

Financial Statements of

PT Suar Harapan Bangsa

For the years ended 31 March 2021 and 2020

With Independent Auditors' report thereon

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PT. SUAR HARAPAN BANGSA

Graha Mustika Ratu Lt.3,
Jl. Gatot Subroto Kav. 74-75 Jakarta Selatan, 12870
Telp: 021- 8307406 (hunting), 021- 8307420, 021-8306558
Fax: 021- 8307407

BOARD OF DIRECTORS' STATEMENT

REGARDING

THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED 31 MARCH 2021 AND 2020

PT SUAR HARAPAN BANGSA

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. Suar Harapan Bangsa's financial statements;
2. PT. Suar Harapan Bangsa's financial statements have been prepared and presented in accordance with accounting principles generally accepted in Indonesia;
3. a. All information in the PT. Suar Harapan Bangsa's Financial Statements have been disclosed in a complete and truthful manner;
b. PT. Suar Harapan Bangsa'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. Suar Harapan Bangsa's internal control systems.

Thus this statement is made truthfully.

For and on behalf of the Board of Directors

Jakarta, 23 April 2021

PT SUAR HARAPAN BANGSA



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

Mail : PO Box 4071/JKTJ 13040
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.1/05/0481-3/1/IV/2021

Independent Auditors' Report

The Shareholders and The Board of Directors, PT. Suar Harapan Bangsa

We have audited the accompanying financial statements of PT. Suar Harapan Bangsa ("The Company"), which comprise the statement of financial position as of 31 March 2021, 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.



Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of PT. Suar Harapan Bangsa as of 31 March 2021 and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Empahasis of matter

Without qualifying our opinion, we draw attention to the note 13 to the financial statements. As of 31 March 2021, the company has working capital deficiency of Rp 5.615.791.753. This conditions raise a substantial doubt about the Company's ability to continue as a going concern. However, the board of Directors is in the opinion that the "Going concern basis" in the preparation of this financial statements can still be applied as the main share holders committed to provide financial support to meet the company's obligations as and when they fall due. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Jakarta, 23 April 2021

Drs. Wahyu Darmawan, CPA

License No. AP.0481

PT. Suar Harapan Bangsa
Statements of financial position

As of 31 March 2021 and 2020

The Financial Statements are prepared in Rupiah

	Note	2021	2020
Assets			
Current assets			
Cash and cash equivalents	3	1,200,914	1,664,914
		1,200,914	1,664,914
Other Non current assets			
Fixed assets	4	631,706,122	631,706,122
Deposit	5	629,256,340	676,096,865
Deferred expenses	6	11,334,724,544	11,334,724,544
Deferred tax assets	7b	4,658,443	18,156,858
We are aware that currently, PT. Suar Harapan Bangsa has suffer		12,600,345,449	12,660,684,389
Total assets		12,601,546,363	12,662,349,303
		-	-
Liabilities and Shareholders' equity			
Current liabilities			
Other creditors and accrued expenses	8	5,616,992,667	5,642,327,639
Total current liabilities		5,616,992,667	5,642,327,639
Long term liabilities			
Unsecured loans	9	6,773,313,803	6,822,121,648
		6,773,313,803	6,822,121,648
Total Liabilities		12,390,306,470	12,464,449,287
Shareholders' equity			
Share capital :	10		
Authorized capital : 25.100 shares with par value of Rp 500.000 per share.			
Paid up capital : 1100 shares at Rp. 500.000 per share.		550,000,000	550,000,000
Accumulated loss		(338,760,107)	(352,099,984)
Total shareholders' equity		211,239,893	197,900,016
Total liabilities and shareholders' equity		12,601,546,363	12,662,349,303
		-	-

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

PT. Suar Harapan Bangsa
Statements of comprehensive income

For the years ended 31 March 2021 and 2020

The Financial Statements are prepared in Rupiah

	Note	2021	2020
Revenues		-	-
Direct expenses		-	-
Gross profit / (loss)		-	-
Operating expenses			
General and administrative expenses		-	-
Operating profit		-	-
Other income / (expenses) - net	11	26,838,292	(32,773,233)
Profit / (Loss) before income tax		26,838,292	(32,773,233)
Corporate income tax - income / (expense)	7a		
Current		-	-
Deferred		(13,498,415)	9,374,922
Net (loss)/income		13,339,877	(23,398,311)
Other comprehensive income		-	-
Total comprehensive income / (loss)		13,339,877	(23,398,311)
		-	-

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

PT. Suar Harapan Bangsa
Statements of changes in shareholders' equity

For the years ended 31 March 2021 and 2020

The Financial Statements are prepared in Rupiah

	Note	2021	2020
Share Capital	10		
Beginning balance		550,000,000	550,000,000
Movement		-	-
Ending balance		550,000,000	550,000,000
		-	-
Accumulated loss			
Beginning balance		(352,099,984)	(328,701,673)
Comprehensive loss for the year		13,339,877	(23,398,311)
Ending balance		(338,760,107)	(352,099,984)
Total Shareholders' equity		211,239,893	197,900,016
		-	-

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

PT. Suar Harapan Bangsa
Statements of Cash flows

For the years ended 31 March 2021 and 2020

The Financial Statements are prepared in Rupiah

	Note	2021	2020
Cash flows from operating activities			
(Loss)/ profit before income tax		26,838,292	(32,773,233)
Adjustments to reconcile Profit/ (loss) before income tax to net cash provided by operating activities :			
Unrealise foreign exchange		(1,967,320)	2,326,808
Changes in working capital			
Other creditors and accrued expenses		(25,334,972)	29,964,425
Deposit		-	-
Net cash used for operating activities		(464,000)	(482,000)
Cash flows from investing activities			
Proceed from investments sold			
Deferred expenses		-	-
Net cash used for investing activities		-	-
Cash flows from financing activities			
Proceeds from shares issued			
Proceeds from loans		-	-
Net cash from financing activities		-	-
Increase / (decrease) in cash and cash equivalents		(464,000)	(482,000)
Cash and cash equivalents - at the beginning of year		1,664,914	2,146,914
Cash and cash equivalents - at the end of year		1,200,914	1,664,914
		-	-

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

PT. Suar Harapan Bangsa

Notes to the Financial Statements

The Financial Statements are prepared in Rupiah

1. General

PT. Suar Harapan Bangsa ("the Company") was established under the notary deed No. 81 of Darmawan Tjoa S.H., SE, public notary in Jakarta, dated 28 Juni 2007, and has been approved by the Ministry of Justice and Human Rights of Republic of Indonesia in the letter No. : W7-07950 HT.01.01-TH.2007.

The Company's Article of Association has been changed under the notarial deed No. 8 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 changed has been approved by the Ministry of Justice and Human Rights of Republic of Indonesia the letter No. AHU-59181.AH.01.02.Tahun 2008, dated 5 September 2008.

The Company's Article of Association has been amended several times, the latest amendment was issued by virtue of Notarial deed no. 4 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 and others. To date The Company has not yet carried out commercial operations.

As of 31 March 2021 and 2020, the Board of Commissioners and Directors are as follows:

Board of Commissioners:

Commissioner	Ms. Prosidawaty Malemta	Ms. Prosidawaty Malemta
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Board of Directors:

President Director	Mr. Abdi Khalik Ginting	Mr. Abdi Khalik Ginting
Director	-	

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. Suar Harapan Bangsa
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:

	2021	2020
USD. 1	14,572	16,367

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.

PT. Suar Harapan Bangsa
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

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.

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. Fixed assets

Fixed assets are stated at cost less their accumulated depreciation.

Depreciation is computed using the straight-line method at rates considered adequate to cover the estimated useful life of the assets.

h. 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.

PT. Suar Harapan Bangsa
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

2. Summary of Significant Accounting Policies - continued

h. Deferred expenses - continued

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.

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.

i. 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.

PT. Suar Harapan Bangsa
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

	2021	2020
3. Cash and cash equivalents		
Cash	-	-
Bank	1,200,914	1,664,914
	1,200,914	1,664,914
	-	-

4. Fixed assets

Balances and movement of fixed assets are as follows :

	Opening Balance	Addition	Disposal	Closing Balance
31 March 2021				
Land - at costs	631,706,122		-	631,706,122
				-
31 March 2020				
Land - at costs	631,706,122		-	631,706,122

5. Deposits

	2021	2020
Jaminan Kesungguhan - IDR	249,000,000	249,000,000
Jaminan Kesungguhan - USD. 26,095	380,256,340	427,096,865
	629,256,340	676,096,865
	-	-

Represent committed deposit from the Company to Kapuas Regent relating to mining concession of 24.900 ha at Kapuas in Central Kalimantan and 5.219 ha at Musi Banyuasin, South Sumatera amounted to Rp. 249.000.000 and USD 26,095.

PT. Suar Harapan Bangsa
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

6. Deferred expenses

	Balance 2020	Additions	Disposal	Balance 2021
Cost				
Center Kalimantan	4,436,207,722	-	-	4,436,207,722
South Sumatera	6,898,516,822	-	-	6,898,516,822
	11,334,724,544	-	-	11,334,724,544
				-
	Balance 2019	Additions	Disposal	Balance 2020
Cost				
Center Kalimantan	4,436,207,722	-	-	4,436,207,722
South Sumatera	6,898,516,822	-	-	6,898,516,822
	11,334,724,544	-	-	11,334,724,544
				-

Currently, the Company is still in the development stage, therefore, the deferred expenses are not amortised yet.

7. Taxes

a. Corporate income tax

	2021	2020
Profit / (Losses) before corporate income tax	26,838,292	(32,773,233)
Permanent differences	-	-
Timing differences	-	-
Total fiscal correction	-	-
	26,838,292	(32,773,233)
Less : Carried forward tax losses	(2,043,208,713)	(2,711,683,413)
Adjustments - carried forward tax losses	683,287,204	701,247,933
Estimated taxable income / (loss)	(1,333,083,217)	(2,043,208,713)
	-	-
Corporate income tax expense :		
Current year	-	-
Deferred	(13,498,415)	9,374,922
	(13,498,415)	9,374,922
	-	-

PT. Suar Harapan Bangsa
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

7. Taxes - continued

b. Deferred tax assets

	Balance 2020	Additions	Adjustments	Balance 2021
Timing difference:				
deferred expenses	(1,970,581,281)	-	658,672,804	(1,311,908,477)
Less : Carried forward				
tax losses	2,043,208,713	(26,838,292)	(683,287,204)	1,333,083,217
	72,627,432	(26,838,292)	(24,614,400)	21,174,740
Deferred tax assets -				
at 25%	18,156,858	(6,709,573)	(6,153,600)	5,293,685
Effect of the Tax rate				
adjustment - 3 %	(2,178,823)			
Deferred tax assets -				
at 22%	15,978,035	(5,904,424)	(5,415,168)	4,658,443
	Balance 2019	Additions	Adjustments	Balance 2020
Timing difference:				
deferred expenses	(2,676,555,666)	-	705,974,385	(1,970,581,281)
Less : Carried forward				
tax losses	2,711,683,413	32,773,233	(701,247,933)	2,043,208,713
	35,127,747	32,773,233	4,726,452	72,627,432
Deferred tax assets -				
at 25%	8,781,937	8,193,308	1,181,613	18,156,858

8. Other creditors and accrued expenses

	2021	2020
Interest payable	5,614,992,667	5,640,327,639
Sundry creditors	2,000,000	2,000,000
	5,616,992,667	5,642,327,639

Interest payable, represents interest payable on unsecured loan from PT. Adani Global , Since the year ended March 31, 2018. this loan no longer bears interest.

PT. Suar Harapan Bangsa
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

	2021	2020
9. Unsecured loans		
PT. Adani Global	6,773,313,803	6,822,121,648
	6,773,313,803	6,822,121,648
	-	-
Represent loans from PT. Adani Global, which were used for :		
Working capital - IDR	5,501,186,551	5,501,186,551
Working capital - USD	396,227,252	445,035,097
Land reclamation	625,900,000	625,900,000
Deposit for Mining Authorisation (Kuasa Penambangan)	250,000,000	250,000,000
	6,773,313,803	6,822,121,648
	-	-

10. Share capital

Authorized, Issued / Subscribed share capital	12,550,000,000	12,550,000,000
25.100 shares with par value of Rp. 500.000 each, detailed as follows :		

Name of Shareholders	Ownership		2021	2020
	No. of shares	Percentage		
PT. Niaga Antar Bangsa	18,825	75%	9,412,500,000	9,412,500,000
PT. Niaga Lintas Samudra	6,275	25%	3,137,500,000	3,137,500,000
	25,100	100%	12,550,000,000	12,550,000,000

Paid up share capital	550,000,000	550,000,000
1100 shares with par value of Rp. 500.000 each, detailed as follows :		

Name of Shareholders	Ownership		2021	2020
	No. of shares	Percentage		
PT. Niaga Antar Bangsa	825	75%	412,500,000	412,500,000
PT. Niaga Lintas Samudra	275	25%	137,500,000	137,500,000
	1,100	100%	550,000,000	550,000,000

PT. Suar Harapan Bangsa
Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

	2021	2020
11 Other income / (expenses)		
Bank charges	(464,000)	(482,000)
Gain / (loss) on foreign exchange	27,302,292	(32,291,233)
	26,838,292	(32,773,233)
	-	-

12 Transactions and balances with related parties

	<u>Related parties</u>		
Balances :			
Unsecured loans	PT. Adani Global	6,773,313,803	6,822,121,648
Interest payable	PT. Adani Global	5,614,992,667	5,640,327,639

13. Going concern

The financial statements have been prepared on the going concern basis. As of 31 March 2021, the company had a working capital deficiency of Rp 5.615.791.753 (2020, Rp. 5.640.662.725) , and is therefore dependent upon continuing external financial support in order for it to meet its obligations as and when they fall due. However, the board of Directors is in the opinion that the "Going concern basis" in the preparation of this financial statements can still be applied as the share holders committed to provide financial support to meet the company's obligations as and when they fall due.