

**PT OORJA INDO KGS**

FINANCIAL STATEMENTS  
AS OF MARCH 31, 2018  
AND FOR THE YEAR THEN ENDED  
WITH INDEPENDENT AUDITOR'S REPORT

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**Table of contents**

	Page
Independent auditor's report	
Statement of financial position	1
Statement of profit or loss and other comprehensive income	2
Statement of changes in capital deficiency	3
Statement of cash flows	4
Notes to the financial statements	5



**DIRECTORS' STATEMENT  
ON THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018  
PT OORJA INDO KGS**

I, the undersigned below, :

Name	:	Kennedy Perkash Nanik
Office Address	:	Menara Prima 15th floor, Units A and B, Jl Lingkar Mega Kuningan Blok B6.2, kawasan Mega Kuningan, East Kuningan, Setiabudi, Jakarta
Residential Address (in accordance with indentivity card)	:	Jl.Untung Suropati RT 009, Desa Jone, Kec. Tanah Grogot, Kab. Paser, Kalimantan Timur
Telephone No.	:	
Title	:	President Director

declare that :

1. We are responsible for the preparation and presentation of the Company's financial statements for the year ended March 31, 2018.
2. The Company's financial statements have been prepared and presented in accordance with generally accepted accounting principles applied in Indonesia.
3. All information has been fully and correctly disclosed in the Company's financial statements, and the Company's financial statements do not contain materially misleading information or facts, and do not conceal any information or facts
4. I am responsible for the Company's internal control system.

This statement has been made truthfully.

Jakarta, May 24, 2018,



**Kennedy Perkash Nanik**  
**President Director**

**PT OORJA INDO KGS**

Kawasan Mega Kuningan Menara Prima, 15<sup>th</sup> Floor Unit A & B  
Jl. Lingkar Mega Kuningan No. 6.2 Jakarta Selatan 12950, Indonesia  
Telp : +62-21 57948028 Fax : +62-21 57948029

**The shareholders**

**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 of **March 31, 2018**, and the statement of profit or loss and other comprehensive income, changes in capital deficiency and 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 such 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.

# JAS

JUSTINUS A SIDHARTA  
REGISTERED PUBLIC ACCOUNTANT

## INDEPENDENT AUDITOR'S REPORT

NO. OPN/OIK/MAR'18/204

### 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, 2018**, and their 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 24, 2018

### OFFICE:

KOMPLEKS MUTIARA TAMAN PALEM BLOK A19 No.30, OUTER RINGROAD  
KAMAL RAYA, CENGKARENG JAKARTA BARAT 11730, INDONESIA

6221 5435 0431 | 6221 2931 9921 | 6220 2931 9923

LICENSE NO. 1227 / KM. 1 / 2011

**PT OORJA INDO KGS**  
STATEMENT OF FINANCIAL POSITION  
As of March 31, 2018  
(Expressed in United States dollar)

	<u>Notes</u>	<u>March 31,</u>	
		<u>2018</u>	<u>2017</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash in bank	2,4	52,291	16,888
Other receivables			
Third parties	5	240,522	240,522
Due from related party	2,6	80,748	119,687
Prepaid expense	2	-	1,836
<b>TOTAL CURRENT ASSETS</b>		<u>373,561</u>	<u>378,933</u>
<b>NON-CURRENT ASSETS</b>			
Investment in properties - net	7	705,262	815,173
Tax amnesty asset			
Cost		336	336
Accumulated depreciation		<u>(336)</u>	<u>(336)</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>705,262</u>	<u>815,173</u>
<b>TOTAL ASSETS</b>		<u><u>1,078,823</u></u>	<u><u>1,194,106</u></u>
<b>LIABILITY AND CAPITAL DEFICIENCY</b>			
<b>CURRENT LIABILITY</b>			
Due to related party	2,9	<u>1,379,465</u>	<u>1,379,465</u>
<b>TOTAL LIABILITY</b>		<u>1,379,465</u>	<u>1,379,465</u>
<b>CAPITAL DEFICIENCY</b>			
Capital stock - par value of US\$ 250 per share			
Authorized - 4,000 shares			
Subscribe and fully paid - 1,160 shares	10	290,000	290,000
Deficit		<u>(590,642)</u>	<u>(475,359)</u>
<b>TOTAL CAPITAL DEFICIENCY</b>		<u>(300,642)</u>	<u>(185,359)</u>
<b>TOTAL LIABILITY AND CAPITAL DEFICIENCY</b>		<u><u>1,078,823</u></u>	<u><u>1,194,106</u></u>

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

**PT OORJA INDO KGS**  
STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME  
For the year ended March 31, 2018  
(Expressed in United States dollar)

	<u>Notes</u>	<u>Year ended March 31,</u>	
		<u>2018</u>	<u>2017</u>
<b>SALES</b>		-	-
<b>COST OF GOOD SOLD</b>		-	-
<b>GROSS PROFIT</b>		-	-
Interest income		28	105
Bank charges		(148)	(389)
Gain (loss) on foreign exchange - net		(1,011)	5,632
General and administrative expenses	2,11	(114,153)	(337,775)
Other charges - net		-	(31,522)
<b>LOSS FROM OPERATIONS</b>		<u>(115,283)</u>	<u>(363,950)</u>
Finance cost		-	-
<b>LOSS BEFORE INCOME TAX EXPENSE</b>		<u>(115,283)</u>	<u>(363,950)</u>
<b>INCOME TAX EXPENSE</b>			
Current	2	-	-
Deferred	2	-	-
<b>LOSS FOR THE YEAR</b>		<u>(115,283)</u>	<u>(363,950)</u>
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE LOSS FOR THE YEAR</b>		<u><u>(115,283)</u></u>	<u><u>(363,950)</u></u>

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

**PT OORJA INDO KGS**  
STATEMENT OF CHANGES IN CAPITAL DEFICIENCY  
For the year ended March 31, 2018  
(Expressed in United States dollar)

	<b>Capital stock - issued and fully paid</b>	<b>Deficit</b>	<b>Total capital deficiency</b>
<b>Balance as of April 1, 2016</b>	250,000	(111,409)	138,591
Paid in capital	40,000	-	40,000
Loss for the year	-	(363,950)	(363,950)
Other comprehensive income	-	-	-
<b>Balance as of March 31, 2017</b>	290,000	(475,359)	(185,359)
Loss for the year	-	(115,283)	(115,283)
Other comprehensive income	-	-	-
<b>Balance as of March 31, 2018</b>	290,000	(590,642)	(300,642)

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



**PT OORJA INDO KGS**  
STATEMENT OF CASH FLOWS  
For the year ended March 31, 2018  
(Expressed in United States dollar)

	Year ended December 31,	
	2018	2017
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before income tax expense	(115,283)	(363,950)
Adjustment to reconcile loss before income tax expense to net cash used in operating activities		
Depreciation of investment in properties	109,911	119,071
Taxes	-	223,794
Depreciation of tax amnesty asset	-	336
Gain on recognition of tax amnesty asset	-	(336)
Increase (decrease) in		
Accounts receivable	-	44,774
Prepaid expense	1,836	(1,836)
Other assets	-	2,419
Accrued expenses	-	(196,227)
Taxes payable	-	(84,251)
	<b>(3,536)</b>	<b>(256,206)</b>
<b>Net cash used in operating activities</b>		
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Advance for purchase of fixed asset	-	5,322,126
	<b>-</b>	<b>5,322,126</b>
<b>Net cash provided by investing activity</b>		
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Decrease in due from related party	38,939	705,356
Additional paid in capital	-	40,000
Decrease in due to related party	-	(6,292,986)
	<b>38,939</b>	<b>(5,547,630)</b>
<b>Net cash provided by (used in) financing activities</b>		
<b>INCREASE (DECREASE) IN NET CASH IN BANK</b>	<b>35,403</b>	<b>(481,710)</b>
<b>CASH IN BANK AT BEGINNING OF YEAR</b>	<b>16,888</b>	<b>498,598</b>
<b>CASH IN BANK AT END OF YEAR</b>	<b>52,291</b>	<b>16,888</b>

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

**1. GENERAL****a. The Company's establishment**

PT Oorja Indo KGS ("the Company") was established based on notarial deed no. 8 of public notary Sri Irmianti, SH, dated February 20, 2008. The deed of establishment was approved by the Minister of Law and Human Rights of the Republic of Indonesia in decision letter no. AHU-17598.AH.01.01.Tahun 2008 dated April 9, 2008, and was published in the State Gazette No. 40 dated May 16, 2008, supplement No. 6493 Year 2008.

The Company's articles of association have been amended several times, most recently by notarial deed no. 24 of public notary Suparman Hasyim, SH, dated February 24, 2017 concerning the changes of the Company's subscribed and fully paid capital and stockholders. The changes have been accepted by the Minister of Law and Human Rights of the Republic of Indonesia in acceptance letter no. AHU-AH.01.03-0090288 and AHU-AH.01.03-0090299 dated February 27, 2017.

The Company's scope of activities is coal trading since May 2009.

As of March 31, 2016, the Company had sold all of its fixed assets except apartment in Pakubuwono, and all of its employees had been terminated. Therefore, since then the Company has no more business activity.

In January 2017, the Company changes its scope of activity into brown sugar trading.

The Company is domiciled in Menara Prima, 15<sup>th</sup> floor, units A and B, Jalan Lingkar Mega Kuningan Blok B6.2, Kawasan Mega Kuningan, East Kuningan, Setiabudi, Jakarta.

The Company belongs to a group of companies owned by Mercator Limited (the Group), a group listed in the National Stock Exchange and Bombay Stock Exchange, India.

**b. The boards of commissioner and director and employees**

The composition of the Company's boards of commissioner and director as of March 31, 2017 is as follows :

Board of commissioner

Commissioner : Kala Wili Dewi

Board of director

Director : Jaysangker

As of March 31, 2018, the Company's boards of commissioner and director is inactive.

The Company's management is responsible for the preparation of the accompanying financial statements that were completed and authorized to be issued on May 24, 2018.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES****a. Basis of preparation of the financial statements**

The financial statements have been prepared in accordance with Statements of Financial Accounting Standards ("PSAK") in Indonesia, which issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants ("DSAK").

The financial statements have been prepared on the accrual basis using the historical cost concept, except for certain accounts which are measured on the bases as described in the following notes to the financial statements.

**PT OORJA INDO KGS**

NOTES TO THE FINANCIAL STATEMENTS

As of March 31, 2018 and for the year then ended  
(Expressed in United States dollar, unless otherwise stated)

The statement of cash flows presents cash flows classified into operating, investing and financing activities. The cash flows from operating activities are presented using the indirect method.

The reporting currency used in the financial statements is the United States dollar ("US\$"), which is also the Company's functional currency.

**b. Foreign currency transactions and balances**

The Company considers the primary indicators and other indicators in determining its functional currency. If indicators are mixed and the functional currency is not obvious, management uses its judgment to determine the functional currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

Transactions involving foreign currencies are recorded at the rates of exchange prevailing at the time the transactions are made. At statement of financial position date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the last prevailing rates as of such date and the resulting gains or losses are credited or charged to current operations.

The rate of exchange used was as follows :

	March 31,	
	2018	2017
1 Indonesian Rupiah (Rp)	1/13,756	1/13,321

**c. Transactions with related parties**

A related party is a person or entity that is related to the Company.

- a. A person or a close member of that person's family is related to the Company, if that person :
- (i) has control or joint control over the Company,
  - (ii) has significant influence over the Company, or
  - (iii) is a member of the key management personnel of the Company or of a parent entity of the Company.
- b. An entity is related to the Company if any of the following conditions applies :
- (i) The entity and the Company are members of the same group.
  - (ii) One entity is an associate or joint venture of the Company (or an associate or joint venture of a member of a group of which the Company is a member).
  - (iii) Both entity and the Company are joint ventures of the same third party.
  - (iv) The Company 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 Company or an entity related to the Company.
  - (vi) The entity is controlled or jointly controlled by a person identified in point a.
  - (vii) A person identified in point a (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

**d. Prepaid expenses**

Prepaid expenses are amortized over their beneficial periods.

**e. Investment in property**

Investments in property that are intended to be held in the long run are stated at cost. In the event of any permanent impairment, the carrying amount is reduced to recognize the impairment and the loss is charged to the current year statement of income.

**f. Expense recognition**

Expenses are recognized when they are incurred.

**g. Corporate income tax**

Current tax expense is provided based on the estimated taxable income for the year. Deferred tax assets and liabilities are recognized for temporary differences between the financial and the tax bases of assets and liabilities at each reporting date. Future tax benefits, such as tax losses carry-forward, are also recognized to the extent that realization of such benefits is probable. The tax effects for the year are allocated to current operations, except for the tax effects from transactions which are directly charged or credited to equity.

Deferred tax is calculated at the tax rate that has been enacted or substantively enacted at the statement of financial position date.

Amendment to tax obligation is recorded when an assessment letter is received or if appealed against, when the results of the appeal are determined. The additional taxes and penalty imposed through an assessment letter are recognized as income or expense in the current year profit or loss, unless objection/appeal is taken. The additional taxes and penalty imposed through an assessment letter are deferred as long as they meet the asset recognition criteria.

However, based on the government regulation no. 46 year 2013, for companies with revenues amounting to Rp 4.8 billion per year or below, the corporate income tax is calculated based on final basis of 1% from the revenues.

**4. CASH IN BANK**

Cash in bank consist of :

	<b>March 31,</b>	
	<b>2018</b>	<b>2017</b>
Indonesian Rupiah		
PT Bank Danamon Indonesia Tbk.	48,326	12,676
United States dollar		
PT Bank Danamon Indonesia Tbk.	3,965	4,213
<b>Total</b>	<b>52,291</b>	<b>16,888</b>

All cash in bank are placed in third-party bank.

**5. OTHER RECEIVABLES**

This account represents temporary loan to PT Tenaga Resources and PT Param Mitra Coal Resources, third parties, amounting to US\$ 150,522 and US\$ 90,000 as of March 31, 2018 and 2017, respectively.

Based on the review of the receivables at the end of the year, the Company's management is of the opinion that the receivables are realizable at the above amounts and no provision for impairment is necessary.

#### 6. DUE FROM RELATED PARTIES

This account represents temporary loan to PT Oorja Indo Petangis Three amounting to US\$ 80,748 as of March 31, 2018 and to PT Nuansa Sakti Kencana amounting to US\$ 119,687 as of March 31, 2017.

#### 7. INVESTMENT IN PROPERTIES - NET

The movement of this account are as follows :

	Year ended March 31, 2018			Ending Balance
	Beginning Balance	Additions	Deductions	
<b>Apartment Pakubuwono</b>				
Cost	1,099,110	-	-	1,099,110
Accummulated depreciation	283,937	109,911	-	393,848
<b>Net book value</b>	<b>815,173</b>			<b>705,262</b>
	Year ended March 31, 2017			
	Beginning Balance	Additions	Deductions	Ending Balance
<b>Apartment Pakubuwono</b>				
Cost	1,099,110	-	-	1,099,110
Accummulated depreciation	164,866	119,071	-	283,937
<b>Net book value</b>	<b>934,244</b>			<b>815,173</b>

#### 8. TAXATION

The reconciliation between loss before income tax expense as shown in the statements of profit or loss and other comprehensive income, and estimated fiscal loss for the year ended March 31, 2017 is as follows :

Loss before income tax expense	(363,950)
Permanent differences	
Non-deductible expenses	
Taxes	205,517
Travelling	5,960
Insurance	498
Depreciation	336
Others	31,857

**PT OORJA INDO KGS**

NOTES TO THE FINANCIAL STATEMENTS (continued)  
 As of March 31, 2018 and for the year then ended  
 (Expressed in United States dollar, unless otherwise stated)

Income already subjected to final tax	
Interest	(105)
Temporary differences	
Depreciation of fixed assets	119,070
<b>Estimated fiscal loss</b>	<b>(817)</b>
Accumulated estimated fiscal loss	
Year ended March 31, 2017	817
Year ended March 31, 2016	2,174,136
<b>Total accumulated fiscal loss</b>	<b>2,174,953</b>

**9. DUE TO RELATED PARTY**

This account represents advance from MCS Holdings Pte. Ltd. amounting to US\$ 1,379,465 as of March 31, 2018 and 2017, respectively.

**10. CAPITAL STOCK**

The details of the Company stockholders as of March 31, 2018 and 2017 are as follows :

<b>Shareholders</b>	<b>%</b>	<b>Number of shares</b>	<b>Nominal per share</b>	<b>Total</b>
Oorja 1 Pte. Ltd.	95.69	1,110	250	277,500
Oorja Holdings Pte. Ltd.	4.31	50	250	12,500
<b>Total</b>	<b>100.00</b>	<b>1,160</b>		<b>290,000</b>

**11. GENERAL AND ADMINISTRATIVE EXPENSES**

The details of general and administrative expenses are as follows :

	<b>Year ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
Depreciation	109,911	119,407
Taxes	32	205,517
Travelling	-	12,294
Others	4,210	557
<b>Total</b>	<b>114,153</b>	<b>337,775</b>

**12. THE COMPANY'S FINANCIAL CONDITIONS**

At present the management decided to maintain the Company in dormant position.