

INDEPENDENT AUDITOR'S REPORT
NO. OPN/MIR/MAR'16/'03

The stockholders, the boards of commissioner and director
PT MINCON INDO RESOURCES

We have audited the accompanying financial statements of **PT MINCON INDO RESOURCES** ("the Company"), which comprise the statement of financial position as at March 31, 2016, and the statement of comprehensive income, statement of changes in capital deficiency 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 judgment, 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.

INDEPENDENT AUDITOR'S REPORT
NO. OPN/MIR/MAR'16/103

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **PT MINCON INDO RESOURCES** 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

xxx

PT MINCON INDO RESOURCES

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 on hand and in banks	2.4	4,417	82,626
Trade receivables			
Related parties	2.5	138,795	35,710
Other receivables			
Related party	2.6	200,045	-
Inventory	2.7	-	106,528
Prepayments	2	-	21,963
Prepaid taxes	2.8	27,728	61,253
		<u>370,985</u>	<u>308,080</u>
TOTAL CURRENT ASSETS			
NON-CURRENT ASSETS			
Deferred tax assets	2.8	-	178,982
Fixed assets - net	2.9	-	475,746
		<u>-</u>	<u>654,728</u>
TOTAL NON-CURRENT ASSETS			
TOTAL ASSETS			
		<u><u>370,985</u></u>	<u><u>962,808</u></u>

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

PT MINCON INDO RESOURCES

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			
Trade payables			
Third parties	10	211	57,570
Due to related parties	2.11	1,338,840	2,396,100
Taxes payable	2.8	-	10,463
Accrued expenses	2.12	-	42,864
		<hr/>	<hr/>
TOTAL CURRENT LIABILITIES		1,339,051	2,506,997
NON-CURRENT LIABILITY			
Employee benefits liability	2.13	-	51,119
		<hr/>	<hr/>
TOTAL LIABILITIES		1,339,051	2,558,116
CAPITAL DEFICIENCY			
Equity attributable to owners of the entity			
Capital stock			
Authorized - 550,000 shares at par value of US\$ 1 per share			
Issued and fully paid - 250,000 shares at par value of US\$ 1 per share	14	250,000	250,000
Deficit		(1,218,066)	(1,845,308)
		<hr/>	<hr/>
TOTAL CAPITAL DEFICIENCY		(968,066)	(1,595,308)
		<hr/>	<hr/>
TOTAL LIABILITIES AND CAPITAL DEFICIENCY		370,985	962,808
		<hr/> <hr/>	<hr/> <hr/>

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

PT MINCON INDO RESOURCES
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
REVENUES	2,15	663,637	1,386,373
COST OF REVENUES	2,16	(832,084)	(1,628,679)
GROSS PROFIT (LOSS)		(168,447)	(242,306)
Gain on written-off advance from related parties		1,094,573	-
Gain on foreign exchange - net		27,593	9,550
Gain on sale of fixed assets		21,231	-
General and administrative expenses	2,17	(128,904)	(118,268)
Loss on disposal of fixed assets		(145,319)	-
Other income (expenses) - net		105,496	6,184
INCOME (LOSS) FROM OPERATIONS		806,224	(344,840)
Finance cost			
Interest		-	(15,536)
INCOME (LOSS) BEFORE INCOME TAX		806,224	(360,376)
INCOME TAX EXPENSE (BENEFIT)			
Current	2,8	-	-
Deferred	2,8	(178,982)	(10,787)
INCOME (LOSS) FOR THE YEAR		627,242	(371,163)
OTHER COMPREHENSIVE INCOME (LOSS)		-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		627,242	(371,163)

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

PT MINCON INDO RESOURCES
STATEMENT OF CHANGES IN CAPITAL DEFICIENCY
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	(1,474,145)	(1,224,145)
Total comprehensive loss for the year	-	(371,163)	(371,163)
Balance as of March 31, 2015	250,000	(1,845,308)	(1,595,308)
Total comprehensive income for the year	-	627,242	627,242
Balance as of March 31, 2016	250,000	(1,218,066)	(968,066)

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