

PT ADCOAL ENERGINDO
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED DECEMBER 31, 2021

PT ADCOAL ENERGINDO

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PT. Adcoal ENERGINDO

ADCOAL

EPIWALK Office Suites 5th Fl, Unit No. B 528, Rasuna Epicentrum Complex
Jl.H.R.Rasuna Said, Kuningan, Jakarta 12940, Indonesia
Telp : (021) 29912058

**STATEMENT OF THE BOARD OF DIRECTORS
ABOUT
RESPONSIBILITY FOR FINANCIAL STATEMENTS
ON DECEMBER 31, 2021
PT ADCOAL ENERGINDO**

Jakarta, March 21, 2022

We, the undersigned :
Name : Chandrasekaran Vaidhieswaran
Office address : Epiwalk Office Suite 5th Fl, Unit B528, Rasuna Epicentrum Complex
Jl. HR Rasuna Said, Kuningan, Jakarta – 12940.
Position : President Director

We, State that:

1. Responsible for the preparation and presentation of financial statements for the years ended 31 December 2021.
2. The financial statements of PT Adcoal Energindo have been prepared and presented in accordance with generally accepted accounting standards in Indonesia.
3. All information in the financial statements of PT Adcoal Energindo as been fully and correctly loaded.
4. The financial statements of PT. Adcoal Energindo does not contain misleading material information or facts, and does not remove material information or facts.
5. Responsible for the internal control system in the division of tasks and responsibilities.

This statement was made with actual.

On behalf of and representing the Board of Directors



Chandrasekaran Vaidhieswaran
President Director / Director

Angsana Office Address:

Jl.Desas Karang Indah RT-009/RW003, Kec. Angsana, Kab.Tanah Bumbu,
Prov.Kalimantan Selatan

Independent Auditors' Report

Report Number : 00062/2.1001/AU.1/05/0840-4/1/III/2022

The Shareholders, Boards of Commissioners and Directors
PT ADCOAL ENERGINDO

We have audited the accompanying financial statements of **PT ADCOAL ENERGINDO** (the "Company"), which comprise the financial position as of December 31, 2021, and statements of comprehensive income, changes in equity, and cash flows for the year 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.

Auditors' 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 auditors' judgement, 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.

Unmodified opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **PT ADCOAL ENERGINDO** (the “Company”) as of December 31, 2021, and their financial performance and cash flows for the year ended, in accordance with Indonesian Financial Accounting Standards.

Best regards,
Registered Public Accountants Angelina Yansen
NIU-KAP: 791/KM.1/2014



ANGELINA
YANSEN
REGISTERED PUBLIC
ACCOUNTANTS

License No 791/KM 1/2014

Yansen Pasaribu, CPA

NIAP : 0840

Managing Partner

March 21, 2022

NOTICE TO READERS

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than Indonesia. The standards, procedures and practices utilized to audit such interim statements may differ from those generally accepted in countries and jurisdictions other than Indonesia. Accordingly, the accompanying financial statements and the auditors' report thereon are not intended for use by those who are not informed about Indonesian accounting principles and auditing standards, and their application in practice.

PT ADCOAL ENERGINDO
BALANCE SHEET
December 31, 2021 and 2020
(Expressed in Rupiah)

	Notes	2021	2020
ASSETS			
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	3,2b,2c	136.100.203	84.413.848
Prepaid expense		8.333.337	9.500.000
Total Current Assets		144.433.540	93.913.848
<u>INVESTMENT</u>	4,2d	2.695.000.000	2.695.000.000
<u>NON CURRENT ASSETS</u>			
Other receivable	5,2e	6.000.000.000	6.000.000.000
Deferred Asset	6	-	723.988.360
Security Deposit		9.500.000	9.500.000
Total Non Current Assets		6.009.500.000	6.733.488.360
TOTAL ASSETS		8.848.933.540	9.522.402.208
LIABILITIES AND EQUITY			
<u>CURRENT LIABILITIES</u>			
Others Payable	7a	34.763.596	13.511.070
<u>NON CURRENT LIABILITIES</u>			
Others Payable	7b	17.210.223.313	16.608.123.313
Post employee benefit	8,2h	82.027.987	97.841.793
		17.292.251.300	16.705.965.106
<u>EQUITY</u>			
Paid up Capital 8,000 shares, nominal Rp 916,000 per share	9	7.328.000.000	7.328.000.000
Paid up capital tax amnesty	10	50.000.000	50.000.000
Retained earnings		(15.856.081.356)	(14.575.073.968)
Total Equity		(8.478.081.356)	(7.197.073.968)
TOTAL LIABILITIES AND EQUITY		8.848.933.540	9.522.402.208

See accompanying notes to financial statements which are an integral part of the financial statements

PT ADCOAL ENERGINDO
STATEMENT OF INCOME

For the years ended December 31, 2021 and 2020
(Expressed in Rupiah)

	Notes	2021	2020
REVENUE	2f,11	275.000.000	215.000.000
DIRECT COST	2f	-	-
GROSS INCOME		275.000.000	215.000.000
OPERATING EXPENSE			
General and Administrative	2f,12	(1.489.436.356)	(1.515.819.432)
INCOME (LOSS) FROM OPERATION		(1.214.436.356)	(1.300.819.432)
OTHER INCOME (EXPENSES)			
Bank Charges		(624.700)	(531.800)
Bank Interest income – Net		53.668	130.933
Foreign exchange income (loss)		(66.000.000)	227.000.000
Others			
Total other income (Expense)	2e	(66.571.032)	(227.400.867)
INCOME (LOSS) BEFORE INCOME TAX		(1.281.007.388)	(1.528.220.299)
TAX EXPENSE			
Current		-	-
Deferred		-	-
NET INCOME (LOSS)		(1.281.007.388)	(1.528.220.299)

See accompanying notes to financial statements which are an integral part of the financial statements

PT ADCOAL ENERGINDO
STATEMENT OF CHANGES IN EQUITY

For the years ended December 31, 2021 and 2020
 (Expressed in Rupiah)

	Capital Stock Subscribed and Fully Paid	Additional paid up capital	Retained Earnings/ Defisits	Total Equity
Balance December 31, 2019	7.328.000.000	50.000.000	(13.046.853.669)	(5.668.853.669)
Net Income (Loss) year 2020	-	-	(1.528.220.299)	(1.528.220.299)
Balance December 31, 2020	7.328.000.000	50.000.000	(14.575.073.968)	(7.197.073.968)
Net Income (Loss) year 2021	-	-	(1.281.007.388)	(1.281.007.388)
Balance December 31, 2021	7.328.000.000	50.000.000	(15.856.081.356)	(8.478.081.356)

See accompanying notes to financial statements which are an integral part of the financial statements

PT ADCOAL ENERGINDO
STATEMENT OF CASH FLOWS
For the years ended December 31, 2021 and 2020
(Expressed in Rupiah)

	2021	2020
Cash flows from operating activities:		
Net Loss	(1.281.007.388)	(1.528.220.299)
Adjustments to reconcile net profit (loss) to net cash:		
Provided by (used in) operating activities :		
Decrease (increase) in assets:		
Prepaid expense	1.166.663	-
Increase (decrease) in liabilities:		
Deferred asset	723.988.360	723.988.380
Others Payable	623.352.526	751.709.613
Post employee benefit	(15.813.806)	42.346.771
Net Cash provided by (used in) operating activities.	51.686.355	(10.175.535)
Cash flows from investing activities		
Net cash used in investing activities	-	-
Cash flows from funding activities		
Net cash provided by (used in) from funding activities	-	-
Net (decrease) increase in cash and cash equivalent	51.686.355	(10.175.535)
Cash and cash equivalent at beginning of the year	84.413.848	94.589.383
Cash and cash equivalent at ending of the year	136.100.203	84.413.848

See accompanying notes to financial statements which are an integral part of the financial statements

PT ADCOAL ENERGINDO
NOTES TO FINANCIAL STATEMENT

Years ended December 31, 2021 and 2020
(Expressed in Rupiah)

1. GENERAL

a. The Company Establishment

PT ADCOAL ENERGINDO (The Company) was established in Jakarta based on the notarial deed No. 06 dated November 26, 2007 of Dewantari Handayani, SH notary in Jakarta. The deed of establishment was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in its Decision Letter No. C-07152.HT.01.01.TH.2007 dated December 18, 2007. The Company concern in Foreign Investment Company (PMA) in its decision letter No.1395/I/PMA/2007 dated November 9, 2007 issued by Coordination Board of Investment (BKPM) and Its decision letter was changes with the latest No. 118/1/IP/PMA/2011.

The Company's articles of association has been amended several times, most recently amended by the notarial deed No. 44 dated July 10, 2017 of Hasbullah Abdul Rasyid, SH, concerning articles of the Company changes of the Management composition, the deed was registered by the Ministry of Justice and Human Rights of the Republic of Indonesia in its Decision Letter AHU - AH.01.03-0152421, The latest changes of Notarial deed No. 07 dated March 15, 2019 of Bonardo Nasution S.H, notary in Jakarta. The deed was approved by the Ministry of Justice and Human Rights of the Republic of Indonesia in its Decision Letter AHU-0015549.AH.01.02.2019 dated March 21, 2019. Concerning to the changes of Management composition, Activities and Address of the Company the Company activities are, Mining consultancy services and support.

The Company domiciled in Epiwalk Office Suites Lt .5 Unit B.512 Komplek Rasuna Epicentrum, Jl. HR Rasuna Said South Jakarta. The Company has permanent employees amounting to are 2 (two) and 4 (Four) employees respectively in 2021 and 2020.

The Company's Board of Commissioners and Directors as of December 31, 2021 and 2020 consist of:

Commissioner	: Veppur Margabandu Mohan
President Director	: Chandrasekaran Vaidhieswaran
Director	: Tharmapuram Subramaniam Raghupathy
Director	: Ranganatha Srinivasan

2. SUMMARY OF ACCOUNTING POLICIES

a. Basis of preparation of financial statements

The financial statements have been prepared on the historical cost basis in accordance with generally accepted accounting principle in Indonesia that is Financial Accounting Standard, except if any changes the accounting policies by the Company.

The financial statements have been prepared on accrual basis except for the statements of cash flows. 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.

The reporting currency used in the financial statements is Indonesia Rupiah.

PT ADCOAL ENERGINDO
NOTES TO FINANCIAL STATEMENT
Years ended December 31, 2021 and 2020
(Expressed in Rupiah)

b. Foreign Currency Transaction and Balances

Transactions involving foreign currencies are recorded in Indonesia Rupiah at the rates of exchanges prevailing at the time the transaction are made. At the balance date, monetary assets and liabilities denominated in foreign currencies are adjusted to Indonesian Rupiah to reflect the prevailing Indonesia tax rates of exchange at such date. Any resulting gains or losses are credited or charged to the statement of income for the year.

As of December 31, 2021 and 2020, the rates of exchange to adjust monetary assets and liabilities as published by Indonesia tax rate are Rp 14,294 and Rp 14,228 / 1 USD.

c. Cash and cash equivalent

Cash and cash equivalent consist of cash on hand and cash in banks.

d. Investment

Based on Notarial deed established of PT Mitra Setia Tanah Bumbu (The Subsidiary) No. 15 dated January 15, 2004 of Rasfienora Ronadimhari, SH notary in Jakarta, the Company issued and paid capital 4.950 share with a nominal amount to Rp 4.950.000.000 ownership 90 % in 2017. In 2018, 2,255 Shares with a nominal amount to Rp 2,255,000,000 divested to Indonesian citizens revising the Investment at 49% - 2,695 Shares in the year 2018,

e. Trade and non-trade receivable

Trade receivables are amounts due from customer for coal sold performed in the ordinary course of business. Non-Trade receivables are amounts due from third or related parties transaction outside the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer) they are classified as current assets. If not they are presented as Non Current Assets.

Trade and Non-trade receivables are recognized initially at fair value. The Company does not provide allowance for doubtful account of the individual receivable, the management believe all of are collectible.

f. Revenue and Expenses

Revenue are recognized when the invoice are made. Expenses are recognized when incurred.

g. Income tax

Current tax expense is determined based on the estimated taxable income for the year. Deferred tax benefit or expense is calculated in accordance with PSAK No. 46, "Accounting for Income Tax".

PT ADCOAL ENERGINDO
NOTES TO FINANCIAL STATEMENT

Years ended December 31, 2021 and 2020
(Expressed in Rupiah)

The deferred income tax method is applied to reflect the effects of timing differences between financial reporting and income tax purposes and accumulated tax loss carryforward which is estimated to be fully recoverable.

Amendments to tax obligations are recorded when a tax assesment letter is received or, if appealed against by the Company, when the result of the appeal is determined.

h. Employee Benefits

The Company recognizes employee benefit obligations as set out in generally accepted SFA 24 2013 revisions "Employee Benefits". The liability recognition is based on the provisions of the Employment Act 13 year 2003.

In these conditions the Company is required to pay employee benefits to employees when they stop working in the resignation, normal retirement, death and permanent disability. The amount of post-employment benefits are primarily based on length of employment and compensation of employees on completion of employment. Basically employee benefits under the Employment Act No.13 of 2003 is a defined benefit plan.

3. CASH AND CASH EQUIVALENT

This accounts consist of:

	<u>2021</u>	<u>2020</u>
Cash on hand	62.677.736	62.107.671
Cash in Bank:		
Bank Mandiri - IDR	73.422.467	22.306.177
Total Cash and Bank	<u>136.100.203</u>	<u>84.413.848</u>

4. INVESTMENT

This accounts consist of:

	<u>2021</u>	<u>2020</u>
PT. Mitra Setia Tanah Bumbu	<u>2.695.000.000</u>	<u>2.695.000.000</u>

5. OTHER RECEIVABLE

This accounts consist of:

	<u>2021</u>	<u>2020</u>
Amiruddin Bin Mahdin	<u>6.000.000.000</u>	<u>6.000.000.000</u>

PT ADCOAL ENERGINDO
NOTES TO FINANCIAL STATEMENT
 Years ended December 31, 2021 and 2020
 (Expressed in Rupiah)

6. DEFERRED ASSET

This accounts consist of:

	<u>2021</u>	<u>2020</u>
Preliminary and Pre Operating	-	1.447.976.740

7. OTHERS PAYABLE

This accounts consist of:

	<u>2021</u>	<u>2020</u>
a). Short term condition:		
Others	34.763.596	13.511.070
b). Long term condition:		
CMR pte Ltd , Singapore	14.294.000.000	14.228.000.000
PT Mitra Setia Tanah Bumbu	2.916.223.313	2.380.123.313
	17.210.223.313	16.608.123.313

8. LIABILITIES ON EMPLOYEE BENEFIT ESTIMATION

On December 31, 2021 and 2020, the Company has implemented and recorded the estimated liability for employee benefits. The calculation using the "Projected Unit Credit" and the main assumptions as follows:

Retirement age : 55 years
 Discount Rate : 7,3% per year
 Salary increase : 9 % per year

The following table presents the components of Employee Benefits liability recognized in the balance sheet and expenses over Employee Benefits recognized in the Income Statement.

	<u>2021</u>	<u>2020</u>
Beginning balance	97.841.793	55.495.022
Actuary loss	(40.506.295)	-
Current service cost	19.111.833	36.455.570
Interest expense	5.580.656	5.891.201
Total	82.027.987	97.841.793

PT ADCOAL ENERGINDO
NOTES TO FINANCIAL STATEMENT
 Years ended December 31, 2021 and 2020
 (Expressed in Rupiah)

9. CAPITAL STOCK

Based on Notarial deed No. 5 dated April 20, 2012 of Rohana Prieta, SH,, Notary in Jakarta, the composition of share holders in 2021 and 2020 consist of:

Shareholders'	Amount of share	Percentage of ownership	Total Subscribed (Rp)
Raasi Minerals Pte Ltd	7.850	98,1%	7.190.600.000
PT Coromandel Minerals Resources	150	1,9%	137.400.000
Total	8.000	100%	7.328.000.000

10. ADDITIONAL PAID UP CAPITAL

In accordance with the certificate of the Minister of Finance No. ket - 7469/PP/wpj.29/2017 Date 13 April 2017 the Company has obtained the remission of taxes to the total liabilities of Rp 50.000.000 forgiveness.

11. REVENUE

This accounts consist of:

	2021	2020
Mining Consultancy Services	275.000.000	215.000.000

12. GENERAL AND ADMINISTRATIVE EXPENSE

This accounts consist of:

	2021	2020
Amortization	723.988.360	723.988.380
Salary and THR	390.940.294	477.549.087
Office Rental	101.166.663	114.000.000
Traveling	8.353.159	7.768.400
Document expenses	22.280.000	-
Tax expense	26.201.869	36.967.400
Provision post employee benefit	24.692.489	42.346.771
Others	191.813.522	113.199.394
Total General And Administrative Expense	1.489.436.356	1.515.819.432

13. RESPONSIBILITY OF FINANCIAL STATEMENTS

The Company Management is responsible for preparing the financial statements as of December 31, 2021 and 2020.

PT. Adcoal ENERGINDO

ADCOAL

EPIWALK Office Suites 5th Fl, Unit No. B 528, Rasuna Epicentrum Complex
JI.H.R.Rasuna Said, Kuningan, Jakarta 12940, Indonesia
Telp : (021) 29912058

MANAGEMENT REPRESENTATION LETTERS

Jakarta, March 21, 2022

To:
Public Accounting Firm Angelina Yansen
Rasuna Office Park, Unit UO-01
Taman Rasuna Complex
JI H.R. Rasuna Said, Kuningan, Jakarta 12960

**Subject: Statement of the Company's management in the field of accounting of the
Financial Statements of PT Adcoal Energindo for the year ended
December 31, 2021**

Dear Sir/Madam,

We provide this representation letter in connection with your audit of the Financial Statements of PT Adcoal Energindo (the Company), for the year ended December 31, 2021 which is intended to express the opinion of whether the financial statements have been fairly presented, in all material respects, finance, results of operations, changes in the Company's equity and cash flows in accordance with generally accepted accounting standards and practices in Indonesia. We affirm that we are responsible for the fair presentation of the financial position, results of operations, changes in equity and cash flows in the financial statements in accordance with generally accepted accounting standards and practices in Indonesia.

Certain representations in this letter are explained to be limited to material things. Anything is considered material, regardless of magnitude, if it concerns the omission or misstatement of relevant accounting information, taking into account the likely impacts, so that those who believe in the information will change or be affected by the disappearance or misstatement.

We confirm that, based on our best faith and knowledge, on the date of this letter, the following representations we have made to you during your audit of the Financial Statement mentioned above.

Basis of Presentation of Financial Statements

1. The financial statements referred to above are presented fairly in accordance with generally accepted accounting standards and practices in Indonesia.
2. We have provided to you all:
 - a. Accounting records and other related data
 - b. Minutes of shareholder meetings, and board of commissioners, or summaries of decisions not yet drafted.
3. There is no communication from regulatory bodies concerning non-compliance or weakness

Angsana Office Address:

Jl.Desas Karang Indah RT-009/RW003, Kec. Angsana, Kab.Tanah Bumbu,
Prov.Kalimantan Selatan

PT. Adcoal ENERGINDO

ADCOAL

EPIWALK Office Suites 5th Fl, Unit No. B 528, Rasuna Epicentrum Complex
Jl.H.R.Rasuna Said, Kuningan, Jakarta 12940, Indonesia
Telp : (021) 29912058

-
- in financial reporting practices.
4. No material transactions are not properly recorded in the accounting records underlying the financial statements.
 5. There is no:
 - a. Fraud involving management or employees who have an important role in internal control.
 - b. Fraud involving other employees who may have a material impact on the financial statements.
 6. The Company has no plans or intentions that could have a material impact on the current value or classification of assets and liabilities.
 7. The following have been adequately recorded or disclosed in the financial statements:
 - a. Related party transactions, including sale, purchase, presentation of finance leases, guarantees and amounts of receivables to or owed of related parties.
 - b. Warranties, oral or written, which may cause the company to have a conditional obligation.
 - c. Significant estimates and concentrations of material known to management should be disclosed in accordance with applicable regulations.
 8. Not available:
 - a. Possible elements of a violation action or element of a breach action against affected laws and regulations that should be considered for disclosure in the financial statements or as a basis for recording a conditional loss.
 - b. Other material debt or conditional gain or loss which are required to be recorded or disclosed in accordance with generally accepted accounting principles in Indonesia.
 9. The Company has full rights to its assets, and there is no pledge or guarantee for assets or assets pawned.
 10. The Company has complied with all aspects of the contract agreement that will have a material impact on the financial statements if we do not comply with the agreement.
 11. Appointment of only one auditor, KAP Angelina Yansen, for the fiscal year concerned
 12. There are no important events after the statement date of the financial position up to the date of this letter other than those disclosed in the financial statements.
 13. The company is not in a state of bankruptcy.

Best regards,
PT Adcoal Energindo


PT. ADCOAL ENERGINDO

Chandrasekaran Vaidhieswaran
President Director / Director

Angsana Office Address:

Jl.Desas Karang Indah RT-009/RW003, Kec. Angsana, Kab.Tanah Bumbu,
Prov.Kalimantan Selatan