

Financial Statements of

PT. Hasta Mundra

For the years ended 31 March 2021 and 2020

With Independent Auditors' report thereon

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BOARD OF DIRECTORS' STATEMENT
REGARDING
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
AS AT AND FOR THE YEARS ENDED 31 MARCH 2021 AND 2020
PT HASTA MUNDRA

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

Thus this statement is made truthfully.

For and on behalf of the Board of Directors

Jakarta, 23 April 2021

PT HASTA MUNDRA



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

No.: 00010/2.0735/AU.1/05/0448-3/1/IV/2021

Independent Auditors' Report

**The Shareholders and The Board of Directors,
PT. Hasta Mundra**

We have audited the accompanying financial statements of **PT. Hasta Mundra** ("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. Hasta Mundra** as of 31 March 2021 and its financial performance and cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Jakarta, 23 April 2021

Drs. Budiman A. Rozik, CPA

License No.: AP.0448

PT. Hasta Mundra

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	3,205,091	3,719,091
		3,205,091	3,719,091
Other non current assets			
Deposit	4	214,900,000	214,900,000
Deferred expenses	5	2,244,518,426	2,244,518,426
		2,459,418,426	2,459,418,426
Total assets		2,462,623,517	2,463,137,517
Liabilities and Shareholders' equity			
Current liabilities			
Other creditors and accruals	7	388,648,613	388,648,613
Total current liabilities		388,648,613	388,648,613
Long term liabilities			
Unsecured loans	8	1,300,000,000	1,300,000,000
Deferred tax liabilities	6b	31,731,422	20,297,760
		1,331,731,422	1,320,297,760
Total Liabilities		1,720,380,035	1,708,946,373
Shareholders' equity			
Share capital :	9		
Authorized capital : 2.000 shares with par value of Rp. 1.000.000 per share.			
Issued and paid up capital : 1.000 shares		1,000,000,000	1,000,000,000
Accumulated loss		(257,756,518)	(245,808,856)
Total shareholders' equity		742,243,482	754,191,144
Total liabilities and shareholders' equity		2,462,623,517	2,463,137,517

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

PT. Hasta Mundra

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	10	(514,000)	(462,000)
Profit / (loss) before income tax		(514,000)	(462,000)
Corporate income tax income / (expense)	6a		
Current		-	-
Deferred		(11,433,662)	(62,735,421)
Net loss		(11,947,662)	(63,197,421)
Other comprehensive income		-	-
Total comprehensive loss		(11,947,662)	(63,197,421)
			-

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

PT. Hasta Mundra

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	9		
Beginning balance		1,000,000,000	1,000,000,000
Movement		-	-
Ending balance		1,000,000,000	1,000,000,000
		-	-
Accumulated loss			
Beginning balance		(245,808,856)	(182,611,436)
Net comprehensive loss for the year		(11,947,662)	(63,197,420)
Ending balance		(257,756,518)	(245,808,856)
		-	-
Total Shareholders' equity		742,243,482	754,191,144
		-	-

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

PT. Hasta Mundra

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 before income tax		(514,000)	(462,000)
Adjustments to reconcile profit / (loss) before income tax to net cash provided by operating activities :		-	-
Changes in working capital			
Other creditors and accruals		-	-
Net cash used for operating activities		(514,000)	(462,000)
Cash flows from investing activities			
Deferred expenses		-	-
Net cash used for investing activities		-	-
Decrease in cash and cash equivalents		(514,000)	(462,000)
Cash and cash equivalents - at the beginning of year		3,719,091	4,181,091
Cash and cash equivalents - at the end of year		3,205,091	3,719,091
		-	-

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

PT. Hasta Mundra

Notes to the Financial Statements

The Financial Statements are prepared in Rupiah

1. General

PT. Hasta Mundra ("the Company") was established under the notary deed No. 6 of Rohana Frieta S.H., public notary in Jakarta, dated 11 December 2007, and has been approved by the Ministry of Justice and Human Rights of Republic of Indonesia in the decision letter No. : AHU-02028.AH.01.01.TH.2008, dated 16 January 2008.

The Company's Article of Association has been amended several times, the latest amendment was issued by virtue of Notarial deed no. 5 dated 15 December 2013 of Rohana Freta, S.H., regarding the changes of the Company's share holders.

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

The Board of Commissioners and Directors are as follows:

	2021	2020
Board of Commissioners:		
Commissioner	Ms. Prosidawaty Malemta	Ms. Prosidawaty Malemta
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.

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

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

PT. Hasta Mundra

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 - *continued*

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.

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.

PT. Hasta Mundra

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*

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. Hasta Mundra

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 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

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

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.

	2021	2020
3. Cash and cash equivalents		
Cash	-	-
Bank	3,205,091	3,719,091
	3,205,091	3,719,091
	-	-

4. Deposits

Deposit with Government	214,900,000	214,900,000
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PT. Hasta Mundra

Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

5. Deferred Expenses

	Balance 2020	Addition	Disposal	Balance 2021
<u>Cost</u>				
Central of Kalimantan	2,244,518,426		-	2,244,518,426
	2,244,518,426		-	2,244,518,426
				-
	Balance 2019	Addition	Disposal	Balance 2020
<u>Cost</u>				
Central of Kalimantan	2,244,518,426			2,244,518,426
	2,244,518,426		-	2,244,518,426

As of 31 March 2021, the Company has not started the commercial production, therefore, the deferred charges have not been amortised yet.

6. Taxes

	2021	2020
a. Corporate income tax		
Net loss before corporate income tax	514,000	462,000
Permanent differences	-	-
Timing differences	-	-
Total fiscal correction	-	-
	514,000	462,000
Less : Carried forward tax losses - opening balance	194,982,698	445,924,383
Adjustment to carried forward tax losses	(63,556,698)	(251,403,685)
Estimated taxable income / (loss)	131,940,000	194,982,698
Corporate income tax expense :		
Current year	-	-
Deferred	(11,433,662)	(62,735,421)
	(11,433,662)	(62,735,421)

PT. Hasta Mundra

Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

6. Taxes - continued

b. Deferred tax assets/ (liabilities)

	Balance 2020	Addition	Adjustments	Balance 2021
Timing difference:				
Deferred expense	(276,173,738)		-	(276,173,738)
Less : Carried forward	194,982,698	514,000	(63,556,698)	131,940,000
Tax losses				
	(81,191,040)	514,000	(63,556,698)	(144,233,738)
Deferred tax assets/ (liabilities at 25%	(20,297,760)	128,500	(15,889,175)	(36,058,435)
Effect of the Tax rate adjustment, at 3 %	2,435,731			
Deferred tax assets/ (liabilities at 22%	(17,862,029)	113,080	(13,982,473)	(31,731,422)
				-
	Balance 2019	Addition	Adjustments	Balance 2020
Timing difference:				
Deferred expense	(276,173,738)		-	(276,173,738)
Less : Carried forward	445,924,383	462,000	(251,403,685)	194,982,698
Tax loss				
	169,750,645	462,000	(251,403,685)	(81,191,040)
Deferred tax assets at 25%	42,437,661	115,500	(62,850,921)	(20,297,760)

7. Other creditors and accruals

	2021	2020
Interest Payable	362,898,613	362,898,613
Expense payable	13,750,000	13,750,000
Other creditor	12,000,000	12,000,000
	388,648,613	388,648,613
	-	-
Interest payable, represents interest payable on unsecured loan from : PT. Adani Global - see note 8.	362,898,613	362,898,613

PT. Hasta Mundra

Notes to the Financial Statements - continued

The Financial Statements are prepared in Rupiah

	2021	2020
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8. Unsecured loans

PT. Adani Global	1,300,000,000	1,300,000,000
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Represent loans from PT. Adani Global , which were used for working capital and no interest was charged in 2021 and 2020.

9. Share capital

Authorized shares capital		
2.000 shares with par value of Rp. 1.000.000 each	2,000,000,000	2,000,000,000

Issued and paid up capital

1.000 shares has been issued and fully paid, as follows :

Name of Shareholders	Ownership		2021	2020
	No.-of shares	Percentage		
PT. Niaga Antar Bangsa	750	75%	750,000,000	750,000,000
PT. Niaga Lintas Samudra	250	25%	250,000,000	250,000,000
	1,000	100%	1,000,000,000	1,000,000,000
			-	-

10. Other income / (expenses)

Interest income on current account	-	-
Bank charges	(514,000)	(462,000)
	(514,000)	(462,000)
	-	-

11. Transactions and balances with related parties

	Related parties		
Balances :			
Unsecured loans	PT. Adani Global	1,300,000,000	1,300,000,000
Interest payable	PT. Adani Global	362,898,613	362,898,613