

PT ISMT RESOURCES

*FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022
AND FOR THE YEAR THEN ENDED
WITH
INDEPENDENT AUDITORS' REPORT*

THE BOARD OF DIRECTORS STATEMENTS LETTER
REGARDING
THE RESPONSIBILITY OF FINANCIAL STATEMENTS OF
PT ISMT RESOURCES
AS OF DECEMBER 31, 2022
AND FOR THE YEAR THEN ENDED

We, the undersigned:

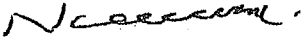
Name : **Narayan Vithal Karbhase**
Office Address : Jl. Jenderal Sudirman Kav. 29 Wisma Metropolitan II, 6th Floor
Jakarta 12920
Office Number : (62-21) 30048038
Title : Director

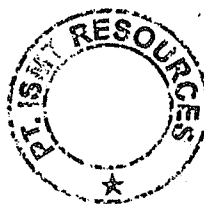
Declare that:

1. We are responsible for the PT ISMT Resources financial statements preparation and presentation;
2. The financial statements have been prepared and presented in accordance with generally accepted accounting principles in Indonesia;
3. All information has been fully and correctly disclosed in the financial statements;
4. The financial statements do not contain any wrong information about material fact, and do not omit any information and material fact;
5. We are responsible for the internal control system of The Company.

This statements has been made truthfully.

March 24, 2023
PT ISMT RESOURCES


Narayan Vithal Karbhase
Director



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PT ISMT RESOURCES
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And for the year then ended

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No. : 00068/2.1000/AU.1/02/0136-2/1/III/2023

Independent Auditors' Report

To the Shareholders
PT ISMT Resources

Opinion

We have audited the financial statements of PT ISMT Resources ("the Company"), which comprise the statement of financial position as at December 31, 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and its financial performance and its cash flows for the year then ended, in accordance with Indonesian Financial Accounting Standards.

Basis for opinion

We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements paragraph of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Indonesia, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to the Deficit in the financial statements, as at December 31, 20X1 the Company's Deficit by Rp8.919.433.979, these condition along with the absence of commercial operations for many years, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. the collective impairment.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

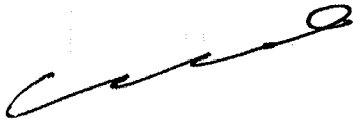
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company's or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit we remain solely responsible for our audit opinion.

HGK

Hertanto, Grace, Karunawan

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

HERTANTO, GRACE, KARUNAWAN



Drs. Hertanto., M.S.Ak., CPA., CPMA., CA.
Register of Public Accountant No. AP.0136

Jakarta, March 24, 2023

PT ISMT RESOURCES
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2022
(Amount stated in Rupiah, unless otherwise stated)

	Notes	2022	2021
ASSETS			
CURRENT ASSETS			
Cash Equivalent	2a,2b,2c,3	9.566.021	9.533.119
Total Current Assets		<u>9.566.021</u>	<u>9.533.119</u>
TOTAL ASSETS		<u>9.566.021</u>	<u>9.533.119</u>
LIABILITIES AND SHAREHOLDER'S EQUITY			
LIABILITIES			
Tax Liabilities	2b,4	-	-
Total Liabilities		<u>-</u>	<u>-</u>
SHAREHOLDER'S EQUITY			
Share Capital - Comprise of 1.000 Shares With Par Value of Rp8,929,000 per share Issued and Paid-in Capital	2b,6	8.929.000.000	8.929.000.000
Surplus (Deficit) During Development Stage		(8.919.433.979)	(8.919.466.881)
Total Equity		<u>9.566.021</u>	<u>9.533.119</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		<u>9.566.021</u>	<u>9.533.119</u>

*See Accompanying Notes to Financial Statements
which are an integral part of the Financial Statements taken as a whole.*

PT ISMT RESOURCES**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the year then ended on December 31, 2022

(Amount stated in Rupiah, unless otherwise stated)

	Notes	2022	2021
REVENUE		-	-
OPERATING EXPENSES		-	-
GROSS PROFIT		-	-
OTHER INCOME/(EXPENSES)	2b,6		
Income from debt write-offs		-	-
Audit Fees		-	-
Professional Fees Others		-	-
Bank Charges		(900.000)	(851.220)
Unrealized Gain on Forex		932.902	114.477
NET INCOME (LOSS) BEFORE TAX		32.902	(736.743)
Current Tax Expense	2d, 4	-	-
NET INCOME (LOSS) AFTER TAX		32.902	(736.743)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		32.902	(736.743)

*See Accompanying Notes to Financial Statements
which are an integral part of the Financial Statements taken as a whole.*

PT ISMT RESOURCES
STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY
For the year then ended on December 31, 2022
(Amount stated in Rupiah, unless otherwise stated)

	For The Year Ended on December 31, 2022		
	Share Capital	Net Income Accumulated During Development Stage	Total Shareholders
Balance, January 1, 2021	8.929.000.000	(8.918.730.138)	10.269.862
Net Income (Loss)	-	(736.743)	(736.743)
Balance December 31, 2021	8.929.000.000	(8.919.466.881)	9.533.119
Net Income (Loss)	-	32.902	32.902
Balance December 31, 2022	8.929.000.000	(8.919.433.979)	9.566.021

See Accompanying Notes to Financial Statements
which are an integral part of the Financial Statements taken as a whole.

STATEMENTS OF CASH FLOWS
STATEMENTS OF CASH FLOWS
For the year then ended on December 31, 2022

	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Income (Loss) during the development stage after tax		32.902	(736.743)
Adjustments to Net Income:			
Changes in working capital adjustments:			
Provision For Expenses		-	-
Other Payables		-	-
Net cash (used for) operating activities		<u>32.902</u>	<u>(736.743)</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Net cash provided from investing activities		<u>-</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash provided from financing activities		<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH EQUIVALENT		<u>32.902</u>	<u>(736.743)</u>
CASH EQUIVALENT AT BEGINNING OF YEAR		9.533.119	10.269.862
CASH EQUIVALENT AT END OF YEAR	2c, 3	<u>9.566.021</u>	<u>9.533.119</u>

*See Accompanying Notes to Financial Statements
which are an integral part of the Financial Statements taken as a whole.*

PT ISMT RESOURCES

NOTES TO FINANCIAL STATEMENTS

As of December 31, 2022 and for the year then ended
(Amount stated in Rupiah, unless otherwise stated)

1. GENERAL INFORMATION

a. The Entity's Establishment

PT ISMT Resources ("the Entity") was established in a form of limited liability company (Perseroan Terbatas / PT) on October 25, 2010 based on Notarial Deed of Mellyani Noor Shandra SH number 84 dated October 25, 2010 which legalized by The Ministry of Law and Human Rights with decision letter number AHU-52260.AH.01.01.TH.2010 dated November 11, 2010. the Entity domiciles in South Jakarta with representative office located at Jl. Jenderal Sudirman Kav. 29 Wisma Metropolitan II, 6th Floor Jakarta 12920.

b. Scope of Business

Based on the article of association, the Entity scope of activities are comprised of:

1. Distributing goods, such as coals.
2. Exporting goods, such as coals.
3. Management business consulting services.

c. Organizational Structure

Based on the Notarial Deed of Mellyani Noor Shandra SH number 84 dated October 25, 2010, the structure of the Board of Commissioner and the Board of Director as of December 31, 2021 and 2020 are as follow:

Positions	
Shareholders	: Tridem Port and Power Company Private Limited (99.90%)
	: Narayan Vithal Karbhase (0.10%)
Commissioner	: Rajiv Goel
Director	: Narayan Vithal Karbhase

2. SUMMARY OF ACCOUNTING POLICIES

a. Basis of Financial Statements

The financial statements are prepared in accordance with generally accepted accounting principles in Indonesia, which are based on Indonesian Financial Accounting Standards and the regulations of the Coordination Board of Direct Foreign Investment (BKPM).

The financial statements are prepared on the accrual basis using the historical cost concept, except for certain accounts that are measured on the basis described in the related accounting policies.

The statements of cash flows are prepared using the indirect method and presents the sources and uses of cash with the classification of operating, investing, and financing activities.

b. Foreign Currency Transactions

The Entity maintains its transaction in United States Dollar (USD). Foreign currencies transaction are recorded based on SFAS No. 10 "Transaction in Foreign Currencies", using rates of exchange prevailing at the time transactions are made.

At financial positions date, monetary assets and liabilities denominated in foreign currencies are adjusted using the middle rate of Bank Indonesia at the last banking transactions date for the year. Any resulting gains or losses on foreign exchange are credited or charged to operations of the current year. As of December 31, 2022 and 2021 the rates of exchange used were Rp15.731 and Rp14.269.

PT ISMT RESOURCES**NOTES TO FINANCIAL STATEMENTS (Continued)**

As of December 31, 2022 and for the year then ended
(Amount stated in Rupiah, unless otherwise stated)

2. SUMMARY OF ACCOUNTING POLICIES (Continued)**c. Cash Equivalent**

Cash Equivalents consist of cash in banks and the Entity's statement of cash flows presented by using indirect method.

d. Corporate Income Tax

Current tax expense is provided based on the estimated taxable income for the year. Deferred tax assets and liabilities (if any) are recognized for temporary differences between the financial and the tax basis of assets and liabilities at each reporting date. Future tax benefits, such as the carry-forward to unused tax losses, are also recognized to the extent that realization of such benefits is probable.

Deferred tax assets and liabilities are measured by using the tax rates which are expected to be applied in the period when asset is realized or liability is settled, based on tax rates (and tax laws) which have been enacted or substantively enacted at the financial positions date.

3. CASH EQUIVALENT

	2022	2021
Bank DKI	9.566.021	9.533.119
Total Cash Equivalent	<u>9.566.021</u>	<u>9.533.119</u>

Cash equivalent consist of cash in Bank DKI. The account is not being pledged as collateral for borrowings nor restricted.

4. TAXATION

	2022	2021
Current tax expense	-	-

This account represent the Corporate income tax article 29 for the year ended December 31, 2022 and 2021. The calculation of the tax are provided below:

Current Tax

Reconciliation report of net income accumulated during the development stage based on income statement and tax policy which would be ended on December 31, 2022 and 2021 were provided as follows:

	2022	2021
Net Income (Loss) before tax	32.902	(736.743)
Reconciling item:		
Time Difference		
Unrealized Gain/Loss on Forex	-	-
Permanent Difference		
Bank Charges	900.000	851.220
Taxable Income (Loss)	<u>932.902</u>	<u>114.477</u>
Taxable Income (Loss) - Rounded Down	932.000	114.000
Taxable Loss Compensation	(9.082.706.000)	(9.082.820.000)
Taxable Income (Loss) after compensation	<u>(9.081.774.000)</u>	<u>(9.082.706.000)</u>
Current tax expense	-	-

PT ISMT RESOURCES**NOTES TO FINANCIAL STATEMENTS (Continued)**

As of December 31, 2022 and for the year then ended
(Amount stated in Rupiah, unless otherwise stated)

4. TAXATION (Continued)

The calculation of current tax expense are provided below:

	2022	2021
Taxable Income (Loss) after compensation	(9.081.774.000)	(9.082.706.000)
Corporate Income Tax Rate	22,00%	22,00%
The amount of income tax payable	-	-
Installment of Tax Liabilities - Article 25	-	-
*Income tax payable under (over) payment (Tax Article 29)	-	-

5. SHAREHOLDER'S EQUITY

Based on the Circular Resolution in Lieu of General Meeting of Shareholders dated October 29, 2010 which effective on December 22, 2010, the details of share ownership as of December 31, 2022 and 2021 were as follows:

2022				
Shareholders	Number of Shares	Percentage of Ownership	Par Value (Rp)	Amount (Rp)
1. Tridem Port and Power Company Private Limited	999	99,90%	8.929.000	8.920.071.000
2. Narayan Vithal Karbhase	1	0,10%	8.929.000	8.929.000
Total	1.000	100,00%		8.929.000.000
2021				
Shareholders	Number of Shares	Percentage of Ownership	Par Value (Rp)	Amount (Rp)
1. Tridem Port and Power Company Private Limited	999	99,90%	8.929.000	8.920.071.000
2. Narayan Vithal Karbhase	1	0,10%	8.929.000	8.929.000
Total	1.000	100,00%		8.929.000.000

6. OTHER INCOME/(EXPENSES)

	2022	2021
Unrealized Gain/Loss on Forex	932.902	114.477
Bank Charges	(900.000)	(851.220)
Total Other Income (Expenses)	32.902	(736.743)

Realized Gain (Loss) on Foreign Exchange as of December 31, 2022 occurred from changes of the difference between exchange rate as at December 31, 2022 (Rp15.731) and exchange rate as at December 31, 2021 (Rp14.269). Exchange rate on statements of comprehensive income is using Bank Indonesia average middle rate in 2022 as at Rp15.000.

7. FINANCIAL STATEMENTS APPROVAL

The Entity's management has approved and responsible for the preparation of the Entity Financial Statements which was completed on March 24, 2023.