

PT SUMBER RAHAYU INDAH
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
31 MARCH 2015 AND 2014
AND
INDEPENDENT AUDITORS' REPORT

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PT. SUMBER RAHAYU INDAH

Jl. Pejaten Raya no. 40A, Kel. Jatipadang
Pasar Minggu – Jakarta Selatan 12540

DIRECTORS'/COMMISSIONER' STATEMENT
ON
THE RESPONSIBILITY FOR THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015 AND 2014
PT SUMBER RAHAYU INDAH

We, the undersigned:

Name : Ramanath Praharaj
Office Address : Jl. Pejaten Raya No. 40A, Kel. Jatipadang
Jakarta Selatan
Telephone : -
Title : President Director

declare that :

1. We are responsible for the preparation and presentation of the Company's financial statements for the years ended 31 March 2015 and 2014.
2. The Company's financial statements have been prepared and presented in accordance with generally accepted accounting principles in Indonesia.
3. a. All information has been fully and correctly disclosed in the Company's financial statements, and
b. The Company's financial statements do not contain materially misleading information or facts, and do not conceal any information or facts.
4. We are responsible for the Company's internal control system.

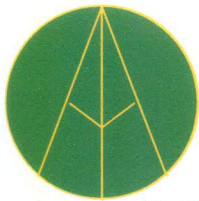
This statement has been made truthfully.

Jakarta, 30 April 2015

PT SUMBER RAHAYU INDAH



Ramanath Praharaj
President Director



KANTOR AKUNTAN DRS ADNAN ALI

AKUNTAN PUBLIK TERDAFTAR
SI No. 99/KM.1/2009

No.32/104/LA

Independent Auditors' Report

The Stockholders and Boards of Directors
PT SUMBER RAHAYU INDAH

We have audited the accompanying statement of financial position of PT Sumber Rahayu Indah (the Company) as of 31 March 2015 and 2014, the related statements of comprehensive income, changes in equity and cash flows for the years then ended and the summary of significant accounting policies and other notes to the financial statements.

The Responsibility of the Management on Financial Statement

The management is responsible for the fairly compilation and presentation of financial statement in accordance with the Financial Accounting Standards in Indonesia and the internal control applied by the management for compilation the financial position is free of material misstatement, whether caused by fraud or misstatement.

The responsibility of the auditor

Our responsibility is to express an opinion on this financial statement based on our audits. We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes executing procedures to have evidences of amounts and disclosures in the financial statements. The applied procedures is depend on auditor's judgment, including evaluating on material misstatement presentation risk in the financial statement caused by fraud or misstatement. In evaluating such risk, the auditor must consider the relevant internal control for compilation and presentation of the fairly financial statement to plan an audit procedure in accordance with the condition, but not to express an opinion about the effectiveness of internal control of the entity. An audit also includes assessing the accuracy of the accounting policies used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that our audit provide a reasonable basis for our opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PT Sumber Rahayu Indah as of 31 March 2015 and 2014 the result of its operations and its cash flows for the year then ended in conformity with the Financial Accounting Standards in Indonesia.

REGISTERED PUBLIC ACCOUNTANT DRS ADNAN ALI


Drs. Adnan Ali, CPA, CA

Licence of Public Accountant No. AP. 0579

Jakarta, 30 April 2015

PT SUMBER RAHAYU INDAH
 BALANCE SHEET
 AS AT 31 MARCH 2015 AND 2014

	<u>Notes</u>	<u>31 MARCH 2015</u> <i>USD</i>	<u>31 MARCH 2014</u> <i>USD</i>
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	2a,2b, 3	3.697,20	4.996,67
Prepayments	4	601,24	1.506,40
Total current assets		<u>4.298,44</u>	<u>6.503,07</u>
NON-CURRENT ASSETS			
Fixed assets	2c,5	<u>336,20</u>	<u>573,20</u>
		<u>4.634,64</u>	<u>7.076,27</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
CURRENT LIABILITIES			
Other payables	6	<u>704.940,91</u>	<u>668.943,70</u>
EQUITY			
Share capital - authorised capital 5.000 shares with par value Rp 1.000.000 (equivalent USD 111,11) per share, issued and fully paid 5.000 shares.	7	555.556,00	555.556,00
Retained earnings (defisit)		<u>(1.255.862,27)</u>	<u>(1.217.423,43)</u>
Total equity		<u>(700.306,27)</u>	<u>(661.867,43)</u>
		<u>4.634,64</u>	<u>7.076,27</u>

The accompanying notes form an integral part of this financial statements

PT SUMBER RAHAYU INDAH
STATEMENT OF INCOME
FOR THE YEARS ENDED 31 MARCH 2015 AND 2014

	<u>Notes</u>	April 2014- March 2015 <i>USD</i>	April 2013- March 2014 <i>USD</i>
SALES		-	-
COST OF SALES		-	-
GROSS PROFIT		-	-
OPERATING EXPENSES	8	<u>39.132,06</u>	<u>186.088,42</u>
OPERATING INCOME (LOSS)		<u>(39.132,06)</u>	<u>(186.088,42)</u>
OTHER INCOME (EXPENSES)			
Interest income		7,02	13,93
Interest expense		-	(23.143,00)
Others		<u>686,20</u>	<u>2.631,87</u>
		<u>693,22</u>	<u>(20.497,20)</u>
PROFIT (LOSS) BEFORE INCOME TAX		(38.438,84)	(206.585,62)
INCOME TAX EXPENSE		-	-
NET INCOME		<u>(38.438,84)</u>	<u>(206.585,62)</u>

The accompanying notes form an integral part of this financial statements

PT SUMBER RAHAYU INDAH
 STATEMENT OF CHANGES IN EQUITY
 FOR THE YEARS ENDED 31 MARCH 2015 AND 2014

	Notes	Share Capital USD	Retained Earnings USD	Total USD
Balance as at 31 December 2013	7	555.556,00	(1.010.837,81)	(455.281,81)
Net Income (Loss)		-	(206.585,62)	(206.585,62)
Balance as at 31 March 2014	7	555.556,00	(1.217.423,43)	(661.867,43)
Net Income (Loss)		-	(38.438,84)	(38.438,84)
Balance as at 31 March 2015	7	<u>555.556,00</u>	<u>(1.255.862,27)</u>	<u>(700.306,27)</u>

The accompanying notes form an integral part of this financial statements

PT SUMBER RAHAYU INDAH
CASH FLOW STATEMENT
FOR THE YEARS ENDED 31 MARCH 2015 AND 2014

	April 2014-March 2015 <i>USD</i>	April 2013-March 2014 <i>USD</i>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Income (Loss)	(38.438,84)	(206.585,62)
Add/(deduct) items not affecting cash flows :		
Depreciation	237,00	237,00
Interest due on loan	-	23.143,00
Operating cash flows before changes in working capital :	(38.201,84)	(183.205,62)
Other receivable and advances	-	597,59
Other payables	997,21	(5.396,78)
Prepayments	905,16	858,93
Cash generated from operation	(36.299,47)	(187.145,88)
Payment of income tax	-	-
Net cash flows provided from operating activities	(36.299,47)	(187.145,88)
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan paybel on demand	35.000,00	179.800,00
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(1.299,47)	(7.345,88)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF YEAR	4.996,67	12.342,55
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	3.697,20	4.996,67

The accompanying notes form an integral part of this financial statements

1. GENERAL

PT Sumber Rahayu Indah (the Company) which its activities in trading, construction, land-transportation, printing, mining and workshop, began its commercial operation since 12 June 2003. In the current year, the activities of the Company is coal mining. The Company has 3 employees and its head-office located at Pejaten Raya No. 40A, Kelurahan Jatipadang, Jakarta Selatan.

The Company was established within the framework of Foreign Capital Investment Law No. 132/1/P/II/PMA/2010 dated 10 Augustus 2010, based on Deed No. 3, dated 12 June 2003 of Notary Nanang Ferwandy Tjoegito SH and amended with Deed No. 1 dated 2 Mei 2005 of the same notary. Then, such deeds were amended with deed No. 3, dated 6 Oktober 2008 of Caroline Gumawan, SH, the deed No. 1, dated 1 April 2010 of Tri Sulistiowarni, SH concerning changes of capital stock of the Company, the deed No. 2, dated 12 September 2011 of Muslim, SH, MKn, the deed No.03, dated 03 October 2012 and the latest one is with the deed No. 03 dated 04 December 2012 and No. 22, dated 16 July 2013 of notary Siti Safarijah, S.H, Jakarta,. The changes of Article of Association has been approved by The Minister of Law and Human Rights Republic Indonesia with his decision letter No. AHU-AH01.10-05825, dated 9 March 2010, AHU-AH.01.10-42311, dated 29 November 2012 and No. AHU-AH.01.10-35875, dated 30 August 2013.

The Company has exploration and exploitation permits over a mining area of 3.674 hectare, located at Kecamatan Raren Batuah and Dusun Tengah, Kabupaten Barito Timur, Kalimantan Tengah in comformity with Decision Letter of Bupati Barito Timur, No. 569 Year 2009.

During the time, the Company could not run any activities at its concession due to some reasons as followed:

- The Mining Business License (Izin Usaha Pertambangan) owned, could not be operated due to overlapping with other concession, Such problem is being solved by the Ministry of Energy and Mineral Resources (ESDM) in Jakarta and The Mining Department of Central Kalimantan Province and The Mining Departement of East Barito District, Tamiyang Layang.
- The other problem is concerning border issues between East Barito District and South Barito District in the same province. The other border issues between two provinces, which are South Kalimantan Provinces and Central Kalimantan Province. Such issue is not resolved yet and is still waiting the Decision of Minister of Internal Affairs at Jakarta and The Parlement.

Based on the problems mentioned above The Company, is unearned up to the year ended 31 March 2015.

As at 31 March 2015 and 2014, the composition of the Company's Board of Directors and Board of Commissioners was as follows :

President Director	: Ramanath Praharaj
Director	: Sanjeev Gupta
Director	: Dipak Prusty
Director	: Harsha Vardhan Shanmugam
Director	: Dedi Mulyadi
President Commissioner	: Chitta Ranjan Ray
Commissioner	: Prem Khandelwal
Commissioner	: Rafael Agung Parmanto

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of preparation of the financial statements

The financial statement have been prepared on the basis of historical costs. The statements of cash flows are prepared based on the indirect method by classifying cash flows on the basis of operating, investing and financing activities. For the purpose of the statements of cash flows, cash includes cash on hand and in banks.

b. Foreign Currency Transactions

Transactions involving foreign currencies are recorded in Rupiah at the rates of exchange prevailing at the time transactions are made. Monetary assets and liabilities stated in foreign currencies are adjusted using the middle rate of Bank Indonesia at the last banking transactions date for the year or related month. Any resulting gains or losses on foreign exchange are credited or charged to operations of the current year/month.

c. Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Depreciation of fixed assets, are computed on the straight-line method using the following estimated useful lives:

	<u>Years</u>
Vehicles	4
Office equipment	4

The cost of repairs and maintenance is charged to operations as incurred. Expenditures which extend the future life of assets or provide further economic benefits by increasing the capacity or quality of production are capitalized and depreciated based on applicable depreciation rates.

d. Deferred costs

Expenditures related to the exploration activities, except for general and administrative expenses at Head Office, are capitalized and amortized when the exploration bring succes and will be written-off if the exploration failed.

3. CASH AND CASH EQUIVALENTS

	31 MARCH 2015	31 MARCH 2014
	<i>USD</i>	<i>USD</i>
Cash IDR (31 March 2015 Rp 368.052 and 31 March 2014 Rp 160.426)	28,13	14,00
Bank Mandiri - IDR (31 March 2015 Rp 19.311.292 and 31 March 2014 Rp 11.949,83)	1.518,51	1,04
Bank Mandiri - USD	2.150,56	4.981,63
	<u>3.697,20</u>	<u>4.996,67</u>

4. PREPAYMENTS

	31 MARCH 2015	31 MARCH 2014
	<i>USD</i>	<i>USD</i>
Security deposits (rent)	<u>601,24</u>	<u>1.506,40</u>

5. FIXED ASSETS

	31 MARCH 2015	31 MARCH 2014
	<i>USD</i>	<i>USD</i>
Office equipment		
Cost	949,20	949,20
Acumulated depreciation	(613,00)	(376,00)
Net book-value	<u>336,20</u>	<u>573,20</u>

6. OTHER PAYABLES

	31 MARCH 2015	31 MARCH 2014
	<i>USD</i>	<i>USD</i>
Accrued salary (March 2013)	1.446,95	1.595,74
Audit Fee Due (2014-2015)	1.146,00	
Loan payable on demand :		
- Indmet Mining Pte, Ltd (Initial)	650.189,96	615.189,96
- Indmet Mining Pte, Ltd (Interest)	52.158,00	52.158,00
	<u>704.940,91</u>	<u>668.943,70</u>

The Company has not been charged the interest on loan for the current year

7. EQUITY

The Company's stockholders as at 31 March 2015 and 31 March 2014

Name of Stockholders	Number of shares	Percentage of Ownership	Total Paid-up Capital Stock
		%	USD
Indmet Mining Pte, Ltd	3.500	70	388.889,20
Sri Indo Capital, Ltd	500	10	55.555,60
PT Matahari Mulia Coal	500	10	55.555,60
PT Khrisna Mangan Jaya	500	10	55.555,60
	<u>5.000</u>	<u>100</u>	<u>555.556,00</u>

8. OPERATING EXPENSES

	April 2014- March 2015	April 2013- March 2014
	<i>USD</i>	<i>USD</i>
Salary and allowances	22.348,24	45.683,27
Office supplies	304,02	2.354,14
Travelling expenses	1.344,01	3.773,05
Repair and maintances	-	108,55
Communication expenses	698,61	2.284,13
Office and apartement rent	3.240,81	14.067,29
Professional fees	8.492,96	35.083,66
Audit fees	1.146,00	-
Land rent	-	72.677,10
Depreciation	237,00	237,00
Miscelenoues expenses	1.320,41	9.820,23
	<u>39.132,06</u>	<u>186.088,42</u>

PT SUMBER RAHAYU INDAH

Detail of Fixed Assets and Accumulated Depreciation

As at 31 March 2015

Exhibit. 1

Dated of aquisition	Title of Fixed Assets	Benefits Months	cost				Acumulated depreciation				Net-book value
			As at 31 March 2014	+	-	As at 31 March 2015	As at 31 March 2014	+	-	As at 31 March 2015	At 31 March 2015
17-Sep-12	dell laptop	48	897,00	-	-	897,00	355,00	224,00	-	579,00	318,00
18-Sep-12	folding chair	48	52,20	-	-	52,20	21,00	13,00	-	34,00	18,20
Total			949,20	-	-	949,20	376,00	237,00	-	613,00	336,20