

PT LAMINDO INTER MULTIKON

Financial Statements

For the year ended

March 31, 2018

Ref.: RO-166/AU/LIM/IV/2018

The Shareholders,
Boards of Commissioners and Directors
PT Lamindo Inter Multikon

We have been engaged to audit the consolidated statements of financial position of PT LAMINDO INTER MULTIKON and Its Subsidiary as of March 31, 2018, the related consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity, and cash flows for the year then ended, whose report expressed a fairly opinion. We have issued the report on April 20, 2018.

The financial statements of PT LAMINDO INTER MULTIKON – Parent Company Only, for the year ended March 31, 2018 were derived from the Consolidated Financial Statements ended March 31, 2018 which is not presented in this report. We do not express an opinion on the financial statements of the Parent Company Only.

Sincerely yours,



Syamsudin
NRAP. 0209

April 20, 2018

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PT. LAMINDO INTER MULTIKON

**DIRECTORS' STATEMENT
REGARDING THE RESPONSIBILITY ON
THE FINANCIAL STATEMENTS
PT LAMINDO INTER MULTIKON
FOR THE YEAR ENDED
March 31, 2018**

We, the undersigned :

Name : Mr. Dani Daksinaputra
Office address : Graha Mustika Ratu, Lantai 3, Jl. Jend.Gatot Subroto Kav. 74-75 Jakarta Selatan
Domicile address : Jl. Destarata 7 No. 10 - Tegal Gundil, Bogor Utara,
based on ID Card Kota Bogor 16152
Phone number : 021 - 8307406 / Fax 83007407 Kode Pos: 12870
Function : Director

Declare that :

1. We are responsible for the preparation and presentation of the company's financial statement;
2. The company's financial statements have been prepared and presented in conformity with Indonesian Finance Accounting Standard;
3. a. All information in the company's financial statements have been disclosed in a complete and truthful manner;
b. The company's financial statements do not contain any incorrect information or material facts, nor do they omit information or material facts; and
4. We are responsible for the company's internal control system.

This statements is made truthfully.

Jakarta , April 20, 2018



Mr. Dani Daksinaputra
Director

PT LAMINDO INTER MULTIKON
STATEMENTS OF FINANCIAL POSITION
As of March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	Notes	2018	2017
ASSETS			
Current Assets			
Cash and cash equivalents	4	22,580,739,602	10,272,595,012
Sundry debtors	5	18,575,139,480	-
Inventories	3d, 6	42,293,356,786	43,915,150,704
Loans and advances	7	98,307,362,957	15,611,335,418
Total Current Assets		181,756,598,825	69,799,081,134
Non Current Assets			
Deposits	10	22,241,555,012	19,922,060,821
Deferred charges	3e, 9	3,870,506,070	8,782,410,474
Investment	3i, 11	756,000,000	756,000,000
Fixed assets - net	3f, 8	138,868,656,454	186,758,959,699
Deferred tax assets	3k, 15d	21,037,453,502	60,985,940,053
Other asset	12	12,164,315,363	9,623,118,925
Total Non Current Assets		198,938,486,401	286,828,489,972
TOTAL ASSETS		380,695,085,226	356,627,571,106
LIABILITIES AND EQUITY			
LIABILITIES			
SHORT TERM LIABILITIES			
Sundry creditors	3h, 13	127,135,315,393	67,927,700,311
Taxes payables	3k, 15a	6,056,873,748	1,396,672,569
Other payables	14	315,215,887,768	454,455,639,932
Total short term liabilities		448,408,076,909	523,780,012,812
LONG TERM LIABILITIES			
Provision for retirement benefits	16	24,433,999,560	19,668,231,614
Total long term liabilities		24,433,999,560	19,668,231,614
TOTAL LIABILITIES		472,842,076,469	543,448,244,426
EQUITY			
Authorized capital - 10.500 shares <i>Rp 1,000,000 par value per share</i>			
Issued share capital - 10,500 shares (2014) <i>subscribed and fully paid up</i>	17	10,500,000,000	10,500,000,000
Retained earning profit (loss)		(82,649,952,096)	(181,568,601,996)
Other comprehensive income		(19,997,039,147)	(15,752,071,324)
TOTAL EQUITY		(92,146,991,243)	(186,820,673,320)
TOTAL LIABILITIES AND EQUITY		380,695,085,226	356,627,571,106

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

PT LAMINDO INTER MULTIKON
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	Notes	2018	2017
SALES	3l, 18	863,766,175,762	630,454,126,483
COST OF SALES	3l, 19	(588,537,742,070)	(563,036,095,685)
GROSS PROFIT		275,228,433,692	67,418,030,798
INDIRECT EXPENSES	3l, 20	(108,488,031,132)	(71,268,483,793)
OPERATING PROFIT (LOSS)		166,740,402,560	(3,850,452,995)
OTHER INCOME (EXPENSES)			
OTHERS INCOME	3l, 21	1,851,087,873	1,398,467,010
OTHERS EXPENSES	3l 21	(24,142,432,833)	(5,192,389,840)
		(22,291,344,960)	(3,793,922,830)
PROFIT (LOSS) BEFORE INCOME TAX		144,449,057,600	(7,644,375,825)
TAX INCOME/(EXPENSES)			
Current tax	3k, 15c	(4,166,931,875)	-
Deferred tax	3k, 15d	(41,363,475,825)	(8,986,650,236)
		(45,530,407,700)	(8,986,650,236)
PROFIT (LOSS) FOR THE YEAR		98,918,649,900	(16,631,026,061)
OTHER COMPREHENSIVE INCOME (EXPENSE)			
Actuarial Losses		(5,659,957,097)	(8,082,961,019)
Related Income tax		1,414,989,274	2,020,740,255
		(4,244,967,823)	(6,062,220,764)
TOTAL COMPREHENSIVE INCOME (EXPENSE)		94,673,682,077	(22,693,246,825)

PT LAMINDO INTER MULTIKON
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
For the years ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	Share capital	Other Comprehensive Income	Retained Earning	Total
Balance as of March 31, 2016	10,500,000,000	(9,689,850,860)	(164,937,575,936)	(164,127,426,795)
Comprehensive income (loss) for the year	-	(6,062,220,464)	(16,631,026,061)	(22,693,246,525)
Balance as of March 31, 2017	10,500,000,000	(15,752,071,324)	(181,568,601,996)	(186,820,673,320)
Comprehensive income (loss) for the year	-	(4,244,967,823)	98,918,649,900	94,673,682,077
Balance as of March 31, 2018	10,500,000,000	(19,997,039,147)	(82,649,952,096)	(92,146,991,243)

PT LAMINDO INTER MULTIKON
STATEMENTS OF CASH FLOW
For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities		
Profit/(loss) before income tax	144,449,057,600	(7,644,375,825)
<i>Add items not affecting operating cash flows</i>		
Comprehensive income	(4,244,967,823)	(6,062,220,764)
Depreciation	33,716,012,994	42,877,012,541
Amortization of deferred charges	4,911,904,404	2,050,855,124
Provision for retirement benefits	4,765,767,946	2,992,574,880
(Profit) Loss fixed asset sale	6,090,740,004	(550,054,665)
Operating cash flows before changes in working capital	189,688,515,125	33,663,791,290
Changes in working capital		
Sundry debtors	(18,575,139,480)	-
Inventories	1,621,793,918	26,211,338,226
Deposits	(2,319,494,191)	(3,201,093,265)
Loans and advances	(82,696,027,539)	7,041,178,980
Other assets	7,992,436,195	(2,411,545,215)
Sundry creditors	59,207,615,082	(24,219,611,965)
Provision	-	(3,714,975,797)
Taxes paid	(2,047,927,134)	(4,780,741,939)
Other payables	59,238,396,156	50,906,281,692
Net changes in working capital	22,421,653,008	45,830,830,717
Net cash flows (used in) provided from operating activities	212,110,168,133	79,494,622,007
Cash flows from investing activities		
Acquisition of fixed assets	(1,480,295,228)	(3,338,866,814)
Disposal of fixed assets	156,420,005	808,093,516
Land Compensation	-	(200,000,000)
Net cash flows provided from (used in) investing activities	(1,323,875,223)	(2,730,773,298)
Cash flows from financing activities		
Advance Adani Global Pte.	(198,478,148,320)	(100,206,050,397)
Net cash flows (used in) financing activities	(198,478,148,320)	(100,206,050,397)
Net increase/(decrease) in cash and cash equivalents	12,308,144,590	(23,442,201,688)
Cash and cash equivalents at the beginning of the year	10,272,595,012	33,714,796,700
Cash and cash equivalents at the end of the year	22,580,739,602	10,272,595,012

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

PT LAMINDO INTER MULTIKON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

1. GENERAL

Establishment and General Information

PT LAMINDO INTER MULTIKON (the "Company") was established on July 25, 2002 based on notarial deed No.228 of Kartono, SH. The deed of establishment was approved by the Ministry of Justice in its decision letter No. C19538 HT.01.01 TH.2002 dated October 10, 2002. The Articles of Association has been amended several times, most recently by the notarial deed no. 11 of Rohana Frieta S.H., public Notary in Jakarta, dated May 8, 2013, regarding the change of the composition of Board of Commissioner and Directors. The changed has been approved by the Ministry of Justice and Human Rights of Republic of Indonesia under the letter No. AHU-AH.01.10-20565, dated May 28, 2013.

According to Article 3 of its Articles of Association, the Company's scope of activities comprises services, trading and mining. The Company obtained its license for the exploitation of coal mining (IUP) in Bunyu Island, East Kalimantan, by Bupati Bulungan No. 56/K-II/540/2010 dated February 9, 2010 valid till August 7, 2036. the Company has further obtained new license for the exploitation of coal mining (IUP) in Bunyu Island, North Kalimantan, by Bupati Bulungan No. 757/066/IUP-OP-LIM/DPMPSTP/XII/2017 dated December 27, 2017 valid till August 7, 2029.

The Company domiciled in Jakarta. The company started its commercial operation in 2008.

Board of Commissioners and Directors, and Employees

The composition of the Company's Boards of Commissioner and Director is as follows:

	<u>2018</u>	<u>2017</u>
Commissioner	: Ms. Prosidawaty Malemta	Ms. Prosidawaty Malemta
Director		
President Director	: Mr. Abdi Khalik Ginting	Mr. Abdi Khalik Ginting
Director	: Mr. Dani Daksinaputra	Mr. Dani Daksinaputra

As of March 31, 2018 and 2017, the Company has a total of 492 and 568 employees.

Completion of the Company's financial statements

The Company's management has completed and agreed to issue the financial statements for the years ended March 31, 2018 on April 20, 2018.

2. ACCOUNTING STANDARDS APPLIED

These financial statements are prepared in compliance to Indonesian Financial Accounting Standards.

Presented below are the significant accounting policies, which have been used in the preparation of the financial statements of the Company, these are in conformity with the Statement of Financial Accounting Standards ("SFAS").

PT LAMINDO INTER MULTIKON

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of presentation of financial statements

The accompanying financial statements have been prepared based on going concern assumption.

The financial statements, presented in rupiah ("IDR"), are prepared on the accrual basis using the historical cost concept.

The statements of cash flows present the Company's receipts and disbursements of cash classified into operating, investing and financing activities using the indirect method.

According to the Statement of Financial Accounting Standards ("SFAS") No.1 (Revised 2015) "Presentation of Financial Statement" are applicable for financial statements covering periods beginning on or after January 1, 2011. The Company has adopted Statement of Financial Accounting Standards ("SFAS") No.1 (Revised 2009) and there is no impact on the Company to make restatement or reclassification.

b. Functional currency

The Company maintains its accounting records in Indonesian Rupiah. Transactions denominated in foreign currencies are converted into Rupiah (IDR) at the fiscal exchange rates prevailing on a beginning week. On the balance sheet date, assets and liabilities in foreign currencies are translated into Rupiah at the exchange rate prevailing as on that date.

Exchange gains and losses arising from foreign currency transactions and on the translation of foreign currency monetary assets and liabilities are recognized in the current period's statement income.

On the balance sheets date, monetary assets and liabilities denominated in foreign currency were translated using the following rates:

	<u>2018</u>	<u>2017</u>
US Dollar (USD) 1	Rp 13,756	Rp 13,322

c. Sundry debtors

Sundry debtors are presented at net of allowance for doubtful accounts, based on a review of the status of the individual debtors at year-end.

d. Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined on weighted average basis and comprises mining contractor's cost, directly attributable fixed and variable overheads related to mine coal. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

e. Exploration and evaluation assets

The Company adopted SFAS No. 64 (Revised 2011) , " Exploration for and Evaluation of Mineral Resources " . SFAS No. 64 (Revised 2011) provides that an entity is required to determine the accounting policies that specify on expenditures are recognized as exploration and evaluation assets and apply the policy consistently .

The Company determined that all costs associated with exploration activities , acquisitions , and asset evaluation coal sources , including overhead costs that are directly related and interest expenses directly related to exploration and evaluation of coal are capitalized as exploration assets and evaluation of intangibles. Exploration and evaluation assets are amortized for 10 years .

PT LAMINDO INTER MULTIKON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Exploration and evaluation assets (continued)

Cash flows related to capitalized exploration and evaluation costs are classified as cash flows from investing activities in the statement of cash flows, while the cash flows associated with the exploration and evaluation costs are expensed and classified as cash flows from operating activities.

f. Fixed assets

The cost of an item of fixed assets initially recognized includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company has adopted SFAS 16 (Revised 2007) regarding "Fixed Assets" and has chosen to use the cost model for measuring its fixed assets. Under cost model, fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Fixed assets are depreciated using the straight line method over their estimated useful lives, as follows:

	<u>Years</u>
Plant & Machinery	10
Mining Equipment	5
Vehicles	5
Misc. Site Equipment	4
Computer	4

g. Related party transactions

The Company has entered into transactions with certain related parties as defined in Statement of Financial Accounting Standards ("SFAS") No. 7, "Related Party Disclosures". Compensation to the key person during 2018 amounting Rp 1,126,265,000.

All transactions with related parties are properly disclosed in the notes to the financial statements.

h. Sundry creditors

Sundry creditors are measured at amortized cost using the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

PT LAMINDO INTER MULTIKON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

i. Financial assets and liabilities

In accordance with Statement of Financial Accounting Standards ("SFAS") No. 50 (Revised 2006) "Financial Instruments: Presentation and Disclosure" and SFAS No. 55 (Revised 2006) "Financial Instruments: Recognition and Measurement" applicable for financial statements covering periods beginning on or after January 1, 2010, the accounting policy on financial assets and liabilities are as follows:

1) Financial Asset

Financial assets are classified into the following categories (i) financial assets at fair value are recognized through the income statement, (ii) loans and receivables, (iii) financial assets held to maturity, and (iv) financial assets available for sale. The classification is dependent on the objective when the financial assets were acquired. Management determines the classification of financial assets at initial recognition.

(i) Financial assets at fair value are recognized through the income statement

Financial assets at fair value are recognized in the consolidated profit or loss are financial assets classified as assets to be traded. A financial asset is classified as an asset to be traded if it is obtained primarily for the purpose of sale or repurchase in the near future and there is evidence to suggest the background to take advantage of short-term.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or predetermined payment that is not affected by an active market. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently measured at cost which is amortized using the effective interest rate method.

(iii) Financial assets held to maturity

Financial assets held to maturity are non-derivative financial assets with payments and fixed maturity and has determined that the Company's management has the positive intent and ability to maturity, other than:

- a. The Company's financial assets are recognized at fair value through profit or loss;
- b. Company's financial assets available for sale; and
- c. Financial assets that meet the definition as loans and receivables.

These financial assets are initially recognized at fair value including transaction costs and subsequently remeasured at amortized cost by applying the effective interest rate method.

(iv) Financial assets available for sale

Financial assets available for sale are financial assets that are held to an unlimited period of time, which can be sold to meet liquidity needs or changes in interest rates, exchange rates, or that are not classified as loans and receivables, financial assets held to maturity tempo or financial assets at fair value are recognized through the income statement.

Financial assets available for sale are initially recognized at fair value plus transaction costs and are subsequently remeasured at fair value gains and losses are recognized in the statement of changes in equity, except for impairment losses and foreign exchange gains and losses, until such financial assets no longer recognized. If a financial asset available for sale is impaired, the cumulative gain or loss previously recognized in the statement of changes in equity, will be recognized in the income statement. However, interest calculated using the effective interest rate method, and gains or losses on foreign currency monetary assets which are classified as assets available for sale are recognized in the income statement for the year.

PT LAMINDO INTER MULTIKON

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

i. Financial assets and liabilities *(Continued)*

2) Financial liabilities

The company classifies its financial liabilities in categories (i) financial liabilities at fair value are recognized through the income statement and (ii) financial liabilities measured at amortized cost.

(i) Financial liabilities are recognized at fair value through profit and loss

Financial liabilities are recognized at fair value through profit or loss are financial liabilities classified as trading liabilities. A financial liability is classified as a trading liability if it acquired primarily for the purpose of sale or repurchase in the near future and there is evidence to suggest the background to take advantage of short-term.

Gains and losses arising from changes in fair value of derivatives that are managed in conjunction with the financial obligation is included in "gain/ loss on foreign exchange".

(ii) Financial liabilities measured at amortized cost

Financial liabilities not classified as financial liabilities at fair value are recognized through profit and loss are measured at amortized cost. Financial liabilities measured at amortized cost are trade and other payables, accrued expenses, and loans.

j. Fair value estimation

The Company uses several assessment techniques that are used in general to determine the fair value of financial instruments. Inputs used in valuation techniques for financial instruments on the market data that can be observed.

The fair value of financial instruments not traded in active markets is determined using valuation techniques. The Company uses discounted cash flow method using assumptions based on market conditions at balance sheet date which are then used to determine the fair value of financial instruments.

k. Taxation

The Company has adopted Statement of Financial Accounting Standards ("SFAS") No. 46 with respect to "Accounting for Income Tax", for presenting the income tax expense and the income tax payable. Under this method, the tax effects of the temporary differences in the recognition of income and expenses between financial reporting and for tax purposes are recognized as deferred tax assets and/or liabilities. The currently enacted tax rates are used to determine the deferred taxes.

Deferred tax assets relating to the carry forward of unused tax losses, if any, are recognized to the extent, that future taxable profit would be available to compensate for the unused tax losses.

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

l. Revenue and expenses recognition

Revenue is recognized when goods are delivered. Expenses are recognized when incurred.

The preparation of the financial statements in conformity with the generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Due to the inherent uncertainty in making estimates, actual results reported in the future periods may be based on amounts that differ from these estimates.

PT LAMINDO INTER MULTIKON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Adoption of New Accounting Standards

Effective since January 1, 2015, the Company adopted the following revised accounting standards, which are considered relevant to the financial statements but did not have significant impact :

- SFAS No. 1 (2013 Revision), Presentation of Financial Statements
- SFAS No. 4 (2013 Revision), Separate Financial Statements
- SFAS No. 15 (2013 Revision), Investments in Associates and Joint Ventures
- SFAS No. 24 (2013 Revision), Employee Benefits
- SFAS No. 46 (2013 Revision), Income Taxes
- SFAS No. 48 (2013 Revision), Impairment of Assets
- SFAS No. 50 (2013 Revision), Financial Instruments : Presentation
- SFAS No. 55 (2013 Revision), Financial Instruments : Recognition and Measurements
- SFAS No. 60 (2013 Revision), Financial Instruments : Disclosures
- SFAS No. 65 (2013 Revision), Consolidated Financial Statements
- SFAS No. 68 (2013 Revision), Fair Value Measurement

4. CASH AND CASH EQUIVALENTS

	<u>2018</u>	<u>2017</u>
Bank Accounts:		
In Rupiah		
- Bank Mandiri IDR Jakarta	1,076,134,949	1,162,000,596
- Bank BNI	544,646,517	313,615,270
- Bank Mandiri IDR - Banyu	111,353,492	135,667,327
- Bank Pembangunan Daerah	108,046,975	1,350,932,703
- State Bank of India (SBI) - IDR	464,657	823,657
	<u>1,840,646,590</u>	<u>2,963,039,553</u>
In USD		
- Bank Mandiri (USD 1,436,578.56 in 2017 and USD 434,595.55 in 2017)	19,761,574,671	5,789,681,917
- State Bank of India (SBI) - (USD 53,759.28 in 2018 and USD 40,293.14 in 2017)	739,512,656	536,785,211
- SCB BANK-306-086-8902-2- (USD 17,374.65 in 2018 and USD 27,495.11 in 2017)	239,005,685	983,088,331
	<u>20,740,093,012</u>	<u>7,309,555,459</u>
Total	<u>22,580,739,602</u>	<u>10,272,595,012</u>

PT LAMINDO INTER MULTIKON
NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2018
(Expressed in Rupiah, unless otherwise stated)

5. SUNDRY DEBTORS

	<u>2018</u>	<u>2017</u>
Export debtors	18,575,139,480	-
	<u>18,575,139,480</u>	<u>-</u>
The aging analysis of sundry debtor is as follows :		
Current	-	-
Due date :		
Less than 90 days	18,575,139,480	-
	<u>18,575,139,480</u>	<u>-</u>

Based on review of the status of the individual receivable accounts at the end of the period, the Company's management determined that all receivables are collectible. Accordingly, no allowance for doubtful accounts was provided.

6. INVENTORIES

	<u>2018</u>	<u>2017</u>
Coal stock	26,728,270,360	23,043,920,984
Store/spare	10,954,060,848	14,916,864,548
Solar	4,611,025,578	5,954,365,172
	<u>42,293,356,786</u>	<u>43,915,150,704</u>

As of March 31, 2018, inventory crushed coal and Run of Mine in the open storage are covered by insurance. Based on Management's opinion, the insurance is adequate to cover possible losses.

7. LOANS AND ADVANCES

	<u>2018</u>	<u>2017</u>
Advances to supplier and service provider	97,040,668,185	13,330,601,337
Prepaid expenses	-	1,338,189,670
Advances to staff	960,757,665	725,665,191
Insurance claim	305,937,107	-
Total	<u>98,307,362,957</u>	<u>15,611,335,418</u>

PT LAMINDO INTER MULTIKON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

8. FIXED ASSETS

	2018				Ending Balance
	Beginning Balance	Additions	Deductions	Reclassification	
Acquisition Cost:					
Building and structures	60,879,251,856	-	6,297,940,000	-	54,581,311,856
Marine structure (Jetty)	43,893,467,898	-	3,842,815,900	-	40,050,651,998
Mining equipment	83,106,302,217	-	6,122,833,750	-	76,983,468,467
Plant & machinery	272,483,005,647	1,194,455,228	-	-	273,677,460,875
Vehicle	7,733,448,757	-	481,910,000	-	7,251,538,757
Computer & Fuel Management System	9,148,382,355	68,590,000	-	(6,689,505,893)	2,527,466,462
Office equipment- furniture	6,034,142,518	217,250,000	102,339,997	6,689,505,893	12,838,558,414
	483,278,001,248	1,480,295,228	16,847,839,647	-	467,910,456,829
Construction - in progress	9,582,047,995	157,192,524	9,564,617,994	-	174,622,525
	492,860,049,243	1,637,487,752	26,412,457,641	-	468,085,079,354
Accumulated Depreciation:					
Building and structures	33,124,407,439	2,286,112,031	2,308,741,406	-	33,101,778,064
Marine structure (Jetty)	18,024,655,355	2,178,354,588	1,584,854,485	-	18,618,155,458
Mining equipment	82,317,336,659	569,086,106	6,122,833,750	-	76,763,589,015
Plant & machinery	152,962,009,571	26,411,742,208	-	-	179,373,751,779
Vehicle	7,568,767,380	164,681,377	481,910,000	-	7,251,538,757
Computer & Fuel Management System	2,338,695,185	72,508,533	-	-	2,411,203,718
Office equipment- furniture	9,765,217,955	2,033,528,151	102,339,997	-	11,696,406,109
	306,101,089,544	33,716,012,994	10,600,679,638	-	329,216,422,900
Net Book Value	186,758,959,699				138,868,656,454

As of March 31, 2018, all assets are covered by insurance under the blanket policies with a total sum insured amounting to USD 29,975,500. Based on Management's opinion, there are no impairment of assets and the insurance adequate to cover possible losses. There are no asset as guarantee.

PT LAMINDO INTER MULTIKON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

8. FIXED ASSETS (Continued)

	2017				Ending Balance
	Beginning Balance	Additions	Deductions	Reclassification	
Acquisition Cost:					
Building and structures	60,879,251,856	-	-	-	60,879,251,856
Marine structure (Jetty)	43,893,467,898	-	-	-	43,893,467,898
Mining equipment	86,940,352,217	-	3,834,050,000	-	83,106,302,217
Plant & machinery	264,693,454,416	11,192,500	-	7,778,358,731	272,483,005,647
Vehicle	8,761,930,260	-	1,028,481,503	-	7,733,448,757
Computer & Fuel Management System	9,133,868,446	26,990,000	5,779,889	(6,696,202)	9,148,382,355
Office equipment- furniture	5,770,247,316	257,199,000	-	6,696,202	6,034,142,518
	480,072,572,409	295,381,500	4,868,311,392	7,778,358,731	483,278,001,248
Construction - in progress	14,316,921,412	4,701,104,219	-	(7,778,358,731)	9,582,047,995
	494,389,493,821	4,996,485,719	4,868,311,392	-	492,860,049,243
Accumulated Depreciation:					
Building and structures	30,811,550,731	2,312,856,708	-	-	33,124,407,439
Marine structure (Jetty)	15,829,981,960	2,194,673,395	-	-	18,024,655,355
Mining equipment	77,732,846,973	8,418,539,686	3,834,050,000	-	82,317,336,659
Heavy earth moving	-	-	-	-	-
Plant & machinery	126,150,856,972	26,811,152,599	-	-	152,962,009,571
Vehicle	7,858,794,281	480,415,751	770,442,652	-	7,568,767,380
Computer & Fuel Management System	2,213,367,555	131,107,519	5,779,889	-	2,338,695,185
Office equipment- furniture	7,236,951,072	2,528,266,883	-	-	9,765,217,955
	267,834,349,544	42,877,012,541	4,610,272,541	-	306,101,089,544
Net Book Value	226,555,144,277				186,758,959,699

As of March 31, 2017, all assets are covered by insurance under the blanket policies with a total sum insured amounting to USD 34,447,000. Based on Management's opinion, there are no impairment of assets and the insurance adequate to cover possible losses. There are no asset as guarantee.

PT LAMINDO INTER MULTIKON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

9. DEFERRED CHARGES

	2018			Ending Balance
	Beginning Balance	Additions	Deductions	
Acquisition cost:				
Land compensation	14,776,820,115	-	-	14,776,820,115
Miscellaneous expense	8,478,144,837	-	-	8,478,144,837
	<u>23,254,964,952</u>	<u>-</u>	<u>-</u>	<u>23,254,964,952</u>
Accumulated amortization:				
Land compensation	8,449,217,737	3,952,172,892	-	12,401,390,629
Miscellaneous expense	6,023,336,741	959,731,512	-	6,983,068,253
	<u>14,472,554,478</u>	<u>4,911,904,404</u>	<u>-</u>	<u>19,384,458,882</u>
Net book value	<u>8,782,410,474</u>			<u>3,870,506,070</u>
		2017		
	Beginning Balance	Additions	Deductions	Ending Balance
Acquisition cost:				
Land compensation	14,576,820,115	200,000,000	-	14,776,820,115
Miscellaneous expense	8,478,144,837	-	-	8,478,144,837
	<u>23,054,964,952</u>	<u>200,000,000</u>	<u>-</u>	<u>23,254,964,952</u>
Accumulated amortization:				
Land compensation	7,402,252,066	1,046,965,671	-	8,449,217,737
Miscellaneous expense	5,019,447,288	1,003,889,453	-	6,023,336,741
	<u>12,421,699,354</u>	<u>2,050,855,124</u>	<u>-</u>	<u>14,472,554,478</u>
Net book value	<u>10,633,265,598</u>			<u>8,782,410,474</u>

Deferred charges is intangible asset that reclassified from Exploration and evaluation asset .

10. DEPOSITS

	2018	2017
Statutory Deposits	22,241,555,012	19,922,060,821
Statutory Deposits include reclamation deposit as follow:		
in 2011	5,854,636,337	5,854,636,337
in 2012	2,869,937,011	2,869,937,011
in 2013	3,000,236,221	3,000,236,221
in 2014	836,983,716	836,983,716
in 2015	521,127,554	521,127,554
in 2016	1,274,675,577	1,274,675,577
in 2017	2,839,978,863	2,839,978,863
in 2018	5,043,979,733	-
Total	<u>22,241,555,012</u>	<u>17,197,575,279</u>

PT LAMINDO INTER MULTIKON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

11. INVESTMENT

	<u>2018</u>	<u>2017</u>
- PT Mitra Niaga Mulia	656,000,000	656,000,000
- PT Coalindo Indonesia	100,000,000	100,000,000
Total	<u>756,000,000</u>	<u>756,000,000</u>

12. OTHER ASSETS

	<u>2017</u>	<u>2016</u>
- Others assets	12,164,315,363	9,623,118,925
Total	<u>12,164,315,363</u>	<u>9,623,118,925</u>

Others assets represent income tax - article 28a.

13. SUNDRY CREDITORS

	<u>2018</u>	<u>2017</u>
Related Party		
- Sundry creditor-Group Company	5,734,564,000	1,220,265,000
Third Party		
- Sundry creditor for goods/spares	61,999,332,374	25,730,066,249
- Sundry creditor for expense	52,354,571,217	38,780,356,224
- Sundry creditor for capital goods	7,046,847,802	2,197,012,838
Total	<u>127,135,315,393</u>	<u>67,927,700,311</u>

14. OTHER PAYABLES

	<u>2018</u>	<u>2017</u>
Salary payables	6,647,038,115	1,810,722,526
Other	308,568,849,653	452,644,917,406
Total	<u>315,215,887,768</u>	<u>454,455,639,932</u>

Other payables includes receipts from customers.

PT LAMINDO INTER MULTIKON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

15. TAXATION

	<u>2018</u>	<u>2017</u>
a. Taxes payable		
Income tax - article 29	4,166,931,875	-
Income tax - article 21	959,527,189	925,380,654
Income tax - article 23	718,881,355	398,381,505
Income tax - article 15	76,556,329	72,910,410
Value Added Tax	52,309,308	-
Income tax - article 26	51,556,581	-
Income tax - article 4 (2)	31,111,111	-
Total	<u>6,056,873,748</u>	<u>1,396,672,569</u>
b. Tax income/(expenses)		
Current tax	(4,166,931,875)	-
Deferred tax income/(expenses)	(41,363,475,825)	(8,986,650,236)
Total	<u>(45,530,407,700)</u>	<u>(8,986,650,236)</u>

c. Current tax

The reconciliation between income before tax as shown in the statements of income and the estimated taxable income are as follows:

	<u>2018</u>	<u>2017</u>
Profit/(loss) before income tax	138,789,100,503	(15,727,336,844)
Temporary differences:		
Amortization of deferred expenses	(226,517,739)	(226,517,739)
Depreciation	7,629,951,448	15,055,519,171
Pension retirement benefit	4,765,767,946	2,992,574,880
Permanent differences:		
Non deductible expenses	5,486,112,485	6,283,229,718
Deductible expenses (Interest Income)	(883,994,682)	(833,917,295)
Taxable income before tax loss carry forward	<u>155,560,419,961</u>	<u>7,543,551,891</u>
Less: Tax loss carry forward	(138,892,692,461)	(7,543,551,891)
Estimated taxable Income (loss)	<u>16,667,727,500</u>	<u>-</u>

Calculation of current tax expenses and tax refundable/ (taxes payable) are as follows:

	<u>2018</u>	<u>2017</u>
Current tax (expenses) and tax refundable	4,166,931,875	-
Deduct: Prepaid taxes		
Income tax art 22	-	7,034,090,531
Income tax art 25	-	2,589,028,394
Net advance tax	<u>4,166,931,875</u>	<u>9,623,118,925</u>

PT LAMINDO INTER MULTIKON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

15. TAXATION (continued)

d. Deferred tax

The tax effect of the temporary differences between commercial and fiscal calculation with a tax rate (25%) is as follows:

	<u>2018</u>	<u>2017</u>
Deferred tax assets		
Amortization of pre-operative expenses	-	20,786,431
Amortization of differed expenses	-	(487,149,762)
Depreciation	14,980,301,748	13,072,813,886
Pension retirement benefit	6,057,151,755	4,865,709,768
Taxable (profit) / Loss	-	43,513,779,731
Total	<u>21,037,453,502</u>	<u>60,985,940,053</u>

e. Administration

Under the taxation laws of Indonesia, the Company submits tax returns on the basis of self assessment. The tax authorities can assess or amend the taxes within a period of five (5) years from the date the taxes became due.

16. PROVISION FOR RETIREMENT BENEFIT

The Company provides provision for employee benefits based on Law of Manpower No. 13 of 2003. The estimated liability for employee benefits as of March 31, 2018 and 2017 amounted to Rp 24,433,999,560 and Rp19,668,232,614, respectively. As of March 31, 2018, the estimated of employee benefits was determined by the independent actuarial calculation of PT Sigma Prima Solusindo, Independent actuarial used the "Projected Unit Credit" method with the following assumptions as following:

	<u>2018</u>	<u>2017</u>
Salary increase rate	7%	7%
Discount rate	7,06%	7,68%
Mortality rate	TMI-III in 2011	TMI-III in 2011
Recognition of (Liabilities) / Assets in Balance Sheet		
	<u>2018</u>	<u>2017</u>
Assets and Liabilities		
Present Value of Defined Benefit Obligation	24,433,999,560	19,668,231,614
Funding Status	24,433,999,560	19,668,231,614
Recognition of (Liabilities) / Assets in Balance Sheet	<u>24,433,999,560</u>	<u>19,668,231,614</u>
	<u>2018</u>	<u>2018</u>
Reconcile of Amount that Recognized in Balance Sheet		
(Liabilities)/Assets at Beginning Period	19,668,231,614	16,675,656,734
(Expenses)/Revenue	4,951,019,066	4,565,958,631
Other Comprehensive Income / (Expenses)	5,659,957,097	8,082,961,019
Realization of Benefits Payment	(5,845,208,217)	(9,656,344,770)
(Liabilities)/Assets at Ending Period	<u>24,433,999,560</u>	<u>19,668,231,614</u>

PT LAMINDO INTER MULTIKON**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended March 31, 2018

*(Expressed in Rupiah, unless otherwise stated)***16. PROVISION FOR RETIREMENT BENEFIT (Continued)**

	<u>2018</u>	<u>2017</u>
Expenses		
Current Services Cost	3,440,498,878	3,201,889,910
Interest Cost	1,510,520,188	1,364,068,721
Expenses / (Revenue) in Income Statement	<u>4,951,019,066</u>	<u>4,565,958,631</u>

17. SHARE CAPITAL

According to the Notarial Deed number 8 by Rohana Frieta, SH dated May 24, 2011, the Shareholders agreed to increase of the share capital of the Company from Rp500,000,000,- to become Rp10,500,000,000,-.

The composition of issued and paid-up shares as of March 31, 2018 and 2016 is as follows:

<u>Shareholders</u>	<u>Number of Shares Issued</u>	<u>Percentage of Ownership</u>	<u>Amount</u>
PT Niaga Antar Bangsa	7,875	75%	7,875,000,000
PT Niaga Lintas Samudra	2,625	25%	2,625,000,000
Total	<u>10,500</u>	<u>100%</u>	<u>10,500,000,000</u>

18. SALES

	<u>2018</u>	<u>2017</u>
Coal	863,766,175,762	630,454,126,483
Total	<u>863,766,175,762</u>	<u>630,454,126,483</u>

PT LAMINDO INTER MULTIKON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

19. COST OF SALES

	2018	2017
Opening Stocks	23,043,920,984	46,642,549,317
Direct Cost :		
OB removal service	174,493,752,819	169,456,886,683
Salaries	78,361,650,747	80,530,418,025
Solar expenses	67,308,289,619	79,379,545,854
Floating crane charges	59,271,783,078	38,943,026,043
Barges rent	34,320,999,704	28,516,282,031
Depreciation	33,716,012,994	42,877,012,541
Dump truck expenses	23,687,250,244	16,542,771,044
Demurrage expenses	23,583,054,977	4,262,769,468
Coal handling plant expense	17,235,902,664	12,472,222,676
Drilling and exploration expenses	15,222,905,130	2,828,549,648
Generator expenses	12,379,312,265	9,186,209,632
Excavator expenses	10,849,781,576	9,706,400,182
Repairs and maintenance expenses	10,065,562,474	3,842,077,116
Rental equipment charges	8,580,280,330	15,604,447,155
Stevedoring expenses	8,458,020,303	8,813,825,723
Dozer expenses	5,095,782,309	5,541,347,225
General spares expenses	3,568,867,148	3,111,792,711
Transport spares consumable	1,045,888,541	1,222,892,182
Testing & analysis expenses	1,431,119,409	2,958,074,257
Pickup expenses	1,672,201,019	1,562,174,965
Con Manpower	784,814,104	728,727,480
Loading & unloading	622,393,327	528,463,120
Wages (Site)	188,982,245	233,687,455
Marine insurance	166,907,074	319,565,396
Others	110,577,346	268,298,740
	<u>592,222,091,446</u>	<u>539,437,467,352</u>
Closing Stocks	<u>(26,728,270,360)</u>	<u>(23,043,920,984)</u>
Total	<u>588,537,742,070</u>	<u>563,036,095,685</u>

PT LAMINDO INTER MULTIKON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

20. INDIRECT EXPENSES

	2018	2017
Royalty / PNBP	35,361,911,579	16,664,753,415
Traveling expenses	10,795,331,828	10,317,410,214
Legal & professional fees	3,595,102,592	1,718,024,068
Reclamation expenses	7,651,012,010	298,317,348
Fooding expenses	5,818,256,922	6,677,917,978
Employee benefit expenses	4,951,019,067	4,565,958,631
Amortization of deferred expenses	4,911,904,404	2,050,868,624
Site expenses	4,412,033,174	2,785,715,024
Rates and taxes	4,404,539,635	1,804,672,461
Security Charges	4,163,800,000	33,075,000
Office expenses	3,695,599,407	4,102,831,884
Medical insurance expense	3,607,259,999	4,254,905,918
Freight Others	3,064,074,211	2,904,899,568
Insurance expenses	2,988,055,029	2,950,952,987
Honorarium	2,604,325,760	2,435,190,412
Miscellaneous shipping	2,556,864,000	2,299,042,400
Repair and maintenance	1,271,950,755	2,135,799,664
CSR expenses	1,169,771,465	1,109,733,000
Staff Welfare Expenses	405,291,875	427,803,360
Conveyance expense	305,360,402	299,064,994
Heavy Earth Moving Vehicle Taxes	148,135,300	269,225,700
Others	606,431,718	1,162,321,143
Total	108,488,031,132	71,268,483,793

21. OTHERS INCOME (EXPENSES)

	2018	2017
OTHER INCOME		
Net interest income	883,994,682	833,917,295
Sale of scrap	799,870,600	-
Dividend income	15,732,650	14,495,050
Profit (Loss) asset sale	-	550,054,665
Subtotal	1,851,087,873	1,398,467,010
OTHER EXPENSES		
Foreign exchange loss	17,428,800,821	3,495,960,758
Loss on sale/ disposal of asset	6,090,740,004	-
Bank charges	443,190,212	710,400,382
Others	179,701,796	986,028,700
Subtotal	24,142,432,833	5,192,389,840
Total	(22,291,344,960)	(3,793,922,830)

PT LAMINDO INTER MULTIKON
NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2018

(Expressed in Rupiah, unless otherwise stated)

22. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The information given below relates to the Company's financial assets and liabilities by categories as of March 31, 2018:

	Total	Loan and receivables	FVTPL	Other financial liabilities
Financial assets				
Cash and cash equivalents	22,580,739,602	22,580,739,602	-	-
Sundry debtor	18,575,139,480	18,575,139,480	-	-
Loans and advances	98,307,362,957	98,307,362,957	-	-
Investment	756,000,000	-	756,000,000	-
Total financial assets	140,219,242,039	139,463,242,039	756,000,000	-
Financial liabilities				
Sundry creditors	127,135,315,393	-	-	127,135,315,393
Others payable	315,215,887,768	-	-	315,215,887,768
Total financial liabilities	442,351,203,161	-	-	442,351,203,161

The information given below relates to the Company's financial assets and liabilities by categories as of March 31, 2017:

	Total	Loan and receivables	FVTPL	Other financial liabilities
Financial assets				
Cash and cash equivalents	10,272,595,012	10,272,595,012	-	-
Investment	756,000,000	-	756,000,000	-
Total financial assets	11,028,595,012	10,272,595,012	756,000,000	-
Financial liabilities				
Sundry creditors	67,927,700,311	-	-	67,927,700,311
Others payable	454,455,639,932	-	-	454,455,639,932
Total financial liabilities	522,383,340,243	-	-	522,383,340,243

PT LAMINDO INTER MULTIKON
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(Expressed in Rupiah, unless otherwise stated)

23. GOING CONCERN

Company management to evaluate the entity's ability to continue as a going concern and require disclosures when either financial statements are prepared on a going concern basis or there is substantial doubt about the entity's ability to continue as a going concern. The Company management confirm that :

1. It has no intention to cease the operation of the Company within the next year or within foreseeable future. No Liquidation within the next 12 months.
2. It will continue to provide financial and / or other support as necessary for the Company to enable it to continue its operation and to meet its obligations when they are due.
3. In the case of financial difficulties the company's shareholders will support.

The financial statements have been prepared on basis of the Company continuing as a going concern and do not include any adjustments that might result from the outcome of this uncertainty.

24. SUBSEQUENT EVENTS

There are no significant events after the reporting date that require adjustment or disclosure in the financial statements as of March 31, 2018.