

INDEPENDENT AUDITOR'S REPORT
NO. OPN/O.KGS/MAR'16/109

The stockholders, the boards of commissioner and director

PT OORJA INDO KGS

We have audited the accompanying financial statements of **PT OORJA INDO KGS** ("the Company"), which comprise the statement of financial position as at March 31, 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of such financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **PT OORJA INDO KGS** as of March 31, 2016, the financial performance, and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.



Justinus A. Sidharta, CPA
Public Accountant Licence no. AP.0944

May 2, 2016

PT OORJA INDO KGS
STATEMENT OF FINANCIAL POSITION
As of March 31, 2016
(Expressed in US\$)

	<u>Notes</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	2.4	498,598	861,059
Other receivables			
Related parties	2.5	199,970	-
Third party	2	285,296	1,640,992
Due from related parties	2.6	625,073	-
Inventories	2.7	-	427,622
Prepayments	2.8		
Advance		-	3,882,146
Prepaid expense		-	177,485
Prepaid taxes	2.9	148,328	148,328
TOTAL CURRENT ASSETS		<u>1,757,265</u>	<u>7,137,632</u>
NON-CURRENT ASSETS			
Advance for purchase in property	2.10	5,322,126	5,375,672
Deferred tax assets	2.9	-	113,402
Fixed assets - net	2.11	934,244	1,536,864
Other asset			
Refundable deposit		2,419	45,405
TOTAL NON-CURRENT ASSETS		<u>6,258,789</u>	<u>7,071,343</u>
TOTAL ASSETS		<u><u>8,016,054</u></u>	<u><u>14,208,975</u></u>

The accompanying notes to the financial statements form an integral part of the financial statements taken as a whole.

PT OORJA INDO KGS

STATEMENT OF FINANCIAL POSITION (continued)

As of March 31, 2016

(Expressed in US\$)

	<u>Notes</u>	<u>March 31, 2016</u>	<u>March 31, 2015</u>
LIABILITIES AND CAPITAL DEFICIENCY			
LIABILITIES			
CURRENT LIABILITIES			
Bank loan	12	-	2,500,000
Trade payables			
Related party	2.13	-	382,003
Third parties		-	10,745
Other payables			
Third parties		-	290
Taxes payable	2.9	8,784	32,360
Accrued expenses	14	196,228	267,368
Due to related party	2.15	7,672,451	8,662,655
Current maturities			
Purchase of fixed asset payable	16	-	31,809
TOTAL CURRENT LIABILITIES		<u>7,877,463</u>	<u>11,887,230</u>
NON-CURRENT LIABILITIES			
Net-off current maturities			
Purchase of fixed assets payable	16	-	13,952
Employee benefits liability	2.17	-	57,521
TOTAL NON-CURRENT LIABILITIES		<u>-</u>	<u>71,473</u>
TOTAL LIABILITIES		<u>7,877,463</u>	<u>11,958,703</u>
EQUITY			
Equity attributable to owners of the entity			
Capital stock			
Authorized - 4,000 shares at par value of US\$ 250 per share			
Issued and fully paid - 1,000 shares	18	250,000	250,000
Equity		(111,409)	2,000,272
TOTAL EQUITY		<u>138,591</u>	<u>2,250,272</u>
TOTAL LIABILITIES AND EQUITY		<u>8,016,054</u>	<u>14,208,975</u>

The accompanying notes to the financial statements form an integral part of the financial statements taken as a whole.

PT OORJA INDO KGS
STATEMENT OF COMPREHENSIVE INCOME
For the year ended March 31, 2016
(Expressed in US\$)

	Notes	Year ended March 31, 2016	Year ended March 31, 2015
SALES	2.19	8,226,860	121,861,247
COST OF GOODS SOLD	2.20	(6,809,283)	(102,277,284)
GROSS PROFIT		1,417,578	19,583,963
Gain on sale of fixed assets		90,849	-
Gain on foreign exchange - net		(140,368)	(356,562)
Operating expenses	2.21	(2,918,546)	(20,334,422)
Other expenses - net		(447,792)	(14,492)
LOSS FROM OPERATIONS		(1,998,279)	(1,121,513)
Finance income (cost)		-	-
LOSS BEFORE INCOME TAX		(1,998,279)	(1,121,513)
INCOME TAX EXPENSE (BENEFIT)			
Current	2.9	-	-
Deferred	2.9	(113,402)	42,054
LOSS FOR THE YEAR		(2,111,681)	(1,079,459)
OTHER COMPREHENSIVE INCOME (LOSS)		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(2,111,681)	(1,079,459)

The accompanying notes to the financial statements form an integral part of the financial statements taken as a whole.

PT OORJA INDO KGS
 STATEMENT OF CHANGES IN EQUITY
 For the year ended March 31, 2016
 (Expressed in US\$)

	Equity attributable to owners of the entity		
	Capital stock - issued and fully paid	Deficit	Total equity
Balance as of April 1, 2014	250,000	3,079,731	3,329,731
Total comprehensive loss for the year	-	(1,079,459)	(1,079,459)
Balance as of March 31, 2015	250,000	2,000,272	2,250,272
Total comprehensive loss for the year	-	(2,111,681)	(2,111,681)
Balance as of March 31, 2016	250,000	(111,409)	138,591

The accompanying notes to the financial statements form an integral part of the financial statements taken as a whole.