

## **PT Investasi Mandiri**

### **Financial Report for the Year Ended 31 December 2018**

#### **DIRECTORS' REPORT**

Your directors present their report on the company for the financial year ended 31 December 2018.

#### **Directors**

The names of the directors in office at any time during or since the end of the year are:

Bahing Djimat

Wira Putra

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### **Review of Operations**

The profit of the company for the financial year after providing for income tax amounted to USD\$302,766 (2017: Loss of USD\$19,172).

A review of the operations of the company during the financial year and the results of those operations shows that in 2018 the company significantly increased its mining, concentration and processing volumes. The company solely focused on processing raw materials from its own deposits, with revenue increasing from USD\$1,217,814 to USD\$4,760,828.

#### **Significant Changes in the State of Affairs**

No significant changes in the company's state of affairs occurred during the financial year.

#### **Principal Activities**

The principal activities of the company during the financial year was being the holder of a mining concession related to a mineral sands deposit located in the Central Kalimantan Province of Indonesia, with an area of 2,032 hectares. In conjunction with this, the Company operated a processing plant equipped to produce premium Zircon (65.5 grade).

No significant change in the nature of these activities occurred during the year.

#### **Events Subsequent to the End of the Reporting Period**

Apart from the matter disclosed in note 16 of the financial statements, no other matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

#### **Likely Developments and Expected Results of Operations**

Likely developments in the operations of the company and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the company.

#### **Environmental Regulation**

The company's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a state or territory.

PT Investasi Mandiri

DIRECTORS' REPORT

**Dividends**

No dividends were paid or declared during the financial year.

**Options**

No options over issued shares or interests in the company were granted during or since the end of the financial year and there were no options outstanding at the date of this report.

No shares were issued during or since the end of the year as a result of the exercise of an option over unissued shares or interests.

**Indemnification of Officers**

No indemnities have been given or insurance premiums paid, during or since the end of the financial year, for any person who is or has been an officer or auditor of the company.

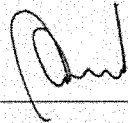
**Proceedings on Behalf of the Company**

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

This directors' report is signed in accordance with a resolution of the Board of Directors:

Director



Bahing Djimat

Dated this

23rd

day of

April

2019

PT Investasi Mandiri

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE  
YEAR ENDED 31 DECEMBER 2018

	Note	2018	2017
		\$	\$
Revenue		4,760,828	1,217,814
Cost of sales		(3,548,573)	(756,157)
Gross profit		1,212,255	461,657
Other revenue		-	30,569
Depreciation and amortisation		(60,216)	(48,246)
Finance costs		(25,915)	(11,858)
Consulting and professional expenses		(120,849)	(147,877)
Repairs and maintenance expenses		(88,861)	(57,543)
Freight and cartage expenses		(209,513)	(113,512)
Administration expenses		(159,974)	(43,243)
Commissions paid		(29,624)	(3,113)
Employee benefits expense		(43,480)	(45,098)
Compliance costs		(10,985)	(11,022)
Other expenses		(59,150)	(28,066)
Profit / (loss) before income tax	2	403,688	(17,352)
Income tax expense	3	(100,922)	(1,820)
Profit / (loss) for the year		302,766	(19,172)
Other comprehensive income / (loss)			
Other comprehensive income for the period, net of tax		-	-
Total other comprehensive income / (loss) for the year		-	-
Total comprehensive income / (loss) for the year		302,766	(19,172)

The accompanying notes form part of these financial statements.

PT Investasi Mandiri

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	23,718	9,934
Trade and other receivables	5	7,636	47,362
Inventories	6	520,713	86,295
<b>TOTAL CURRENT ASSETS</b>		<b>552,067</b>	<b>143,591</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	598,589	632,586
<b>TOTAL NON-CURRENT ASSETS</b>		<b>598,589</b>	<b>632,586</b>
<b>TOTAL ASSETS</b>		<b>1,150,656</b>	<b>776,177</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	132,447	81,675
Borrowings	10	27,487	296,719
Current tax liabilities	8	189,476	98,409
<b>TOTAL CURRENT LIABILITIES</b>		<b>349,410</b>	<b>476,803</b>
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	10	20,303	20,541
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>20,303</b>	<b>20,541</b>
<b>TOTAL LIABILITIES</b>		<b>369,713</b>	<b>497,344</b>
<b>NET ASSETS</b>		<b>780,943</b>	<b>278,833</b>
<b>EQUITY</b>			
Issued capital	11	72,490	72,490
Reserves	12	522,954	323,610
Retained earnings		185,499	(117,267)
<b>TOTAL EQUITY</b>		<b>780,943</b>	<b>278,833</b>

The accompanying notes form part of these financial statements.

PT Investasi Mandiri

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	Issued Capital (Ordinary Shares)	Retained Earnings	Foreign Exchange Reserve	Capital Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1 January 2017		72,490	(98,095)	1,937	174,076	150,408
Issue of ordinary shares		-	-	-	-	-
Profit for the year		-	(19,172)	-	-	(19,172)
Additions to reserve	12	-	-	(615)	148,212	147,597
<b>Balance at 31 December 2017</b>		<b>72,490</b>	<b>(117,267)</b>	<b>1,322</b>	<b>322,288</b>	<b>278,833</b>
<b>Balance at 1 January 2018</b>		<b>72,490</b>	<b>(117,267)</b>	<b>1,322</b>	<b>322,288</b>	<b>278,833</b>
Issue of ordinary shares		-	-	-	-	-
Profit for the year		-	302,766	-	-	302,766
Additions to reserve	12	-	-	(4,756)	204,100	199,344
<b>Balance at 31 December 2018</b>		<b>72,490</b>	<b>185,499</b>	<b>(3,434)</b>	<b>526,388</b>	<b>780,943</b>

The accompanying notes form part of these financial statements.

PT Investasi Mandiri

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 \$	2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		4,800,554	1,238,603
Payments to suppliers and employees		(4,650,229)	(1,409,877)
Interest paid		(16,768)	(9,902)
Finance costs paid		(8,959)	(1,956)
Income tax paid		(88,874)	(12,400)
Net cash provided by operating activities	15	35,724	(195,532)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sale of property, plant and equipment		1,314	-
Payments for property, plant and equipment		-	(48,569)
Net cash used in investing activities		1,314	(48,569)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from / (repayments of) borrowings		(6,321)	281,686
Repayments of finance lease		(15,317)	(2,097)
Net cash provided by (used in) financing activities		(21,638)	279,589
Net increase in cash held		15,399	5,363
Cash at beginning of financial year		9,934	4,634
Effect of movement in exchange rates on cash held		(1,615)	(63)
Cash at end of financial year	4	23,718	9,934

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PT Investasi Mandiri is a company limited by shares, incorporated and domiciled in Indonesia. The financial statements were authorised for issue on 23 April 2019 by the directors of the company.

**Basis of Preparation**

The financial statements have been prepared on a going concern basis under the historical cost convention except as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss and are in accordance with International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") and IFRIC interpretations issued by the IFRS Interpretations Committee.

The preparation of the financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The financial statements are presented in United State Dollars ("USD").

**Accounting Policies**

**a. Income Tax**

The income tax expense (income) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or are recognised directly in equity or in other comprehensive income. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

With respect to land and buildings measured at fair value, the related deferred tax liability or deferred tax asset is measured on the basis that the carrying amount of the asset will be recovered entirely through sale.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (i) a legally enforceable right of set-off exists; and (ii) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

b. **Fair Value of Assets**

The company measures some of its assets at fair value. Fair value is the price the company would receive to sell an asset in an orderly (ie unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset (ie the market with the greatest volume and level of activity for the asset) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (ie the market that maximises the receipts from the sale of the asset, after taking into account transaction costs and transport costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

c. **Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of manufactured products includes direct materials, direct labour and an appropriate proportion of variable and fixed overheads. Overheads are applied on the basis of normal operating capacity. Costs are assigned on a first-in, first-out basis.

d. **Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

**Plant and equipment**

Plant and equipment are measured on the cost basis and therefore carried at cost less accumulated depreciation and any accumulated impairment. In the event that the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised either in profit or loss or as a revaluation decrease if the impairment losses relate to a revalued asset. An assessment of recoverable amount is made when impairment indicators are present.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

**Depreciation**

The depreciable amount of all fixed assets, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the company commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Buildings	5%
Plant and equipment	20%
Motor vehicles	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised immediately in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

**e. Leases**

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset (but not the legal ownership) are transferred to the company, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

**f. Financial Instruments****Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in IFRS 15.63.

**Classification and subsequent measurement**

*Financial liabilities*

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which IFRS 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability, that is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationship).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

*Financial guarantee contracts*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair value (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance to IFRS 9.3.25.3; and
- the amount initially recognised less accumulative amount of income recognised in accordance with the revenue recognition policies.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Financial asset*

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss

on the basis of the two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset is subsequently measured at amortised cost if it meets the following conditions:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset is subsequently measured at fair value through other comprehensive income if it meets the following conditions:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the conditions of amortised cost and the fair value through other comprehensive income's measurement condition are subsequently measured at fair value through profit or loss.

The Company initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance to the documented risk management or investment strategy and information about the groupings was documented appropriately, so as the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

*Equity instruments*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investments will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Company's accounting policy.

**Derecognition**

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

*Derecognition of financial liabilities*

A liability is derecognised when it is extinguished (ie when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

*Derecognition of financial assets*

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Company no longer controls the asset (ie it has no practical ability to make unilateral decisions to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

**Impairment**

The Company recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (eg amount due from customers under construction contracts);

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Company uses the following approaches to impairment, as applicable under IFRS 9:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

*General approach*

Under the general approach, at each reporting period, the Company assessed whether the financial instruments are credit impaired, and if:

- the credit risk of the financial instrument increased significantly since initial recognition, the Company measured the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- there was no significant increase in credit risk since initial recognition, the Company measured the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

*Simplified approach*

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables or contract assets that results from transactions that are within the scope of IFRS 15: Revenue from Contracts with Customers, that contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of its customer base, appropriate groupings of its historical loss experience, etc).

*Purchased or originated credit impaired approach*

For a financial asset that is considered to be credit impaired (not on acquisition or originations), the Company measured any change in its lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- where a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- it is probable the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

*Low credit risk operational simplification approach*

If a financial asset is determined to have low credit risk at the initial reporting date, the Company assumed that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such determination that the financial asset has low credit risk, the Company applied its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a lower risk of default than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

*Recognition of expected credit losses in financial statements*

At each reporting date, the Company recognised the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

g. **Impairment of Assets**

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include considering external sources of information and internal sources of information, including dividends received from subsidiaries, associates or joint ventures deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (eg in accordance with the revaluation model in IAS 116: Property, Plant and Equipment). Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### h. Employee Benefits

##### Short-term employee benefits

Provision is made for the company's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The company's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

##### Other long-term employee benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Upon the remeasurement of obligations for other long-term employee benefits, the net change in the obligation is recognised in profit or loss as part of employee benefits expense.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The company's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

**i. Provisions**

Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured at the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**j. Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

**k. Revenue Recognition**

The Company has applied IFRS 15 using the cumulative effective method. Therefore, the comparative information has not been restated and continues to be presented under IAS 18 and IAS 11. The details of accounting policies under IAS 18 and IAS 11 are disclosed separately since they differ from those under IFRS 15. The impact of changes is immaterial.

**In the comparative period**

Revenue was measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration was deferred, it was treated as the provision of financing and was discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received was interest revenue.

Revenue from sale of goods was recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of goods and the cessation of all involvement in those goods.

Revenue from sale of goods was recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of goods and the cessation of all involvement in those goods.

**l. Trade and Other Receivables**

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(g) for further discussion on the determination of impairment losses.

**m. Trade and Other Payables**

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

n. **Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

o. **Comparative Figures**

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

p. **Foreign Currency Transactions and Balances**

**Functional and presentation currency**

The functional currency is measured using the currency of the primary economic environment in which the company operates. The financial statements are presented in US dollars, which is the entity's functional and presentation currency.

**Transactions and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the underlying gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in profit or loss.

q. **Critical Accounting Estimates and Judgements**

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the company.

**Key estimates**

(i) *Impairment – general*

The company assesses impairment at the end of each reporting period by evaluating the conditions and events specific to the company that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

r. **New and Amended Accounting Policies Adopted by the Company**

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*IFRS 9 Financial Instruments*

The Company has adopted IFRS 9 from 1 January 2018 on a modified retrospective basis. The standard introduced new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows which arise on specified dates and that are solely principal and interest. A debt investment shall be measured at fair value through other comprehensive income if it is held within a business model whose objective is to both hold assets in order to collect contractual cash flows which arise on specified dates that are solely principal and interest as well as selling the asset on the basis of its fair value. All other financial assets are classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading or contingent consideration recognised in a business combination) in other comprehensive income ('OCI'). Despite these requirements, a financial asset may be irrevocably designated as measured at fair value through profit or loss to reduce the effect of, or eliminate, an accounting mismatch. For financial liabilities designated at fair value through profit or loss, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available.

*IFRS 15 Revenue from Contracts with Customers*

The Company has adopted IFRS 15 from 1 January 2018 on a modified retrospective approach. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a deferred maintenance revenue, work in progress, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company during the financial year ended 31 December 2018.

**i. New Accounting Standards for Application in Future Periods**

The IASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods, some of which are relevant to the Company. The directors have decided not to early adopt any of the new and amended pronouncements. Their assessment of the pronouncements that are relevant to the Company but applicable in future reporting periods is set out below:

- IFRS 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

When effective, this Standard will replace the current accounting requirements applicable to leases in IAS 117: Leases and related Interpretations. IFRS 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with IAS 16: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of IFRS 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with IAS 8 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Based on a preliminary assessment performed over each line of business and product type, the effect of IFRS 16 is not expected to have a material effect on the Company. It is impracticable at this stage to provide a reasonable estimate of such impact.

PT Investasi Mandiri

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
NOTE 2: PROFIT / (LOSS) FOR THE YEAR

	2018	2017
	\$	\$
a. Expenses		
Depreciation of property, plant and equipment	60,216	48,246
Employee benefits expense	43,480	45,098
	<u>103,696</u>	<u>93,344</u>
b. Revenue and Other Income		
Sale of goods	4,760,828	981,630
Processing fee income	-	236,184
	<u>4,760,828</u>	<u>1,217,814</u>

NOTE 3: INCOME TAX EXPENSE

	2018	2017
	\$	\$
Income tax expense	<u>100,922</u>	<u>1,820</u>

NOTE 4: CASH AND CASH EQUIVALENTS

	2018	2017
	\$	\$
Cash at bank	<u>23,718</u>	<u>9,934</u>

NOTE 5: TRADE AND OTHER RECEIVABLES

	2018	2017
	\$	\$
CURRENT		
Trade receivables	-	43,922
Other receivables	7,636	3,440
	<u>7,636</u>	<u>47,362</u>

NOTE 6: INVENTORIES

	2018	2017
	\$	\$
CURRENT		
Raw materials and stores at cost	301,525	36,497
Finished goods at cost	219,188	49,798
	<u>520,713</u>	<u>86,295</u>

PT Investasi Mandiri

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 7: PROPERTY, PLANT AND EQUIPMENT

	2018	2017
	\$	\$
<b>Land and Buildings</b>		
Freehold land at:		
— Land at cost	43,851	45,025
Total land	43,851	45,025
Buildings at:		
— Buildings at cost	533,371	539,043
— Buildings accumulated depreciation	(80,005)	(53,904)
Total buildings	453,366	485,139
Total land and buildings	497,217	530,164
<b>Plant and Equipment</b>		
Plant and equipment at cost	80,276	85,805
Accumulated depreciation	(41,996)	(27,727)
Total plant and equipment	38,280	58,078
<b>Motor Vehicles</b>		
Motor vehicles at cost	83,578	48,199
Accumulated depreciation	(20,486)	(3,855)
Total motor vehicles	63,092	44,344
Total property, plant and equipment	598,589	632,586

NOTE 8: TAX

	2018	2017
	\$	\$
<b>Liabilities</b>		
<b>CURRENT</b>		
Income tax	189,476	98,409



PT Investasi Mandiri

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 9: TRADE AND OTHER PAYABLES

	2018	2017
	\$	\$
CURRENT		
Sundry payables and accrued expenses	132,447	81,675

NOTE 10: BORROWINGS

	Note	2018	2017
		\$	\$
CURRENT			
Borrowings from PT Investasi Mandiri Interzircon		-	281,686
Lease liability	13	27,487	15,033
Total current borrowings		27,487	296,719
NON-CURRENT			
Lease liability		20,303	20,541
Total non-current borrowings		20,303	20,541
Total borrowings		47,790	317,260

The amounts owing to PT Investasi Mandiri Interzircon relates to a credit line agreement executed on 31 December 2015. As per the agreement, PT Investasi Mandiri Interzircon provides a credit facility (credit limit of US\$15,000,000 over a 12-month period) on the basis that it is entitled to PT Investasi Mandiri's client accounts receivable. Based on this agreement, PT Investasi Mandiri Interzircon assumes 100% of the credit risk and has no recourse on PT Investasi Mandiri once the right to the account receivable has been transferred. PT Investasi Mandiri Interzircon charges a 0.65% factoring commission and 5% p.a. interest rate paid monthly calculated on the average monthly balance drawn down.

The lease liability relates to finance leases on four motor vehicles. Three of the leases were entered into on 2 August 2018, 11 September 2017 and 16 January 2018, each of which for a lease term of 36 months and an attached interest rate of 21.02%, 15.99% and 19.25% respectively. The fourth lease was entered into on 5 May 2017 for a lease term of 48 months and an attached interest rate of 9.66%.

NOTE 11: ISSUED CAPITAL

	2018	2017
	\$	\$
10,000 (2017: 10,000) fully paid ordinary shares	72,490	72,490

Ordinary shares participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called; otherwise each shareholder has one vote on a show of hands.



PT Investasi Mandiri

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 12: RESERVES

	2018	2017
	\$	\$
Foreign exchange reserve	(3,434)	1,322
Capital reserve	526,388	322,288
	<u>522,954</u>	<u>323,610</u>

The capital contribution reserve was created during the financial year following the execution of a deed of release whereby the shareholders of the company agreed to unconditionally and irrevocably release the company from its obligation to repay the sum of USD\$272,134 from the current sum outstanding under the shareholder loans.

The capital contribution reserve is distributable in future periods, subject to the provisions of the local reporting jurisdictions.

NOTE 13: CAPITAL AND LEASING COMMITMENTS

	Note	2018	2017
		\$	\$
<b>a. Finance Lease and Hire Purchase Commitments</b>			
Payable – minimum lease payments:			
– not later than 12 months		27,487	15,033
– between 12 months and five years		20,303	20,541
Present value of minimum lease payments	10	<u>47,790</u>	<u>35,574</u>
<b>b. Operating Lease Commitments</b>			
Non-cancellable operating leases contracted for but not recognised in the financial statements:			
Payable – minimum lease payments:			
– not later than 12 months		1,726	1,845
		<u>1,726</u>	<u>1,845</u>

NOTE 14: CONTINGENT LIABILITIES

The company has no contingent liabilities for the year ended 31 December 2018 (2017: Nil).

PT Investasi Mandiri

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

NOTE 15: CASH FLOW INFORMATION

	2018	2017
	\$	\$
<b>Reconciliation of Cash Flows from Operating Activities with Profit / (Loss) after Income Tax</b>		
Profit / (loss) after income tax	302,766	(19,172)
Non-cash flows in profit:		
– Depreciation	60,216	48,246
– foreign exchange	(6,371)	(552)
Changes in assets and liabilities:		
– decrease / (increase) in trade and other receivables	39,726	(9,780)
– increase in inventories	(434,418)	(86,295)
– increase / (decrease) in trade and other payables	50,722	(128,421)
– increase / (decrease) in current tax liability	23,033	(422)
	<u>35,724</u>	<u>(195,532)</u>

NOTE 16: SUBSEQUENT EVENTS

Effective 24 January 2019, the company entered into an exclusive operation and management agreement with PT Andary Usaha Makmur (a limited liability company in a legal form of PMA incorporated under the laws of Indonesia). As per the terms of the agreement, the company has engaged PT Andary Usaha Makmur as the exclusive operation and management services provider. In doing so, the existing shareholders of the company pledged their shares to PT Andary Usaha Makmur effective 24 January 2019. PT Andary Usaha Makmur commits to invest in the company up to USD\$15,000,000 over a period of 10 years (for the purpose of mining equipment, other capital expenditure, exploration and geology studies, operational and administrative best practices and management and other consulting services). In return for such services the company is required to pay a service fee to PT Andary Usaha Makmur equal to 95% of its net profit per annum throughout the operation and management period.

NOTE 17: COMPANY DETAILS

The registered office of the company is:

Jl. Taurus I No, 243 Menteng Jekan  
Raya Palangka Raya Kalimantan  
Tengah Indonesia

The principal place of business is:

Jalan Fery Penyeberangan Desa Tumbang Empas Kecamatan  
Mihing Raya Kabupaten Gunung Mas Kalimantan  
Tengah Indonesia

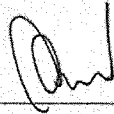
PT Investasi Mandiri

DIRECTORS' DECLARATION

In accordance with a resolution of the directors of PT Investasi Mandiri, the Directors of the company declare that:

1. The financial statements and notes, as set out on pages 3 to 24, are:
  - a. in compliance with International Financial Reporting Standards; and
  - b. give a true and fair view of the company's financial position as at 31 December 2018 and of its performance for the year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Director



Bahing Djimat

Dated this

23<sup>rd</sup>

day of

April

2019

## PT. INVESTASI MANDIRI

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PT. INVESTASI MANDIRI

#### SYDNEY

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia

Ph: (612) 9263 2600  
Fx: (612) 9263 2800

#### Report on the Financial Report

##### Qualified Opinion

We have audited the accompanying financial report of PT. Investasi Mandiri ("the Company") which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report:

- a. the accompanying financial report of PT. Investasi Mandiri is giving a true and fair view of the Company's financial position as at 31 December 2018 and of its financial performance for the year then ended; and
- b. the financial report complies with International Financial Reporting Standards.

##### Basis for Qualified Opinion

###### *Inventories*

We were appointed as auditors of the Company on 26 February 2019 and thus did not observe the counting of the physical inventories as at 31 December 2018. We were unable to obtain sufficient appropriate audit evidence by alternative means in relation to the inventory balances as at 31 December 2018. Our audit opinion on the financial report for the year ended 31 December 2018 was modified accordingly.

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110: *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2018. The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 31 December 2018 but does not include the financial report and our auditor's report thereon. Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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PT. INVESTASI MANDIRI

**INDEPENDENT AUDITOR'S REPORT TO  
THE MEMBERS OF PT. INVESTASI MANDIRI**

**Responsibilities of the Directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with International Financial Reporting Standards and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

**Auditor's Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is 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 the Australian Auditing Standards 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, 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 the directors.
- Conclude on the appropriateness of the directors' 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 report 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 report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT TO  
THE MEMBERS OF PT. INVESTASI MANDIRI**

We communicate with the directors 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.

We also provide the directors 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.



HALL CHADWICK  
Level 40, 2 Park Street  
Sydney NSW 2000



**DREW TOWNSEND**

Partner

Dated: 23 April 2019