

Financial Statements of
PT Tambang Sejahtera Bersama

For the years ended 31 March 2020 and 2019

With Independent Auditors' report thereon

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TSB

**PT . TAMBANG SEJAHTERA
BERSAMA**

Graha Mustika Ratu Lt. 3 Jl. Jend Gatot Subroto Kav. 74 – 75
Jakarta Selatan, 12870
Phone : 62 – 21 8307406, 8307420
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BOARD OF DIRECTORS' STATEMENT

REGARDING

THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED 31 MARCH 2020 AND 2019

PT TAMBANG SEJAHTERA BERSAMA

We, the undersigned :

1. Name : Mr. Abdi Khalik Ginting
Office address : Graha Mustika Ratu 3rd floor, Jalan Jendral Gatot Subroto Kav.74-75, Jakarta Selatan
Domicile address :
based on ID Card
Phone number : (021) 8307406
Function : Director

declare that :

1. We are responsible for the preparation and presentation of PT. Tambang Sejahtera Bersama's financial statements;
2. PT. Tambang Sejahtera Bersama's financial statements have been prepared and presented in accordance with accounting principles generally accepted in Indonesia;
3. a. All information in the PT. Tambang Sejahtera Bersama's Financial Statements have been disclosed in a complete and truthful manner;
b. PT. Tambang Sejahtera Bersama's financial statements do not contain incorrect information nor materials fact, nor do they omit information or material facts;
4. We are responsible for PT. Tambang Sejahtera Bersama's internal control systems.

Thus this statement is made truthfully.

For and on behalf of the Board of Directors

Jakarta, 22 April 2020



Mr. Abdi Khalik Ginting
Director



Armen, Budiman & Rekan

Registered Public Accountants

Gedung Graha Seti, Lt.1
Jl. KH. Abdullah Syafe'i Kav. A-19
Gudang Peluru - Tebet
Jakarta 12830

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Tel. : (021) 21282441 - 42
Fax. : (021) 21282443
E-mail : auditaa@cbn.net.id

Operating license :
KEP-3/KM.1/2008

No.: 00012/2.0735/AU.1/05/0448-2/1/IV/2020

Independent Auditors' Report

The Shareholders and The Board of Directors, PT. Tambang Sejahtera Bersama

We have audited the accompanying financial statements of **PT. Tambang Sejahtera Bersama** ("The Company"), which comprise the statement of financial position as of 31 March 2020, and the statements of comprehensive income, changes in equity, 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider 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.



Armen, Budiman & Rekan

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **PT. Tambang Sejahtera Bersama** as of 31 March 2020 and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Jakarta, 22 April 2020

Drs. Budiman A. Rozik, CPA

License No.: AP.0448

PT. Tambang Sejahtera Bersama
Statements of financial position

As of 31 March 2020 and 2019

The Financial Statements are prepared in Rupiah

	Notes	31/03/2020	31/03/2019
Assets			
Current assets			
Cash and cash equivalents	3	379,685,925	2,390,290
		379,685,925	2,390,290
Other non current assets			
Deposit	4	51,500,000	51,500,000
Deferred expenses	5	8,289,938,326	8,289,938,326
Deferred tax assets	6b	15,972,000	16,573,751
		8,357,410,326	8,358,012,077
Total assets		8,737,096,251	8,360,402,367
Liabilities and Shareholders' equity			
Current liabilities			
Accrued expenses	7	31,500,000	2,770,685,075
Sundry creditors	8	9,700,000	2,047,485,200
Total current liabilities		41,200,000	4,818,170,275
Long term liabilities			
Unsecured loans	9	-	3,378,508,264
Total Liabilities		41,200,000	8,196,678,539
Shareholders' equity			
Share capital :			
10			
Authorized capital : 9.250 (2019, 9.250) shares with par value of			
Rp 1.000.000 per share.			
Paid up capital : 9250 shares (2019, 500)			
		9,250,000,000	500,000,000
Accumulated loss			
		(554,103,749)	(336,276,172)
Total shareholders' equity		8,695,896,251	163,723,828
Total liabilities and shareholders' equity		8,737,096,251	8,360,402,367

See the accompanying notes to the financial statements, which form an integral part of these financial statements.

PT. Tambang Sejahtera Bersama
Statements of comprehensive income

For the years ended 31 March 2020 and 2019

The Financial Statements are prepared in Rupiah

	Notes	31/03/2020	31/03/2019
Revenues		-	-
Direct expenses		-	-
Gross profit / (loss)		-	-
Operating expenses			
General and administrative expenses	11	(216,960,000)	-
Operating profit		(216,960,000)	-
Other income / (expenses) - net	12	(265,826)	(482,000)
Profit / (Loss) before income tax		(217,225,826)	(482,000)
Corporate income tax : income / (expense) :	6a		
Current		-	-
Deferred		(601,751)	(8,479,681)
Net loss		(217,827,577)	(8,961,681)
Other comprehensive income		-	-
Total comprehensive loss		(217,827,577)	(8,961,681)

See the accompanying notes to the financial statements, which form an integral part of these financial statements.

PT. Tambang Sejahtera Bersama
Statements of changes in shareholders' equity

For the years ended 31 March 2020 and 2019

The Financial Statements are prepared in Rupiah

	Notes	31/03/2020	31/03/2019
Share Capital	10		
Beginning balance		500,000,000	500,000,000
Movement		8,750,000,000	-
Ending balance		9,250,000,000	500,000,000
Accumulated loss			
Beginning balance		(336,276,172)	(327,314,491)
Net comprehensive loss for the year		(217,827,577)	(8,961,681)
Ending balance		(554,103,749)	(336,276,172)
Total Shareholders' equity		8,695,896,251	163,723,828

See the accompanying notes to the financial statements, which form an integral part of these financial statements.

PT. Tambang Sejahtera Bersama
Statements of Cash flows

For the years ended 31 March 2020 and 2019

The Financial Statements are prepared in Rupiah

	Notes	31/03/2020	31/03/2019
Cash flows from operating activities			
Loss before income tax		(217,225,826)	(482,000)
Adjustments to reconcile Profit before income tax to net cash provided by operating activities :		-	-
Changes in working capital			
Accrued expenses		(2,739,185,075)	-
Sundry creditors		(2,037,785,200)	-
Net cash used for operating activities		(4,994,196,101)	(482,000)
Cash flows from investing activities			
Deferred expenses		-	-
Net cash used for investing activities		-	-
Cash flows from financing activities			
Proceeds from increased share capital		8,750,000,000	
Proceeds from loans		(3,378,508,264)	-
Net cash from financing activities		5,371,491,736	-
Increase / (decrease) in cash and cash equivalents		377,295,635	(482,000)
Cash and cash equivalents - at the beginning of year		2,390,290	2,872,290
Cash and cash equivalents - at the end of year		379,685,925	2,390,290

See the accompanying notes to the financial statements, which form an integral part of these financial statements.

PT. Tambang Sejahtera Bersama

Notes to the Financial Statements

The Financial Statements are prepared in Rupiah

1. General

PT. Tambang Sejahtera Bersama ("the Company") was established under the notary deed No. 31 of Darmawan Tjoa S.H., SE, public notary in Jakarta, dated 17 April 2006, and has been approved by the Ministry of Justice and Human Rights of Republic of Indonesia in the letter No. : C7-17389 HT.01.01-TH.2006.

The Company's Article of Association has been amended under the notarial deed No. 6 of Rohana Frieta S.H., public notary in Jakarta, dated 5 Agustus 2008, to conform with the requirement under the regulation of the Republic of Indonesia No.: 40, 2007 regarding the limited liability company. The Article of Association has been approved by the Ministry of Justice and Human Rights of Republic of Indonesia decision letter No. AHU-64487.AH.01.02.Tahun 2008, dated 16 September 2008.

The Company's Article of Association has been amended several times, the latest amendment was issued by virtue of Notarial deed no. 6 dated 6 November 2018 of Fessy Farizqoh Alwi, SH., M.KN regarding the changes of Company's Director and Change its share capital.

According to the Articles of Association, the Company's scope of activities, among others, are coal mining, coal trading and others.

As of 31 March 2020 and 2019, the Board of Commissioners and Directors are as follows:

	31/03/2020	31/03/2019
Board of Commissioners:		
Commissioner	Ms. Prosidawaty Malemta	Ms. Prosidawaty Malemta
Board of Directors:		
President Director	Mr. Abdi Khalik Ginting	Mr. Abdi Khalik Ginting
Director	-	Mr. Dani Daksinaputra

2. Summary of Significant Accounting Policies

Set out below is a summary of the significant accounting policies adopted by the Company in the preparation of the financial statements.

a. Basis of financial statements preparation

The financial statements have been prepared in accordance with generally accepted accounting principles in Indonesia, except otherwise stated.

The statements of cash flows are prepared based on the indirect method by classifying cash flows arising from operating, investing and financing activities.

The preparation of the financial statements requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reporting amounts of revenues and expenses during the reporting period. Actual result could differ from those estimates.

PT. Tambang Sejahtera Bersama

Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

2. Summary of Significant Accounting Policies - continued

b. Foreign currency transactions and balances

The company maintains its accounting records in Rupiah currency. Transactions in currencies other than Rupiah are recorded at the prevailing rate of exchange in effect on the date of the transactions.

At balance sheet date, all monetary assets and liabilities denominated in foreign currency have been translated at the prevailing exchange rate at that date.

The principal rate of exchange used as of 31 March were as follows:

	31/03/2020	31/03/2019
USD. 1	16,367	14,244

Exchange gains or losses arising from foreign currency translations are recognized in the current year statements of profit and loss.

c. Financial Assets

Classification of financial assets depends on the purpose for which the financial assets were acquired, which is determined at initial recognition. Financial assets of the Group mainly comprised cash and cash equivalents, trade debtors and other debtors which represent non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Accordingly, such financial assets have been classified as loans and receivables.

Loans and receivables are classified as current assets, except if the maturities are greater than 12 months after the end of the reporting period.

Loans and receivables are carried at amortised cost using the effective interest method.

At the end of each reporting period, the Group assesses whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the assets (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

d. Financial Liabilities and Equity Instruments

Financial liabilities and equity instruments issued by the Company and its subsidiaries are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Company and its subsidiaries after deducting all of their liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Trade and other payables, bank and other borrowings are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

PT. Tambang Sejahtera Bersama

Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

2. Summary of Significant Accounting Policies - continued

d. Financial Liabilities and Equity Instruments - continued

Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings.

The Company derecognise financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire.

The Company only offset financial assets and liabilities and present the net amount in the statement of financial position where they :

- currently have a legal enforceable right to set off the recognized amount, and
- intend either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

e. Cash and cash equivalent

Cash and cash equivalents consist of cash on hand and at banks, short term deposits with maturity not more than three months at the time of placement and bank overdraft, which are not pledged as collateral nor restricted to be used.

f. Related parties

Related party transaction is a transfer of resources or obligations between related party, regardless of whether a price is charged.

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The definition of related parties used is in accordance with SFAS 7, "Related Parties".

All material transactions with related parties are disclosed in the notes to these consolidated financial statements.

g. Deferred expenses

All costs associated with acquisition, exploration and development of coal reserves, including directly related overhead costs, are capitalised as deferred expense.

Exploration and development costs are accumulated for each area of interest and deferred until such area of interest commence its commercial production.

At the balance sheet date, each of the area of interest are evaluated to determine the recoverable of the carrying value of the deferred exploration and development expenses in the future, adjustments made if necessary.

Deferred exploration and development expenses are amortised on straight-line basis from the date of commercial production of the respective area of interest, over the lesser of the estimated live of the mining or the remaining term of the Coal Agreement.

The net carrying value of each area of interest is reviewed regularly and to the extent this value exceeds its recoverable value, that excess is provided for or written-off in the year in which this is determined.

PT. Tambang Sejahtera Bersama
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

2. Summary of Significant Accounting Policies - continued

h. Corporate income tax

The income tax expense comprises current and deferred tax. Tax is recognised in the consolidated profit or loss, except to the extent that it relates to items recognised directly in equity or in other comprehensive income. In this case, the tax is also recognised directly in equity or in other comprehensive income, respectively.

The current income tax is calculated using tax rates that have been enacted at the financial position date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. Deferred income tax is determined using tax rates that have been enacted or substantially enacted as at reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes charged by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Amendments to taxations obligations are recorded when an assessment is received or, if appealed against, when the result of the appeal are determined.

	31/03/2020	31/03/2019
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3. Cash and cash equivalents

Cash	-	-
Bank	379,685,925	2,390,290
	379,685,925	2,390,290

4 Deposits

Jaminan Kesungguhan - IDR	51,500,000	51,500,000
	51,500,000	51,500,000

PT. Tambang Sejahtera Bersama
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

5. Deferred Expenses

	Opening Balance	Addition	Disposal	Closing Balance
South Sumatera - Musi Rawas				
<u>Cost</u>				
31 March 2019	8,289,938,326	-	-	8,289,938,326
31 March 2020	8,289,938,326	-	-	8,289,938,326

As of 31 March 2020, the Company has not started the commercial production, therefore, the deferred charges have not been amortised yet.

6. Taxes

a. Corporate income tax

	31/03/2020	31/03/2019
Net income / (loss) before corporate income tax	(217,225,826)	(482,000)
Fiscal adjustments :		
Permanent differences	201,695,827	-
Timing differences	-	-
Total fiscal correction	201,695,827	-
	(15,529,999)	(482,000)
Less : Carried forward tax losses	(1,411,545,908)	(1,898,956,495)
Adjustments - carried forward tax losses	352,528,922	487,892,587
Estimated taxable income / (loss) - <i>carried forward</i>	(1,074,546,985)	(1,411,545,908)
Corporate income tax expense :		
Current year	-	-
Deferred	(601,750)	(8,479,681)
	(601,750)	(8,479,681)

PT. Tambang Sejahtera Bersama
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

6. Taxes - continued

b. Deferred tax assets

	Balance 31 March 2019	Addition	Adjustments	Balance 31 March 2020
Timing difference:				
Deferred expense	(1,345,250,909)	-	334,591,922	(1,010,658,987)
Less : Caried forward				
tax losses	1,411,545,908	15,529,999	(352,528,922)	1,074,546,985
	66,294,999	15,529,999	(17,937,000)	63,887,998
Deferred tax assets at 25%	16,573,751	3,882,499	(4,484,249)	15,972,000

	Balance 31 March 2018	Addition	Adjustments	Balance 31 March 2019
Timing difference:				
Deferred expense	(1,798,742,771)	-	453,491,862	(1,345,250,909)
Less : Caried forward				
tax losses	1,898,956,495	482,000	(487,892,587)	1,411,545,908
	100,213,724	482,000	(34,400,725)	66,294,999
Deferred tax assets at 25%	25,053,432	120,500	(8,600,181)	16,573,751

7. Accrued expenses

	31/03/2020	31/03/2019
Interest Payable	-	2,754,185,075
Expense payable	31,500,000	16,500,000
	31,500,000	2,770,685,075

Interest payable, represents interest payable on unsecured loan from PT. Adani Global at 10 % for IDR loan. (2019, at 10 % for IDR loan) per annum. .

PT. Tambang Sejahtera Bersama
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

	31/03/2020	31/03/2019
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8. Sundry Creditors

PT. Adani Global	-	2,037,785,200
Others	9,700,000	9,700,000
	9,700,000	2,047,485,200

9. Unsecured loans

PT. Adani Global	-	3,378,508,264
	-	3,378,508,264

Loan from PT. Adani Global represents working capital loan, which is charged interest at rate as stated in the note 7 above.

10. Share capital

The company changed its share capitals, which was notarised under the notarial deed No. 06 of Fessy Farizqoh Alwi S.H., public notary in Jakarta, dated 6 November 2018, as follows :

Authorized shares capital

9.250 shares with par value of Rp. 1.000.000 each	9,250,000,000	9,250,000,000
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Issued and fully paid share capital

9.250 shares (2019, 500 shares) with par value of Rp. 1.000.000 each	9,250,000,000	500,000,000
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Detailed as follows:

Name of Shareholders	Ownership				31/03/2020	31/03/2019
	No. of shares		Percentage			
	2,019	2,018	2,019	2,018		
PT. Niaga Antar Bangsa	6,938	375	75%	75%	6,938,000,000	375,000,000
PT. Niaga Lintas Samudra	2,312	125	25%	25%	2,312,000,000	125,000,000
	9,250	500	100%	100%	9,250,000,000	500,000,000

PT. Tambang Sejahtera Bersama
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

	31/03/2020	31/03/2019
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11. General and administrative expenses

Profesional fee	15,000,000	-
Rates and taxes	201,960,000	-
	216,960,000	-

11. Other income / (expenses)

Bank interest	175,585	-
Bank charges	(529,999)	(482,000)
Others	88,588	-
	(265,826)	(482,000)

12. Transactions and balances with related parties

Balances :			
Sundry creditors	PT. Adani Global	-	2,037,785,200
Unsecured loans	PT. Adani Global	-	3,378,508,264
Interest payable	PT. Adani Global	-	2,754,185,075