

PT COROMANDEL MINERALS RESOURCES

FINANCIAL STATEMENTS
AND

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022

PT COROMANDEL MINERALS RESOURCES

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PT. COROMANDEL MINERALS RESOURCES

STATEMENT OF THE BOARD OF DIRECTORS ABOUT RESPONSIBILITY FOR FINANCIAL STATEMENTS ON DECEMBER 31, 2022 PT COROMANDEL MINERALS RESOURCES

Jakarta, March 31, 2023

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 2022.
2. The financial statements of PT Coromandel Minerals Resources have been prepared and presented in accordance with generally accepted accounting standards in Indonesia.
3. All information in the financial statements of PT Coromandel Minerals Resources as been fully and correctly loaded.
4. The financial statements of PT. Coromandel Minerals Resources 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

LAPORAN AUDITOR INDEPENDEN

Laporan No. : 00033/2.1001/AU.1/05/0840-5/1/III/2023

Pemegang Saham, Dewan Komisaris dan Direksi
PT Coromandel Minerals Resources

Opini

Kami telah mengaudit laporan keuangan PT Coromandel Minerals Resources, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2022, serta laporan laba rugi dan penghasilan komprehensif lain, laporan perubahan ekuitas, dan laporan arus kas untuk tahun yang berakhir pada tanggal tersebut, serta catatan atas laporan keuangan, termasuk ikhtisar kebijakan akuntansi signifikan.

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan PT Coromandel Minerals Resources tanggal 31 Desember 2022, serta kinerja keuangan dan arus kas untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Basis untuk Opini

Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Tanggung jawab kami menurut standar tersebut diuraikan lebih lanjut dalam paragraf Tanggung Jawab Auditor terhadap Audit atas Laporan Keuangan pada laporan kami. Kami independen terhadap Perusahaan berdasarkan ketentuan etika yang relevan dalam audit kami atas laporan keuangan di Indonesia, dan kami telah memenuhi tanggung jawab etika lainnya berdasarkan ketentuan tersebut. Kami yakin bahwa bukti audit yang telah kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Hal Audit Utama

Hal audit utama adalah hal-hal yang menurut pertimbangan profesional kami, merupakan hal yang paling signifikan dalam audit kami atas laporan keuangan periode kini. Hal-hal tersebut disampaikan dalam konteks audit kami atas laporan keuangan secara keseluruhan, dan dalam merumuskan opini kami atas laporan keuangan terkait, kami tidak menyatakan suatu opini terpisah atas hal audit utama tersebut.

INDEPENDENT AUDITOR'S REPORT

Report No. : 00033/2.1001/AU.1/05/0840-5/1/III/2023

Shareholders, Board of Commissioner and Directors
PT Coromandel Minerals Resources

Opinion

We have audited the financial statements of PT Coromandel Minerals Resources, which comprise of the statement of financial position as at December 31, 2022, statements of profit and loss, changes in equity and 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 PT Coromandel Minerals Resources 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 carry out our audits based on the Auditing Standards set by the Indonesian Institute of Certified Public Accountants. Our responsibilities under these standards are further described in the Auditor's Responsibility for an Audit of Financial Statements paragraph in our report. We are independent of the Company based on relevant ethical requirements in our audit of financial statements in Indonesia, and we have fulfilled other ethical responsibilities under those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Perusahaan memiliki saldo total Piutang Usaha sebesar Rp.205.273.053 yang mencakup 0,95% dari jumlah aset. Kami telah memeriksa saldo Piutang Usaha dengan mengirimkan konfirmasi Piutang kepada Usaha Pihak Ketiga dan Usaha Pihak Berelasi serta memeriksa transaksi penerimaan pada tahun 2023.

Pada tanggal 31 Desember 2022 pendapatan Perusahaan diperoleh dari penjualan batubara, Perusahaan mencatat pendapatan sebesar Rp.216.732.771.572. Perusahaan mengakui pendapatan berdasarkan accrual basis pada saat terjadinya penjualan dan dibuatkan tagihannya. Beban langsung tercatat Rp.155.947.649.259 yang mencakup 71,95% dari pendapatan dan terdiri dari pembelian, pengiriman dan logistik, dan biaya survey yang diakui pada saat terjadinya. Kami mengecek kewajaran pendapatan dengan melakukan vouching ke bukti invoice tagihan. Kami memeriksa kewajaran beban langsung dengan melakukan vouching ke bukti transaksi pembayaran beban langsung.

Tanggung Jawab Manajemen dan Pihak yang Bertanggung Jawab atas Tata Kelola terhadap Laporan Keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Dalam penyusunan laporan keuangan, manajemen bertanggung jawab untuk menilai kemampuan Perusahaan dalam mempertahankan kelangsungan usahanya, mengungkapkan sesuai dengan kondisinya, hal-hal yang berkaitan dengan kelangsungan usaha, dan menggunakan basis akuntansi kelangsungan usaha, kecuali manajemen memiliki intensi untuk melikuidasi Perusahaan atau menghentikan operasi, atau tidak memiliki alternatif yang realistis selain melaksanakannya.

Pihak yang bertanggung jawab atas tata kelola bertanggung jawab untuk mengawasi proses pelaporan keuangan Perusahaan.

The company has a total balance of Trade Receivables amounting to Rp.205,273,053 which includes 0.95% of total assets. We have checked the balance of Accounts Receivable by sending confirmations of Receivables to Third Party Businesses and Related Party Businesses as well as checking acceptance transactions in 2023.

On December 31, 2022 the Company's revenue was obtained from coal sales, the Company recorded revenue of IDR 216,732,771,572. The company recognizes revenue on an accrual basis when sales are made and bills are made. Direct expenses were recorded at IDR 155,947,649,259 which accounted for 71.95% of revenue and consisted of purchasing, shipping and logistics, and survey costs which were recognized when incurred. We check the reasonableness of income by vouching to proof of invoices. We check the fairness of direct expenses by vouching to proof of direct expenses payment transactions.

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 Company or to cease operations, or has no realistic alternative but to do so.

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

Tanggung Jawab Auditor terhadap Audit atas Laporan Keuangan

Tujuan kami adalah untuk memperoleh keyakinan memadai tentang apakah laporan keuangan secara keseluruhan bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan, dan untuk menerbitkan laporan auditor yang mencakup opini kami. Keyakinan memadai merupakan suatu tingkat keyakinan tinggi, namun bukan merupakan suatu jaminan bahwa audit yang dilaksanakan berdasarkan Standar Audit akan selalu mendeteksi kesalahan penyajian material ketika hal tersebut ada. Kesalahan penyajian dapat disebabkan oleh kecurangan maupun kesalahan dan dianggap material jika, baik secara individual maupun secara agregat, dapat diekspektasikan secara wajar akan memengaruhi keputusan ekonomi yang diambil oleh pengguna berdasarkan laporan keuangan tersebut.

Sebagai bagian dari suatu audit berdasarkan Standar Audit, kami menerapkan pertimbangan profesional dan mempertahankan skeptisisme profesional selama audit. Kami juga:

- Mengidentifikasi dan menilai risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan, mendesain dan melaksanakan prosedur audit yang responsif terhadap risiko tersebut, serta memperoleh bukti audit yang cukup dan tepat untuk menyediakan basis bagi opini kami. Risiko tidak terdeteksinya kesalahan penyajian material yang disebabkan oleh kecurangan lebih tinggi dari yang disebabkan oleh kesalahan, karena kecurangan dapat melibatkan kolusi, pemalsuan, penghilangan secara sengaja, pernyataan salah, atau pengabaian pengendalian internal.
- Memperoleh suatu pemahaman tentang pengendalian internal yang relevan dengan audit untuk mendesain prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektifitasan pengendalian internal perusahaan.
- Mengevaluasi ketepatan kebijakan akuntansi yang digunakan serta kewajaran estimasi akuntansi dan pengungkapan terkait yang dibuat oleh manajemen.
- Menyimpulkan ketepatan penggunaan basis akuntansi kelangsungan usaha oleh manajemen dan, berdasarkan bukti audit yang diperoleh, apakah terdapat suatu ketidakpastian material yang terkait dengan peristiwa atau kondisi yang dapat menyebabkan keraguan signifikan atas kemampuan Perusahaan untuk mempertahankan kelangsungan usahanya. Ketika kami menyimpulkan bahwa terdapat suatu ketidakpastian material, kami diharuskan untuk menarik perhatian dalam laporan auditor kami ke pengungkapan terkait dalam laporan keuangan atau, jika pengungkapan tersebut tidak memadai harus menentukan apakah perlu untuk memodifikasi opini kami. Kesimpulan kami didasarkan pada bukti audit yang diperoleh hingga tanggal laporan auditor kami. Namun, peristiwa atau kondisi masa depan dapat menyebabkan Perusahaan tidak dapat mempertahankan kelangsungan usaha.
- Mengevaluasi penyajian, struktur, dan isi laporan keuangan secara keseluruhan, termasuk pengungkapannya, dan apakah laporan keuangan mencerminkan transaksi dan peristiwa yang mendasarinya dengan suatu cara yang mencapai penyajian wajar.

Auditor's 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 the appropriate use of the going concern basis of accounting by management and, based on the audit evidence obtained, whether there is a material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. When 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 those disclosures are inadequate, must determine whether it is necessary to modify our opinion. Our conclusions are based on the audit evidence obtained to date of our auditors' report. However, future events or conditions may cause the Company to be unable 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.*

- Memperoleh bukti audit yang cukup dan tepat terkait informasi keuangan entitas dan aktivitas bisnis dalam Perusahaan untuk menyatakan opini atas laporan keuangan Perusahaan. Kami bertanggung jawab atas arahan, supervisi, dan pelaksanaan audit perusahaan. Kami bertanggung jawab sepenuhnya atas opini audit kami.

- Obtain sufficient and appropriate audit evidence regarding the entity's financial information and business activities within the Company to express an opinion on the Company's financial statements. We are responsible for the direction, supervision and conduct of the audit of the company. We are fully responsible for our audit opinion.

Kami mengomunikasikan kepada pihak yang bertanggung jawab atas tata kelola mengenai, antara lain, ruang lingkup dan saat yang direncanakan atas audit, serta temuan audit signifikan, termasuk setiap defisiensi signifikan dalam pengendalian internal yang teridentifikasi oleh kami selama audit.

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.

Kami juga memberikan suatu pernyataan kepada pihak yang bertanggung jawab atas tata kelola bahwa kami telah mematuhi ketentuan etika yang relevan mengenai independensi, dan mengomunikasikan seluruh hubungan, serta hal-hal lain yang dianggap secara wajar berpengaruh terhadap independensi kami, dan, jika relevan, pengamanan terkait.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Dari hal-hal yang dikomunikasikan kepada pihak yang bertanggung jawab atas tata kelola, kami menentukan hal-hal tersebut yang paling signifikan dalam audit atas laporan keuangan periode kini dan oleh karenanya menjadi hal audit utama. Kami menguraikan hal audit utama dalam laporan auditor kami, kecuali peraturan perundang-undangan melarang pengungkapan publik tentang hal tersebut atau ketika, dalam kondisi yang sangat jarang terjadi, kami menentukan bahwa suatu hal tidak boleh dikomunikasikan dalam laporan kami karena konsekuensi merugikan dari mengomunikasikan hal tersebut akan diekspektasikan secara wajar melebihi manfaat kepentingan publik atas komunikasi tersebut.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**KANTOR AKUNTAN PUBLIK/REGISTERED PUBLIC ACCOUNTANT
ANGELINA YANSEN**

NIU KAP : KEP-791/KM.1/2014 / Business Licence : KEP-791/KM.1/2014



License No. 791/KM.1/2014

NIAP : AP.0840 / Public Accountant Licence No. : AP.0840

31 Maret 2023 / March 31, 2023



PT COROMANDEL MINERALS RESOURCES**BALANCE SHEET**

DECEMBER 2022 AND 2021

(Expressed in Rupiah)

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
ASSETS			
<u>CURRENT ASSETS</u>			
Cash and cash equivalents	3,2b,2c	7.323.377.023	4.793.371.239
Trade receivable		205.273.053	-
Other receivable	5a, 2d	-	7.736.627.500
Prepaid Tax		13.990.577.370	6.780.710.624
Total Current Assets		<u>21.519.227.446</u>	<u>19.310.709.363</u>
<u>INVESTMENT</u>	4,2e	171.750.000	171.750.000
<u>NON CURRENT ASSETS</u>			
Other receivable	5b, 2d	-	59.241.701.637
Other Assets	7	20.000.000	20.000.000
Total Non Current Assets		<u>20.000.000</u>	<u>59.261.701.637</u>
TOTAL ASSETS		<u>21.710.977.446</u>	<u>78.744.161.000</u>
LIABILITIES AND EQUITY			
<u>CURRENT LIABILITIES</u>			
Accounts Payable Trade	9	-	7.736.627.500
Tax payable	11	10.845.727.810	9.115.199
Others Payable	10a	1.181.512.886	15.853.432
Total current liabilities		<u>12.027.240.696</u>	<u>7.761.596.131</u>
<u>NON CURRENT LIABILITIES</u>			
Others Payable	10b	-	113.690.902.500
Post employee benefit	2i,12	737.267.000	1.311.649.411
		<u>737.267.000</u>	<u>115.002.551.911</u>
<u>EQUITY</u>			
Paid up Capital 3,000 shares, nominal Rp 942,700 per share	13	2.828.100.000	2.828.100.000
Retained earnings		6.118.369.750	(46.848.087.042)
Total Equity		<u>8.946.469.750</u>	<u>(44.019.987.042)</u>
TOTAL LIABILITIES AND EQUITY		<u>21.710.977.446</u>	<u>78.744.161.000</u>

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

PT COROMANDEL MINERALS RESOURCES
STATEMENT OF INCOME

For the years ended December 31, 2022 and 2021

(Expressed in Rupiah)

	<u>Notes</u>	<u>2022</u>	<u>2021</u>
REVENUE	2g,14	216.732.771.572	87.147.589.250
DIRECT COST	2g,15	(155.947.649.259)	(77.006.885.672)
GROSS INCOME		<u>60.785.122.313</u>	<u>10.140.703.578</u>
OPERATING EXPENSE			
General and Administrative	2g,16	(3.949.843.450)	(2.027.839.835)
INCOME (LOSS) FROM OPERATION		<u>56.835.278.863</u>	<u>8.112.863.743</u>
Other income (expenses):			
Bank Charges		(58.807.611)	(38.194.074)
Bank Interest income - net		77.926.298	28.143.815
Foreign Exchange Income (Loss)		(485.751.005)	(735.361.434)
Others		10.626.325.407	-
Total Other income (expenses):	2g	<u>10.159.693.089</u>	<u>(745.411.693)</u>
INCOME (LOSS) BEFORE INCOME TAX		<u>66.994.971.952</u>	<u>7.367.452.050</u>
Tax expenses			
Current		(14.028.515.160)	-
Deferred		-	-
NET INCOME (LOSS)		<u><u>52.966.456.792</u></u>	<u><u>7.367.452.050</u></u>

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

PT COROMANDEL MINERALS RESOURCES**STATEMENT OF CHANGE IN EQUITY**

For the years ended December 31, 2022 and 2021

(Expressed in Rupiah)

	Capital Stock Subscribed and Fully Paid	Retained Earnings/ Deficits	Total Equity
Balance December 31, 2020	2.828.100.000	(54.215.539.092)	(51.387.439.092)
Net Income (Loss) in 2021	-	7.367.452.050	7.367.452.050
Balance December 31, 2021	2.828.100.000	(46.848.087.042)	(44.019.987.042)
Net Income (Loss) in 2022	-	52.966.456.792	52.966.456.792
Balance December 31, 2022	2.828.100.000	6.118.369.750	8.946.469.750

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

PT COROMANDEL MINERALS RESOURCES
STATEMENT OF CASH FLOWS

For the years ended December 31, 2022 and 2021
(Expressed in Rupiah)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit (Loss)	52.966.456.792	7.367.452.050
<i>Adjustments to reconcile net profit (loss) to net cash</i>		
Depreciation	-	-
<i>Provided by (used in) operating activities :</i>		
Decrease (increase) in assets:		
Trade receivable	(205.273.053)	-
Other receivable	66.978.329.137	6.294.013.504,00
Prepaid tax	(7.209.866.746)	(5.407.444.624,00)
Other asset	-	941.629.066,00
Increase (decrease) in liabilities:		
Accounts payable trade	(7.736.627.500)	7.736.627.500,00
Tax payable	10.836.612.611	(3.022.193,00)
Others Payable	(112.525.243.046)	(12.409.639.068,00)
Post employee benefit	(574.382.411)	(19.098.049,00)
Net Cash provided by (used in) operating activities	<u>2.530.005.784</u>	<u>4.500.518.186</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase (decrease) in fixed assets	-	-
Net cash used in investing activities	<u>-</u>	<u>-</u>
CASH FLOWS FROM FUNDING ACTIVITIES		
Net cash provided by (used in) from funding activities	<u>-</u>	<u>-</u>
Net (decrease) increase in cash and cash equivalent	2.530.005.784	4.500.518.186
Cash and cash equivalent at beginning of the year	4.793.371.239	292.853.053,00
Cash and cash equivalent at ending of the year	<u>7.323.377.023</u>	<u>4.793.371.239</u>

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

PT COROMANDEL MINERALS RESOURCES
NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2022 and 2021

(Expressed in Rupiah)

1. GENERAL

a. The Company Establishment

PT COROMANDEL MINERALS RESOURCES (The Company) was established in Jakarta based on the notarial deed No. 03 dated January 23, 2008 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. AHU-38559.AH.01.01.2008 dated July 7, 2008.

The Company's articles of association has been amended several times, most recently amended by the notarial deed No. 4 dated May 5, 2015 of Rohana Prieta, SH, concerning articles of the Company changes of 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.01.10-08491. The latest changes of Notarial deed No. 11 dated March 31, 2022 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-AH 01.09-0002182 dated April 7, 2022. Concerning to the changes of Management composition, Activities and Address of the Company. The Company activities are, Trading in coal Export.

The Company domiciled in Epiwalk Office Suites Lt .5 Unit B.528 Komplek Rasuna Epicentrum, Jl. HR Rasuna Said South Jakarta. The Company has permanent employees amounting to 2 (two) employees respectively in 2022 and 2021,.

The Company's Board of Commissioners and Directors as of December 31, 2022 and 2021 consist of:

Commissioner	: Veppur Margabandu Mohan
President Director	: Chandrasekaran Vaidhieswaran
Director	: Tharmapuram Subramaniam Raghupatty
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.

PT COROMANDEL MINERALS RESOURCES
NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2022 and 2021

(Expressed in Rupiah)

The reporting currency used in the financial statements is Indonesia 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, 2022 and 2021, the middle rates of exchange to adjust monetary assets and liabilities as published by Indonesia tax rate are Rp 15,606 / 1USD and Rp 14,294 / 1 USD.

c. Cash and cash equivalent

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

d. 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.

e. Investment

Investment in shares of stock with ownership interest of less than 20% that do not have readily determinable fair values and are intended for long-term investment are stated at cost.

f. Fixed assets

Fixed assets is stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method based on the estimated useful life of the assets as follows:

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(Expressed in Rupiah)

Office Equipment	4 years
Survey Equipment	4 years

The cost of repairs and maintenance is charged to operations as incurred; significant renewals and betterments are capitalized. When assets are retired or otherwise disposed of, their acquisition costs and the related accumulated depreciation are removed from the accounts and any resulting gain or loss is credited or charged to current year operations.

g. Revenue and expenses

Revenue are recognized when the invoice are made. Expenses are recognized on accrual basis as of year

h. 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".

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.

i. 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.

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3. CASH AND CASH EQUIVALENT

This accounts consist of:

	<u>2022</u>	<u>2021</u>
Cash on hand	1.092.071	5.879.425
Cash in Bank:		
Bank Mandiri - IDR	2.687.542.660	445.232.335
Bank Mandiri - USD 296,984.64 and USD 303,781.97	4.634.742.292	4.342.259.479
Total Cash and Bank	<u>7.323.377.023</u>	<u>4.793.371.239</u>

4. TRADE RECEIVABLE

This accounts consist of:

	<u>2022</u>	<u>2021</u>
Gems Trading	<u>205.273.053</u>	<u>-</u>

5. INVESTMENT

This accounts consist of:

	<u>2022</u>	<u>2021</u>
PT Adcoal Energindo	<u>171.750.000</u>	<u>171.750.000</u>

6. OTHER RECEIVABLE

This accounts consist of:

	<u>2022</u>	<u>2021</u>
a. Short term condition		
PT Mitra Setia Tanah Bumbu (MSTB)	-	4.385.765.984
CV Hidup Hidayah Illahi	-	3.350.861.516
	<u>-</u>	<u>7.736.627.500</u>
b. Long term condition		
PT Mitra Setia Tanah Bumbu (MSTB)	-	44.238.941.636
CV Hidup Hidayah Illahi	-	15.002.760.001
	<u>-</u>	<u>59.241.701.637</u>

7. PREPAID TAX

This accounts consist of:

	<u>2022</u>	<u>2021</u>
Tax PPh 22 export	-	2.680.479.000
Value Added Tax - PPN	13.990.577.370	4.100.231.624
	<u>13.990.577.370</u>	<u>6.780.710.624</u>

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Years ended December 31, 2022 and 2021
(Expressed in Rupiah)

8. OTHER ASSETS

This accounts consist of:

	2022	2021
Security Deposit	20.000.000	20.000.000
	20.000.000	20.000.000

9. ACCOUNTS PAYABLE TRADE

This accounts consist of:

	2022	2021
Gems Trading PTE Ltd, Singapore	-	7.736.627.500
	-	7.736.627.500,00

10. ACCOUNTS PAYABLE OTHERS

This accounts consist of:

	2022	2021
a. Short term condition		
Provision expenses	1.178.082.886	13.893.432
other	3.430.000	1.960.000
	1.181.512.886	15.853.432
b. Long term condition		
Coromandel Minerals Resources Pte Ltd Singapore	-	113.690.902.500

11. TAX PAYABLE

This accounts consist of:

	2022	2021
Income tax article 21	21.726.650	8.077.519
Income tax article 29	10.823.861.160	
Income tax article 23	140.000	1.037.680
	10.845.727.810	9.115.199

12. LIABILITIES ON EMPLOYEE BENEFIT ESTIMATION

On December 31, 2022 the Company has implemented and recorded the estimated liability for employee benefits calculated by Public Actuary Halim and Partner report number 0848/KKA-PA-REP/RM/III/2023 dated 16 March 2023 and December 31, 2021 Calculated by management. The calculation using the "Projected Unit Credit" and the main assumptions as follows:

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(Expressed in Rupiah)

Retirement age	: 58 years
Discount Rate	: 7 % per year
Wages increase	: 5 % 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.

	2022	2021
Beginning balance	1.311.649.411	1.330.747.460
Adjustment Obligation	(1.311.649.411)	-
Present value Beginning of Period	608.529.000	-
Actuary gain /Loss	16.401.000	(31.893.432)
Current service cost	72.174.000	10.501.469
Interest expense	40.163.000	2.293.914
	737.267.000	1.311.649.411

13. CAPITAL STOCK

Based on Notarial deed No. 11 dated March 22, 2010 of Rohana Prieta, SH,, Notary in Jakarta, the composition of share holders consist of:

	2022 and 2021		
	Amount of share	Percentage of ownership	Total Subscribed (Rp)
Shareholders'			
ICL Financial Services Limited	60	2,0%	56.562.000
The India Cements Limited	2.940	98,0%	2.771.538.000
Total	3.000	100%	2.828.100.000

14. REVENUE

This account consist of sales of coal in 2022 and 2021 amounting to Rp 216,732,772.572. and Rp 87.147.589.250 respectively.

PT COROMANDEL MINERALS RESOURCES
NOTES TO FINANCIAL STATEMENTS

Years ended December 31, 2022 and 2021

(Expressed in Rupiah)

15. DIRECT COST OF REVENUE

This accounts consist of:

	<u>2022</u>	<u>2021</u>
Purchase	125.476.681.200	72.021.645.560
Shipping and Logistic	30.055.021.259	4.603.675.812
Survey charge	415.946.800	381.564.300
	<u>155.947.649.259</u>	<u>77.006.885.672</u>

16. GENERAL AND ADMINISTRATIVE EXPENSE

This accounts consist of:

	<u>2022</u>	<u>2021</u>
Amortization	-	941.629.066
Salary	753.942.850	572.540.075
Consultancy Charges	64.536.000	194.625.000
Legal and Consultant expense	-	31.475.000
Document expense	136.721.200	90.514.000
Tax expense	2.794.860.150	72.673.777
Provision post employee benefit	112.337.000	12.795.383
Others	87.446.250	111.587.534
Total	<u>3.949.843.450</u>	<u>2.027.839.835</u>

17. RESPONSIBILITY OF FINANCIAL STATEMENTS

The Company Management is responsible for preparing the financial statements as of December 31, 2022 and 2021.

PT. COROMANDEL MINERALS RESOURCES

MANAGEMENT REPRESENTATION LETTERS

Jakarta, March 31, 2023

To:

**Public Accounting Firm Angelina Yansen
Rasuna Office Park, Unit UO-01
Taman Rasuna Complex
Jl 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 Coromandel Minerals Resources for the year
ended December 31, 2022**

Dear Sir/Madam,

We provide this representation letter in connection with your audit of the Financial Statements of PT Coromandel Minerals Resources (the Company), for the year ended December 31, 2022 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 in financial reporting practices.
4. No material transactions are not properly recorded in the accounting records underlying the financial statements.

*EPIWALK Office Suite 5th Fl Unit No. B 528, Rasuna Epicentrum Complex
Jl.H.R. Rasuna Said, Kuningan, Jakarta 12940-Indonesia
Telp.(62-21) 29912058*

PT. COROMANDEL MINERALS RESOURCES

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 Coromandel Minerals Resources



Chandrasekaran Vaidhieswaran
President Director / Director