwi.
- Coal reconciliation in short period/yearly basis shows higher variance compared to the total, particularly in the complex area. RPM understands that no dedicated short-term model is available.

Based on the risks and opportunities identified, RPM makes the following recommendations:

- Conduct future exploration to include RD analysis to improve the accuracy of the quality model and estimate.
- Analyse the root cause of the verticality data issue and conduct a verticality re-survey of the problem holes. If the issue can be resolved as well as the resurvey, the drill holes can used in future work.
- Conduct extensional drilling to southern RTM and infill towards SM D.
- Conduct infill drilling in southwestern SM ABC.
- Conduct infill drilling in eastern Suwi to increase the Resource category and extend the drilling to the west of Suwi to further delineate the prospects.
- Develop short-term models to assist in the mine operation and improve the accuracy of mine planning and reconciliation.

The estimation of Coal Reserves involves the application of a number of mining factors. Minimum coal seam thickness, cut-off criteria, coal losses, and dilution factors were applied in the estimation process to convert the in situ coal tonnes to ROM coal tonnes.

Kideco has provided the long-term forecast price from the marketing team sourcing from a 3rd party coal price forecast dated January 2024. (“McCloskey Forecast Price Table”). RPM used its internal long-term forecast price sourcing from 3rd party consensus pricing to form a view of the selection of the long-term forecast coal price benchmark used for this Project.

The revenue assumptions for the options study and the LOM schedule are based on the long-term forecast coal price benchmark of USD100/t Indonesian Coal Reference Price (Harga Batubara Acuan/ HBA) at calorific value (CV) of 6,322 kcal/kg gar, total moisture of 8 %, sulphur content of 0.8 % and ash of 15 % for the export coal market and coal price cap of USD70/t Indonesian Coal Reference Price (Harga Batubara Acuan/ HBA) at CV of 6,322 kcal/kg gar, total moisture of 8 %, sulphur content of 0.8 % and ash of 15 % for the domestic coal market.

The coal prices used in the LOM economic model were based on the annual average quality of each pit and calculated via a formula linked to this reference price. The assumption of 75% export coal and 25% domestic coal has been used to determine the coal tonnage and coal price assumption for the LOM model, as well as the associated royalty tariff. The operating costs applied in the pit optimisation model are based on the weighted average cost used in Kideco’s strategic plan for each area.

The purpose of the work is to provide an estimate of the open cut coal Reserves based on the updated geological model as per the cut-off date of 31 December 2023. Open Cut Coal Reserves were estimated to total **468.2 Mt**, of which **369.6 Mt** are classed as Proved, with the balance of **98.6 Mt** classed as Probable.

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The rounding of the Coal Reserve estimates is in accordance with the JORC Code, which states: Coal Reserve estimates are not precise calculations. Reporting of tonnage and grade figures should reflect the relative uncertainty of the estimate by rounding off to appropriately significant figures.

The Coal Reserves have been classified based on the level of detail completed in the mine planning and the level of confidence in the Coal Resources. On this basis, just over 75% of the Coal Reserves are considered as Proved Coal Reserves. The Measured and Indicated Coal Resources are reported inclusive of those Coal Resources modified to produce the Coal Reserves, (that is, Coal Reserves are not additional to Coal Resources).

Table ES2 Kideco Open Cut Coal Reserves Summary as of 31 December 2023

Area / Block	Coal Reserve (Million Tonnes)			CV (kcal/kg)	Ash %	TM %	IM %	TS %	RD
	Probable	Proved	Total	(gar)	(ar)	(ar)	(adb)	(ar)	(gr/cc)
Probable Reserve									
Roto North*									
Roto South	2.9	0.0	2.9	4,920	4.25	22.96	15.97	0.11	1.28
Roto South G (Biu)*									
Roto Middle	3.1	0.0	3.1	4,840	3.97	24.38	17.54	0.10	1.28
Samurangau ABC	79.6	0.0	79.6	4,310	5.07	31.33	20.25	0.12	1.26
Samurangau D	12.3	0.0	12.3	4,570	4.24	28.90	18.97	0.15	1.26
Suwi*									
Susubang	0.7	0.0	0.7	4,920	8.49	19.15	14.86	0.14	1.29
Sub Total/ Average	**98.6**	**0.0**	**98.6**	**4,380**	**4.93**	**30.48**	**19.84**	**0.12**	**1.26**
Proved Reserve									
Roto North*									
Roto South	0.0	20.0	20.0	4,960	3.97	22.63	16.47	0.11	1.28
Roto South G (Biu)*									
Roto Middle	0.0	0.4	0.4	4,790	3.07	25.77	18.02	0.10	1.27
Samurangau ABC	0.0	231.0	231.0	4,330	4.35	31.76	20.50	0.12	1.25
Samurangau D	0.0	113.5	113.5	4,550	3.86	29.30	19.04	0.11	1.26
Suwi*									
Susubang	0.0	4.7	4.7	4,990	5.09	20.99	15.44	0.12	1.28
Sub Total/ Average	**0.0**	**369.6**	**369.6**	**4,440**	**4.19**	**30.37**	**19.77**	**0.12**	**1.26**
Grand Total/ Average	**98.6**	**369.6**	**468.2**	**4,430**	**4.34**	**30.39**	**19.78**	**0.12**	**1.26**

**; The Roto North, Roto South G and Suwi were not included in the scope of work to update the Resource and Reserve.*

Notes:
1. *The Statement of JORC Open Cut Coal Reserves has been compiled under the supervision of Mr. Gusti Sumardika, who is a full-time employee of RPM and a Registered Member of the Australian Institute of Mining and Metallurgy Mr. Gusti Sumardika has sufficient experience which is relevant to the style of Coal and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code.*
2. *Tonnages are metric tonnes.*
3. *Coal Reserve estimates are not precise calculations. The totals contained in the above table have been rounded to reflect the relative uncertainty of the estimate. Rounding may cause some computational discrepancies.*
4. *Coal Reserves have been estimated in accordance with the guidelines of the 2012 Edition of the JORC Code and the Guidelines 2003 Edition.*
5. *Coal Reserves have been estimated on a 100% ownership basis.*
6. *Marketable Reserves are the same as Coal Reserves. The product is sold as a crushed coal product, and no coal washing activity has been undertaken.*
7. *Marketable Reserves and Coal Reserves are inclusive and not additional to the Coal Resources.*
8. *The Reserve was estimated using the end of December 2023 topography surface.*

The ROM coal is not further upgraded through beneficiation but stockpiled and transhipped to the vessels. The coal is sold as unwashed coal; therefore, coal Reserves are equivalent to Marketable Reserves.

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There are a number of technical, marketing, planning and statutory issues that may impact the stated Coal Reserves. These issues may impact the pit shells and mining quantities. Consequently, when the next JORC statement is prepared, it is likely to have different pit shells and quantities. The issues also include:

- Further geotechnical studies;
- Ongoing exploration drilling (including coal quality coring), and subsequent updates to the geological model;
- Updates to the life of mine plan;
- Changes in regulatory requirements;
- Changes to the mining method being employed;
- Changes in the coal prices; and
- Changes in the economic parameters.

The Coal Resource estimates in the report were estimated by Mr. Gamet Reza Nugroho and Mr. Hengky Palysa under supervision of Mr. Oki Wijayanto, BSc, (Geology). All personnel are members of the Australasian Institute of Mining and Metallurgy. The estimates are based on information compiled and reviewed by Mr. Oki Wijayanto, who is a full-time employee of RPM and has sufficient experience which is relevant to the style and type of deposit under consideration and to the activity undertaken to qualify him as a ***Competent Person*** as defined in the 2012 Edition of the JORC Code.

The Coal Reserve estimates in the report were estimated by Mr. Henson Saputro and Mr. Lukman el Hakim under supervision of Mr. Gusti Sumardika, BSc (Mining). All personnel are members of the Australasian Institute of Mining and Metallurgy. The estimates are based on information compiled and reviewed by Mr. Gusti Sumardika, who is a full-time employee of RPM and has sufficient experience which is relevant to the style and type of deposit under consideration and to the activity undertaken to qualify him as a ***Competent Person*** as defined in the 2012 Edition of the JORC Code.

This report may only be presented in its entirety. Parties wishing to publish or edit selected parts of the text or use the Statement for public reporting must obtain prior written approval from RPM and the signatories of this report.

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Acronyms and Abbreviations

$	Dollar
adb	air dried basis
AMDAL	Analisis Mengenai Dampak Lingkungan
ar	as received
ASCII	American Standard Code for Information Interchange
ASL	Above Sea Level
ASR	Average Stripping Ratio
ASTM	American Society for Testing and Material
bcm	bank cubic metre
BE	Bachelor of Engineering
BESR	Breakeven Strip ratio
BSc	Bachelor of Science
cm	Centimetre
CTB	Coal Transhipment Barge
CV	Calorific Value
E-W	East – West
EQM	Equilibrium Moisture
FC	Fixed carbon
gar	Gross As Received
GPS	Global Positioning System
ha	hectare
HBA	Harga Batubara Acuan
HGI	Hardgrove Grindability Index
HQ	Drilling pipe size with inner diameter of 63.5 mm
IM	Inherent Moisture
ISR	Incremental Stripping Ratio
IUP	Izin Usaha Pertambangan (Mining Permit)
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, the JORC Code (2012)
kcal	kilocalorie
kg	kilogram
km	kilometre
kt	kilo metric tonnes
LAS	Log ASCII Standard
LIDAR	Light Detection and Ranging
LOM	Life of Mine
m	metre
m^3	Cubic metre
Mbcm	Million bank cubic metre
MHC	Moisture Holding Capacity
Mis	In Situ Moisture
mm	millimetre
Mt	Million Metric tonne
Mtpa	Million Metric tonne per annum
NNE	North Northeast

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NPV	Net Present Value
PCD	Polycrystalline Compact Diamond
PoO	Points of Observation
PT	Perseroan Terbatas (Limited Liability Company)
QA	Quality Assurance
QC	Quality Control
RD	Relative Density
RKTTL	Rencana Kerja Tahunan Teknis dan Lingkungan
RL	Reduce Level - elevation above sea level in metres
ROM	Run of Mine
RPM	RungePincockMinarco
RTM	Roto Middle
RTN	Roto North
RTS	Roto South
SM	Samurangau
SNI	Standar Nasional Indonesia (Indonesian Standard)
SR	Stripping Ratio
SSB	Susubang
SSW	South Southwest
t	metric tonne
tph	tonnes per hour
TM	Total Moisture
TS	Total Sulphur
US	United States
USD	United States Dollar
UTM	Universal Transverse Mercator
VAT	Value Added Tax
VM	Volatile Matter

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RPMGLOBAL

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1. Introduction

1.1 General

In November 2023, PT RungePincockMinarco ("RPM") was commissioned by PT. Kideco Jaya Agung (the "Client" or "Kideco") to prepare an independent estimate (hereafter, referred to as the "Statement") of the Open Cut Coal Resources and Reserves of PT. Kideco Jaya Agung coal mining concession ("Kideco" or "Project"). The Kideco project is located in the Paser Regency of Kalimantan Timur Province, Indonesia (see **Figure 3-1**).

This Statement reports the Coal Resources as of 31 December 2023 and has been undertaken in accordance with the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia ("The JORC Code"). The following terms have been adopted for the reporting of Coal Resources:

- **Coal Resources** as used in this report, are the same as "Mineral Resource" in The JORC Code and "Geological Resources", a common term used in the industry.
- Coal Resources have been subdivided into **Inferred, Indicated,** and **Measured Resources** to reflect the confidence in the underlying resource knowledge.
- **Coal Reserves,** as used in this Statement are the same as "Ore Reserves" in The JORC Code and "Mining Reserves", a common term used in the industry,
- Coal Reserves in the JORC Code are subdivided into **Proved and Probable** to reflect the confidence in the underlying Resource estimate and the associated mine planning Modifying Factors,
- **Marketable Reserves** allow for practical yields in a beneficiation plant, the result of processing commonly being known in the industry by the term "product coal". In some circumstances beneficiation may not be required, in these cases Marketable Reserves may be the same as Coal Reserves, and
- **Coal Resources** are reported inclusive of **Coal Reserves** (that is, Coal Reserves are not additional to Coal Resources).

Additional terminology applied within this report includes the following:

- **Geological Model**, (or "In Situ" Model), is the computerised three-dimensional representation of the coal deposit based on topographic survey data, coal seam data derived from outcrop, drill hole or other data points, including coal thickness and quality.
- **Mineable Pit Shell** is the theoretical "economic" pit shell after modification to conform to a practical pit design.
- **Mineable In Situ Coal**, (non-JORC terminology), as used in this report is in situ coal within the mineable pit shell.
- **Run of Mine (ROM) Coal**, (non-JORC terminology), as used in this report is coal in the mineable pit shell after application of Modifying Factors including geological and mining losses, roof and floor loss, dilution and moisture content changes and can include the Coal Reserves plus the coal from areas of Inferred Coal Resources.

1.2 Approach

The process adopted for the Project is described below:

- In situ geological models for Roto South (RTS), Roto Middle (RTM) - Samurangau, and Susubang were updated by RPM geologists from the Kideco exploration data using Datamine Minescape software, version 2023. This model had no cut-off criteria applied, hence the "in situ" model term.
- The Roto South, Roto Middle – Samurangau, and Susubang geological models and underlying raw data such as drill hole logs, coal quality reports and geophysical logs were compiled and reviewed by RPM geologist under supervision from Mr Oki Wijayanto. This was to determine if the geological data

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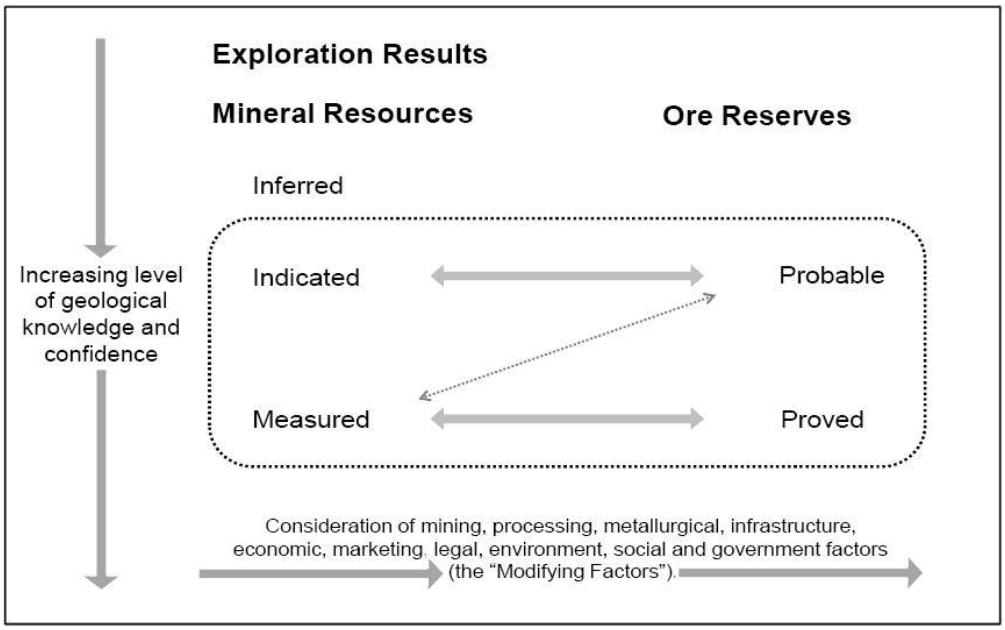
was reliable and that the model was a good representation of the geology of the minesite and honoured the input data.

- It is noted that additional drilling data in the adjoining area of Roto Middle and Samurangau has provided adequate data to enable detailed seam correlation between these areas. As a result, seam nomenclature in Roto Middle was revised and adjusted into Samarangau seam nomenclature. A single, combined geological dataset was then used to build a geological model covering both Roto Middle and Samurangau.
- Categorisation of the coal seams in the geological model into Inferred, Indicated and Measured confidence areas was based on geological confidence.
- Resources were estimated and reviewed by applying the categorised coal seams as tabulated in this report.
- The Datamine Minescape Block Models were created for Roto South and Susubang area based on a combination of Stratmodel and wireframes formats. The Roto Middle – Samurangau geological model was created with Datamine Minescape Stratmodel.
- The Datamine Minescape Block Models were imported into Whittle mine planning software, while the Datamine Minescape Stratmodels were imported into Minex mine planning software.
- The Inferred, Indicated, and Measured confidence limits were overlaid on the pit shells. The Indicated and Measured confidence limits were used to classify the coal within the economic pit limits from the Optimiser, and Inferred tonnes were excluded from the Reserve estimate.
- The Coal Reserves were categorised as Proved or Probable based on the Coal Resource confidence and the level of detail in the mine planning, operational history and confidence in the modifying parameters.
- Checks were undertaken and the results of the Resource and Reserve estimates and the supporting information is documented in this report.

The JORC Code “framework for classifying tonnage and grade estimates to reflect different levels of geological confidence and different degrees of technical and economic evaluation” was applied in the estimation of the Coal Resources and Coal Reserves and is shown in **Figure 1-1**.

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Figure 1-1 General Relationship between Exploration Results, Mineral Resources and Ore Reserves



Source: Pg. 9, Australasian Code for Reporting of Mineral Resources and Ore Reserves, The JORC Code 2012 Edition

1.3 Relevant Reports and Studies

The following reports, documents and studies were used as reference material in the preparation of the Statement.

- Preston, KB and Sanders, RH. May 1993. "Estimating the In-Situ Relative Density of Coal", Australian Coal Geology, Vol. 9, pp 22-26.
- The Guidelines Review Committee on behalf of the Coalfields Geology Council of New South Wales and the Queensland Resources Council. 2014. Australian Guidelines for Estimation and Classification of Coal Resources.
- The Joint Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC). 2012. Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, (The JORC Code – 2012 Edition).
- Ikatan Ahli Geologi Indonesia. 2000. An Outline of the Geology of Indonesia.
- Badan Standardisasi Nasional. 2019. Pedoman Pelaporan, Sumberdaya, dan Cadangan Batubara (SNI 5015: 2019).
- Joint Technical Committee of Australian/ New Zealand Standard. 12 April 1999. Risk Management AS/NZS 4360:1999.
- PT. Kideco Jaya Agung. July 2018. Coal Sampling, Standard Operating Procedure (SOP-GS-026).
- RPMGlobal. 12 March 2020. PT. Kideco Jaya Agung Statement of Open Cut Coal Resources and Reserves as at 31 December 2019.
- RPMGlobal. October 2020. PT. Kideco Jaya Agung 2020 Life of Mine Plan.

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1.4 Purpose of this Report

The purpose of the report is to provide an objective assessment of Coal Resources and Reserves, which are reported in accordance with the Australian Code for Reporting of Mineral Resources and Ore Reserves, December 2012 (The JORC Code) for the Kideco area as of 31 December 2023.

1.5 Previous Coal Resource and Reserve Statements

RPM has prepared the previous Coal Resource and Reserve Statements in accordance with the JORC Code 2012 for this Project, with the most recent as at 31 December 2019. This Statement supersedes the previous Statement.

1.6 Limitations and Exclusions

This Report was prepared by RPM at the request of the Client in accordance with the terms and conditions of its engagement and the limitations and exclusions in **Appendix A** of this report. For the purposes of this Report Items 1-8 of the limitations and exclusions in **Appendix A** are incorporated as if they were included verbatim in this Report.

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2. Competent Persons Statement

The information in this report that relates to the Coal Resources of the Kideco Coal Project, is based on information compiled and reviewed by RPM geologists under the supervision of Mr. Oki Wijayanto, who is a Member of the Australasian Institute of Mining and Metallurgy and works full time for RPM.

Mr. Oki Wijayanto is a qualified Geologist who has 22 years of relevant mining and geological experience in coal, working for major mining companies and as a consultant. During this time, Mr. Oki Wijayanto has either managed or contributed significantly to numerous mining studies related to the estimation, assessment, evaluation and economic extraction of coal in Indonesia.

The information in the report, to which this statement is attached, that relates to the Open Cut Coal Resource of PT Kideco Jaya Agung is based on information compiled and reviewed by RPM geologists under the supervision of Mr Oki Wijayanto, who is a Member of the Australasian Institute of Mining and Metallurgy and works full time for RPM.

I, Oki Wijayanto, confirm that I am the Competent Person for the Coal Resources stated in this Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition);
- The estimates of Coal Resources presented in this Report have been carried out in accordance with the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” (2012);
- I am a Geologist and Competent Person as defined by the JORC Code 2012 Edition, having over fourteen years’ experience that is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity which have undertaken in the preparation of this report;
- I am a Member of The Australasian Institute of Mining and Metallurgy; and
- I have reviewed the Report to which this Consent statement applies.

I confirm I am a full-time employee of PT RungePincockMinarco, a company related to RPM Advisory Services Pty Ltd, which has been engaged by PT Kideco Jaya Agung to prepare an independent estimate (hereafter, referred to as the “Statement”) of the Open Cut Coal Resources for PT Kideco Jaya Agung mining concessions.

The Statement reports the Coal Resources as at 31 December 2023.

I am not aware of any potential for a conflict of interest in relation to this work for the Client. I have no interest whatsoever in the mining assets reviewed and will gain no reward for the provision of this Coal Resources Statement. RPM will receive a professional fee for the preparation of this Statement. Accordingly, I have disclosed to the reporting company the full nature of the relationship between myself and the Client, including any issued that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears, the information in my supporting documentation relating to the Coal Resources.



……

Oki Wijayanto BSc (Geology), MAusIMM, MIAGI

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Mr Gusti Sumardika, Mining Engineer

The information in this Report that relates to Coal Reserves is based on information compiled and reviewed by the Client and RPM mining engineers under the supervision of Mr Gusti Sumardika, who is a Member of The Australasian Institute of Mining and Metallurgy and works full-time for PT. RungePincockMinarco (RPM).

Mr Gusti Sumardika is a qualified mining engineer with 20 years of relevant mining and engineering experience in the coal industry and as a consultant. During this time, Mr Gusti Sumardika has either managed or contributed significantly to numerous mining studies related to the estimation, assessment, evaluation, and economic extraction of coal in Indonesia.

I, Mr Gusti Sumardika, confirm that I am the Competent Person for the Coal Reserves stated in this Report and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition);
- The estimates of Coal Reserves presented in this Report have been carried out in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (2012);
- I am a qualified Mining Engineer and Competent Person as defined by the JORC Code 2012 Edition, having over 20 years of experience that is relevant to the style of mineralisation and type of deposit described in the Report and to the activity which I have undertaken in the preparation of this report;
- I am a Member of The Australasian Institute of Mining and Metallurgy and
- I have reviewed the Report to which this Consent statement applies.

I am a full-time employee of PT RungePincockMinarco that has been engaged by PT. Kideco Jaya Agung ("Kideco" or the "Client") to prepare an independent estimate (hereafter referred to as the "Statement") of this report of Open Cut Coal Reserve as of 31 December 2023 in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2012 Edition (The Joint Coal Reserves Committee Code -JORC 2012 Edition) (JORC).

I am not aware of any potential for a conflict of interest in relation to this work for the Client. I have no interest whatsoever in the mining assets reviewed and will gain no reward for the provision of this Coal Reserves Statement. RPM will receive a professional fee for the preparation of this Statement. Accordingly, I have disclosed to the reporting company the full nature of the relationship between myself and the Client, including any issue that could be perceived by investors as a conflict of interest.

I verify that the Report is based on and fairly and accurately reflects in the form and context in which it appears the information in my supporting documentation relating to the Coal Reserves.



……

I Gusti Made Sumardika B.Sc (Mining), MAusIMM, MPerhapi

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3. Project Description

3.1 Location

The Project is located in the Paser Regency, Kalimantan Timur, Indonesia, 120 km by road southwest of Balikpapan. It is 38 km west of Tanah Grogot, the administrative centre for the Regency. Road access to the site is via the East Coast Highway, which travels south of Balikpapan. The Project location is shown in **Figure 3-1**, and site layout with the existing mine area and infrastructures is shown in **Figure 3-2**.

3.2 Physiography and Climate

The topography of the Kideco concession is varying undulating terrain with north – and south-oriented hills, which reflects the general geological structure and trend in the deposit. The project area has a tropical climate. It has a high annual precipitation, between 1,800 and 2,400 mm per year, with no clear difference between dry and rainy seasons.

3.3 Coal Tenements, Mining Approvals and Land Tenure Status

3.3.1 Mining Concession

The Project has licences covering an area of 33,887 hectares (ha). The license titles are listed as follows **Table 3-1**:

Table 3-1 Kideco Mining Concessions

Asset Name	License Number	Mineral License	License Area (ha)	License Expired
Roto – Samurangau - Susubang	KepMen Investasi/Kepala Badan Koordinasi Penanaman Modal Letter Number 14/1/IUP/PMA/2022	Special mining business permit as a continuation of contract/agreement to PT Kideco Jaya Agung operations dated 16 December 2022	33,887 (Production)	10 Years

An independent review of site access issues was not conducted; however, Kideco advised that there are no current significant land access issues relating to land compensation and production forest, which could impact on the Coal Reserves. An independent review of the Project's permits was also not carried out; however, Kideco advised that all the necessary regulatory permits for its operation are in place. Kideco further understands the opportunity to continue beyond 2033 is a point of negotiation, yet is expectant of an extension to the continuation of the exploitation permit.

3.4 Mining Operations

The operation currently utilises open pit mining methods which are undertaken by mining contractors using trucks and excavators. The current production target of the LOM Plan is 29 million tonnes per annum (Mtpa).

The mining method is described as a multi-seam, shallow to steep dip, open cut coal mining. Due to the steepness of the seam dips, the majority of waste material is taken to the out-pit until the pit advance is no longer deepening the pit, and then haul-back operations are undertaken. The open cut operation uses appropriately sized hydraulic excavators and trucks to mine the coal and waste. The ROM coal is not washed but crushed to produce thermal coal, which is then trucked to the port for domestic and export markets.

3.5 Transport and Coal Handling

The infrastructure includes the large ROM stockpiles, ROM crushing facilities, and product load-out bins established at KM 35 with a nominal capacity of 35.6 Mtpa capacity. The Tanah Merah Coal

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Terminal (TMCT) is located at the mouth of Adang Bay. The infrastructure and site facilities have served the site well since production commenced over 30 years ago.

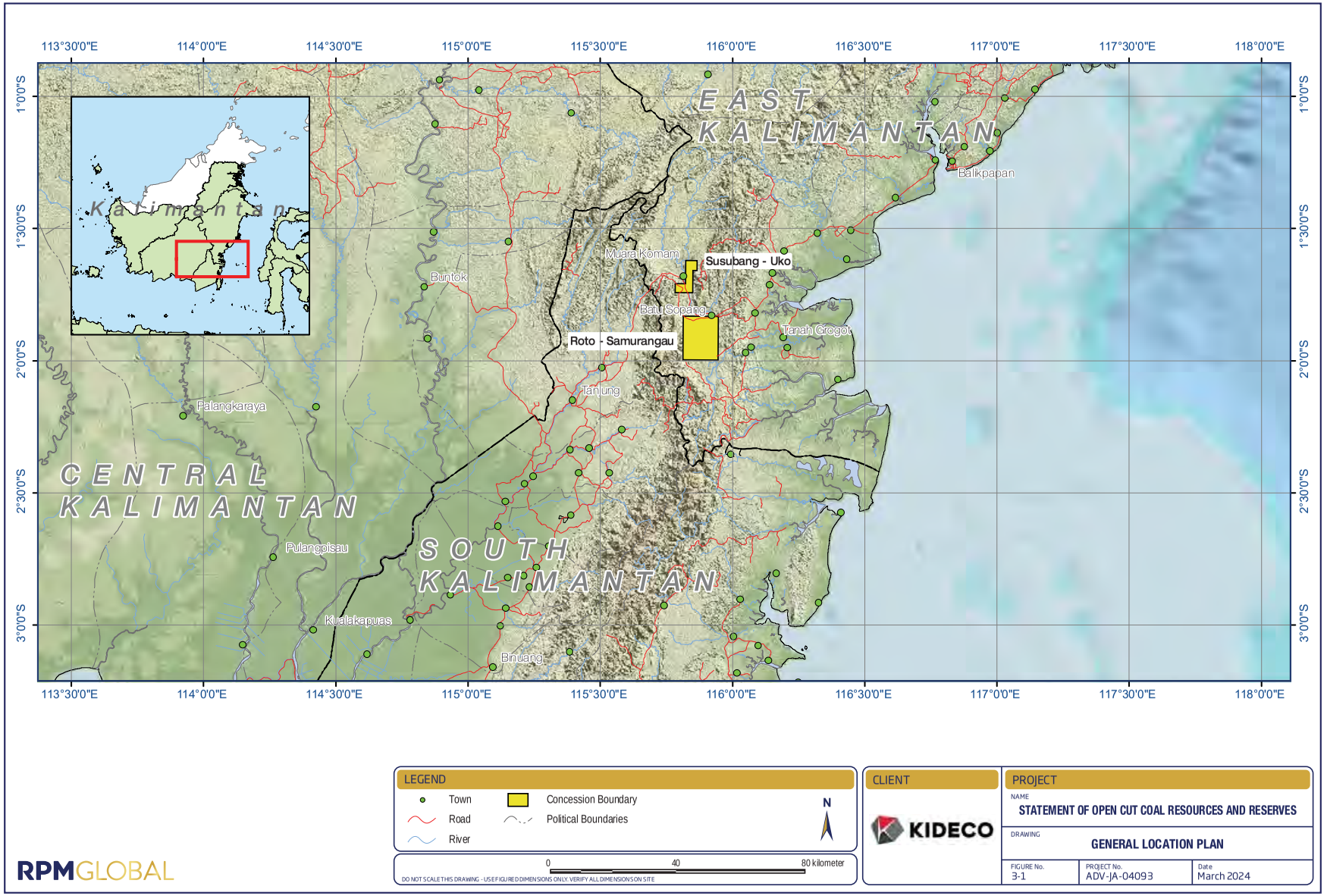
3.6 Site Visit

Site visits to Kideco were completed by Mr. Oki Wijayanto, Mr. Gusti Sumardika, and Mr. Henson Saputro in February and March 2024, all of whom are permanent employees of RPM. Mr. Oki and Mr. Gusti are considered as the Competent Persons for the purpose of this report. During the site visit, they had a discussion with Kideco's geology and mining team and visited the active pits and existing infrastructures. The site visit confirmed that:

- Exploration procedures follow industrial best practice.
- The completed additional exploration's evidence exists.
- Geological features that were observed in the active pit, in general are aligned with geological model interpretation.
- All necessary infrastructure is in place and in good condition.
- Mining operations are carried out and supervised professionally by Kideco and its nominated contractor.

The exploration and mining encountered during the site visit are shown in **Figure 3-3** to **Figure 3-7**.

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CENTRAL KALIMANTAN
SOUTH KALIMANTAN
Balikpapan
Muara Komam
Susubang - Uko
Buntok
Batu Sopang
Tanah Grogot
Roto - Samurangau
Tanjung
Palangkaraya
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DRAWING
GENERAL LOCATION PLAN
FIGURE No.
3-1
PROJECT No.
ADV-JA-04093
Date
March 2024

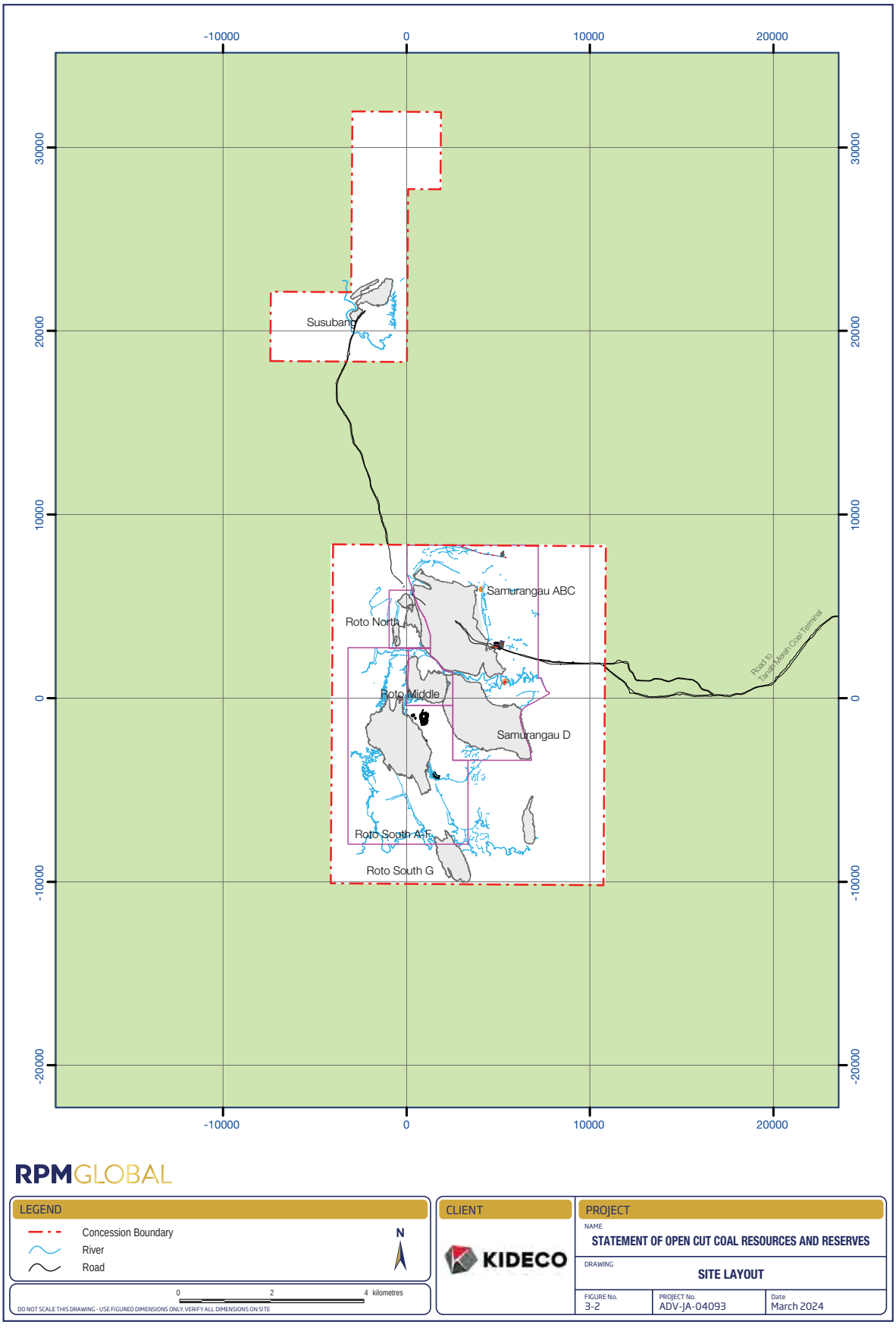

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SITE LAYOUT
FIGURE No.
3-2
PROJECT No.
ADV-JA-04093
Date
March 2024

Figure 3-3 Drilling in Samurangau Area



Figure 3-4 Mark of Finished Hole in Susubang Area



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Figure 3-5 Mining Operation in Samurangau Area



Figure 3-6 Mining Operation in RTS G Area



Figure 3-7 Northeast Part of Susubang Area



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4. Geology and Mineralisation

4.1 Regional Geology

The island of Kalimantan lies upon the southeastern margin of the greater Eurasian plate. It is bounded to the north by the South China Sea marginal oceanic basin, to the east by the Philippine Mobile Belt and the Philippine Sea Plate and to the south by the Banda and Sunda arc systems. It is confined to the west by the Sunda Shelf and ultimately by the Malay Peninsula's Paleozoic and Mesozoic continental crust.

Kalimantan can be divided into several roughly E-W trending tectonic provinces as outlined below and shown in **Figure 4-1**:

- The Melawi-Ketungau Basins and the Kutai Basin were formed during the Late Eocene. The Kutai Basin developed primarily along an arm of the Makassar rift system, while the Melawi-Ketungau basins and the Upper Kutai basins occupy more of a fore-arc to intra-arc position to Tertiary volcanism.
- Tarakan and Sandakan Basins are developed in the northeast part of Kalimantan.
- The Barito Basin occupies the southern part of Kalimantan.
- The Schwaner Batholith is a triangular-shaped exposure of Cretaceous granitic rocks that intrude Paleozoic and Mesozoic volcanics, volcaniclastics, and marine sediments.
- The eastern margin of the Barito Basin is formed by the Meratus ophiolite, which also separates the Asem-asem Basin.
- Asem-asem Basin, grades eastwards into the Paternoster carbonate Platform.

Figure 4-1 Tectonic Setting of Kalimantan



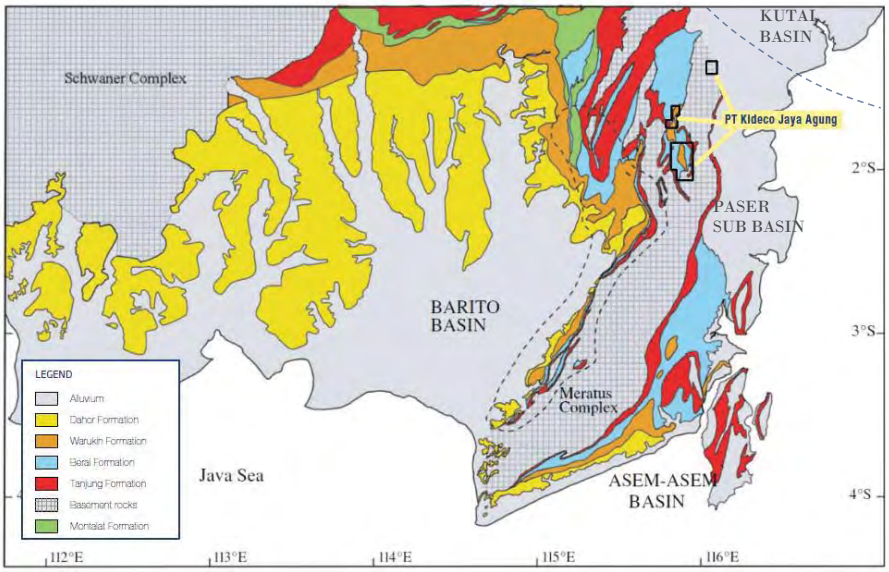
(After Kusuma and Darin, 1989)

The Project area is located within the Paser Sub-Basin. This sub-basin developed in the Late Cretaceous, following a micro-continental collision between the Paternoster and SW Borneo microcontinents. Early Tertiary extensional deformation occurred as a tectonic consequence of that oblique convergence. During the Miocene, the Schwaner Core and the Meratus Mountains were uplifted and separated the project area.

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The Meratus Ophiolitic Complex defines the sub-basin to the west, east, and south. The project area is separated from the Kutei Basin to the north by a flexure related to the Adang Fault. The sub-basin has a narrow opening to the south towards the Asem-Asem Basin (**Figure 4-2**).

Figure 4-2 Regional Geology of the Paser Sub-Basin



Modified from Witts et al (2012) and Supriatna et al (1994).

The Tertiary stratigraphic succession within the Paser Sub-Basin, is described in ascending stratigraphic order as follows:

- Tanjung Formation, Eocene age, deposited in a transgressive environment: alluvial and lacustrine in the lower part, fluvio-deltaic in the middle, and eventually marine in the upper part of the formation. The lower part is distinguished by conglomeratic quartz sandstone, with the middle part consisting of claystone and sandstone with intercalations of siltstone and coal. The upper part consists of marine shales which mark the boundary with the Berai Formation.
- Berai Formation, Oligocene to early Miocene age carbonate deposits, comprises limestone, locally alternating with marl and sandstone, and deposited in a neritic environment.
- Warukin Formation, middle Miocene age, consists of quartz sandstone, carbonaceous claystone, limestone, and coal intercalation. This formation is the coal-bearing formation in the Project. A conglomerate is identified in the lower part of the formation.
- Quaternary alluvium, the youngest sediment in the basin.

4.1.1 Warukin Formation

The Kideco coal deposit occurs within the Warukin Formation. The Warukin Formation consists of fluvial sandstone, intertidal siltstone, mudstone, shale, and coal beds. The coal-bearing sedimentary rocks thicken to the east towards the Meratus Range, whereas the coal seams vary significantly, ranging from 0.5 m to ~50 m. This formation has a total thickness of sediments of up to several thousands of meters, was deposited in a shallow marine to fluvio-deltaic environment and comprises the syn-inversion sequence of the basin.

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4.2 Local Geology

The identified Coal Resources are multi-seam deposits within the Miocene Age Warukin Formation in the Paser Sub-basin. Seven potential mining areas have been identified by exploration mapping and drilling within the basin. Four areas in the Roto deposit are divided into Roto North, Roto Middle, Roto South A-F and Roto South G (Biu). The Roto North area has been mined out and not included in this report. The other mining areas are Samurangau, Suwi, and Susubang deposits (refer **Figure 3-1**). A brief description of each resource area is provided in the following sections.

The seam thicknesses vary between seams and areas, with the thicker seams occurring in the Roto area. The average true thickness of the main seams for each area is shown in **Table 4-1**. A detailed tabulation of seam thickness for all modelled seams for all areas is included in **Appendix C**.

Table 4-1 Average Thickness – Main Seams

Block/Area	Seam	Average True Thickness (m)
Roto South A-F	16WW	11.1
	13WW	27.1
	12WW	15.8
	10WW	26.7
Roto South G	13WW	13.5
	12WW	13.00
	6WW	4.2
Roto Middle	11	4.8
	9	20.4
	8	18.9
Samurangau	9	13.0
	8	12.5
	4	12.5
Suwi	C9U	4.1
	C9L	6.8
	A10L	15.6
Susubang	30	9.3
	25	8.6
	8	9.5

4.2.1 Coal Quality

The vast majority of drill holes were cored by Kideco prior to November 2006. Subsequent drilling has been predominantly geophysically logged open holes, with a representative number of holes cored for coal quality investigations. Model predictions are used to identify the top of the coal to reduce the risk of core loss at the start of coring. There is a large coal quality database, and coal has been typically tested for Total Moisture (TM), Proximate Analysis (Inherent Moisture (IM), Ash, Volatile Matter (VM) and Fixed Carbon(FC)), Total Sulphur (TS), and CV.

It is RPM's understanding that 2009 test work was completed for Hardgrove Grindability Index (HGI), Ash Analysis, Ash Fusion Temperatures (AFT) and Ultimate Analysis on selected samples. However, RPM was not provided with any aforementioned analysis certificates and cannot comment on any outcomes of these tests.

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Kideco coal seams are typically low Ash (averaging between 3.2% to 6.2% on an air-dried basis (adb)), low Sulphur (averaging 0.12%, adb), and with average TM ranging from 20.0% to 30.8%. However, the Calorific Value CV varies between deposits by block and seam.

The Roto deposit shows an overall decrease in CV value from north towards south. Roto North has the highest CV value (average 5,445 kcal/kg gross as received (gar)), Roto South A-F averages 5,015 kcal/kg (gar), Roto South G with an average of 4,860 kcal/kg (gar), Roto Middle averages 4,725 kcal/kg (gar). Samurangau averages 4,465 kcal/kg (gar), Suwi has the lowest CV with an average of 4,310 kcal/kg (gar), and Susubang averages 5,110 kcal/kg (gar).

The average in situ qualities by area are summarised in **Table 4-2**, with detail by seam provided in **Appendix E**.

Table 4-2 Coal Quality Summary by Area

Block	TM %	IM %	Ash%	TS %	CV kcal/kg	RD In Situ
	(ar)	(adb)	(adb)	(adb)	(gar)	
Roto South A-F	22.7	16.3	3.2	0.10	5,015	1.27
Roto South G (Biu)	23.3	16.1	4.4	0.15	4,860	1.27
Roto Middle	26.7	17.6	3.3	0.12	4,725	1.26
Samurangau ABC	30.8	19.5	4.0	0.13	4,425	1.25
Samurangau D	29.5	18.7	3.7	0.12	4,550	1.25
Suwi	29.8	17.8	6.2	0.15	4,310	1.25
Susubang	20.0	15.1	5.5	0.14	5,110	1.28
Weighted Average	**28.9** (*)	**18.6** (*)	**3.8** (*)	**0.12** (*)	**4,570** (*)	**1.25** (*)

*Note: *The quality is weighted average against coal resources quantity*

4.3 Roto South A-F Area (RTS A-F)

The deposit is located at the Roto syncline's west limb, extending 10 km in relatively North-South strike length. Seam dips are sub-vertical, with angles of 75 degrees being common. Coal is dipping to the west in the northern part (Block A – C4) and to the east in the southern part (Block C3 – F). Typical cross-sections through Roto South A-F are shown in **Figure 4-3** (section A-A').

The deposit comprises a total of 57 seams and sub-seams. Seam splitting is common, and seams vary in thickness and distribution. Several significant seams occur, including Seams 10WW and 13WW, which have an average true thickness of 26.7 m and 27.1 m, respectively. The general stratigraphy of the Roto South A-F area is shown in **Figure 4-7**.

The seams at Roto South A-F are generally low ash and low TS with moderate TM, averaging approximately 22.7%. There are no significant changes in coal quality from Block A – C4 towards Block C3 – F. Coal qualities for all estimated seams are included in **Appendix E**.

4.4 Roto South G Area (RTS G)

The Roto South G, or Biu deposit, is located immediately south of Roto South (Block C3 – F) and separated by the Biu River. This deposit is an extension of Roto South, and therefore, the structure and seam characteristics are similar to Roto South Block C3 – F. The deposit extends approximately 2.3 km along strike. The seams generally dip to the northeast with an average dip of 80 degrees. **Figure 4-3** (sections B-B') shows typical cross-sections through this area.

There are 64 seams and sub-seams identified in the deposit. Seam splitting is common, as well as variations in seam thickness. Several major seams are present, including Seams 13WW and 12WW, which have an average true thickness of 13.5 m and 13.0 m, respectively. The general stratigraphy of the Biu area is shown in **Figure 4-8**.

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The seams are generally low ash (average of 4.4% (adb)), low TS (average of 0.15% (adb)) and moderate TM, averaging approximately 23.3%. Coal qualities for all estimated seams are included in **Appendix E**.

4.5 Roto Middle Area (RTM)

The Roto Middle area's structure consists of an anticline aligned sub-parallel to the Roto North structure and plunging to the south. Strata dip is steeper in areas closer to the anticline axis and gradually gentler toward the anticline limb. Seam dip on the west limb is steeper than the east limb, typically 40-70 degrees on the west limb and 20 degrees on the east limb. The seam dip on the east limb is gradually gentler to the east as the coal continues to Samurangau and forms a gently dipping synclinal structure. This synclinal structure has been confirmed with the recent drilling data. **Figure 4-3** (section C-C') shows typical cross-sections through Roto Middle.

Additional drilling data in the adjoining area of Roto Middle and Samurangau has provided adequate data to enable detailed seam correlation between these areas. As a result, seam nomenclature in Roto Middle was revised during RPM review and adjusted to Samarangau seam nomenclature. A single, combined geological dataset was then used to build a geological model covering both Roto Middle and Samurangau. Comparison of old seam nomenclature against the new seam nomenclature is shown in **Table 4-3**.

Table 4-3 Roto Middle Seam Nomenclature

Previous Seam Nomenclature			New Seam Nomenclature			Notes
Intervals	Split 1	Split 2	Intervals	Split 1	Split 2	
18			18			
18_1			18_1			
18_2			18_2			
17			17			
16			11			
	16A			11A		
	16B			11B		
		16BU*				* minor ply, re-correlated to other seam
		16BL*				* minor ply, re-correlated to other seam
15			10			
14			10_1			
14_1			10_1_1			
13H			10_2			
	13HU			10_2A		
	13HL			10_2B		
13F			10_3			
12B			9			
	12BA			9A		
	12BB			9B		
12BF			9_0			
12A			9_1			
12			8			
	12U			8A		
	12L			8B		
		12LU			8BU	
		12LL			8BL	
11			7			

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Previous Seam Nomenclature			New Seam Nomenclature			Notes
Intervals	Split 1	Split 2	Intervals	Split 1	Split 2	
10H			7_1			
10			6			
	10U			6A		
	10L			6B		
			6_1**			** additional seam due to additional drilling
9			5			
			5_1**			** additional seam due to additional drilling
			4**			** additional seam due to additional drilling

Roto Middle has 33 seams and sub-seams. Seam splitting is common, and seam thickness varies. Several main seams have been identified, including Seam 9 and 8, with average true thicknesses of 20.4 m and 18.9 m, respectively. The general stratigraphy of the Roto Middle area is shown in **Figure 4-9**.

The seams at Roto Middle are generally low ash (average 3.3%, adb), low TS (average 0.12%, adb) and have a moderate TM content (averaging approximately 26.7%). Coal qualities for all estimated seams are included in **Appendix E**.

4.6 Samurangau Area (SM)

Samurangau lies on a shallow syncline's northern and eastern flank, plunging gently to the south. Seam dips are typically gentle at 10 to 20 degrees to the west and southwest, with local steepening up to 75 degrees in the north and west of Roto North. The deposit is divided into two subblocks, Samurangau ABC and Samurangau D, with the Samurangau River flows in between. The Samurangau ABC is located to the north of the Samurangau River, while Samurangau D is located to the south. The coal seams can be correlated between the sub blocks. Typical cross-sections through Samurangau are shown in **Figure 4-4**.

Samurangau is a multi-seam deposit with 88 identified seams and sub-seams. Seam splitting is common, and seam thicknesses vary. Several major seams are identified in the area, including Seams 9, 8, and 4, with average true thickness of 13.0 m, 12.5 m, and 12.5 m, respectively. The general stratigraphy of the Samurangau area is shown in **Figure 4-10**.

The coal quality at Samurangau is generally low Ash (average of 3.9%, adb), low TS (average of 0.12%, adb), and relatively high TM, averaging 30.4%. Coal qualities for all estimated seams are included in **Appendix E**.

4.7 Suwi Area

The Suwi deposit is located approximately 1.5 km from the southern part of the Samurangau Block. This area can be described as multiple seams with two coal series: gentle west dipping coal (average 8 degrees) and eastern steeply dipping coal (average 74 degrees), with a potential major fault separating those two coal series. Typical cross-sections through Suwi are shown in **Figure 4-5**.

Suwi is a multi-seam deposit with 58 identified seams and sub-seams. Seam splitting is common, and seam thicknesses vary. Several major seams are identified in the area, including Seam C9U and C9L, which have an average true thickness of 4.1 m and 6.8 m, respectively. The general stratigraphy of the Suwi area is shown in **Figure 4-11**.

The coal quality at Suwi invariably has low Ash (average of 6.2%, adb), low TS (average of 0.15%, adb), and relatively high TM, averaging 29.8%. Coal qualities for all estimated seams are included in **Appendix E**.

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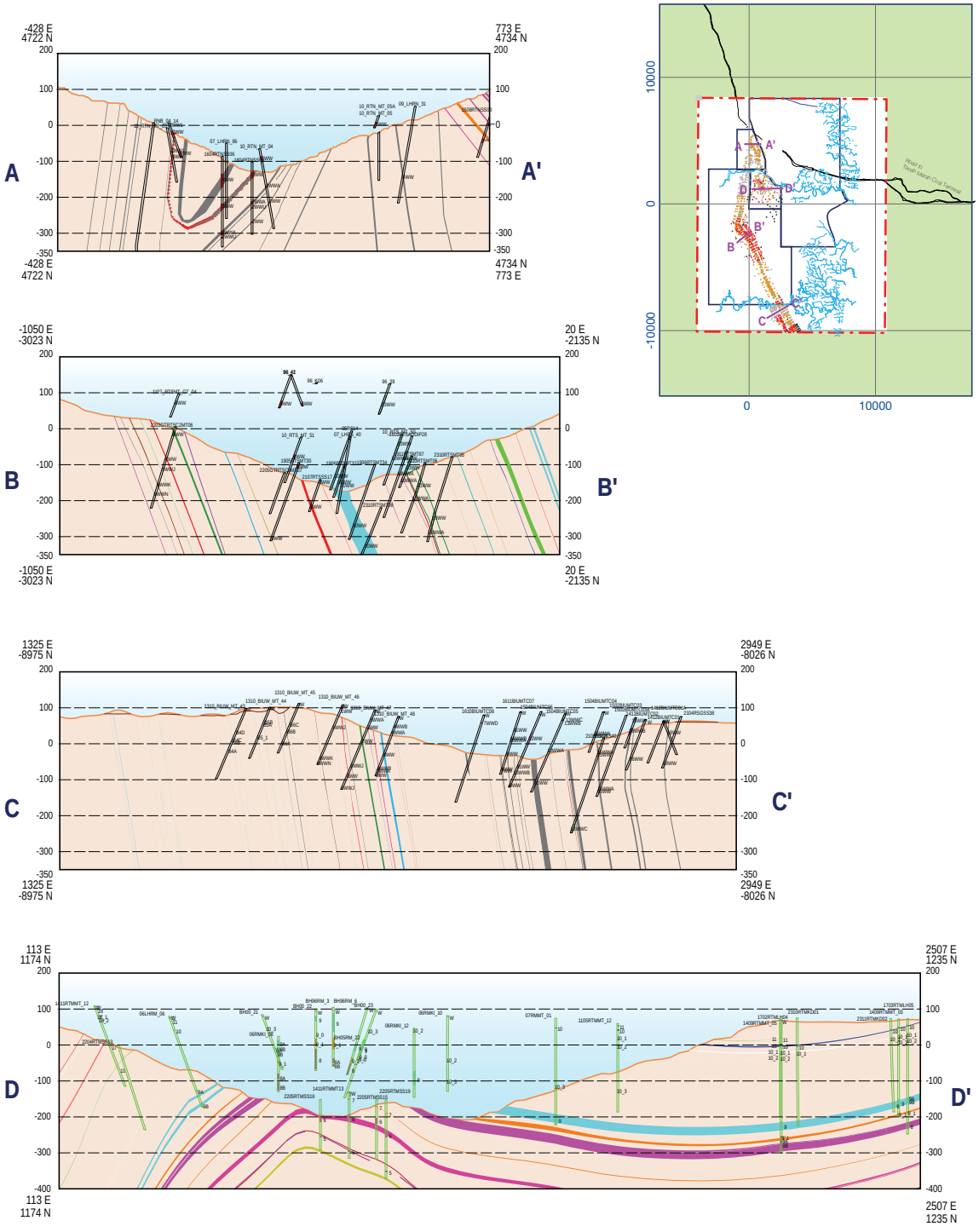
4.8 Susubang Area (SSB)

Susubang is located approximately 14 km north of the Roto North area. In general, the coal in the southwestern section is structurally simpler, dips more gently compared to the northeastern section, and has an average dip of 55 degrees to the northwest. In the northeastern section, coal is more complex, with dips of up to 90 degrees to the northwest. The coal in northeastern section shows a minor overturned anticline structure. Typical cross-sections through the Susubang area are shown in **Figure 4-6**.

The Susubang area comprises a multi-seam deposit with 78 identified seams. Seam splitting is quite common, and seam thicknesses vary. Several main seams were identified, including Seam 8 and 25, which have average true thicknesses of 9.5 m and 8.6 m, respectively. The general stratigraphy of the Susubang area is shown in **Figure 4-12**.

The coal quality at Susubang is generally low ash (average of 5.5% (adb)), low TS content (average of 0.14% (adb)), and moderate TM content averaging approximately 20.0%. Coal qualities for all estimated seams are included in **Appendix E**.

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RPMGLOBAL

LEGEND

- Concession Boundary
- River
- Road
- 2018 Quality Hole
- 2018 Open Hole
- 2023 Quality Hole
- 2023 Open Hole

N

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CLIENT

KIDECO

PROJECT

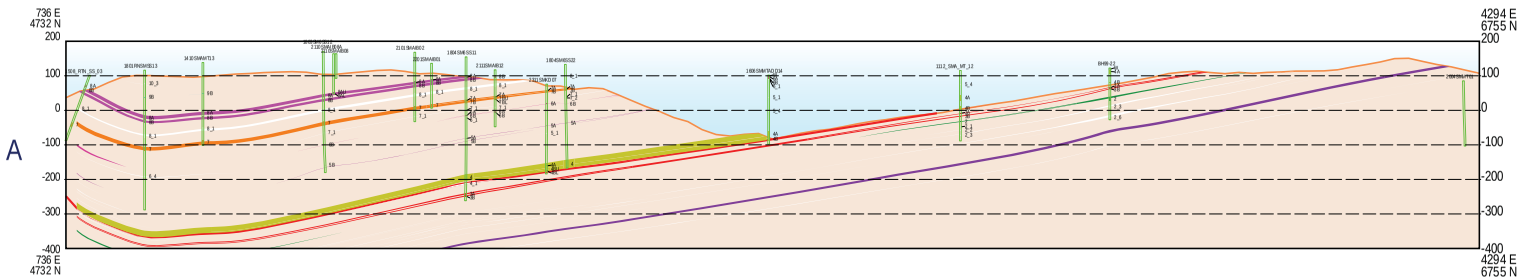
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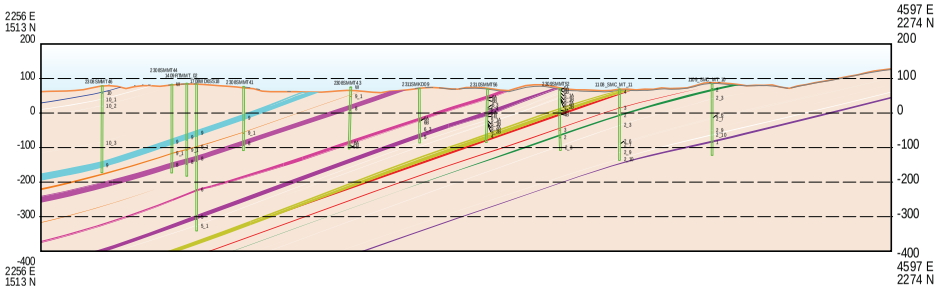
STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES

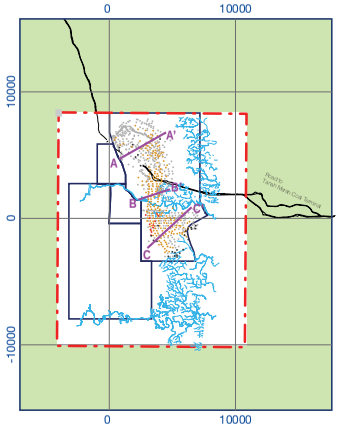
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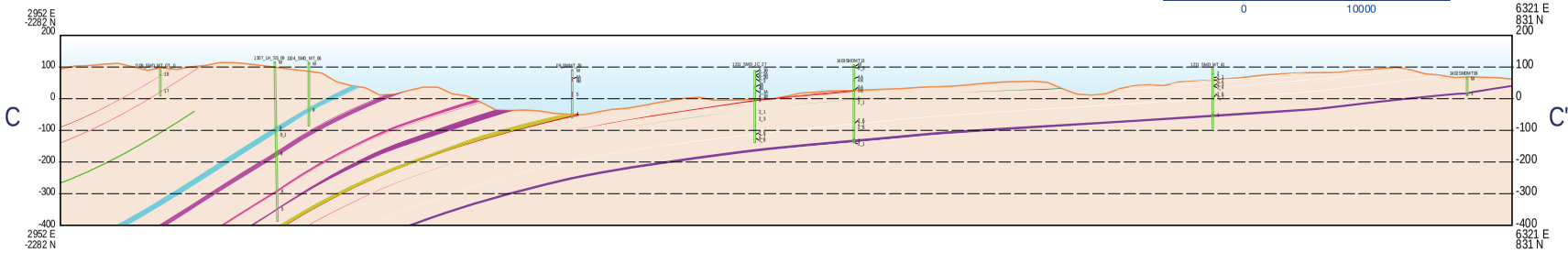
TYPICAL CROSS SECTIONS – ROTO

FIGURE No.	PROJECT No.	Date
4-3	ADV-JA-04093	March 2024









LEGEND

- Concession Boundary
- River
- Road
- 2018 Quality Hole
- 2018 Open Hole
- 2023 Quality Hole
- 2023 Open Hole

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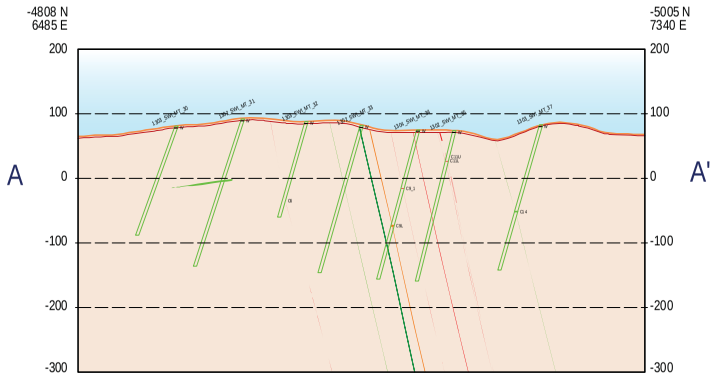
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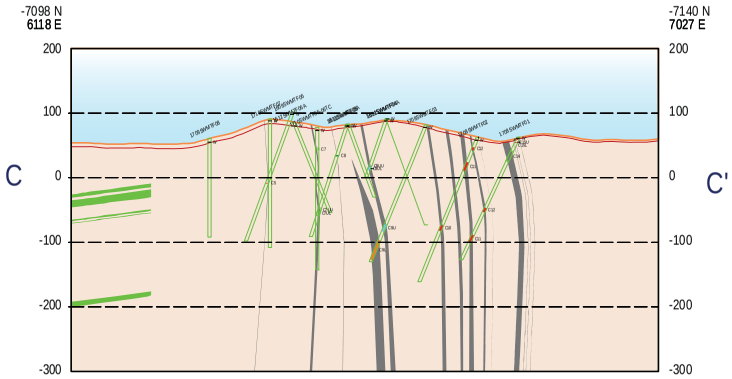
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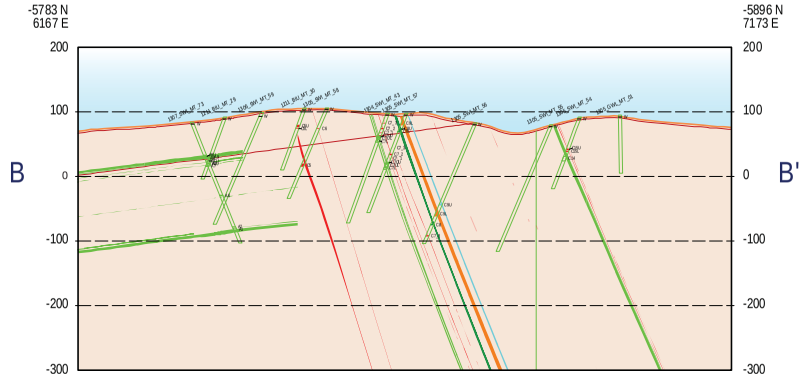
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STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES

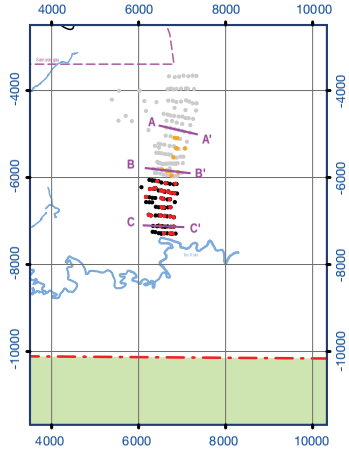
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TYPICAL CROSS SECTIONS - SAMURANGAU

FIGURE No.	PROJECT No.	Date
4-4	ADV-JA-04093	March 2024









LEGEND

- Concession Boundary
- River
- 2018 Quality Hole
- 2018 Open Hole
- 2023 Quality Hole
- 2023 Open Hole

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CLIENT

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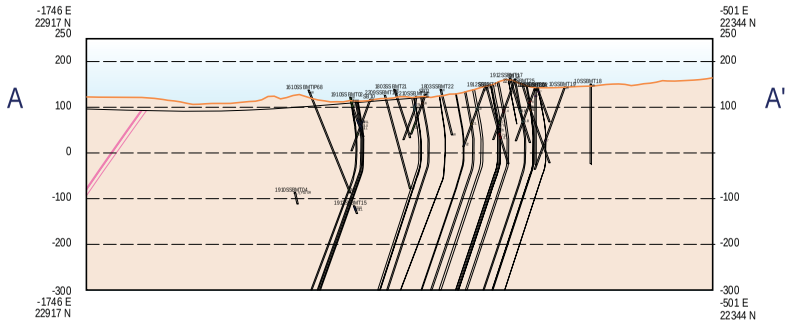
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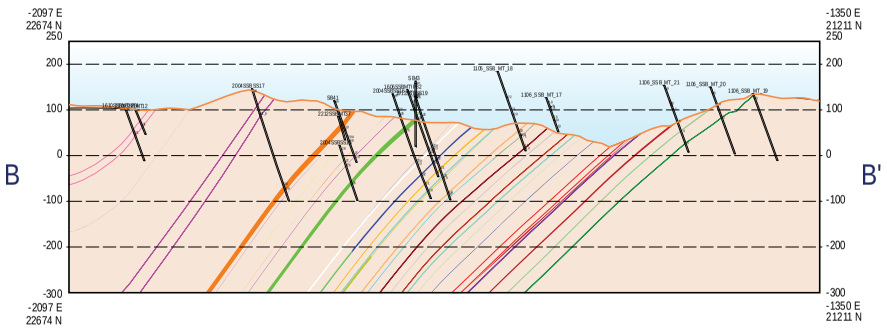
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STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES

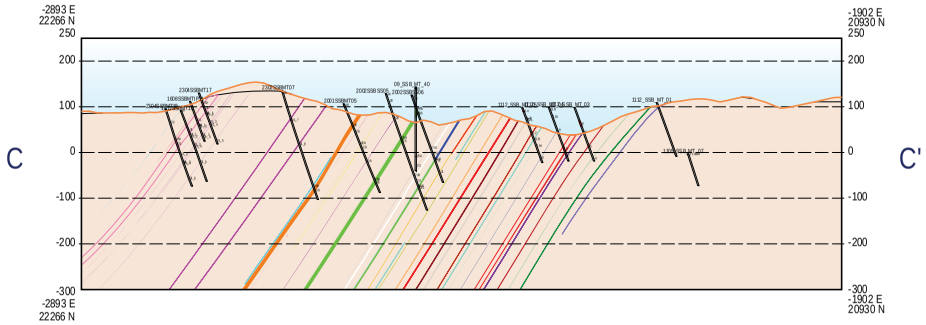
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TYPICAL CROSS SECTIONS - SUWI

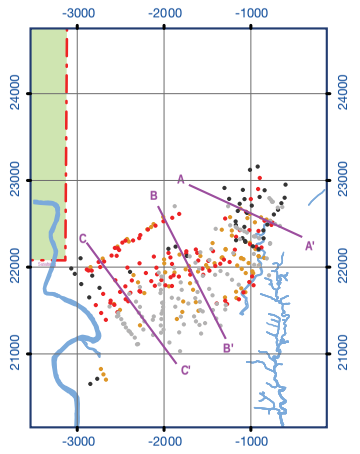
FIGURE No.	PROJECT No.	Date
4-5	ADV-JA-04093	March 2024

RPMGLOBAL









LEGEND

- Concession Boundary
- River
- 2018 Quality Hole
- 2018 Open Hole
- 2023 Quality Hole
- 2023 Open Hole

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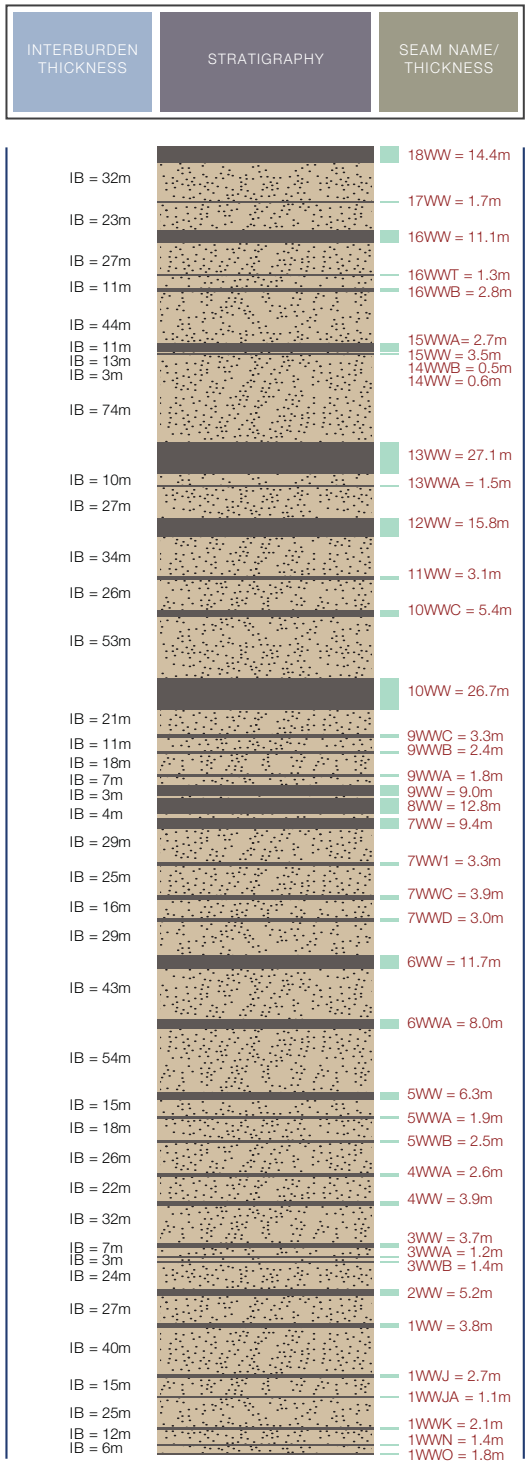
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PROJECT

NAME
STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES

DRAWING
TYPICAL CROSS SECTIONS - SUSUBANG

FIGURE No.	PROJECT No.	Date
4-6	ADV-JA-04093	March 2024



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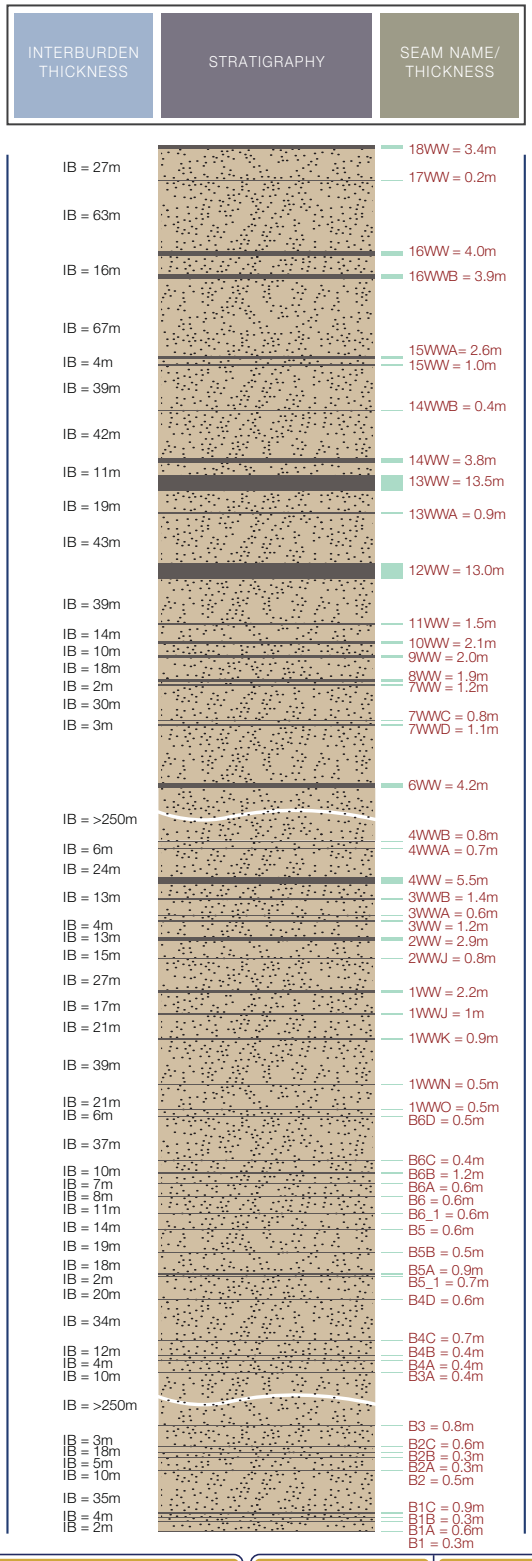
PROJECT

NAME
STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES

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GENERAL STRATIGRAPHY – ROTO SOUTH A-F

FIGURE No.	PROJECT No.	Date
4-7	ADV-JA-04093	March 2024

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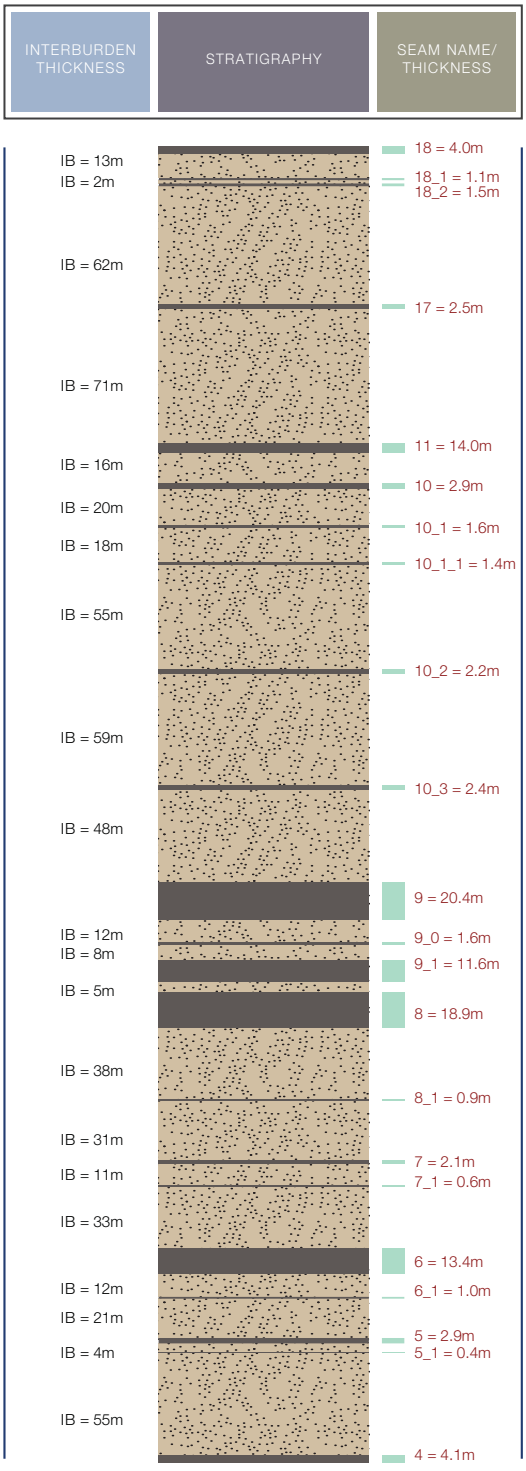
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NAME
STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES

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GENERAL STRATIGRAPHY – ROTO SOUTH G

FIGURE No.	PROJECT No.	Date
4-8	ADV-JA-04093	March 2024



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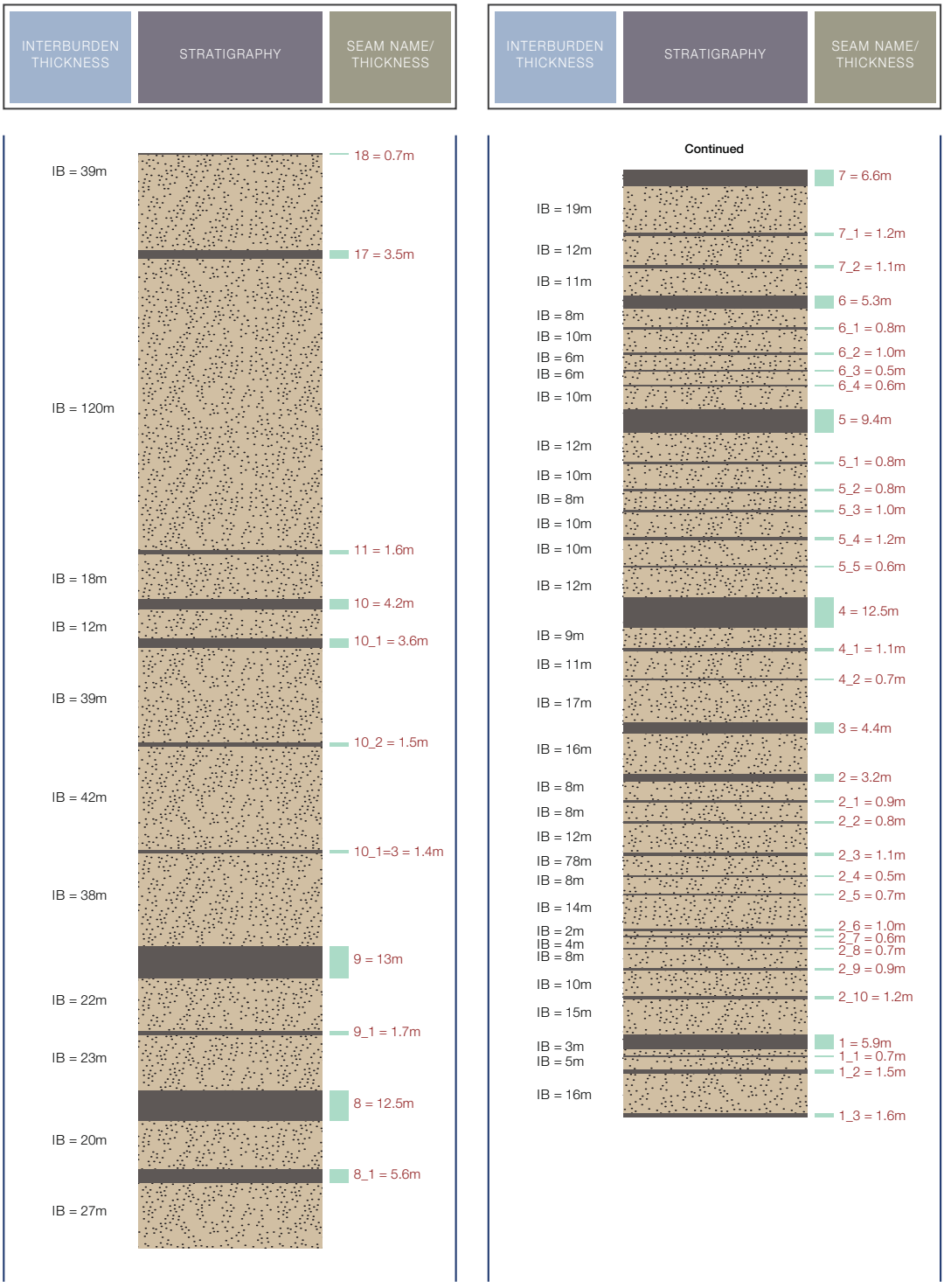
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STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES

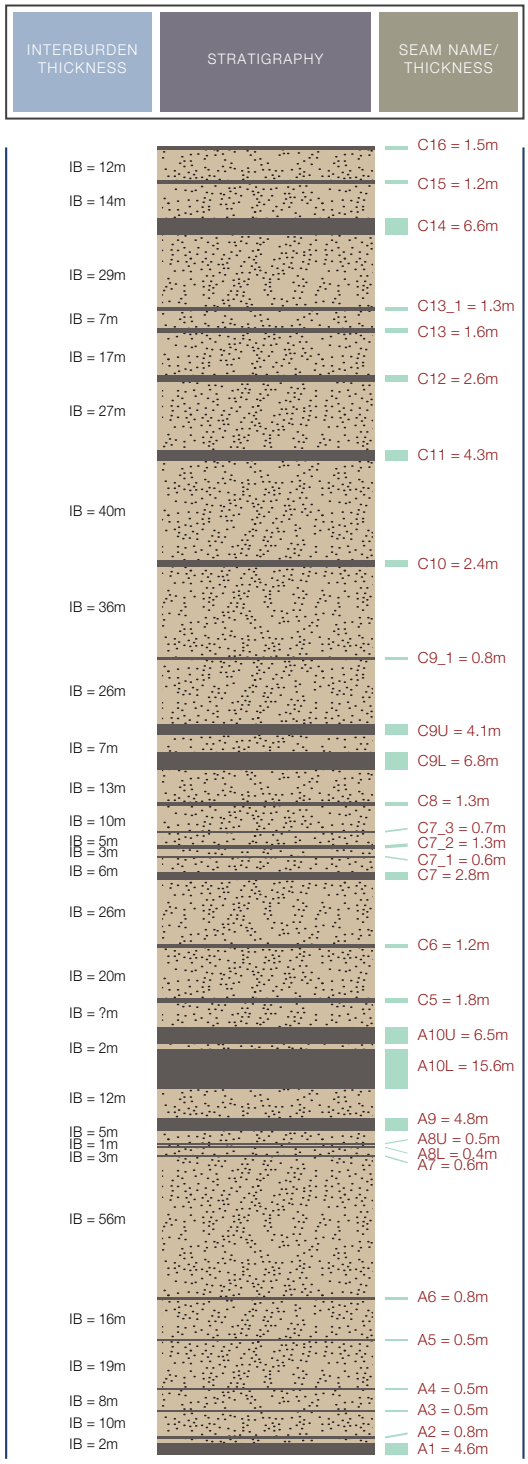
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GENERAL STRATIGRAPHY – ROTO MIDDLE

FIGURE No.	PROJECT No.	Date
4-9	ADV-JA-04093	March 2024



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LEGEND	CLIENT	PROJECT
	KIDECO	NAME: STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES
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		FIGURE No. 4-10 | PROJECT No. ADV-JA-04093 | Date March 2024



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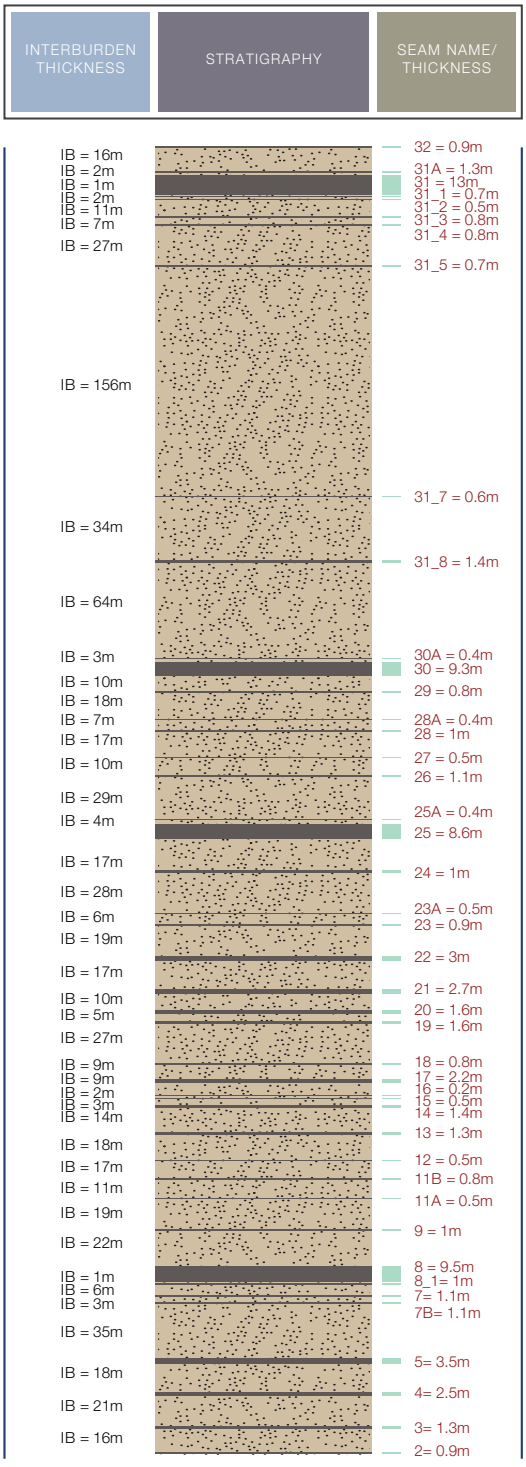
NAME

STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES

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GENERAL STRATIGRAPHY – SUWI

FIGURE No.	PROJECT No.	Date
4-11	ADV-JA-04093	March 2024



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NAME
STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES

DRAWING
GENERAL STRATIGRAPHY – SUSUBANG

FIGURE No.	PROJECT No.	Date
4-12	ADV-JA-04093	March 2024

5. Geological Data

5.1 Data Collection

Exploration in the Kideco area has been conducted in several stages. Early stage exploration by Kideco was conducted from 1982 to 1992, and continued until 2006. A more detailed exploration, which focused on Roto, Samurangau, Suwi, and Susubang, was carried out from 2007 to 2019. The most recent exploration between 2020-2023 drilling was conducted mainly in Roto South, Roto Middle, Samurangau, and Susubang.

The exploration was completed by PT Mintec Abadi (or "Mintec") and Sumagud Sapta Sinar, drilling contractors for Kideco. The drilling was directly supervised by Kideco geologists.

The Kideco resource area has been subjected to detailed drilling, with typical drill hole spacing of 100 m to 200 m over the target areas.

The drilling statistics are summarised in **Table 5-1**. Drill hole locations are shown in **Figure 5-1** to **Figure 5-4**.

Table 5-1 Drilling Statistics

Area	Period	Open Holes	Coring	G. Log Holes	Total Station Survey	Sub Total
Roto North	Prior 2015	81	136	111	217	217
	2015 - 2017	1	21	22	22	22
	2018 - 2019	15	110	123	125	125
Roto South A-F	Prior 2015	140	517	274	657	657
	2015 - 2019	45	103	145	148	148
	2020-Jun 2022	17	40	57	57	57
	Jun 2022-Nov 2023	7	32	39	39	39
Roto South - G	Prior 2015	35	41	74	76	76
	2015 - 2019	74	67	141	141	141
	2020-Jun 2022	21	76	97	97	97
	Jun 2022-Nov 2023	16	30	46	46	46
Roto Middle	Prior 2015	79	113	117	192	192
	2015 - 2018	3	19	22	22	22
	2019 - 2023	23	23	46	46	46
Samurangau	Prior 2015	330	417	643	747	747
	2015 - 2017	20	48	68	68	68
	2018 - 2019	2	11	13	13	13
	2020 - 2023	40	266	305	306	306
Suwi	Prior 2015	108	29	136	137	137
	2015 - 2018	52	47	83	99	99
Susubang	Prior 2015	70	82	148	152	152
	2015 - 2019	26	75	98	101	101
	2020 - 2023	45	71	116	116	116
Total	**Total**	**1,250**	**2,374**	**2,924**	**3,624**	**3,624**

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5.1.1 Exploration Prior to 2015

The summary of the drilling completed prior to 2015 is as follows:

- Prior to 2006, a total of approximately 646 full-cored drill holes (without geophysical logs) were completed, with the majority of the drill holes located at Roto and Samurangau;
- After 2006, 1,532 drill holes were drilled and supported with downhole geophysical logs;
- The drill holes have an average depth of 155 m and a maximum depth of 522 m, with an average spacing of approximately 200 m. With the exception of the Samurangau and Roto Middle areas, the majority of drill holes were inclined;
- A total of 715 out of 1,335 cored holes were analysed for coal quality; and
- All of drill hole collars were re-surveyed using Total Station.

5.1.2 Exploration 2015-2019

The summary of the drilling completed from 2015 to 2019 is as follows:

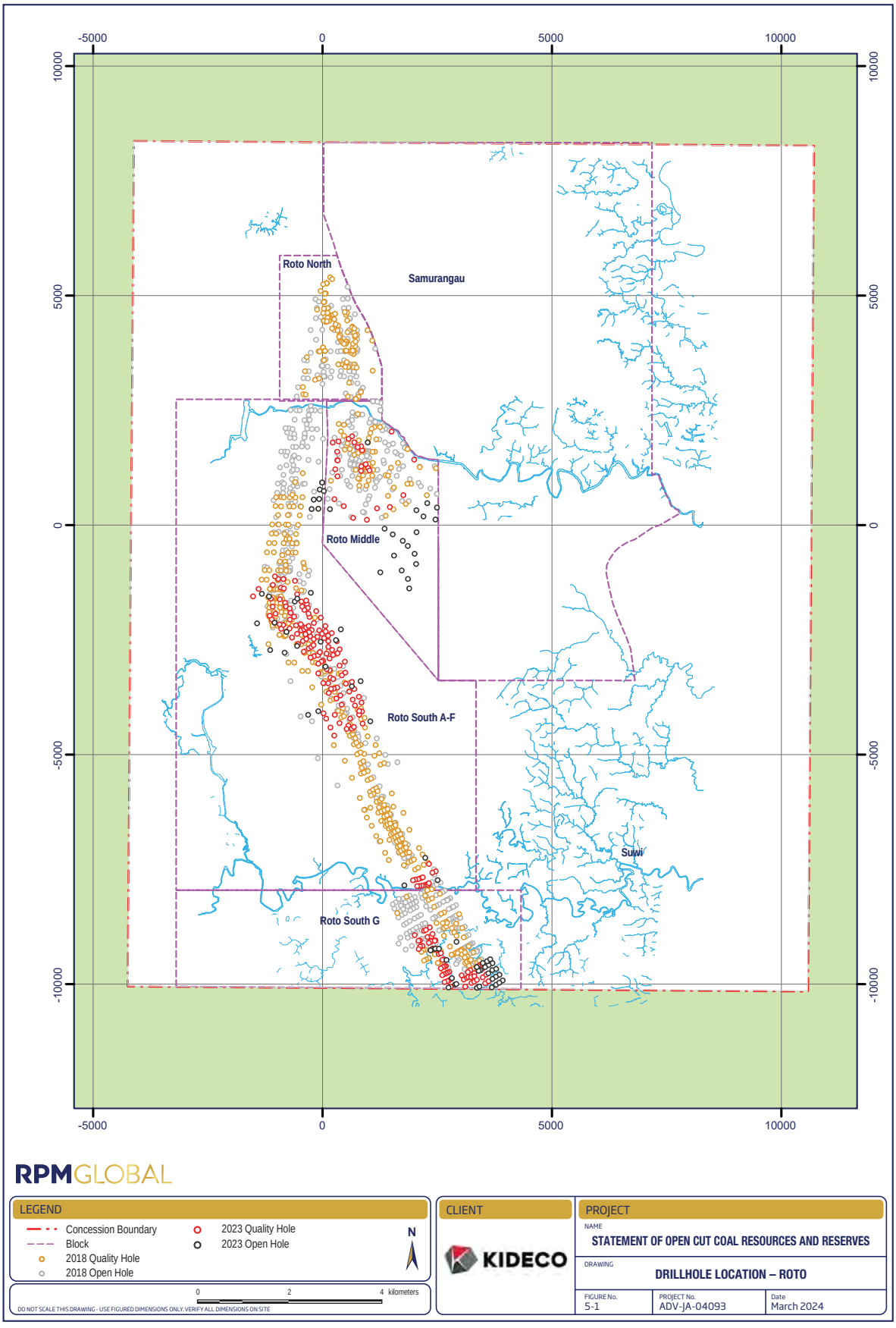
- Additional drilling was undertaken by Kideco, totalling 739 drill holes, which included 501 quality holes, with the majority being supported by geophysical logging;
- Drill holes were typically deep with a maximum depth of 507 m and at approximately 200 m drill hole spacings;
- The majority of the drill holes were drilled vertically, with inclined drilling in most of Roto South A-F, Roto South G, and Suwi;
- All of the drill hole collars were surveyed using Total Station, and,
- The objective of the additional drilling was to increase the geological confidence of the major seams and to further understand the continuity outside the previous drilling area and for geotechnical study.

5.1.3 Exploration 2020-2023

The summary of the drilling completed from 2020 to 2023 is as follows:

- Additional drilling was conducted by Kideco, totalling 707 drill holes, of which 538 are quality holes. All drill holes were supported by geophysical logging, except one drill hole in Samurangau due to cavity collapse within the hole;
- Drill holes were typically deep due to chasing down dip intersections, with an average depth of 205 m and a maximum depth of 458 m. Drill hole spacings are typically 100 – 200 m in Roto South, 200 m in Roto Middle – Samurangau, and 100-150 m in Susubang;
- The majority of the drill holes in Roto South and Susubang were inclined, while in Roto Middle and Samurangau, they were vertical;
- The majority of the drill holes were quality holes with partial core drilling, in which the only target coal sections were cored and sampled;
- All of the drill hole collars were surveyed using Total Station; and
- The objective of the recent exploration work was to improve geological knowledge of the major seams and to identify seam continuity, both structurally and quality, beyond the existing drilling area.

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RPMGLOBAL

LEGEND

- Concession Boundary
- Block
- 2018 Quality Hole
- 2018 Open Hole
- 2023 Quality Hole
- 2023 Open Hole

N

0 2 4 kilometers

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PROJECT

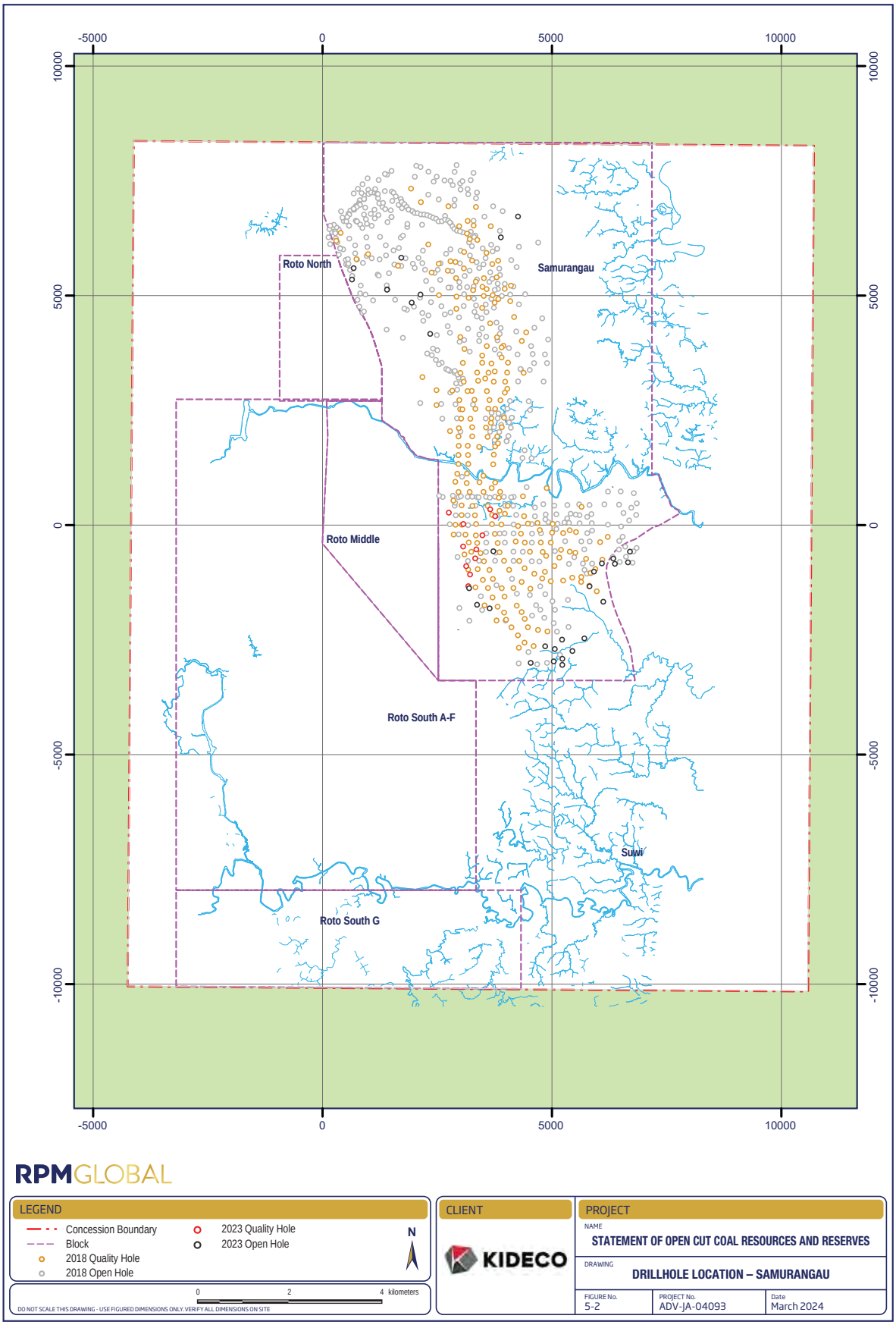
NAME

STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES

DRAWING

DRILLHOLE LOCATION – ROTO

FIGURE No.	PROJECT No.	Date
5-1	ADV-JA-04093	March 2024



RPMGLOBAL

LEGEND

- Concession Boundary
- Block
- 2018 Quality Hole
- 2018 Open Hole
- 2023 Quality Hole
- 2023 Open Hole

N

0 2 4 kilometers

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PROJECT

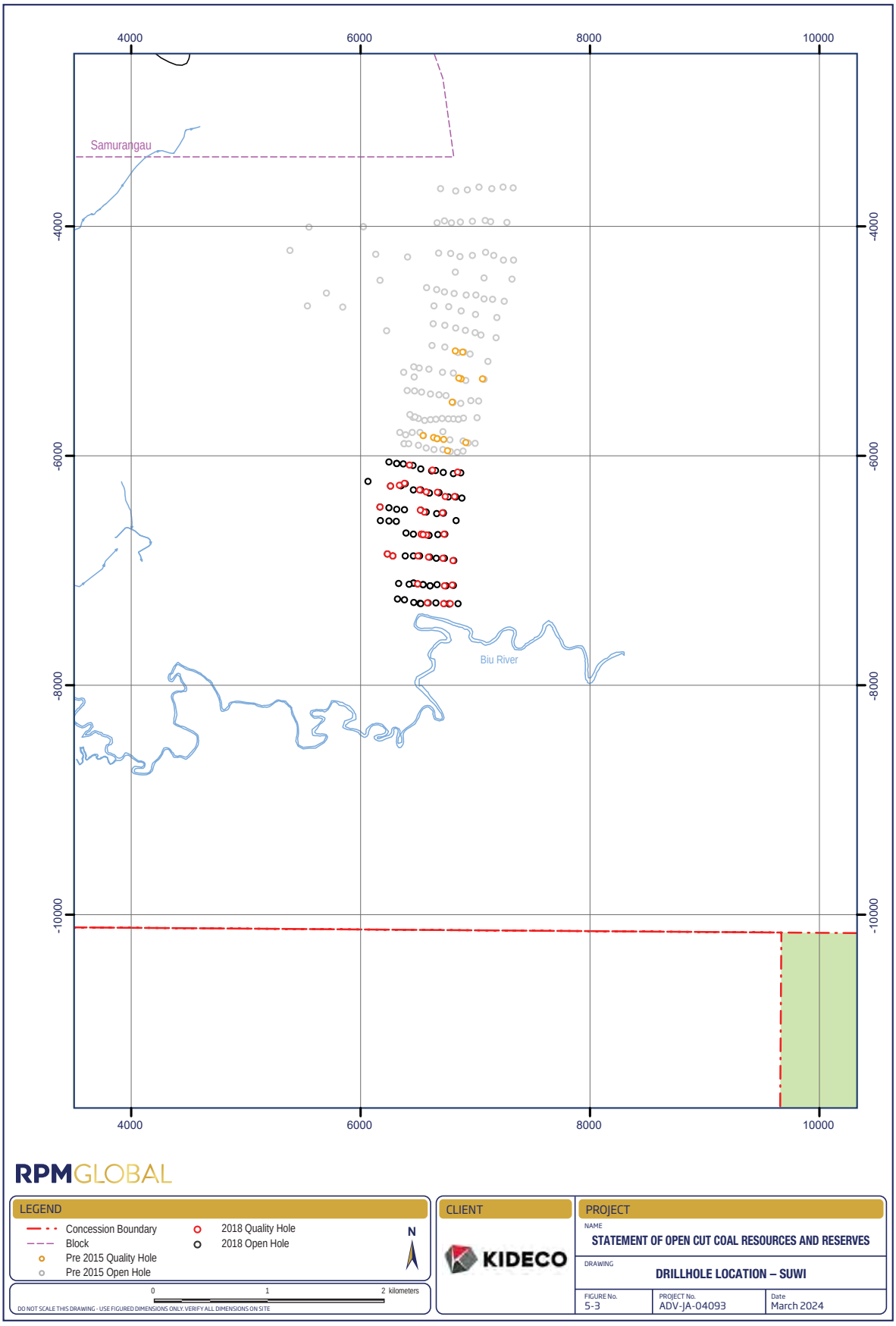
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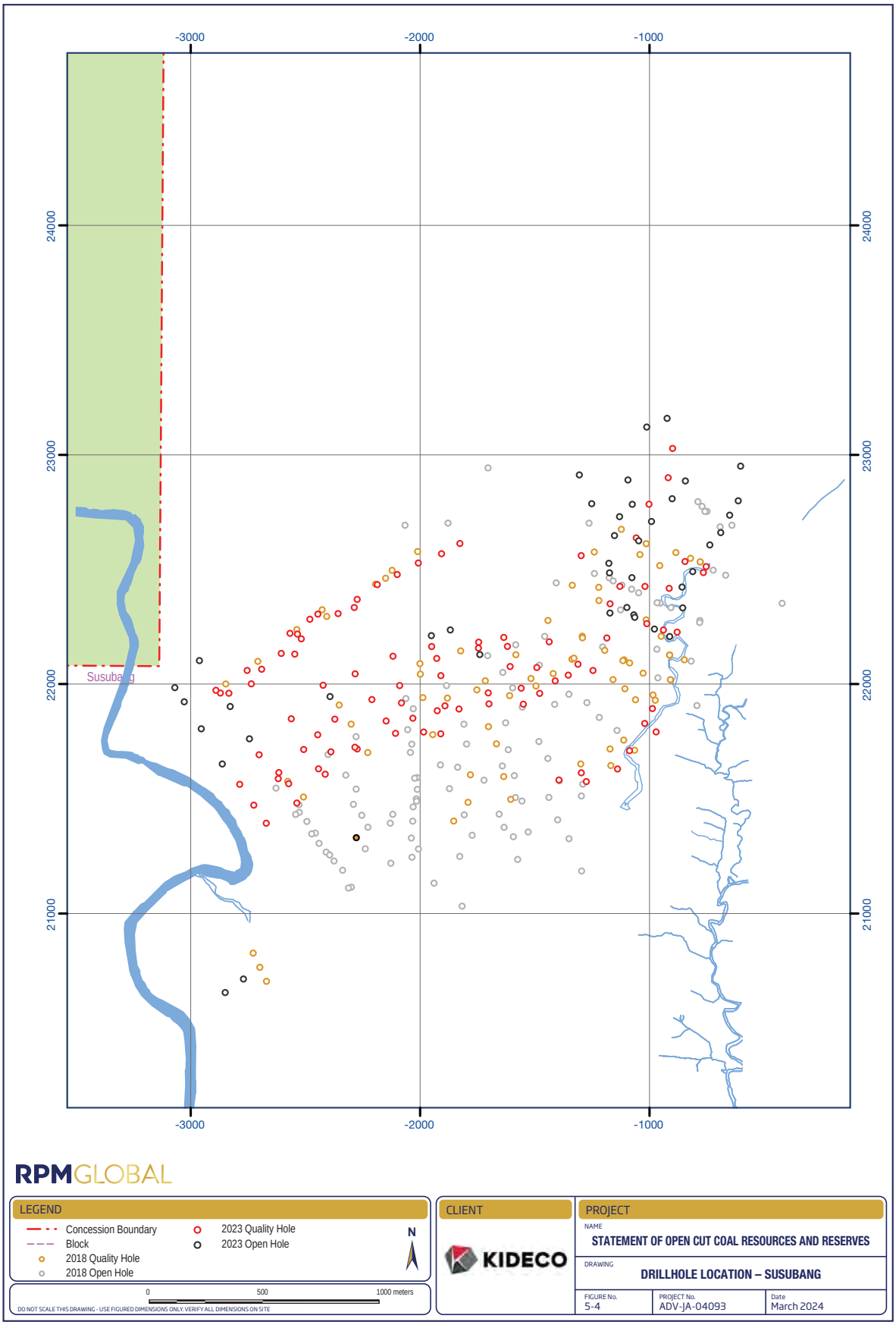
STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES

DRAWING

DRILLHOLE LOCATION – SAMURANGAU

FIGURE No.	PROJECT No.	Date
5-2	ADV-JA-04093	March 2024


4000
6000
8000
10000
-4000
-6000
-8000
-10000
Samurangau
Biu River
RPMGLOBAL
LEGEND
Concession Boundary
Block
Pre 2015 Quality Hole
Pre 2015 Open Hole
2018 Quality Hole
2018 Open Hole
N
0
1
2 kilometers
DO NOT SCALE THIS DRAWING - USE FIGURED DIMENSIONS ONLY. VERIFY ALL DIMENSIONS ON SITE
CLIENT
KIDECO
PROJECT
NAME
STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES
DRAWING
DRILLHOLE LOCATION – SUWI
FIGURE No.
5-3
PROJECT No.
ADV-JA-04093
Date
March 2024


-3000
-2000
-1000
24000
23000
22000
21000
Susubang
RPMGLOBAL
LEGEND
Concession Boundary
Block
2018 Quality Hole
2018 Open Hole
2023 Quality Hole
2023 Open Hole
N
0
500
1000 meters
DO NOT SCALE THIS DRAWING - USE FIGURED DIMENSIONS ONLY. VERIFY ALL DIMENSIONS ON SITE
CLIENT
KIDECO
PROJECT
NAME
STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES
DRAWING
DRILLHOLE LOCATION – SUSUBANG
FIGURE No.
5-4
PROJECT No.
ADV-JA-04093
Date
March 2024

5.2 Lithological Logging

Lithological logging is performed by qualified geologists immediately after chips (cuttings) or cores are recovered from the drill holes. Both drill cuttings (for open holes) and core were logged.

A summary of steps for cuttings collection and logging are as follows:

- Cutting samples were taken at 1 m intervals, arranged on the ground based on their depth and then logged by the geologist at the drill site;
- Cuttings were described in the lithology log, with details including the depth of intersection, lithotype, colour, and grain size. Photos were also taken of the cuttings; and
- After logging, cuttings were placed into plastic sample bags for storage.

For the cored samples, a summary of the lithological logging steps is as follows:

- The core was laid in PVC splits in the field, and the on-site geologist immediately performed lithological logging once the core was cleaned;
- Lithological and geotechnical logging was performed in detail, which included drill hole ID, core recovery, core run, lithotype, lithology depth and thickness, grain size, hardness, and detailed description of associated minerals. Core photos were also taken once the logging was completed;
- On completion of logging, the core was boxed for transport and storage;
- If there was any core loss, a wood or tape marker was inserted in the loss section of the core tray and recorded with a photograph; and
- Once the lithological logging was completed, the records were transferred into digital format for further use.

5.3 Geophysical Logging

Contractors have performed geophysical logging. Various sondes, including Gamma Ray, Density, Verticality and Calliper, have been used. These sondes are commonly used in coal exploration to correct lithological depth and define sampling horizons. LAS files containing the results of geophysical logging have been provided to the Client and RPM for electronic evaluation of the drill hole and confirmation of the coal seams' physical characteristics (e.g. seam roof/floor and thickness).

5.4 Coal Seam Interpretation

Upon receipt of the geophysical logs from the Contractor, the site geologists made depth adjustments and interpreted seam name to the lithological logs to provide a corrected dataset for modelling. Seam interpretation was recorded in the lithological logs and supported by downhole geophysics and sampled coal quality intervals.

5.5 Sample Preparation

Drill core sampling was performed by the wellsite geologists who followed Kideco protocols (SOP-GS-026). The sampling procedures are summarised as follows:

i. The drill core is recovered from the inner tube sample splits at the drill site.
ii. Drill core recoveries were measured immediately at the drill rig on a run-by-run basis. The recovered core lengths were compared to the drilling penetration to determine core recovery.
iii. The drill core is then stored in a core box annotated with the borehole number and core depth intervals and photographed. Coal cores are wrapped in plastic in the core box.
iv. A core description is completed by the wellsite geologist, who writes a detailed description of the core, including core loss in the core log sheet.

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v. Coal seam intervals were identified by the downhole geophysical logs (when such logs were available). The cored drill depth and thickness were reconciled to geophysical log depths.

vi. Appropriate sample intervals were determined on a ply-by-ply basis and placed into separate sealed plastic sample bags.

vii. Each of the bags containing drill core samples was numbered sequentially using a predetermined sample numbering system that ensures the integrity and unique identity of each individual sample.

viii. A document listing the sample intervals for each drill hole was completed and used to determine the laboratory testing requirements for each hole.

ix. The coal cores were transported to the campsite and then to the laboratory, and final checks were also performed to ensure that sample analysis results were received from the lab for each sample interval submitted.

RPM considers that it is likely that the total moisture reported by the laboratory is less than the in situ value due to unwrapping the core in step (iv) and placing the sample in plastic bags in step (vi). Moisture loss will occur when the coal samples are unwrapped from the plastic. This moisture will not be weighed by laboratory measurement or reported by the laboratory.

Due to the relatively strict protocols mentioned above, it is most likely that no significant deviation exists between in situ and total moisture values. However, RPM was not able to compare and validate both results.

5.6 Coal Quality Analysis

The coal samples from the recent exploration work were sent and analysed at PT Sucofindo and PT Carsurin Laboratories at the Tanah Merah Coal Terminal, which is internationally accredited.

A total of an additional 17,182 representative coal samples from 603 cored holes, which include 5,799 coal samples from 207 cored holes of recent drilling in RTS Block, 626 coal samples from 27 cored holes in RTM, 8,649 coal samples from 267 cored holes in SM, 2,108 coal samples from 102 cored holes in SSB Block were processed for TM, Proximate, TS, and CV. RPM has been informed that a representative number of samples were also analysed for Hardgrove Grindability Index (HGI), Ultimate, Ash Fusion Temperature, Trace Elements and Ash Composition. However, to date, RPM was not provided with detailed analytical results. It is noted that approximately 930 samples from recent drilling, which include 299 samples in RTS Block, 398 samples in SSB, and 233 samples in SM, were excluded from the model database by RPM due to core recovery issues.

Sample preparation and analysis were completed in accordance with the appropriate international standards by PT. Sucofindo and PT Carsurin laboratories, as listed in **Table 5-2**.

Table 5-2 Laboratorium Analysis Standard

Analysis	Code
Total Moisture	ASTM
Proximate Analysis	ASTM
Total Sulphur	ASTM
Calorific Value	ASTM

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6. Data Verification

All the updated inputs for developing the Resource estimates since the previous Statement in 2020 have been supplied by the Client and validated by RPM using a range of in-house QA/QC procedures described in this section and **Appendix B**. The key files provided to RPM contained information and included:

- Drilling summary spreadsheet, which contains drilling date, seam intercepts, core recovery, etc., from all exploration;
- Core photos;
- Geophysical log data in PDF and LAS files – PT Mintec Abadi and PT Inti Bangun Mulya; and
- Quality analysis report in PDF files – PT. Sucofindo and PT Carsurin;

Kideco and its contractors have documented QA procedures for geologic data acquisition. RPM believes that they are following the documentation.

RPM used Datamine's GDB module of MineScape as the primary tool for data verification on these holes. GDB is a relational database that allows data to be validated against a set of rules to ensure data consistency across the Project. It is used to verify and safely store drill hole data. RPM imported the following data provided by the Client into GDB:

- Collar coordinates;
- Downhole lithology and seam identification;
- Coal quality data; and
- Geophysical logs.

RPM identified minor errors and flagged warnings during the import and subsequent review. RPM made recommendations to remediate these. This action resulted in a verified database being used to develop the geological model.

6.1 Topography and Collar Survey

A topographic survey was conducted over the study area, and all of the drill hole collars were surveyed by Total Station. Ground topographic surveys were used for the Kideco Resource areas.

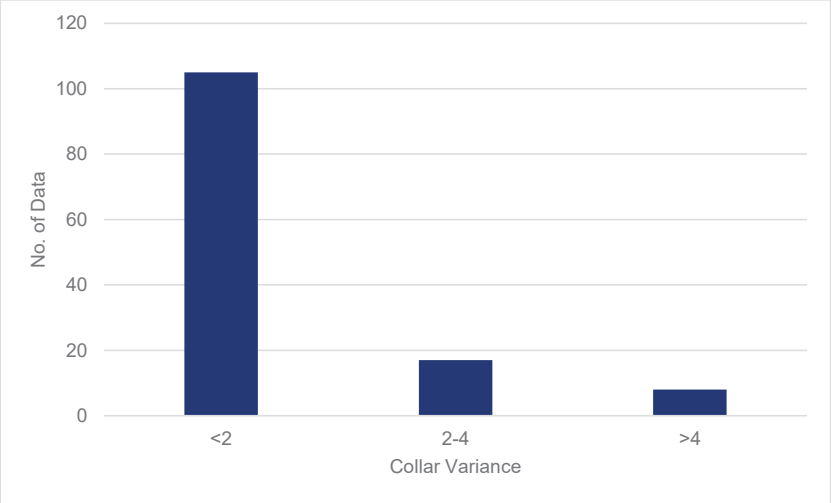
RPM compared the topographic data against the collar survey. The surveyed collar elevations of all drill holes and the topography model were compared, particularly within the undisturbed area. In Roto South, almost all additional drill holes were within disturbed areas, except in the most southern of Roto South G, which has topography and collar variance of less than 2 m. Approximately 24 drill hole collars have a deviation of more than 2 m compared to the topography in Susubang. All additional drilling in Roto Middle is located within the active mine area or on waste dumps. In Samurangau, only minor portion of additional drilling is located in undisturbed areas, mainly in the south of SM ABC and in the southeastern area of SM D. Samurangau additional drilling located in undisturbed areas typically has less than 2 m deviation of collar elevation against topographic surface. The deviation is possibly caused by cut and fill that occurred during land utilisation by local villagers or during the drill pad preparation.

It is noted that RPM has downgraded the boreholes with a significant deviation into the lower Resource category whenever there was a considerable difference in the geological interpretation.

RPM considers that the topography and collar survey have generally been carried out to a good standard and, therefore, are suitable for Resource and Reserves evaluation. The topography and collar variance statistics are shown in **Figure 6-1**.

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Figure 6-1 Drill Hole Collars vs Topography Variance



6.2 Lithological Logging

RPM has reviewed the lithology data collected by Kideco and is of the opinion that the lithological logging performed follows standard practices for coal exploration in Indonesia and provides sufficient information in support of Coal Resource estimation. It is noted that Mintec, as one of the drilling contractors, uses CoalLog, a data acquisition form that was developed to comply with the JORC Code. However, this is not the case for other contractors.

6.3 Geophysical Logging

The LAS files for the most recent drilling have been provided to RPM for review, as data from earlier drilling campaigns were revised in previous work. RPM has validated the geophysical logging data by:

- Visual inspection to check if the log has been affected by drill hole caving;
- Visual inspection to determine that the sonde was acquiring data correctly;
- Confirming the difference between geophysical logged depth and actual drilled depth; and
- Review that gamma and density data depths were coincident.

The data provided to RPM noted that the geophysical log depth was often less than the drill hole's total depth. RPM considers the geophysical logged depth normal to be at least 3 m less than the drill hole depth because the geophysical sondes usually extend up to 3 m deeper than the probe's detector. It is also a safety measure to 'hang' geophysical sondes above the drill hole bottom to prevent sondes from becoming stuck in the 'slimes' at the drill hole total depth.

RPM considers the geophysical logging data acquired by the independent third-party contractor to be completed to a good standard. There is sufficient accuracy to support geological modelling and Resource estimation.

6.4 Core Recovery

Estimating core recovery is a process whereby the geologist in the field reconciles the drill depth against the lithological record to ascertain that all in situ samples have been recovered from the hole. The optimal recovery of 100% of the core ensures that the entire sample has been liberated during the drilling process. Poor recovery, particularly for coal samples, invariably means the results of the subsequent analysis are not likely to represent the true quality of the seam at that location and using that data point in Resource

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evaluation is not recommended. Similarly, without supporting geophysical records, the lithological sample is considered incomplete. The Indonesian coal industry has generally adopted a global value of 90% recovery for coal intersections.

Core samples from Kideco collected since 2019 used the “full-cored” and “partial coring” methods, which are commonly used in coal exploration throughout Indonesia. In partial coring, the process is started several meters prior to the target coal based on the geological model prediction to minimize core loss.

It is noted that from the recent exploration, approximately 885 samples from Roto South, 233 samples from SM, and 398 samples from Susubang were excluded from model development and Resource classification by RPM due to core recovery issues (majority less than 70% recovery factor). RPM is of the opinion that the low recovery samples are not considered a representation of the in situ material within the interval of interest.

6.5 Coal Seam Interpretation

RPM considers that geophysical signatures, supported by seam and interburden thickness, can be used to consistently identify individual coal plies for each of the seams in the Kideco Resource. The main coal seams' gamma ray and density log signatures are easily identified throughout the Resource area. The signatures of the main seams and interburden thickness were used as stratigraphic marker intervals to establish a framework that enabled positive identification of the other seams in the stratigraphic sequence.

Where geophysical log data was unavailable, seam correlation was completed by Kideco and confirmed by RPM based on coal seam and interburden thickness consistency with the consideration of the strata dip.

A brief description of some major seams on each block is described below:

6.5.1 Seam Group 10WW – Roto South A-F

The 10WW seam group thickness is generally 26.7 m thick (true thickness) and presents with two splits: 10WWB and 10WWA. The 10WW seam group thickens to the central area, with up to 54 m thickness. There is an overturned dipping at the central area from west-dipping coal in the north to east-dipping coal in the southern area.

Typical seam picks and correlation of the 10WW seam group are shown in **Figure 6-2**.

6.5.2 Seam Group 12WW – Roto South G

The 12WW seam is generally 13.0 m thick and continuous across the Roto South G with consistent thickness, based on the current drill hole data. The seam generally dips to the northeast and heavily folded to form overturned structures in the southern and central areas. The 12WW seam is correlatable with the seams in RTS A-F in the adjoining area.

Typical seam picks and correlation of the 12WW seam group are shown in **Figure 6-3**.

6.5.3 9 Seam Group – Roto Middle

The 9 seam group (previously named Seam Group 12B) is averaged 23.5 m thick and is normally identified as one compound seam or with two splits: 9A and 9B. The average ply thickness, 9A and 9B, is 7.0 m and 11.0 m, respectively. Within Roto Middle area, the 9 Seam Group generally maintain its total thickness, except in the northern part of the west limb. Towards the Samurangau area, the seam generally thins and pinches out in the northern and easternmost areas of Samurangau.

Typical seam picks and correlation of the 9 Seam Group are shown in **Figure 6-4**.

6.5.4 4 Seam Group – Samurangau

The 4 seam group has variability in thickness and the number of seam splits. The 4 seam group typically splits as the 4A and 4B. Locally, the 4A seam splits further into 4AU and 4AL, while the 4B splits into 4BU 4BL. Overall, 4 Seam Group total thickness is more than 17 m in Saumrangau ABC, and thins to the south toward Samurangau D where total thickness is generally less than 14 m.

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Typical seam picks and correlation of the 4 seam group are shown in **Figure 6-5**.

6.5.5 C9L Seam Group – Suwi

The C9L seam group averaged 6.8 m thick and split locally into C9LU and C9LL with thicknesses of 4.5 m and 2.2 m each. Local seam thinning is identified in the central area of Suwi, where seam total thickness is down to 4 m. The C9L seam group is continuous across the Suwi block.

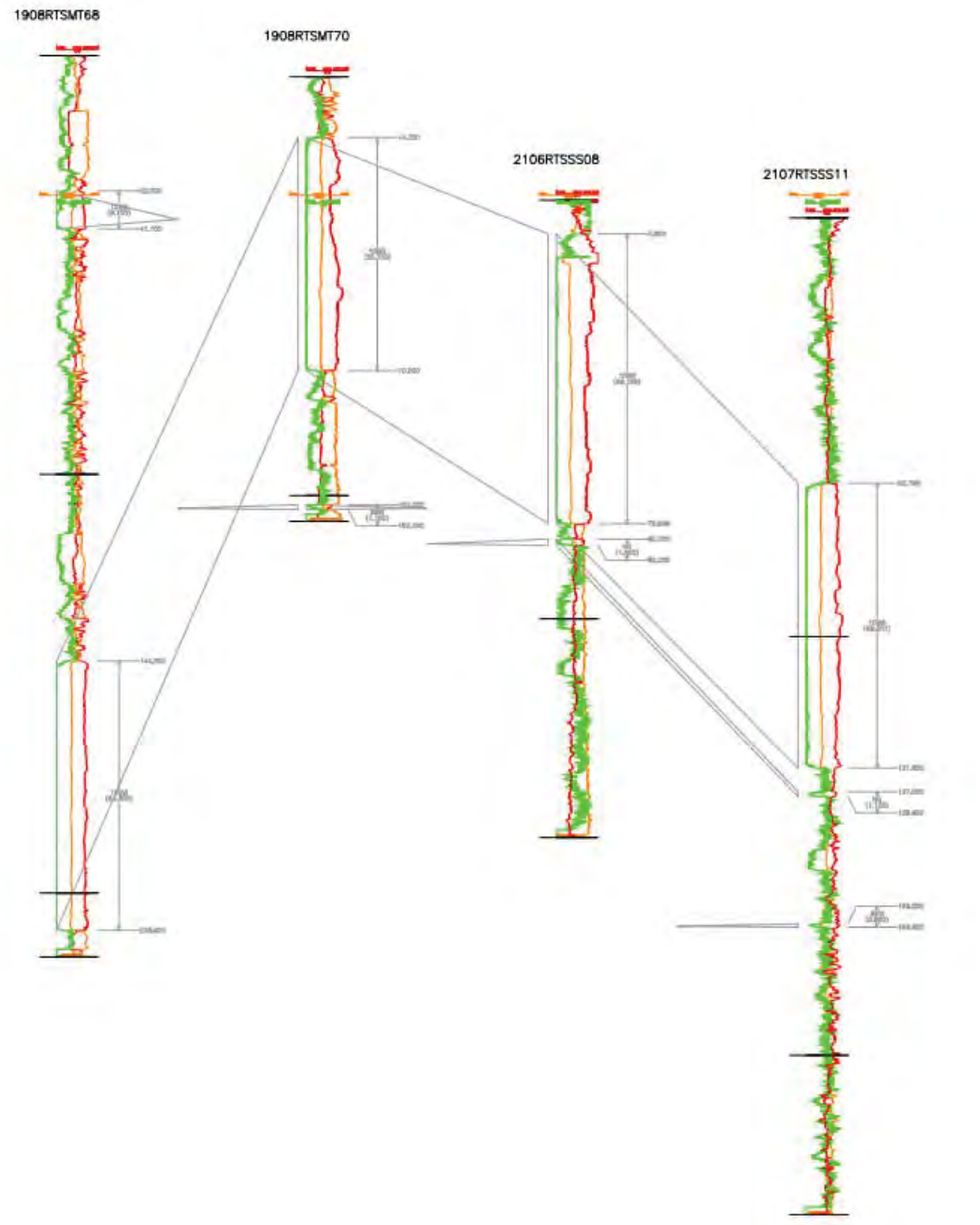
Typical seam picks and correlation of the C9L seam group are shown in **Figure 6-6**.

6.5.6 Seam Group 8 – Susubang

The 8 seam group is generally 9.5 m thick and splits into the 8U and 8L with 2.6 m and 2.7 m thicknesses, respectively. Seam splits only occur locally in the southwestern area of the Susubang block. Seam 8 is continuous across the Susubang Resource area and thins out to the northeastern area of up to 1 m. The northeastern area has an overturned fold structure and becomes more complex than the rest of the area in the Susubang block.

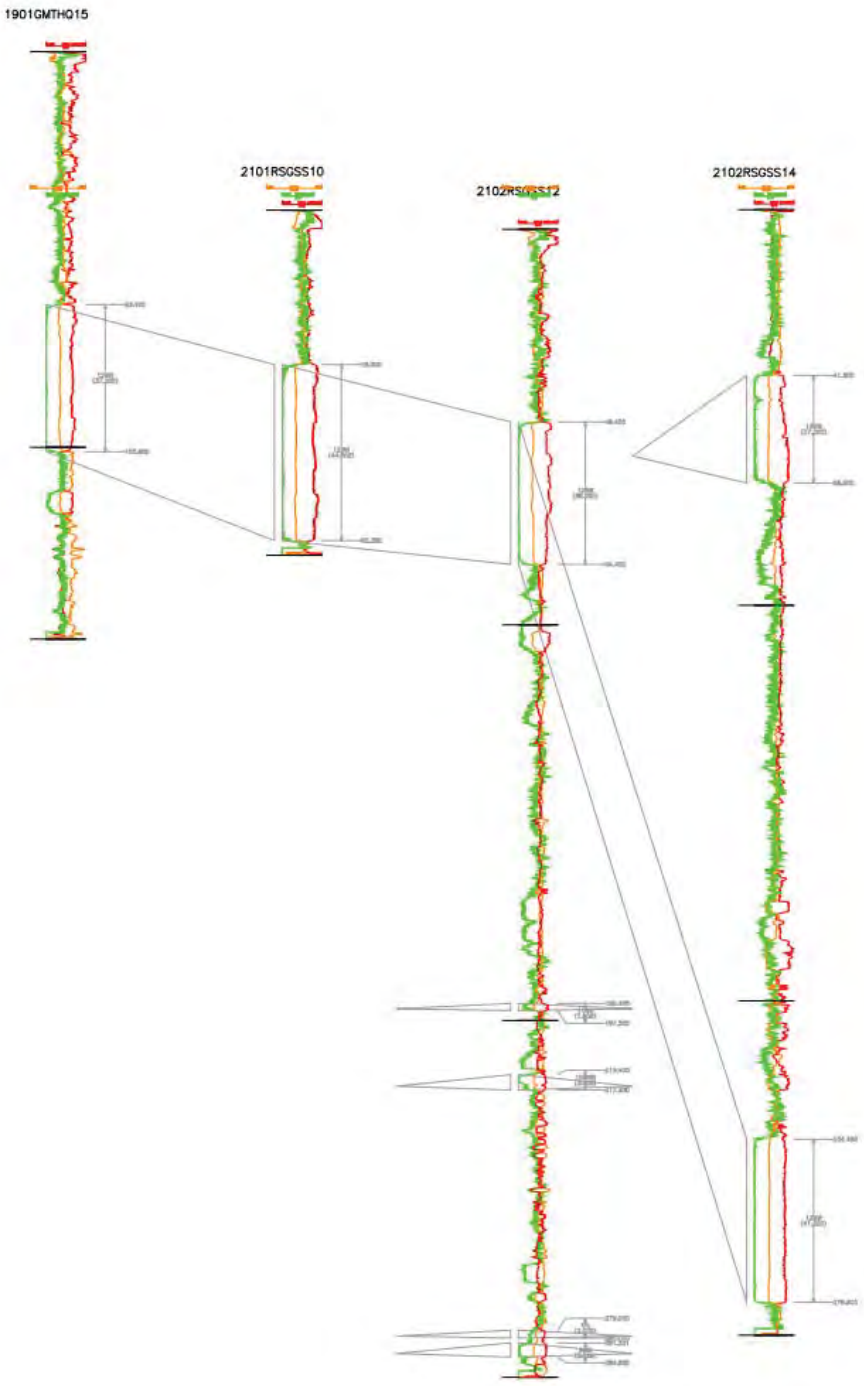
Typical seam picks and correlation of the 8 seam group are shown in **Figure 6-7**.

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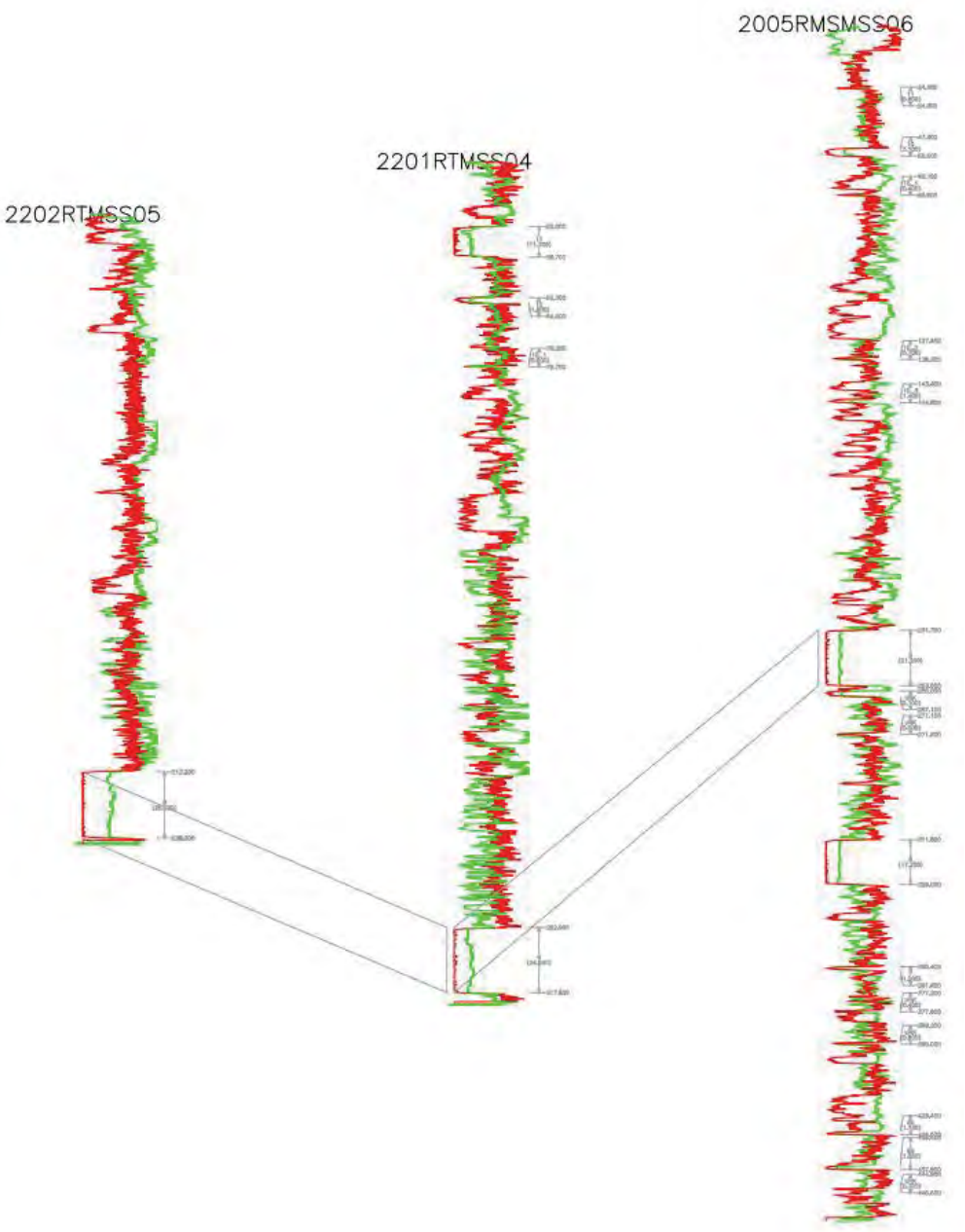
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		DRAWING: TYPICAL SEAM PICKS AND CORRELATION OF THE 10WW SEAM GROUP – ROTO SOUTH A-F
DO NOT SCALE THIS DRAWING - USE FIGURED DIMENSIONS ONLY. VERIFY ALL DIMENSIONS ON SITE		FIGURE No.: 6-2 | PROJECT No.: ADV-JA-04093 | Date: March 2024



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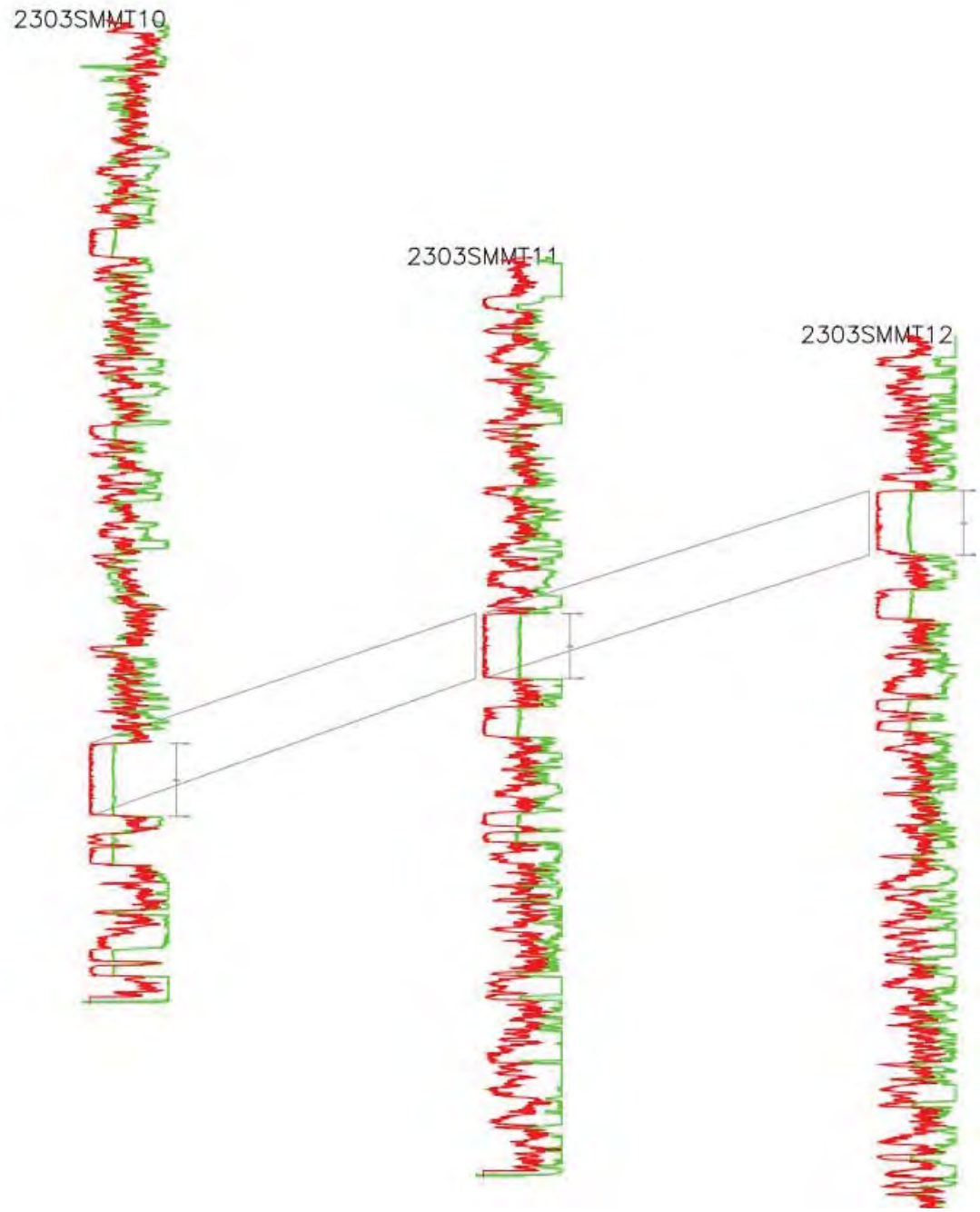
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	KIDECO	NAME: STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES
		DRAWING: TYPICAL SEAM PICKS AND CORRELATION OF THE 12WW SEAM GROUP – ROTO SOUTH G
		FIGURE No.: 6-3 | PROJECT No.: ADV-JA-04093 | Date: March 2024

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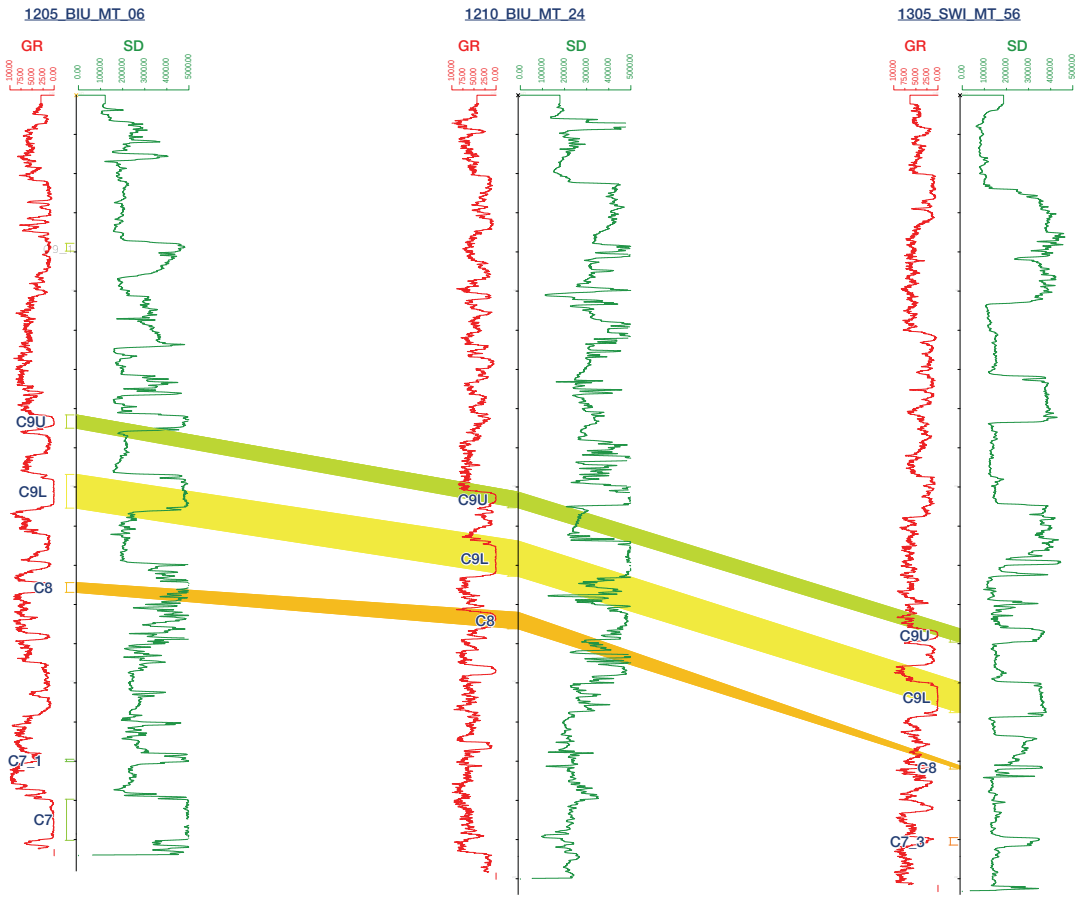
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	KIDECO	NAME: STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES
DO NOT SCALE THIS DRAWING - USE FIGURED DIMENSIONS ONLY. VERIFY ALL DIMENSIONS ON SITE		DRAWING: TYPICAL SEAM PICKS AND CORRELATION OF THE 9 SEAM GROUP– ROTO MIDDLE
		FIGURE No. 6-4 | PROJECT No. ADV-JA-04093 | Date March 2024



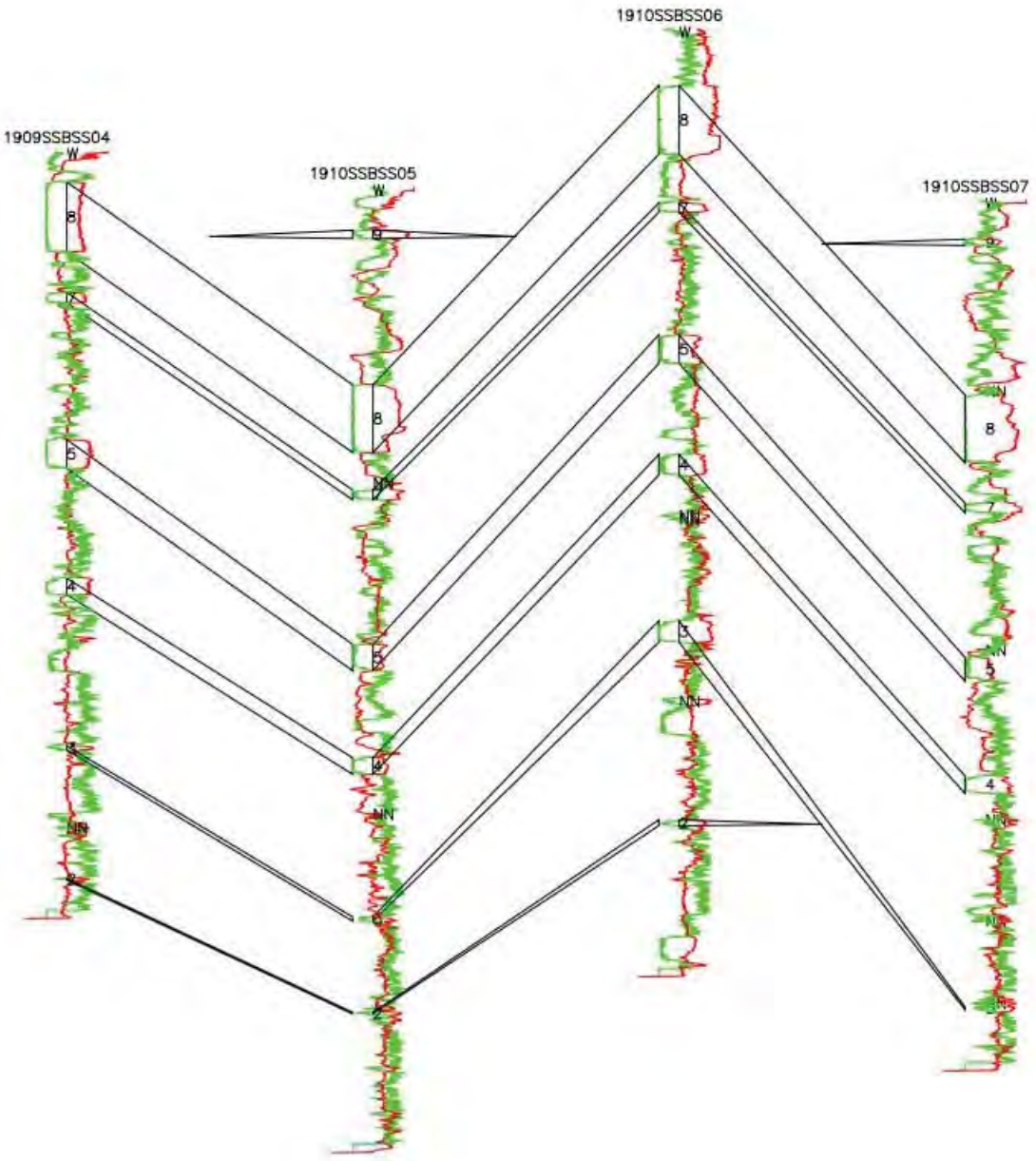
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DO NOT SCALE THIS DRAWING - USE FIGURED DIMENSIONS ONLY. VERIFY ALL DIMENSIONS ON SITE		DRAWING: TYPICAL SEAM PICKS AND CORRELATION OF THE 4 SEAM GROUP – SAMURANGAU
		FIGURE No. 6-5 | PROJECT No. ADV-JA-04093 | Date March 2024



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LEGEND	CLIENT	PROJECT
	KIDECO	NAME: STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES
		DRAWING: TYPICAL SEAM PICKS AND CORRELATION OF THE C9L SEAM GROUP – SUWI
DO NOT SCALE THIS DRAWING - USE FIGURED DIMENSIONS ONLY. VERIFY ALL DIMENSIONS ON SITE		FIGURE No.: 6-6 | PROJECT No.: ADV-JA-04093 | Date: March 2024



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LEGEND	CLIENT	PROJECT
	KIDECO	NAME: STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES
DO NOT SCALE THIS DRAWING - USE FIGURED DIMENSIONS ONLY. VERIFY ALL DIMENSIONS ON SITE		DRAWING: TYPICAL SEAM PICKS AND CORRELATION OF THE 8 SEAM GROUP – SUSUBANG
		FIGURE No.: 6-7 | PROJECT No.: ADV-JA-04093 | Date: March 2024

6.6 Sample Intervals

All sample and analytical testing data supplied by the Client to RPM was in MS Excel format.

RPM performed mismatch checks on all additional sample dispatch tables against seam pick intervals contained in the lithological database used for model development. Sample data were checked for overlapping samples, duplicate samples and erroneous values. See **Section 6.7** for a detailed description of the coal quality QA – QC process followed by RPM.

RPM is of the opinion that the coal quality data contain no major outliers and that the sample intervals, coal quality data intervals and seam pick intervals match and can be used to produce a reliable coal quality model that underpins the estimation of Resources and Reserves.

6.7 Coal Quality

RPM has performed a range of data validation procedures for the coal quality data:

- Visual checking of data to ensure that the dataset was complete and that there were no obvious data errors identified;
- Confirm that IM is not higher than TM. A total of 7 samples in Samurangau and 17 samples in SSB have such issues. RPM validated these samples against the corresponding quality certificate and made adjustments by removing TM values;
- Ensuring that proximate analyses sum to 100%. One sample in RTS has such an issue, caused by incorrect FC value, which was then adjusted;
- Classical statistics for major parameters such as CV, Ash, and TS. A more detailed explanation is provided in **Section 7.5**; and
- Creation of scatterplots, where certain relationships can be expected between two quality parameters, such as ash and energy. A more detailed discussion is provided below.

After the coal quality data was composited and model surfaces were created, each coal quality variable was contoured in Stratmodel. Bullseyes in the contours or anomalous data trends identified anomalous values within the dataset. They were investigated regarding the geological context of the sample and the drill hole.

RPM noticed that no material issues were found in the coal quality database, therefore, the coal quality data can be used to support the Resource and Reserve estimation work.

6.7.1 Scatterplots

RPM performed basic statistical analysis to validate the consistency and reliability of the coal quality dataset by using simple regressions. The samples were taken from the uncomposited quality model dataset for the Kideco area.

The CV vs Ash regression for all samples indicates a less reasonable trend in the deposit. RPM believes this occurred due to low ash consistency across all seams in the Resource area, while there is an increase in CV vertically within the sequence. Further review revealed that moisture and ash play a significant role in the variability of CV, as shown in **Figure 6-8** to **Figure 6-12**. These graphs indicate a reasonable trend between moisture and ash against the CV value. Note that as Roto Middle and Samurangau geological data is now combined, these areas are represented in one combined regression. RPM has not recalculated any CV values on a dry basis.

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Figure 6-8 Cross Plot of IM+Ash vs CV (Adb) – Roto South A-F

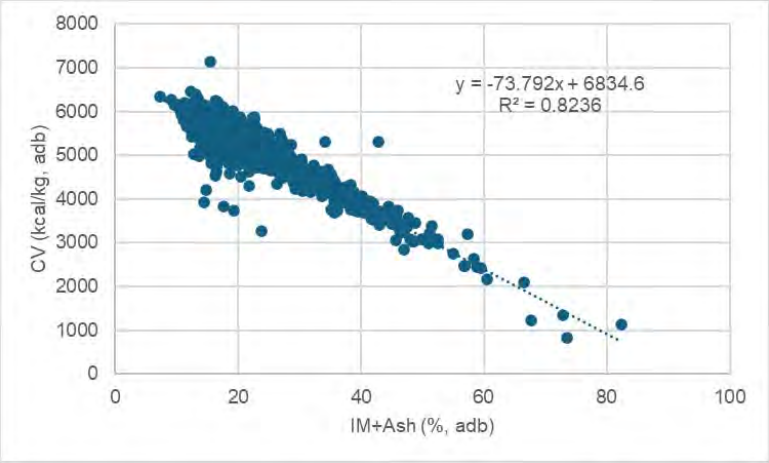
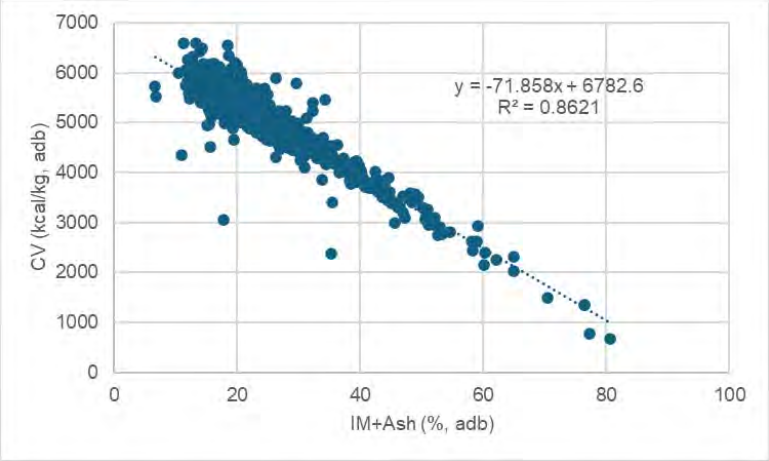


Figure 6-9 Cross Plot of IM+Ash vs CV (Adb) – Roto South G



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Figure 6-10 Cross Plot of Ash vs CV (Adb) – Roto Middle and Samurangau

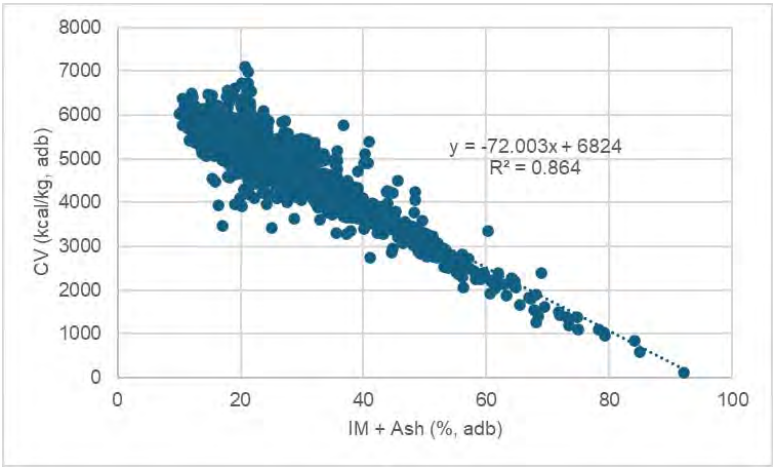
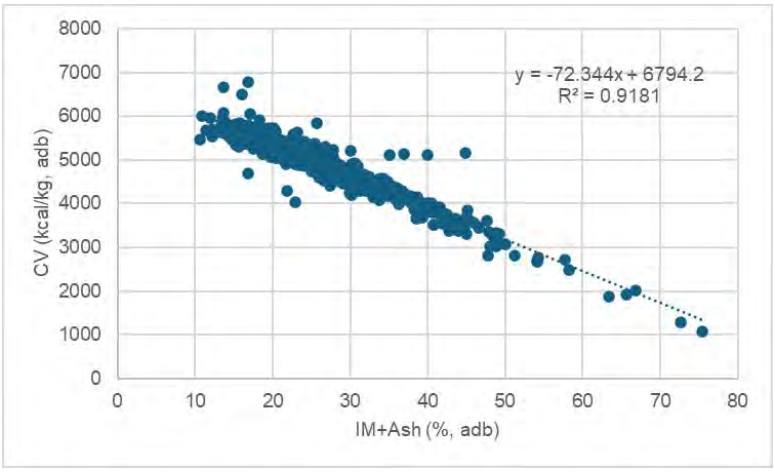
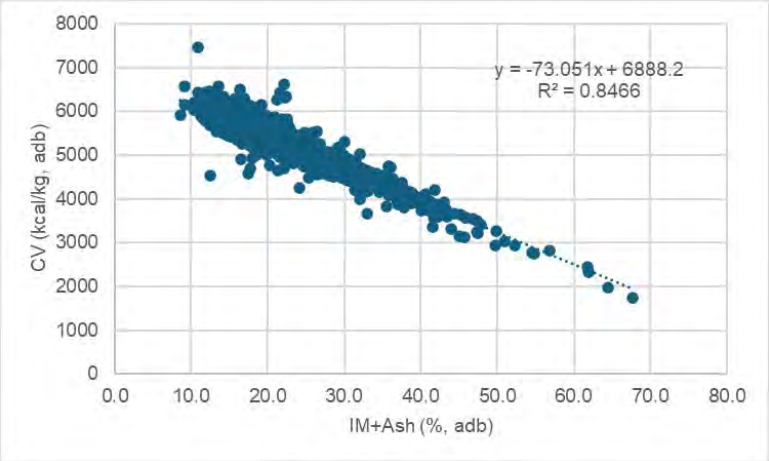


Figure 6-11 Cross Plot of IM+Ash vs CV (Adb) – Suwi



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Figure 6-12 Cross Plot of IM+Ash vs CV (Adb) – Susubang



RPM considers that the results can be used for quality modelling and support Resource estimation.

6.8 RPM Verification Statements

The drilling and sampling procedures review indicates that standard industry practices are being utilised, with no material issues noted by RPM. The original data review and site visit observations carried out by RPM did not identify any material issues with the data collection, management, or verification procedures. No systematic fundamental data entry or transfer errors have been identified; accordingly, RPM considers the integrity of the deposit's dataset sound. In addition, RPM considers sufficient geological logging and density determinations to estimate the deposit's geological and coal quality continuity.

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7. Deposit Modelling

RPM developed a three-dimensional geological model covering Kideco's concessions. RPM used Datamine's MineScape software, version 2023, Stratmodel and Blockmodel module for modelling; this software is widely used in the coal industry. The model was built from individual layers, including topographic surface, weathering surface, seam roofs and floors. The software is also capable of modelling seam splits and faulting. A structural and coal quality model exists for the projects.

7.1 Geological Dataset

RPM notes that there has been significant additional drilling with 380 drill holes drilled since the previous JORC statement in Kideco Resource areas, except for Suwi. The majority of additional drill holes were located in Roto South A-G, Roto Middle, Samurangau, and Susubang. RPM opines that the geological models may have been significantly affected by the additional data. Area with no updated geological model (Suwi) refers to a geological model prepared in the previous 2019 JORC Statement.

RPM updated the geological model using the Datamine Minescape software version 2023, a widely used product in the global coal industry. A structural and coal quality model was developed in order to improve seam interpretation and correlation.

Additional drilling data from recent exploration work were incorporated into the geological model, including 291 drill holes in RTS, 46 in RTM, 306 in Samurangau, and 147 in Susubang. The drilling statistics for geological model development are summarised in **Table 7-1**.

It is noted by RPM that a significant number of drill holes derived from historical exploration work were not geophysically logged. These drill holes were mainly fully cored and supported with detailed lithological logging information, including photos, which provide reasonably accurate coal depth and thickness information. RPM, therefore, used these holes for Resource modelling and estimation. It is the CP's opinion that there was a reasonable recovery, and therefore, they are representative of the in situ coal. Kideco has excluded a total of 260 holes from the model database for model generation due to supporting information not being available for review and validation. The vast majority of the holes are from pre-2020 exploration works. These holes have similarly been excluded by RPM for the use of Resource estimation. It is noted that only 16 holes from the recent drilling in the northeast area of Susubang were excluded due to verticality data issue.

Table 7-1 Drilling Statistics used for Model Development

Area	Period	Open Holes	Qual. Holes	G. Log Holes	Total Station Survey	Sub Total
Roto South	Prior 2015	253	263	194	516	516
	2015 - 2019	37	106	140	143	143
	2020-Jun 2022	18	39	57	57	57
	Jun 2022-Nov 2023	3	30	33	33	33
Roto South - G	Prior 2015	59	13	72	72	72
	2015 - 2019	89	51	140	140	140
	2020-Jun 2022	21	75	47	96	96
	Jul 2022-Nov 2023	16	30	46	46	46
Roto Middle	Prior 2015	135	40	77	175	175
	2015 - 2018	5	13	18	18	18
	2029 - 2023	23	23	46	46	46
Samurangau	Prior 2015	467	249	582	716	716
	2015 - 2018	34	34	68	68	68
	2019 - 2023	40	266	305	306	306
Suwi	Prior 2015	109	12	121	121	121

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Area	Period	Open Holes	Qual. Holes	G. Log Holes	Total Station Survey	Sub Total
	2015 - 2018	45	31	76	76	76
Susubang	**Prior 2015**	100	31	95	131	131
	2015 - 2019	26	69	95	95	95
	2020 - 2023	29	71	100	100	100
Total	**Total**	**1,509**	**1,446**	**2,312**	**2,955**	**2,955**

7.2 Topographic Surface

Topographic data is based on ground survey, collected using Total Station GPS. All data is in UTM WGS84, Zone 50S. Mining occurred at all Roto, Samurangau, and Susubang, which are captured within the updated ground topography around the active mining area.

7.3 Weathering

A weathering limit was created based on drill log information combined with a default value of 3 m below the original topography whenever no weathering data was available from the drill hole. The 3 m value is commonly used as a weathering limit around the project area, as this has also been observed by the site geologists. The weathering information was uploaded into the structural model database and created during the geological model generation to ensure that the coal seams are truncated near, but below, the topographic surface.

7.4 Structural Model

The structural model was constructed based on the integration and interpretation of several data types, including:

- Drill hole data, which is supported by a lithology log, geophysical log information, core descriptions and core photographs; and
- Regional and local mapping data.

RPM developed the gridded models, which consisted of Roto Middle, Samurangau, and Suwi.

The Suwi model was converted into Blockmodel since there is a minor part in the south area that was built using “wireframing” technique due to overturned structures. The model was created in 2018 and has not been updated due to no additional data.

The Roto Middle and Samurangau models were combined due to additional data between the two, which confirmed the continuity of the seams. The merged model was created in 2024.

The same is true with the Roto South A-F and Roto South G, which are now combined into one block model updated in 2024. The Susubang blockmodel model was also updated by RPM in 2024.

The Roto South A-F, Roto South G, and Susubang stratmodels were combined with wireframing in areas with overturned roof and floor surfaces. These surfaces tend not to be modelled appropriately using a common stratigraphic approach and were, therefore, converted into block models.

The seam correlation between drill holes was derived from drill hole information such as geophysical logs, which are the main tool for correctly identifying the seam picks and correlations. In the absence of geophysical logging data, seam correlation was based on coal and interburden thickness by acknowledging coal dips and geological trends.

The seam “pinch out” option was selected as the default setting to ensure that coal will only be modelled continuously when supporting geological information is available. The pinch-out setting ensures that seams are not modelled in locations where a seam is missing. This ensures that coal quantity is not overestimated.

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A total of 8 significant faults have been identified in the Resource area based on a review of drill hole data and mapping information. Four faults have been identified in the northern Roto South A-F area with a common orientation of NW-SE and up to 10 m displacement, two faults in Roto Middle with N-S fault orientation and up to 60 m displacement, one N-S fault in Samurangau with up to 43 m displacement, and one fault in central Suwi with fault orientation of SW-NE and up to 110 m displacement.

The summary of geological model parameters is shown in **Table 7-2**.

Table 7-2 Geological Model Parameters and Details

Parameter	Model
Software	Datamine Minescape Version 5.9 and 2023
Quality Parameter	TM, Proximate,TS,CV(adb), CV(gar), RD
Model Name	2401_RTS_MODEL (Roto South A-G Block Model) SM2024R1 (Roto Middel and Samurangau Stratmodel) 2018_jorc_suwiR2 (Suwi Block Model) 2401_SSB_Model (Susubang Block Model)
Drillholes Input	RTS A-G: 24dholes.dgn Roto Middle and Samurangau: Geomodel2024.dgn Suwi: drillhole.dgn Susubang: 24dholes_gdb.dgn
Grid/ Block Size	RTS A-G: 16x16, with subcell factor 4 Roto Middle and Samurangau: 25x25 Suwi: 8x8, with subcell factor 4 Susubang: 8x8, with subcell factor 4
Schema Name (Stratmodel)	Samurangau: sm2024_schema
Structure Interpolator (Stratmodel) Search Radius (Stratmodel)	Roto Middle and Samurangau Thickness: FEM (0) Surface: FEM (1) Trend: FEM (0) Roto Middle and Samurangau: 1,000
Quality Model	RTS A-G: 24rawqual_240124_bm.tab Roto Middle and Samurangau: sm2024_comqual.tab Suwi: 2018rawqual5_r1_comp.tab Susubang:24rawqualply_2402.tab
Quality Interpolator	Inverse Distance
Model Update	RTS A-G: Feb 2024 Roto Middel and Samurangau: Feb 2024 Suwi: Aug 2018 Susubang: March 2024
Created By	RTS A-G: Hengky P. Roto Middle and Samurangau: Gamet R.N. Suwi: Gamet R.N. Susubang: Hengky P.

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7.4.1 RPM Structural Model Validation

RPM has validated the structural model, including a basic statistical comparison between drill hole data and the modelled results at the drill hole location in Stratmodel. The elevation and thickness of coal seams have been used as the basis for validation.

The results of comparing the seam floor and the modelled thickness versus the drill hole dataset in the model are summarised in **Figure 7-1** to **Figure 7-2**. The graphs indicated that the modelled seam floor and thickness in RTM and SM honour the drill hole data reasonably well.

Figure 7-1 RTM and SM Seam Floor Comparison

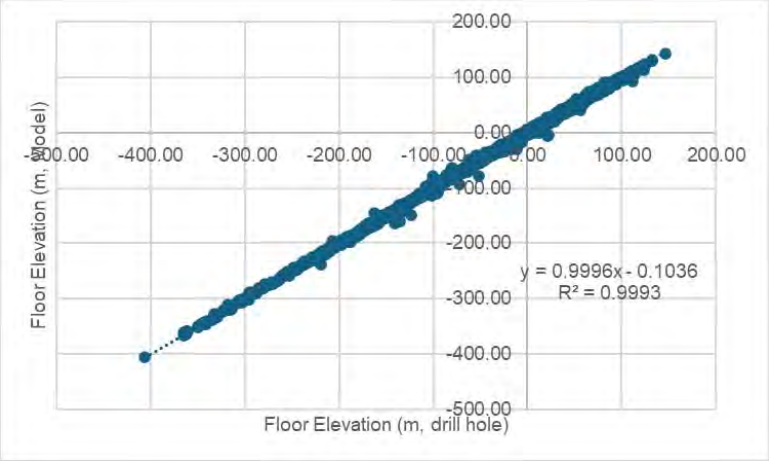
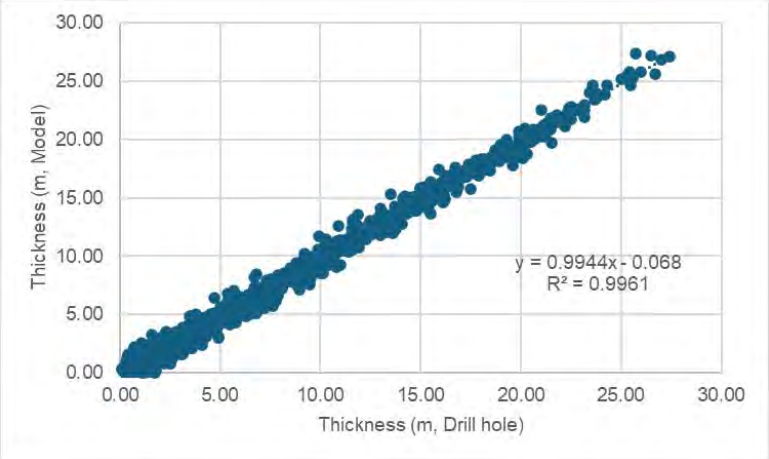


Figure 7-2 RTM and SM Seam Thickness Comparison



RPM has performed the following checks for Block Model:

- Visual checks by comparing the data and sections. The cross sections show that the model results are honouring the data reasonably well; and
- Validation of the model results in relation to local geological understanding and trends. The model results show good alignment with local geological trends.

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7.5 Quality Model

The quality models were developed from analysed core samples which were reconciled against geophysical logging depth. This was completed to ensure that seam from and to depths matched the seam and sample intervals. The sample analyses were loaded to the Minescape table on a ply basis and composited to the coal seam intervals. Postings of quality attributes were created, and RPM confirmed that the models honour the borehole data postings reasonably well.

RPM has performed quality model validation between the drill hole data and the modelled results at the location of the drill holes, with results showing a good correlation between them. The TM, Ash, TS and CV have been validated using this process.

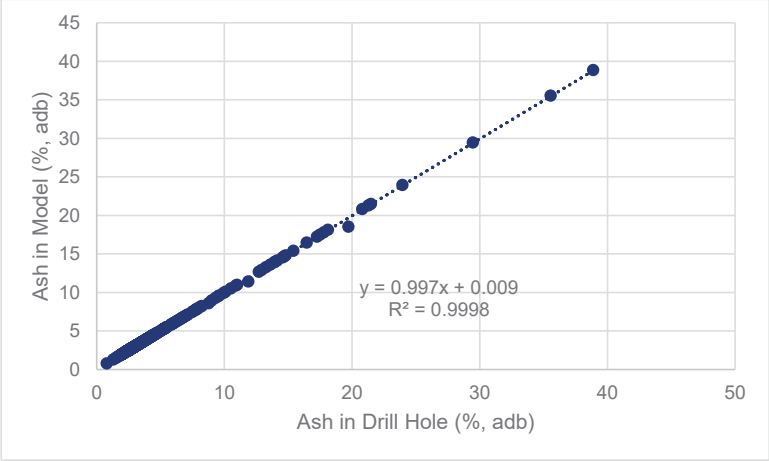
The coal quality in most of the modelled areas is considered consistent with typically low ash (average 3.8%, adb) and low TS (average 0.12%, adb). The high ash content occurs locally, which is usually related to contamination of non-coal material in thin coal seams. The CV between blocks varies with the highest CV values located in Susubang (average 5,110 kcal/kg, gar) and lowest CV values in Suwi area (average 4,310 kcal/kg, gar). In general, no significant deviation of TS value is identified within the Resource area, apart from a number of seams that show high TS locally. The high TS variation is likely attributed to paleodepositional variability and, therefore, is likely to be a limited anomaly.

7.5.1 RPM Quality Model Validation

Contours and postings of quality attributes were created to validate the model. Visual confirmation suggests the data is being honoured reasonably well.

In addition, the ash correlation between laboratory results and modelled quality for the main seams in Samurangau and Roto Middle (Seam Group 9, 9_1, 8, and 4) is shown in **Figure 7-3**. The graph indicates that modelled ash honours the input ash value in the drill hole.

Figure 7-3 Ash Content Comparison – RTM and SM (Seam Group 9, 9_1, 8, and 4)



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The box and whisker plot of CV (gar) (**Figure 7-4** to **Figure 7-7**) indicates that the energy of the coal is predominantly (Q1 to Q3) in the range of 4,600 to 5,200 kcal/kg in Roto South, 4,000 to 4,900 kcal/kg in Roto Middle and Samurangau, 4,100 to 4,700 kcal/kg in Suwi, and 4,800 to 5,500 kcal/kg in Susubang, which is the highest energy in Kideco's concession. The low value is related to high ash content and could be derived from sample contamination. It is noted that the outliers are only minor and, therefore, are not considered material.

Figure 7-4 Box and Whiskers of CV GAR – Roto South

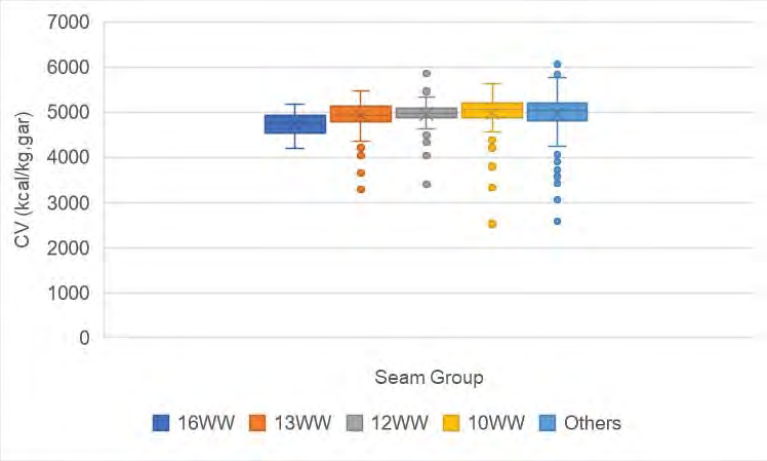
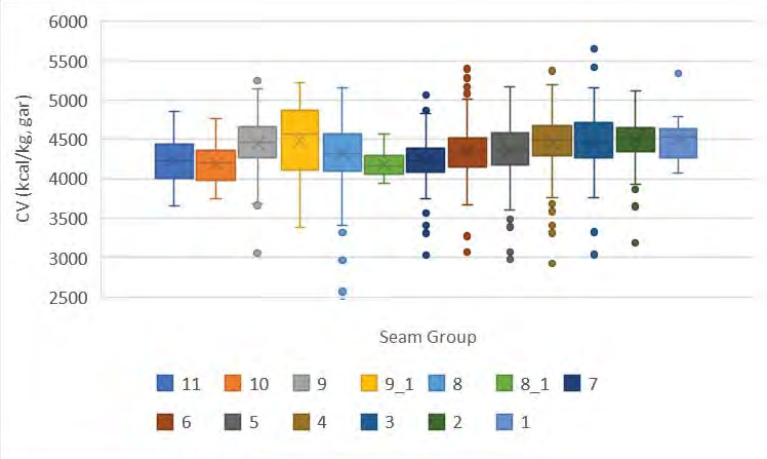


Figure 7-5 Box and Whiskers of CV GAR – Roto Middle and Samurangau



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Figure 7-6 Box and Whiskers of CV GAR – Suwi

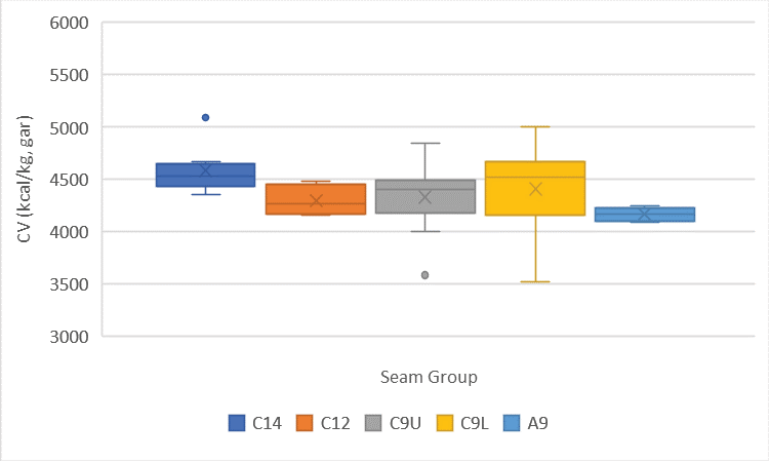
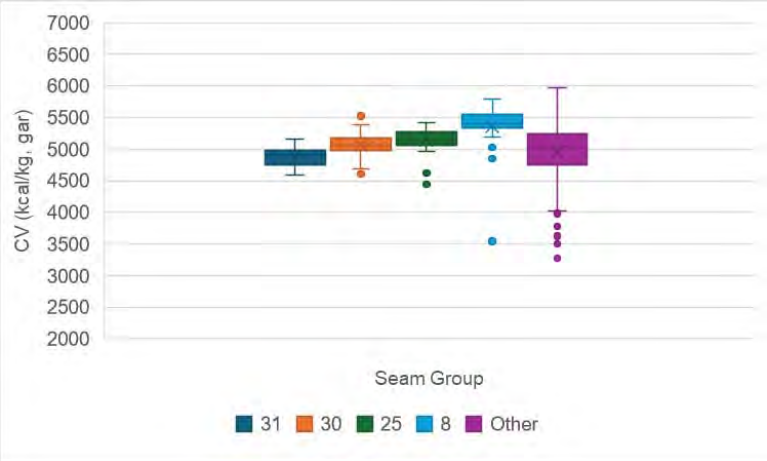


Figure 7-7 Box and Whiskers of CV GAR – Roto Susubang



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The box and whisker plot of ash (**Figure 7-8** to **Figure 7-11**) show that the Kideco deposit contains predominantly (Q1 to Q3) low ash of approximately 2% to 5% in Roto South and Susubang, 2% to 8% in Roto Middle and Samurangau, and 2% to 10% in Suwi. Outliers are detected, most likely related to non-coal material contamination from coal sampling.

Figure 7-8 Box and Whiskers of Ash – Roto South

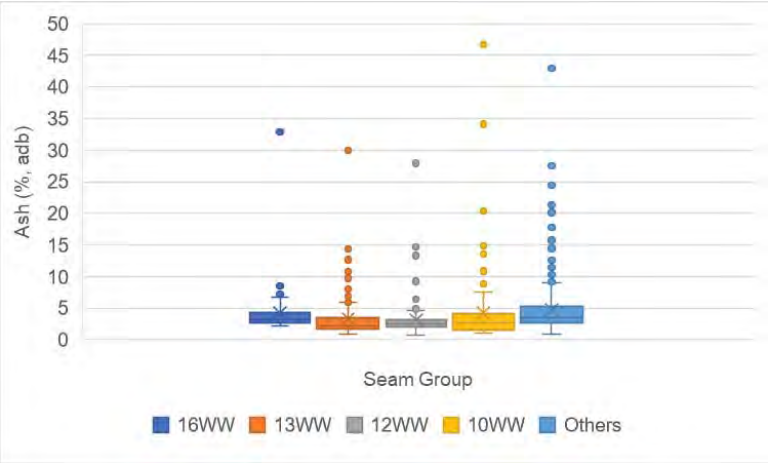
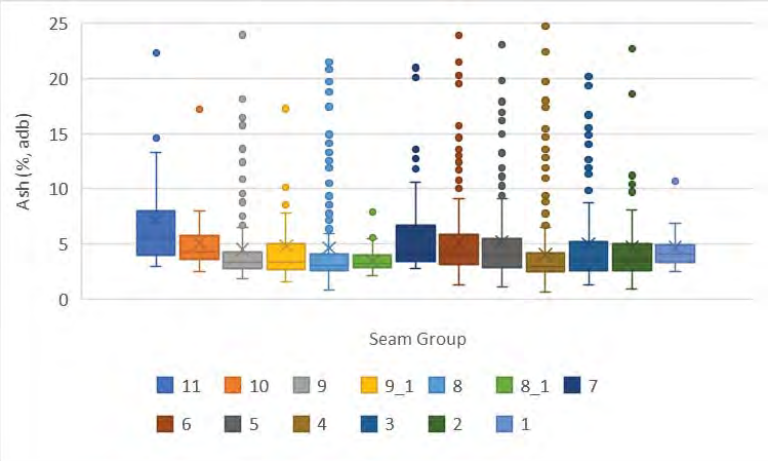


Figure 7-9 Box and Whiskers of Ash – Roto Middle and Samurangau



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Figure 7-10 Box and Whiskers of Ash – Suwi

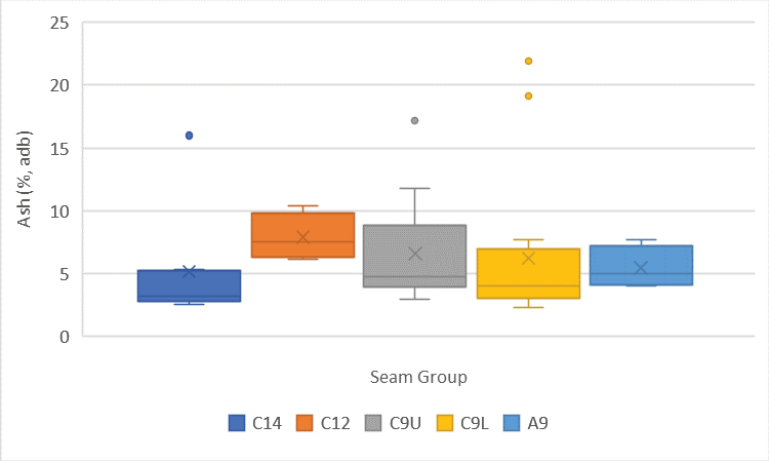
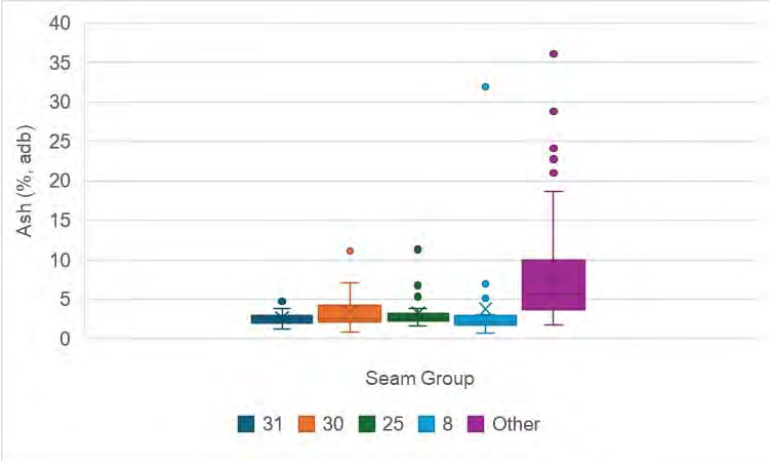


Figure 7-11 Box and Whiskers of Ash - Susubang



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The TS box and whisker plot show the coal is predominantly low in TS, with most of the samples (Q1 to Q3) in the range of 0.10% to 0.15% adb for major seams in Roto South and Susubang, 0.1% to 0.2% in Roto Middle and Samurangau, and Suwi (**Figure 7-12** to **Figure 7-15**). Outliers of TS are generally less than 0.50 % and are not considered material due to most still being within the low TS range.

Figure 7-12 Box and Whiskers of TS – Roto South

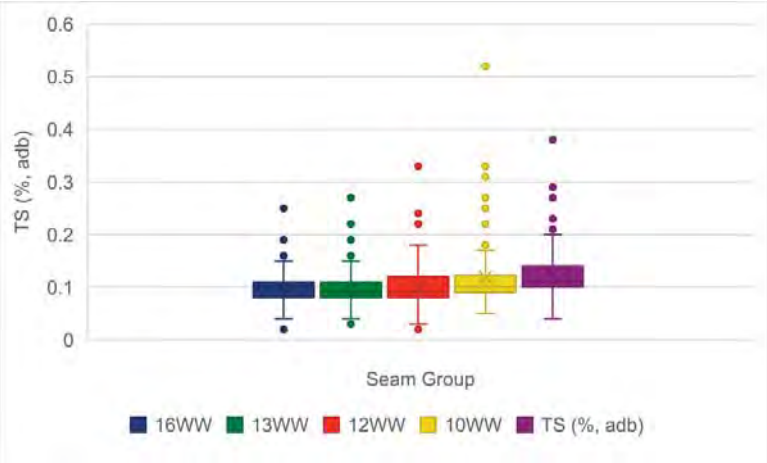
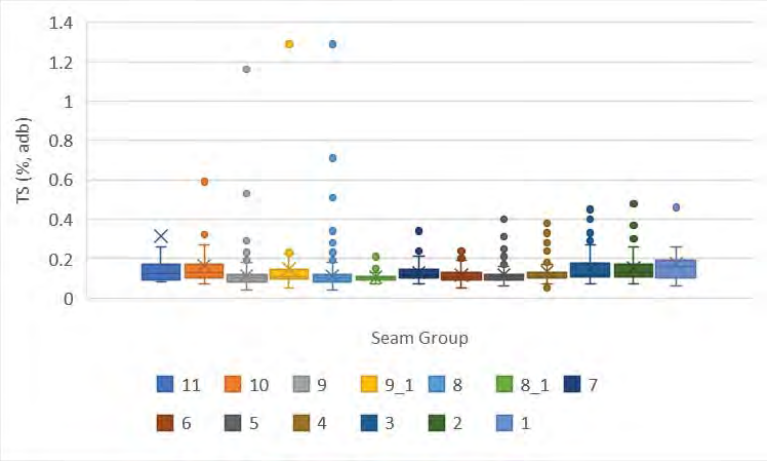


Figure 7-13 Box and Whiskers of TS – Roto Middle and Samurangau



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Figure 7-14 Box and Whiskers of TS – Suwi

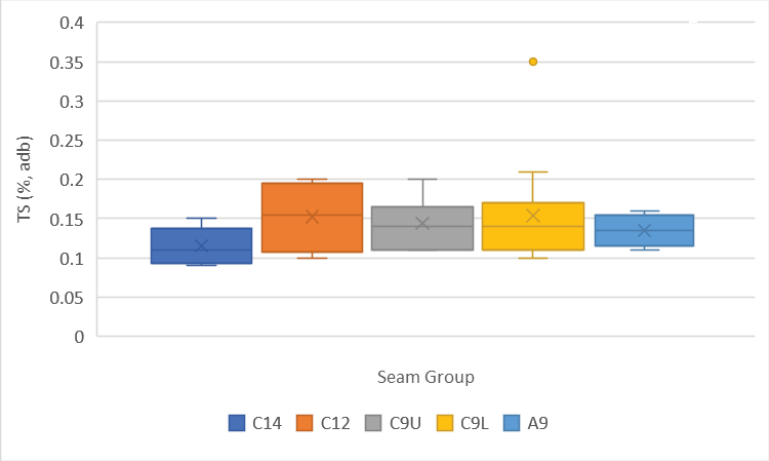
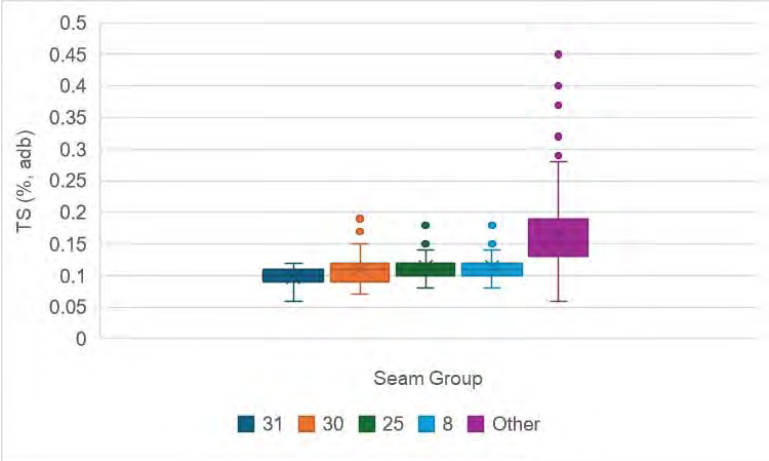


Figure 7-15 Box and Whiskers of TS – Susubang



No major issues were identified in the structural or coal quality model developed by the Client; therefore, RPM believes that the model is suitable for Resource evaluation and estimation.

7.6 Relative Density

The Relative Density (RD) is assumed at 1.30 (adb) for all blocks. This assumption was made by Kideco and was derived from a limited number of sample analyses. The CP is of the opinion that the assumed RD is considered to be reasonable to be used as a basis for Resource estimation due to the reasonable results of coal tonnage reconciliation, as discussed in **Section 8.6**. It is also in CP's experience that RD usually will be in the range 1.30 to 1.37 (adb) for similar coal rank and quality in the region, therefore the difference is approximately only 2% to 5% compared to the default value, and it can be considered as immaterial.

The modelled air-dried RD have been converted to an in situ RD by applying the Preston-Sanders equation to estimate Resources. The TM was used to represent the In Situ Moisture.

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The Preston-Sanders equation is reproduced below:

$$RD_{is} = RD_{ad} \times (100 - IM_{ad})/(100 + RD_{ad} \times (M_{is} - IM_{ad}) - M_{is})$$

Where
- is = in situ
- ad = air dried
- RD = relative density
- IM = inherent moisture
- Mis = in situ moisture.

7.6.1 Total Moisture

Additional samples acquired since the latest JORC Report were analysed for TM, including 5,798 samples in RTS Block, 9,309 samples in Roto Middle and Samurangau, and 2,091 samples in Susubang.

The average TM value for the Project is 28.9%, which was derived from all seam samples in the concession. There is an increase of TM value in Roto blocks from north to south, whilst in Samurangau there is a trend of decreasing TM value from north to south. Susubang has an average TM value of 20.0%.

The TM value is consistent with Kideco's typical product, coal rank and neighbouring operating mines. Kideco has taken specific care during core handling to prevent significant moisture loss, as described in **Section 5.5**. It is, therefore, expected that the TM result from the laboratory can be used to simulate the in situ Moisture.

Note that RPM was not able to compare TM against in situ moisture due to EQM and MHC being unavailable. RPM opines that the estimate of TM used in the quality model is a reasonable representation of the Resource's in situ moisture.

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8. Resource Estimation

8.1 Basis of Estimation

The Resource classification of the Resource is based on an assessment of the geology of the coal deposit, with consideration of the following:

- Regional geological setting;
- Comparison to the adjacent neighbouring projects, including an understanding of geological similarities and differences;
- The nature of the coal seams, including whether the seams are thick and continuous or made up of multiple thin seams and whether there is significant splitting, etc.;
- Structure of the deposit, including seam dip, faulting, folding etc.;
- Post-depositional influences, including depth of weathering, unconformities and wash-outs;
- Coal composition and rank and the impact upon coal quality parameters and potential coal product(s), and utilisation;
- Geographical features and the relationship between structural and depositional features, particularly with respect to topographical variability, river systems, weathering and oxidation.

RPM has completed a comprehensive data analysis following the QC procedures and detailed interpretation of the geological conditions in the project area. The summary of the method employed to estimate Coal Resources can be described as follows:

- The geological model was created from the Kideco exploration data using Datamine Minescape software. No quality restrictions were used, and no thickness cut-off was applied to the structural model. This is normal practice to ensure that the Resource and Reserve are aligned. It is normal for optimal mining sections to be developed by aggregating split seams during the mine planning and scheduling process.
- Points of Observation (PoO) were identified by RPM based on their location and geological data confidence. Further discussion on the selection of PoO can be found in **Section 8.3**. These PoOs mark the centre of a polygon of influence for each of the Measured, Indicated, and Inferred Resource categories.
- Radii for Measured, Indicated, and Inferred Resource confidence outlines were assessed based on RPM's availability of geological observations.
- The Resource categorisation is made on a seam group basis.
- Coal Resources were estimated using the end of December 2023 mined-out surface.
- A valid mining permit/concession lease has also been used to limit the Resource boundaries.
- Depth limits for Resource estimation were based on modified mine optimisation results.
- The estimation was based on the in situ density of each seam basis by applying the Preston-Sanders formula to the density reported by the coal testing laboratory (modelled) density (see **Section 7.6**).
- A minimum seam true thickness of 0.4 m was used in the estimation process.
- The Resources were reported for individual seams and have been rounded to the nearest 50 kt for Measured, 100 kt for Indicated and 200 kt for Inferred resources, and total Coal Resources by category for each area are rounded to 1 Mt. Coal Resources by category for all areas have been rounded to two significant figures to reflect the overall accuracy of the estimates.

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8.2 Reasonable Prospects for Eventual Economic Extraction

RPM has used the following parameters to assess "reasonable prospects for economic extraction":

- Kideco is an established coal mining company and has been producing coal for 30 years. Appropriate infrastructure is in place for the continuation of mining.
- A minimum thickness of 0.4 m has been applied in the Resource estimation. RPM is of the opinion that the assumption is reasonable and is common Kalimantan open cut mining practice for similar types of deposits.
- The maximum parting thickness that is considered as part of the coal is 0.1 m. RPM is of the opinion that the assumption is reasonable and a common mining practice for similar types of coal.
- The coal resources have been delineated by the tenure held by the client and valid permits issued by the Indonesian government. RPM is unaware of any material issues that will impede the coal extraction within the Resource limits.
- A comprehensive environmental study (AMDAL) has been completed in the concession, and the Project is in the operating phase. RPM is of the opinion that no material issues were identified which could impede future mining operations. Any major environmental and other physical parameters have been taken into consideration during the mine optimisation process.
- The mine optimisation results completed by RPM using a higher revenue factor have been used as the basis for Resource limits. RPM used a benchmark coal price of USD 138/t, which is higher than the Reserves base. The mining costs and pit slope assumptions being used are similar to Reserve parameters and stipulated in **Section 9** of the report. The average depth of deep drilling was also considered to ensure the continuity of coal seams within the selected optimisation results. This parameter ensured the continuity of coal seams within the selected optimisation results, resulting in an average SR of approximately 6:1 for the whole RTM-SM area, 9.7:1 in RTS A-G area, 9.6:1 in Suwi, and 13.4:1 in the Susubang Area. In RPM's opinion, this strip ratio can be used as a basis to justify the reasonable prospect of eventual economic extraction using open cut mining methods.

8.3 Definition of Points of Observation

Points of Observation (PoO) are sections of coal-bearing strata at known locations, which provide information about the coal by observation, measurement and/or testing. They allow the presence of coal to be unambiguously determined.

Points of Observation have varying degrees of reliability and can include surface or underground exposures, bore cores, calibrated downhole geophysical logs and representative drill cuttings in non-cored drill holes. Points of Observation are classified by Quantity and Coal Quality.

Resource confidence outlines for the Project were determined by merging Quantity (Structural) confidence limits with Coal Quality confidence limits.

The Kideco database contains a combination of fully cored drill holes without geophysical logging and more recent open holes with "touch coring" and geophysical logging. Both of these methodologies are acceptable in terms of providing reliable seam data, with the following parameters applied:

- Open hole drilling with geophysical logging and adequate coal quality holes with greater than 90% sample recovery gives a sufficient order of accuracy for Coal Resource estimation to Measured category.
- "Partial cored" and "fully cored" drilling (without geophysical logging), with a minimum of 80% sample recovery, gives a sufficient order of accuracy for Coal Resource estimation to Indicated category.

There are typically four PoO types used to categorise coal Resources in Indonesia, which are summarised in **Table 8-1**. RPM used three of the PoO types (Type 1, 2, and 3) for Resource classification. RPM also used barren drill holes without geophysical log data to limit coal seam and categorisation extents.

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Table 8-1 Point of Observation Types

Type	Point of Observation Description	Value and Use of Point of Observation			
1	Cored and analysed intersection of seam with geophysical log, may or may not have lithology log	Types 1 – 3 Reliable for structure and thickness		Types 1 – 2 Required for quality confirmation	
2	Cored and analysed intersection of seam without geophysical log, may or may not have lithology log				
3	Non-cored intersection of seam with geophysical log, may or may not have lithology log				Type 3 May support quality
4	Non-cored intersection of seam without geophysical log, may or may not have lithology log		Type 4 Supportive of structure and thickness		

8.3.1 Structural PoO

Structural PoOs are defined by:

- Open holes with geophysical log to the floor depth of seam being used as a PoO. The drill holes can be inclined or vertical, with or without a downhole survey, and with or without coal quality data.
- Cored hole with or without geophysics. The drill holes can be inclined or vertical, with or without a downhole survey, and with or without coal quality data.

8.3.2 Quality PoO

Coal Quality PoOs are defined by;

- Cored holes with or without geophysics, with or without downhole survey
- Cored hole with coal quality test data, normally for Proximate, CV, and TS.
- Coal seam recovery is normally greater than 90%. RPM also used some coal samples with a recovery factor of 80%. However, this is subject to the consistency of the analysis results with the surrounding holes and majority also within the Indicated category.

It is noted that the drill holes not supported by downhole survey were derived from old exploration work either already mined out or downgraded to Indicated category. The quality PoO spacing is two times the quantity (structural) PoO spacing.

8.4 Resource Classification

The JORC Code (2012) and the Coal Guidelines (2014) do not contain specific or prescriptive rules for the Competent Person for Coal Resources. The Coal Guidelines (2014) strongly suggest that understanding the deposit's geology should be the most important factor and the starting point in Resource classification and estimation. Therefore, the Competent Person completed a deposit categorisation based on the Indonesian Coal Guidelines (SNI:5015 2019), which provides a basic structure to characterise geological complexity.

The Indonesian Coal Guidelines classify coal deposits by a number of criteria into three levels of complexity: Simple, Moderate and Complex, based on a number of sedimentary and structural characteristics that are listed and described below:

- Simple:
  - The deposit is not significantly affected by folding, faulting and intrusion.
  - Strata dip is in general, shallow.

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- Coal seam continuity can be traced over thousands of metres.
- Coal seams have limited and simple splitting.
- No material variability on both quality and coal lateral thickness was observed.

- Moderate:
  - The coal was deposited within a more fluctuating sedimentary environment, resulting in moderate levels of splitting and lateral seam thickness variability.
  - Seam continuity can be traced over hundreds of metres.
  - The strata have been tectonically affected after deposition and are folded and faulted. Strata dips are moderate.
  - The coal quality variability is directly related to the increased variability due to seam thickness changes and seam splitting.
  - In some places, igneous intrusion affects seam structure and quality.
- Complex:

  In general, coal was deposited within a complex sedimentation environment, resulting in;
  - Seam splitting is common and forms complex splitting and coalescing patterns.
  - Seam wash out.
  - Coal quality is highly variable.
  - Coal lateral distribution is limited and can only be traced over dozens of metres.
  - Has been tectonically and extensively deformed, resulting in steep strata dips and structurally induced seam thickness variability.
  - Folding, with some overturned bedding.
  - Steep seam dips.
  - Coal seams are difficult to construct and correlate.

The key attributes of the Resource categorisation parameters are summarised in **Table 8-2**.

RPM considers that the geology of the Resource, in general, can be categorised as a simple to complex deposit due to the following:

- Sedimentation:
  - Most of the area has simple to moderate seam split geometry within the seam groups.
  - The coal seams, particularly the main seam groups in each area, can be recognised and correlated reasonably well within the Resource area over thousands of metres, with some lateral seam thickness variability identified.
- Quality:
  - Coal quality varies between seams and areas. The coal quality trend within the area is predictable and, in general, consistent with the regional geology and neighbouring mines. RPM is of the opinion that the overall coal quality of the Project is categorised as simple.
- Structure:
  - The geology of the Roto mining blocks is structurally complex. The coal dips of the Roto deposits range from 10 to 90 degrees and overturned folds also occur. The RTM deposit is the only deposit in Roto that is considered to have moderate structural complexity. The SM deposit typically has relatively gentle dips of 5 to 20 degrees with local steepening up to 60 degrees. The SM deposit is the only deposit within the Kideco Resource area, which is structurally considered simple. Suwi deposit in the majority is steeply dipping (average 75 degrees) and regarded as structurally complex. The SSB is a steep dipping deposit (55 to 80 degrees) with a combination of a predominantly moderate structure in the southwest (monocline) and some overturned fold structures in the northeast.
  - A number of faults were identified in the Resource area (Four faults in RTS A-F, two faults in RTM, one fault in SM, and one fault in Suwi).

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Table 8-2 Coal Resources Categorisation Parameter

Parameter	Simple	Moderate	Complex
Sedimentation	RTM SSB RTSG	SM RTS A-F Suwi	
Quality	RTS A-F RTSG RTM SM SSB Suwi		
Structure	SM	RTM SSB Southwest	RTS A-F RTSG Suwi SSB Northeast
Drill Hole Spacing			
- Measured	≤500 m	≤250 m	≤100 m
- Indicated	500-1,000 m	250-500 m	100-200 m
- Inferred	1,000-1,500 m	500-1,000 m	200-400 m

This matrix above is also aligned with the Indonesian Coal Resources Guideline (SNI 5015:2019), which in the Competent Person's view, is reasonable for the Indonesian coal deposit.

RPM has classified the Kideco Resource based on the following premises:

- Measured – key characteristics "…can be estimated with a high level of confidence"
- Indicated – key characteristics "…can be estimated with a reasonable level of confidence"
- Inferred – key characteristics "…can be estimated with a low level of confidence"

Note that key characteristics include "…tonnage, densities, shape, physical characteristics, grade and mineral content".

In the context of coal, this means that both physical disposition and key coal quality characteristics must be known.

8.4.1 Roto South A-F

In general, Roto South A-F can be categorised as a moderate deposit particularly due to its consistently steep dip with some faults identified. The deposit shows moderate sedimentation, which is characterised by fair splitting. The coal quality is reasonably consistent and predictable across the block. Resource categorisation is based on a combination of vertical extrapolation at depth based on pit survey data and distance between points of observation for lateral coverage. Coal Resources have been defined as follows:

- Measured - 200 m distance between points of observation for lateral coverage. The vertical extrapolation was based on the current pit survey, which was approximately 100 m below the current survey.
- Indicated - 400 m distance between points of observation for lateral coverage. The vertical extrapolation was based on the current pit survey, which was approximately 200 m below the current survey.
- Inferred - 800 m distance between points of observation for lateral coverage. The vertical extrapolation is approximately 400 m below the current pit survey.

The base of estimates is also limited by selected optimisation results and does not exceed an elevation of minus 400 mRL, based on the depth of drilling (refer to **Figure 8-1**).

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8.4.2 Roto South G

In Roto South G area, the structural and sedimentation complexity is comparable with Roto South A-F, as it is a continuation. The deposit, therefore, can be categorized as moderate. The Coal Resource categorisation approach is based on the extrapolation of drill holes both vertically and horizontally due to the steep dips. Coal Resources have been defined as follows:

- Measured - 200 m distance between points of observation for lateral coverage with vertical extrapolation of 100m below current topography.
- Indicated - 400 m distance between points of observation for lateral coverage with vertical extrapolation of 200 m below current topography.
- Inferred - 800 m distance between points of observation for lateral coverage with vertical extrapolation of 400m below current topography.

The base of estimates is also limited by selected optimisation results and not exceeding an elevation of minus 400 mRL, based on the depth of drilling (refer to **Figure 8-2**).

8.4.3 Roto Middle

In general, Roto Middle can be categorized as simple deposit particularly due to the consistency in sedimentation and quality results. The coal dips, in general, are shallow, steepened locally in the eastern flank and gradually flattened towards the Samurangau area. Resource categorisation is based on a horizontal extrapolation based on the radius of influence of drill holes, with the consideration of selected mine optimisation results and average depth of deep drilling. The additional drilling conducted in the southern and eastern parts of Roto Middle confirmed that coal is consistent and continuous to Samarangau, particularly for major seams, resulting in a wider distance between points of observation. Coal Resource categories are summarised in **Table 8-3**.

Table 8-3 Point of Observation Types

Category	Distance between PoO	
	Dip < 15 deg	Dip > 15 deg
	Major Seams	All Seams
Measured	500	400
Indicated	1,000	800
Inferred	1,500	1,500

The base of estimates is also limited by selected optimisation results and not exceeding an elevation of minus 350 mRL, based on the depth of drilling (refer to **Figure 8-3**).

8.4.4 Samurangau

A number of the coal seams are relatively thick and continuous, and the area is structurally simple with a relatively shallow dip. The coal dip locally steepens in the northwest corner and gradually becomes gentle towards the southwest. In general, Samurangau can be categorized as simple deposit particularly due to the consistency in structure and quality results. The additional drilling data completed by Kideco confirmed that the major seams within the shallow dips are more consistent and predictable. RPM, therefore, used a wider distance for this case. Coal Resource categories are summarised in **Table 8-4**.

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Table 8-4 Point of Observation Types

Category	Distance between PoO		
	Dip < 15 deg	70 deg > dip > 15 deg	Dip > 70 deg
	Major Seams	All Seams	All Seams
Measured	500	400	100
Indicated	1,000	800	200
Inferred	1,500	1,500	400

The base of estimates is also limited by selected optimisation results and not exceeding an elevation of minus 350 mRL, based on the depth of drilling (refer to **Figure 8-4**).

8.4.5 Suwi

In Suwi area, the structural and sedimentation complexity is comparable with Samurangau and Roto South A-F. The deposit consists of two different coal series, the western gentle dip coal (average 10 degrees) and the steeply dipping coal (average (75 degrees). A possible major fault separates the two coal series, but there is a lack of certainty due to limited data. Therefore, Suwi can be categorised as moderate. The Coal Resource categorisation approach is based on the extrapolation of drill holes both vertically and laterally due to the steep dips. Coal Resources have been defined as follows:

- Measured - 200 m distance between points of observation for lateral coverage with vertical extrapolation of 100 m below current topography.
- Indicated - 400 m distance between points of observation for lateral coverage with vertical extrapolation of 200 m below current topography.
- Inferred - 800 m distance between points of observation for lateral coverage with vertical extrapolation of 400m below current topography.

The base of estimates is also limited by selected optimisation results and not exceeding an elevation of minus 150 mRL, based on the depth of drilling (refer to **Figure 8-5**).

8.4.6 Susubang

A number of coal seams are relatively thick and continuous, and dips are relatively steep. Drilling has been conducted on drill lines at approximately 100 to 200 m spacing. Recent drilling has extended the coverage area towards the northeast, whilst, within the southwest area, drilling was targeted around the major seams to increase the geological confidence, particularly to the Measured category. It is noted that the previous Resource categorisation was largely to the Indicated category, with the exception of seam 8 due to downdip data limitations. RPM divides the distance between points of observation based on geological complexity and seam continuity, as stated in **Table 8-5**. The distance between the point of observation used for overturned seams covers both lateral and vertical spatial considerations.

Table 8-5 Point of Observation Types

Category	Distance between PoO		
	Monocline Seams		Overturned Seams
	Major Seams	Minor Seams	All Seams
Measured	400	300	200
Indicated	800	600	400
Inferred	1,500	1,200	800

The base of estimates is also limited by selected optimisation results and not exceeding an elevation of minus 150 mRL, based on the depth of drilling (refer **Figure 8-6**).

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The drill hole density and the Coal Resource category polygons applied to the main seams and blocks are shown in **Figure 8-1** to **Figure 8-6**. Figures showing Coal Resource limits, drill intercepts and coal quality data for all main seams are included in **Appendix F**.

8.5 Resource Risk Assessment

RPM has performed a Resource Risk Assessment for the Coal Resource estimate as of 31 December 2023, based on Risk Management AS/NZS 4360:1999. The qualitative measures of consequence, likelihood, and risk analysis matrix are shown in **Table 8-6** to **Table 8-8**.

No major issues were found in the geological interpretation, Resource model dataset, geological model, permits, and constraints. Therefore, the risk associated with an unreliable Resource estimate is low. The detailed risk assessment is provided in **Table 8-9**.

Table 8-6 Qualitative Measures of Consequences or Impact

Level	Descriptor	Example detail descriptions
1	Insignificant	Low financial loss, no injuries
2	Minor	Medium financial loss, first aid treatment
3	Moderate	High financial loss, medical treatment required
4	Major	Major financial loss, extensive injuries, loss of production capability
5	Catastrophic	Huge financial loss, death

Table 8-7 Qualitative Measures of Likelihood

Level	Descriptor	Example detail descriptions
A	Almost certain	Is expected to occur in most circumstances
B	Likely	Will probably occur in most circumstances
C	Possible	Might occur at some time
D	Unlikely	Could occur at some time
E	Rare	May occur only in exceptional circumstances

Table 8-8 Qualitative Risk Analysis Matrix

Likelihood	Consequences				
	Insignificant	Minor	Moderate	Major	Catastrophic
	1	2	3	4	5
A (almost certain)	High	High	Extreme	Extreme	Extreme
B (likely)	Moderate	High	High	Extreme	Extreme
C (possible)	Low	Moderate	High	Extreme	Extreme
D (unlikely)	Low	Low	Moderate	High	Extreme
E (rare)	Low	Low	Moderate	High	High

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Table 8-9 Coal Resource Risk Assessment

Category	Risk Description	Initial Risk Rating			Risk Response	Residual Risk Rating		
		Likelihood Rating	Consequence Rating	Risk Rating		Likelihood Rating	Consequence Rating	Risk Rating
Geological Interpretation	Geological interpretation does not align with local and regional geology	Possible	Moderate	High	All necessary data, including regional data, have been reviewed and utilised. The geological interpretation also aligns with regional geology. The deposit is an operating mine with more than 20 years history.	Rare	Insignificant	Low
Resource Data Resource Data	Inadequate or unreliable data set	Possible	Major	Extreme	Data collection procedures have been reviewed, and made following notes: • Drillhole data that completed with full coring (recovery >=80%) method and not supported with geophysical logging data are used with maximum category of Indicated. This subject to seam consistency with surrounding holes. • RD is assumed 1.30 (adb) for all areas and seams. RPM converted this value into in situ RD using the Preston Sanders equation. This might slightly understate the estimate. Coal tonnage reconciliation of all blocks show a good correlation between model forecast and actual. RD with the same coal rank and quality within the region normally ranges between 1.30 to 1.37 (adb),which this approximately 2-5% difference compare to default value, and can be considered as immaterial. This indicates no major issue on the RD. • Some inclined old holes were not supported with deviation data. Most of these are already mined out or downgraded to Indicated level.	Unlikely	Minor	Low
Geological Model	Inadequate or unreliable structural model	Possible	Moderate	High	RPM completed structural data checks on all drill hole data. No major issues were found. The model is a reasonable representation of the drilling.	Unlikely	Minor	Low

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Category	Risk Description	Initial Risk Rating			Risk Response	Residual Risk Rating		
		Likelihood Rating	Consequence Rating	Risk Rating		Likelihood Rating	Consequence Rating	Risk Rating
					Datamine MineScape software version 5.9 and 2023 is used. The software is reliable for coal modelling and has industry-wide acceptance.			
					The model was built by RPM. Appropriate parameters have been applied.			
	Inadequate or unreliable quality model	Possible	High	High	RPM completed quality model validation against the drill hole data for all holes, and no major issues were found.	Unlikely	Minor	Low
					Datamine MineScape software version 5.9 and 2023 is used. The software is reliable for coal modelling and has industry-wide acceptance.			
					The model was built by RPM. Appropriate modelling parameters have been applied.			
Resource Estimation	Permits	Possible	Moderate	High	An independent review of the Project's permits was not carried out. However, RPM has made reasonable enquiries and exercised professional judgement on all information provided.	Rare	Minor	Low
	Resource classification is not appropriate and supported	Possible	Moderate	High	The Coal Guidelines (2014) have been used. In addition, the Indonesian Coal Guidelines (SNI 5015:2019) have been considered in the evaluation of geological complexity at the deposit. This approaches are considered appropriate due to the nature and location of the deposit.	Unlikely	Minor	Low
	Resource boundaries are not defined correctly	Possible	Moderate	High	All necessary parameters and constraints have been reviewed and applied.	Unlikely	Minor	Low
	Unreliable Resource estimate results	Possible	Major	Extreme	Check estimates have been completed by RPM internally. No major issues were identified.	Unlikely	Minor	Low

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8.6 Coal Reconciliation 2021 – 2023

Kideco provided a coal reconciliation based on actual survey and model forecast volume within the mining area. The overall results indicated an acceptable limit less than 2% variance. The higher variance occurred on complex structural deposits. The summary of coal reconciliation is shown in **Table 8-10**.

Table 8-10 Coal Reconciliation 2021-2023

Year	RTS A-G			RTM		
	Actual (kbcm)	Model (kbcm)	Variance	Actual (kbcm)	Model (kbcm)	Variance
2023	3,354	3,056	110%	1,596	1,665	96%
2022	4,513	4,413	102%	2,212	2,355	94%
2021	6,328	5,934	107%	2,786	2,733	102%
Total	**14,194**	**13,403**	**106%**	**6,594**	**6,753**	**98%**
Year	**SM**			**SSB**		
	Actual (kbcm)	**Model (kbcm)**	**Variance**	**Actual (kbcm)**	**Model (kbcm)**	**Variance**
2023	15,004	14,951	100%	733	699	105%
2022	18,375	19,324	95%	689	685	100%
2021	18,248	18,549	98%	883	934	95%
Total	**51,626**	**52,824**	**98%**	**2,305**	**2,318**	**99%**

RPM considers that the reconciliation results still show that the models are fit for purpose for estimation of Coal Resources but may not be for the short-term evaluation due to the limitation of data and model parameters.

8.7 Coal Resource Estimate 2023

RPM completed Coal Resources estimation over the Kideco area. The summary of Coal Resources by the end December 2023 is shown in **Table 8-11**. The detailed Coal Resources estimation by seam and by area is provided in **Appendix E**.

No mining losses or dilution have been applied to the Coal Resources.

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Table 8-11 Kideco Open Cut Coal Resources Summary as of 31 December 2023

Area / Block	Coal Resources (Million Tonnes)				TM %	CV (kcal/kg)	Ash %	TS %	RD
	Inferred	Indicated	Measured	Total	(ar)	(gar)	(adb)	(adb)	In Situ
Inferred Resources									
Roto South A-F	17			17	22.5	5,055	3.4	0.1	1.27
Roto South G (Biu)	0			0	26.1	4,750	4.4	0.18	1.26
Roto Middle	33			33	27.6	4,635	4.9	0.13	1.27
Samurangau ABC	136			136	30.2	4,445	4.8	0.14	1.24
Samurangau D	9			9	30.5	4,545	5.5	0.19	1.27
Suwi	3			3	29.9	4,280	7.0	0.15	1.25
Susubang	3			3	19.4	5,070	7.3	0.17	1.28
Sub Total/ Average	**201**	**0**	**0**	**201**	**29.0**	**4,540**	**4.8**	**0.14**	**1.25**
Indicated Resources									
Roto South A-F		50		50	22.5	5,025	3.1	0.1	1.27
Roto South G (Biu)		2		2	23.1	4,735	6.5	0.14	1.27
Roto Middle		110		110	26.5	4,700	3.3	0.12	1.25
Samurangau ABC		221		221	29.9	4,490	3.9	0.13	1.25
Samurangau D		87		87	29.2	4,560	3.9	0.12	1.25
Suwi		4		4	29.8	4,335	5.6	0.14	1.25
Susubang		10		10	19.5	5,050	7.2	0.15	1.28
Sub Total/ Average	**0**	**484**	**0**	**484**	**28.0**	**4,615**	**3.8**	**0.12**	**1.25**
Measured Resources									
Roto South A-F			41	41	23	4,985	3.1	0.11	1.27
Roto South G (Biu)			6	6	23.3	4,900	3.7	0.15	1.27
Roto Middle			99	99	26.5	4,780	2.7	0.11	1.26
Samurangau ABC			360	360	31.6	4,380	3.7	0.12	1.25
Samurangau D			232	232	29.5	4,545	3.5	0.11	1.25
Suwi			0	0					
Susubang			26	26	20.3	5,140	4.7	0.13	1.28
Sub Total/ Average	**0**	**0**	**764**	**764**	**29.4**	**4,545**	**3.5**	**0.12**	**1.25**
Grand Total/ Average	**201**	**484**	**764**	**1,449**	**28.9**	**4,570**	**3.8**	**0.12**	**1.25**

Notes:

1. *The Statement of JORC Coal Resources for Kideco has been compiled by Mr Oki Wijayanto, a full-time employee of RPM and a Registered Member of the Australian Institute of Mining and Metallurgy. Mr Wijayanto has sufficient experience relevant to the style of coal and type of deposit under consideration and to the activity he has undertaken to qualify as a Competent Person as defined in the JORC Code.*
2. *All Coal Resources figures reported in the table above represent estimates as of 31 December 2023. Coal Resource estimates are not precise calculations, depending on the interpretation of limited information on the occurrence's location, shape, continuity, and available sampling results.*
3. *The figures reported are rounded, which may result in small tabulation errors.*
4. *Resources are reported inclusive of Reserves.*
5. *Coal Resources have been estimated in accordance with the JORC Code (2012) and Australian Guidelines for Estimation and Classification of Coal Resources (2014).*
6. *Resources are reported on a 100% equity basis.*
7. *RPM evaluated the reasonable prospect for eventual economic extraction using the open cut mining method for the Resources through a pit optimisation process. An economic pit shell was used to limit the reported Resources based on operating costs outlined in Section 8 and a benchmark coal price of USD 138 per tonne for 6,322 kcal/kg gar energy, adjusted based on the coal quality estimated for the deposit. This price is based on a historical and future benchmark price. Different overall slopes were applied based on the mining area in the optimisation process. The average depth of deep drilling was also used as a lower limit to the Resources limits. This parameter ensured the continuity of coal seams within the selected optimisation results, resulting in an average SR of approximately 6:1 for the whole RTM-SM area, 9.7:1 in RTS A-G area, 9.6:1 in Suwi, and 13.4:1 in Susubang area.*

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8.8 Previous Resource Estimate

Total Coal Resource estimates through 31 December 2023 have decreased from the previous Coal Resource estimation dated 31 December 2019. A total of 134 Mt have been mined since the previous Statement. A comparison of coal mined with Resource depletion is provided in **Table 8-12**.

Table 8-12 Summary Comparison Coal Resources

Date	Category	Area						Total (Mt)
		Roto South A-F	Roto South G	Roto Middle	Samurangau	Suwi	Susubang	
Dec 23 (Mt)	Inferred	17	0	33	145	3	3	**201**
	Indicated	50	2	110	308	4	10	**484**
	Measured	41	6	99	592	0	26	**764**
	Total	108	8	242	1,045	7	39	**1,449**
Dec 19 (Mt)	Inferred	58	11	29	229	6	13	**346**
	Indicated	72	9	95	622	6	16	**820**
	Measured	17	3	57	290	0	11	**378**
	Total	147	23	181	1,141	12	40	**1,544**
Difference (Mt)	Inferred	-41	-11	4	-84	-3	-10	**-145**
	Indicated	-22	-7	15	-314	-2	-6	**-336**
	Measured	24	3	42	302	0	15	**386**
	Total	-39	-15	61	-96	-5	-1	**-95**

The total Coal Resources decreased by approximately 95 Mt, which was principally due to the following factors:

- Mining depletion of approximately 134 Mt in all area excluding Suwi;
- In-pit dump activity in RTS A-F impacted the optimised pit.
- The additional drill data in Roto South was completed during the intervening period, which in general caused the seam thinning and Coal Resource decrease, but an improvement of Coal Resource category was predominantly in Measured and Indicated in Roto South A-G area.
- Additional drilling in the southern part of Roto Middle has expand resource area to the south. Additional drilling in the adjoining Roto Middle – Samurangau area also increased resource classification in the area.
- Extensive infill quality drilling in Samurangau significantly increased resource classification. A significant portion of Inferred and Indicated was upgraded into Indicated and Measured category, respectively.
- A buffer of 50 m was applied along Biu River, hence Suwi Resource area is now constrained only to the north of the river.

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8.9 Opportunities

RPM considers that there are several opportunities to improve the potential of the deposit :

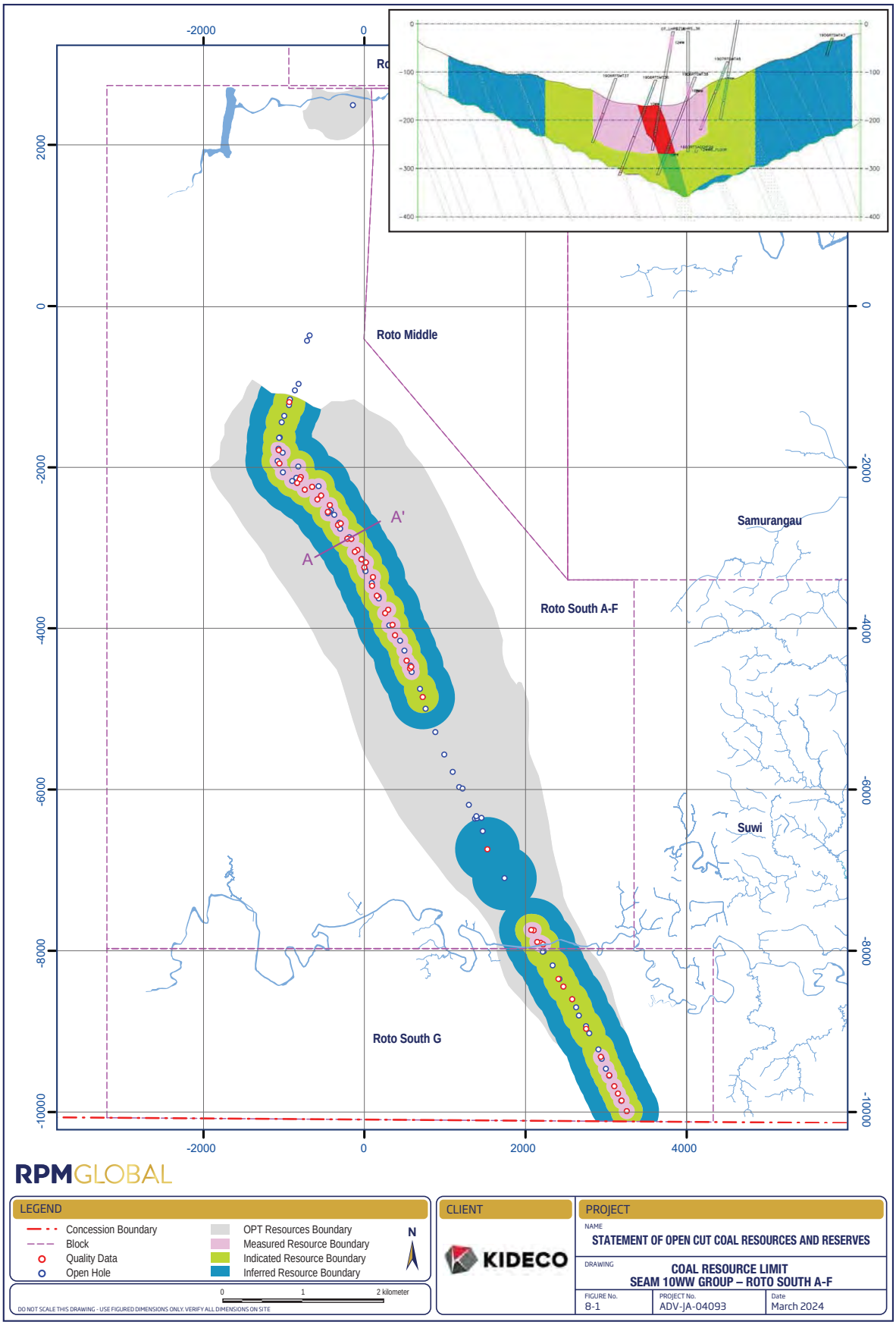
- Coal density is still based on limited data, hence a default RD adb value was used.
- A total of 16 recent drill holes were excluded in Susubang northeast area due to verticality data issue.
- Limited drill holes in southern RTM and the area between RTM and SM.
- Limited drill holes in the southwest portion of SM ABC.
- Limited drill holes in the east and west parts of Suwi.
- Coal reconciliation in short period/yearly basis shows higher variance compared to the total, particularly in the complex area. RPM understands that no dedicated short-term model is available.

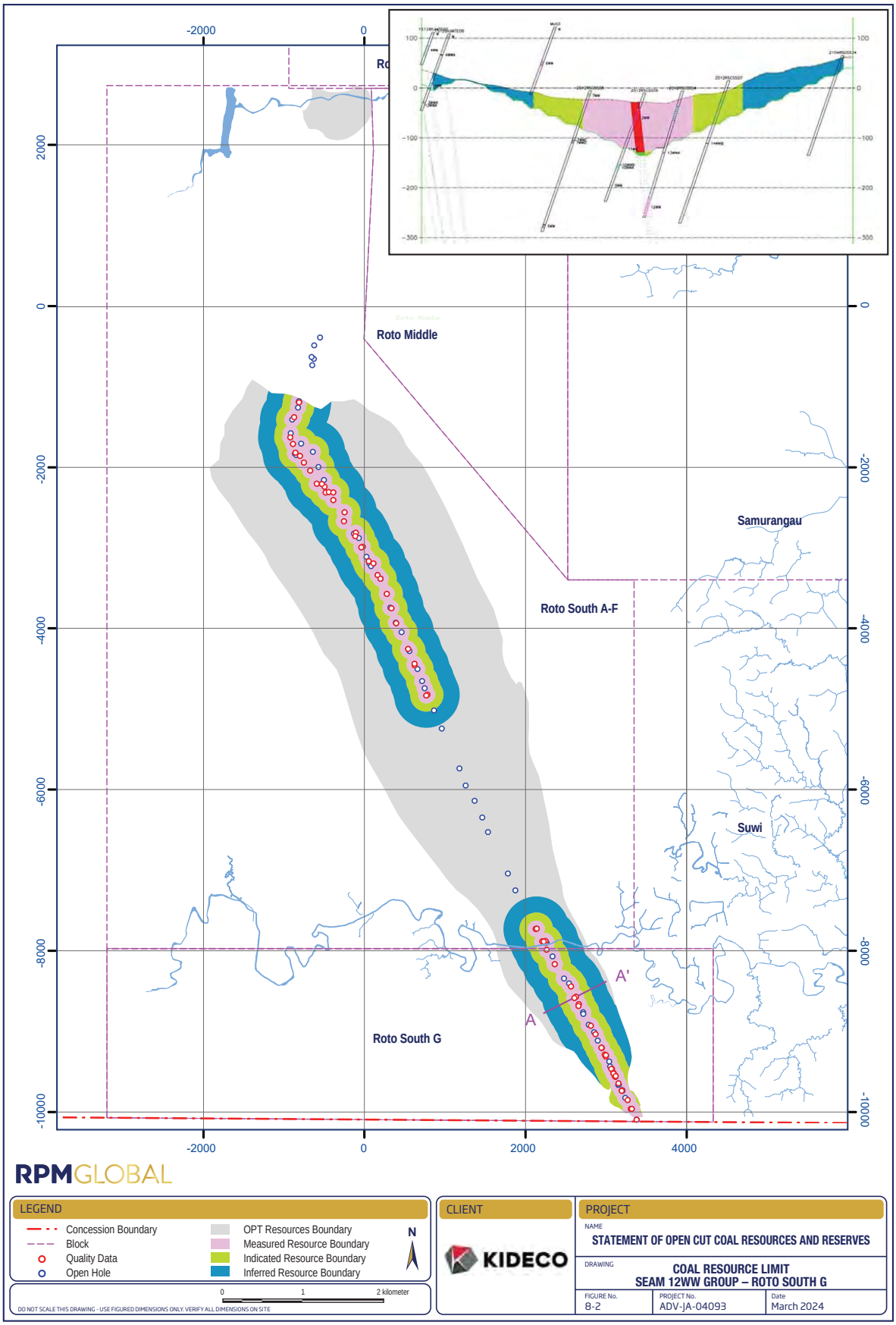
8.10 Recommendations

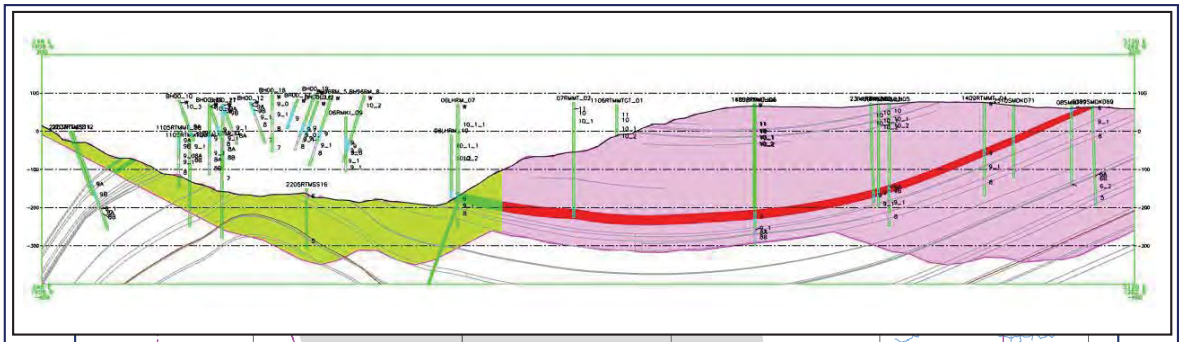
Based on the risks and opportunities that RPM has assessed, there are several key recommendations that have been identified as follows:

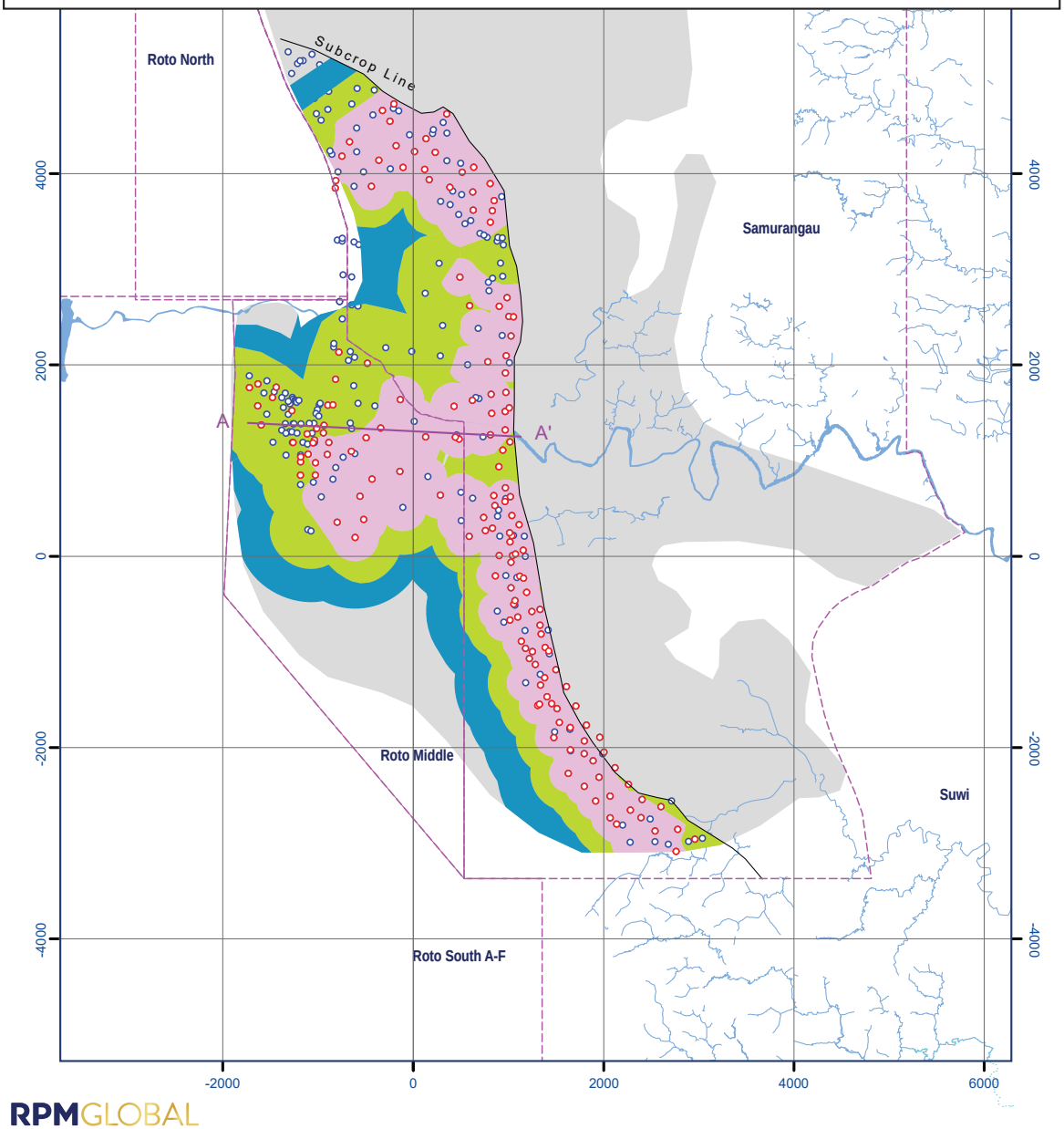
- Conduct future exploration to include RD analysis to improve the accuracy of the quality model and estimate.
- Analyse the root cause of the verticality data issue and conduct a verticality re-survey of the problem holes. If the issue can be resolved, as well as the resurvey, the drill holes can used in future work.
- Conduct extensional drilling to southern RTM and infill towards SM D.
- Conduct infill drilling in southwestern SM ABC.
- Conduct infill drilling in eastern Suwi to increase the Resource category and extend the drilling to the west of Suwi to further delineate the prospects.
- Develop short-term models to assist in the mine operation and improve the accuracy of mine planning and reconciliation.

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-2000
0
2000
4000
-10000
-8000
-6000
-4000
-2000
0
2000
Roto Middle
Roto South A-F
Roto South G
Samurangau
Suwi
A
A'
RPMGLOBAL
LEGEND
Concession Boundary
Block
Quality Data
Open Hole
OPT Resources Boundary
Measured Resource Boundary
Indicated Resource Boundary
Inferred Resource Boundary
N
0
1
2 kilometer
DO NOT SCALE THIS DRAWING - USE FIGURED DIMENSIONS ONLY. VERIFY ALL DIMENSIONS ON SITE
CLIENT
KIDECO
PROJECT
NAME
STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES
DRAWING
COAL RESOURCE LIMIT
SEAM 10WW GROUP – ROTO SOUTH A-F
FIGURE No.
8-1
PROJECT No.
ADV-JA-04093
Date
March 2024


-2000
0
2000
4000
-10000
-8000
-6000
-4000
-2000
0
2000
Roto Middle
Samurangau
Roto South A-F
Suwi
Roto South G
A
A'
RPMGLOBAL
LEGEND
Concession Boundary
Block
Quality Data
Open Hole
OPT Resources Boundary
Measured Resource Boundary
Indicated Resource Boundary
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KIDECO
PROJECT
NAME
STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES
DRAWING
COAL RESOURCE LIMIT
SEAM 12WW GROUP – ROTO SOUTH G
FIGURE No.
8-2
PROJECT No.
ADV-JA-04093
Date
March 2024





RPMGLOBAL

LEGEND

- Concession Boundary
- Block
- Quality Data
- Open Hole
- OPT Resources Boundary
- Measured Resource Boundary
- Indicated Resource Boundary
- Inferred Resource Boundary

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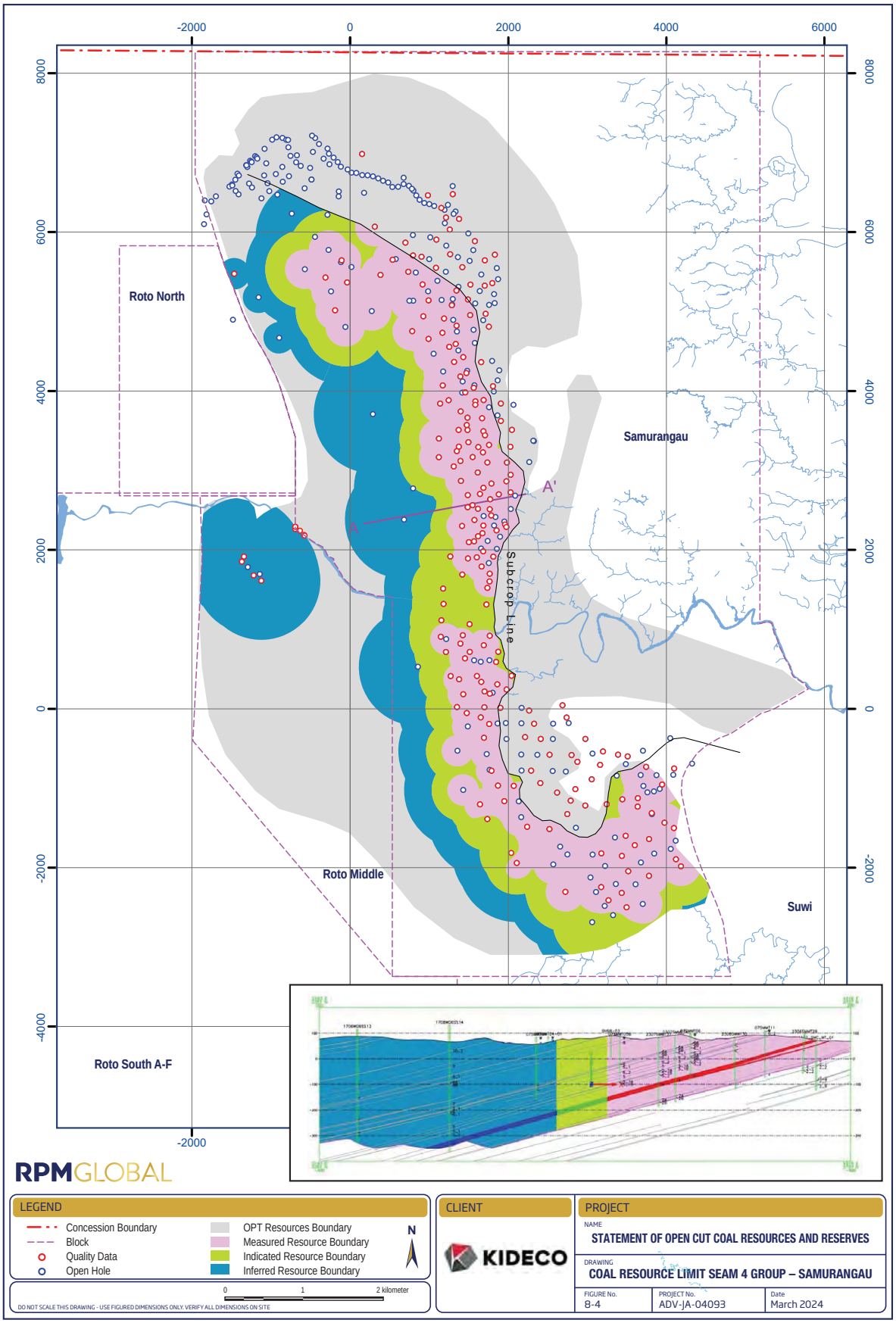
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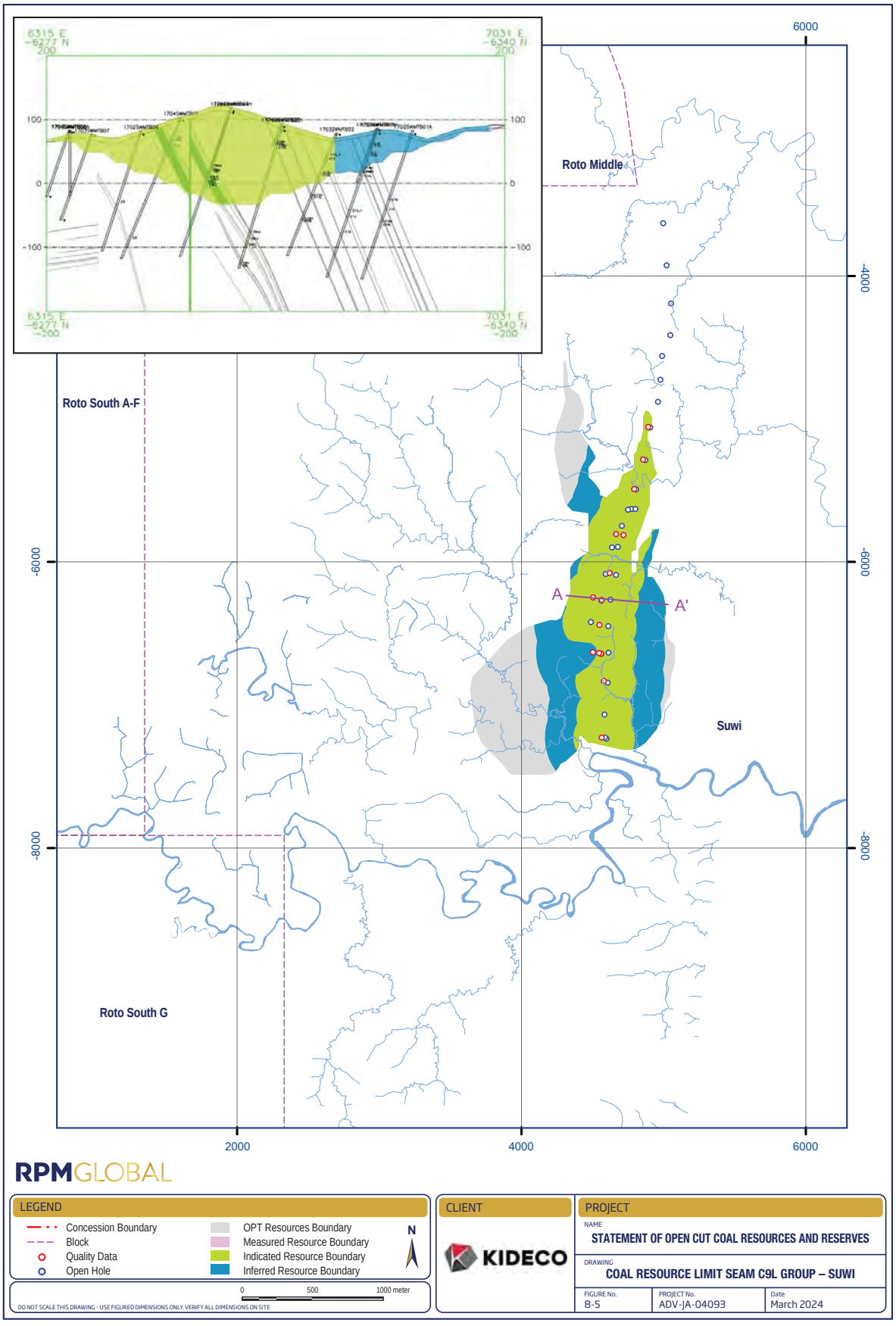
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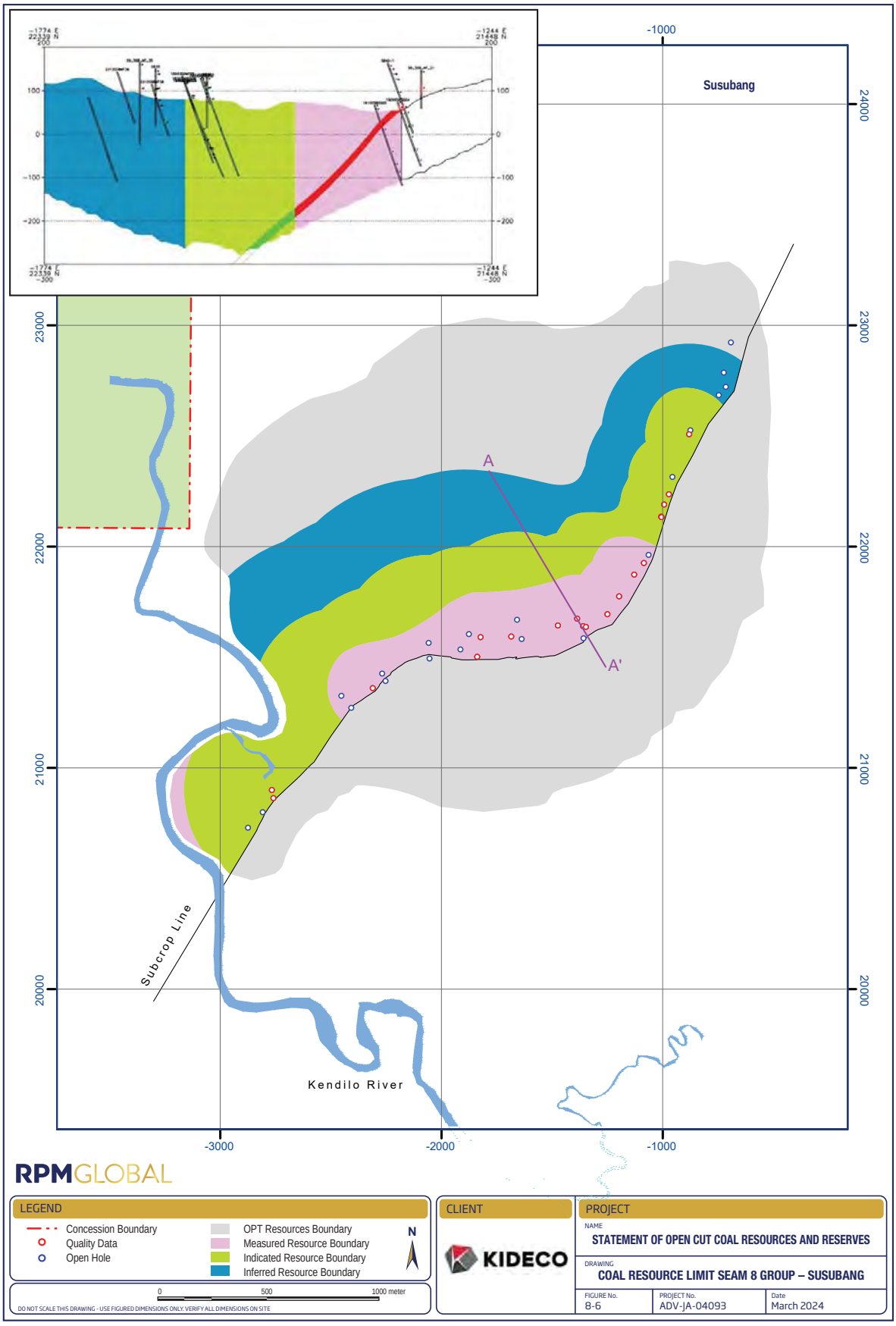
NAME
STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES

DRAWING
COAL RESOURCE LIMIT SEAM 9 GROUP – ROTO MIDDLE

FIGURE No.	PROJECT No.	Date
8-3	ADV-JA-04093	March 2024


-2000
0
2000
4000
6000
8000
6000
4000
2000
0
-2000
-4000
Roto North
Samurangau
Roto Middle
Suwi
Roto South A-F
A
A'
Subcrop Line
RPMGLOBAL
LEGEND
Concession Boundary
Block
Quality Data
Open Hole
OPT Resources Boundary
Measured Resource Boundary
Indicated Resource Boundary
Inferred Resource Boundary
N
0
1
2 kilometer
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KIDECO
PROJECT
NAME
STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES
DRAWING
COAL RESOURCE LIMIT SEAM 4 GROUP – SAMURANGAU
FIGURE No.
8-4
PROJECT No.
ADV-JA-04093
Date
March 2024


6315 E
-6277 N
200
7031 E
-6340 N
200
100
0
-100
-200
Roto Middle
Roto South A-F
Roto South G
Suwi
A
A'
6000
4000
2000
-6000
-8000
RPMGLOBAL
LEGEND
Concession Boundary
Block
Quality Data
Open Hole
OPT Resources Boundary
Measured Resource Boundary
Indicated Resource Boundary
Inferred Resource Boundary
N
0
500
1000 meter
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CLIENT
KIDECO
PROJECT
NAME
STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES
DRAWING
COAL RESOURCE LIMIT SEAM C9L GROUP – SUWI
FIGURE No.
8-5
PROJECT No.
ADV-JA-04093
Date
March 2024


Susubang
-1000
24000
23000
22000
21000
20000
-3000
-2000
-1000
A
A'
Subcrop Line
Kendilo River
RPMGLOBAL
LEGEND
Concession Boundary
Quality Data
Open Hole
OPT Resources Boundary
Measured Resource Boundary
Indicated Resource Boundary
Inferred Resource Boundary
N
0
500
1000 meter
DO NOT SCALE THIS DRAWING - USE FIGURED DIMENSIONS ONLY. VERIFY ALL DIMENSIONS ON SITE
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KIDECO
PROJECT
NAME
STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES
DRAWING
COAL RESOURCE LIMIT SEAM 8 GROUP – SUSUBANG
FIGURE No.
8-6
PROJECT No.
ADV-JA-04093
Date
March 2024

9. Model Conversion: In Situ to ROM Model

The estimation of Coal Reserves involves the application of a number of mining factors. Minimum coal seam thickness, cut-off criteria, coal losses, and dilution factors were applied in the estimation process to convert the in situ coal tonnes to ROM coal tonnes on an as received moisture basis. A dilutant quality assumption was applied to estimate the ROM product quality. Based upon Kideco reconciliation results, a global loss for mining and processing has been applied to convert coal quantities in the model into the final product quantities. Geological factors were included in this total loss.

The in situ geological models need to be adjusted prior to mine planning. A level of practicality must be applied to the modelled data to simulate the processes undertaken in mining operations. The following mining parameters are used to convert the "in ground" or in situ geological model to an as mined or ROM representation of the geological model.

- **Minimum Mining Thickness** - There is a minimum coal and waste thickness which can be practically mined, which depends on equipment size and the strength of the coal / waste interface. Below this thickness cut-off value, the effort required to recover the coal is not economically viable. By applying these limits, the model is altered to become a working section model.
- **Coal Loss and Dilution** - Once a coal mining section has been deemed realistically thick enough for mining, a practical and economic limit is applied to the amount of effort to recover all the coal in the ground. Some coal is always left behind due to the irregular shape and properties of the coal waste interface. Conversely, some waste is mined with the coal and becomes coal dilution.
- **Dilution Characteristics** – For this deposit, the parting qualities have not been modelled, and hence, default dilution qualities have been assumed and used.

The parameters RPM has used in converting the in situ geology model to a ROM model for mine planning are given in **Table 9-1**.

Table 9-1 In situ to ROM Modifying Factors

Item	Unit	Samurangau	Susubang	Roto North	Roto Middle	Roto South A-F	Roto South G (Biu)	Suwi
Coal Minimum Thickness	m	0.3	0.3*	**	0.3	0.3*	**	**
Coal Loss	%	4.2	8.7	**	4.9	8.5	**	**
Dilution	%	1	1	**	1	1	**	**
Dilutant - RD		2.2	2.2	**	2.2	2.2	**	**
Dilutant - CV	kcal/kg	500	500	**	500	500	**	**
Dilutant - Ash	%	70	70	**	70	70	**	**
Dilutant - TS	%	0.12	0.13	**	0.10	0.11	**	**

Note:
**Susubang and Roto South geological models were established in a block model database, which does not allow the application of the coal minimum thickness as in the stratigraphic geological model. Therefore, the coal minimum thickness was included as percentage in the coal loss assumption.*
***Roto North, Roto South G, and Suwi were not part of the scope of work for updating the Resource and Reserve statement.*

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10. Pit Optimisation

Pit optimisation is a mine planning technique commonly used at the strategic planning stage of study to investigate the relative economics of a coal deposit. Pit optimisation can help identify areas of higher and lower relative economic value over the deposit area. The method is described as follows:

- Pit optimisation provides guidance for determining economic pit limits and development strategies;
- Pit optimisation uses only cash operating cost margin; no capital costs and no time value of money are considered;
- Each 3D block in the ROM model is assigned a dollar value based on the total cost for removing, processing and transporting the block to the point of sale and the revenue derived from the coal;
- For a given product price, the optimisation determines the pit shell, including practical batters that can be "economically" mined with the final pit crest and floor representing the "break-even" limit;
- The optimisation applies a range of product prices from low to high to present a series of nested pit shells representing the break-even pit shell at increasing product prices, and
- The nested pit shells represent a sequence of pit development that progresses from highest to lowest value.

The technique allows for the application of practical pit batters in three dimensions and generates easily auditable graphical pit shell outputs.

Kideco has undertaken pit optimisation to support the selection of the optimum shell, and as the basis for generating the pit design supporting the Life of Mine (LOM) production schedule and Reserve estimation. The pit optimisation covered the areas of Samurangau ABC, Samurangau D, and Roto South. No updated optimisation has been undertaken in Susubang. Susubang technical studies, including pit optimisation and pit design, were completed in 2021 and are referred to as the Kideco 2021 Study, which has been used to update the Susubang Resource and Reserve in accordance with the Indonesian KCMI Code as per cut-off data March 2021, reported as per September 2021 and completed by PT. Quantus Consultant Indonesia (Quantus). For the Roto Middle area, the basis of the estimation was using the latest Pit design, which is now in the stage of final mined-out activity.

Therefore, the purpose of the pit optimisation work completed by Kideco in the three major areas mentioned above is mainly to check updated economic limits based on the updated geological model in those areas. RPM has reviewed the pit optimisation results as part of the technical review.

10.1 Optimisation Assumptions

Revenue

Revenue applied in the pit optimisation model is based on the long-term forecast coal price benchmark of USD 100/t Indonesian Coal Reference Price (Harga Batubara Acuan/ HBA) coal price at coal CV of 6,322 kcal/kg gar, total moisture of 8 %, sulphur content of 0.8 % and ash of 15 %.

The coal selling price assumption to generate the revenue factor as the basis for determining the long-term price input for the pit optimisation process and the determination of ultimate pit limits resulted from the application of the Benchmark Coal Price (Harga Patokan Batubara/HPB) formula based on the weighted average mineable coal quality of each pit.

Kideco has provided the long-term forecast price from the marketing team sourcing from a 3rd party coal price forecast dated January 2024. ("McCloskey Forecast Price Table"). RPM used its internal long-term forecast price sourcing from 3rd party Consensus pricing to form a view of the selection of the long-term forecast coal price benchmark used for this Project. Additional information on the actual coal selling price of Kideco coal products from 2019 to 2023 has also been provided by Kideco as part of the review process undertaken by RPM.

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Operating Costs

The operating costs applied in the pit optimisation model are based on the weighted average cost used in Kideco's strategic plan for each area. The operating costs are structured as follows:

- Waste cost (USD/bcm);
- Coal costs (USD/t ROM);
- Coal Hauling (USD/t product);
- Barging and Transhipment (USD/t product);
- Material and Labour (USD/t product);
- Other Direct Cost (USD/t product); and
- General Administration and Expenses (USD/t product).

Royalty

The royalty assumption applied in the pit optimisation model is 24.5% based on the assumption of 75% export coal with a royalty of 28% and 25% domestic market coal, commonly referred to as Domestic Market Obligation (DMO), with a royalty of 14%. The royalty tariff was referred to Government Regulation Number 15, the Year 2022, which regulates royalty tariff for the Special Mining Business License (Ijin Usaha Pertambangan Khusus/ IUPK).

Overall Slope Parameters

Geotechnical studies have been undertaken internally by the Kideco team. Geotechnical parameters have been applied based on the recommendations from these studies. The depth limits and geotechnical slopes used in the optimisation process are summarised in **Table 10-1**.

Table 10-1 Overall Slopes Parameter

Parameters	Unit	Samurangau ABC	Samurangau D	Roto South
High Wall Overall Slope Angle	Degrees	27	27	23
Side Wall Overall Slope Angle	Degrees	27	27	23
Low Wall Overall Slope Angle	Degrees	20/floor	20/floor	floor
Confidence Limit	RL	-350	-350	-320

10.2 The Break Even Stripping Ratio (BESR)

An estimated Break Even Stripping Ratio (BESR) was developed using the coal price and operating costs outlined in the sections above to estimate the theoretical economic limits of the deposit. The BESR is used to evaluate the incremental stripping ratio of the pit optimisation shell results. The BESR model for the optimisation process of each pit area is provided in **Table 10-2**.

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Table 10-2 Cost Revenue and BESR

Items	Unit	SM ABC	SM D	RTS C-F
Benchmark				
Coal Price	USD/t Product	**100.0**	**100.0**	**100.0**
Coal Quality (CV gar)	kcal/kg (gar)	6,322	6,322	6,322
Coal Moisture (TM ar)	% ar	8.0	8.0	8.0
Coal Sulphur (TS (ar)	% ar	0.8	0.8	0.8
Coal Ash Content (Ash ar)	% ar	15.0	15.0	15.0
Price Assumption - Adjustment with HBA Formula				
Coal Price	USD/t Product	51.02	52.98	73.54
Coal Quality (CV gar)	kcal/kg (gar)	4,210	4,318	4,983
Coal Moisture (TM ar)	% ar	31.11	30.25	22.89
Coal Sulphur (TS (ar)	% ar	0.13	0.13	0.10
Coal Ash Content (Ash ar)	% ar	4.59	3.94	3.27
Operating Costs				
Waste	USD/bcm	4.03	3.99	4.64
Coal	USD/tROM	2.15	2.35	3.74
Coal Hauling *	USD/t Product	2.55	2.55	2.55
Barging and Transhipment *	USD/t Product	2.93	2.93	2.93
Material & Labor *	USD/t Product	1.35	1.35	1.35
Other Direct Cost *	USD/t Product	5.01	5.01	5.01
GA Expense *	USD/t Product	0.96	0.96	0.96
Royalty Schema				
DMO (25%)	%	14.0	14.0	14.0
Export (75%)	%	28.0	28.0	28.0
Royalty	% Weight Average	24.5	24.5	24.5
Royalty	USD/t Product	12.50	12.98	18.02
BESR	**bcm/t ROM**	**5.85**	**6.23**	**8.41**

10.3 Optimisation Results

RPM completed a technical review of the Kideco pit optimisations to understand the impact of revenue and operating costs on the pit limits of the Project. Each pit shell is validated in the ROM model, with the quantity and quality of each shell tabulated to highlight the key results, including coal tonnes, coal quality results, and stripping ratio on an overall and incremental basis.

Pit optimisation results were examined, and pit shells were selected, with the Incremental Stripping Ratio (ISR) being slightly lower than the BESR. The selection of an ISR greater than the BESR would mean that the mining cost is greater than the revenue for the next increment of pit expansion.

After the selection of the pit shells for further mine planning work, the selected pit shells were modified to form “practical” or Mineable Pit Shells.

It should be noted that the pit coal quantity estimates reported below are for theoretical pit shells and do not make allowance for many of the practicalities of mining. **Table 10-3** shows the quantity of each theoretical optimum selected pit shell.

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Table 10-3 Optimisation Results

Area/Block	Pit Shell	Incr. SR	BESR	Cumulative		
				Waste	Coal	SR
				Mbcm	Mt	bcm/t
Roto South	OPT 110	7.6	7.7	156	30	5.3
Samurangau ABC	OPT 110	5.6	5.6	1,522	336	4.5
Samurangau D	OPT 100	5.4	6.0	370	95	3.9

10.4 Optimisation Margin

The quantities and qualities of each shell are tabulated to highlight the key results, including coal tonnes, coal quality results, and stripping ratio, on an overall and incremental basis to understand and validate the selected optimum shell. **Figure 10-1** to **Figure 10-3** reports the key outcomes from the optimisation results.

RPM completed the review of the pit optimisation margin analysis of each shell to support the selection of the optimum shell. The margin of each optimisation shell is shown in **Figure 10-4** to **Figure 10-6**.

Figure 10-1 Optimisation Result of Samurangau ABC



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Figure 10-2 Optimisation Result of Samurangau D

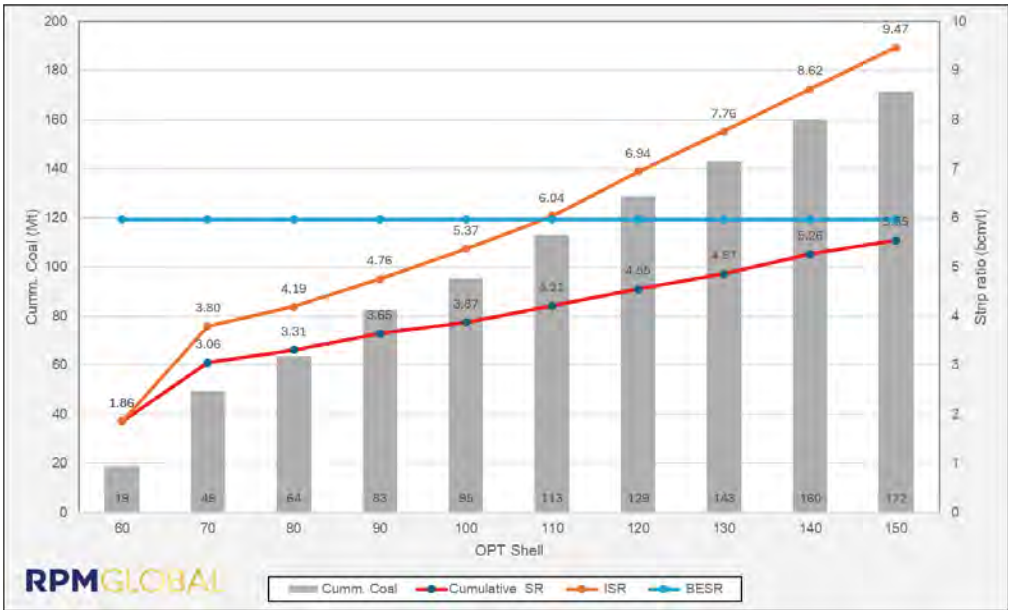
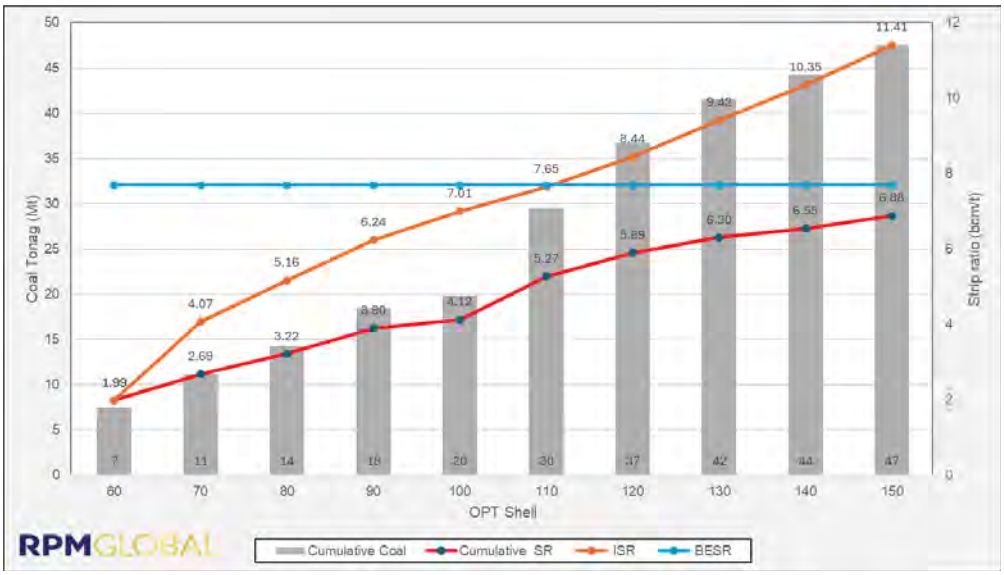


Figure 10-3 Optimisation Result of Roto South



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Figure 10-4 Optimisation Shell Margin of Samurangau ABC

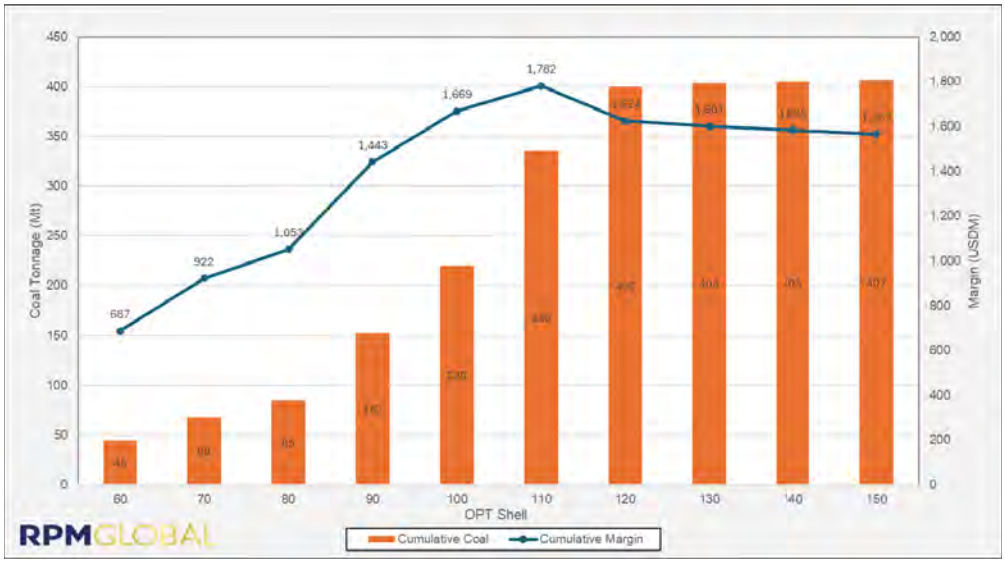
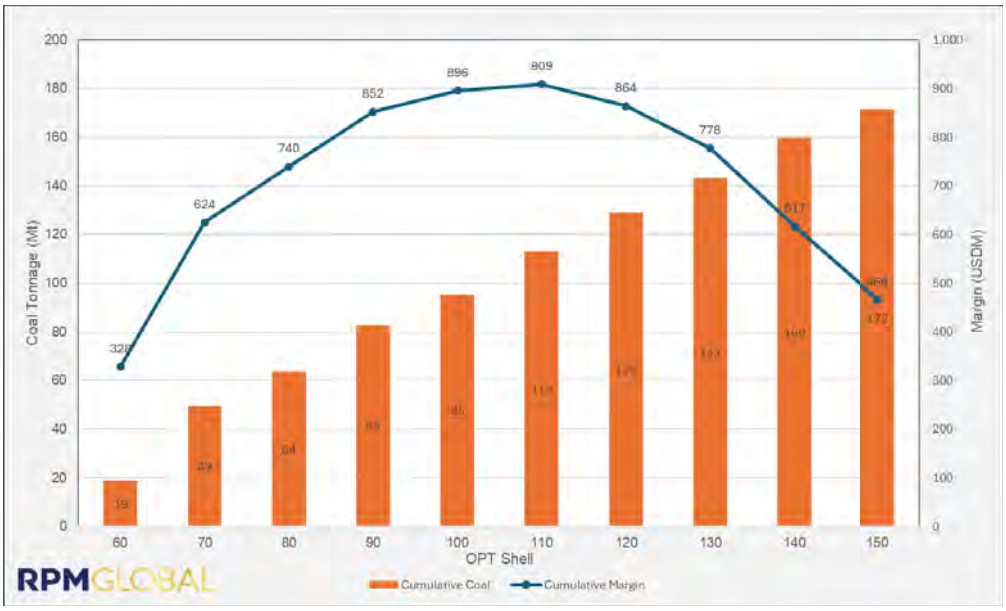
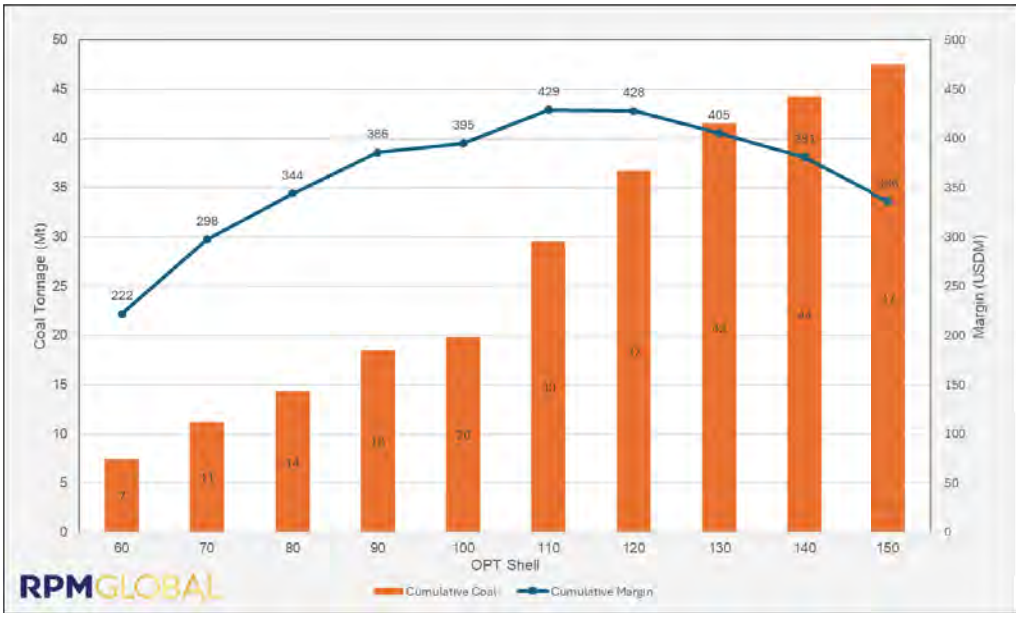


Figure 10-5 Optimisation Shell Margin of Samurangau D



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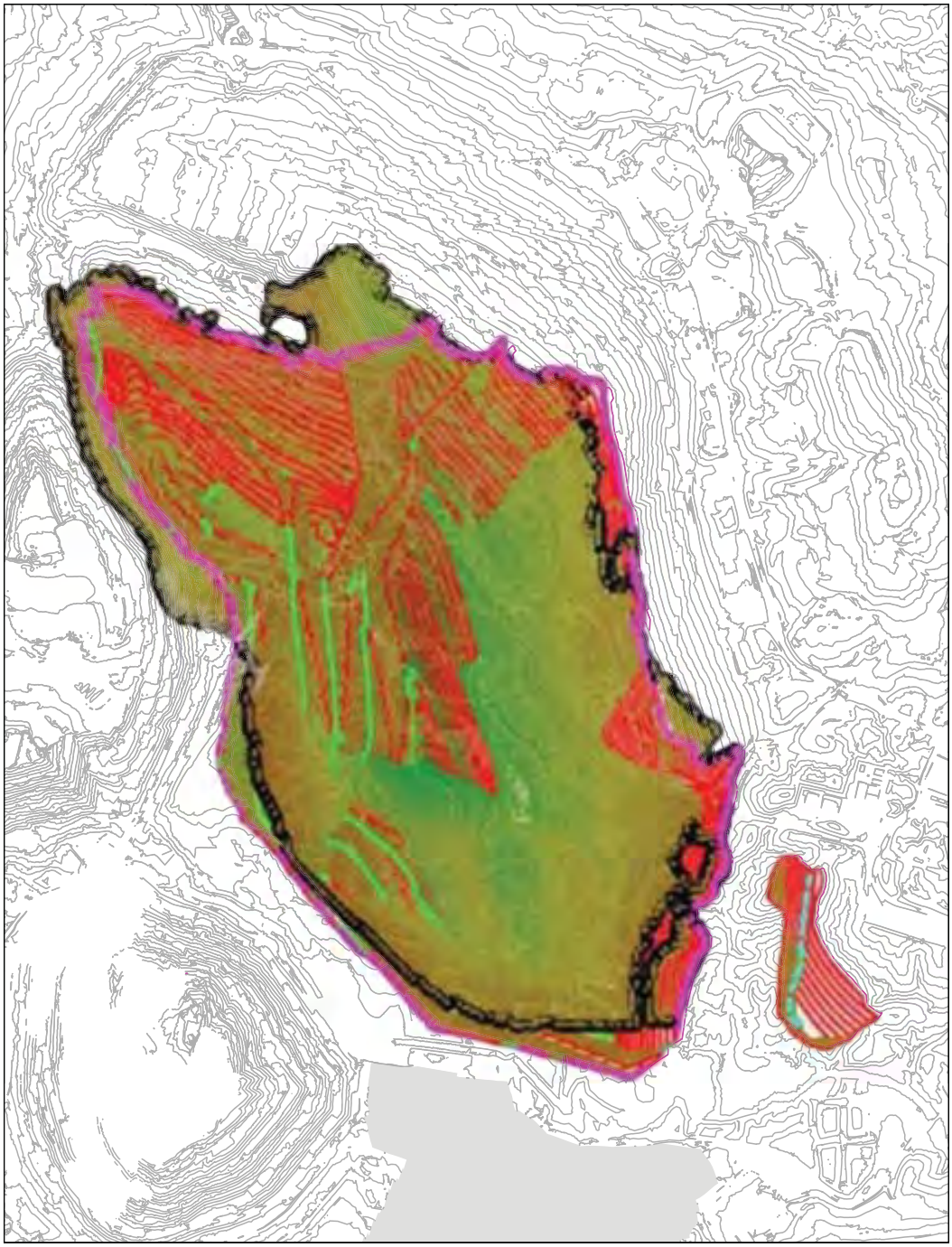
Figure 10-6 Optimisation Shell Margin of Roto South



10.5 Comparison of Optimisation Shell and Pit Design

Kideco used the optimisation result to validate and modify the pit design. The design criteria, such as wall slope, berm, road, and pit floor, were considered in constructing the practical pit design. The design will be used as the basis for undertaking the next technical work, which includes the estimation of mineable quantity, LOM production schedule, and the estimation of the coal Reserve. **Figure 10-7** to **Figure 10-9** show the comparison of the selected pit optimisation shell and the practical pit design.

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LEGEND	CLIENT	PROJECT
Boundary OPT110 Contour Pit N	KIDECO	NAME: STATEMENT OF OPEN CUT COAL RESOURCES AND RESERVES DRAWING: OPTIMISATION SHELL AND PIT DESIGN OF SAMURANGAU ABC FIGURE No. 10-7 | PROJECT No. ADV-JA-04093 | Date March 2024