

FINANCIAL STATEMENTS OF  
**PT ION EXCHANGE ASIA PACIFIC**  
FOR THE YEAR ENDED MARCH 31, 2019  
AND  
INDEPENDENT AUDITOR'S REPORT

## Table of Contents

	Page
Board of Director's Statement	
Independent Auditor's Report.....	i
Statements of financial position.....	1
Statements of Income.....	2
Statement of Changes in Equity.....	3
Statement of Cash Flows.....	4
Notes to Financial Statements .....	5

## Independent Auditor's Report

To.

The Shareholders, Board of Commissioners, and Board of Directors of  
PT ION EXCHANGE ASIA PACIFIC

We have audited the accompanying balance sheets of PT ION EXCHANGE ASIA PACIFIC ("the company") for the year ended March 31, 2019 and the related statement of income, changes in equity and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statement based on our audits.

We conducted our audits in accordance with auditing standards established by the Indonesian Institute of Certified Public Accountants. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statement are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respect, the financial position of PT ION EXCHANGE ASIA PACIFIC as at March 31, 2019 and the results of their operations and their cash flows for the year then ended, in conformity with financial accounting standards generally accepted in Indonesia.

Kantor Akuntan Publik Drs. ADENAN



Drs. Adenan, CPA

Licence of Public Accountant No : AP.0073

Jakarta, May 17, 2019

Number : 06.05/PU/KAPA/2019

**PT ION EXCHANGE ASIA PACIFIC**  
**BALANCE SHEETS**  
FOR THE YEAR ENDED MARCH 31, 2019  
( IDR )

	Notes	March 31, 2019	March 31, 2018
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	3	589.689.759	1.092.201.085
Account Receivables	4	133.127.500	0
Trade & Other receivables	5	619.160.956	982.684.850
Amount Receivable / Parent Company	6	414.627.500	2.063.550.000
Prepayments	7	165.000.000	49.582.350
Prepaid Tax	8	68.922.607	3.290.231
Inventory	9	658.843.623	0
Total Current Assets		<u>2.649.371.945</u>	<u>4.191.308.515</u>
<b>Fixed Assets</b>			
Fixed Assets	10	64.894.937	0
<b>TOTAL ASSETS</b>		<b><u>2.714.266.882</u></b>	<b><u>4.191.308.515</u></b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade payable	11	607.814.555	24.050.031
Payables to Staff	12	113.225.450	0
Payable to Holdings Company	13	0	685.820.000
Others Payable - Accruals	14	0	578.426.557
Others Payable - Advance Received	15	525.484	790.530.850
Tax Payable	16	45.000	6.116.384
Total Current Liabilities		<u>721.610.489</u>	<u>2.084.943.822</u>
<b>Equity</b>			
Capital Stock	17	2.063.550.000	2.063.550.000
Additional Paid in Capital		436.450.000	0
Retained Earnings		42.814.693	0
Current Earnings		(550.158.300)	42.814.693
Total Equity		<u>1.992.656.393</u>	<u>2.106.364.693</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>2.714.266.882</u></b>	<b><u>4.191.308.515</u></b>

The accompanying notes form an integral part of the financial statements

**PT ION EXCHANGE ASIA PACIFIC**  
**STATEMENTS OF INCOME**  
FOR THE YEAR ENDED MARCH 31, 2019  
*( IDR )*

	<b>Notes</b>	March 31, 2019	March 31, 2018
<b>INCOME</b>			
Sales	18	6.280.655.247	3.047.827.541
Net Sales		<u>6.280.655.247</u>	<u>3.047.827.541</u>
<b>COST OF SALES</b>			
	19	4.110.708.051	1.600.279.001
Gross Profit		<u>2.169.947.196</u>	<u>1.447.548.540</u>
<b>OPERATING EXPENSES</b>			
	20		
Pre-operating Expenses		0	390.092.107
Personnel Expenses		840.170.704	391.931.650
Administrative Expenses		1.159.504.117	336417534
Selling and Distribution Expenses		761.206.126	293167368
Depreciation		9.004.063	0
Total Operating Expenses		<u>2.769.885.010</u>	<u>1.411.608.659</u>
Profit from Operation		<u>(599.937.814)</u>	<u>35.939.881</u>
<b>OTHER INCOME (EXPENSES)</b>			
Other Income	21	65.308.966	16.191.641
Other Expense	22	15.529.452	3.200.445
Total Other Income (Expenses)		<u>49.779.514</u>	<u>12.991.196</u>
<b>PROFIT BEFORE TAX</b>		<u>(550.158.300)</u>	<u>48.931.077</u>
<b>COMPANY INCOME TAX</b>			
Current Tax		0	6.116.384
Total Company Income Tax		<u>0</u>	<u>6.116.384</u>
<b>PROFIT AFTER TAX</b>		<u><b>(550.158.300)</b></u>	<u><b>42.814.693</b></u>

The accompanying notes form an integral part of the financial statements

**PT ION EXCHANGE ASIA PACIFIC**  
 Statements of Changes In Equity  
 FOR THE YEAR ENDED MARCH 31, 2019  
 ( IDR )

DESCRIPTION	Capital Stock	Retained Earning	Total
<b>Balance as of March 31, 2017</b>	<b>2.063.550.000</b>		<b>2.063.550.000</b>
comprehensif Income (loss)		42.814.693	42.814.693
<b>Balance as of March 31, 2018</b>	<b>2.063.550.000</b>	<b>42.814.693</b>	<b>2.106.364.693</b>
comprehensif Income (loss)		(550.158.300)	<b>(550.158.300)</b>
Additional Capital	436.450.000		<b>436.450.000</b>
<b>Balance as of March 31, 2019</b>	<b>2.500.000.000</b>	<b>(507.343.607)</b>	<b>1.992.656.393</b>

*See the accompanying notes to the financial statements  
 which form an integral part of these financial statements*

**PT ION EXCHANGE ASIA PACIFIC**  
 Statements of Cash flows  
 FOR THE YEAR ENDED MARCH 31, 2019  
 ( IDR )

<b>Description</b>	March 31, 2019	March 31, 2018
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Net Income	(550.158.300)	42.814.693
<i>Increase/Decrease :</i>		
Decrease (increase) in Account Receivables	(133.127.500)	0
Decrease (increase) in Trade & Other receivables	363.523.894	(982.684.850)
Decrease (increase) in Amount Receivable / Parent Company	1.648.922.500	(2.063.550.000)
Decrease (increase) in Prepayments	(115.417.650)	(49.582.350)
Decrease (increase) in Prepaid Tax	(65.632.376)	(3.290.231)
Decrease (increase) in Inventory	(658.843.623)	0
Decrease (increase) in Fixed Assets	(64.894.937)	0
Increase (Decrease) in Trade payable	583.764.524	2.078.827.438
Increase (Decrease) in Staff payables	113.225.450	0
Increase (Decrease) in Holdings Company	(685.820.000)	0
Increase (Decrease) in Other Payable - Accruals	(578.426.557)	0
Increase (Decrease) in Other Payable - Advance Receive	(790.005.366)	0
Increase (Decrease) in Tax Payable	(6.071.384)	6.116.385
Total of adjustment	(388.803.026)	(1.014.163.608)
<i>Net cash flows from operating activities</i>	(938.961.326)	(971.348.915)
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Acquisition of Fixed Assets	0	0
Additional Paid in Capital	436.450.000	2.063.550.000
Retained Earning		
<i>Net cash flows from investing activities</i>	436.450.000	2.063.550.000
<i>Net (increase) decrease in cash</i>	<b>(502.511.326)</b>	<b>1.092.201.085</b>
<i>Cash and banks at beginning period</i>	<b>1.092.201.085</b>	<b>0</b>
<i>Cash and banks at ending period</i>	<b>589.689.759</b>	<b>1.092.201.085</b>

*See the accompanying notes to the financial statements  
 which form an integral part of these financial statements*

**PT ION EXCHANGE ASIA PACIFIC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
*(IDR)*

---

**1. General**

PT. Ion Exchange Asia Pasific (the Company) was established under the framework of Foreign Capital Investment Law No. 1 year 1967 Jo Law No.11 year 1970, based on the Company registered letter of Investment no. 02275/1/PPM/PMA/ 2010, dated 29 October 2010 issued by Capital Investment Coordinating Board and notarial deed No. 03 dated December 02, 2010 of Nurleli,SH, Sp N notary in Tangerang and has been amended several times and last amandment is deed No. 05 dated 06 February 2017 of Nurleli, SH, Sp N notary in Tangerang, regarding the change of shareholders composition and Board of Directors.

The Company engages in import water treatment plant and supply its chemical. The Company starts commercially in August 2017. Currently, the Company is located at Komplek Perkantoran Pulomas Satu, Gedung V Lantai 1 Ruang 06, Jl. Ahmad Yani No. 2, Kayu Putih, Pulogadung 13210, Jakarta

For the year ended March 31, 2019 , the composition of the Company's Board of Commissioners and Board of Directors are as follows:

President Commissioners	:	Mr. Aankur Patni
Commissioners	:	Mr. Anil Manocha
President Director	:	Mr. Yogesh Waman Purandare
Director	:	Mr. Jitendra Padmakar Pathare
Director	:	Mr. Nandkumar Manohar Ranadive
Director	:	Mr. Jose Rizal

**2. Summary of Significant Accounting Policies**

a. Basis of Accounting

The company's financial statements have been prepared in accordance with generally accepted accounting principles and practices in Indonesia, which are Statement of Financial Accounting Standards ("PSAK"). Such financial statements are presented on the historical cost concept. The statements of cash flow are prepared using the indirect method.

b. Basis of Recording

All recording income and expenses are recorded based on accrual basis.

c. Account Trade Receivables

Transactions classified as account trade receivables is transactions which are derived from sales of the company's products to customers with a credit term based on agreement between the company and the buyers.

d. Foreign Currency Transactions and Balances

The books of accounts of the company are maintained in Indonesian rupiah. Transactions during the year involving foreign currencies are recorded at the rates of exchanges prevailing at the time that transactions are made. At balance sheet date, monetary assets and liabilities denominated in foreign currencies are adjusted to reflect the rate of exchanges prevailing at that date. The resulting gains of losses are charged to current year operations.

The Company uses the exchange rate using the tax rates US\$ 1 = Rp. 14.244 on March 31, 2019.



**PT ION EXCHANGE ASIA PACIFIC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
*(IDR)*

---

e. Fixed Assets

Fixed assets (other than land) are measured using the cost model i.e. initially measured at cost and subsequently net of accumulated depreciation and impairment losses. Depreciation is computed using the straight-line method over the following estimated useful lives of the assets:

Group	Percentage (%)
Land	0
Building/Plant	5
Tools and Equipment	25
Forklift	25
Motor Vehicles	25
Office Equipment	12,5
Machinery and Equipments	6,25

f. Revenue and Expenses Recognition

Revenue from sales is generally recorded when the products are delivered to the customers, while export sales recorded when the products have been shipped. The expenses are charged as incurred (accrual basis).

g. Income Tax

Current tax expense is determined based on the taxable income for the year computed using prevailing tax rates. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for deductible temporary differences to the extent that it is probable that taxable income will be available in future periods against which the deductible temporary differences can be utilized.

Deferred tax is calculated at the rates that have been enacted or substantively enacted as of the balance sheet date. Deferred tax is charged or credited in the statements of income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also charged or credited directly to equity. Deferred tax assets and liabilities are offset in the balance sheets in the same manner the current tax assets and liabilities are presented.

h. Post-Employment Recognition

The company has not calculated the reward payable for work's employee (benefit of pension) based on the Statement of Financial Accounting Standard (PSAK) No. 24 (revision 2004) about Post-Employment Recognition that adopted from government regulation (UU) No. 13 of 2003 about the "Labor Law" . It's consisting of worker relationship, hired relationship worker and wages.

i. Allowance for Doubtful Accounts

The Company does not provide allowance for doubtful accounts, in the event of loss of receivables charged to profit / loss for the year.

**PT ION EXCHANGE ASIA PACIFIC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED MARCH 31, 2019  
*(IDR)*

**3. Cash and Cash Equivalent**

	2019	2018
Cash on hand	3.990.100	19.494
United Overseas Bank - IDR	497.135.844	1.088.178.394
United Overseas Bank - USD	88.563.815	4.003.197
<b>Total Cash and Cash Equivalent</b>	<b>589.689.759</b>	<b>1.092.201.085</b>

**4. Account Receivables**

	2019	2018
PT Juara Bangun Persada	133.127.500	0
<b>Total Account Receivables</b>	<b>133.127.500</b>	<b>0</b>

**5. Trade & Other receivables**

	2019	2018
PT Ion Exchange (Indonesia)	0	35.980.800
PT Reckat Composites Delmima	0	126.336.100
PT Kutai Prima Sejahtera - Suspense A/c	129.000.000	634.500.000
Guddi Plastcon Pvt Ltd	0	4.819.150
Yogesh Purandare	12.600.000	7.150.000
Abhijit Shindad - Adv	153.316.872	136.013.100
Rajeev Nambiar	0	36.000.000
Alfonsus Tadon Bethan	23.400.000	1.885.700
Miftah	750.000	0
Irawati	270.000	0
Lydia Saron Iskandar	14.009.210	0
Ion Exchange Asia Pacific Pte Ltd - Advance	143.582.861	0
Masyudi	28.350.000	0
PT Traytek Teknik Mandiri	41.925.059	0
PT Djasa Sumatera	58.844.000	0
David Printing	7.500.000	0
Dacotrans India Pvt, Ltd	5.612.954	0
<b>Total Trade &amp; Other Receivables</b>	<b>619.160.956</b>	<b>982.684.850</b>

**6. Amount Receivable / Parent Company**

	2019	2018
Amount Receivables from Parent Company	414.627.500	1.960.372.500
Amount Receivables from Jose Rizal	0	103.177.500
<b>Total Amount Receivable / Parent Company</b>	<b>414.627.500</b>	<b>2.063.550.000</b>

**PT ION EXCHANGE ASIA PACIFIC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2019**  
*(IDR)*

**7. Prepayments**

	2019	2018
Security Deposit	30.000.000	0
Prepaid Expenses	135.000.000	49.582.350
<b>Total Prepayments</b>	<b>165.000.000</b>	<b>49.582.350</b>

**8. Prepaid Tax**

	2019	2018
Prepaid Tax	67.208.097	3.290.231
Prepaid PPN Masukan	1.714.510	0
<b>Total Prepaid Tax</b>	<b>68.922.607</b>	<b>3.290.231</b>

**9. Inventory**

	2019	2018
WIP	131.124.955	0
Closing Stock	527.718.668	0
<b>Total Inventory</b>	<b>658.843.623</b>	<b>0</b>

**10. Fixed Assets**

	2019	2018
Computers	30.199.000	0
Office Equipment	21.000.000	0
Furniture & Fixtures	22.700.000	0
Accumulate Depreciation	(9.004.063)	0
<b>Total Fixed Assets</b>	<b>64.894.937</b>	<b>0</b>

**11. Trade payable**

	2019	2018
PT TNT Skypak International Express	0	8.640.031
PT Trisakthi Jaya Globalindo	0	15.410.000
CV Andalan Konsultindo	10.000.000	0
PT Triputra Tunggal Mandiri	37.500.000	0
PT Swantech Tritunggal Jaya Abadi	14.094.000	0
Nukman	5.237.610	0
PT Kimbratas	48.722.005	0
Ion Exchange (India) Ltd	486.590.940	0
PT Samudera Sarana Logistik	4.860.000	0
PT Dwiwahana Prathivi	810.000	0
<b>Total Trade payable</b>	<b>607.814.555</b>	<b>24.050.031</b>

**PT ION EXCHANGE ASIA PACIFIC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED MARCH 31, 2019  
*(IDR)*

**12. Payables to Staff**

	2019	2018
Riscandra Jujung S - Adv	69.599.698	0
Ahmed Muhajir	4.337.000	0
Hermin Sabtiani - Adv	37.500.014	0
Yonef Rizal	1.288.738	0
Payable to Jose Rizal	500.000	0
<b>Total Payables to Staff</b>	<b>113.225.450</b>	<b>0</b>

**13. Payable to Holdings Company**

	2019	2018
Ion Exchange Asia Pacific Pte Ltd	0	685.820.000
<b>Total Payable to Holdings Company</b>	<b>0</b>	<b>685.820.000</b>

**14. Others Payable - Accruals**

	2019	2018
Liability Provision	0	568.834.000
Provision for expenses	0	9.592.557
<b>Total Others Payable - Accruals</b>	<b>0</b>	<b>578.426.557</b>

**15. Others Payable - Advance Received**

	2019	2018
Ion Exchange Asia Pacific Pte Ltd	0	790.530.850
ISGEC Heavy Engineering Ltd	525.484	0
<b>Total Others Payable - Advance Received</b>	<b>525.484</b>	<b>790.530.850</b>

**16. Tax Payable**

	2019	2018
Payable to PPh 23	45.000	0
Payable to Corporate tax return	0	6.116.384
<b>Total Tax Payable</b>	<b>45.000</b>	<b>6.116.384</b>

**PT ION EXCHANGE ASIA PACIFIC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED MARCH 31, 2019  
*(IDR)*

**17. Share Capital**

The Company's authorized share capital amounts to Rp. 2.063.550.000, 500 shares at March 31, 2019 by the following shareholders :

Shareholders	March 31, 2019		Paid- in capital Par value
	Authorized and issued capital		
	Number of shares	%	IDR
Ion Exchange Asia Pasific Pte. Ltd	475	95%	1.960.372.500
Mr. Jose Rizal	25	5%	103.177.500
	500	100%	2.063.550.000

**18. Sales**

	2019	2018
Sales Engineering	5.417.927.540	3.047.827.541
Chemical	688.425.773	0
Resin	175.041.700	0
Sales Discount	(739.766)	0
	<b>6.280.655.247</b>	<b>3.047.827.541</b>

**19. Cost of Sales**

	2019	2018
<b>Add: Purchases:</b>		
Cost of Sales - Chemical	417.307.750	1.600.279.001
Cost of Sales - Resin	148.676.624	0
Cost of Sales - Engineering	3.912.467.198	0
Cost of Sales - Purchase Discount	(2.171.800)	0
<b>Less: Closing Stock</b>		
Closing Stock - Membrane	(495.192.366)	0
Closing Stock - Engineering	(32.526.302)	0
<b>Add: Direct Cost</b>		
Direct Cost - Import Duty	50.457.000	0
Direct Cost - Custom Clearance & D/O charges	110.189.948	0
Direct Cost - Freight in	1.500.000	0
	<b>4.110.708.051</b>	<b>1.600.279.001</b>

**PT ION EXCHANGE ASIA PACIFIC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED MARCH 31, 2019  
*(IDR)*

**20. Operating Expenses**

	2019	2018
<b>Pre-operating Expenses</b>	<b>0</b>	<b>390.092.107</b>
<b>Personnel Expenses</b>	<b>840.170.704</b>	<b>391.931.650</b>
<b>Administration Expense</b>		
Rent Flat	21.096.190	27.306.500
Rent Office	89.885.600	82.637.250
Electricity	15.321.814	9.518.721
Insurance	60.993.548	2.984.600
General Expenses	7.896.823	115.357.350
Office Expenses	79.276.608	2.496.850
Books & Periodicals	1.079.000	600.000
Courier Charges	21.843.104	11.957.598
Parking Fee	5.890.100	3.821.500
Photocopy Expenses	10.399.598	9.561.973
Water Charges	2.554.500	1.537.000
Audit Fees	35.000.000	0
Professional Fees	154.270.410	40.000.000
Service Charges	0	228.126
Subscription Fees	34.545.455	0
Printing and Stationery	14.389.348	7.650.000
Warehouse Charges	258.499.750	1.200.000
Repair and Maintenance - Warehouse	108.421.200	1.000.000
Telephone and Mobile Expenses	32.706.269	18.560.066
Freight Outward	47.670.800	0
PPN & PPh Loss on Import Consignment	105.599.000	0
Project Overhead Cost - Black & Veatch	20.115.000	0
Project Overhead Cost - PT Chikrang	13.050.000	0
Project Overhead - Pt Barata	19.000.000	0
	<b>1.159.504.117</b>	<b>336.417.534</b>
<b>Selling Expense</b>		
Car Hire	59.330.000	79.338.000
Car Allowance	84.000.000	35.000.000
Vehicle Running Expenses	36.080.418	13.491.000
Foreign Travel - Air Fare	76.923.475	53.854.936
Foreign Travel - Hotel and Lodging	45.541.003	0
Foreign Travel - Conveyance	5.915.094	0
Local Travel - Air Fare	58.106.037	28.138.107
Local Travel - Hotel and Lodging	42.488.020	6.177.355
Local Travel - Other Expenses	46.544.704	0
Local Travel - Daily Allowance	7.625.000	16.856.500
Local Travel - Conveyance	34.805.343	10.311.770
Local Food Expenses	20.472.931	0
Visa Expenses	77.719.500	49.999.700
Entertainment - Client & Guest	480.900	0
Commission	18.000.000	0
Marketing / Business Development Fees	142.173.700	0
Sponsorship Fees	5.000.000	0
	<b>761.206.126</b>	<b>293.167.368</b>

**PT ION EXCHANGE ASIA PACIFIC**  
**NOTES TO THE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED MARCH 31, 2019  
*(IDR)*

**Depreciation**

Depreciation - Furniture and Fixture	502.717	0
Depreciation - Office Equipments	2.134.521	0
Depreciation - Computers	6.366.825	0
	<b>9.004.063</b>	<b>0</b>

**TOTAL EXPENSES**

	<b>2.769.885.010</b>	<b>1.411.608.659</b>
--	----------------------	----------------------

**21. OTHERS INCOME**

	2019	2018
Bank Interest Income	15.877.045	16.191.641
Ohter Income	6.618	0
Difference in Exchange (Gain)	49.425.303	0
	<b>65.308.966</b>	<b>16.191.641</b>

**22. OTHERS EXPENSES**

	2019	2018
Bank Charges	15.169.452	2.976.300
Stamp Duty	360.000	45.000
Difference in Exchange (Loss)	0	179.145
	<b>15.529.452</b>	<b>3.200.445</b>

**23. Transaction After Balance Sheet Date**

The Management of the company stated, that no material transaction after balance sheet date that has significant effect to financial statement for the year ended March 31, 2019

**24. Completion of Financial Statement**

The management of the company is responsible for the preparation of the financial statement which were completed on April 05, 2019.